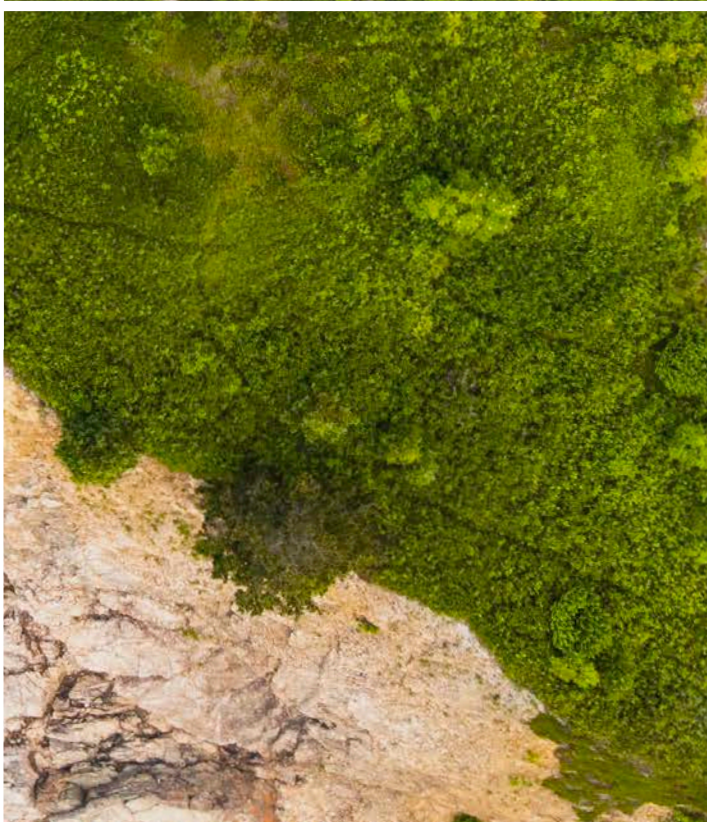


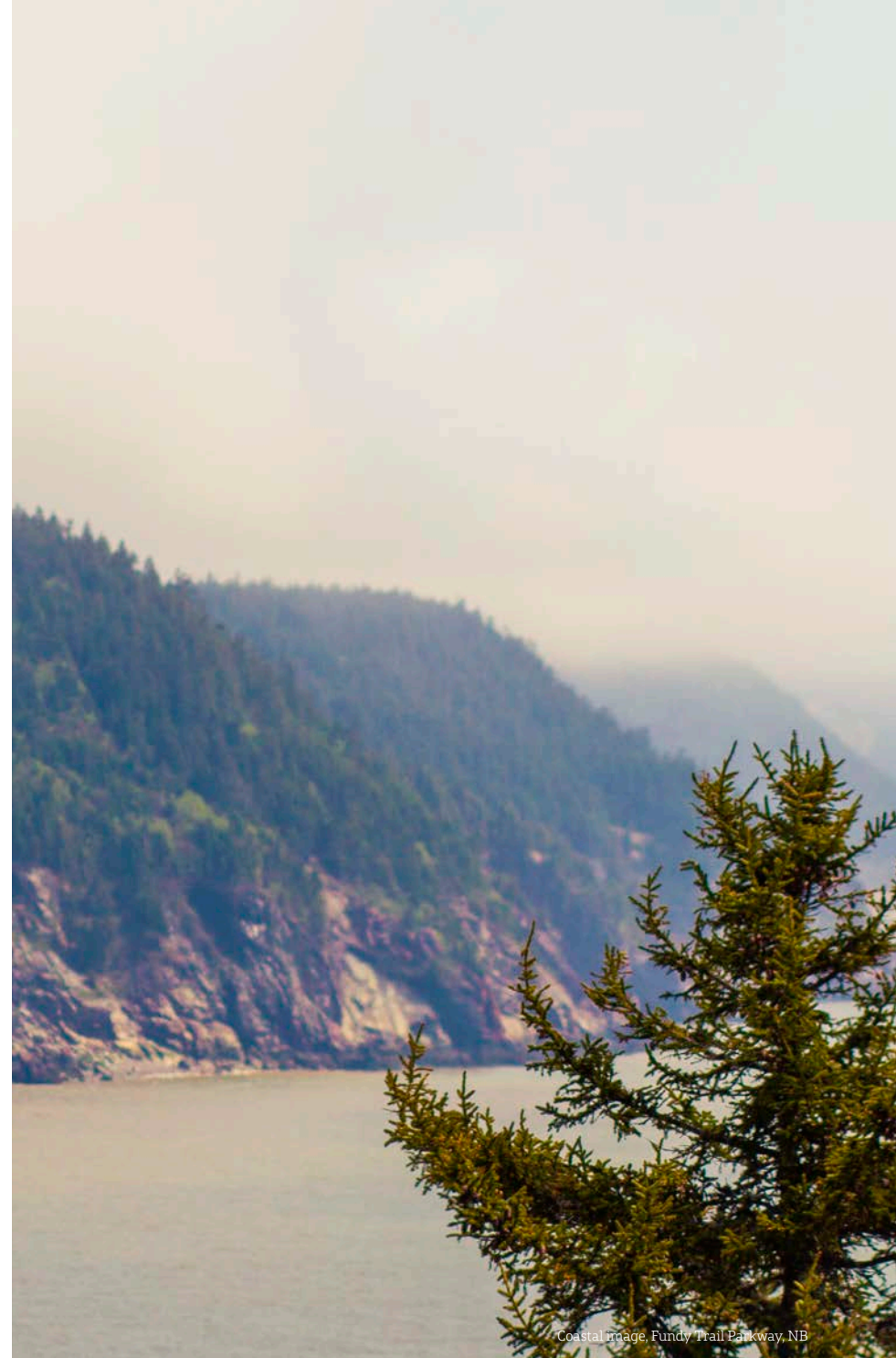

IRVING

REPORT ON
SUSTAINABILITY
2021



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Coastal image, Fundy Trail Parkway, NB

Report highlights

2021



Nerepis Marsh, NB

About Irving Oil

Irving Oil is a family-owned and privately held international energy company. For nearly 100 years, our commitment to doing good business has been grounded in our commitment to people – to our employees, customers, communities and partners. Founded in 1924, our mission is focused on our continued evolution to meet the changing needs of our customers. Specializing in the refining and marketing of finished energy products, we operate Canada's largest refinery in Saint John, New Brunswick, and Ireland's only refinery located in the village of Whitegate. We proudly serve customers with more than 1,000 fuelling locations and a network of distribution terminals spanning Eastern Canada, New England and in Ireland, operating under the Top brand. We are on a continuous journey of sustainable development, working to reduce our environmental footprint while continuing to provide safe and reliable energy to our customers. Named one of Canada's Top 100 Employers for six consecutive years, we are proud of our team and our longstanding commitment to our customers and our communities.



Saint John refinery, NB

From our leaders



Arthur Irving, Chairman

When my father founded Irving Oil nearly 100 years ago, he did so on our value that people matter. And it's with that commitment to our customers, employees, communities and partners that, through each generation, we have continued to operate a strong and sustainable business, that gets better with every year. As a business, we're evolving faster than ever, but as we grow and change, our commitment to our core values always remains the same. We're proud of our team of hardworking people, always trying our very best to do the right thing.



Ian Whitcomb, President

The global COVID-19 pandemic has not only impacted each and every one of us on a personal level, but it has also changed the economic landscape, how we live, and the way we do business. As the world recovers, we all have a role to play in defining a more just and sustainable future, and that includes a shift to lower-carbon energies and supporting a net-zero goal. We know that environmental, social and economic systems do not operate independently. By working with our communities, partners and government regulators, we know that together we can create real change towards a more sustainable energy future for all.



Sarah Irving, Executive Vice President and Chief Brand Officer

The expectations of a company's role in society – in global issues of climate change and societal impact – continue to rise, and we as an organization have an important role to play in creating and being a part of this change. Together, our team works hard every day to deliver the safe and reliable energy that people need while at the same time taking concrete steps to evolve our business for the future – for our people, our customers, our communities and our environment. We are proud of the work that our team does every day – for a strong, resilient business and for a better world – for today and for tomorrow.

Our strategy

Good energy, today & tomorrow

.....

PURPOSE

As a family-owned company, it's personal. We call our communities home and our team members family. It's why we work hard every day to bring value and respect to the people, environment, and communities where we live and work. Every day, we continue to raise the bar in being safe, responsible and transparent in all that we do, to deliver **good energy** to those counting on us.

STRATEGY

To prudently manage our core business, with a focus on safety and reliability, while taking the necessary steps to evolve and chart a sustainable course for Irving Oil that will continue to deliver value and drive positive change for generations to come.

.....



Strong Core Business



Safe, Efficient Operations



Be the Brand of Choice



Grow for Tomorrow

.....

OUR KEY PRIORITIES

Continue our safety journey to zero

Achieve our financial targets and enhance our value over the long term

Diversify our portfolio

Reduce our GHG emissions and advance our sustainability goals

Enhance our Brand

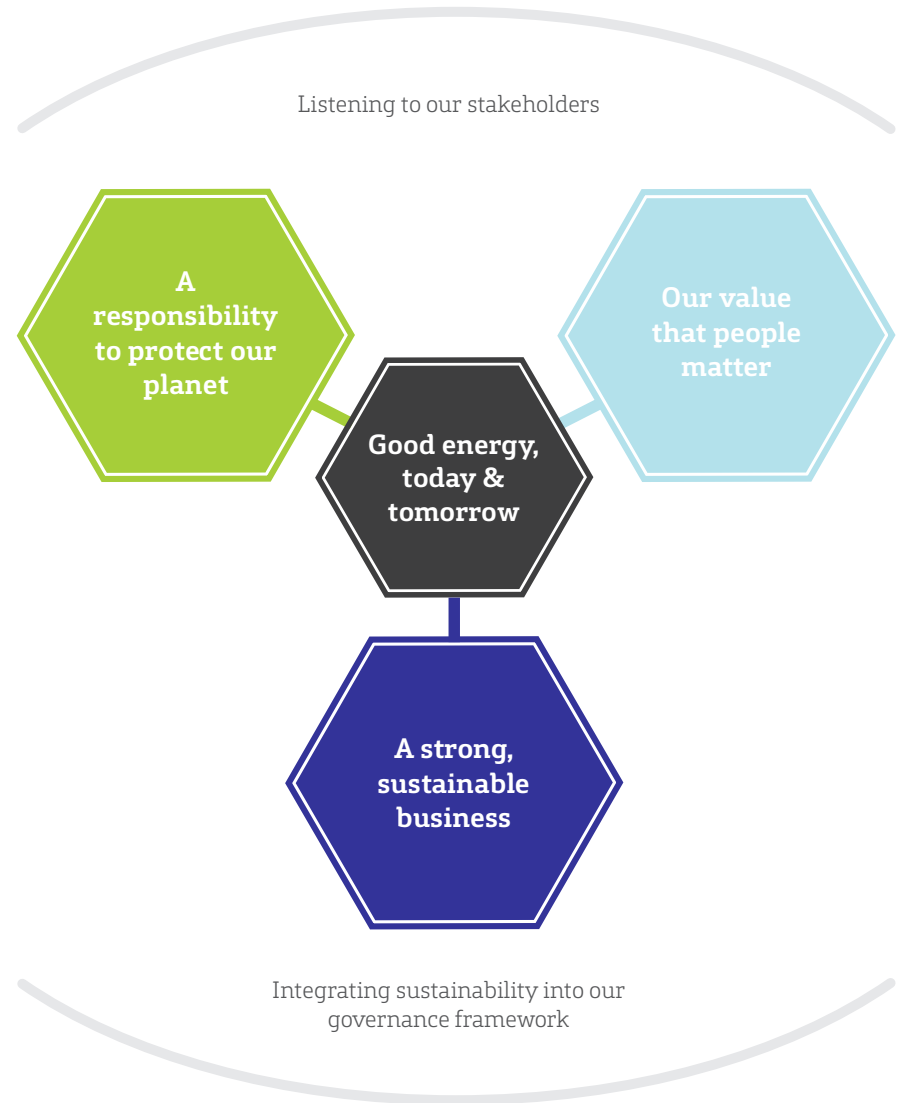
Our approach to sustainability

We have spent the last year focusing on our environmental, social and governance (ESG) priorities and have set meaningful aspirations and targets for our company as we move forward. We have progressed our governance framework, outlining how our policies and processes include ESG considerations, and began to align our ESG program with emerging standards and frameworks. Through our mindful approach to sustainability, we contribute in direct and indirect ways to advancing the United Nations' Sustainable Development Goals and are proud to join our peers in driving progress, together.

We are committed to being part of the solution, in providing the safe and reliable energy that people need, while taking concrete steps to evolve our business for the future. We remain grounded in the values that have guided our company for nearly 100 years – that people matter. Our employees, our customers and our communities are at the heart of all we do and, together, we will continue our journey.

We are pleased to share our 2021 Report on Sustainability, covering our ESG performance in 2020 and 2021, as well as our outlined commitments to drive progress in sustainability as we grow for tomorrow.

Saint John River, Public Landing, NB



Our focus areas: materiality assessment

We have continued to engage with our stakeholders to inform our ESG focus areas. We focus on topics that:

- Matter to our stakeholders, including our employees, customers, communities, partners and regulators.
- Are informed by voluntary ESG reporting frameworks, standards and guidelines such as Sustainability Accounting Standards Board (SASB), Global Reporting

Initiative (GRI), Task Force on Climate-Related Financial Disclosures (TCFD) and the United Nations' Sustainable Development Goals (SDGs).

- Align with our corporate purpose and strategy, allowing us to create value for our stakeholders over the long term.



- Climate change and energy transition
- Technology and innovation
- Environment
 - Air
 - Water
 - Waste
 - Biodiversity

- Process safety
- Personal safety
- Mental health
- Emergency preparedness and response

- Diversity and inclusion
- Employee wellness
- Learning and development
- Talent attraction and retention

- Stakeholder relations
- Community investment
- Equity and human rights

- Economic contribution
- Employment opportunities
- Capital and strategic investment
- Supply chain

- Board oversight
- Ethical conduct
- Risk management
- Information security and privacy

To see the ways in which we engage with our stakeholders, please refer to page 49.

Our governance framework

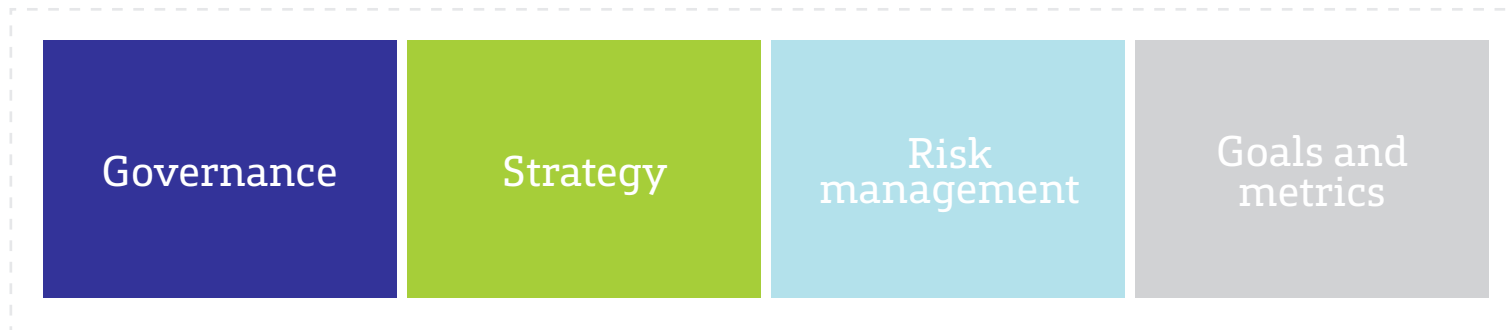
Our industry has faced tremendous pressures in recent months, with the COVID-19 pandemic significantly reducing global economic activity, disrupting financial markets and impacting energy demand. At the same time the pace of evolution towards a lower-carbon, more sustainable energy future and a more just society continues to accelerate. These developments represent important structural shifts that are expected to persist in the long term, making it critical to take the necessary steps to ensure a competitive and resilient business model as we move forward. Meeting the needs of our customers today and tomorrow in a lower-carbon world remains our focus as we continue to grow for tomorrow.

Respect for people and the environment is embedded in our core values and we see the evolution of our strategy as the continuation of our journey in an area in which we have

always placed a considerable amount of focus. We have been intentional in imbedding ESG considerations within our governance framework, leveraging existing organizational processes to ensure the long-term sustainability of our company.

We recognize the objectives of consistency and transparency that drive voluntary ESG reporting standards and the importance this holds to our stakeholders. We are on a journey and will continue to review and evolve our reporting program in line with applicable standards and stakeholder feedback.

For more on alignment with standards, please see Appendix page 69.



Governance

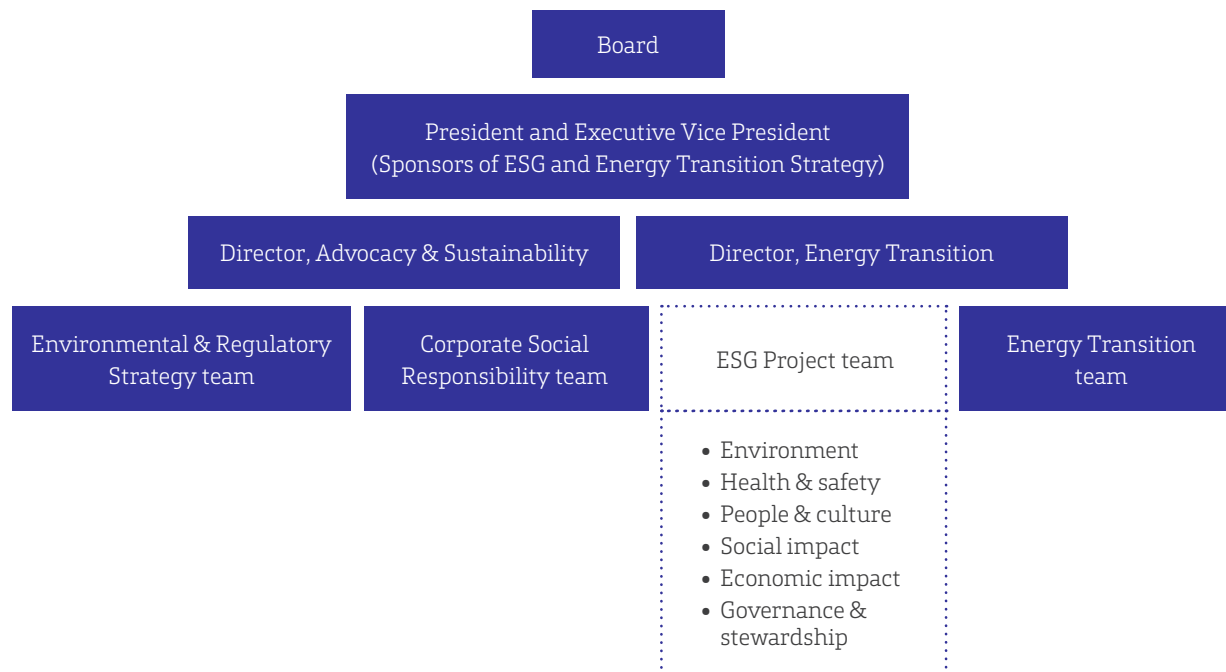
Our Board of Directors has oversight for our strategy-setting process and is actively engaged with our Senior Leadership Team in adapting our strategies for the impacts of climate-related risks and opportunities. In particular, the Board is focused on our organization's approach to energy transition, which we identify as a primary enterprise risk. Our full Board has oversight across all enterprise risks, and the Board Governance Committee is responsible for ensuring that processes are in place to identify and manage risks.

We have a dedicated team focused on energy transition and the resilience of our company's strategy and business model in a low-carbon future. This team works closely with our Advocacy & Sustainability team, including a cross-functional, ESG Project

team, for a coordinated approach to advancing our business strategy and sustainability priorities. To ensure this work is embedded into our long-term strategy, our President and Executive Vice President have direct oversight of this work and are accountable to our Board.

Senior leaders have the responsibility for driving improvements within each program component including environmental goals and metrics, air quality and emissions with accountability to the Operational Excellence Committee of the Board.

For more on our governance framework, please refer to page 64.



Strategy

We remain committed to effectively managing our core business, with a focus on safety and reliability, while taking the necessary steps to evolve and generate new value through the energy transition. In 2018, we added a fourth pillar to our strategy called “Grow for Tomorrow” which includes making investments and building capabilities that position us for long-term growth and resilience. Our long-term strategy is evolving to address the challenges and opportunities presented by the rapidly accelerating energy transition, to ensure our company stays viable and competitive well into the future.

We have a dedicated Energy Transition team working on a series of energy transition programs. Building on our existing assets, these programs will investigate several opportunities in our Refining & Supply and Sales & Marketing segments while continuing to enhance our organizational effectiveness at the corporate level. Recognizing the uncertainty and innovation taking place in the broader energy industry, we remain open to pursuing new energy opportunities that leverage our existing strengths and assets, either on our own or working together with others. These initiatives will be conducted in accordance with our philosophy of pacing and staging our long-term growth, through business strategies tailored to our specific geographies.

Our Advocacy & Sustainability team plays a critical role in working with community leaders and regulators to influence climate-related policies that support strong, sustainable communities and support environmental protection and a lower-carbon future.

Risk management

The effective management of our business risks is integral to our continued growth and success. The impacts of climate change on our business will accelerate in the coming years, taking into account physical risks such as extreme weather events, as well as risks related to policy, legal, regulatory, market, technology and reputation.

Our Board is updated regularly on the top risks facing our organization and the mitigation plans in place to address such risks.

As part of our annual business planning process our company’s top risks are used as key inputs that inform our corporate strategy planning and resource allocation to best position our organization. These may always be updated during the year in response to changes in our internal and external environment as required. Our risk response strategy balances taking specific actions in the near term to keep our business safe, while positioning for long-term success.

For more on our approach to managing risk, please refer to pages 63-64.



Canaport, Saint John, NB

Goals and metrics

In collaboration with our business lines, our focus for this year was to model and propose a suite of goals and targets in line with our company strategy, including setting climate targets. These targets have begun to be embedded into our business planning process to ensure their successful stewardship over the long term. We will continue to update our stakeholders regularly on our progress toward our outlined goals.

In this report, we provide updated ESG performance metrics for 2020 and 2021 across all our focus areas, with environmental metrics covering only the 2020 period due to timelines needed to review the data. Environmental and regulatory data undergoes thorough internal and external review prior to reporting; however, some historic data requires adjustment due to refinement of calculation methods, changes to reporting principles or other reasons. Material discrepancies that meet our minimum threshold will be restated in the next edition of Irving Oil's Report on Sustainability with changes explained.

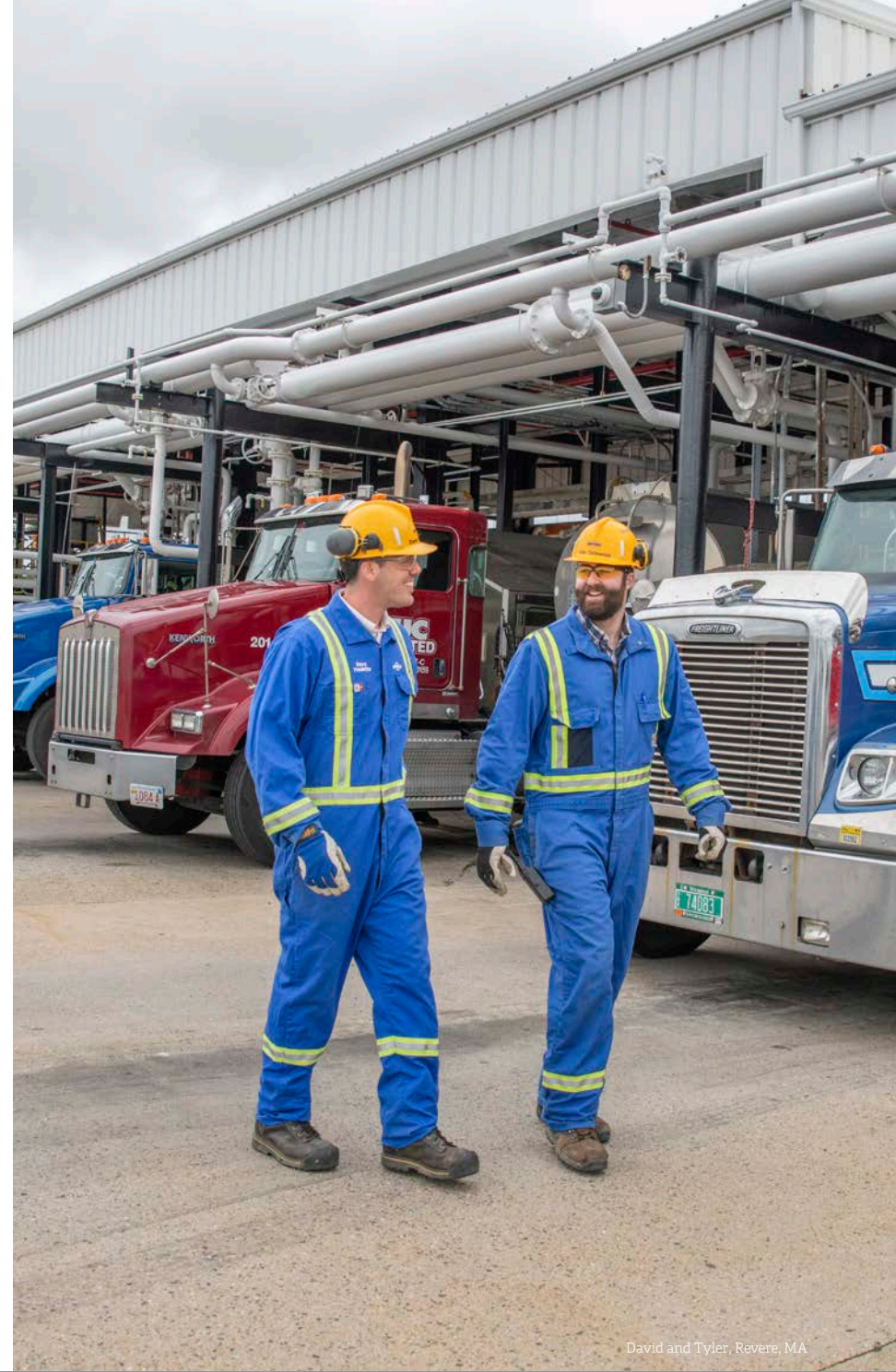
Mindful of the various needs of our stakeholders, we have reviewed existing ESG standards and frameworks to identify which of our metrics are aligned today, and where we have opportunities for further alignment. We have also reviewed the level of assurance over our metrics today and are in the process of developing an appropriate assurance plan into the future.

For a consolidated view of our ESG performance and alignment with standards, please see Appendix page 69.

SUSTAINABLE DEVELOPMENT GOALS

Through our mindful approach to sustainability, we contribute in direct and indirect ways to advancing the United Nations' 17 Sustainable Development Goals – a set of globally recognized ambitions by 2030. Throughout this report, we've indicated where our company's contributions support these goals.

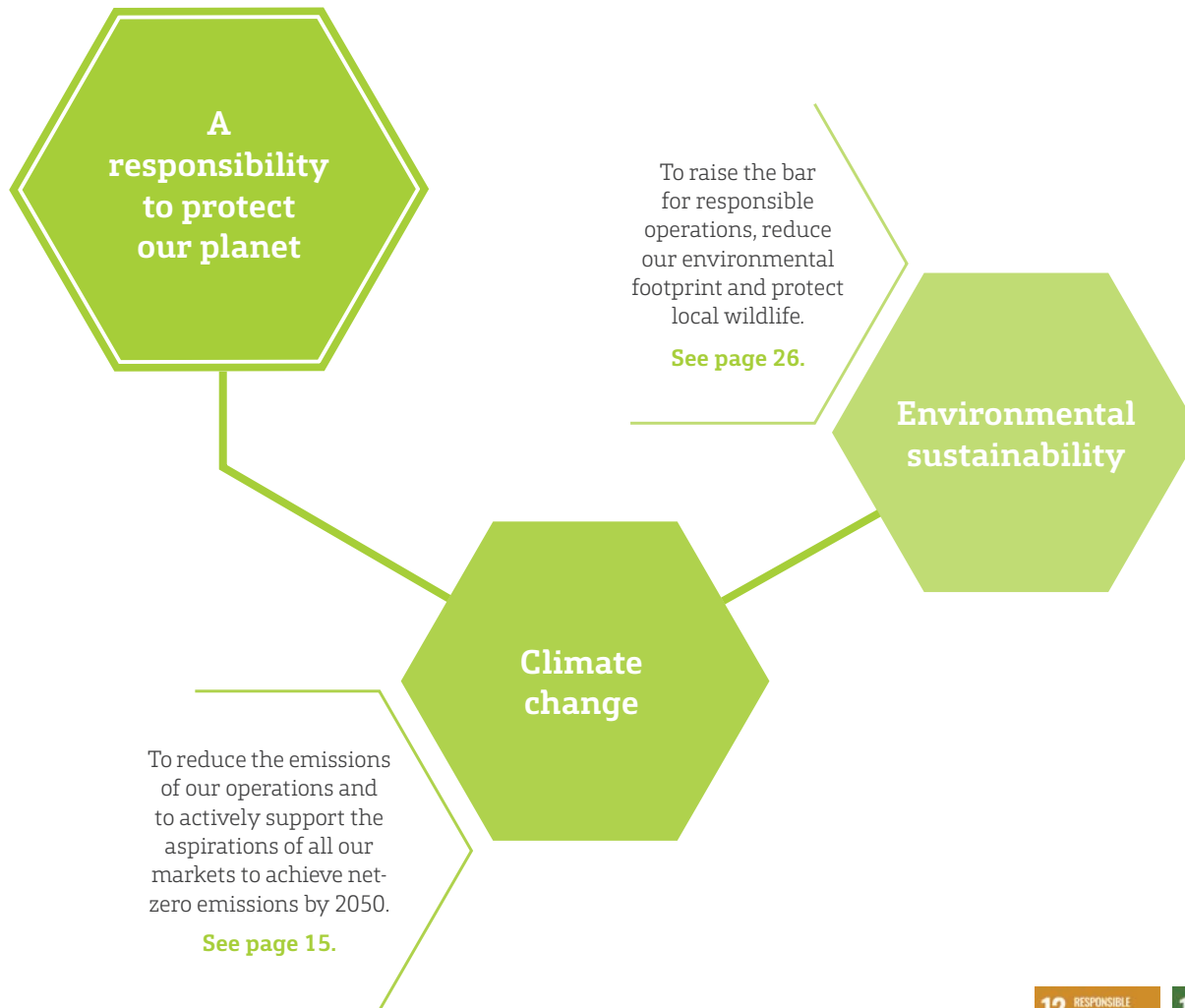
For a summary of our sustainability commitments, and their alignment with the UN Sustainable Development Goals, please see Appendix page 74-75.



David and Tyler, Revere, MA



ENVIRONMENT



Our climate commitments

Our climate goal is to reduce greenhouse gas emissions (Scope 1 and 2) across our business by 30% by the end of 2030 and to actively support the aspirations of all our markets to achieve net-zero emissions by 2050.



Energy efficiency/ process improvements

- Flaring reductions
- Electrification
- Cogeneration
- Increased reliability



Clean fuels

- Fuel switching to lower-carbon fuels (propane, hydrogen, natural gas)
- Biofuel blending, production/ co-processing
- Low-carbon intensity biofuels/ advanced biofuels



Renewable/ alternative energy

- Wind and solar power
- EV charging stations
- Hydrogen fuelling stations/ Hydrogen fuel cells



Technologies and partnerships

- Partnerships/ joint ventures
- Green hydrogen/ storage, battery storage
- Carbon capture, storage and use
- Carbon offsets

Our climate commitments

Our climate goals are focused on reducing Scope 1* and Scope 2** greenhouse gas emissions (GHG) across our business, with the majority resulting from our refineries and terminals, as well as the associated indirect electricity emissions.

We recognize that there will be significant capital investments, technological innovations, and business evolution required to meet our climate goals and that there is no single solution. A combination of many efforts and new technologies will be needed – such as carbon capture and sequestration, low-carbon hydrogen, renewable natural gas, biofuels, electrification, and other emerging technologies. We are focused on each business as we consider opportunities over the short, medium and long term.

We recognize that, in parallel, we will need to consider a longer-term approach to Scope 3*** emissions necessary to achieving a net-zero ambition.

Saint John and Whitegate refineries

We have made significant, historic investments in the Saint John refinery and set our baseline at 2005 to reflect those transformations. This is also in line with the Federal Government of Canada's climate goal baseline year. We have reported our GHG emissions data since we began reporting to the Federal Greenhouse Gas Reporting Program (GHGRP) in 2004.

*Scope 1 - Direct GHG emissions – Direct GHG emissions occur from sources that are owned or controlled by the company (for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment).

**Scope 2 - Electricity indirect GHG emissions – Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

***Scope 3 - Other indirect GHG emissions – Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

Source: World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, March 2004.



A sustained commitment that crosses geographies, governments, organizations and industries – and transcends all economic environments and uncertainties – will be needed to achieve a net-zero goal. Our team at Irving Oil is strongly aligned with the ambition of carbon neutrality by 2050, and we must start today.

Saint John refinery, NB

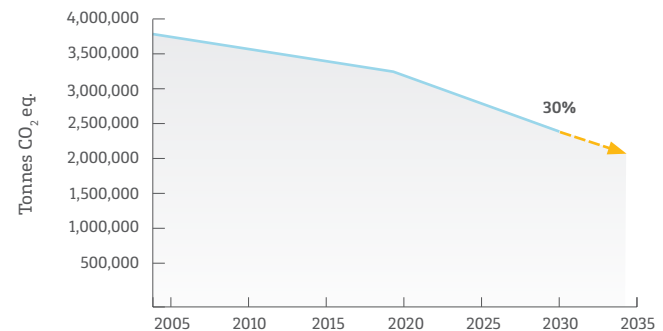


Whitegate refinery, Cork, Ireland

The Whitegate refinery has already achieved a 26% reduction in GHG emissions since the 2005 baseline year. We recognize Ireland's goals to take quick action towards climate change and to drive to reduce emissions by 51% between 2018 and 2030. In support of these goals, in 2021 we began co-processing at the Whitegate refinery, increasing the renewable content in diesel fuel. Read more on page 19.

We are on a continuous journey and as we develop our strategic transition plans and make informed business decisions, we plan to re-evaluate this climate goal and may adjust accordingly to support net-zero by 2050.

Refinery emissions reductions (Scope 1 and 2)



Other business lines

For the other operating areas of our business, we continue to quantify our GHG emissions and review the applicable methods and historical data to determine the appropriate baseline years and targets for these businesses. We plan to update on our progress in a future report.

Greenhouse gas emissions

***Scope 1 emissions 2020**

Saint John refinery

- 3,140,579 tonnes CO₂ eq.

Emissions recovered: 54,458 tonnes CO₂ eq.

Emissions recovered in collaboration with Linde Canada, where some CO₂ from our facility is captured and recycled for food-grade use.

Whitegate refinery

- 300,762 tonnes CO₂ eq.

****Scope 2 emissions 2020**

Saint John refinery

- 2,719 tonnes CO₂ eq.

Whitegate refinery

- 20,466 tonnes CO₂ eq.

Environmental metrics reported for 2020 period only due to timelines needed to review the data.

Today, we are able to report our Scope 2 emissions for our Saint John and Whitegate refineries and are working to be in a position to comprehensively disclose these emissions for the other parts of our business in a future report.

It should be noted that our Saint John refinery Scope 1 data includes electricity emissions from the onsite Grandview cogeneration unit (owned by TC Energy Corporation and operated by Irving Oil).

Climate risk assessment

We've identified risks when it comes to reducing emissions in our operations, including risks related to policy, legal, regulatory, market, technology and reputation. We are also aware that impacts of climate change may result in physical risks to our company.

Currently, we have an emergency preparedness and business continuity program that develops comprehensive procedures and capabilities to respond to significant events, including extreme weather events impacting our assets. Our Engineering Services team also takes guidance on the use and applicability of climate data in our project engineering works, including acts and regulations within our jurisdictions, industrial codes relevant to our work and Irving Oil's own specifications and standards.

In the future, we will turn our focus to completing a more comprehensive assessment of the physical risks likely to impact our assets in various geographies, along with appropriate adaptation strategies.

Taking action to reduce our emissions

Working together with TC Energy

In August 2021, we signed a memorandum of understanding (MOU) with TC Energy Corporation, to explore the joint development of a series of proposed energy projects focused on reducing GHG emissions and creating new economic opportunities in New Brunswick and Atlantic Canada.

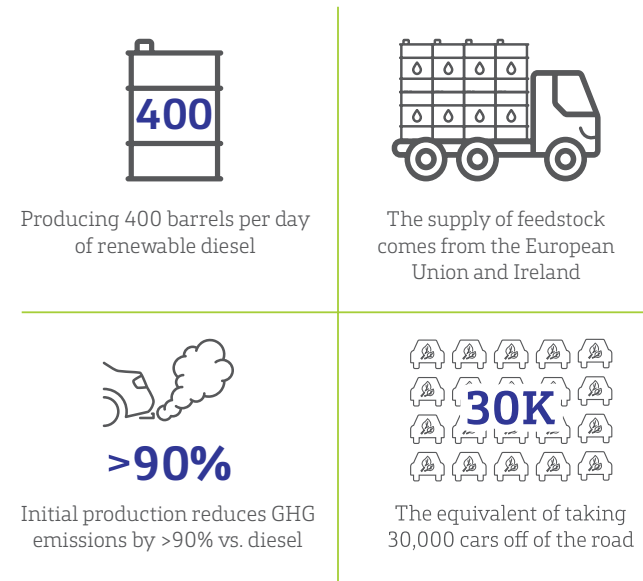
Together, we have identified a series of potential projects for exploration focused on decarbonizing current assets and deploying emerging technologies to reduce overall emissions. Together, we will consider a suite of upgrade projects at our refinery in Saint John, New Brunswick, with the goal of significantly reducing emissions through the production and use of low-carbon power generation.

Working together, we will also explore opportunities that will aid in decarbonizing local industry over the medium-term and long-term horizons via the production and distribution of low-emission hydrogen, coupled with a world-class carbon capture and sequestration network. We will target industry solutions that will lower the emissions in the region to align with carbon reduction goals and enhance the opportunities for future development in Atlantic Canada.

Our Whitegate refinery began producing renewable diesel

With a focus on renewable energy solutions, our Whitegate refinery began producing renewable diesel in Q1 2021. Made with renewable feedstock – in our case, used cooking oil (UCO) – the increased renewable content contributes to a reduction in GHG emissions of over 90%. The product is indistinguishable from conventional diesel and can be freely used in today’s vehicles. The UCO feedstock is sourced from within Ireland, as well as the European Union.

As a transport fuel supplier, we have an obligation to increase the renewable content of the transport fuels we produce and thus reduce the GHG emissions from these fuels. These obligations arise from the European Union Renewable Energy Directive and Fuels Quality Directive. Production of renewable diesel at Whitegate reduces our Scope 3 emissions and sets us on a path towards net-zero by 2050. For example, if we process 400 barrels per day of renewable feedstock, it has the equivalent carbon impact of removing 30,000 cars from the road.



Carbon Capture, Utilization and Storage pilot project at Whitegate refinery

At the Whitegate refinery, Irving Oil joins 17 organizations in science and industry, across different nations, in a concerted drive to support the refinery sector's decarbonization ambitions.

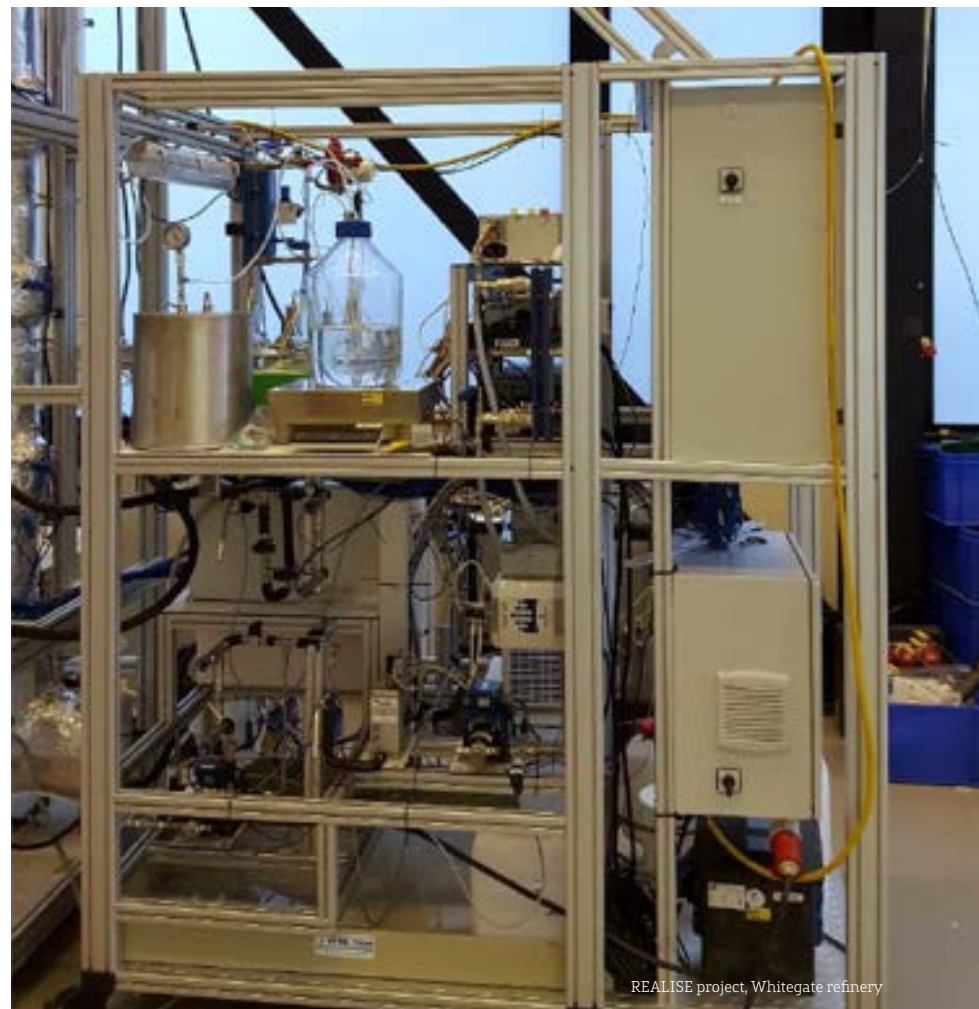
The REALISE Carbon Capture, Utilization and Storage (CCUS) project, led by SINTEF and funded by the European Union's Horizon 2020 program, focuses on the full CCUS chain – from CO₂ capture, transport and geological CO₂ storage to CO₂ reuse. The project aims to produce results that support CCUS delivery by demonstrating the technology, enabling sizeable cost reductions, undertaking public engagement and assessing financial, political and regulatory barriers.

As part of the REALISE project, the Whitegate refinery is hosting a pilot, lab-scale plant which captures CO₂ from multiple refinery stacks using a novel solvent. This pilot plant was delivered to site and commissioned early in 2022 for an eight month trial period.

In addition to the pilot plant, Irving Oil is involved in desktop studies on the CCUS lifecycle, including a study to understand the potential of storing carbon from the Whitegate refinery in the nearby depleted Kinsale Head gas field in County Cork.



Whitegate refinery, Cork, Ireland



REALISE project, Whitegate refinery



Beaubassin research station, Aulac, NB

Advancing nature-based climate solutions

Irving Oil has partnered with Ducks Unlimited Canada for more than 50 years and we are proud of the work that we have done together over the years to help conserve Atlantic Canadian wetlands and the wildlife that call them home. We look forward to continuing to grow and strengthen our partnership as we work together to achieve sustainability outcomes that result in measurable environmental benefits to help reduce GHG emissions within Canada.

In 2022, we are proud to continue to evolve this partnership with Ducks Unlimited Canada in signing an agreement and committing financial resources to advance the understanding and the scientific tools needed to estimate net GHG reductions through wetland conservation, restoration and management. This information is critical to better quantifying the role of wetlands as nature-based climate solutions and developing baseline information from which to structure national and regional carbon protocols.

Eco-driving in Ireland

In 2021, Top Oil's home heat business developed an in-house training module called Safe and Fuel-Efficient Driving. The program, led by four employees certified in eco-driving, incorporated eco-driving techniques, dangers of off-road incidents, overheating brakes, and motor-vehicle incident procedures.

On completion of the training, more than 40 Top Oil drivers received their Eco-Driving Certifications from Enprova, an energy management service company collaborating with Fuels for Ireland and its members, to assist in meeting Ireland's energy reduction goals.

As a result of the Safe and Fuel-Efficient Driving training, the data collection systems on our vehicles have recorded a 12.5% to 16.8% improvement to date in coasting times, and an increase in fuel economy from an average of 8.33 miles per gallon to 9.34 miles per gallon.



Shane, Kildare, Ireland

Helping our customers reduce their carbon footprint with natural gas

Our Delivered Natural Gas (DNG) business is helping our customers reduce their carbon footprint. Over the last eight years, converting to natural gas has helped these customers avoid 433,000 tonnes of CO₂ emissions – the equivalent of removing 134,000 passenger vehicles from the road. The cleanest of the fossil fuels, natural gas is primarily made up of methane. We compress and load millions of cubic feet of natural gas every year from three state-of-the-art compressed natural gas facilities in Atlantic Canada. Compressed natural gas is a clean replacement option for diesel, propane and fuel oil in a wide range of energy, mining, forestry and utility settings.

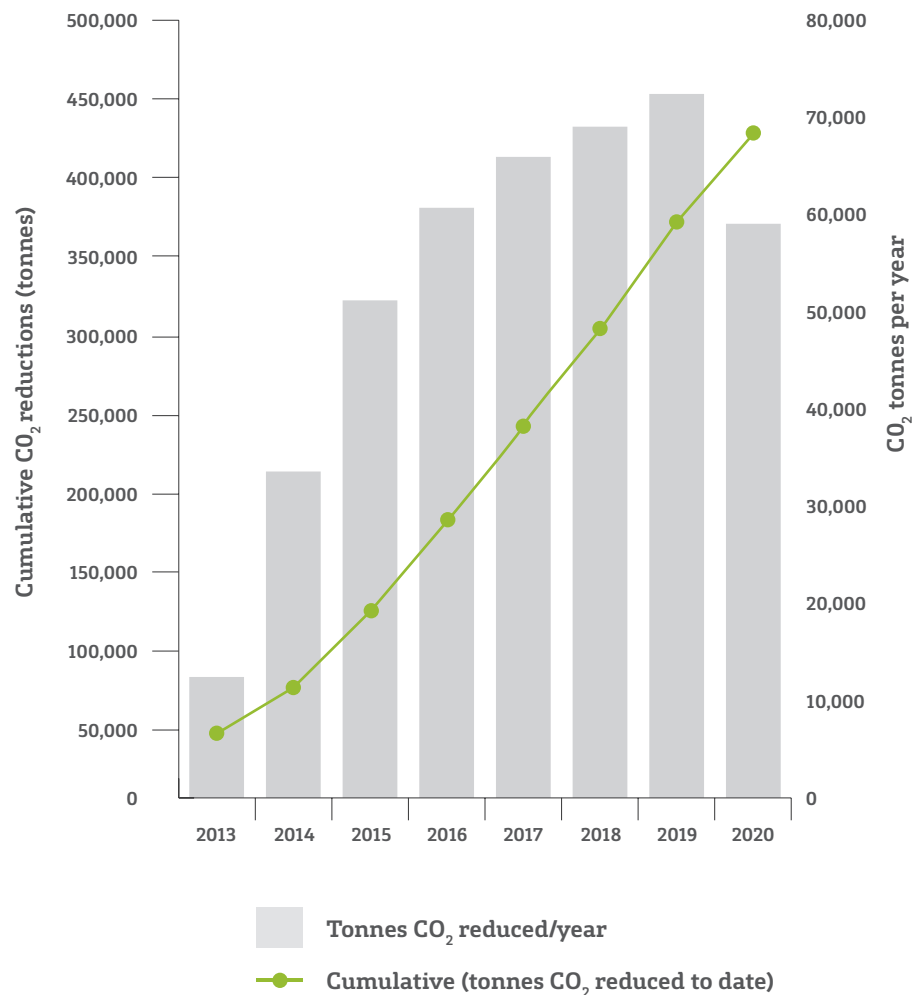
Over the past two years, we have embarked on an initiative to increase the size of our DNG trailers. These larger trailers hold 60% more compressed natural gas, which means we can deliver more gas, with fewer deliveries and therefore reduce our GHG emissions from distribution.

Compressed natural gas dual fuel trucks

Since 2019, we have piloted the use of compressed natural gas (CNG) dual fuel trucks to reduce GHG emissions from our transportation business. The natural gas displaces approximately 50% of the diesel fuel used in operating the vehicles. In addition, we have one tractor trailer that is run on 100% natural gas.

We have begun a pilot project at our Lincoln, New Brunswick, CNG station, fuelling customer tractor trailers with natural gas. We are the only licensed marketing CNG fuelling station in the Canadian Maritime provinces. This is an exciting opportunity for our business to help drive a reduction in GHG emissions and other air emissions from the heavy-duty transport sector.

DNG Greenhouse Gas Reductions



EV fast charging at retail sites

We work hard to meet the evolving needs of our customers through the energy we provide and the products and services we offer. In 2021, we took additional steps to grow our electric vehicle (EV) offerings and create new value through partnerships with utilities and EV companies. In 2021, we began hosting six Direct Current Fast Chargers (DCFC) which opened at Irving retail locations in Newfoundland, bringing our total inventory in Atlantic Canada to 71 chargers. In early 2022, we will open our first Irving-branded fast chargers at an Irving retail location in Providence, Rhode Island and plan to subsequently expand that pilot to additional sites in Maine.

Fast EV chargers at Irving retail sites in Atlantic Canada*

	Number	Percentage of market
New Brunswick	57	71%
Nova Scotia	8	32%
Newfoundland	6	43%
Total Atlantic Canada	71	53%

* This includes DCFC and Tesla super chargers equal or greater than 50KWh. Data source: Plugshare as of January 18, 2022. <https://www.plugshare.com/>

EV charging at our home office

When our LEED-Silver-certified home office in Saint John, New Brunswick, opened its doors in 2019, we began offering dedicated EV parking spots with Level 2 universal chargers for our employees. As many as four cars can charge at one time.



Tesla Superchargers, Quispamsis, NB

Solar power at retail sites

At the end of 2021, we were excited to begin work on our first two solar powered retail sites, designed to offset the power used by our fuel pumps. Our first site, located in Quispamsis, New Brunswick, is equipped with 40 solar panels capable of generating 3,632 kWh which will offset 100 per cent of the energy used by all four dispensers in the forecourt. Our second site in Pembroke, Massachusetts, will see 56 solar panels producing 21,321 kWh of energy each year. These projects represent an important milestone in our journey toward sustainability, and represent one of the steps we are taking to ensure our customers continue to feel good about their purchases.



Irving Oil retail site, Quispamsis, NB



Top Oil retail site, Ireland

Irish Sales & Marketing energy efficiency audit

Every four years, our Irish Sales & Marketing team engages a third-party consultant to complete an energy efficiency audit of our operations, as part of our regulatory compliance and our commitment to continually strive to reduce our energy consumption. The audit included the analysis of 2019 energy usage data with a focus on our retail business, comprehensive site visits in 2020, and the final delivery of a report in spring 2021, with recommendations for improvement. Our team has begun implementing, assessing and prioritizing recommendations, including empowering company-owned-and-operated site managers to review and analyze their own monthly site energy usage data and bills, and to take direct actions to reduce them, month over month.

Tank monitoring for US customers

More than 5,000 Irving Energy propane customers in Concord, New Hampshire, are now equipped with tank monitors. This pilot project, which is the first and largest tank monitoring initiative of its kind within our company, is expected to decrease overall deliveries by a minimum of 35% by optimizing routing efficiencies and average fills. This means lower maintenance costs and fuel consumption on delivery vehicles, and an estimated 30% reduction in GHG emissions. This initiative also enhances customer satisfaction and eliminates tanks running out of fuel, using live data.



Ashley, Concord, NH

Environmental sustainability

Irving Oil has a deep-rooted history in Atlantic Canada and New England and we are proud to call Ireland home, too. With an appreciation for the history and natural beauty of our local communities and coastlines, we continuously strive to raise the bar for responsible operations, reduce our environmental footprint and protect local wildlife that share the land and sea.

That commitment shows up in several ways, including:

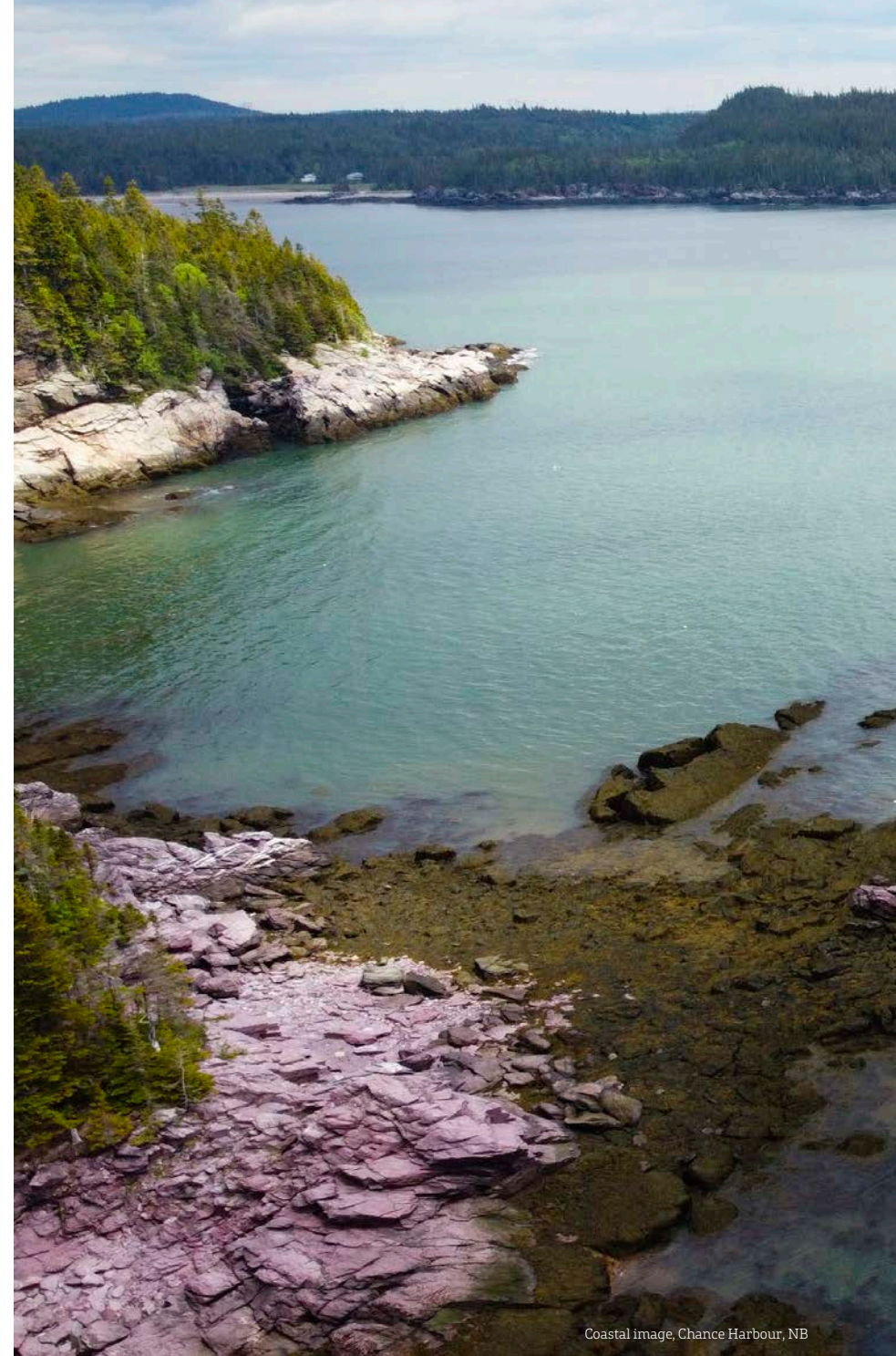
1. We aim to be among the first to adopt stringent fuel specifications and to invest in emission control technology to improve our environmental performance.
2. We strive to reduce or minimize environmental incidents in our operations by implementing process safety practices identified from industry experience and by improving reliability.
3. We help uncover stories about environmental changes that are affecting local ecosystems and the species that call them home, through partnerships with leading researchers.

Our targets:

- To be below annual regulatory criteria air contaminants (CAC) emissions limits, and wastewater discharge limits.
- Strive to reduce environmental incidents below a combined Process Safety Event (PSE) rate* of 0.3 for Refining & Supply, and below 0.13 for our Sales & Marketing operations.
- To support biodiversity conservation efforts each year, by providing necessary funding for scientific research and conservation initiatives, and through education and awareness opportunities.

*Combined PSE Rate = ((Total Tier 1 PSE Count + Total Tier 2 PSE Count))/Total Work Hours x 200,000

Any Tier 1 or Tier 2 PSE begins with an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials from a process that results in one or more consequences.

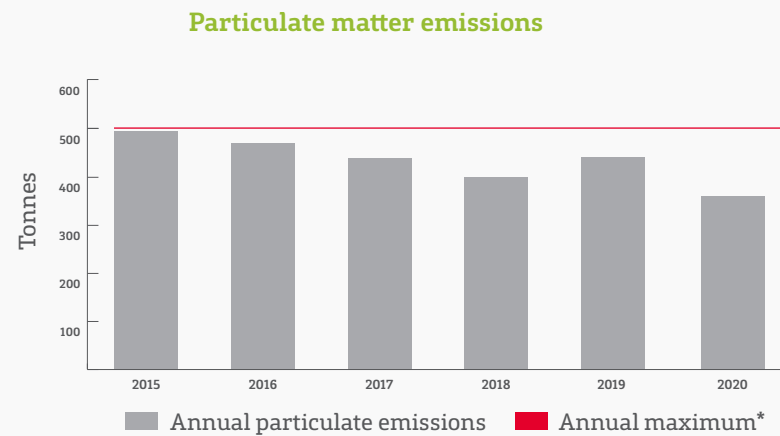
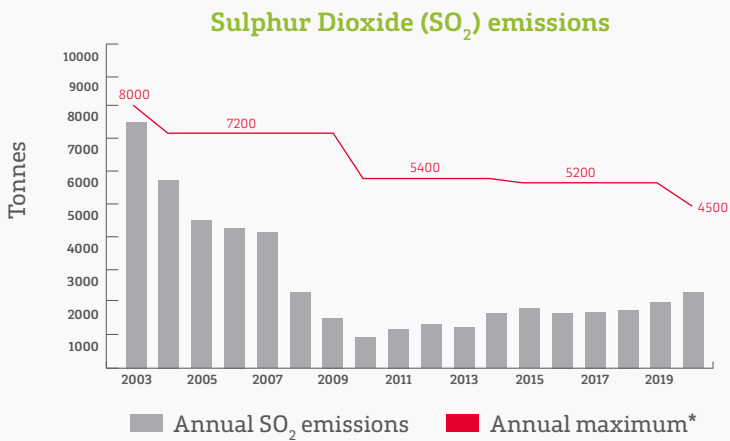
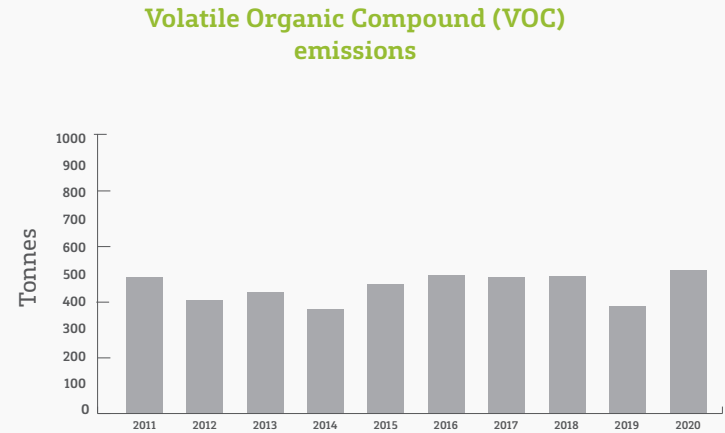
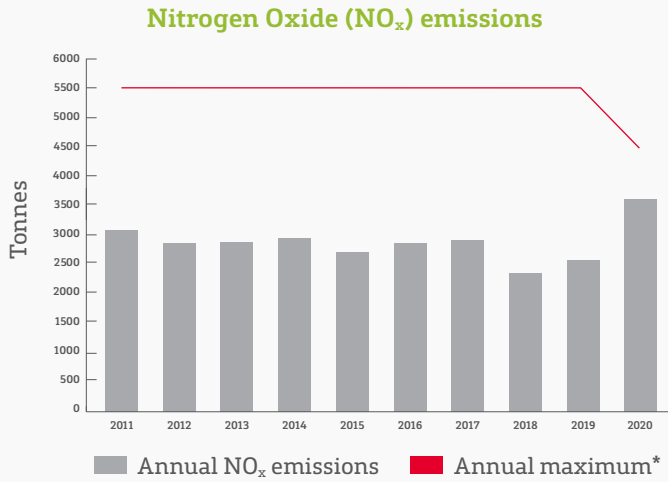


Coastal image, Chance Harbour, NB

SAINT JOHN REFINERY EMISSIONS PERFORMANCE

Understanding and reporting emissions from refinery operations is an important element of our commitment to the environment, the health and safety of our employees and surrounding communities, and our overall ESG strategy. The following charts detail the air quality performance at our Saint John and Whitegate refineries. Key areas of focus at our refineries differ due to regulatory requirements within each jurisdiction. Air emissions data is quantified according to applicable (i.e. Federal, state and/or provincial) regulatory

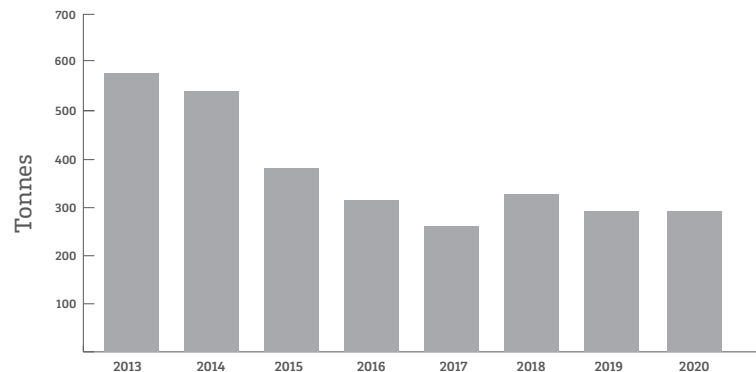
requirements, standards and guidelines. This data differs between each refinery due to the different emissions sources within each refinery and the different refinery configurations, processes, complexity, and operational conditions. We work collaboratively with our federal, provincial and state regulators, as well as with the community, to review environmental performance data and concerns.



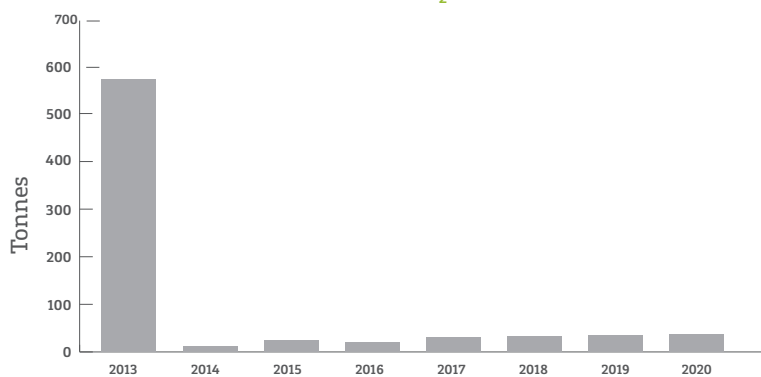
*Annual maximum as established by the New Brunswick Department of Environment and Local Government

WHITEGATE REFINERY EMISSIONS PERFORMANCE

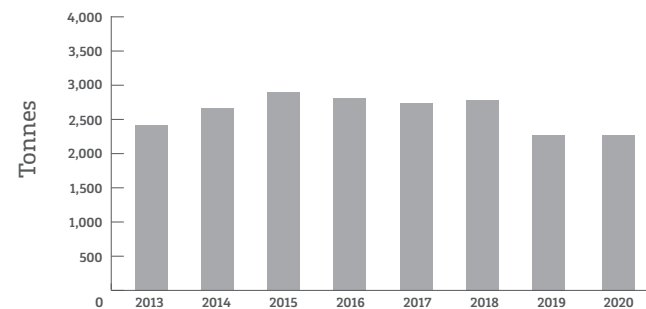
Nitrogen Oxide (NO_x) emissions



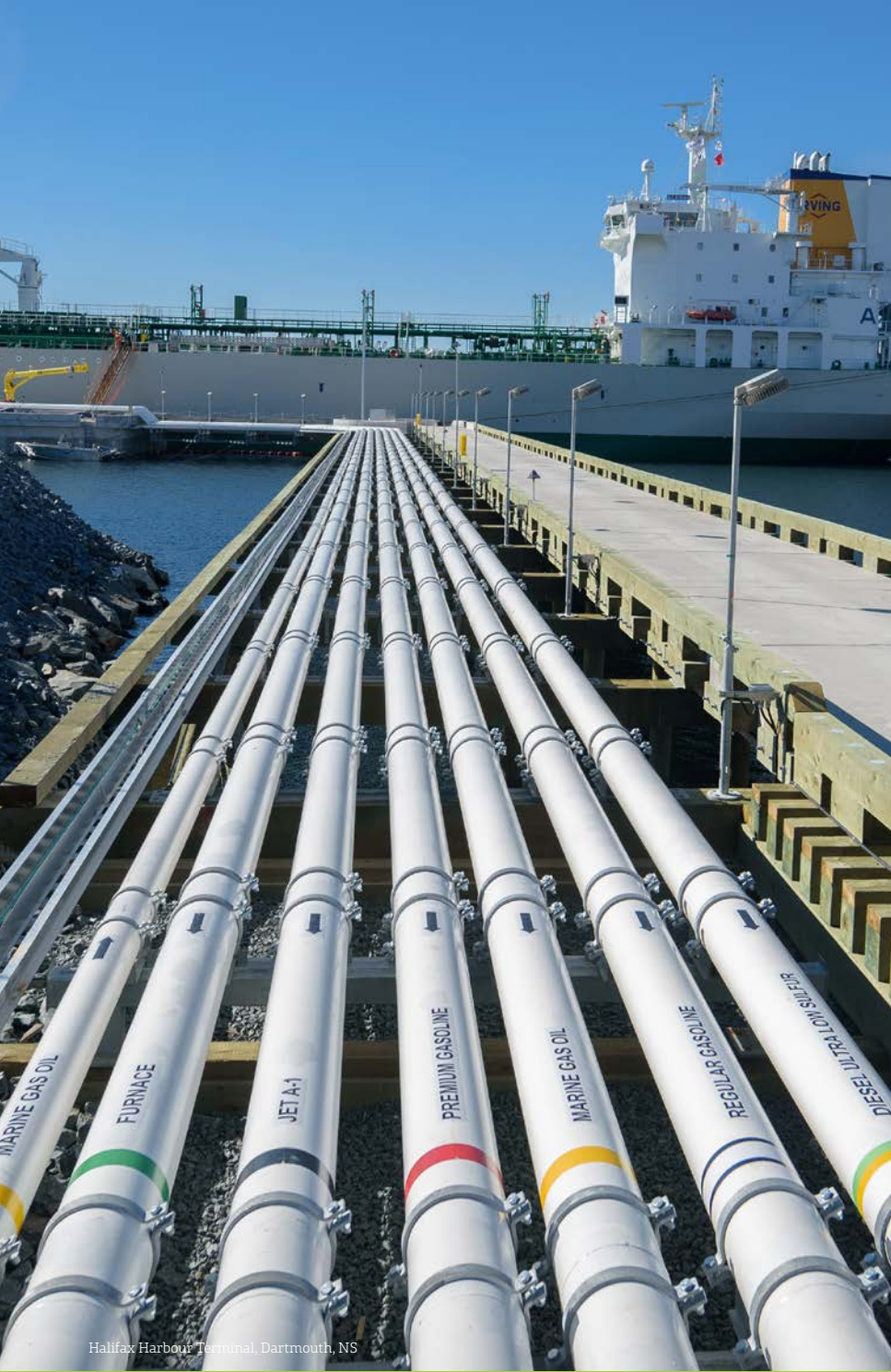
Sulphur Dioxide (SO₂) emissions



Volatile Organic Compound (VOC) emissions



The Whitegate refinery is regulated under the EU Emission Trading Scheme which works on the cap and trade principle. The difference between the refinery's actual CO₂ emissions and the CO₂ free allowance determines the obligated emissions that the refinery is required to purchase credits for to meet compliance (€25/tonne for 2019).



Halifax Harbour Terminal, Dartmouth, NS

Terminals:
2020 air emissions

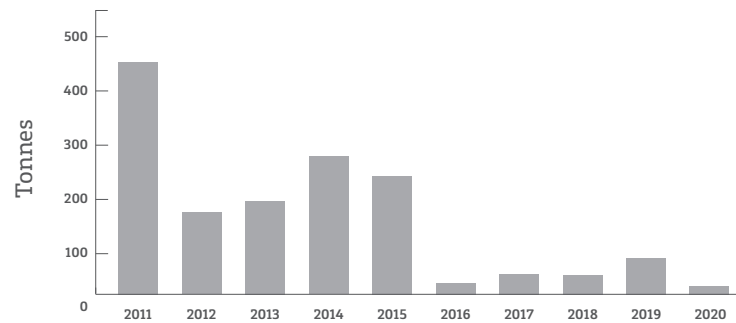
Terminals in Canada

VOC (Volatile Organic Compounds)	Tonnes	<ul style="list-style-type: none"> • East Saint John, NB – 17.1 • Canaport Mispec, NB – 55.1 • St. John's, NL – 15.7 • Charlottetown, PE – 100.2 • Halifax, NS – 295.7
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Terminals in the US

VOC (Volatile Organic Compounds)	Tonnes	<ul style="list-style-type: none"> • Revere, MA – 19.5 • Portsmouth, NH – 2.0 • Searsport, ME – 14.8
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**East Saint John Terminal
Volatile Organic Compounds (VOC) emissions**



Irving Oil installed a Vapour Recovery Unit (VRU) in late 2011 at its marine terminal in East Saint John (ESJ). In 2020, the VRU availability was 99.86%, with an average efficiency of 98.12%, exceeding our regulatory requirement of 95% efficiency.

Reducing waste at company-owned retail sites

At our Irish company-owned-and-operated retail sites, we measure waste as part of our weekly updated stock-take procedure which we introduced at the start of 2021. All stores generate a weekly waste percentage figure calculated from out-of-date stock, food not purchased by the customer and spillage. At the start of the year, overall waste percentage was 4% and we have worked as a team to reduce this to less than 3%.

At our company-owned retail site, The Irving, in Pembroke, Massachusetts, we have an extensive recycling and composting program to ensure we do our part to minimize waste in our convenience store.

Reclamation of waste catalyst at the Saint John refinery

In 2020, 67 tonnes of spent catalyst – used in the process units of the Saint John refinery such as the Sulphuric Acid Regeneration Unit (SARU) and the Naphtha Hydrotreater (NHT) – was safely shipped offsite to a third-party company in the United States that was able to reclaim an estimated 10% of molybdenum metal found in the catalyst. Molybdenum is most commonly used to make steel alloys to increase strength, hardness, electrical conductivity and resistance to corrosion and wear.

Water management

With a deep appreciation for the waterways, ports and oceans that connect our business, we work collaboratively with utility providers in our communities to manage our use of this shared resource responsibly. In 2020, we achieved the following, which meets our regulatory standards.

	Saint John refinery Total (m3)	Whitegate refinery Total (m3)
Water intake	11,204,000	441,467
Effluent discharged	11,275,000	463,488

Solid waste management

Our refineries continue to identify ways to reduce and dispose of waste through sustainable disposal routes, including regeneration of products used in our refining process and offsite recycling or reclamation. In 2020, we achieved the following, which meets our regulatory standards.

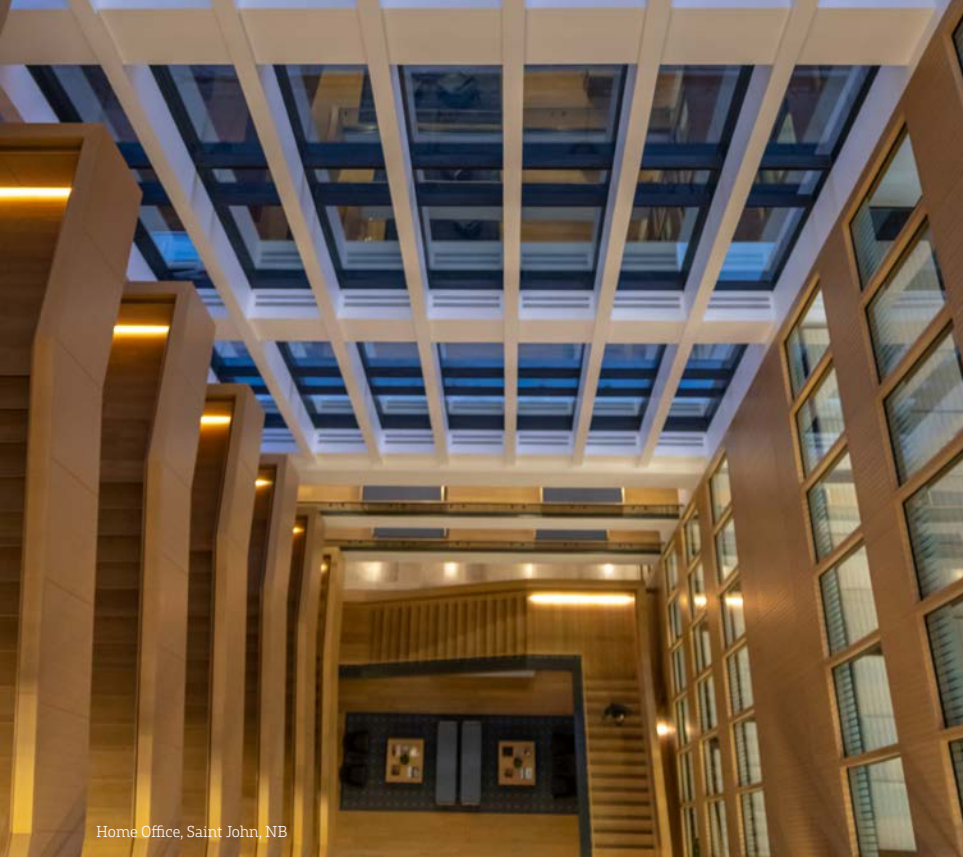
	Saint John refinery		Whitegate refinery	
	Total (tonnes)	Recycled (tonnes)	Total (tonnes)	Recycled (tonnes)
Hazardous waste	64,465.6	98.2%	3,086.37	13%
Non-hazardous waste	10,399.03	0%	181.08	80%

Incidents of non-compliance

We are committed to safe, reliable operations across our company. Our environmental performance has improved incrementally, with fewer environmental exceedances reported in 2020 than in 2019 and 2018. Incidents are tracked, reported to appropriate authorities and senior leaders within our business, and internal investigations with corrective measures are taken to prevent a reoccurrence.

	Saint John refinery	Whitegate refinery
Number of incidents of non-compliance associated with air/ water permits and regulations	15	4

At the Saint John refinery, seven of the 15 incidents resulted in offsite impacts, with only one being greater than 30 litres. At the Whitegate refinery, four incidents were reported, with none resulting in offsite impact. All remaining spills were captured within the refinery area, collected and recovered or treated in the wastewater treatment unit. See page 18 for more information on our emergency preparedness and response.



Home Office, Saint John, NB



Home Office LEED certification

In 2021, our company was proud to achieve the LEED (Leadership in Energy and Environmental Design) Canada silver certification for our home office in Saint John, New Brunswick, recognizing its sustainable construction and operational efficiency. In addition to meeting key LEED criteria such as community connectivity and innovative design, our home office complements and enhances the heritage landscape of uptown Saint John while integrating the rich culture and history of Canada’s oldest incorporated city.

Environmental Awareness Training at the Saint John refinery

In 2020, our teams at the Saint John refinery updated our classic environmental awareness program by introducing an online training module, which was deployed in early 2021 for all employees and contractors on site.

More than 900 employees have completed the mandatory environmental awareness training in 2021, covering topics related to environmental releases and reporting requirements, as well as local biodiversity protection measures. The goal is to increase education and awareness of each employee’s individual responsibilities in stewarding environmental sustainability and to drive organizational performance. The training will be a biannual requirement and will be added to our learning management system for all Saint John refinery employees and contractors.

Recycling for good

An important part of our focus as we grow for tomorrow is constantly looking for ways to improve the customer experience and create more sustainable energy solutions – in big ways and small. In 2021, we launched a community recycling program at retail sites in the US and Canada – with proceeds from the bottle redemption process donated to support local charities in each community. In partnership with the retail site operators, we identified charities that are meaningful to our customers, and that are working hard to make a difference in our communities.

We are excited to help customers reduce their individual waste and environmental footprint, while supporting our communities at the same time. As part of this pilot program, charitable recycling bins can be found at participating Irving retail locations in Rothesay, Saint John, Salisbury, Quispamsis and St. George, New Brunswick, Pembroke, Massachusetts, and Houlton and Newport, Maine.

Investments in green initiatives

Every year, our company invests in projects, organizations and initiatives that:

- Advance the understanding of energy systems
- Improve efficiency and reliability of our operations
- Reduce our carbon footprint
- Protect the environment and local wildlife
- Advance an affordable, sustainable, and reliable energy future for the benefit of society. To learn more about the Arthur L. Irving Institute for Energy and Society at Dartmouth College see page. 54.

As part of our commitment to transparency, we are taking the time to develop a framework to quantify and report on the operational and capital expenditures our company makes annually in green initiatives and we look forward to sharing more information in a future report.

Biodiversity

Saint John refinery migratory bird management

Our Saint John refinery is located adjacent to a nearly 250-acre Ducks Unlimited protected wetland called Little River, which provides breeding and foraging habitat for a number of species, including migratory birds such as the Canada goose, the mallard and black duck, and the barn and bank swallow. Wetlands are a vital part of our coastal ecosystems and provide important benefits for humans and animals alike. We are committed to protecting migratory birds, in addition to ensuring compliance under the Migratory Bird Act.

In 2021, we enhanced our guidelines, procedures, training and overall management system to better ensure the protection of migratory species and other wildlife near our site. After a comprehensive study completed by a third-party consultant to learn more about the species' interaction with our site, we obtained a permit to better enable us to protect migratory birds by safely relocating nests only when they obstruct the safe and essential operations of our facilities.

A nimbler approach to marine mammal research

We're grateful for our longstanding partnership with the New England Aquarium and the work they do to understand and protect ocean life, including the critically endangered North Atlantic right whale. Since 1998, our company has helped fund research in the Bay of Fundy and Gulf of St. Lawrence aimed at identifying and cataloging this species in collaboration with a research team from the aquarium's Anderson Cabot Center for Ocean Life.

In 2021, in collaboration with the right whale research team, we shifted our support away from fixed surveys in critical habitat areas to fund a nimbler research approach as the species' distribution throughout Atlantic waters has recently shifted. To achieve the greatest impact, the team needs to be on the water when and where whales are present. This fieldwork is essential for identifying whales, collecting biological samples and conducting health assessments, which support and inform researchers helping to advise and direct policy and conservation initiatives. This nimble approach has allowed the team to capture data not previously possible.



Inner Bay of Fundy, Aulac, NB

North Atlantic right whale field research: 2021 impact

- 17** days on the water
- 700** nautical miles tracked
- 108** unique right whales sighted
- 7** mom and calf pairs
- 2** biopsy samples collected
- 2** fecal samples collected



North Atlantic right whales

Photo: Anderson Cabot Center for Ocean Life at the New England Aquarium
Taken under permit DFO-GLF-2017-01 under the authority of the Species at Risk Act.

Beaubassin Research Station

Located at the crossroads of the three Maritime provinces, the Beaubassin Research Station is a meeting place that brings bright minds together to collaborate on the social, cultural and environmental challenges of our region that are critical to our past, present and future.

The Beaubassin Research Station was established in 2009 through the partnership of Irving Oil, Acadia University and Ducks Unlimited Canada and it continues to advance environmental and historical research today. The site brings together students and research from across a network of partnering academic institutions to focus on finding practical solutions for a more sustainable future.

Throughout the 2020 and 2021 research seasons, impacted greatly by the COVID-19 pandemic, we were pleased to safely welcome 24 students on site at Beaubassin to continue many types of research, from salt marsh restoration, the migration of fish species into New Brunswick rivers, the study of coastal erosion, sedimentation and sea level rise and the population trends and habitats of wetland birds in Atlantic Canada.

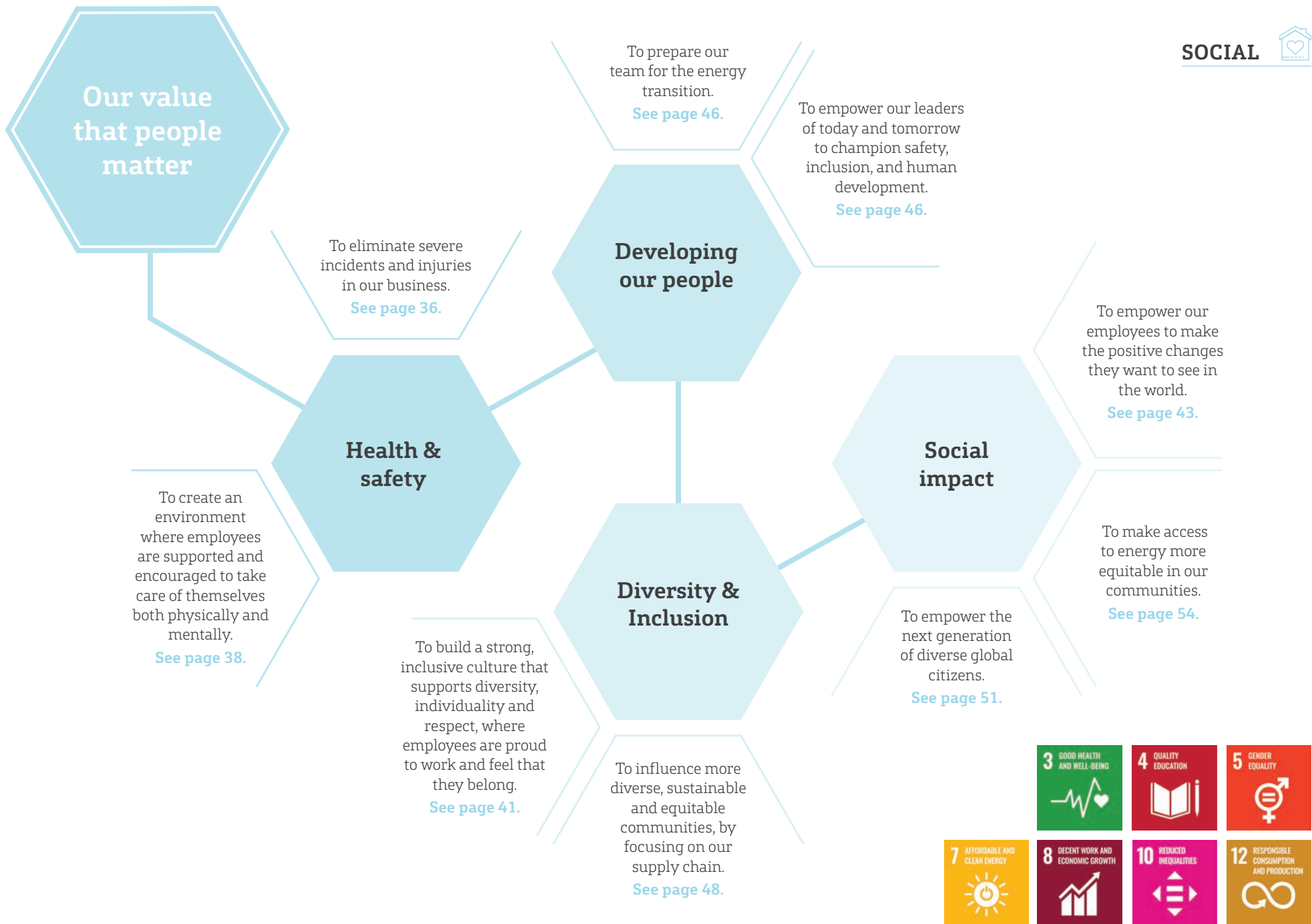
In fall 2021, the Beaubassin partnership was pleased to welcome the Université de Moncton, engaging students in historical and cultural research of the land and its people.



Cameron (student), Beaubassin Research Station, Aulac, NB



SOCIAL



Elimination of severe incidents and injuries

For almost 100 years, safety has been our core value and guides us in everything that we do. There is nothing more important than having our people return home safely each and every day. That's why we are striving to eliminate severe incidents and injuries across our entire organization as we continue our safety journey to zero. To support us in this journey, we have introduced several new safety programs, including a Journey to Zero program in our Sales & Marketing business as well as a new metric in our Refining & Supply business which targets improved reporting of high potential near miss incidents (PAIR) to leverage learnings and prevent severe incidents in the future.



Our targets:

- To achieve top quartile safety performance by business line within their respective industries.
- To strive for the following safety performance targets:
 - Sales & Marketing:** RIF* below 1.0
 - Refining & Supply:** RIF* below 0.50 and Potential vs Actual Injury Ratio (PAIR) of 20 1P: 11A**
 - Process Safety Event (PSE) rate***:** below 0.3 for Refining & Supply, and below 0.13 for Sales & Marketing
- To continuously improve our personal and process safety performance and to reduce risk through focused operational risk management and risk stewardship.

*Calculated by taking the number of injuries multiplied by 200,000 workforce hours, then divided by the number of hours worked

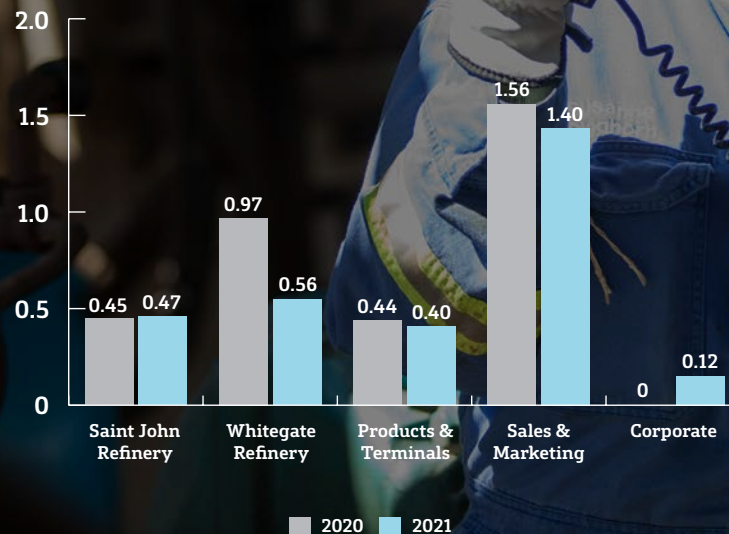
**20 potential incidents for every actual that is recorded, focus on Tier 1 (highest severity)

***Combined PSE Rate = ((Total Tier 1 PSE Count + Total Tier 2 PSE Count)/Total Work Hours) x 200,000

	2020	2021
RIF* measured against 200,000 hours worked	0.89	0.81
LTIR* measured against 200,000 hours worked	0.47	0.58

*Calculated by taking the number of injuries multiplied by 200,000 workforce hours, then divided by the number of hours worked

Recordable Injury Frequency (RIF) results 2020 vs 2021



Suzanne, Saint John refinery, NB

Sales & Marketing – Journey to Zero

To support our ambition of achieving a sustainable recordable injury frequency result of below 1.0, our Sales & Marketing organization continues with its Journey to Zero program. From administrative controls and the implementation of new and improved processes, to investing in new infrastructure, the program represents a way to align and engage all employees on the importance of working safely each and every day as we continue on the road to improving our safety culture. The Journey to Zero program will allow for continuous improvement opportunities as the external environment and our operational processes evolve. Areas of continuous improvement have been identified within our training program and visible leadership practices.

Earlier this year, our Irving Energy team implemented the 5-Minute Safety Call, as a way for managers to connect with their teams on safety each and every day. In the absence of in-person daily interactions due to the COVID-19 pandemic, these calls proved to be an effective way to stay connected as a team and discuss any safety-related concerns – from weather conditions, to deliveries and service work.

Refining & Supply – PAIR and weCommit

In addition to following the US Occupational Safety and Health Administration's recordability guidelines to classify injuries at our refineries and terminals (RIF), in 2021 we implemented a new Potential vs. Actual Injury Rate (PAIR) metric modelled after the American Fuel and Petrochemicals Association's high-severity near-miss incident reporting program. This metric aims to shift the focus from minor injuries to learning from high-potential, near-miss injuries as a way to prevent actual severe injuries from occurring. Our goal is to achieve a ratio of 1:20, or 20 potential high-severity incidents for every actual high-severity incident that is recorded.

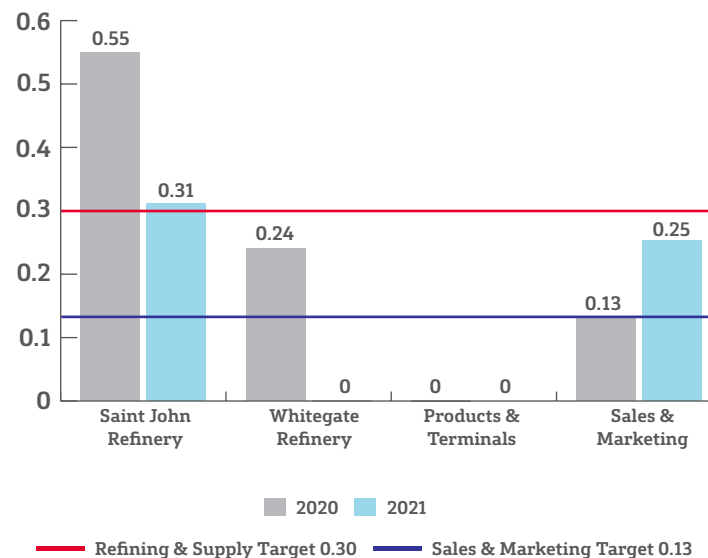
At our Saint John refinery, we also introduced our weCommit program to drive high-reliability behaviours focused on doing the right thing, the right way, every time. This program will be introduced at Whitegate in 2022.

Process safety

We are dedicated to the safety of our employees, contractors, and communities, and to protecting our environment. Our process safety team, comprised of engineers, investigators, coordinators, and analysts work every day to ensure that we mitigate the risk of uncontrolled release of product from our tanks, pipelines and trucks.

A company-wide focus on our asset integrity programs is being reflected in our environmental and process safety performance. In our Sales & Marketing business, as well as our refineries, consistent practices are now being used across business lines to inspect and repair our storage tanks and piping assets.

Process Safety Event (PSE) Rate results 2020 vs 2021



A focus on risk

As we continue to seek new ways to reduce operational risk and increase reliability, we are introducing new systems and stewardship measures to improve upon our risk management portfolio.

In addition to our Journey to Zero and weCommit programs, both of which naturally enhance our risk management focus across our operations, we are redefining our Operational Management System and developing a fit-for-purpose implementation plan. With the development of a centralized risk register underway at our Saint John refinery and optimization of our operational stewardship processes, company-wide, we will calibrate our conversations to focus on identified risks to support better informed decision-making.

Hazard app

At the front lines of our business, our drivers and technicians in Canada are now using an app to do their part to reduce risk every day. The hazard app allows our field operations team members to identify and report risks in real time by uploading photos of hazards seen in the field. This also allows our management team to trend what is being seen and foster a proactive approach in reducing the hazards that could lead to injuries.

Driving Performance Dashboard

A top risk within Sales & Marketing is the occurrence of a driving-related incident which could lead to a serious employee injury or environmental incident, as well as damage to a company asset, truck or vehicle. In recognition of this top risk, a specific Life Saving Rule, “Operating Vehicles Responsibly” was recently implemented. Telemetry technology was installed in our trucks and service vehicles allowing access to real-time data and monitoring of individual performance for specific driving metrics. A dashboard was developed to allow managers and employees access to this real-time data, bringing awareness to driving habits and ultimately improving safety performance.

Learning management

In December 2020, the Whitegate refinery launched a new Learning Management System platform. The launch of the system was followed by the phased roll out of mandatory safety training modules for all employees. This platform now serves as an important tool for the refinery as we integrate our existing training records into the system and further develop our training needs moving forward.

Process Safety Academy

Our Process Safety Academy, which began at our Saint John refinery, has now expanded to include participation across our business areas, working together to mitigate risk. Using technology to our advantage to overcome geographical obstacles, we hosted three sessions in 2021, coming together to lean on our own subject matter experts to share learnings, collaborate on solutions and mitigate risks with a One Company approach.

Mental health

When it comes to health and well-being, we strive to create an environment that respects the mental health of our people, where our employees feel safe and supported and our leaders feel equipped to manage the diverse needs of their teams. We are committed to fostering the mental health and well-being of our employees, as part of our company’s core values of health and safety.

Our targets:

- To ensure by the end of 2022, all people leaders will have participated in mandatory foundational mental health training.
- To offer at least four educational opportunities annually to our employees that focus on wellness and mental health.





Mental health training for people leaders

In September 2021, we announced an addition to our learning program – mandatory mental health training for all people leaders. This initiative aligns with our commitment to leadership development and our goal of creating a more inclusive workforce. By making this training mandatory, we’re signifying an important commitment to the health and safety of all our employees and to standardizing training for leaders.

In partnership with the Mental Health Commission of Canada, we are delivering The Working Mind, a seven-hour, evidence-based program that provides valuable tools, practices and insights on supporting mental health. By the end of 2022, all of our people leaders will have participated in this mandatory training, enabling them to better support themselves, their teams and their families.

Mandatory mental health training for people leaders

Employee mental health talks

Building on the success of our first virtual Mental Health Symposium for employees in October 2020, we introduced a series of monthly learning opportunities for employees in 2021. Our monthly mental health talks with medical professionals and subject matter experts have covered a wide array of topics, including children’s mental health, resilience, post-traumatic growth and coping strategies for stress and anxiety. Employees are encouraged to submit questions to our guest speakers, as a way to tailor these sessions to the specific needs of our people. Going forward, we will continue to offer these important educational opportunities regularly for employees, with at least four events scheduled in a calendar year.

1,860 employees registered for **6** mental health talks in 2021

Human resources policies and programs

In April 2021, we announced enhancements to our leaves policies in Canada and the US in support of mental health and stronger work-life balance. This included the addition of three Personal Care Days, a vacation purchasing program and a study leave.

In August 2021, we introduced a flexible work program, which provides options for eligible employees to choose from a variety of scenarios to manage their workday and work location, in partnership with their manager.

We continue to promote our Employee and Family Assistance Programs, encouraging employees and their families to take advantage of these complimentary services whenever they need some extra support.

Investments in North American employee wellness reimbursements

2020	\$239,000+ CAD
2021	\$334,000+ CAD

COVID-19 response

The COVID-19 pandemic continued to impact our world, our business, and each and every one of us in countless ways throughout 2020 and 2021. We are proud of how our teams across the business have responded, and continued to rise to these challenges – with two fundamental principles in everything that we do: the health and safety of our employees and their families, and the safe and reliable operations of our business.

Our COVID-19 response team, established in January 2020, continues to work diligently to protect the safety of our employees, our customers and our business. We work closely with our public health officials, to not only plan appropriately for our own priorities, but to assist in the community pandemic efforts wherever we can.

The COVID-19 response team will remain in place for the foreseeable future to ensure we continually adapt to the ever-changing environment in all of our jurisdictions. As the legal and regulatory landscape evolve at an unprecedented rate, new programs are needed to ensure our company's mitigation measures stay aligned with public health guidance and new technologies coming to market. One such program is our rapid testing program which was implemented as an additional mitigation measure to protect our employees and contractors working on the 2021 Saint John refinery turnaround.

Employee response

Since March 2020, the majority of our workforce has continued to work from home to help control the spread of the COVID-19 virus. Our Senior Leadership Team continues to share regular communications with employees across the company, including the establishment of a monthly, virtual company update meeting. As a company, we worked to support our managers with employee engagement strategies and suggestions on how to manage teams in varied work environments and have increased the frequency of our virtual employee programming, focusing on staying connected.

For employees who are required to work on our sites, to manage safe and reliable operations and to serve our customers, we continue to communicate and reinforce the public health measures. A strong outbreak management plan has helped to limit workplace spread of the virus, protecting all on-site employees and their families.

Working closely with our public health agencies has helped us to act quickly in the event of a positive case.

We also conducted an internal survey to provide a safe forum for employees to share how they're doing, to voice opinions, concerns and feedback on issues and successes we have experienced together throughout the COVID-19 pandemic. We had more than 2,600 employees participate in the survey, and the results served to directly inform our programming in health and safety, as well as many of our HR policies.

Community response

In March 2021, we partnered with the Nova Scotia Health Authority to host COVID-19 test collection drop-off locations in our Professional Drivers' lounges within our Big Stop restaurant locations throughout Nova Scotia. In New Brunswick, we assisted Public Health with boosting vaccine rates in priority Saint John neighbourhoods, in support of their objectives and the overall health of our communities.



Aulac Big Stop

A diverse and inclusive culture

Our company has been built on a core value that people matter – our employees, our customers and our communities. At Irving Oil, we seek out ways to show our support for inclusion in our workplaces and communities, and to invest in organizations and initiatives that strengthen human connections and promote equality.



Our targets:

Our goal is to positively influence more balanced gender representation at Irving Oil by achieving the following targets:

- Maintain gender parity in corporate roles.
- Increase female representation in all leadership roles* to 40% by 2030, striving towards gender parity.

Our long-term aspiration is to increase the overall representation of historically under-represented groups in our team, reflecting more diverse perspectives in our decision-making and leading the way as a top diversity employer in our communities. To achieve this vision:

- Beginning in 2022, work to implement the necessary baseline tracking of diversity at Irving Oil in order to begin to report on our demographics and set future targets.
- By 2025, to ensure 100% of HR talent development processes include education and awareness on bias, equity and inclusion.
- By 2022, to ensure 100% of people leaders will have participated in mandatory unconscious bias training.

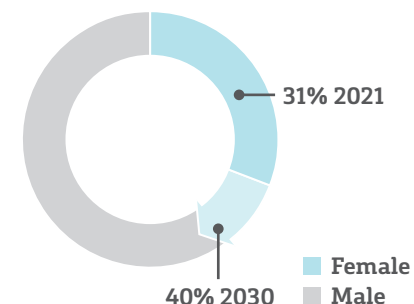
*all employee roles with direct reports

Maintain gender parity in corporate roles



Females in leadership roles

Increase female representation in all leadership roles to 40% by 2030



Our team

	2020			2021		
	Atlantic Canada	New England	Ireland & UK	Atlantic Canada	New England	Ireland & UK
Number of employees*	2,554	589	804	2,602	607	787
Total compensation**	\$216,766,168 USD	\$62,474,767 USD	\$52,300,012 USD	\$269,286,021 USD	\$70,654,522 USD	\$62,338,731 USD

*Number of employees excludes students, those on leave and seasonal employees

**Includes all employee types

	2020		2021	
	Male	Female	Male	Female
Senior leadership team	62%	38%	62%	38%
All leaders	69%	31%	69%	31%
All employees	68%	32%	72%	28%

Diversity and inclusion employee network

Comprised of employees representing diverse backgrounds and minority groups, our Diversity & Inclusion Council strives to continue to improve our corporate culture – promoting environments that encourage, support and celebrate the diverse voices of our employees. Our Diversity & Inclusion Council is championed by two members of our executive leadership team, has set a vision and roadmap for our company, and provides a centralized approach to stewarding this work.

Working together with our Employee Resource Group (ERG), these teams are at the forefront of delivering meaningful programming and learning opportunities to the broader organization. They help to influence our company’s social impact goals while fostering a culture of equality and belonging for all.

A focus on eliminating bias

In 2020, with the support of our Diversity & Inclusion Council, we introduced mandatory unconscious bias training for people leaders. By the end of 2021, we had reached 42% of managers and senior leaders across our organization. And by the end of 2022, we strive to have full participation from all people leaders in this vital training, conducted in partnership with the Canadian Centre for Diversity and Inclusion.

Complementing this people leader training, our diversity and inclusion teams have also hosted company-wide events and conversations on important topics such as mental health, women in leadership, racial equality, and truth and reconciliation. This team has also spearheaded initiatives such as unconscious bias learning opportunities for all employees, an inclusion calendar, an annual Pride campaign and has made important contributions to our human resource policies.

Throughout 2021, we completed an internal review of our people processes to ensure they are free from bias and also developed and tested a training program focused on inclusive behaviours. This program is intended to complement our unconscious bias training and give employees practical tools to apply to their daily practices.

42% of leaders have completed unconscious bias training

A mindful approach to Indigenous relations

As we look to the future with a philosophy of always learning more and doing better, we are committed to developing a more comprehensive Indigenous relations approach and policy. In consultation with key stakeholders, we will focus on community relations, reconciliation, people resources and supply chain opportunities with Indigenous peoples, across each of our operating areas. We look forward to strengthening our relationships and contributing to meaningful reconciliation with our Indigenous nations.



Our community partnerships play a critical role in our efforts to be an employer of choice and a leader in inclusivity. As an employer partner with the Canadian Centre for Diversity and Inclusion, we are learning from experts, while supporting socially progressive organizations.



Akan, Saint John refinery, NB

Fuelling the change we want to see in the world

Our employees have always been at the heart of our community giving program and, together, we are proud to be a force for positive change in our communities and the world around us. Established in 2018 and recognized by the International Association of Business Communicators (IABC) with a Gold Quill Award in 2019, our workplace giving and volunteering program, Good Energy in Action, supports our people to give back to the causes they care about when and how it matters most to them. Our goal is to empower our employees to make the positive changes they want to see in the world. And we know that there are many ways we, as individuals, can create impact and influence change.

As part of this goal, we will expand our Good Energy in Action program in 2022 to support a more inclusive approach to social impact. In addition to the foundational elements of supporting our employees through donation matching, and time off from work to volunteer, we will recognize our employees' volunteer time, acts of kindness, actions to protect the planet and commitments to learn about matters of social justice, by giving rewards that they can, in turn, donate to create even more goodness. We know that spreading kindness, learning about one another and taking individual actions to protect the environment are all levers for creating stronger communities.



Our target:

By 2030, to see 50% of our employees participating annually in our Good Energy in Action program.

Employee giving

	2020	2021
Employee-led donations and fundraising	\$98,098 CAD	\$86,184 CAD
Employee volunteer hours	2,605	3,883
Employee volunteer hours during work time	488	280
Value of volunteer hours during work time (at \$26/hour)	\$12,688 CAD	\$7,274 CAD
Employee participation in giving and volunteering programs	18%	10%



(L-R) Chris, Tanya, Jennifer, Angela, Natasha, Saint John, NB

Virtual employee learning opportunities

Since the onset of the global pandemic, our teams have brought our cherished traditions of annual employee community programming and learning opportunities into a digital format. This shift has created equal opportunities for employees in all geographies to participate in the conversations and has deepened employee connections with our favourite causes.

In 2020 and 2021, we held at least 14 virtual events, featuring speakers from more than 19 community causes, including an increased focus on conversations related to social justice. We've seen employee giving and virtual volunteering trends follow our programming, with increased support for relevant featured causes following the events.

Some of our most notable virtual events and learning opportunities include:

- A conversation on building racial equality
- National Day for Truth & Reconciliation
- Giving Tuesday
- International Women's Day
- Cancer Awareness Month
- Pride Month
- World Mental Health Day
- Fuel the Care talk in partnership with local children's hospitals
- MADD Canada
- World Oceans Week



Employees, Saint John, NB





Jane, Cavan, Ireland

Wellness challenge in support of Fuel the Care

Established in 2002 in partnership with local hospitals, our Fuel the Care program has helped bridge the distance between home and hospital by providing fuel cards to more than 80,000 local families in Atlantic Canada, Quebec and New England travelling to receive medical care for a child (read more on page 56). Since families in these regions spend an average of three hours on the road, each way, when travelling to hospital for medical care, we challenged our teams across all geographies to spend three hours being active over a period of one week during our annual campaign.

Supporting families at Barretstown

Barretstown – an Irish national charity that offers free programs and summer camps for children and their families living with a serious illness – is consistently ranked among our employees’ favourite causes in Ireland. As part of our Good Energy in Action program, we are proud to support our team in helping local families. Since the start of 2020, our teams have volunteered more than 380 hours, and donated more than €20,000 to this good cause.

In March 2020, Barretstown closed temporarily due to the pandemic and began to adapt its programming to a virtual platform. That same month, our team in Ireland launched a campaign whereby €1 from every domestic home heat order was donated to our charity partner. Thanks to our customers, the home heat campaign raised money for local families at a time when they felt more isolated than ever, with the funds directed to support Barretstown’s transition to a virtual camp experience.

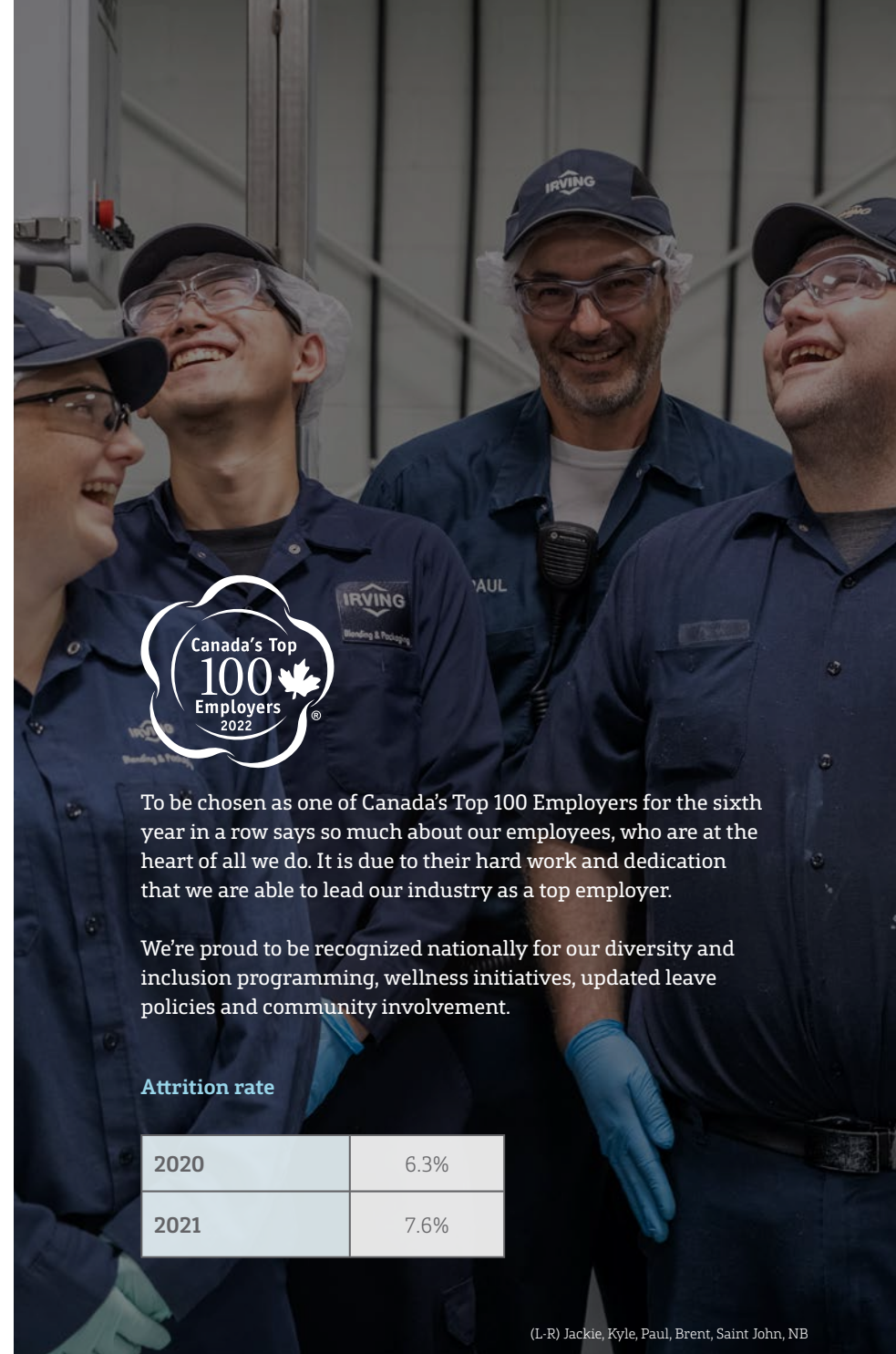
In 2021, as restrictions began to loosen and families were welcomed back under new protocols, our teams had the opportunity to be directly involved in making Barretstown a safe, secure, beautiful and peaceful place for children and their families living with serious childhood illnesses. From landscaping, to housekeeping, cottage preparation, trail maintenance, painting, and so much more, our team rolled up their sleeves to give back. At the end of each day, the group of volunteers planted a tree to support the natural beauty of the location and as a sign of hope for a brighter tomorrow.

Developing our people

At Irving Oil, our leaders are the champions of safety, inclusion, and people development. Our leadership development program is aimed at empowering leaders of today and tomorrow to successfully translate our organizational strategy for their teams and drive towards successful outcomes. In order to meet our goals as a company to grow and evolve for tomorrow, we know that we as individuals and as a team must also grow and hone our skills. We want to help our people achieve their personal career goals and prepare our team, in all disciplines, for the energy transition as we can best meet these challenges together.

Our targets:

- By 2025, to see more than 90% of our leaders participating in core leadership training.
- Each year, to see 30% of employees access Lead with Energy on Demand, a learning tool within our leadership development program.
- By 2025, to have an active Graduate Development program with a yearly intake of new graduates, achieving a retention rate of more than 90% after completion of the program.
- By 2023, to complete a KSA (knowledge, skills and abilities) analysis that will allow us to build a resource plan including development paths and recruitment plans by 2025.
- To provide regular learning opportunities for employees on topics related to energy transition.



To be chosen as one of Canada's Top 100 Employers for the sixth year in a row says so much about our employees, who are at the heart of all we do. It is due to their hard work and dedication that we are able to lead our industry as a top employer.

We're proud to be recognized nationally for our diversity and inclusion programming, wellness initiatives, updated leave policies and community involvement.

Attrition rate

2020	6.3%
2021	7.6%

(L-R) Jackie, Kyle, Paul, Brent, Saint John, NB

Leadership development

With a workforce that will undergo significant change with expected retirements and new hires over the next five years, we know that developing leadership skills for today and tomorrow is critical to our success. We also want our leaders to feel equipped to support the diverse needs of their teams. That’s why in 2021, we introduced a new leadership development program across our company, with a multi-faceted approach to learning, underpinned by our leadership framework which sets out the priority capabilities for our organization in alignment with business strategy.

Our Lead with Energy on Demand program provides leaders with mobile-friendly, self-directed resources to build their skills and knowledge in the form of online courses, articles, videos, podcasts, and tools. Additionally, leaders can sign up for learning sprints – precision skill builds, in alignment with our leadership framework, that range in duration from two to four weeks. These sprints are structured with a phased knowledge acquisition followed by highly targeted on-the-job application and group coaching. Our foundational sprint ‘Coach every day’, equips leaders to deliver effective and continuous coaching and feedback to their teams.



Janice, Saint John, NB

Workforce planning

Workforce planning is another key focus area to prepare our team for energy transition. By 2023, we will complete a full KSA (knowledge, skills and abilities) analysis to build a resource plan including development paths and recruitment plans by 2025.

Preparing our team for energy transition

As we prepare for the changes taking place in our industry and in our company, we understand the importance of equipping our employees for this change very early on. In June 2021, we launched a series of learning sessions to raise awareness about the energy transition, a lower-carbon future and what that means for the energy industry and our company.

Designed to build a foundation of knowledge among employees and provide information on how we aim to move forward and navigate the global energy transition, the series is focused on providing information on what our company is doing to enhance its sustainability practices. We were pleased to see such a high turnout and level of engagement for each of our four sessions in 2021 and expect to continue these well into 2022.

Spotlight on innovation

As the pace of change continues to accelerate we are focused on innovation within our own business – the ways in which we work and the ways in which we serve our customers.

Our internal Brand Strategy and Innovation team focuses on research and testing of innovative solutions to meet the evolving needs of our customers.

Some of our more recent examples include the installation of tank monitors to increase efficiencies and improve service for our Irving Energy customers, online payment and ordering for our home heat and Big Stop restaurant businesses, mobile pay technology at our New England retail locations, a hazard app for drivers and technicians to report and mitigate potential risks in real time, community recycling programs at retail and the introduction of solar energy to our retail locations.

Partnering with those who share our values

As the operator of Canada’s largest refinery as well as Ireland’s only refinery, and a leading energy distributor in our regions, we know we have an important responsibility to support our communities and influence positive change. In addition to our philanthropic commitments, we know that we can create additional impact in the ways we invest in goods and services throughout our supply chain.

Our long-term aspiration is to partner with organizations that share similar values to ours, increasing the overall sustainability of our supply chain. To achieve this vision, beginning in 2022 we will work with some of our largest partners to start to track their ESG performance as well as their contributions to diverse and inclusive workplaces and communities.

Together with our partners, we know we can influence positive social, environmental and economic changes in our communities and we look forward to sharing more on these efforts in a future report.

Stimulating local economies

As we grow sustainably for tomorrow, we will continue to drive value in the places we work. We are proud of the economic well-being we bring to the communities where we live and work, through strategic investments, ongoing operations and employment opportunities.

These are the investments we have made in local suppliers in our core markets:

	2020	2021
New Brunswick	\$210M+ CAD	\$210M+CAD
Eastern Canada (NS, PE, NL, QC)	\$130M+ CAD	\$110M+CAD
New England States	\$55M+ USD	\$50M+ USD
Ireland	€75M+ EUR	€105M+ EUR

Responsible feedstock sourcing

We are always striving to support Canadian energy security, and to source more feedstock from countries with strong environmental and social values. The following is a breakdown of the origin of crude and renewable feedstock for our refineries.

	2018	2019	2020	2021
Saint John refinery				
North American origin	19.3%	47.1%	56.8%	40.9%
Origin outside of North America	80.7%	52.9%	43.2%	59.1%
Whitegate refinery				
North American origin	24.5%	74.9%	82.3%	68.7%
Origin outside of North America	75.5%	25.1%	17.7%	31.3%

Engaging with our stakeholders

For nearly 100 years, we have worked hard to develop strong connections and partnerships in our communities. We are committed to transparency and engaging our stakeholders, with a goal of developing mutually beneficial solutions, creating shared interest and building lasting relationships.

Employees	Financial community	Government & regulators	Neighbours & community	Customers	Suppliers & contractors
<ul style="list-style-type: none"> • Code of Ethical Conduct • Third-party ethics reporting line • Formal performance management process • Safety meetings and reporting • Engagement surveys • Regular employee communications including email bulletins, intranet, digital screens, front-line messaging • Quarterly People Matters newsletter • Annual Town Hall employee meeting and monthly update calls with senior leaders • Diversity & Inclusion Council and Employee Resource Group • Virtual talks and learning opportunities • Employee service awards 	<ul style="list-style-type: none"> • Quarterly lender/investor reporting • Annual lender/investor meetings • Regular lender/investor meetings • News releases on material company matters • Facility tours 	<ul style="list-style-type: none"> • Regular, open communication and relationship-building • Collaborate on policy development and regulatory changes • Regulatory compliance, reporting and disclosure • Bilateral meetings with government at various levels (both civil service and political) • Multi-stakeholder, technical working group committees • Industry associations and business groups • Facility tours 	<ul style="list-style-type: none"> • Concern call program • Site safety and emergency response information on our website • Participation in community liaison committees and industry/community roundtables • Direct mail-outs to neighbours • Neighbourly News newsletter • Open houses and facility tours • Social media and news releases • Donations and sponsorships • Long-standing partnerships with community groups 	<ul style="list-style-type: none"> • Consumer insights surveys • Customer Care Line • Events and tradeshow • Email, Mobile App, direct mail and social media communications • Website and contact form submissions • Traditional and digital media • On-site signage and digital screens • SMS texts (Ireland) • Social media private messages • Inviting text feedback in our public washrooms, restaurants, fleet lanes, lounges, showers, etc. • Retail grand opening events 	<ul style="list-style-type: none"> • Code of Ethical Conduct • Supplier Qualification (RFP Process and otherwise) • Safety performance tracking and collaboration • Provide health, safety and work-related information and instructions for contractors • Share information with contractors through regular meetings (tool box talks) • Supplier & Contract Management

A responsibility to inform

As part of its overarching goal to ensure applicable industries are working to prevent, prepare for, respond to and recover from environmental emergencies, the federal Environmental Emergency (E2) regulation was enhanced in 2020 in several areas, including the Public Notifications section, which outlines requirements for notifying the public before, during and after incidents.

We were proud of our company’s inclusive approach to this compliance obligation, which was guided by our commitment to being a good neighbour in the areas we serve, with safety as our core value.

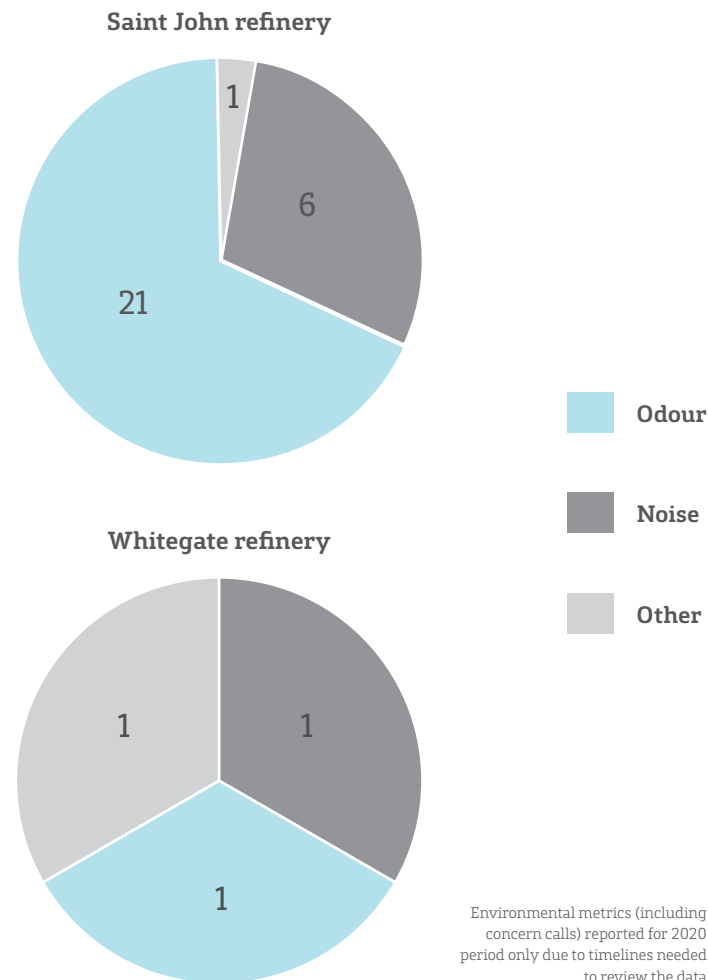
Our Public Notifications approach cascaded across 18 Irving Oil sites identified as applicable to the E2 regulation located across Atlantic Canada. The plan included: **1)** the launch of a public website (irvingoil.com/safety), which contains detailed information about each facility, as well as information on Irving Oil’s emergency response plans, and **2)** the distribution of approximately 3,500 letters to all neighbours residing in the areas of our E2-regulated facilities.



Saint John refinery, NB

Concern calls

At our Saint John refinery, we received 28 environmental concern calls in 2020 from neighbours. This performance is the lowest number of calls reported in more than 10 years. At our Whitegate refinery, 3 concern calls were received and resolved in 2020.



Environmental metrics (including concern calls) reported for 2020 period only due to timelines needed to review the data

Empowering the next generation

Building stronger, more resilient communities starts with investing in the next generation. It's important to provide youth with tools and mentorship to build their confidence so they can address some of the world's most pressing social, economic and environmental challenges.

Our goal is to put our energy into nurturing the next generation of diverse global citizens by investing in inclusive and equitable education and development opportunities for young people.

Our support for education shows up in three ways:

1. Inspiring learning, sustainability and curiosity for youth at the grade-school level.
2. Supporting financial aid for studies and meaningful work opportunities for students in all disciplines at the post-secondary level.
3. Supporting mentorship and experiential learning opportunities that inspire collaboration and innovation.

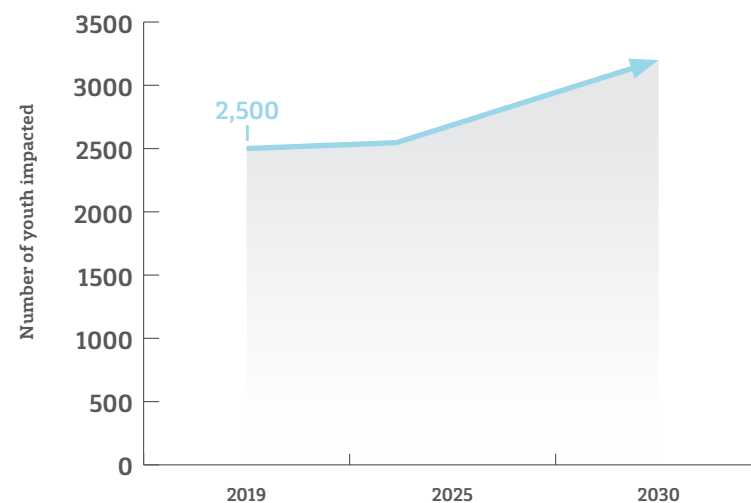
Our approach is to expand our focus to include students in all disciplines, and to work with our partners to reduce inequities in education, by focusing our investments on underrepresented groups and those with significant financial need.

Our targets:

- By 2030, to increase the number of youth and young adults who participate in the programming we support by 25% from 2019 levels.
- To create more opportunities for employee participation in youth mentorship initiatives so that by 2030, 25% of all volunteer hours tracked through Good Energy in Action directly support the education and empowerment of youth.



Empowering the next generation



Support for students

	2020	2021
Students hired for work terms	28	81
Scholarships awarded for post-secondary studies in Canada	\$193,000 CAD	\$193,000 CAD
Scholarships awarded for post-secondary studies in the US	\$9,000 USD	\$6,000 USD
Scholarships awarded for post-secondary studies in Ireland	€14,000 EUR	€14,000 EUR

Mentoring students

As part of our partnership with Dartmouth College, the Tuck School of Business and the Arthur L. Irving Institute for Energy and Society, in 2021, we engaged a team of first-year MBA students in a project to design a financially viable retail site of the future – built on the principles of sustainability. This project marked the fourth project we have done together with the Tuck School of Business – with previous projects focused on Corporate Social Responsibility, Electric Vehicles and the Future of Retail.

Over a period of eight weeks the project team focused on investigating sustainable solutions for retail.

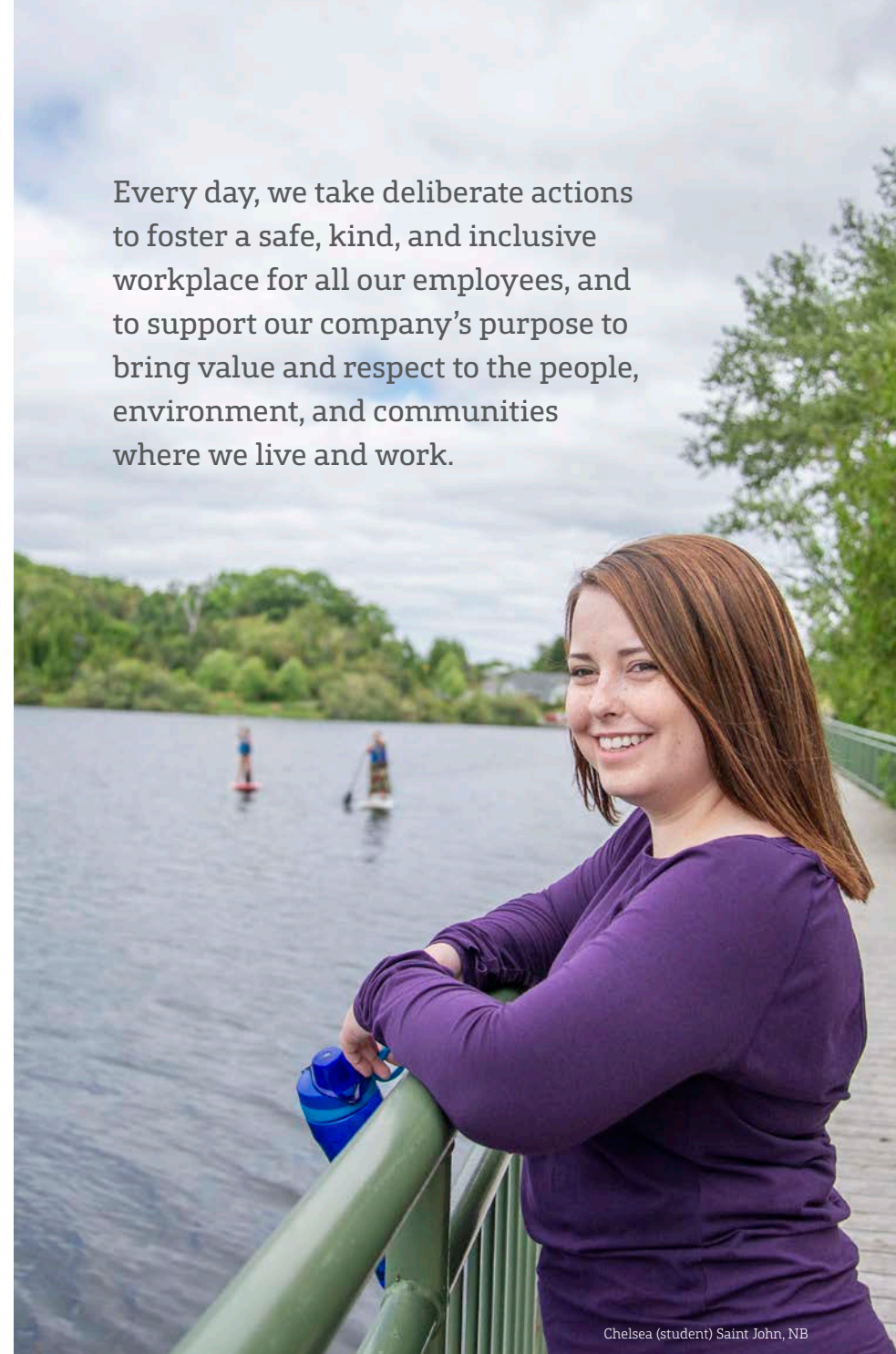
These proposals ranged from solar-powered canopies, carbon offset solutions and windshield washer dispenser units to reduce waste. Under the mentorship of the Irving Oil team, and using available research data and focus groups, the students engaged an architect to draw up renderings of what their ideas would look like and finally presented them to members of the Senior Leadership Team during a virtual forum.

“The importance of the project was evident in Irving Oil’s employees and executives earnestly collaborating with our team as we worked towards a solution. The experience exposed me to so much more than expected,” said Derek Odom, student at Tuck School of Business.

A virtual wetland field trip

Unprecedented times called for unprecedented creativity. In June 2021, we took students from our longstanding partner elementary schools in Saint John, New Brunswick, and Dartmouth, Nova Scotia, on a virtual wetland field trip in partnership with Ducks Unlimited Canada. Using safe, virtual programming, Ducks Unlimited’s team of educators taught the children about the importance of wetlands and why we should protect them. Each child left for their summer holidays with their own critter-dipping kit to explore the wetlands in their community.

Every day, we take deliberate actions to foster a safe, kind, and inclusive workplace for all our employees, and to support our company’s purpose to bring value and respect to the people, environment, and communities where we live and work.



Chelsea (student) Saint John, NB



Ken and students, Dublin, Ireland

Preparing youth to succeed in a global economy

Across many geographies, Junior Achievement is dedicated to inspiring and preparing youth to succeed in a global economy. By helping to mentor the next generation, the group provides young people with the tools and confidence they need to succeed as they navigate their career aspirations.

We are proud of our unwavering support of Junior Achievement programming, in support of our goals to build stronger, thriving economies, by investing in the potential of our youth.

Employees at our Whitegate refinery have volunteered for more than two decades to support students in local schools, in partnership with Junior Achievement Ireland; and our Irish Sales & Marketing team marked its sixteenth year partnering with the organization in 2021. Over the years, between Whitegate and our Irish Sales & Marketing team, 150 volunteers have helped more than 4,600 students at 78 schools throughout Ireland.

Before the pandemic, volunteers from Irving Oil would usually go into the classroom during a six-week period to highlight the importance of hard work, communication skills, financial literacy, community involvement and to help the students understand the important role that education will play in shaping their future.

While in 2020 and 2021 this initiative has been more challenging, it has continued virtually. We hosted virtual opportunities for our employees to volunteer their time each week to connect with students across the country.

In New Brunswick, Irving Oil's founder, K.C. Irving, developed the Junior Achievement program with Roland Frazee of RBC Royal Bank, more than three decades ago. They believed that Junior Achievement would not only inspire and educate young people about business, but provide lessons on commitment, determination and the power of working together with our local communities. We are proud to continue this important partnership today.



SOCIAL

More equitable access to energy

Access to energy powers our individual lives and communities. It drives change, creates potential and fuels progress.

Yet at both the local and global level many struggle to access affordable, sustainable and reliable energy.

This dual challenge of continuing to provide reliable energy while at the same time working to address climate change, is one we are committed to working hard to address, in being a part of the solution at both the local and global level.

As we shift to a lower-carbon economy, we must work towards a more just society – not generate new forms of inequality in our world, but work to create additional opportunities in our communities – near and far.

Therefore our commitment to making access to energy more equitable is focused on both the local and global scale:

1. Our support for the global mission of the Arthur L. Irving Institute for Energy and Society at Dartmouth College to advance an affordable, sustainable, and reliable energy future for the benefit of society.
2. Our local programs that provide relief for families in need of fuel to access vital services related to their health and well-being.





The mission of the Arthur L. Irving Institute for Energy and Society at Dartmouth is to advance an affordable, sustainable, and reliable energy future for the benefit of society.

Arthur L. Irving Institute for Energy and Society, Dartmouth College, NH

Arthur L. Irving Institute for Energy and Society

Through our continued support of the Arthur L. Irving Institute for Energy and Society, we are enabling collaboration among some of the brightest minds at Dartmouth College to find solutions to some of the most complicated global energy challenges. In 2022, the LEED platinum-certified building of the Irving Institute opened its doors to students, providing an energy-efficient home for this work, inspired by the very mission of the institute.

In 2021, the Irving Institute hosted Dartmouth’s inaugural Energy Forum, creating a virtual, global platform to bring leaders from industry, academia, technology and government together to advance important conversations about a more sustainable and just energy future. Our senior leaders and Irving Institute Advisory Board Members, Ian Whitcomb, Sarah Irving, Arthur Irving and Sandra Irving took part as speakers and thought-leaders in the event.

Arthur L. Irving Institute for Energy and Society: impact

	2020	2021
Seed grants awarded	\$275,000 USD	\$865,000 USD
Research projects supported	7	25
Mini grants awarded to fund student projects	\$21,000 USD	\$55,000 USD
Research projects supported	22	55
Students participated in programming	500+	600+
Faculty members collaborated on initiatives	75+	80+

Mapping energy access

A team of Dartmouth College researchers, Neeti Pokhriyal, Soroush Vosoughi and Emmanuel Letouze, received an Arthur L. Irving Institute seed grant in 2020, for their project aimed at mapping energy access by country across the globe to support the sustainable development of emerging communities.

Access to energy directly translates to a multitude of factors affecting human development, including quality of education, health, gender equality, air and water quality, and combating climate change. Even before the COVID-19 crisis, an estimated 620 million people around the world will still lack access to electricity in 2030, and an estimated 2.3 billion people will not have access to clean cooking fuel by 2030.

A pivotal step in bringing universal access to electricity and cleaner fuels is to create a baseline of current access across each country, which helps in understanding how and where energy is used at a country-wide scale. The results not only support the United Nations' Sustainable Development Goal 7 of Affordable and Clean Energy, but could change the lives of communities, particularly in Africa, by better informing energy policy, infrastructure planning and sustainable development.

Fuel the Care

Established in 2002 in partnership with local hospitals, our Fuel the Care program has helped bridge the distance between home and hospital by providing fuel cards to more than 80,000 local families in Atlantic Canada, Quebec and New England travelling to receive medical care for a child.

In 2020, we piloted a Fuel the Care Pump program in Halifax, Nova Scotia, and Pembroke, Massachusetts, empowering our customers to join us in supporting local families travelling for medical care for a child. Irving Oil donates 1 cent for every litre of fuel sold at the designated Care Pumps in Canada, and 4 cents for every gallon in the US, to support more families in need. Since January 2020, our Fuel the Care Pumps have raised \$146,088 CAD* for IWK Health Centre patient families and \$21,228 USD* for Tufts Children's Hospital patient families. Starting in 2022, we plan to expand our Fuel the Care Pump program to help more families, while continuing to support families at all our partner hospitals through our Fuel the Care program.

*as of January 16, 2022.



Fuel the Care Pump, Enfield, NS

Going further

Exacerbated by the global pandemic, the need to support local families and community organizations with energy access is greater than ever. That's why we're committed to expanding on the concept of our Fuel the Care program to help more families annually access vital services related to their health and well-being and to help more local families heat their homes.

Company giving

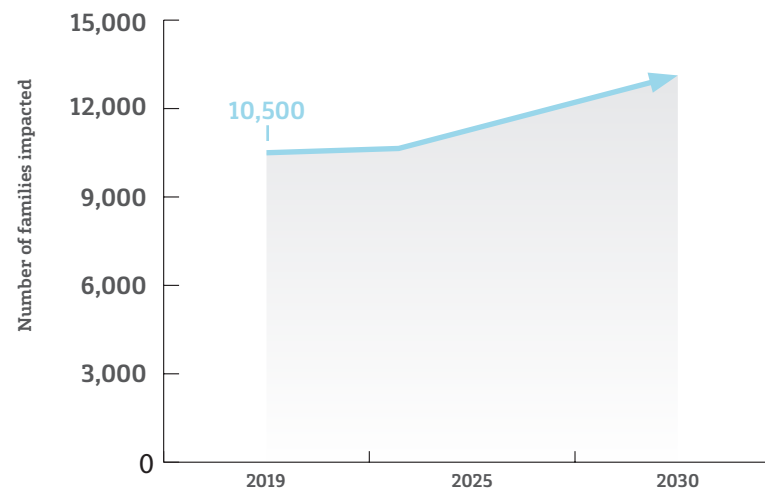
	2020	2021
Total invested	\$8.58 million CAD	\$8.19 million CAD
Cash investments	\$7.4 million CAD	\$7.6 million CAD
In-kind donations, including product	\$1.03 million CAD	\$501,000 CAD
Causes supported	350+	200+

Our targets:

- By 2030, to support 25% more* families annually who are accessing vital services related to their health and well-being by donating fuel cards for travel.
- Starting in 2022, to help at least 175 local families in need each year, by donating energy needed to help heat their homes.
- Starting in 2022, to support one non-profit organization in each of the countries we serve (Canada, the US and Ireland), by providing fuel to service their vehicles for a period of one year.

*above 2019 levels

Supporting more families





GOVERNANCE



Stewarding our business responsibly

Our purpose of delivering better energy to those counting on us, is underpinned with our One Company strategy to manage our core business well, while taking the necessary steps to evolve and grow for tomorrow. Irving Oil’s Senior Leadership Team, in conjunction with the Board of Directors, are responsible for charting a sustainable course for our business that creates value for those who count on us and drives change and progress in the world around us.

Our targets:

- To continue to embed ESG considerations in our governance framework.
- To support effective oversight by our Board of Directors and Senior Leadership Team.
- To prudently manage risks to our business.
- To allocate resources responsibly and demonstrate progress in moving our business forward.



Board oversight

The structure of our Board of Directors mirrors that of other private and publicly-owned top companies in Canada and across the globe. Our board is led by Chairman, Arthur Irving and consists of 8 members in total. Our highly-experienced directors bring a broad array of board and leadership experience, as well as external industry knowledge, to our business. As outlined on page 10, our Board and Senior Leadership team has oversight of our strategy, including ESG and climate-related risks and opportunities.

Some of our board committees

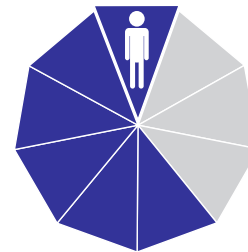
The **Audit Committee** assists the board’s decision-making with respect to financial reporting and financial risk management.

The **Finance Committee** focuses on distributions, financial policies, strategies, programs and practices.

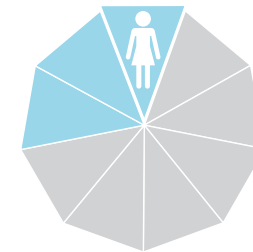
The **Governance Committee** assists on oversight with respect to corporate governance, risk management and public policy matters.

The **Human Resources Committee** informs the company’s human resources strategies and programs, including succession planning and talent management.

The **Operational Excellence Committee** assists in oversight of the company’s management of environmental, health and safety and operational excellence matters.



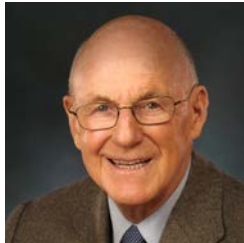
6 of 9 members of our Board are independent directors



3 of 9 members of our Board are females

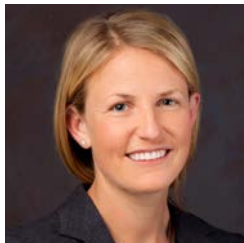
A Board of Directors committed to fuelling our future

Our directors are steering us through a crowded and competitive energy landscape – and the stakes have never been higher. We are proud of the collective knowledge, wisdom and commitment to improvement that is shared by our experienced Board of Directors, helping to drive innovation and change as industry leaders.



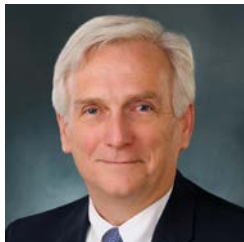
Arthur Irving

Arthur Irving has dedicated more than 60 years of his life to growing and leading Irving Oil. With a passion for serving customers, supporting communities, and preserving the natural environment, Arthur is intimately familiar with all aspects of the business. As Chairman, he brings a wealth of historical knowledge of Irving Oil combined with a vision for a bright future. Arthur has also served on the Ducks Unlimited Board for 32 years, two of these as President, was Chancellor of Acadia University, and in 2002, was made an Officer of the Order of Canada.



Sarah Irving

A graduate of Dartmouth College and Tuck School of Business, Sarah Irving joined Irving Oil in 2014 and holds the role of Executive Vice President and Chief Brand Officer. Sarah has had a lifetime of learning about the company from her father, Arthur Irving, and is a true champion of community and sustainability. Sarah's organization is responsible for the company's energy transition strategy, as well as advocacy and sustainability efforts, and she is committed to growing Irving Oil for tomorrow, to continue to meet the needs of customers.



Ian Whitcomb

Ian Whitcomb brings a strong understanding of the company, its operations and culture through more than 30 years of working with Irving Oil in his role with Deloitte. Now President of Irving Oil, Ian is deeply committed to the success of the company, guiding Irving Oil's Senior Leadership Team in the development of a sustainable corporate strategy, strong financial performance, and the safe, reliable, and responsible operation of the business

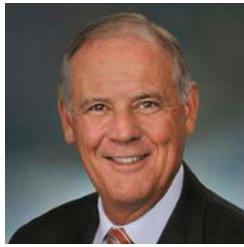


James E. Carter

As Irving Oil's Lead Independent Director and Chair of its Operational Excellence, Governance, USA and Conflicts Committees, James Carter provides valuable oversight in enhancing safety standards and operational excellence at Irving Oil. James brings a background of strong industry and business experience, from his former role as President and Chief Operating Officer of Syncrude Canada Ltd. In 2019, James was awarded the ICD Fellowship Award, the highest distinction for Corporate Directors in Canada.



GOVERNANCE



John M. Cassaday

John Cassaday brings a strong understanding and in-depth experience of corporate board governance to Irving Oil. John has held director and senior executive roles in a variety of businesses, including President and CEO of Corus Entertainment, and President and CEO of CTV and Shaw Media. In 2019, John was awarded the ICD Fellowship Award, the highest distinction for Corporate Directors in Canada. He is currently the chair of Irving Oil's Human Resource Committee.



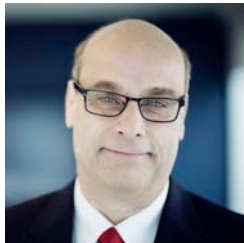
Susan Dio

As a senior executive with broad industry and international experience, Susan Dio has a proven track record of creating cultures focused on safety and ethics, while improving business results. A chemical engineer by training, Susan was the Chairperson and President of BP America, providing leadership and oversight of global shipping, refining, petrochemicals and various other oil and gas businesses for the international energy company.



Sarah E. Nash

Sarah Nash brings a variety of board and business experience to Irving Oil, as well as skilled expertise in capital markets and financial management. Sarah was the Vice Chairman of J.P. Morgan Chase & Co.'s Investment Bank and held a variety of senior management positions in investment banking throughout her long career. Sarah is chair of Irving Oil's Finance Committee.



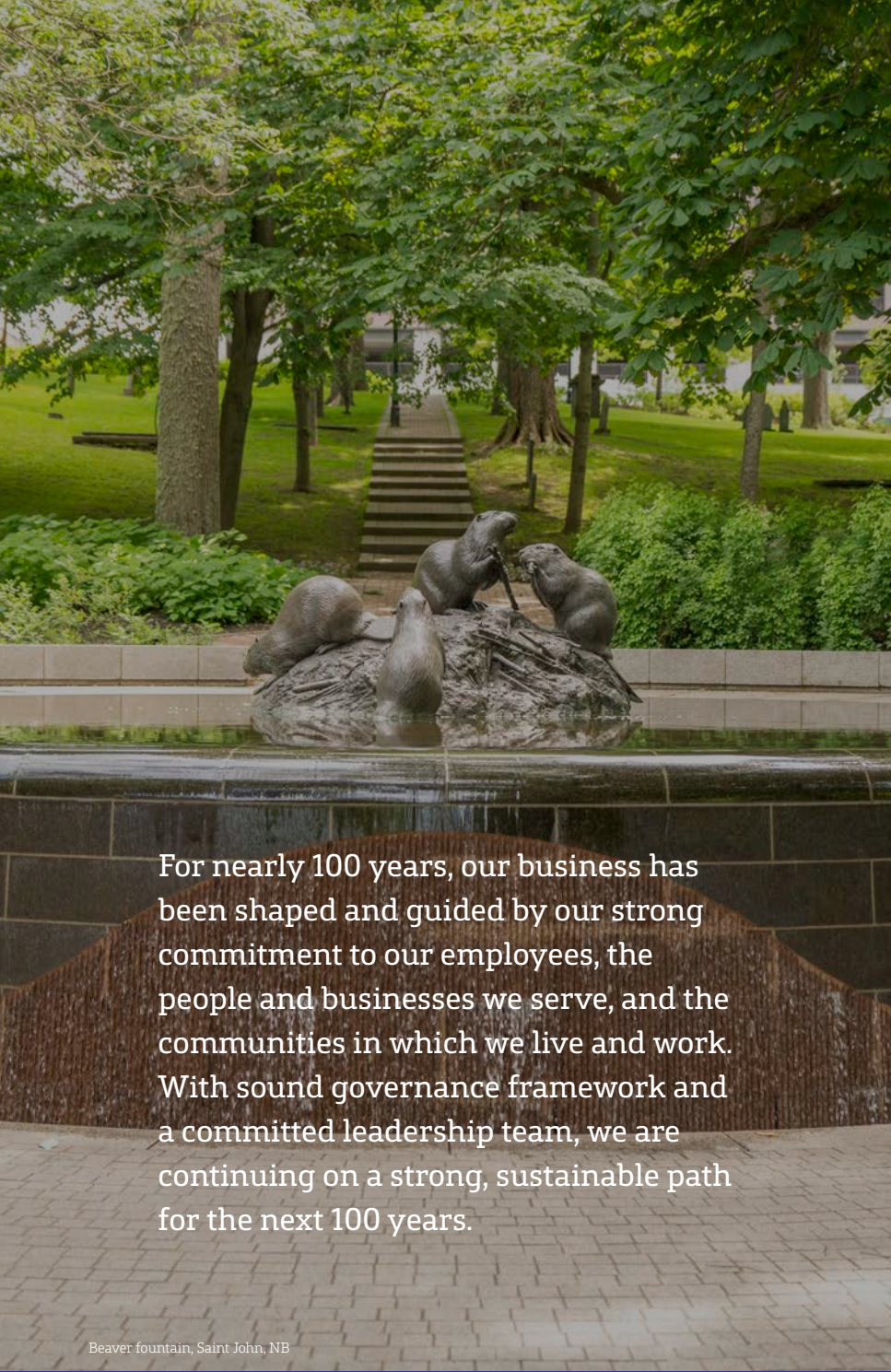
Derek Purchase

With more than 30 years of experience at Ernst & Young LLP, Derek Purchase brings a strong background in corporate governance, strategy, risk management, and operations. A current board member of Nalcor Energy, Derek has a passion for corporate purpose and sustainability, and has recently become involved as a consultant with Goodman Sustainability Group. He is currently pursuing the Sustainable Investment Professional Certification program at Concordia University.



Bruce G. Waterman

Bruce Waterman brings more than 20 years of leadership experience in the energy industry, including strong expertise in finance, accounting, business development and government relations. Bruce has held senior executive roles within Nutrium Ltd. and Talisman Energy and is chair of Irving Oil's Audit Committee.



For nearly 100 years, our business has been shaped and guided by our strong commitment to our employees, the people and businesses we serve, and the communities in which we live and work. With sound governance framework and a committed leadership team, we are continuing on a strong, sustainable path for the next 100 years.

Beaver fountain, Saint John, NB

Business planning

Every year, we complete an annual business planning process. The process looks at both the near-term budget and our five-year plan, and it's executed over the course of several months, through several phases. Our One Company Plan establishes the actions we will take to deliver on our strategy and meet target outcomes while managing our risks prudently. As we execute our plan, we monitor our performance and adjust our plan as needed.

Risk management

Enterprise Risk Management is integrated with our strategy setting and business planning processes, including how we allocate resources and steward our performance. Our Senior Leadership Team has a role to play in identifying risks, including ESG risks, through our Enterprise Risk Management process. Our top risks are identified with consideration for our strategy, as well as changes in our external and internal environment and internal operating context. We prioritize our risks using a consistent risk ranking methodology across our business. This work is one of the key inputs that informs our business planning process. We revisit our top company risks on a yearly basis to assess whether our risk map is still current and reflective of the changes within our company and around us.



Operations Management System

Our Operational Management System is a framework of standards and expectations to help ensure safety and operational reliability. In 2021, we embarked on an initiative to simplify our existing management system and focus the framework on elements directly related to operational areas of the business. We continue to ground our framework in a plan-do-check-act model with four main focus areas: Risk Identification, Risk Mitigation, Knowledge Sharing and Continuous Improvement. Through our refresh work, we have identified four company-wide processes of priority: Management of Change, Incident Investigation & Reporting, Knowledge Sharing & Follow Up as well as Corrective Actions. The intent behind company-wide processes is to drive consistency and efficiency across

all operational areas along with the implementation of appropriate risk mitigation measures.

Meanwhile, we've improved our quarterly operational stewardship process aligning current operational metrics with the revised management system framework. This allows us to focus on our top operational risks, better understand priorities, and stay aligned on action plans.

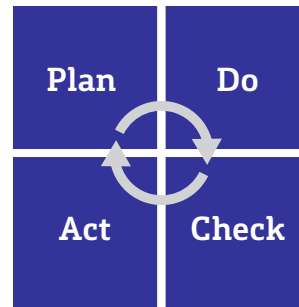
Operations Management System elements

1. Risk Identification

Risks that could impact safe, reliable operations are identified, assessed, and prioritized consistently and systematically across the business

4. Continuous Improvement

Measurable improvement can be made on processes that are defined, controlled and measured



2. Risk Mitigation

Appropriate controls are put in place to adequately mitigate intolerable risks

3. Knowledge Sharing

Controls are applied consistently across our operations enabling training and cross-functional knowledge sharing

Protecting our data

Data and digital technology are vital in managing our business responsibly, in ensuring safe and reliable operations, and in supporting a strong customer and employee experience. We rely on the integrity and security of our data every day to make decisions that are critical to our business. For these reasons, we are committed to protecting company data from unwanted threats, and to treating our data responsibly, so that we protect the privacy rights of others.

Our targets:

- To reach 100% employee completion of mandatory Cybersecurity Training annually.
- To complete Privacy Impact Assessments for 100% of new projects and systems that use/share personal data.



Privacy

We recognize our responsibility to uphold the fundamental rights of individuals, including our employees, to have their personal data protected and we will be transparent in outlining how we handle the personal data of our employees before, during and after the employment relationship.

While we continued to work on a company-wide Data Protection and Privacy Policy for employees, we shifted our focus in 2020 and 2021 to develop a Privacy Notice with respect to personal information collected as a result of the pandemic.

We finalized a One Company privacy breach protocol and completed comprehensive assessments on six alleged privacy breaches that were reported to us in 2021. Those assessments found no breaches that required notification to the Privacy Commissioner.

We also completed more than 40 Privacy Impact Assessments in 2021 for new projects or systems that collect or share data. As a result of this work, for some of the larger projects,



Home Office, Saint John, NB

the business has implemented measures to improve privacy compliance, including leveraging other available technologies to bridge privacy gaps across systems.

In order to increase accountability for privacy matters in the business lines, we've designated Data Protection Leads in our Irish operations who are responsible for carrying out our privacy requirements locally. In collaboration with our Privacy team, the leads participate in weekly meetings, collaborate on privacy assessments and work with the business to implement any mitigation measures.

Cybersecurity

We recognize that cyber attacks are impacting organizations every day and the digitalization of systems brings both advantages as well as additional concerns. With cyber criminals becoming more organized and capable, organizations are affected by cyber crime in every part of our industry and in our communities. We take these risks very seriously at Irving Oil. We work every day to understand cyber risks and to be prepared to respond to emerging threats. We have taken concrete steps to protect company systems and information.

To continuously improve our cybersecurity program, we have a dedicated internal team supported by appropriate external services to analyze threat intelligence, uncover risks and respond to threats. In 2021, our teams worked hard to advance our cybersecurity program, extending operational capabilities across our business and making our defence systems more consistent and comprehensive. We have put additional focus on employee cybersecurity awareness, increasing the pace of phishing tests throughout our business, as a complement to annual mandatory cybersecurity training. In addition, we have engaged with peers and industry groups as well as various levels of government in the jurisdictions where we operate, understanding that cybersecurity goes beyond technical controls to include human behaviour as well as stakeholder engagement.

Percentage of employees who completed annual cybersecurity training

2020	96% (North America and Whitegate)
2021	99% (North America and Whitegate)

Being ethical in our business practices

In all that we do, we hold ourselves and each other accountable for conducting our day-to-day business with integrity and our professional relationships with respect. We are proud of our team and of the values we uphold – always doing our best to do the right thing. We have a clear commitment to ensuring our employees feel physically and emotionally safe and supported in their roles and to providing a set of policies and common guidelines we can refer to, to help drive decision-making and conduct.



Our targets:

- To reach 100% employee completion of mandatory Code of Ethical Conduct review and sign-off.
- To reach 100% completion of mandatory Workplace Violence and Harassment Prevention training and Workplace Harassment Policy sign off.

Code of Ethical Conduct

Every employee at Irving Oil must read Irving Oil's Code of Ethical Conduct upon being hired and they are asked to acknowledge they reviewed it on an annual basis. This review includes our Workplace Harassment policy and our Drug & Alcohol policy, among others. Our Code of Ethical Conduct expresses our commitment to ethical business conduct, providing guidance to our employees as they perform their responsibilities. The Code outlines our policies in the following areas: hiring and employment practices, conflicts of interest, confidentiality, harassment, bribery, political contributions and environmental and health/safety issues. Our Code of Ethical Conduct, as well as all our company policies, can be found on our new digital employee handbook, accessible from our intranet home page.

Percentage of employees who completed our Code of Ethical Conduct annual review

2020	97.4%
2021	98%



Saint John, NB

Ethical reporting process

Irving Oil supports the confidential feedback of its employees on a broad range of issues. Our ethical reporting processes include a confidential reporting hotline managed by a third-party organization, which is available to all employees. Strict standards of confidentiality and reporting are followed for all resulting investigations. These matters are reported to our Board of Directors Governance Committee.

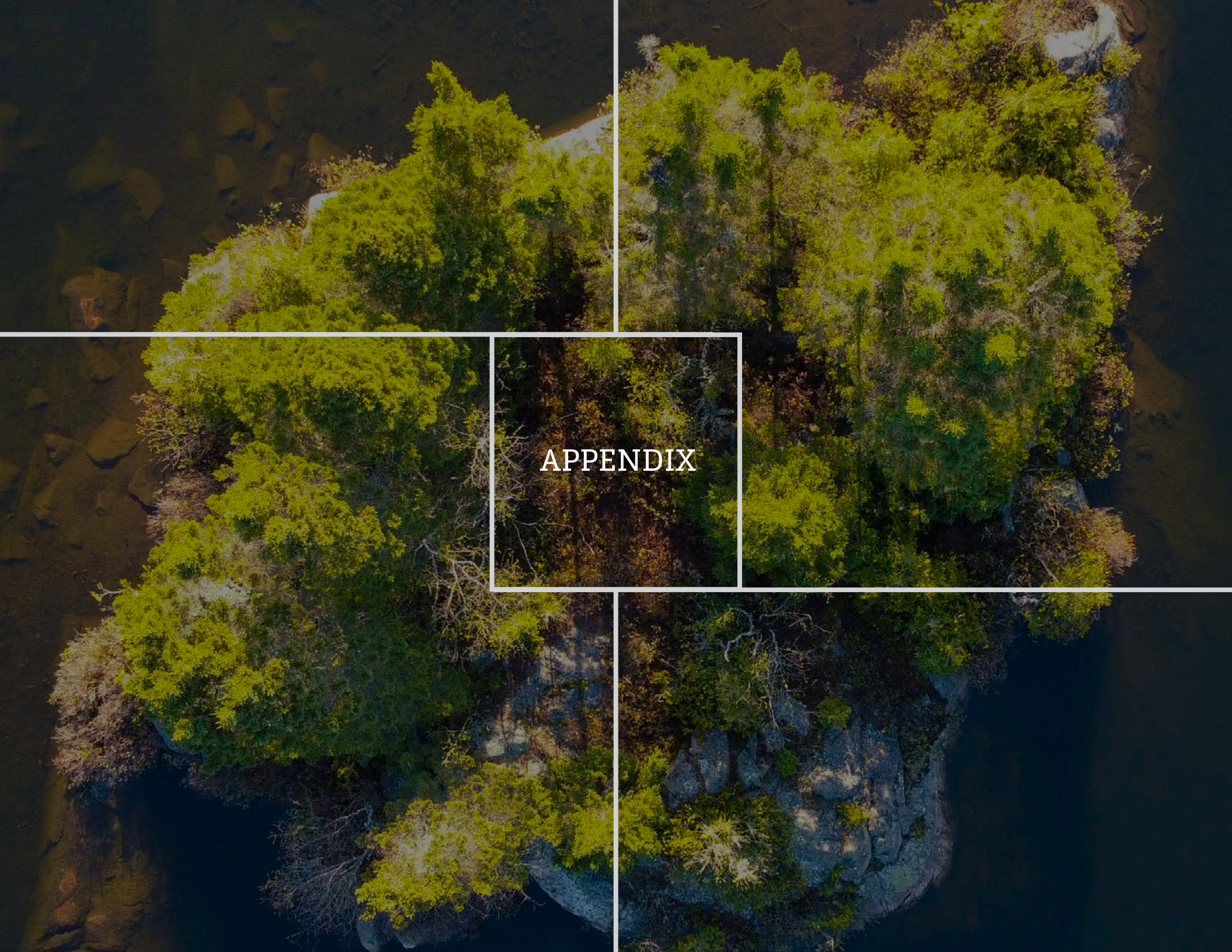
In 2020, we focused on employee education and awareness of our Code of Ethical Conduct and Workplace Harassment policy. This was an important step in our commitment to creating a more inclusive work environment where employees feel safe and empowered to raise concerns. As a result we saw an increase of reports submitted in 2020.

Through these efforts, our goal is to create an environment where employees feel empowered to raise concerns of potential violations. This is an important part of our commitment to inclusion and belonging at Irving Oil, and fostering a work environment where we treat our fellow employees with respect.

Number of Code of Ethics reports investigated and resolved, including those related to workplace harassment

2020*	40
2021	28

*The higher number of alleged violations reported is the result of our increased efforts on education and awareness.



APPENDIX

Irving Oil ESG performance

We recognize the objectives of consistency and transparency that drive voluntary ESG reporting standards and the importance this holds to our stakeholders. We are on a journey and will continue to review and evolve our reporting program in line with applicable standards and stakeholder feedback. Below is a consolidated view of our material ESG metrics and their alignment with related framework indicators where applicable.

Performance disclosure	Applicability	Unit	2020	2021	Page	Framework reference ID
ENVIRONMENT						
Scope 1** GHG emissions	Saint John refinery	Tonnes CO ₂ eq	3,140,579*	-	Page 18	SASB EM-RM-110a.1 GRI 305-1 TCFD
	Whitegate refinery	Tonnes CO ₂ eq	300,762	-	Page 18	
Scope 2*** GHG emissions	Saint John refinery	Tonnes CO ₂ eq	2,719	-	Page 18	GRI 305-2 TCFD
	Whitegate refinery	Tonnes CO ₂ eq	20,466	-	Page 18	
DNG emissions reductions	Sales & Marketing	Tonnes CO ₂ eq	60,289	-	Page 22	GRI 305-2
EV Chargers - Fast	Atlantic Canada	Number (#)	71	-	Page 23	-
EV Chargers - Fast	Atlantic Canada	Percentage (%)	53	-	Page 23	-
Nitrogen Oxide (NO _x) emissions	Saint John refinery	Tonnes	3,605	-	Page 27	SASB EM-RM-120a.1 GRI 305-7
	Whitegate refinery	Tonnes	288	-	Page 28	
Sulphur Dioxide (SO ₂) emissions	Saint John refinery	Tonnes	2,246	-	Page 27	SASB EM-RM-120a.1 GRI 305-7
	Whitegate refinery	Tonnes	36	-	Page 28	
Volatile Organic Compound (VOC) emissions	Saint John refinery	Tonnes	515	-	Page 27	SASB EM-RM-120a.1 GRI 305-7
	Whitegate refinery	Tonnes	2,250	-	Page 28	
Particulate matter emissions	Saint John refinery	Tonnes	364	-	Page 27	SASB EM-RM-120a.1 GRI 305-7

Environmental metrics are reported for 2020 period only due to timelines needed to review the data.

Environmental and regulatory data undergoes thorough internal and external review prior to reporting; however, some historic data requires adjustment due to refinement of calculation methods, changes to reporting principles or other reasons. Material discrepancies that meet our minimum threshold will be restated in the next edition of Irving Oil's Report on Sustainability with changes explained.

*Includes electricity greenhouse gas emissions from the Grandview Cogeneration unit.

**Scope 1 - Direct GHG emissions – Direct GHG emissions occur from sources that are owned or controlled by the company (for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.; emissions from chemical production in owned or controlled process equipment).

***Scope 2 - Electricity indirect GHG emissions – Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company.

Purchased electricity is defined as electricity that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Source: World Resources Institute and the World Business Council on Sustainable Development (WRI/WBCSD) The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, March 2004.

Performance disclosure	Applicability	Unit	2020	2021	Page	Framework reference ID
Canadian Terminals air emissions (VOCs)	East Saint John, NB	Tonnes	17.1	-	Page 29	SASB EM-RM-120a.1 GRI 305-7
	Canaport Mispec, NB	Tonnes	55.1	-		
	St. Johns, NL	Tonnes	15.7	-		
	Charlottetown, PE	Tonnes	100.2	-		
	Halifax, NS	Tonnes	295.7	-		
US Terminals air emissions (VOCs)	Revere, MA	Tonnes	19.5	-	Page 29	GRI 305-7
	Portsmouth NH	Tonnes	2.0	-		
	Searsport, ME	Tonnes	14.8	-		
Hazardous waste	Saint John refinery	Tonnes	64,465.6	-	Page 30	-
	Whitegate refinery	Tonnes	3,086.37	-	Page 30	
Hazardous waste recycled	Saint John refinery	Percentage (%)	98.2	-	Page 30	SASB EM-RM-150a.1
	Whitegate refinery	Percentage (%)	13	-	Page 30	
Non-hazardous waste	Saint John refinery	Tonnes	10,399.03	-	Page 30	-
	Whitegate refinery	Tonnes	181.08	-	Page 30	
Non-hazardous waste recycled	Saint John refinery	Percentage (%)	0	-	Page 30	SASB EM-RM-150a.1
	Whitegate refinery	Percentage (%)	80	-	Page 30	
Water intake	Saint John refinery	m ³	11,204,000	-	Page 30	SASB EM-RM-140a.1
	Whitegate refinery	m ³	441,467	-	Page 30	
Effluent discharged	Saint John refinery	m ³	11,275,000	-	Page 30	-
	Whitegate refinery	m ³	463,488	-	Page 30	
Incidents of non-compliance associated with air/water permits & regulations	Saint John refinery	Number (#)	15	-	Page 30	SASB EM-RM-140a.2
	Whitegate refinery	Number (#)	4	-	Page 30	
Health & Safety						
Recordable Injury Frequency (RIF)	Companywide	Number per 200,000 hrs worked	0.89	0.81	Page 36	GRI 403-9
	Saint John refinery	Number per 200,000 hrs worked	0.45	0.47	Page 36	
	Whitegate refinery	Number per 200,000 hrs worked	0.97	0.56	Page 36	

Performance disclosure	Applicability	Unit	2020	2021	Page	Framework reference ID
Recordable Injury Frequency (RIF)	Products & Terminals	Number per 200,000 hrs worked	0.44	0.40	Page 36	GRI 403-9
	Sales & Marketing	Number per 200,000 hrs worked	1.56	1.40	Page 36	
	Corporate	Number per 200,000 hrs worked	0.00	0.12	Page 36	
Lost Time Injury Rate (LTIR)	Companywide	Number per 200,000 hrs worked	0.47	0.58	Page 36	GRI 403-2
	Saint John refinery	Number per 200,000 hrs worked	0.05	0.10		
	Whitegate refinery	Number per 200,000 hrs worked	0.24	0.00		
	Products & Terminals	Number per 200,000 hrs worked	0.44	0.40		
	Sales & Marketing	Number per 200,000 hrs worked	1.01	1.03		
	Corporate	Number per 200,000 hrs worked	0.00	0.12		
Process Safety Event (PSE) rate	Companywide	Number per 200,000 hrs worked	0.30	0.24	Page 37	SASB EM-RM-540a.1
	Saint John refinery	Number per 200,000 hrs worked	0.55	0.31		
	Whitegate refinery	Number per 200,000 hrs worked	0.24	0.00		
	Products & Terminals	Number per 200,000 hrs worked	0.00	0.00		
	Sales & Marketing	Number per 200,000 hrs worked	0.13	0.25		
People leaders trained in mental health	Companywide	Percentage (%)	-	51	Page 39	-
Wellness reimbursements	Canada & United States	\$CAD	239,000+	334,000+	Page 39	-
Registration for mental health talks	Companywide	Number (#)	-	1,860	Page 39	-

Performance disclosure	Applicability	Unit	2020	2021	Page	Framework reference ID
People						
Number of employees	Atlantic Canada	Number (#)	2,554	2,602	Page 41	GRI 102-8
	New England	Number (#)	589	607	Page 41	
	Ireland and United Kingdom	Number (#)	804	787	Page 41	
Total compensation	Atlantic Canada	\$USD	216,766,168	269,286,021	Page 41	GRI 201-1
	New England	\$USD	62,474,767	70,654,522	Page 41	
	Ireland and United Kingdom	\$USD	52,300,012	62,338,731	Page 41	
Gender - Senior Leadership Team	Female	Percentage (%)	38	38	Page 41	GRI 405-1
	Male	Percentage (%)	62	62	Page 41	
Gender - all people leaders	Female	Percentage (%)	31	31	Page 41	
	Male	Percentage (%)	69	69	Page 41	
Gender - all employees	Female	Percentage (%)	32	28	Page 41	
	Male	Percentage (%)	68	72	Page 41	
People leaders trained in unconscious bias		Percentage (%)	-	42	Page 42	GRI 404-2
Students hired for work terms		Number (#)	28	81	Page 51	-
Post-secondary scholarships awarded	Canada	\$CAD	193,000	193,000	Page 51	-
	United States	\$USD	9,000	6,000	Page 51	
	Ireland	€EUR	14,000	14,000	Page 51	
Community						
Employee-led donations and fundraising	Companywide	\$CAD	98,098	86,184	Page 43	GRI 201-1
Employee volunteer hours	Companywide	Number (#)	2,605	3,883	Page 43	GRI 201-1
Employee volunteer hours during work time	Companywide	Number (#)	488	280	Page 43	GRI 201-1






Performance disclosure	Applicability	Unit	2020	2021	Page	Framework reference ID
Value of volunteer hours during work time (at \$26/hour)	Companywide	\$CAD	12,688	7,274	Page 43	GRI 201-1
Employee participation in giving and volunteering programs	Companywide	Percentage (%)	18	10	Page 43	GRI 201-1
Investment in local suppliers	New Brunswick	\$CAD	210M+	210M+	Page 48	-
	Eastern Canada (NS, PE, NL, QC)	\$CAD	130M+	110M+	Page 48	
	New England States	\$USD	55M+	50M+	Page 48	
	Ireland	€EUR	75M+	105M+	Page 48	
Investment in community causes	Companywide	\$CAD	8,580,000	8,190,000	Page 57	GRI 201-1
Causes supported	Companywide	Number (#)	350+	200+	Page 57	-
Concern calls	Saint John refinery	Number (#)	28	-	Page 50	-
	Whitegate refinery	Number (#)	3	-	Page 50	
Governance						
Independent directors	Companywide	Number (#)	4 of 7	6 of 9	Page 60	GRI 405-1
Female directors	Companywide	Number (#)	-	3 of 9	Page 60	GRI 405-1
Employees trained in cyber security	Companywide	Percentage (%)	96	99	Page 66	-
Employee review of Code of Ethical Conduct	Companywide	Percentage (%)	97.4	98	Page 66	-
Number of reports related to alleged violations investigated and resolved	Companywide	Number (#)	40	28	Page 67	-

Summary of Irving Oil’s sustainability commitments



The commitments outlined in this report contribute in direct and indirect ways to advancing the United Nations’ 17 Sustainable Development Goals – a set of globally recognized ambitions by 2030. Below is a summary of our commitments and their alignment with the UN Sustainable Development Goals.

Our sustainability goals	Page	SDGs
Environment		
To reduce the emissions of our operations and to actively support the aspirations of all our markets to achieve net-zero emissions by 2050.	Page 15	 
To raise the bar for responsible operations, reduce our environmental footprint and protect local wildlife.	Page 26	 
Health & Safety		
To eliminate severe incidents and injuries in our business.	Page 36	
To create an environment where employees are supported and encouraged to take care of themselves both physically and mentally.	Page 38	
Diversity & Inclusion		
To build a strong, inclusive culture that supports diversity, individuality and respect, where employees are proud to work and feel that they belong.	Page 41	 
To influence more diverse, sustainable and equitable communities, by focusing on our supply chain.	Page 48	

Our sustainability goals	Page	SDGs
Developing our People		
To prepare our team for the energy transition.	Page 46	
To empower our leaders of today and tomorrow to champion safety, inclusion, and human development.	Page 46	
Social Impact		
To empower our employees to make the positive changes they want to see in the world.	Page 43	
To empower the next generation of diverse global citizens.	Page 51	
To make access to energy more equitable in our communities.	Page 54	



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