

Greenhouse Gas Emissions and Electricity Consumption

We track and monitor our greenhouse gas (GHG) emissions at both an individual facility level, and an aggregate company-wide level. We consume energy in our operations, and it is this energy consumption that generates GHG emissions, both directly through the combustion of hydrocarbon products such as natural gas, propane, and diesel fuel, as well as indirectly through the purchase of electrical power produced by others.

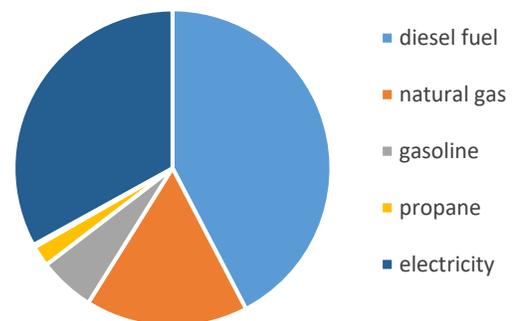
Our GHG emissions in 2017 were approximately 58,837 tonnes CO_{2(e)} company-wide. Based on our 2017 revenue of \$3.30 billion, this represents an emission intensity of 0.00001785 tonnes CO_{2(e)} per dollar of revenue.



The geographical breakdown of our measured emissions is 63% in Canada, and 37% in the United States; our revenue breakdown for the same period was 70% in Canada, and 30% in the United States. Our service center operations account for the majority of these emissions, at nearly 80%, and our energy products operations account for 19% of emissions.

Our operations are not energy intensive, and the bulk of our direct emissions arise through consumption of diesel fuel for the delivery of product to customers, and consumption of natural gas for the provision of comfort heat at our facilities. Our indirect emissions arise from the purchase of electricity. During our most recent measurement period, we purchased approximately 55,102 MWh of electricity from a variety of suppliers. These purchases account for approximately one-third of our aggregate estimated emissions.

Aggregate Emission Sources



We encourage our branches to operate in an energy-efficient manner, and many have implemented energy reduction programs which not only reduce our GHG emissions, but also contribute to our bottom line through reduction of cost.

We have facilities in 9 provinces in Canada, and 16 states in the United States. Legislation addressing climate change varies considerably among these jurisdictions and although the regulatory landscape dealing with GHG emissions continues to evolve, all our facilities remain well below the triggering criteria for any existing or proposed legislation imposing mandatory measurement, reporting or reduction programs. Among the jurisdictions we operate in, the most stringent threshold triggering any regulatory compliance action is presently 10,000 tonnes per year of specified emissions. By comparison, none of our facilities generates more than 800 tonnes per year. Therefore, all of the company's activities and efforts in this area remain fully voluntary.

* reported GHG emissions include scope 1 and scope 2 emissions, measured in accordance with the international standard, "The Greenhouse Gas Protocol", published by the World Resources Institute.