



Safety Integrity Community Respect

INAUGURAL SUSTAINABILITY REPORT



PARKLAND

2019 Sustainability Highlights



SAFETY & EMERGENCY PREPAREDNESS

Overall decline in Total Recordable Injury Frequency (TRIF) to 1.52



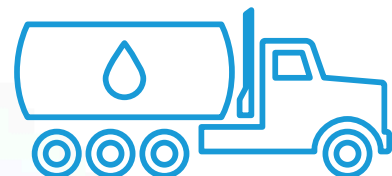
DIVERSITY & INCLUSION

30% of executive officer positions held by women



CLIMATE CHANGE

Equivalent of 15,000 cars taken off the road through the production of renewable, low carbon fuels



PRODUCT TRANSPORTATION & STORAGE

Zero significant spills



GOVERNANCE & ETHICS

Formation of Board-level ESG Committee to guide sustainability governance

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A Message From Our President & CEO

Over the past several months, individuals, businesses and communities worldwide have had to overcome extraordinary challenges as a result of the novel coronavirus (COVID-19) pandemic. The health and safety of our team members and customers has remained our top priority.

Parkland has taken all necessary safety measures to help stop the spread of COVID-19 while continuing to provide essential services to the communities in which we operate.

I'm proud of the resilience of our Parkland team. Their commitment and hard work has demonstrated that our customers can count on us to safely provide the essential products and services they rely on, and that our communities can count on us to be there for them when they need us most.



While we continue to adapt to these unprecedented circumstances, another challenge remains: continuing to fulfill the world's growing energy demand while meeting the increasing global call for sustainability. This means looking at how our businesses contribute to maintaining this balance, and how our customer offerings can play a role in our collective sustainable future. With this in mind, we are proud to publish our inaugural Sustainability Report.

At Parkland, sustainability means providing our customers with safe, reliable energy and products they need today, while making strategic decisions and innovative investments that contribute to a lower carbon future. We are committed to providing our shareholders, customers, team members and the communities in which we operate continued prosperity by operating safely and efficiently and protecting our shared environment. Our commitment to sustainability is underpinned by our values: Safety, Integrity, Community and Respect.

Our values drive us; they shape every aspect of our business and are fundamental to our operations. However, at the very core of our business is our commitment to safety. To us, safety starts with creating a reliable and inclusive environment for our employees, customers and communities. From providing essential everyday products to our customers, to making sure our fuel delivery drivers are prepared for the weather conditions, to ensuring the reliable operation of our global assets, safety is ingrained in our company culture and remains our top priority.

From our Board to our Senior Leadership Team to our front-line workers, Parkland is committed to integrating environmental, social and governance (ESG) considerations across our operations and into our strategic decision making. While this is our first sustainability report, we have been integrating sustainability initiatives across our operations for years.

Parkland is already shaping the future of renewable fuels and we are committed to continuing this leadership. Recognizing the global commitment made by the Paris Agreement, of which Canada and 16 Caribbean jurisdictions in which we operate are signatories, and the emerging climate policies from governments around the world,

Parkland is committed to doing our part to reduce our GHG emissions intensity. We are also committed to further reporting on ESG and climate risks. To enable this, our report is aligned with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and guidance from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Index (GRI).



As we move forward on our sustainability journey, we will continue to work on our approach to sustainability and disclosure. We have conducted extensive cross-sectoral research and engaged with third-party experts and employees across our business. Though this, we have identified five key strategic ESG issues: **Climate Change, Safety & Emergency Preparedness, Product Transportation & Storage, Diversity & Inclusion, and Governance & Ethics.** These areas represent our most material issues and are of the greatest importance to our stakeholders. In this report, we discuss why these topics are important for the long-term sustainability of our business.

We recognize that a significant aspect of sustainability involves transparency. We are proud to share Parkland's inaugural Sustainability Report, formalizing our commitment to transparency and sharing our sustainability efforts and commitments. While we move forward in our sustainability journey, we are excited to build on this inaugural report and continue improving sustainable business practices throughout our organization.

Bob Espey
PRESIDENT & CEO



About Us

Proudly headquartered in Calgary, Alberta, Canada, Parkland is a leading convenience store operator and an independent supplier and marketer of fuel. We service customers and communities across Canada, the United States, the Caribbean region and the Americas through three channels: Retail, Commercial and Wholesale.



An integrated business model diversified across 25 countries:

Key Operating Assets	CDN	US	Int'l	Total
Retail sites	1,848	355	491	2,694
Commercial locations	163	27	-	190
Net refining interest (mmbbls/d)	55	-	5	60
Terminals, bulk plants & transloaders	✓	✓	✓	✓
Marine/Aviation	✓	✓	✓	✓

We create value for our shareholders by focusing on a proven strategy of growing organically, realizing a strong supply advantage, acquiring prudently and integrating successfully. At the core of our strategy is our people as well as our values of Safety, Integrity, Community and Respect, which we embrace across our organization.

What We Do



Make/Buy



Move



Sell

Capturing value across the entire supply chain

Economic Impact: 2019 Highlights

- Annual Capital Expenditure Attributable to Parkland: **\$453 million**
- Fuel and Petroleum Product Volume: **22.4 billion litres**
- Total Revenue: **\$18.5 billion**
- Adjusted EBITDA: **\$1.3 billion**
- Taxes and Royalties Paid: **\$193 million**
- Distribution to Shareholders: **\$177 million gross dividends paid**
- Total Community Investments/Donations: **\$4 million**
- Active Full- and Part-Time Employees: **4,635**

COVID-19 UPDATE

Throughout the pandemic, Parkland has continued to provide safe and secure access to fuels that are vital to our customers and that facilitate essential services and activities, including fuel for emergency vehicles, heating homes, cooking meals and generating electricity in rural and remote communities.

We recognize the ongoing impacts of the pandemic and the difficulties our team members, customers and partners continue to face, and we are committed to supporting them as much as we can.

We implemented the following precautionary measures to help ensure their health and safety:

- A Crisis Management Team was immediately initiated, representing all areas of the business, to ensure we had full visibility when making real-time decisions to protect our employees and customers.
- New work processes that limited face-to-face interactions were implemented to protect our front-line staff who were designated as essential service workers.
- Team members who could work from home did so, and we undertook a measured, phased and

voluntary approach to returning to the workplace, based on public health guidance.

- At retail sites and in commercial offices that remained open, we installed precautions such as plexiglass barriers/shields, floor guidance markings, safety signage and pre-shift health checks.
- We increased the frequency of sanitization and deep cleaning, and made hand sanitizer, disinfectant wipes and masks available to all our team members.
- All employees had direct access to our in-house Occupational Health Specialists to receive immediate advice, guidance and support.
- We launched flexible working arrangements across all jurisdictions, with enhanced paid time off to support employees with pandemic related needs such as self-isolation, testing, and caring for family members.
- We expanded our Employee Family Assistance Program within all operating jurisdictions, providing team members and their families with additional health and wellness support and resources.

We are extremely proud of our community programs which have provided over \$4 million in support throughout the pandemic. Through our Community Driven program, we provided front-line health workers and first responders across our International, US and Canadian businesses with \$3.5 million in fuel discounts. In addition, we provided free hot showers and food and snack

discounts to truck drivers at some of our Canadian company cardlock and convenience stores. We also donated \$450,000 in healthy snacks to Food Banks Canada and directed an additional \$190,000 of customer donations to this worthwhile cause. Sol's "Our Way of Saying Thanks," "Fill Up On Love" and "One Community, One Goal" programs have provided approximately USD\$250,000 towards supporting essential workers and charitable food bank organizations that target those most in need.

While we reduced our capital expenditures in 2020 in light of the uncertain economic impact of COVID-19, we completed our scheduled refinery turnaround, continued our retail, commercial, and supply operations throughout our business areas and retained our spending on prudent maintenance, ensuring the safe and reliable operations of our assets and maintaining and supporting our skilled workforce in this unprecedented situation.

In support of these efforts, effective April 1, 2020, Parkland's President and CEO took a temporary 35% salary reduction while other members of the Senior Leadership Team took a temporary 25% salary reduction. Similarly, Parkland's Board of Directors took a temporary 25% reduction in cash retainer fees.

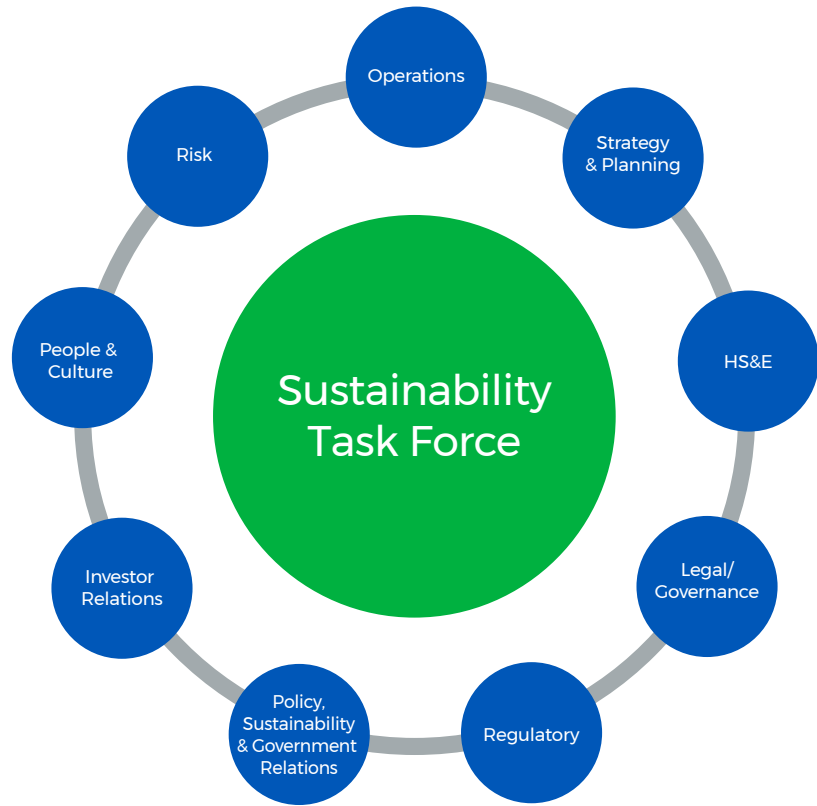
We are well positioned to continue providing safe and secure access to essential services across all of our regions and are proud of the resiliency of our business and team members.

OUR SUSTAINABILITY JOURNEY AND APPROACH

We have always recognized the importance of sustainability as more than a communications exercise.

In addition to reporting, Parkland is committed to continuing the development of an enterprise-wide sustainability strategy. Part of this will include further integration of current activities and opportunities that provide value to our customers, shareholders and communities as we transition to a more sustainable future.

In 2019, Parkland's Board established an ESG Committee to assist in carrying out the Board's governance and oversight responsibilities. Following this, Parkland's management team initiated a Sustainability Task Force comprised of leaders from all jurisdictions that represent Parkland's many functional units. Task Force members were selected based on their diverse expertise and commitment to sustainable leadership. The Sustainability Task Force is responsible for helping develop Parkland's overarching sustainability strategy and policy, as well as this inaugural report.



The Sustainability Task Force completed a materiality assessment and reviewed ESG priorities important to Parkland and our stakeholders, including shareholders and customers. With the Board's approval, the Task Force identified Parkland's 2019 key strategic ESG issues as: Climate Change, Product Transportation & Storage, Safety &

Emergency Preparedness, Diversity & Inclusion, and Governance & Ethics. These topics are outlined in more detail throughout this report. We recognize the importance of engaging external stakeholders and completing third-party assurance, and therefore plan to evolve these efforts in future reporting.

This report includes highlights from our 2019 operations and acknowledges key 2020 milestones and our response to unprecedented events. It is based on the recognized methodologies of the Sustainability Accounting Standards Board, Global Reporting Index and Task Force on Climate-related Financial Disclosures. We chose to use a combination of leading reporting standards to ensure the information provided is tailored to our own material issues and our stakeholders' areas of interest. We are working to further align with the recommendations of GRI, SASB, and TCFD and this will be a priority for us in future reports.

In keeping with our commitment to transparency, we plan to report on additional issues identified in our materiality assessment in future disclosures. We look forward to building on this initial disclosure and plan to focus on a broader number of priority issues for subsequent reports.



This inaugural report is a natural step in our sustainability journey. With this report we are increasing our level of transparency, showcasing our innovative leadership activities and identifying opportunities where we can enhance our sustainability efforts across our entire business.

Christy Elliott
EXECUTIVE SPONSOR & CHAIR,
SUSTAINABILITY TASK FORCE

2019 Key Strategic ESG Issues



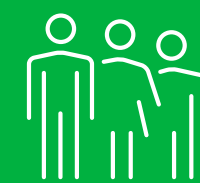
CLIMATE CHANGE



SAFETY & EMERGENCY PREPAREDNESS



PRODUCT TRANSPORTATION & STORAGE



DIVERSITY & INCLUSION



GOVERNANCE & ETHICS



Climate Change

Parkland recognizes that climate change is a significant issue that requires action from 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 impact on the environment. Liquid transportation fuels will remain essential to keeping the economy moving for the foreseeable future; according to the U.S. Energy Information Administration (EIA), world energy consumption will grow by nearly 50% between 2018 and 2050.

Parkland is committed to providing the energy that the world needs in the most responsible way possible. Our operations are subject to numerous stringent federal, provincial/state and regional regulations designed to reduce GHGs, all of which we support, comply with and strive to exceed. We are making innovative investments to help shape our low carbon future while continually supporting our customers, employees, shareholders and future generations.

We intend to embed low carbon thinking into the day-to-day activities and decisions of our employees – just as we've integrated safety into every aspect of our business.

LOW CARBON LEADERSHIP

Innovation in low carbon fuels is vital to keeping the world moving forward while preserving it for the future. Our customers' desires for more sustainable products, including low carbon fuels, are growing. We are committed to fulfilling this growing demand and proudly continue to increase our lower carbon offerings. In 2019 Parkland spent \$3.3 million on innovative low carbon technology research and development.

Parkland is committed to expanding the low carbon leadership we have demonstrated in Canada across all of our jurisdictions.

For example, Parkland's Burnaby Refinery is a North American leader in creating low carbon renewable fuels by **co-processing renewable feedstock** with crude feedstock. Because of this leadership, our customers in British Columbia (BC), Canada already have access to gasoline and diesel with renewable content by filling up at Parkland-supplied retail sites.

In the Caribbean, Sol is actively working with power and commercial clients to support their transition to lower carbon fuels including LPG/LNG and renewables. Sol is also collaborating on a pilot hybrid solar project in The Bahamas that will significantly reduce our client's carbon footprint.

As part-owner of the Société Anonyme de la Raffinerie des Antilles (SARA) refinery in Martinique, Sol is actively working on several additional renewable projects. In addition to dedicating 10 acres to a third-party owned solar farm that produces solar energy for the Martinique grid, SARA is also working on a project that will use hydrogen as feedstock for an innovative 1MW cell fuel power plant. In French Guiana, SARA is collaborating in the development of a major project to build a solar photovoltaic ("PV") generating facility linked to a 20MW battery and a 20MW electrolyser. The electrolyser will use excess solar power to generate hydrogen from water, then store it to fuel a hydrogen fuel cell when the PV facility is not generating electricity. This project is expected to produce 10MW during the day and 3MW at night for French Guiana's power grid.

WHAT WE'RE DOING

- Low Carbon Leadership
- Helping our Customers Switch to Low Carbon Fuels
- Reducing our Carbon Footprint

PARKLAND'S COMMITMENT TO EMISSIONS REDUCTION TARGETS

Aligned with our commitment to enhanced sustainability reporting and greater transparency, Parkland is conducting a review of our direct emissions (Scope 1) and our energy indirect emissions (Scope 2) across our entire business to establish an emissions baseline. Once we have completed this review we will investigate pathways for reducing our emissions and will formalize specific emissions

reductions targets in our next Sustainability Report.

While we do not directly control our Scope 3 emissions, we are committed to providing our customers with the products and tools needed to reduce their own carbon footprint.

Once we have established our reduction targets we will measure and report progress on our Scope 1 and 2 emissions routinely in our future Sustainability Reports.



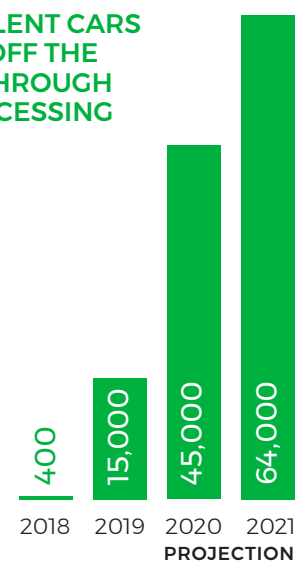
CO-PROCESSING RENEWABLE FUELS

Since 2017, Parkland’s Burnaby Refinery has been processing renewable feedstocks alongside conventional crude oil. This method is called co-processing and it produces renewable gasoline, diesel and jet fuel which produce fewer GHGs than conventional liquid fuel. Co-processed fuels can be safely used in existing vehicles without modification. To date, we have co-processed canola oil and tallow, and are exploring the use of forest residuals, wastewater biomass and carbon capture liquids as feed-

stocks. 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 1/8 of the carbon intensity of conventional fuels. Through co-processing we took the equivalent of 15,000 cars off the road in 2019 and are on track to take the equivalent of 45,000 cars off the road in 2020.

We plan to continue developing our co-processing capabilities at the Burnaby Refinery and leverage this expertise to increase our low carbon offerings across our entire business.

EQUIVALENT CARS TAKEN OFF THE ROAD THROUGH CO-PROCESSING



Looking Ahead: Low Carbon Leadership

We are committed to continuing our leadership on shaping the future of renewable fuels. To build on this we are actively developing an enterprise-wide low carbon strategy that will further increase our supply and distribution of lower carbon fuels across our operations. Elements of that strategy will include:

- Providing our customers and suppliers with more lower carbon fuel options in each jurisdiction across our business—including renewable fuel offerings—by 2025.
- Developing capabilities to produce sustainable aviation fuel at Burnaby Refinery, including working towards commercial scale development and collaborating with airlines and regulators to significantly lower GHG emissions for air travel.

- Launching Ridgeline Renewable products in the United States, our own line of readily biodegradable lubricants manufactured from renewable feedstocks, by the end of 2020.



- Planning to expand on Sol’s current pilot hybrid solar project to customize similar solutions for other commercial clients across the Caribbean.
- Continuing to improve our approach to climate disclosure, including further details on our enterprise-wide low carbon strategy.



Parkland’s commercial business in Canada is one of the nation’s largest propane distributors serving farming, mining, construction, oil and gas, food and beverage, and home heating customers, across a number of our brands, including Columbia Fuels, Bluewave Energy, Sparlings Propane, Ultramar and Island Petroleum.

HELPING OUR CUSTOMERS SWITCH TO LOWER CARBON FUELS

To support our customers in reducing their own emissions we will continue to provide them with lower carbon products and alternative energy.

- In Canada, we are actively converting a number of home heating oil customers to propane, which emits 38% fewer GHGs than fuel oil in furnaces. We are targeting an additional 25,000 conversions across Canada by 2030.
- We supply biodiesel to Montreal's bus service, the Société de transport de Montréal.
- We have six electric vehicle (EV) charging stations installed in Quebec, Ontario, Nova Scotia and New Brunswick, and are actively exploring other opportunities to expand charging infrastructure in Canada.
- We are a leading supplier of LPG in the Caribbean for home and commercial use and are piloting the sale of propane at our retail sites.

38% FEWER GHGs

Heating a house with propane results in 38% fewer GHGs compared to home heating oil.

Propane

Oil



Looking Ahead: Helping our Customers Switch to Lower Carbon Fuels

- Parkland will continue meeting the needs of our customers by helping them convert more of their fleets to lower carbon fuels. Natural gas and propane already power fleet vehicles such as taxis, local delivery and heavy freight trucks. These vehicles produce up to 25% less GHG emissions than gasoline or diesel equivalents.
- We plan to convert more Canadian and Caribbean customers to propane, increase the availability of biodiesel, and install more EV charging stations in communities where they are not available today.
- We are working on an educational program to help our customers reduce their own carbon footprint by better managing their fuel consumption (managing speed, proper vehicle maintenance, traveling light, etc.).

REDUCING OUR CARBON FOOTPRINT

We are continuously looking for ways to minimize our own carbon footprint while providing our customers with the products they need. All reductions, big and small, ultimately help us to 'use less' and reduce GHG emissions.

In Barbados, Sol recently opened a new flagship retail site with solar panels on top of the fuel pump canopy and the full-sized convenience store. **The solar panels will produce approximately 132,000 kWh per year** which will be sold into the local grid providing a local source of solar energy to the community. It is our

intention to continue adding to our solar infrastructure in the Caribbean region.

As of 2019, we have fully converted 145 Canadian retail sites to LED lighting, which is up to 80% more energy efficient than traditional lighting. By the end of 2023, we plan to have more than 500 additional retail sites fully converted to LED lighting.

Our largest Canadian offices located in Calgary, Alberta and Burnaby, BC are Leadership in Energy and Environmental Design (LEED®) certified, which helps reduce carbon emissions, save water, conserve energy and reduce waste.



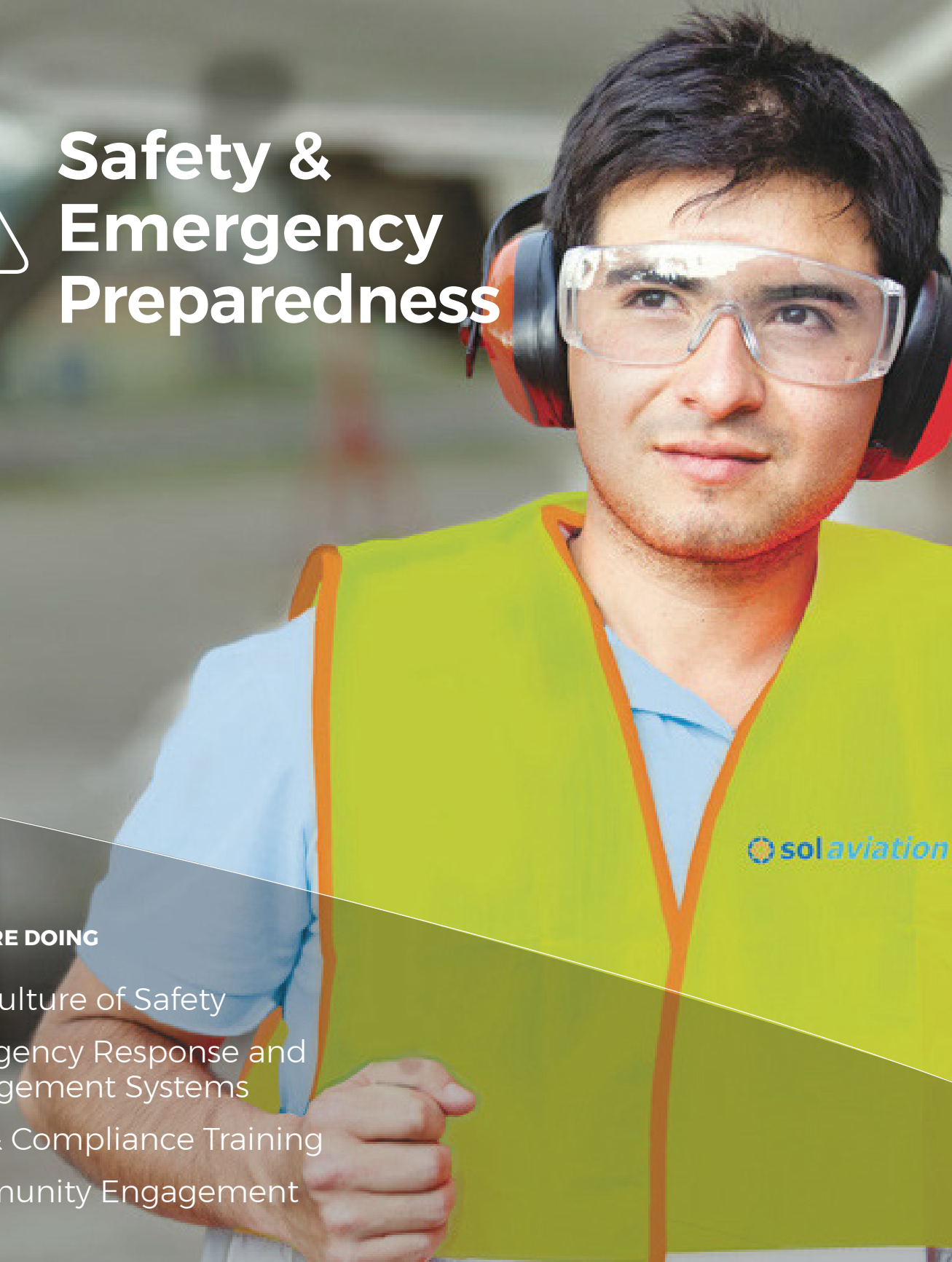
SOL'S STATE-OF-THE-ART RETAIL SITE IN BARBADOS

Sol's newest retail site near the Grantley Adams International Airport opened in July 2020 and is equipped with solar panels and full LED lighting. This is a requirement for all newly constructed retail sites, and we are working to update all existing retail sites.

Sol also recently upgraded its import terminals in The Bahamas, St. Maarten and Anguilla to full LED lighting.



Safety & Emergency Preparedness



WHAT WE'RE DOING

- Our Culture of Safety
- Emergency Response and Management Systems
- HSE & Compliance Training
- Community Engagement

Safety underpins all our business practices and is foundational to Parkland's company culture.

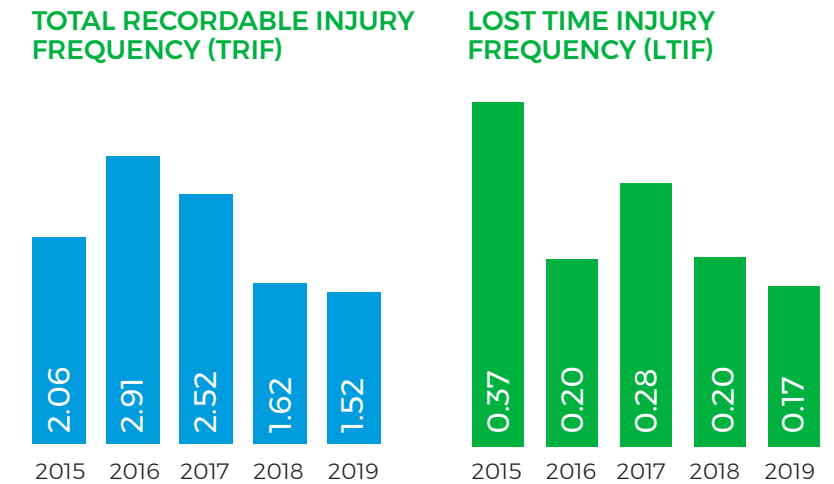
To us, safety means protecting our employees, customers and the environment. We have been making significant progress on our safety performance; as of August 31, 2020, our **Total Recordable Injury Frequency (TRIF) was at an all-time low of 1.00**. We plan to build on this as we continue to 'Drive to Zero'. To underscore our commitment to safety, Health, Safety and Environment factors have been integrated into our annual incentive plan performance metrics.

OUR CULTURE OF SAFETY

Safety is at the heart of our company culture. We empower our team members to make the right calls whether in the office or in the field. Our team takes the time to do things safely, or not at all.

All employees are required to create their own **personal commitment to Health, Safety and Environment (HSE)**. Team members outline three safety-related commitments they will uphold throughout the year. Each employee is also required to set annual HSE-related objectives as part of their employee performance reviews.

A key risk assessment tool at Parkland is 'Stop. Think. Act.' Before completing a task, employees complete a self-assessment to ensure the actions being undertaken are safe for everyone involved.



PARKLAND'S 8 LIFE SAVING RULES



1 READY TO WORK

Zero tolerance for impairment. Always conduct your work activities free from the effects of drugs, alcohol or fatigue.



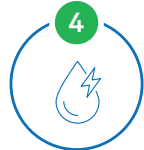
2 HAZARD AWARENESS

Stop. Think. Act. For each task, always assess hazards and identify effective controls.



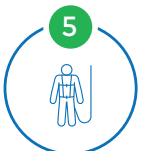
3 VEHICLES

Avoid distractions at all times. Your driver safety training must be complete before operating any heavy vehicle. Wear your seat belt, obey speed limits, use wheel chocks and reverse park.



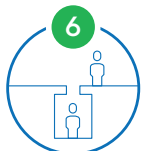
4 ENERGY CONTROL

Before loading or unloading fuel of any kind, always verify proper grounding and bonding. Never work on equipment that has not been properly isolated, locked out and tagged.



5 WORK AT HEIGHTS

Always use proper fall protection when working above heights of 1.8m (6'). Always maintain 3 points of contact exiting a truck, using a ladder or on stairs.



6 DANGEROUS PLACES

Never enter a confined space without a permit. Employ proper purging and gas monitoring techniques and enlist a dedicated spotter. If unsure, please talk with your supervisor.



7 FALLING OBJECTS

Prevent the risk of falling objects. Never walk or work under a suspended load. Always inspect all lifting equipment.



8 SAFETY GEAR

Always wear correct personal protective equipment for the job. (e.g. full fire resistant PPE)

In 2020, we introduced Parkland's **8 Life Saving Rules**, a set of standards that can help mitigate risks and reduce injuries and incidents. All employees have the right to refuse unsafe work and the authority to stop work if they are unsure the Life Saving Rules can be followed.

Journey Management systems are in place across all our jurisdictions to help ensure our drivers stay safe by limiting their driving time and therefore the potential for an incident. We also expect our contractors to have stringent safety requirements that match our own standard of care. In addition to adhering to local and national industry standards, all contractors must adhere to Parkland's HSE Standards and Procedures.

To help manage our approach to safety, we have developed **Parkland's Operational Excellence Management System (POEMS)**, which will be fully rolled out by early 2021. POEMS is a principles-based management system that aligns our approach across all regions where we operate, in order to provide quality services and products to customers while allowing operational assurance for our senior leadership. It provides the roadmap for how we protect our people, drive strong per-

formance and ensure the long-term integrity of our assets. Any future acquisitions made by Parkland will require integration of POEMS into their operations in an ongoing effort to continue improving our standards of operational excellence.

EMERGENCY RESPONSE AND MANAGEMENT SYSTEMS

While safety is ingrained into Parkland's culture, we also have systems in place that add layers of protection to help us mitigate risk.

In each of our jurisdictions, Parkland follows the internationally-recognized **Incident Command System (ICS)** for emergency preparedness and response. We practice incident response regularly. For example, Sol holds annual emergency response drills and each of the countries where Sol operates has a country-specific ICS. These drills have a strong emphasis on hurricane emergency response. Similarly, Parkland's Burnaby Refinery conducts annual emergency response drills where staff practice implementing the ICS and responding to a simulated emergency in real-time. Regulators, First Nations and other groups are also invited to participate in these drills.



HSE & COMPLIANCE TRAINING

We provide regular HSE training to ensure our team members understand how to identify and prevent risks. Some of the key areas of focus for our training programs include hazard recognition and control, due diligence, impairment awareness and driver training.

Near miss reporting and investigation is another important aspect of our safety processes. All incidents and near misses are reported in our health and safety management system. Incident investigations determine root causes with the objective of correcting deficiencies, preventing reoccurrence and broadly sharing lessons learned.

Drawing on Parkland's extensive expertise, Sol provides technical training to staff and contractors on storage, handling and distribution of propane based on the Canadian Propane Association Standards. Sol also provides comprehensive safety training to commercial propane customers on a bi-annual basis. This covers product specifications, equipment installation standards, safe handling and storage, and emergency management. Additionally, since Parkland's acquisition of Sol in 2019, we have leveraged expertise from our Burnaby Refinery to provide additional safety training to refineries in the Caribbean.

COMMUNITY ENGAGEMENT

Parkland's commitment to safety extends beyond our own team members; it applies to the communities in which we operate, too. It is important that our neighbours are aware of the steps Parkland takes to ensure the safety of our communities and shared environment.

As an industrial facility located within a residential community, Parkland's Burnaby Refinery works closely with its regulators and the local community to ensure they are well informed about our activities and commitment to safety. This includes our Community Advisory Panel, associated website and

community newsletter that provide updates and information about the facility.

Through collaboration with regional emergency management agencies such as the Caribbean Disaster Emergency Management Agency and local emergency relief organizations, Sol continues to be an integral resource for providing support following natural disasters such as hurricanes, floods and earthquakes. This was most prevalent in 2017 following devastating Hurricanes Irma and Maria where Sol pledged USD \$1 million in relief efforts across five territories.



Looking Ahead: Safety & Emergency Preparedness

- Parkland plans to introduce an HSE commitment performance review process for all of our employees in 2021 which will further integrate the importance of safety throughout our business.
- To reinforce the importance of near miss reporting in preventing future incidents, Parkland is committed to increasing the number of near miss reports by 10%. Our goal is to continue to "Drive to Zero" incidents.



Product Transportation & Storage



WHAT WE'RE DOING

- Spill Prevention, Awareness and Response
- Fuel Transport
- Product Storage

The safe movement and storage of our products is an integral part of our business.

Parkland has comprehensive programs and procedures to help ensure these activities are undertaken as safely as possible. We closely measure our performance on an ongoing basis to help identify potential areas for improvement.

SPILL PREVENTION, AWARENESS AND RESPONSE

Providing our customers with the products they need means our workforce is often handling hazardous materials. We have stringent policies in place to prevent spills that go beyond regulatory requirements,

including our **Spill Awareness & Response training** as well as strict delivery and maintenance standards. Our goal is to have zero spills.

We review all incidents, even minor ones, and share lessons learned across the enterprise. We measure spills by the number of spills per billion litres of fuel and product volume delivered. We also track the absolute number of spills and total volume released. In the unlikely event of a spill, the incident would be recorded, reviewed and assigned corrective actions to help prevent future spills.

In 2019, Parkland did not record any significant spills. We intend to continue this trend as part of our ambition to 'Drive to Zero.'

FUEL TRANSPORT

The safe transportation of our products is a key element of POEMS, for which we have developed specific governing principles.



SAFE SHIPPING RECOGNITION

Our Elbow River Marketing (ERM) trading team, with their mid-continent fleet of over 2,090 rail cars, serves Parkland's brands as well as other Parkland customers with an array of petroleum products including; asphalt, fuel oil, crude, LPGs, and refined renewables.



ERM is a three-time consecutive winner (2017, 2018, 2019) of the **Association of American Railroads' Non-Accident Release (NAR) Grand Slam Award** for safe shipping. This award is presented annually to companies that are exemplary shippers of hazardous materials. Award winners must have been recognized by at least four Class I railroads and have had zero non-accident releases involving their shipments during the previous calendar year. A hazardous materials non-accident release is an unintentional release of a hazardous material while in transportation, but not involving an accident.

We appreciate the recognition for ERM's safe shipping efforts which underscores our enterprise-wide commitment to the safe, secure and reliable transportation of essential products.

MARINE SAFETY

Sol affiliate Antilles Shipping Company SEZC (ASCS) audits all paperwork and certificates for all vessels hired by or in ASCS control. Vessels adhere to International Maritime Organization, Classification Society and Flag State safety standards. In addition, vessels are subject to routine inspection by the Oil Companies International Marine Forum.



PRODUCT STORAGE

We ensure the safe storage of our products by maintaining asset integrity through regular maintenance, inspection and monitoring of our facilities.

Fibreglass storage tanks are used extensively at our retail sites as this is the safest storage material.

In all jurisdictions we follow **American Petroleum Institute (API) standards** for tank safety, integrity and inventory control. These globally-adopted standards enhance operational safety, environmental protection and sustainability. For example, Sol implemented an aggressive API 653 tank inspection and repair program throughout its 39-terminal network and is installing automatic tank gauges and high-level alarms to prevent tank overfills and continues to replace single wall underground storage tanks at retail sites with double walled tanks to ensure secondary containment.

To ensure the integrity of our assets, we formally inspect and audit facilities and equipment on a frequency appropriate to the type of operation and equipment. All assets are evaluated to determine performance degradation and its contribution to risk exposure and overall asset management.



**Looking Ahead:
Product Transportation & Storage**

- Parkland will increase its focus on safe product storage by increasing our asset integrity audits as part of our POEMS rollout in 2021.
- We will be investing capital in upgrading our HSE database system to allow for full mobile capability and state-of-the-art dashboarding capabilities.





Diversity & Inclusion



WHAT WE'RE DOING

- ⊗ D&I Council
- ⊗ Policies and Commitments
 - Awareness and Education
 - Women in Leadership
 - Indigenous, Black and Racialized People
- ⊗ Community Representation and Engagement

Our values guide our actions and have helped us become the diverse company we are today, proudly operating in 25 countries.

Our differences make us stronger and our commitment to acting with integrity and treating everyone with respect is core to our culture.

D&I COUNCIL

We have instituted Parkland's first-ever enterprise-wide executive-led Diversity & Inclusion (D&I) Council. The Council is made up of diverse thinkers from across Canada, the United States, the Caribbean and Central and South America. Together the Council is tasked with advancing Parkland's vision for building and sustaining a diverse and inclusive workforce in service of our customers, communities and other stakeholders.

PRIORITIES AND GOALS FOR THE D&I COUNCIL INCLUDE

- ⊗ **Two-Way Communication & Influence:** the Council acts as the pulse check for the organization, bringing information into the council while also championing messages back out to the organization.
- ⊗ **Guidance:** the Council acts as a guide for future cross-functional teams tasked with addressing D&I challenges and/or building inclusive communities such as employee resource groups across Parkland.

- ⊗ **Strategy Building & Execution:** the Council will thoughtfully build upon, stretch and evolve the D&I strategy, ensuring longevity and meaningful output.

POLICIES AND COMMITMENTS

Parkland is focused on fostering the core competencies of diversity and inclusion throughout our workforce by building awareness and providing education opportunities for all employees. Beyond creating a strong culture of inclusion, Parkland is also making a concerted effort to advance in a few key demographic areas: for women and for Indigenous, Black and racialized people. Regionally, there may be additional and specific focus areas that speak to regions' unique needs, such as veterans in the United States.

Specific business units have also championed their own diversity and inclusion initiatives.

AWARENESS & EDUCATION

While we are proud of our diverse workforce, we know we can always strive to be better. In the spirit of continuous improvement, Parkland has instituted formal mandatory training programs related to key diversity and inclusion policies, including our: Preventing Workplace Discrimination & Harassment Policy, Whistleblower Policy, and Workplace Violence Prevention.

Parkland is also a proud employment partner of the **Canadian Centre for Diversity and Inclusion**, which provides access to education re-

sources, webinars, research and ongoing guidance for all Parkland employees to expand their knowledge and skills as they pertain to D&I.



Parkland has a number of core policies in place to support our D&I efforts. These include:

- Harassment and discrimination: We have a no tolerance policy for harassment and discrimination.
- Equity and accessibility: We are committed to meeting the needs of employees and customers with disabilities, as well as achieving and maintaining a workforce that is representative of women, Indigenous peoples, persons with disabilities and members of visible minorities.
- Workplace flexibility: We continue to evolve our thinking about how and where we work.
- Diverse and inclusive succession planning: Our succession plans for our Senior Leadership Team, Senior Management Team and Managerial Teams are aimed at the promotion of diverse talent from across the enterprise.

WOMEN IN LEADERSHIP

Diversity is a critical consideration for Executive leadership and Board of Director positions. Today, 30% of Parkland’s executive officer positions are currently occupied by women and the Board benefits from the contribution and leadership of two talented female Board members. Leading from the top, this ambition will be among the principles which guide Parkland’s recruitment, promotion and succession planning

approaches as we continue to embed diversity and inclusion practices throughout the organization.

To further reinforce our commitment to a diverse and inclusive workplace, Parkland became a signatory of the **Equal by 30** campaign, which is a public commitment by public and private sector organizations to work towards equal pay, equal leadership and equal opportunities for women in the clean energy sector by 2030.



Gender parity in the workplace is one of the main focuses for Parkland’s Board. We are proud to have been recognized for our efforts in this space thus far, but know we have more work to do. We look forward to continuing to enhance gender equality within our business.

Lisa Colnett
CHAIR, HUMAN RESOURCES & CORPORATE GOVERNANCE BOARD COMMITTEE

WOMEN LEAD HERE

We are also proud to have earned a spot on the list of the inaugural Women Lead Here honourees produced by Report on Business magazine. Women Lead Here is an annual benchmark report that uses specific research methods and calculations to rank Canadian companies that have achieved, or are nearing, gender parity in executive ranks in 2019.



INDIGENOUS, BLACK AND RACIALIZED PEOPLE

Recent world events have highlighted a need to re-focus on ensuring racial equality is prevalent across Parkland. Our ambition is to ensure we create an inclusive environment where systemic racism is eliminated and proportional representation exists throughout our diverse teams and regions. Our goal is to ensure these efforts are measurable and guided by strong workforce data that will inform sustainable strategy and actions for years to come.

COMMUNITY REPRESENTATION AND ENGAGEMENT

With operations in 25 countries and five official languages, it is a priority for us to be a reflection of and resource for our local communities. We have grown significantly in recent years—with over 4,500 direct employees and thousands of indirect employees, we make it a priority to engage, communicate and train our extended teams within the communities and regions we operate in.

As a company that completes a large number of acquisitions, it is paramount to maintain business continuity and preserve the local workforce through these transitions. As an international organization, we also provide our employees opportunities for continued growth across departments, teams, communities and geographies.



**Looking Ahead:
 Diversity & Inclusion**

In 2021, Parkland can expect to see more detailed diversity data being gathered about our workforce, communities, and vendors to help us make the most impactful and informed efforts as an inclusive organization. We will see the formation of task forces built to solve D&I-related problems throughout the business as well as affiliation groups where community can be fostered in positive ways. We will also continue to audit our talent processes and policies to eliminate systemic exclusion and ensure our talent pool is made up of the most competent and diverse people at all levels of the organization.





Governance & Ethics

WHAT WE'RE DOING

- Anti-Corruption and Ethics Policies
- Board Governance
- Sustainability Governance
- Community Support

Parkland's values of Safety, Integrity, Community and Respect guide everything we do.

All business practices are measured against the highest possible standards of ethical business conduct. Parkland's Board of Directors and Management embrace their corporate governance obligations and are committed to sound governance practices and ensuring compliance across all jurisdictions.

ANTI-CORRUPTION AND ETHICS POLICIES

At Parkland, we pride ourselves on doing the right thing. Our business operates to the highest degree of ethical integrity and in compliance with the laws within each jurisdiction we operate. We've instituted several policies to ensure our workforce is empowered to do the right thing, too:

- [Code of Conduct](#)
- [Business Code of Conduct](#)
- [Whistleblower policy](#)
- Audits
- Anti-Corruption training
- Economic substance and arm's length requirements training
- Competition and antitrust training

BOARD GOVERNANCE

The Parkland Board is comprised of strong business leaders with demonstrated experience across various sectors, creating value for shareholders through a deep understanding of all aspects of Parkland's business. The Board currently consists of nine directors and is led by its independent Chair. Each of the key Committees are comprised of independent Board members. The added focus of ESG matters is a welcome addition to the Board's oversight role, which our Senior Leadership Team has wholeheartedly embraced.

The Board also takes an active role in the oversight of Parkland's enterprise risk management, working with our Senior Management Team to identify risks inherent to Parkland's business and operations and to ensure appropriate strategies are in place to manage and mitigate such risks.

To enable the Board's oversight of Parkland's enterprise risk management, Parkland conducts an annual, companywide process to identify, assess and report on the significant risks to Parkland's business, including risks related to HSE and the strategies in place to mitigate such risks. The Audit Committee and the Board review the enterprise risk management program on a quarterly basis.



The Board is committed to focusing on environmental, social and governance issues that are important to shareholders, employees and the communities in which we operate.

Domenic Pilla
CHAIR, ESG BOARD COMMITTEE

SUSTAINABILITY GOVERNANCE

Our Board recognizes the importance of sustainability within our business, and as such, formally instated an ESG Committee in 2019 to provide oversight of Parkland’s management of topics including Health & Safety, Environment & Sustainability, Business Ethics, Social Capital, and Human Capital. Some of the key responsibilities of the Committee members include: oversight of the management of identification, assessment and prioritization of ESG Matters; identification of issues and trends that could significantly impact Parkland’s long-term value; ensuring that the management of

sustainability issues is embedded across the business; and reviewing, monitoring and reporting to the Board on actions and initiatives to prevent, mitigate and manage risks related to ESG matters.

To execute Parkland’s sustainability strategy, we also initiated the executive-led Sustainability Task Force in 2019, as outlined on page 8.

OUR VISION FOR INDIGENOUS RELATIONS

Parkland is committed to establishing meaningful, lasting and mutually-beneficial relationships with Indigenous communities. Parkland respects the diverse cultures, tra-

ditions and perspectives of Indigenous Peoples and seeks to achieve equitable partnerships and opportunities with the communities on whose traditional territories Parkland operates.

We are happy to be a new member of the **Canadian Council for Aboriginal Business** and support their mission to advance sustainable relationships between Indigenous communities and Canadian businesses.



PARKLAND'S ESG BOARD COMMITTEE	
Domenic Pilla	Chair
David Spencer	Member
John Bechtold	Member
Lisa Colnett	Member



Looking Ahead: Indigenous Relations

We are actively working on implementing a Canadian Indigenous relations strategy in 2021 in order to increase awareness on Indigenous issues within the company and expand opportunities to work with Indigenous Peoples and groups.

COMMUNITY SUPPORT

Community is one of Parkland’s core values; our business cannot thrive unless our communities are also thriving. As such, supporting the communities in which we operate is paramount to our success.



To support our communities, we instituted the **Parkland Pledge program** in 2013. This employee-driven giving program empowers our North American team members to give back to the charitable causes most important to them. In 2019, approximately \$700,000 was contributed through the Parkland Pledge program to more than 1,300 non-profit institutions and charitable organizations.

The Ultramar Foundation provides financial support to organizations taking concrete measures to promote the well-being of thousands of children from our communities. Parkland’s Burnaby refinery also has a social investment program which supports local organizations that have a focus on health and safety, community-building, the environment, and/or education. In 2019, the Burnaby refinery contributed more than \$190,000 through this program.

We also encourage regular team building activities for our workforce, and these activities often benefit the local community. Many teams have elected to use these sessions to make a positive impact, serving food banks and other community-based initiatives.



For the past four years, Parkland USA’s team in Minot, North Dakota has volunteered with the state’s Adopt-A-Highway program to clean up litter and debris from highways surrounding their office. Between six and 20 employees donate their time for each cleanup three times per year, which is not only a valuable team-building activity, but also a fantastic opportunity to help improve the environment and roadways that our customers use daily.

CARIBBEAN HURRICANE RELIEF

Parkland and Sol contributed directly and matched employee contributions to provide more than USD\$160,000 in support of recovery efforts for hurricane Dorian that hit Grand Bahama and Abaco Islands in The Bahamas in 2019. The recovery is still in progress and many of the relief organizations we supported are also helping residents through the economic challenges created by the COVID-19 pandemic.



Looking Ahead: Governance & Ethics

- While we have strict anti-corruption and ethics policies in place, we plan to reinforce these with enhanced online training for our staff across all jurisdictions.
- The Board will enhance the focus on diversity going forward by committing to 30% of Board seats occupied by women.
- Parkland has adopted a target average tenure of nine to 11 years for its Board.
- To emphasize the importance Parkland puts on our sustainability efforts as we develop our enterprise-wide sustainability strategy, we will incorporate ESG related performance metrics directly tied to our strategic targets for the business for which management is held accountable.

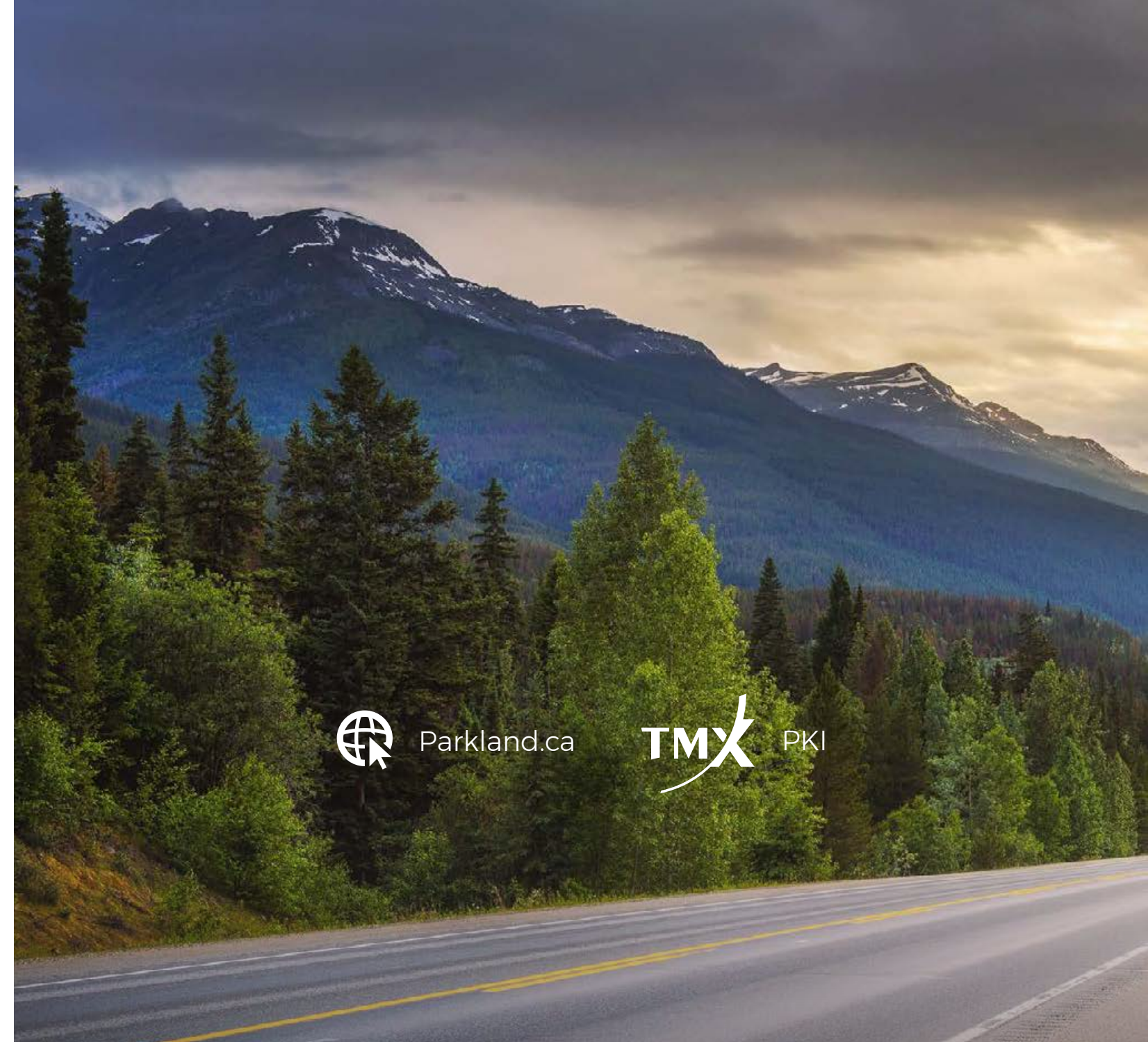
2019 SUSTAINABILITY REPORTING DATA

All dollar amounts are in Canadian dollars unless otherwise noted.

Methodology	Reference Code	Description	Data
Climate Change			
SASB	EM-RM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	Parkland abides by applicable emissions reporting requirements in each operating jurisdiction. In 2019, the Parkland Burnaby Refinery emitted 493,298 tonnes CO ₂ eq. This figure represents emissions from Parkland's largest operating facility.
GRI	103-1; 103-2; 103-3	Greenhouse Gas Emissions: Explanation of the material topic and its boundary (scope), the management approach and its components, evaluation of management approach.	This emissions estimate calculation was performed in compliance with provincial and federal regulatory requirements. Refinery emissions are reported at the provincial level in accordance with the BC GHG Emission Reporting Regulation, which references the Western Climate Initiative's Final Essential Requirements of Mandatory Reporting Amended for Canadian Harmonization. Refinery emissions are reported at the federal level through Environment & Climate Change Canada, following the methodology in Canada's GHG Quantification Requirements. For more information on Parkland's approach to GHG emissions, see Parkland's Commitment to Emissions Reduction Targets on page 11 of this report.
TCFD	Climate-Related Risks, Opportunities, and Financial Impacts	Description of board oversight of climate risk and risk management process.	For more information on Parkland's approach to climate risk management and oversight, see pages 29-30 of Parkland's 2020 Annual Information Form for the year ended December 31, 2019 .
TCFD	-	Technology commitments	Parkland continues to invest in low-carbon technology, particularly at its Burnaby Refinery, Parkland's largest operating facility. The 2019 capital spend on projects related to co-processing at the refinery was \$3.3 million.
TCFD	-	Research and development spending under Scientific Research & Experimental Development (SRED) Tax Credit.	2019 spend equaled \$430,000, creating \$108,000 of expected SRED tax credits.
SASB	EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure.	Market Size - Canada Hydrogenation Derived Renewable Diesel (HDRD) & Biodiesel (BD): 680 ML HDRD: 390 ML BD: 290 ML Market Size - USA HDRD & BD: 7,940 ML BD: 5,940 ML HDRD: 2,000 ML
TCFD	-		

Methodology	Reference Code	Description	Data
Safety & Emergency Preparedness			
SASB	EM-RM-320a.1	Total recordable incident rate (TRIR) for full-time employees.	See page 17 of this report.
GRI	403-2	Total Recordable Injury Rate & Lost Time Injury Rate	
SASB	EM-RM-320a.2	Discussion of management systems used to integrate a culture of safety.	See pages 17 - 19 of this report.
GRI	103-1; 103-2; 103-3	Total Recordable Injury Rate & Lost Time Injury Rate: Explanation of the material topic and its boundary (scope), the management approach and its components, evaluation of management approach.	Parkland is committed to consistently reducing our TRIF rates through a focus on leading indicator activities, continued engagement with our workforce and robust investigations conducted after incidents. In addition to 24-hour incident notifications, enterprise-wide safety performance is formally reported and reviewed on a weekly, monthly and annual basis. For more information, see pages 17-19 of this report.
Product Transportation & Storage			
SASB	EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1).	Process Safety Event (PSE) rate for Burnaby Refinery and Burnaby Terminal: Tier 1 rate: 0 Hours worked: 8,182,104.22 This figure includes the PSE rate for Parkland's largest operating facility. We look forward to sharing additional data points in future reports as we improve data gathering systems.
SASB	EM-RM-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) lesser consequence (Tier 2).	Process Safety Event (PSE) rate for Burnaby Refinery and Burnaby Terminal: Tier 2 rate: 0 Hours worked: 8,182,104.22 This figure includes the PSE rate for Parkland's largest operating facility. We look forward to sharing additional data points in future reports as we improve data gathering systems.
GRI	306-3	Significant spills	0
Diversity & Inclusion			
GRI	405-1	Employee demographics: Gender	Female employees: 35% Male employees: 65%
	402-1	Unionized employees	6% of all employees

Methodology	Reference Code	Description	Data
	401-1	Employee turnover demographics: Gender	Female employee turnover: 14% Male employee turnover: 16%
	405-1	Women in management positions	Total female managers: 31%
Governance & Ethics			
GRI	205-1	Total number and percentage of operations assessed for risks related to corruption	In 2019, Parkland implemented a new anti-corruption program in association with our acquisition of Sol and our US trading business. We conducted more than 75 assessments of new counterparties within that program. Moving forward in 2020 and early 2021, we are implementing an enhanced program, including lookbacks to assess existing parties on a risk-based schedule.
GRI	307-1	Environmental regulatory fines	0
GRI	205-3	Number and nature of confirmed incidents of corruption	No confirmed instances of corruption.
SASB	EM-RM-520a.1	Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation	No monetary loss as a result of these sorts of legal proceedings.
GRI	201-1	Net earnings	\$414 million
GRI	201-1	Royalties and taxes paid	\$193 million
GRI	201-1	Community investments	\$4 million
GRI	201-1	Distribution to shareholders	\$177 million
GRI	201-1	Economic value retained	\$660 million
GRI	102-7	Enterprise value breakdown:	
		Scale of organization: Total number of employees	4635
		Scale of organization: Total number of operations	Parkland has operations in 25 countries
		Scale of organization: Net sales	\$18,453 million
		Scale of organization: Total capitalization	\$6,071 million
		Scale of organization: Quantity of products or services provided	22,408 million litres of fuel and petroleum product volume sold
		Scale of organization: Total assets	\$9,283 million
		Breakdown of costs	\$17,206 million Includes cost of purchases, opex, MG&A and other costs
GRI	201-1	Capital and exploration expenditures	\$453 million attributable to Parkland
SASB	EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.	See pages 29-30 of Parkland's 2020 Annual Information Form for the year ended December 31, 2019 .



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FORWARD LOOKING STATEMENTS

Certain statements contained in this report constitute forward-looking information and statements (collectively, "forward-looking statements"). In particular, this report contains forward-looking statements with respect to, among other things: Parkland's goals and plans with respect to: the development of an enterprise-wide sustainability strategy that is grounded in meaningful targets, ongoing transparency and annual performance reporting; climate change, including with respect to Parkland's co-processing renewable fuels and other renewal product initiatives, the projected benefits expected therefrom and enhanced emissions reporting and reduction targets; safety and emergency preparedness, including the expected rollout of Parkland's Operational Excellence Management System and increased near miss reporting; product transportation and storage, including increased focus on and investment in fuel transportation and storage audits and systems; diversity and inclusion (D&I) including increased diversity data collection and diversity commitments; and Governance and Ethics, including the inclusion of ESG performance metrics in strategic targets for the business.

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 report should not be unduly relied upon. These forward-looking statements speak only as of the date of this report. 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, actions by governmental authorities and other regulators; changes and developments in regulations; and other factors, many of which are beyond the control of Parkland. See also the risks and uncertainties described in "Forward-Looking Information" and "Risk Factors" included in Parkland's Annual Information Form and in "Forward-Looking Information" and "Risk Factors" in Parkland's quarterly MD&A, each as filed on SEDAR and available on the Parkland website at www.parkland.ca.