

An aerial photograph of a multi-lane highway winding through a dense, green forest. The road curves through the landscape, leading towards a range of mountains in the distance under a soft, hazy sky. The overall scene is lush and natural.

# Drive to Zero

2022 Sustainability Report

**Parkland**

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# Highlights

## Driving forward to deliver on our promises.

We are proud to share our progress on our sustainability journey. Sustainability is deeply embedded across our business and a broad set of environmental, social and governance (ESG) considerations go into all our business decisions. Parkland achieved several milestones in 2022 as part of our commitment to our customers, shareholders, employees, and partners as we make a positive contribution to global sustainability.

### People:

**8%**

Reduction in Total Recordable Injury Frequency (TRIF)

**30%**

Board gender diversity target achieved

**82%**

Of Parkland employees surveyed believe that Parkland values diversity and inclusion

### Environment:

**113,000**

**Passenger vehicles** equivalent emissions reduced through low-carbon fuels



Emerging Clean Technologies Award at the 2022 Global Energy Show

**26 EV**

Fast-charging sites built



**92%**

Parkland's contribution to Canada's total renewable fuel production

### Partners:

**UN**

United Nations (UN) Global Compact signatory

CCAB Progressive Aboriginal Relations (PAR) certification begun

**COP27**

Government of Canada industry representative

**\$25**

**MILLION**

Spent with Indigenous suppliers

### Responsible Growth:

**146**

New ON the RUN sites completed

**ON the RUN**

**M&M**

Acquisition boosts food offering



**4.1 MILLION+**

Journie members

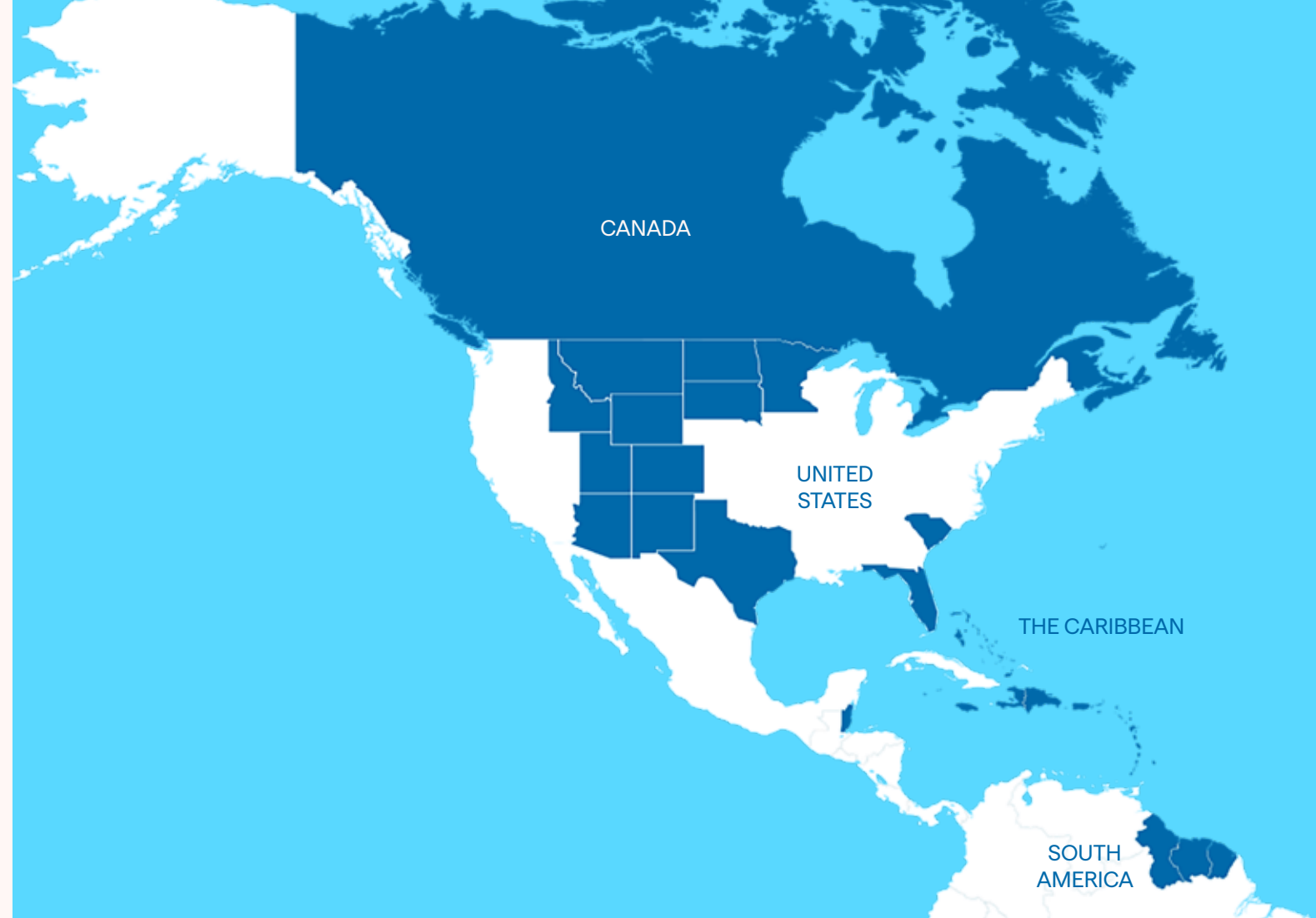
**JOURNIE**  
REWARDS

# At a Glance

Parkland provides our customers in 25 countries with the fuels, essential convenience items and quality food they need today, while helping them to achieve their goals of lowering their environmental impact. The foundation of our sustainability strategy is our people, as well as our values of safety, integrity, community, and respect, which are deeply embedded across our organization.

We serve over one million customers a day through our nationally recognized and locally relevant consumer brands.

## Our Brands and Partnerships



**\$12.6 billion<sup>1</sup>**  
enterprise value

**~ 4,000**  
locations

**6,000+**  
employees

**27 billion**  
litres of fuel  
sold annually

**MSCI 'AA'**  
sustainability rating

**113,000**  
cars off the road in 2022  
carbon dioxide equivalent

1. Specified financial measure. See slide titled "Forward Looking Statement & Note on Specified Financial Measures"

# ESS Committee Chairperson's Message



## ***Focusing on Sustainable Shareholder Returns***

On behalf of the Board of Directors, I would like to congratulate the Parkland team on releasing the company's fourth sustainability report, which outlines our strategy and the actions we are taking to drive sustainable growth and shareholder returns.

Parkland's Board of Directors plays an active role in overseeing the company's sustainability strategy. We believe that strong, transparent governance is a fundamental tenet of a safe, successful operation and instrumental to generating long-term returns for shareholders. From reducing our carbon emissions and providing choices that help our customers reduce theirs to supporting our diverse workforce, sustainability is deeply embedded in our business.

The Board has integrated sustainability into its broader oversight of the company. This is accomplished through regular ESG performance reporting, engaging with stakeholders on ESG issues and integrating those issues into Parkland's enterprise risk management process. The diverse skills and experience of the members of the Board's Environment, Safety and Sustainability (ESS) Committee help guide and support the organization's progress towards its sustainability goals.

The company's focus on Drive to Zero is core to its sustainability journey with the aim of achieving zero safety incidents, zero spills, and maintaining zero tolerance for racism and discrimination. The company is committed to collaborating with governments in its operating regions to help them achieve net-zero emissions by 2050. The team continues to operate safely and efficiently, protecting our shared environment, supporting our employees and communities, and delivering shareholder value.

Parkland's progress on the goals established under our four sustainability pillars – people, environment, partners, and responsible growth – are outlined in this report. These meaningful outcomes illustrate the company's collective commitment to fundamental corporate responsibilities.

We see tremendous opportunity in the energy transition journey. As we balance the growing demand for energy today, with a keen eye on tomorrow, we are very proud of Parkland's low-carbon fuel innovation.

As you will read in this report, there are many successful initiatives underway. Among them are industry-leading efforts on co-processing low-carbon and, renewable fuels, safer, more diverse, and inclusive work environments, and the incorporation of sustainability metrics in executive compensation.

Parkland is a Canadian success story. The Board is proud of the many accomplishments achieved as the company embraces the opportunities presented by energy transition, all while continuing to meet evolving consumer needs, creating long-term value, and doing its part in tackling some of the world's greatest energy challenges.

Richard Hookway  
**Chairperson of the ESS Committee**

# President & CEO Message



## ***Making progress towards our sustainability goals***

A little over a year ago, I drove across British Columbia (B.C.) with a couple of Parkland colleagues. It's a trip I've made many times, but this time was a little different. Unlike past road trips, this time we were driving an electric vehicle (EV).

It was an eye-opening experience. Over 1,000 kilometres, we stopped five times to buy energy, waiting about 30 minutes each time for the car's battery to charge. Compared to a vehicle with an internal combustion engine, recharging added two and a half hours to our journey. That's a big opportunity for Parkland in our mission to power what moves people.

The energy we need, the way we travel, the products and services we purchase, and the expectations we place on companies are dramatically shifting as we navigate the global energy transition. While some see only the challenges ahead, we see the opportunities. Navigating change is what Parkland does best, and we are well-positioned to continue our leadership in creating a sustainable and low-carbon future. At the same time, we need to balance these efforts with the growing demand for energy over the coming decades. We are proud to provide safe, reliable fuel to millions of our customers and will continue to invest in our fuels business, alongside our commitment to decarbonizing.

As you will read in this year's Drive to Zero sustainability report, we made considerable progress towards our sustainability journey and commitments in 2022. It was a transformative year with several noteworthy achievements including securing support from Natural Resources Canada and the Government of British Columbia to build one of Western Canada's largest ultra-fast electric vehicle (EV) charging networks between Vancouver Island and Calgary. This investment in Parkland's ON *the* RUN EV charging network will nearly triple Metro Vancouver's ultra-fast EV charging locations.

We also reduced our recordable injury frequency, met our board diversity target of 30 per cent, and co-processed 111 million litres of bio-feedstocks (a year-over-year increase of 29 per cent).

We continue to work with our suppliers to ensure they align with our values and mission, with an emphasis on supporting Indigenous-owned businesses as part of our Progressive Aboriginal Relations PAR™ commitment. Insights were gleaned from our employee survey on diversity and inclusion, and we made significant advancements with our early talent strategy to expand and diversify our employee pipeline.

Ensuring our operations are in lock step with our sustainability practices and efforts is a priority for Parkland, and has become something our customers, stakeholders, investors, and team members expect. In the years ahead, you will see more innovation and leadership from us as we continue to serve the essential needs of our customers and communities while we diversify our business and workforce. You will see improved product offerings and services. You will see exciting developments like the Electric Charging Destination of the Future, our growing fast-charging network, and elevated consumer experiences while ensuring our values of safety, integrity, community, and respect remain at the heart of our business.

The global energy transition offers tremendous opportunity for those with a vision, a plan to execute, and a resilient and entrepreneurial spirit. I am very proud of our commitment to continuously innovate, learn, adapt, and grow as an organization. I know this will drive Parkland's success in the years and decades to come as we safely and sustainably power what moves people.

Bob Espey  
**President & CEO**

# Sustainability Strategy and Journey

Parkland’s enterprise-wide Sustainability Strategy is grounded in the company’s four pillars: People, Environment, Partners, and Responsible Growth. Parkland recognizes the importance of taking action on climate change and supporting the global energy transition, while committing to providing our customers with affordable choices that help them lower their environmental impacts and ensure that no one is left behind through the energy transition. To that end, we have developed a balanced approach that leverages our existing business to **develop** our traditional business and low-carbon opportunities, **diversify** by creating convenience destinations and **decarbonize** by supporting customers through the energy transition.

This strategy reinforces our commitment to support our customers, team members, local and Indigenous communities, and our shared environment by championing safe operations, environmental stewardship, and systemic inclusion, now and into the future.



The United Nations Sustainable Development Goals (UN SDGs) are a global guide for a more equitable, sustainable future. Parkland’s Sustainability Strategy is aligned with several UN SDGs that help inform our approach to sustainability and the role we play in accelerating universal progress towards a more sustainable future.





# Sustainability Roadmap

## Drive to Zero



Parkland's Sustainability Strategy is our commitment to support our customers, team members, local and Indigenous communities, and our shared environment by championing safe operations, environmental stewardship, and systemic inclusion, now and into the future.



# Our Targets

|  |                    |
|--|--------------------|
|  | In progress        |
|  | Partially achieved |
|  | Achieved           |

|                    | Target  | Progress | UN SDG | Page  |    |
|--------------------|---|----------|--------|-------|----|
| People             | Drive to Zero Ambition; ongoing ambition for zero injuries/fatalities   |          |        | 33    |    |
|                    | Incorporate Environmental, Social and Governance (ESG) performance into executive compensation by 2022  |          |        | 12    |    |
|                    | 30% Board gender diversity target by 2023   |          |        | 34    |    |
|                    | 30% executive officer gender diversity target by 2025   |          |        | 33    |    |
|                    | Maintain minimum 10% representation of Black, Indigenous and People of Colour (BIPOC) and Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ+) on Board and executive officer positions |          |        | 33+34 |    |
| Environment        | Reduce Scopes 1 and 2 greenhouse gas (GHG) emissions intensity by 15% per barrel in refining operations by 2030   |          |        |       | 31 |
|                    | Reduce Scopes 1 and 2 GHG emissions intensity by 40% per site in marketing operations by 2030   |          | 31     |       |    |
|                    | Drive to Zero Ambition: Reduce spill volume per litre sold by 50% by 2025   |          |        |       | 32 |
|                    | Identify opportunities to reduce single-use plastic items in convenience stores (C-Stores) in 2022 and implement reductions by 2023   |          |        |       | 17 |
|                    | Reduce our customers' GHG emissions by up to 1 megatonne (MT) per year by 2026 through low-carbon fuels   |          |        |       | 31 |
|                    | Offer low-carbon fuels in every market in which Parkland operates by 2026   |          |        |       | 17 |
| Partners           | Enhance Indigenous and community engagement by implementing best practices: commit to PAR certification through the Canadian Council for Aboriginal Business (CCAB)                       |          |        | 24    |    |
|                    | Enhance Indigenous and community engagement by implementing best practices: target support for rural and remote communities   |          |        | 23    |    |
|                    | Enhance eligible employee participation in Parkland Pledge to 60%   |          |        | 22    |    |
|                    | Develop sustainable supply chain standards for suppliers by 2022 and integrate these standards into all new and significant spend suppliers by 2023                                       |          |        | 22    |    |
|                    | Increase local and Indigenous procurement and job opportunities in each operating jurisdiction  |          |        | 24    |    |
| Responsible Growth | Conduct sustainability assessments for all acquisitions from 2022   |          |        | 26    |    |
|                    | Apply Parkland's sustainability policies, goals and metrics to all newly acquired companies within an average of 12 months of acquisition date starting in 2023                           |          |        | 26    |    |
|                    | Grow Parkland's low-carbon business (retail diversification plus commercial decarbonization)  |          |        | 26    |    |

# Parkland's Key Strategic ESG Issues

Parkland's Sustainability Task Force regularly reviews our Key Strategic ESG Issues to ensure that our top issues still resonate across the business and align with our future priorities.



Climate change



Safety & emergency preparedness



Product transportation & storage



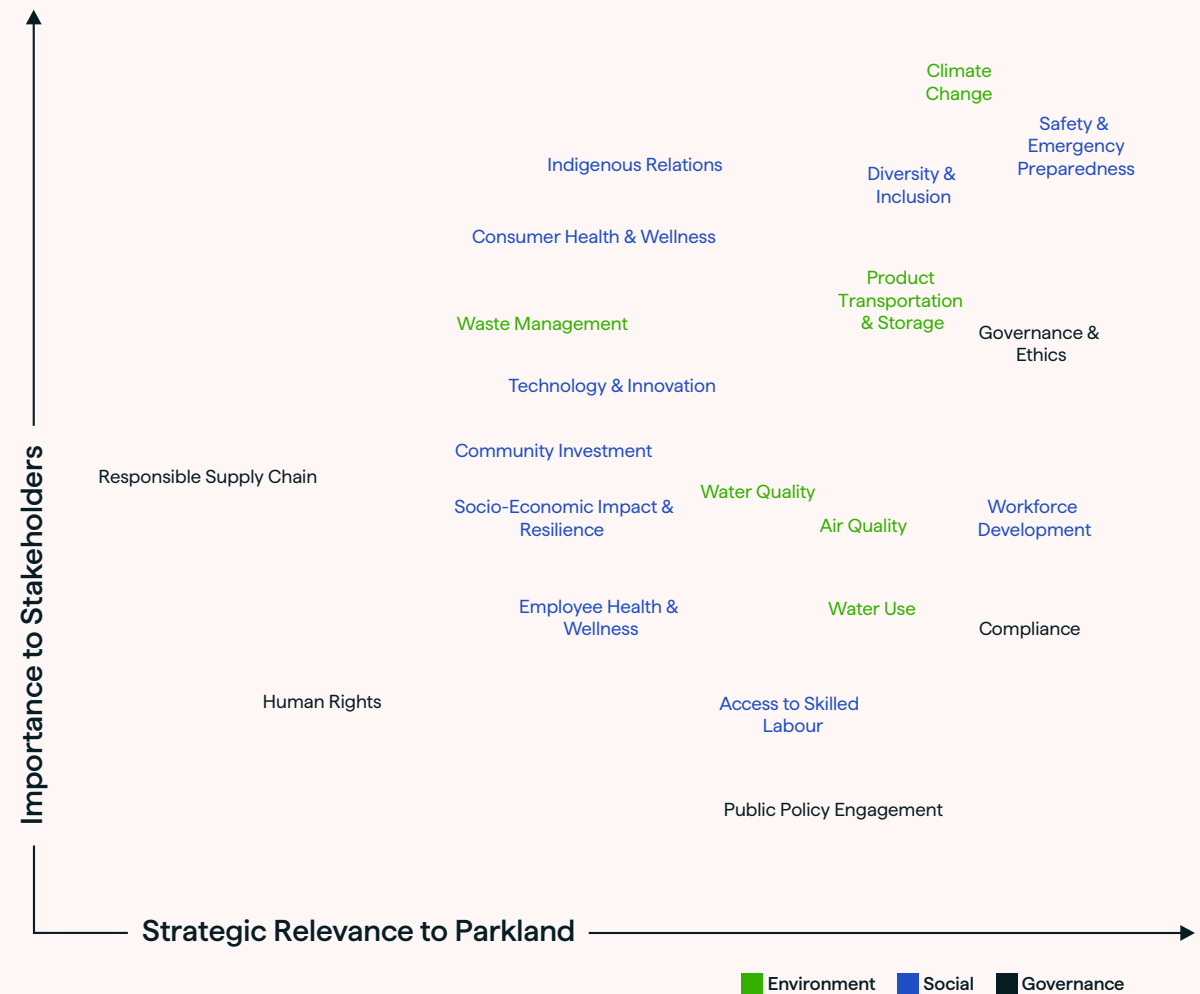
Diversity & inclusion



Governance & ethics

## Parkland's Materiality Matrix

Parkland's Materiality Assessment is an external and internal assessment of our relative strategic ESG issues. All the issues in this matrix are important to Parkland. This work ensures that our top issues resonate across the business and align with our future priorities as we move forward in our energy transition journey. We continue to review and assess these issues as conditions and our business evolve.



# Sustainability Governance and Reporting Frameworks

This sustainability report reflects Parkland's efforts to continuously improve transparency associated with our key material issues and highlights data from our 2022 operations. We align our sustainability disclosures with globally recognized ESG reporting frameworks. These include:



Global Reporting Initiative



Sustainability Accounting Standards Board

TCFD

Task Force on Climate-related Financial Disclosures



United Nations Sustainable Development Goals

Please see the [2022 Sustainability Performance Data](#) and [Framework Mapping](#) for complete disclosure metrics.

## Sustainability Governance

Transparent corporate governance is critical to resilience, long-term shareholder value and progress to our Sustainability Strategy. Parkland's governance structure as it relates to sustainability includes our Board and the Environment, Safety and Sustainability (ESS) Committee as well as the Senior Leadership Team. The diverse skills and experience of Parkland's directors supports progress towards the Sustainability Strategy.

As part of Parkland's commitment to transparent corporate governance as it relates to sustainability, the Board has established a clear sustainability policy initiative that is integrated into Board oversight, regular reporting on ESG performance, while engaging with stakeholders on ESG issues and integrating those issues into Parkland's overall risk management process. For more details, please see our [sustainability policy](#).

Parkland's sustainability governance structure is outlined below:



# People

People make Parkland. We support Parkland employees by creating an environment in which each individual feels empowered to bring their full and best self to work. The well-being of our workforce is paramount, and as such we are deeply committed to upholding our strong safety culture, protecting our people and living our values.



## Targets:

# 10%

Board, Executive BIPOC and LGBTQ+ representation.



ESG in executive compensation.



Drive to Zero injuries and fatalities.

# 30%

Board, Executive gender diversity.

## Highlights:

# 8%

Decrease in TRIF since 2021.



30% Board gender diversity achieved.

# 10%

Board and Executive BIPOC and LGBTQ+ representation achieved.

# Workforce

Parklanders work in 25 countries from Canada to the Caribbean. The physical and mental well-being of our workforce is crucial to our success, as is a diverse, inclusive workforce. We continue to make strides to ensure Parkland is a welcoming, inclusive and safe employer of choice in all regions where we operate.

**6,284**

Total Number of Employees

**693**

International

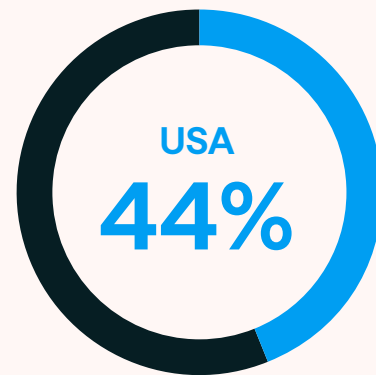
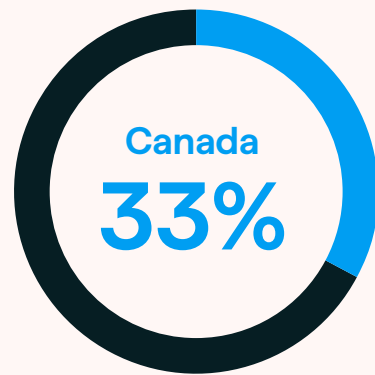
**2,726**

Canada

**2,865**

USA

Percentage of management positions filled by women by region:



Numbers as at Dec. 31, 2022



# Health and Safety

Safety is at the heart of our culture. We empower our team members to make the right decisions whether in the office or in the field by following a risk assessment tool called “Stop. Think. Act”. All employees are required to create their own personal commitment to Health, Safety and Environment (HSE) by establishing annual objectives and identifying three safety-related commitments to uphold each year.

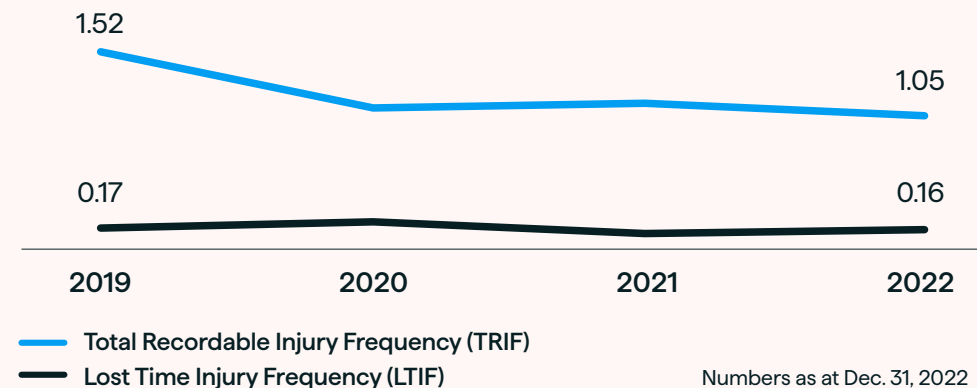
Parkland’s Operational Excellence Management System (POEMS) is the cornerstone of our approach to health and safety. It is a principles-based management system that aligns our approach across the company. POEMS provides the roadmap for how we protect our people, drive strong performance and ensure the long-term integrity of our assets.

## Parkland Health, Safety and Environment Policy

Parkland has an enterprise-wide Health, Safety and Environment Policy that applies in every operating jurisdiction. Signed and endorsed annually by our President and CEO, this policy states our commitment to ensuring a safe working environment that protects our team, customers, the environment, and the communities we serve.



**Injury Frequency Rates**  
(injuries per 200,000 hours worked)



Parkland continues to reduce injury frequency rates, helped by training, monitoring and implementing existing processes in newly acquired sites.

## Diversity and Inclusion (D&I)

At Parkland, we believe that our differences make us stronger. Diversity gives us an edge and inclusion propels us forward. Our ability to work as “One Parkland” across 25 diverse countries is foundational to our success.

Parkland’s enterprise-wide, executive-led Diversity & Inclusion Council is composed of diverse thinkers from across Canada, the United States, the Caribbean, as well as Central and South America. Together, the Council is tasked with advancing Parkland’s vision for building and sustaining a diverse and inclusive workforce to support our customers, communities and other stakeholders.

For more details, please see our [diversity and inclusion policy](#).

### 2019:

- Instituted Parkland’s first enterprise-wide D&I Council with three guiding principles, including:
  - Two-way communication
  - Providing guidance on D&I challenges and opportunities and
  - Strategy building and execution

### 2020:

- Established a Black Action Committee to proactively support the inclusion of our Black team members
- Conducted first annual enterprise-wide diversity and inclusion survey and embedded D&I strategic pillars throughout the organization
- Enhanced D&I training for leaders
- Women’s Network established

### 2021:

- D&I training for 110 leaders across the organization
- Delivered eight educational D&I events
- 300 hours of employee training
- Established DIALdN - Diversity Inclusion Allyship Leadership Network

### 2022:

- 2022-2025 Diversity & Inclusion Strategy sets the plan to drive a proactive culture of equity, inclusion, and belonging
- Achieved 30 per cent target for women on Board and 10 per cent BIPOC, LGBTQ+ representation on Board and Executive Team
- Continuous improvement in enterprise-wide D&I survey:
  - 82 per cent of Parkland survey participants believe that Parkland values D&I
  - The employee survey also showed that Parkland’s strengths include helping employees feel comfortable reporting discrimination and harassment
- Over 1,300 hours of employee training
- Established Latino Network



## Women Building Futures: Employer of Choice Membership Program

Parkland is a proud recipient of Women Building Futures' (WBF) Employer of Choice (EOC) designation, which demonstrates our organization's strong commitment to creating and cultivating safe, equitable and inclusive workplaces for employees in all their diversity. We will work closely with WBF to enhance our diversity, equity and inclusion policies and practices to ensure all of our employees feel they are valued, respected and encouraged to thrive in our workplace.

## Early Talent Strategy

Parkland launched an Early Talent Strategy with the two-fold purpose of supporting the career growth of students and new graduates, while also filling Parkland's future talent pipeline. We welcomed 21 students during the summer 2022 cohort, who were placed within finance, information technology, Indigenous Relations, distribution and legal services teams. Of the 21 students, 43 per cent identified as BIPOC and 62 per cent were women.

## Safety Improvements

Parkland's efforts to improve safety resulted in fewer injuries in 2022. This was attributable to a number of factors, including:

- In-vehicle monitoring systems in commercial vehicles that help to reinforce safe driving
- Improvements in our health, safety and environmental (HSE) management system (POEMS)
- Upgrading safety leadership training and skills
- Changes to inspections, safe work observations, and proactive hazard reporting
- Analysis of data using Cority, an HSE database tool that enables measurement of what is managed, provides HSE trends and uses data to predict areas of risk and potential failure

## Anti-Slavery Measures

Governments around the world including in the U.K., Australia and Germany are making efforts to tackle modern slavery. The Canadian Parliament recently passed Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, otherwise known as the Modern Slavery Act. This and other international efforts aim to prevent consumers from unintentionally supporting slavery by requiring companies to assess their supply chains. Parkland is committed to supporting the elimination of human rights violations, such as forced labour and child labour, across the regions in which we operate.

For more details, please see our [human rights policy](#).



# Environment

We set several environment and climate-related targets as part of our commitment to sustainable growth and the reduction of our collective (Parkland and our customers) environmental impacts. Climate change presents significant risks and challenges to our business, and to societies and economies across the world. Parkland's strategy to decarbonize our business supports global sustainability efforts.



## Targets:

# 15%

Reduction in GHG emissions per barrel processed by 2030.

# 40%

Reduction in GHG emissions per site by 2030.

# 50%

Reduction in spill volume per litre sold by 2025.

# 1 Million tonnes CO<sub>2</sub>

Reduction in customer emissions by 2026.

## Reduce single-use items

In C-Stores.

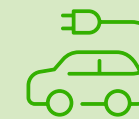
## Offer and encourage low-carbon fuels

In every Parkland market by 2026.

## Highlights:

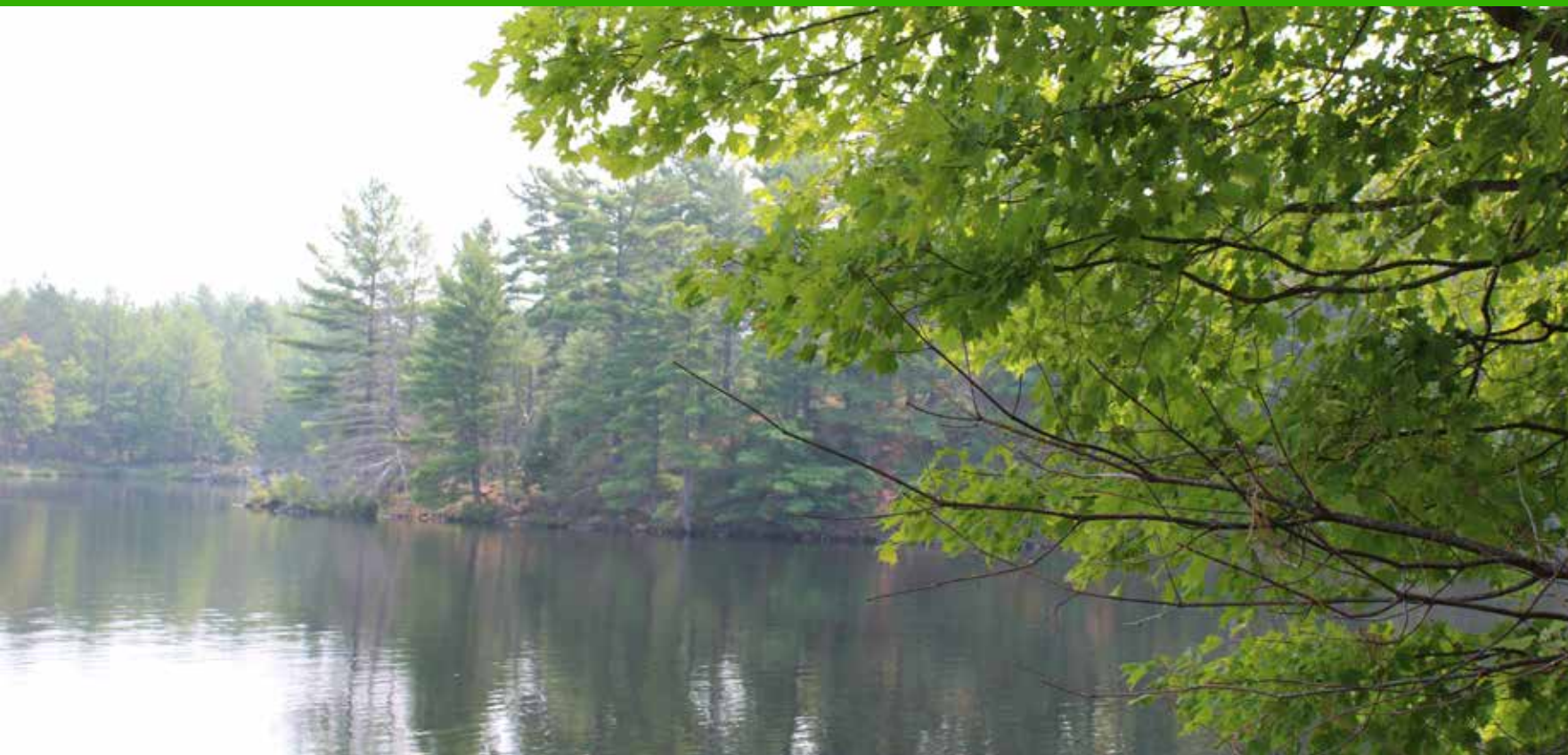
# 113,000

equivalent passenger vehicles taken off road through low-carbon fuels.



# 26 EV

fast-charging sites installed.



# Climate Approach

Parkland recognizes the importance of taking action on climate change by reducing GHG emissions, as outlined in Intergovernmental Panel on Climate Change (IPCC) assessments and the United Nations Paris Agreement. Climate change requires action from the industry, government and consumers in order to lower our collective environmental impact. We must work together to balance the world's growing need for energy with the need to lower our shared environmental impacts.

## Parkland's GHG Emissions Profile

As a producer and supplier of transportation fuel, Parkland's GHG emissions are the result of manufacturing fuels at the Burnaby Refinery, delivering fuel across the Parkland network and supplying customers with energy at retail and commercial sites in 25 countries. The Burnaby Refinery accounted for 80 per cent of Parkland's total emissions in 2022.

For more details, see [Our approach to Climate Change](#).

### Breakdown of Emissions



- Refining 80%
- Marketing 9%
- Other (Fleet, Corporate Offices, Terminals) 11%

## 2022 GHG Performance

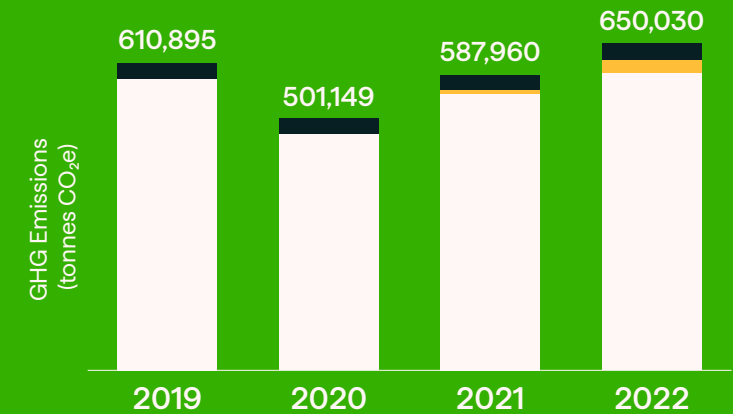
In 2022, Parkland's total GHG emissions increased by 11 per cent. This is primarily due to a shutdown in 2021 and an increase in feed rates in 2022 at the Burnaby Refinery.

Biogenic emissions, or emissions from natural sources like biogas, resulting from our co-processed renewable feedstocks saw an increase in 2022 due to expanded production of renewable fuels and an improved data collection methodology. As we continue to expand co-processing at the refinery to deliver on providing our customers with lower-carbon fuel options, biogenic emissions will play a larger role in our emissions profile.

We continue to pursue and implement initiatives to reduce our GHG emissions and operationalize our sustainability goals and targets. Initiatives we are currently working on include energy efficiency upgrades, site electrification projects and solar installations among others.

Parkland has also identified two emission intensity targets. To learn more about our 2022 performance, please see the [Sustainability Performance Data](#) section of this report.

### Enterprise-Wide Scope 1 and 2 GHG Emissions

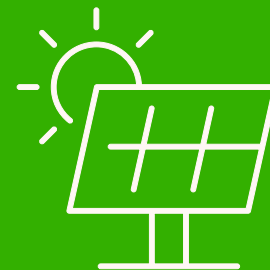


- Scope 1 GHG Emissions
- Scope 2 GHG Emissions
- Scope 1 Biogenic GHG Emissions



# Sol Ecolution

Sol Ecolution is the low-carbon and renewable energy division of Parkland’s International segment. The Sol team is powering communities by developing renewable energy solutions across our footprint in the Caribbean and Central and South America. For Sol, being a good neighbour means supporting local school, sporting and community events. That commitment to community is now being expanded with Sol Ecolution, an initiative to roll out solar photovoltaic technology across the Caribbean in an effort to produce low-carbon, local energy. During 2022, Sol Ecolution completed solar photovoltaic (PV) systems on approximately 20 retail sites across the region as part of a longer-term plan to solarize Sol’s network of 220 retail stations, terminals and offices.



**The Sol Ecolution project will lead to a reduction in GHG emissions and increase renewable energy in the Caribbean.**

## Co-Processing and Blending Low-Carbon Fuels

There's no single solution to a massive challenge like climate change, nor any one strategy capable of decarbonizing a sector like transportation. But renewable diesel and other low-carbon liquid fuels have an essential role to play.

Parkland is committed to helping customers reduce their environmental impact through low-carbon fuels and has set a target to reduce our customers' GHG emissions by up to one million tonnes of CO<sub>2</sub> per year by 2026. We are already well on our way to exceeding this goal through co-processing innovative bio-feedstocks and blending ethanol and renewable diesel to produce low-carbon-intensity fuels. Applying these and other innovative approaches towards meeting British Columbia's Low Carbon Fuel Standard ("LCFS") means that through 2026, we will reduce emissions equivalent to taking 780,000 cars off the road.

Blended and co-processed fuels can be safely used in existing vehicles without modification. To date, we have co-processed canola oil, tallow, and tall oil – a forestry industry residual, wastewater biomass as feedstocks. We are proud to be the first refinery in Canada to successfully co-process using existing refinery infrastructure and expertise. Parkland's co-processed fuels have approximately one eighth of the carbon intensity of conventional fuels.

In 2022, the Burnaby Refinery manufactured 111 million litres of co-processed fuel, a 29 per cent increase from the previous year, which is equivalent to taking 113,000 cars off the road. Our low-carbon fuel plans include expanding co-processing to 5,500 barrels per day to help reach the 2026 target. We blend fuels across North America, taking innovative approaches in alignment with low-carbon fuel regulations across the regions where we operate.

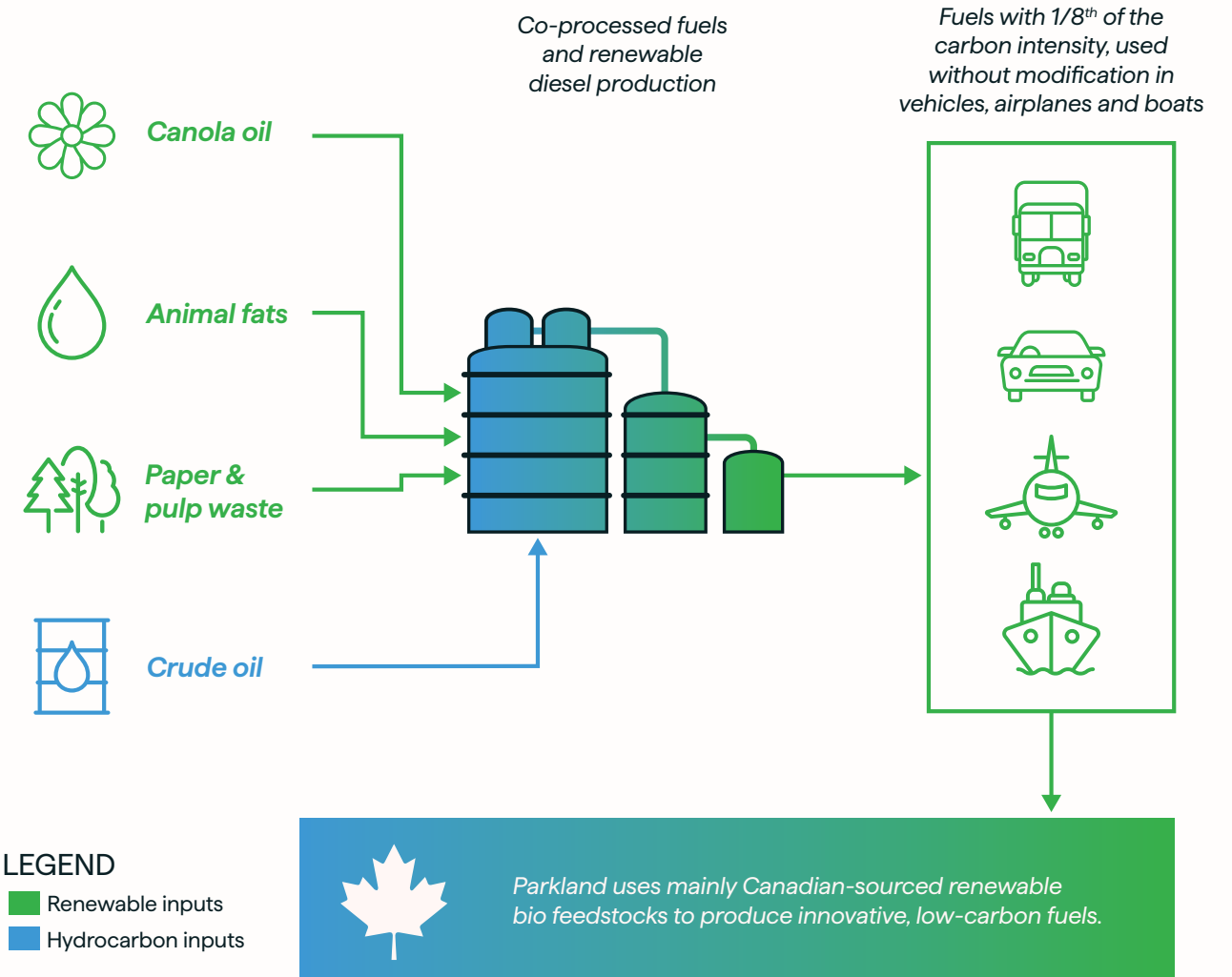
### Parkland Leads World in Turning Forestry Waste into Renewable Fuel

Tall oil is a dark, viscous, liquid containing fatty and resin acids that is a by-product of wood pulp manufacturing. It can be used as a feedstock in adhesives, emulsifiers and lubricants. Parkland has found another use for it that's helping to reduce transportation emissions and establishing the company as a leader in renewable fuel production.

Working with various B.C. pulp mills and with funding from the British Columbia Low Carbon Fuel Regulation Part 3 Agreement program and the Centre for Innovation & Clean Energy, Parkland's team is using tall oil to manufacture renewable fuels, displacing traditional crude oil and helping to create a new, high-value market

for the forestry industry by-product. Parkland is currently the only refinery in the world using tall oil in this way without pre-processing to manufacture renewable fuel.

Tall oil is just one of several bio feedstocks used by Parkland's Burnaby Refinery that include tallow, or animal fats, and non-food canola oil. As part of Parkland's co-processing program, blending these bio feedstocks with crude oil results in a fuel that has one eighth the carbon of regular fuels. Parkland plans to increase co-processing of tall oil in the years to come as part of its target of helping customers reduce their GHG emissions.





# Air Quality

Last year, Parkland’s Burnaby Refinery set important air quality performance targets for the future in consultation with regulators and other stakeholders.

As part of an updated air permit from Metro Vancouver, the refinery team completed a human health risk assessment – a rigorous scientific process through which we assessed possible negative health effects that could result from our air emissions. The study focused on sulphur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>) and particulates, and encompassed a 100-square kilometer study area around the refinery. We invited input from the Tsleil-Waututh Nation, City of Burnaby, health authorities, our Community Advisory Panel and other interested community members. Findings were shared during a public session.

The study predicted that the improvements, which have been incorporated into the amended permit, will result in significant reductions in the already limited extent and frequency of elevated SO<sub>2</sub> levels; and modest reductions in elevated levels of NO<sub>2</sub> and particulates.

Please see the [Sustainability Performance Data](#) section of this report for Parkland’s 2022 air emissions information.



**45%**  
reduction  
in permitted  
SO<sub>2</sub> amounts



**18%**  
reduction  
in permitted  
NO<sub>2</sub> amounts

Over the 10-year term of the permit



## Elbow River Carbon Credit Trading

Parkland’s Elbow River Marketing trading team, with their mid-continent fleet of more than 2,000 rail cars, serves Parkland’s brands as well as other Parkland customers with petroleum products including asphalt, fuel oil, crude oil, liquified petroleum gas (LPGs), and refined renewable fuels.

Elbow River Marketing operates an active trading desk with a presence in every environmental market in North America as well as in international voluntary carbon markets. We help finance projects in North America and internationally through buying carbon credits directly from project developers and selling them to end users. Our focus is on high-quality credits derived from North American industrial gas destruction, hydrofluorocarbon (HFC) reclamation and improved forest management. We have transacted several million tonnes of carbon credits on various registries globally and expect this number to continue growing. In addition to carbon credits, the team has also begun to purchase renewable natural gas (RNG), which we will sell into both the U.S. vehicle fuel market and the voluntary RNG market.

## Low Carbon Fuel for BC Ferries

With the help of Parkland’s low-carbon fuel, BC Ferries removed the equivalent of nearly 3,000 cars from the road over the past year and did so without altering a single sailing, or the customer experience. When the time came for BC Ferries to renew its fuel agreement with Parkland, we offered an innovative solution: biodiesel made from renewable sources including plant-based oils, animal fats and forestry residue that can be used in existing diesel engines.

By switching some of the fuel consumed in vessels including the 41-year-old Queen of Oak Bay to 20 per cent biodiesel (B20), the ferry operator was able to reduce emissions by more than 13,000 tonnes of CO<sub>2</sub> over less than a year of operations.

“We are preparing to transition all of our Metro Vancouver based vessels that currently use conventional diesel fuel to B20 while exploring opportunities to increase the biodiesel content all the way up to 100 per cent (B100),” according to Frank Camaraire, Director, Climate Change Policy for BC Ferries.



# Partners

We can accomplish great things through collaboration. Parkland recognizes the importance of working across borders and value chains, with industry, associations, Indigenous Peoples and governments. The strong partnerships we have formed are foundational to helping us fulfill our mission to power what moves people.



## Targets:



Commit to PAR certification through the CCAB.



Target support for rural and remote communities.

Enhance participation in the Parkland Pledge program to

# 60%



Develop and integrate sustainable supply chain standards for suppliers by 2022.



Increase local and Indigenous procurement and job opportunities.

## Highlights:



Signatory of the United Nations Global Compact.



Achieved becoming "PAR Committed" in 2022.

# Parkland's Commitment to Indigenous Relations

Parkland is a proud Canadian multi-national company that has been in operation for over 50 years. We are determined to continue to learn and reflect upon our country's history and we are eager to embrace pathways to reconciliation with Indigenous Peoples. We also recognize the continuing impact and legacy of colonial policy in Indigenous communities and remain steadfast in our commitment to helping build a just and equitable future.



As part of our Canadian Indigenous Relations strategy, we are proud to embark on a journey of reconciliation, determined to build stronger engagement and expanded opportunities with the Indigenous Peoples and Nations in the regions where we operate. Our goal is to foster meaningful and beneficial relationships built on mutual understanding, integrity, respect, and transparency.

#### **Parkland is committed to:**

- Being responsive to feedback from Indigenous communities affected by our business operations and projects
- Taking a long-term approach to relationship-building to ensure our engagements are meaningful and long-lasting
- Being transparent and direct in our engagement with Indigenous partners and communities, and remaining sensitive to the different cultural beliefs, values, and traditions of each Nation
- Supporting Indigenous Nations through investment, engagement, and capacity development
- Incorporating Indigenous Peoples and communities in our projects by providing opportunities in employment, training, and business development so that we can grow and prosper together
- Considering the long- and short-term opportunities and impacts our operations and projects can have on local Indigenous communities

- Providing Parkland employees with training and resources to develop awareness, understanding, and sensitivity of Indigenous Peoples, their culture, history, and rights
- Continuously evaluating, adapting, and evolving our commitments, policies, strategies, and programs to ensure progressive Indigenous Relations are integrated into the way we operate.

Reconciliation is a journey, a continual process requiring meaningful and measurable actions. As an organization, we pledge to lead by example, strengthening our relationship with Indigenous Peoples and building greater opportunities for shared benefit. We understand the role we play in advancing truth and reconciliation and in driving social change, healing, and ending the systemic inequities faced by Indigenous Peoples.

We look forward to exploring opportunities to support reconciliation in our workplace and throughout the Parkland organization. We will continue to work together with intention, creating a new legacy that reflects our deep respect for Indigenous Peoples and our dedication to the reconciliation process.

Parkland Canada's commitment to Indigenous Relations is supported and endorsed by our Senior Leadership Team. We look forward to taking meaningful action to advance our reconciliation efforts.



## Indigenous Procurement

Parkland is committed to establishing meaningful, lasting and mutually-beneficial relationships with Indigenous communities. We respect the diverse cultures, traditions and perspectives of Indigenous Peoples and seek to achieve equitable partnerships and opportunities with the communities on whose traditional territories Parkland operates.

As part of this commitment, Parkland is expanding the number of relationships with Indigenous-owned and associated businesses. This approach is already reflected in our procurement program, with more than \$25 million spent in 2022 on products and services from Indigenous companies. We will continue to explore partnership opportunities that increase community capacity and accelerate access to products that support low-carbon initiatives.

## Indigenous Engagement

Several new initiatives were launched last year as part of Parkland's Canadian Indigenous relations strategy. These include offering cultural competency training and establishing Indigenous knowledge resources for employees. Our employees also participated in several events, including "Bannock Breaks" to commemorate days of significance to Indigenous Peoples. These included Orange Shirt Day/National Day of Truth and Reconciliation, Indigenous Veterans' Day and the Rally to Honour Murdered and Missing Indigenous Women and Girls.

Parkland is also partnering with Indigenous organizations to explore new biofuels and other technologies that will help to advance low-carbon fuels. By providing opportunities to test products in the field, as well as offer industry insight, we can work together on pathways to tomorrow's technologies today. New projects also provide opportunities for Indigenous recruitment and procurement. In turn, we learn about environmental stewardship through the exchange of Indigenous knowledge and traditional ways of life.



More than

**1,000**

Parkland staff participated in Indigenous activities in 2022.



## Supplier Survey

Last year, Parkland engaged with suppliers through a comprehensive survey to understand their approaches to sustainability. The survey covered a range of topics from health and safety to GHG accounting and disclosure. We will continue to advance our collaboration with suppliers on shared sustainability values.



## Partnerships and Associations

### Sharing Best Practices and Informing Global Policy

Parkland is strategically aligned with several associations and groups to share best practices and help advance policy discussions. These include the UN Global Compact, Advanced Biofuels Canada, Electric Autonomy Canada, the Canadian Fuel Association, the Canadian Climate Institute, Electric Mobility Canada, Electric Vehicle Society of Canada, Transportation Energy Institute – EV Council, Canadian Transportation Alliance, the Caribbean Electric Utility Services Corporation (CARILEC), International Air Transport Association (IATA), and the Caribbean Renewable Energy Forum (CREF).

Parkland was selected as an industry representative on the Government of Canada's official delegation at the 27<sup>th</sup> session of the UN's Conference of the Parties (COP 27) in Egypt. We were also invited to participate as an exclusive guest at the Ministerial Roundtable of the BioFuture Campaign with the Clean Energy Ministerial, a global forum to promote policies and programs that advance the clean energy transition.

### Metro Vancouver and Forest Industry Feedstock Partnerships

Building on our success of co-processing renewable feedstocks, Parkland is also exploring next-generation feedstocks to further reduce GHG emissions in the transportation sector, including forest residuals, emerging crudes, and biocrude from municipal wastewater sludge for co-processing (in partnership with Metro Vancouver). We became the only refinery in North America to co-process tall oil as a bio-feedstock in 2021 – an oil derived mainly from pine trees that is a by-product of the pulp mill process. This was a technical breakthrough that not only diversified Parkland's suite of bio-feedstocks, but also reduced indirect emissions given that tall oil is a waste by-product that is typically burnt in the pulp mill process.

### FreeWire Partnership on Ultrafast Chargers

FreeWire and Parkland have launched the largest network of battery-integrated ultrafast chargers in North America. This partnership will help Parkland provide coverage in areas where securing new, larger grid connections would make installing the infrastructure more challenging and costly, making it possible for drivers to get a premium charge in the same amount of time it takes to grab a meal on the go. The initial phase of the partnership will deploy FreeWire's Boost Charger™, 150 kilowatt (kW) ultra-fast EV charging stations, at 26 sites in British Columbia and Alberta, from Victoria to Calgary.

Parkland is also partnering with organizations internationally to support the growth of EV charging. Last year, Sol collaborated with Jamaica Public Service to commission an EV charging station in Kingston, with additional chargers planned in the future in the Caribbean country.

## Benevity Award Finalist



Parkland was recognized through our employee giving program, Parkland Pledge by Benevity. As a Buzz Award finalist, Benevity recognizes Parkland's efforts that bring corporate purpose programs to life through communications and storytelling, working cross-functionally across the organization to promote goodness.

As part of an ongoing commitment to our communities through Parkland Pledge, Parkland USA stepped up and more than doubled contributions in 2022.

### Sol Staff Contribute to Clean Up

Sol last year teamed up with World Wildlife Fund (WWF), the United Nations Development Programme, Guyana Youth Empowerment and Seawalls and Beyond, to help clean up the Georgetown seawall in Guyana with staff stepping up to help show their commitment to the local environment.



# Responsible Growth

Growing to provide essential products and services to customers and returns to shareholders is critical to our Sustainability Strategy. We believe it is important to address our impact today and into the future. Parkland's commitment to responsible growth involves decarbonizing with products and services like renewable fuels and fast charging, diversifying by growing our convenience and food business, and developing and enhancing our conventional marketing businesses through providing essentials products and services safely and responsibly.



## Targets:



Apply Parkland's sustainability program to all newly acquired companies within 12 months.



Conduct sustainability assessments for all future acquisitions from 2022.



Grow Parkland's low-carbon business.

## Highlights:

**146**

New ON the RUN sites completed.

**M&M**

Acquisition boosts food offering.

**4.1**

MILLION JOURNIE™ members.



## Electric Charging Destination of the Future

Last year, Parkland unveiled plans to build the “Electric Charging Destination of the Future” and set a new standard for electric vehicle charging and customer experience. The design of the initial architectural concept was the result of an international competition operated by Electric Autonomy Canada, a leading news platform focused on electric and autonomous vehicle technologies.

The winning design was created by James Silvester, an award-winning Scotland-based architect with extensive global experience designing sustainable architecture. Named “More with Less”, the design creates a relaxing environment, where electric vehicle drivers can take a breath, and recharge not just their vehicles, but themselves.

**ON the RUN**™

## Convenience Store Expansion

In 2022, Parkland invested in conversions of the ON *the* RUN convenience stores, completing 146 new sites. This included expanding the range of food with the ON *the* RUN Bistro and new coffee offerings, which is expected to help increase non-fuel sales. Convenience store expansions are an important part of Parkland’s strategy of creating destinations for customers to be able to buy fuel or electrons as well as food and beverages.

**M&M**

Parkland purchased M&M Food Market (M&M) in 2022, a significant step in expanding our retail business with premium, restaurant-quality convenient food choices. With M&M, Parkland expanded its retail sites to include 317 well-located standalone M&M franchise and corporate-owned stores, over 2,700 M&M Express locations, and a well-established rewards program with approximately two million active members. The addition of M&M to Parkland’s retail network will create quality food options that our customers can consume both on site and on the go, and prepare from frozen at home. In the coming years, M&M will be an important part of our expansion of ON *the* RUN convenience locations, including standalone sites and at traditional gas stations, driving growth through non-fuel revenue.

**317**  
standalone  
M&M stores

**2,700**  
M&M Express  
locations





## Digital Strategy: JOURNIE™ Rewards Loyalty Program

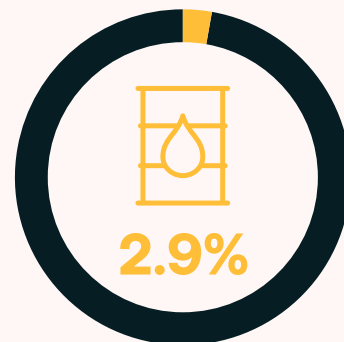
The JOURNIE™ Rewards loyalty program connects our family of brands to incentivize and reward loyalty. The program provides more than 4.1 million customers with great choice and value as they shop across its coast-to-coast network of over 1,200 participating fuel and convenience stores. JOURNIE™ members buy 20 per cent more fuel than non-members and are 20 per cent more likely to visit our C-Stores.

With real-time fuel discounts, free merchandise and targeted offers, members earn through their purchases of fuel, convenience items, food, and other services, at its participating Chevron, Ultramar, Pioneer, Fas Gas, and ON *the* RUN retail locations. JOURNIE™ continues to expand its reach with M&M's loyalty program and a recent partnership with Air Canada's Aeroplan, Canada's leading travel loyalty program.



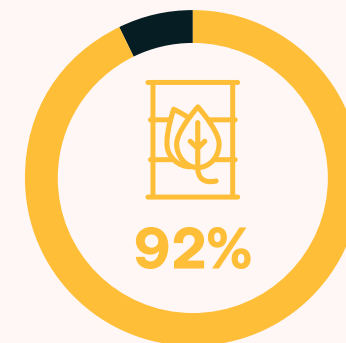
## Growing Our Renewable Fuel Manufacturing

Parkland's Burnaby Refinery leads the country in manufacturing low-carbon, renewable fuel. Parkland makes up 2.9 per cent of Canada's 1.865 million barrels per day of total refining capacity, but an estimated 92 per cent of the country's renewable refining throughput.



Canada's total  
refining capacity:

**1.865**  
million barrels/day  
(55,000/day Parkland)



Canada's total refinery  
capacity dedicated to  
renewable fuel production:

**3,785**  
barrels/day  
(3,500 /day Parkland)

# Sustainability FAQ



## What changes has Parkland made to its approach to sustainability over the past three years?

Parkland has embarked on a comprehensive plan to integrate sustainability into our business practices, lower our emissions, and provide our customers with choices to lower their carbon footprint and environmental impact. We have made progress in a number of areas and have more work ahead of us as we operationalize our sustainability targets.

We have implemented several measures to reduce our carbon footprint, including investments in solar photovoltaic technology and have evaluated opportunities for improving energy efficiency and emissions reductions across our organization with energy management tools, upgrades to heating and cooling systems and conversion to electric from gas in building systems where appropriate. We are already preparing for upcoming disclosure requirements including Scope 3 emissions, third-party assurance of ESG metrics and the shift from voluntary to mandatory sustainability reporting requirements.

Powering what moves people and providing customers with choices are core to Parkland's mission. We recognize that reducing the environmental footprint of transportation is a key element in the energy transition. With the growth of electric vehicles, we are building out a fast-charging network across B.C. This is a testing ground for us and we're looking at other markets where it makes sense to invest in fast charging. We are also expanding production of low-carbon fuels at the Burnaby Refinery. These fuels use plant and animal oils with hydrocarbons as well as innovative renewable bio feedstocks like forestry residues known as tall oil. They have one eighth the amount

of carbon as regular fuel and are already being used by drivers across B.C. as well as by commercial customers like BC Ferries. In addition, we blend ethanol and biodiesel across North America to support governments' efforts to lower transportation emissions.

Last but not least, we are focused on ensuring accountability and transparency in our sustainability reporting. This is our fourth annual sustainability report and each one includes more disclosures and insights into efforts to build a more sustainable business. Our goal is to foster open communication and encourage continuous improvement.

## What are some of the most important changes to ESG disclosure and sustainability that Parkland is focused on?

Recently there have been several important changes in ESG disclosures and sustainability practices. One of the key developments is the ongoing standardization of ESG disclosure frameworks and reporting guidelines. This has improved transparency, comparability, and reliability of ESG disclosures, making it easier for investors and stakeholders to evaluate and compare companies' sustainability performance.

There is also an increased focus on social factors within ESG, including issues such as human rights, labour practices, diversity, equity, and inclusion. Companies are expected to report on their efforts to promote diversity and inclusion and ensure fair labour practices throughout their supply chains. The importance of social factors in ESG reporting has grown significantly, reflecting broader recognition of the impact of social issues on long-term business sustainability.



### What important steps did Parkland make in 2022 towards the goals set out in the Sustainability Strategy?

Our approach to sustainability has focused on achievable targets. As a supplier of essential energy and food across the regions we operate in, we have an important role to play in helping our customers sustainably meet their needs.

One of Parkland's most important achievements is low-carbon fuel manufacturing. The Burnaby Refinery has made significant progress in co-processing and is moving us closer to our target of helping customers reduce their emissions by one million tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) annually. The Burnaby Refinery leads Canada in renewable fuel production and we still have room to grow. In the years to come, we will continue to look for innovative sources of bio feedstocks.

One other important achievement last year was the construction of our fast-charging network in B.C. We are well on the way to completing 50 EV charging stations between Calgary and Vancouver Island, making it easier for drivers to reach their destinations reliably and comfortably without having to worry about finding a place to charge. This is just the beginning of our commitment to support the growth of EVs.

### What are Parkland's sustainability priorities for the coming year?

First, we are working on making our ESG performance more transparent with changes to our website and how we disclose ESG metrics. This will make it easier for our shareholders to review our progress towards our goals.

Across our retail and commercial sites, we are installing efficient heating and cooling systems, energy management tools and using renewable energy. At our retail sites, we will continue to expand our food offering as part of our diversification efforts and at our international retail sites, we have plans to expand solar PV significantly this year.

Sustainability extends beyond our direct operations and encompasses our entire supply chain; we will continue to engage our suppliers to ensure they align with our own sustainability goals. This includes establishing clear expectations and criteria for suppliers and working collaboratively with them to identify opportunities for improvement and to share best practices, fostering a culture of continuous improvement throughout the supply chain.

We plan to expand our efforts to ensure that Parkland is a diverse, inclusive and welcoming workplace for our employees as we advance our drive to zero incidents of discrimination.

Finally, we plan to be active participants in and contribute to broader discussions about sustainability and the energy transition. Parkland's experience in providing energy safely, sustainably and reliably to millions of customers is an important contribution to global sustainability efforts while also meeting the needs of our customers.



# 2022 Sustainability Performance Data

| Metric <sup>1</sup>  | Measurement  | 2022           | 2021           | 2020           | 2019           | FRAMEWORK REFERENCE (GRI, IPIECA, SASB, TCFD) |
|--|--|----------------|----------------|----------------|----------------|---|
| <b>ENVIRONMENT <sup>2</sup></b>  |  |                |                |                |                |   |
| <b>Total GHG Emissions (Scope 1 and 2) <sup>3,4</sup></b>                      | <b>tonnes CO<sub>2</sub>e</b>  | <b>650,030</b> | <b>587,960</b> | <b>501,149</b> | <b>610,895</b> | <b>GRI 305-1, SASB EM-RM-110a.1, TCFD Mb</b>  |
| <b>Scope 1 GHG Emissions <sup>5</sup></b>                                      |  |                |                |                |                |   |
| Burnaby Refinery Biogenic GHG Emissions  | tonnes CO <sub>2</sub> e   | 32,759         | 8,914          | 0              | -              | GRI 305-1, SASB EM-RM-110a.1, TCFD Mb         |
| Biodiesel GHG Emissions  | tonnes CO <sub>2</sub> e   | 11             | 17             | -              | -              | GRI 305-1, SASB EM-RM-110a.1, TCFD Mb         |
| Scope 1 GHG Emissions Total  | tonnes CO <sub>2</sub> e   | 610,202        | 555,074        | 475,754        | 582,819        | GRI 305-1, SASB EM-RM-110a.1, TCFD Mb         |
| Scope 1 GHG Emissions-Limiting Regulations <sup>6</sup>                        | tonnes CO <sub>2</sub> e   | 521,510        | 497,912        | 443,969        | 547,444        | GRI 305-1, SASB EM-RM-110a.1, TCFD Mb         |
| Per cent Covered Under Emissions-Limiting Regulations                          | %  | 85             | 90             | 93             | 94             | GRI 305-1, SASB EM-RM-110a.1, TCFD Mb         |
| <b>Scope 2 GHG Emissions <sup>7,8</sup></b>                                    |  |                |                |                |                |   |
| Scope 2 GHG Emissions (Market-Based)   | tonnes CO <sub>2</sub> e   | 39,828         | 32,886         | 25,395         | 28,076         | GRI 305-2, SASB EM-RM-110a.1, TCFD Mb         |
| Scope 2 GHG Emissions (Location-Based)   | tonnes CO <sub>2</sub> e   | 38,988         | 51,479         | 41,146         | 48,107         | GRI 305-2, SASB EM-RM-110a.1, TCFD Mb         |
| <b>Scope 1 &amp; 2 GHG Emissions Intensity, Refining</b>                       | tonnes CO <sub>2</sub> e per barrels per day of crude & bio-feedstock throughput | 9.5            | 10.1           | 10.2           | 9.6            | GRI 305-4                                     |
| <b>Scope 1 &amp; 2 GHG Emissions Intensity, Marketing <sup>9</sup></b>         | tonnes CO <sub>2</sub> e per site  | 46.0           | 39.6           | 48.3           | 51.6           | GRI 305-4                                     |
| <b>Number of Cars Taken Off the Road Through Low-carbon Fuel <sup>10</sup></b> | count  | 113,000        | 70,000         | -              | -              | Parkland's Sustainability Target              |
| <b>Energy Consumption <sup>11,12</sup></b>                                     | Terajoules   | 10,525         | 9,738          | 8,899          | 12,528         | GRI 302-1                                     |

For more information on Parkland's alignment to GRI, SASB and TCFD, please visit [www.parkland.ca/en/sustainability/sustainability-report](http://www.parkland.ca/en/sustainability/sustainability-report)

1. Reported data covers from January 1, 2022 to December 31, 2022 for Parkland Corporation (PKI.TO). Performance data is reported from 2019-2022 where available. The "-" symbol indicates data was not reported for that particular year.

2. Parkland follows and operational control consolidation approach as defined by the "GHG Protocol Corporate Accounting and Reporting Standard".

3. In 2022, Parkland completed acquisitions of Crevier Petroleum Inc., M&M Food Market, Vopak Terminals of Canada Inc. and Vopak Terminals of Eastern Canada Inc., GB Group's Jamaica business and 163 Husky-branded sites. See page 8 of Parkland's Annual Information Form (AIF) for more information on acquisitions. Due to limited availability of full year GHG emissions data, these acquisitions were excluded in 2022. Parkland commits to including these in future years.

4. Consistent with previous reporting periods, the GHG inventory was prepared according to the "GHG Protocol Corporate Accounting and Reporting Standard". Additionally, the consolidation approach for emissions remained operational control and the following gases were included in the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs. Emission factors were sourced from the International Energy Agency (IEA) and the United States Environmental Protection Agency (EPA). GWP rates were sourced from the United Nations Intergovernmental Panel on Climate Change (IPCC) reports based on a 100-year timeframe.

5. Parkland's Scope 1 GHG emissions increased 11% in 2022 mainly due to increased feed rates at the Burnaby Refinery. The Scope 1 total includes biogenic emissions from the Burnaby Refinery, but note that biogenic emissions are also reported as a separate line item. The increase in biogenic emissions is a result of changes to calculation methodology in 2022 to account for biogenic carbon content of refinery fuel gas resulting from co-processing of renewable feedstocks.

6. Specifically, 479,713 tonnes CO<sub>2</sub>e (98.8% of the Burnaby Refinery's Scope 1 emissions) were covered under British Columbia's carbon tax. In Canada, gasoline, diesel (light fuel oil), natural gas and propane are subject to the federal fuel charge (or, if in place, a sufficiently stringent provincial carbon tax on fuel). Scope 1 emissions from these sources in Canada were 41,797 tonnes CO<sub>2</sub>e.

7. In the 2021 reporting period, Parkland chose to enhance our GHG inventory by reporting both location-based and market-based Scope 2 GHG emissions for all years because the Burnaby Refinery comprises the majority of Parkland's emissions, and a BC Hydro emission factor was used for the site. Please note that Parkland's targets will be tracked against market-based emissions values.

8. In 2022, an updated methodology was used for Scope 2 GHG Emissions (Location-Based), where emission factors for sites in Canada were updated from federal factors to provincial factors to improve accuracy. The updated emission factors caused a decline in the Scope 2 GHG Emissions (Location-Based) total when compared to 2021, mainly due to the updated factor used for the Burnaby Refinery.

9. Changes in Marketing emissions performance in 2022 are primarily driven by our continued improvement in data collection. While Parkland is making investments into decarbonization, these investments are not currently the main driver of the year-over-year changes in Marketing emissions. Parkland is committed to improving data quality across our operations.

10. Emission factors for the conversion of estimated GHG emission reductions to cars off the road were sourced from the British Columbia government.

11. Energy consumption within the organization is reported per the GHG inventory, which was prepared according to the "GHG Protocol Corporate Accounting and Reporting Standard". Conversion factors were sourced from the United States Department of Energy (DOE), United States Energy Information Administration (EIA), United States Environmental Protection Agency (EPA) and the Government of Canada. Specifically, for the Burnaby Refinery GHG emissions, the sources of the higher heating values (HHVs) were FortisBC, the Western Climate Initiative (WCI) and internal laboratory testing.

12. Of the total energy consumption for 2022, 9,294 terajoules was related to fuel consumption from non-renewable sources and 1,213 terajoules was related to electricity consumption.



| Metric <sup>1</sup>  | Measurement     | 2022    | 2021    | 2020    | 2019    | FRAMEWORK REFERENCE (GRI, IPECA, SASB, TCFD) |
|--|-----------------|---------|---------|---------|---------|--|
| <b>ENVIRONMENT <sup>2</sup></b>  |                 |         |         |         |         |  |
| <b>Air Pollutants <sup>13</sup></b>  |                 |         |         |         |         |  |
| Nitrogen Oxides (NOx)  | kilograms       | 202,543 | 203,345 | 178,296 | 206,371 | GRI 305-7, SASB EM-RM-120a.1                 |
| Sulphur Oxides (SOx)   | kilograms       | 358,578 | 427,461 | 495,646 | 227,421 | GRI 305-7, SASB EM-RM-120a.1                 |
| Volatile Organic Compounds (VOCs)  | kilograms       | 196,038 | 167,366 | 163,738 | 148,433 | GRI 305-7, SASB EM-RM-120a.1                 |
| Hazardous Air Pollutant (HAP) - H2S  | kilograms       | 1,663   | 2,951   | 3,667   | 1,728   | GRI 305-7, SASB EM-RM-120a.1                 |
| Hazardous Air Pollutant (HAP) – Benzene  | kilograms       | 637     | 508     | 544     | 648     | GRI 305-7, SASB EM-RM-120a.1                 |
| Particulate Matter (PM)  | kilograms       | 46,474  | 44,346  | 34,631  | 30,412  | GRI 305-7, SASB EM-RM-120a.1                 |
| PM10   | kilograms       | 38,783  | 41,404  | 31,666  | 26,217  | GRI 305-7, SASB EM-RM-120a.1                 |
| Ozone Depleting Substances <sup>14</sup>   | kilograms       | -       | -       | -       | -       | GRI 305-7, SASB EM-RM-120a.1                 |
| <b>Number of Incidents of Non-compliance Associated with Water Quality Permits, Standards, and Regulations</b> | count           | 0       | 1       | -       | -       | SASB EM-RM-140a.2                            |
| <b>Spills <sup>15</sup></b>  |                 |         |         |         |         |  |
| Spill Count  | count           | 17      | 12      | -       | -       | IPECA Module 4 Environment ENV-6 A2          |
| Significant Spills   | count           | 0       | 0       | 0       | 0       | GRI 306-3                                    |
| Total Spill Volume   | litres          | 15,901  | 4,651   | -       | -       | IPECA Module 4 Environment ENV-6 A2          |
| Spill Volume per Billion Litres Sold   | litres          | 586     | 194     | -       | -       | Parkland's Sustainability Target             |
| <b>Burnaby Refinery Throughput</b>   |                 |         |         |         |         |  |
| Crude  | barrels per day | 49,297  | 44,716  | 37,868  | 51,500  | SASB EM-RM-000.A                             |
| Bio-feedstock  | barrels per day | 1,918   | 1,492   | 744     | 312     | SASB EM-RM-000.A                             |
| Total  | barrels per day | 51,215  | 46,208  | 38,613  | 51,812  | SASB EM-RM-000.A                             |
| <b>Refining Operating Capacity</b>   | barrels per day | 55,000  | 55,000  | 55,000  | -       | SASB EM-RM-000.B                             |
| <b>Number of Refineries In or Near Areas of Dense Population <sup>16</sup></b>                                 | count           | 2       | 2       | 2       | -       | SASB EM-RM-120a.2                            |

13. Emission factors used were sourced from US EPA AP-42. Standards, methodologies, assumptions, and/or calculation tools used: Continuous emissions monitoring (CEMs), source testing, engineering estimates, mass balance, published emission factors, Canadian Fuels Code of Practice for Developing an Emissions Inventory for Refineries and Terminals, and the US EPA Emissions Estimation Protocol for Petroleum Refineries.

14. Parkland does not report on ozone and there were no persistent organic pollutants to report on.

15. In 2022, there were four spills, which released a volume of over 1,000 litres of hydrocarbons each, compared to 2021, where there were no spills with a volume over 1,000 litres. In response to the increased volume of spills, Parkland established a Spill Prevention Committee in 2023. Parkland is currently training drivers and operators in spill prevention, reviewing and sharing lessons learned from recent spills and developing other mitigation strategies to avoid further increases in spill volumes.

16. Parkland's Burnaby Refinery is located in Burnaby, British Columbia, Canada. Additionally, we own a 29% non-operating financial stake in the entity that owns and operates the Société Anonyme de la Raffinerie des Antilles ("SARA Refinery") located in Fort-de-France, Martinique. It should be noted that unlike the Burnaby Refinery, Parkland does not report data (e.g., GHG emissions) on the SARA Refinery due to it being outside of Parkland's operational control.





| Metric <sup>1</sup>  | Measurement                                 | 2022       | 2021       | 2020      | 2019  | FRAMEWORK REFERENCE (GRI, IPECA, SASB, TCFD) |
|--|---|------------|------------|-----------|-------|--|
| <b>PEOPLE</b>  |   |            |            |           |       |  |
| <b>Occupational Health &amp; Safety</b>  |   |            |            |           |       |  |
| Fatalities <sup>17</sup>   | count                                       | 0          | 0          | -         | -     | GRI 403-9, SASB EM-RM-320a.1                 |
| Number of High-consequence Work-related Injuries   | count                                       | 0          | 0          | 0         | -     | GRI 403-9, SASB EM-RM-320a.1                 |
| Recordable Work-Related Injuries   | count                                       | 64         | 60         | 47        | -     | GRI 403-9, SASB EM-RM-320a.1                 |
| Exposure Hours   | hours                                       | 12,229,397 | 10,509,428 | 8,411,779 | -     | GRI 403-9, SASB EM-RM-320a.1                 |
| Total Recordable Injury Frequency (TRIF) <sup>18</sup>   | number of injuries per 200,000 hours worked | 1.05       | 1.14       | 1.12      | 1.52  | GRI 403-9, SASB EM-RM-320a.1                 |
| Lost Time Injury Frequency (LTIF)  | number of injuries per 200,000 hours worked | 0.16       | 0.15       | 0.21      | 0.17  | GRI 403-9, SASB EM-RM-320a.1                 |
| <b>Total Number of Full- and Part-time Employees <sup>19</sup></b>                                       | count                                       | 6,284      | 5,946      | 4,389     | 4,635 | GRI 2-7                                      |
| <b>Percentage of Management Positions Filled by Women by Region <sup>20</sup></b>                        |   |            |            |           |       |  |
| International  | %   | 39         | 35         | 35        | -     | GRI 405-1                                    |
| Canada   | %   | 33         | 32         | 40        | -     | GRI 405-1                                    |
| USA  | %   | 44         | 40         | 37        | -     | GRI 405-1                                    |
| Enterprise-wide  | %   | -          | -          | -         | 31    | GRI 405-1                                    |
| <b>Executive Officer Diversity</b>   |   |            |            |           |       |  |
| Gender Diverse (Women)   | %   | 22         | 20         | 20        | 30    | GRI 405-1                                    |
| <b>Collective Bargaining Agreements</b>  |   |            |            |           |       |  |
| International  | %   | 3          | 17         | 12        | -     | GRI 2-30                                     |
| Canada   | %   | 7          | 7          | 9         | -     | GRI 2-30                                     |
| USA  | %   | 0          | 0          | n/a       | -     | GRI 2-30                                     |
| <b>Incidents of Discrimination and Corrective Actions Taken</b>  |   |            |            |           |       |  |
| International  | count                                       | 0          | 1          | -         | -     | GRI 406-1                                    |
| Canada <sup>21</sup>   | count                                       | 2          | 2          | -         | -     | GRI 406-1                                    |
| USA  | count                                       | 0          | 0          | -         | -     | GRI 406-1                                    |
| <b>Incidents of Non-compliance Concerning the Health and the Safety Impacts of Products and Services</b> | count                                       | 0          | 0          | 0         | -     | GRI 416-2                                    |

17. For all Parkland employees, there were no fatalities as a result of work-related injuries and there were no high-consequence work-related injuries. All injuries in 2022 have made a full recovery. For workers who are not employees but whose work and/or workplace is controlled by the organization, there were also no fatalities as a result of work-related injuries and there were no high-consequence work-related injuries.

18. The main type of work-related injury was musculoskeletal. Injury rate calculations follow industry standards such as those set by the Occupational Safety and Health Administration (OSHA) for the calculation of Total Recordable Injury Frequency (TRIF). No workers have been excluded from this disclosure.

19. Please note that unless otherwise indicated, the head counts do not include contractors.

20. Women in management include titles Manager level and above.

21. In the Canada segment, there were two incidents of discrimination in 2022. Remediation plans have been implemented and results have been reviewed through routine internal management review processes. Remediation plans/actions taken included: interviews of all relevant stakeholders, action plans to remediate the relationships and address the root of the issue(s), a review of the Harassment & Discrimination Policy, decisions implemented for path forwards completed, Performance Improvement Plan implemented where necessary and/or terminations if warranted. There were no reported incidents of discrimination in the US or International segments in 2022.



| Metric <sup>1</sup>   | Measurement | 2022 | 2021 | 2020 | 2019 | FRAMEWORK REFERENCE (GRI, IPECA, SASB, TCFD) |
|---|-------------|------|------|------|------|--|
| <b>RESPONSIBLE GROWTH</b>   |             |      |      |      |      |  |
| <b>Incidents of Non-compliance Concerning Product and Service Information and Labelling</b>         | count       | 0    | 0    | -    | -    | GRI 417-2                                    |
| <b>Incidents of Non-compliance Concerning Marketing Communications</b>                              | count       | 0    | 0    | 0    | -    | GRI 417-3                                    |
| <b>Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data</b> | count       | 0    | 0    | 0    | -    | GRI 418-1                                    |
| <b>Non-compliance with Laws and Regulations in the Social and Economic Area</b>                     | count       | 0    | 0    | 0    | -    | GRI 419-1                                    |

## PARTNERS

|   |                |        |        |        |   |           |
|---|----------------|--------|--------|--------|---|-----------|
| <b>Direct Economic Value Generated</b>  | millions \$CAD | 35,492 | 21,497 | 14,040 | - | GRI 201-1 |
| International   | millions \$CAD | 8,730  | 4,886  | 3,636  | - | GRI 201-1 |
| Canada  | millions \$CAD | 16,838 | 8,726  | 6,443  | - | GRI 201-1 |
| USA   | millions \$CAD | 8,653  | 4,816  | 1,857  | - | GRI 201-1 |
| Refining (formerly part of "Supply")  | millions \$CAD | 1,271  | 3,069  | 2,104  | - | GRI 201-1 |
| <b>Economic Value Distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments</b> | millions \$CAD | 2,348  | 1,761  | 1,607  | - | GRI 201-1 |
| <b>Economic Value Retained</b>  | millions \$CAD | 33,144 | 19,736 | 12,433 | - | GRI 201-1 |
| <b>Board Diversity<sup>22</sup></b>   |                |        |        |        |   |           |
| Gender Diverse (Women)  | %              | 30     | 30     | 20     | - | GRI 2-9   |
| BIPOC   | %              | 10     | 10     | 10     | - | GRI 2-9   |
| <b>Non-compliance with Laws and Regulations</b>   | count          | 0      | 0      | -      | - | GRI 2-27  |
| <b>Confirmed Incidents of Corruption<sup>23</sup></b>   | count          | 0      | 0      | 0      | 0 | GRI 205-3 |
| <b>Legal Actions for Anti-competitive Behaviour, Anti-trust and Monopoly Practices</b>  | count          | 0      | 0      | 0      | - | GRI 206-1 |

22. See "Nominees for Election to the Board of Directors and Director Information" on pages 24-47 of the Information Circular; see also "Enhancing Parkland's Commitment to Diversity" on page 55 of the Information Circular.

23. Zero confirmed material incidents of corruption during the reporting period. Zero confirmed incidents in which employees were dismissed or disciplined for material corruption during the reporting period. Zero confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. Zero public legal cases regarding corruption brought against the organization or its employees during the reporting period.

## Forward looking statements & note on specified financial measures

Certain statements contained herein constitute forward-looking information and statements (collectively, “forward-looking statements”). When used the words “expect”, “will”, “could”, “would”, “believe”, “continue”, “pursue” and similar expressions are intended to identify forward-looking statements. In particular, this report contains forward-looking statements with respect to among other things: Parkland’s sustainability strategy and its goals, targets and plans relating thereto and the timing thereof, which are grounded in the following four pillars: (i) People, including Parkland’s Drive to Zero ambition with respect to injuries and fatalities, ESG targets in executive compensation, setting, achieving and maintaining diversity targets for Parkland’s board and executive officer positions; (ii) Environment, including reducing GHG emissions per barrel processed by 15% and GHG emissions per site by 40% by 2030, reducing customer emissions by 1 million tonnes of CO2 by 2026, Scope 1 and Scope 2 GHG emissions targets, reducing spill volumes per litres sold by 50%, reducing single-use items in C-stores, supporting government’s goal to achieve net-zero emissions by 2050, reducing Parkland’s customers’ GHG emissions, Parkland’s projections for the number of car equivalents that will be taken off the road annually through 2026 through co-processing at the Burnaby Refinery, expanding its co-processing capability to 5,500 bpd by 2026, the funding, completion, timing, benefits and impacts thereof, offering and encouraging low-carbon fuel options in every Parkland market by 2026, Parkland’s current and future carbon offsets and trading initiative and the expected growth and demand thereof, Sol Ecolution’s current and future plans for developing solar photovoltaic (PV) systems in the Caribbean, including the number of sites and timing thereof, and the expected benefits and impact of solar PV systems; decreasing SO2 and NO2 emissions at the Burnaby refinery in compliance with its air permit;(iii) Partners, including enhancing existing community and Indigenous engagement by implementing best practices, enhancing employee participation in the Parkland Pledge program, developing sustainable supply chain standards and integrating these standards into Parkland’s significant suppliers, increasing local and Indigenous procurement and job opportunities; and (iv) Responsible Growth, including conducting sustainability assessments as part of Parkland’s due diligence for prospective acquisitions, applying Parkland’s sustainability policies, goals and metrics for newly acquired companies within 12 months and growing Parkland’s low-carbon business; and Parkland’s energy transition strategy, including with respect to Developing, Diversifying and Decarbonizing its business, and its goals and plans with respect thereto.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this presentation should not be unduly relied upon. These forward-looking statements speak only as of the date of this presentation. Parkland does not undertake any obligations to publicly update or revise any forward-looking statements except as required by securities law. Actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties including, but not limited to, general economic, market and business conditions, including the duration and impact of the COVID-19 pandemic and the Russia-Ukraine conflict; Parkland’s ability to execute its business strategies, including with respect to sustainability and energy transition; Parkland’s ability to achieve its goals and targets relating to its sustainability and energy transition strategies; competitive action by other companies; refining and marketing margins; the ability of suppliers to meet commitments; actions by governmental authorities and other regulators including but not limited to increases in taxes or restricted access to markets; changes and developments in environmental and other regulations; and other factors, many of which are beyond the control of Parkland. See also the risks and uncertainties described in “Cautionary Statement Regarding Forward-Looking Information” and “Risk Factors” included in Parkland’s Revised Annual Information Form dated March 17, 2022 and in “Forward-Looking Information” and “Risk Factors” included in the Q1 2022 Management’s Discussion and Analysis dated May 4, 2022, each as filed on SEDAR and available on the Parkland website at [www.parkland.ca](http://www.parkland.ca).

### SPECIFIED FINANCIAL MEASURES

This report refers to a supplementary financial measure, enterprise value. Enterprise value may not be comparable to a similar measure used by other issuers who may calculate this measure differently. Enterprise value is approximate market capitalization (as at December 31, 2022 closing price and fully diluted shares outstanding as of December 31, 2022) plus Net debt as at Q1 2022. Net debt is defined as total long-term debt plus accounts payable and accrued liabilities, dividends declared and payable and income taxes payable, less cash and cash equivalents, income taxes receivable and accounts receivable.

# Parkland

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