



2020 Sustainability Report



About Purolator

Purolator Inc. is a leading integrated freight, package and logistics solutions provider. Celebrating over 60 years of delivering its customers' promises, Purolator continues to expand its reach and renowned service levels and reliability to more people, more businesses and more places across the country and around the world. Purolator is proud of its Canadian heritage and is focused on sustainably positioning itself for future growth and success. Purolator is also committed to contributing to the well-being of the communities it serves and where more than 13,000 of its employees live, work and play.

About this report

This is our third annual Sustainability Report (formerly called corporate social responsibility report), which covers the 2020 calendar year. Unless otherwise noted, the information presented within is as of December 31, 2020, and all dollar amounts are in Canadian funds. Performance data is company-wide, unless otherwise stated.

Report content is informed by the findings of a materiality assessment conducted in 2020. See [page 16](#) for our process and priority topics. We have followed the Global Reporting Initiative (GRI) Standards and are reporting in accordance with the Core option. A GRI content index appears on [page 49](#).

We welcome your questions and feedback at info.csr@purolator.com.

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Message from the President and CEO

While many Canadians spent much more time in their homes in 2020, there was one constant: Purolator. Every day, we opened our facilities, innovated our processes to keep Canada moving, supported businesses and continued delivering to Canadians. In supporting Canadian families and businesses, we are intricately woven into the fabric of the landscape, even in a global pandemic.

Like most businesses, the logistics and courier industry experienced dramatic change in 2020. We were slammed with heavy delivery volumes – a 29 per cent year-over-year increase in business-to-consumer deliveries. Throughout it all, Purolator never wavered from our growth and innovation strategy of *Delivering the Future*. As we continue to make progress on the construction of our new national hub, we accelerated our growth and innovation plans to support business recovery, to help people and communities adapt and to kick-start the Canadian economy.

In all of this, the health and safety of our employees, customers and communities were always top of mind. At Purolator, “wellness” isn’t a buzzword. It’s a core value woven into our culture, and in the past year we went beyond public health guidelines to ensure our people on the front lines stay safe and healthy.

The strength of Purolator is in our employees. By keeping them safe and protected, we made it possible to continue to serve Canadians and keep supply chains across the country moving. Throughout this challenging year, our 13,000 employees stepped up to deliver through the biggest upheaval this country has seen in our 60-year history. They reflected our “one team” guiding principle.

The COVID-19 crisis reinforced our essential role in the daily lives of our customers and all Canadians, highlighting our long-standing values of performance excellence, people first, customer focus, corporate stewardship and transparency.

That’s why this year’s Sustainability Report is so remarkable. Despite a year of incredible uncertainty, we remained true to our core values while adapting and executing our strategy.

As we deliver to Canadians, we recognize that we must also support the economic, social and environmental causes important to the communities we serve. We are committed to empowering our people, delivering for the planet and helping our neighbours. That’s what Canadians expect from us.



Throughout everything we did in 2020, we took a stand against systemic racism and social injustice. While change won't happen overnight, we took tangible steps to make Purolator a more inclusive place to work. The Diversity and Inclusion Leadership Council engaged and led proactively with strategies, events and training, including unconscious bias training, starting with our executive team and ultimately for all employees. Also, our recruitment strategy focused on attracting more women into operations. As a result, 53 per cent of new hires in those roles were women.

Here are some of the 2020 milestones that stand out:

Delivering crucial medical supplies:

We did everything we could to help hospitals, long-term care homes and other primary care facilities get the critical supplies of personal protective equipment, test kits and COVID-19 drug treatments required to provide care for the most vulnerable people.

Expanding our e-fleet: Our new e-bikes and electric low-speed vehicles in Montreal and Toronto helped us respond to the unique challenges of urban areas such as traffic congestion, parking, and pedestrian-only and zero-emission zones.

Creating jobs and supporting customers: We added to our workforce by hiring more than 3,700 people, opened new facilities, and enhanced the customer experience by adding 30 per cent more customer access points.

Fundraising for the community: We raised over 1.6 million pounds of food for food banks across Canada through the Purolator Tackle Hunger® program.

Supporting each other: We hired a Chief Medical Director, appointed to support the physical and mental health and safety of our people. We also have fewer workplace injuries than ever before, the result of more robust workplace safety interventions.

These are just a few examples of how we have rallied together to weather this storm, coming out stronger than ever. As a people-first company, we have a 60-year history of rising in the face of any challenge by supporting the community and each other.

This 2020 Sustainability Report shows how we raised the bar this year and offers a glimpse into what Canadians can expect from us in the future.

This is what we do and what can be accomplished – as one team.

John Ferguson
President and CEO



Our role

With one of Canada's largest courier and freight networks, Purolator is a critical driver of Canadian trade, economic growth and individual prosperity. Purolator employs over 13,000 people throughout North America, and millions more depend on our services every day.

Throughout the pandemic, we've operated as an essential service, delivering healthcare supplies and meeting the needs of businesses and Canadians as home deliveries and e-commerce surged. Through our *Delivering the Future* strategy, we're investing in growth and innovation for a stronger Canada. From transforming our network and fleet, to accelerating the digital experience for our customers, we drive growth for businesses of all sizes throughout North America and globally.

60
years in operation

13,000+
employees

Deliveries to
99.9%
of postal codes
in Canada

A network of
175+
terminals and
sort facilities

1M+
packages picked up
and delivered daily

↑76%
in residential
deliveries in 2020

5,200
vehicles including
e-bikes, and low-
speed and hybrid-
electric vehicles

Revenue of
\$2.2B
in 2020

Purolator completes daily deliveries to 1,100 hospitals and 3,700 long-term care facilities, and makes regular deliveries into almost all of Canada's ambulatory care services and pharmacies



Our approach

Empowering
our people

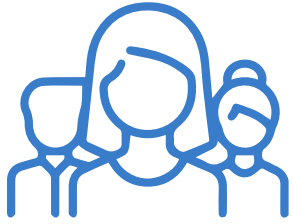
Delivering for
our planet

Helping our
neighbours

Appendix

Purolator

2020 Highlights



Empowering our people

- Over 3,700 employees hired and virtually trained, up 34% from 2019
- 22% year-over-year improvement in lost-time injury frequency
- Chief Medical Director appointed to support the physical and mental health and safety of our people
- Three newly appointed female Board members – Sharon Sparkes, Suromitra Sanatani and Michèle Desjardins
- 50 million packages processed during our 2020 peak season (Nov. 1 to Dec. 24), an increase of approximately 30% over 2019



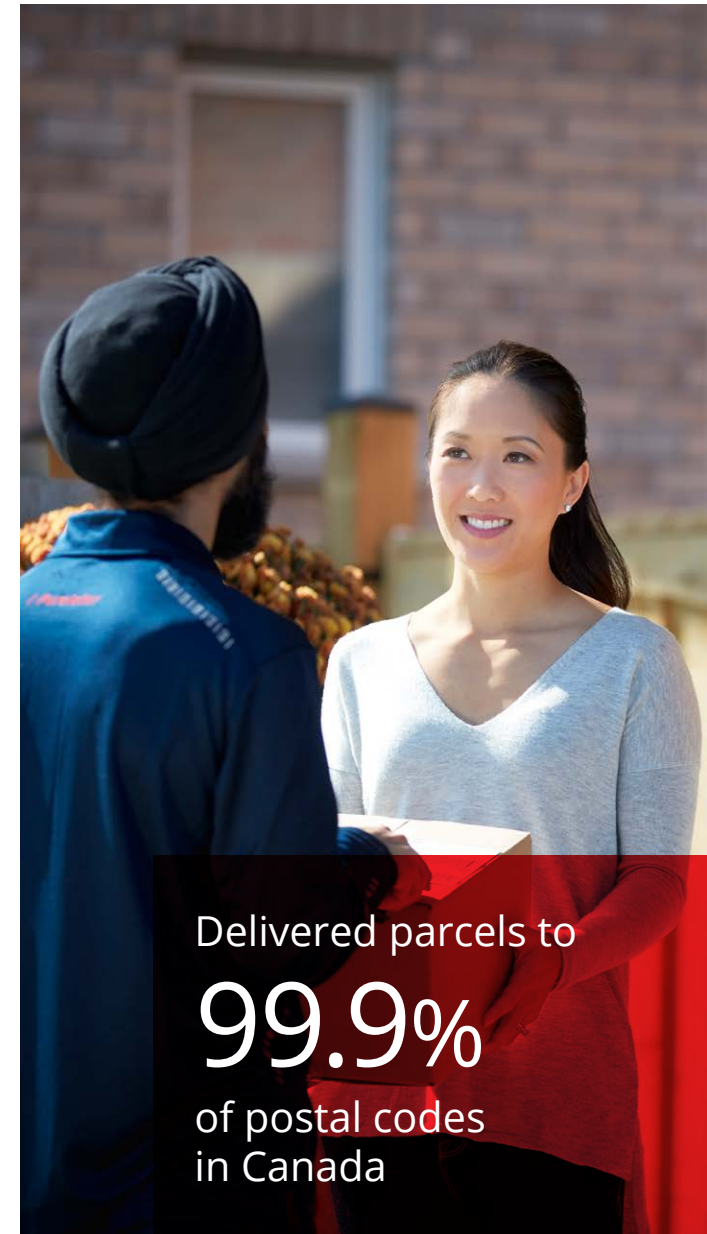
Delivering for our planet

- Total emissions reduced by 8% per package delivered
- Operated 199 fuel-efficient vehicles, including e-bikes, low-speed vehicles and hybrid-electric vehicles
- Innovation pilots launched in Toronto and Montreal, using electric low-speed vehicles to address urban congestion
- Lighting retrofits completed in seven terminals, saving more than one million kilowatt hours of electricity



Helping our neighbours

- 1.6+ million pounds of food collected for food banks across Canada through the Purolator Tackle Hunger program
- \$50,000 pledged to match donations raised during Purolator Tackle Hunger Month (June 2020)
- Partnered with Food Banks Canada and supported more than 500 affiliated food banks



Delivered parcels to

99.9%

of postal codes
in Canada



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Our COVID-19 response

It's been our privilege to help keep Canada moving during the COVID-19 pandemic. Here are just a few of the ways we stepped up during an unprecedented time of need.

Supporting healthcare

- Delivered 50 million pieces of personal protective equipment (PPE) – including masks, gloves and gowns – to hospitals across Canada
- Teamed up with [Conquer COVID-19](#), a grassroots volunteer organization launched in March 2020, to deliver more than one million surgical masks, bottles of hand sanitizer and face shields to community care facilities
- Delivered COVID-19 testing kits and diagnostic equipment to hospitals to help the federal government accelerate its testing goals
- Worked with the Public Health Agency of Canada and the Canadian Armed Forces to deliver PPE arriving at airports in Toronto and Hamilton to clinics across the country within 24 hours

"We weren't just doing this for Purolator. It was about helping Canadians, so we called the effort 'Team Canada.'"

– Darrin Smith, Business Development, Global Supply Chain Solutions

Keeping employees and customers safe

From the beginning, we prioritized the health and safety of our employees, customers and those in our communities by following all leading medical advice from the Public Health Agency of Canada, local public health authorities and the Centers for Disease Control and Prevention (U.S. operations).

50 million

pieces of PPE delivered to hospitals across Canada

Our facilities follow heightened sanitization, screening and testing measures, and PPE protocols, which in 2020 required:



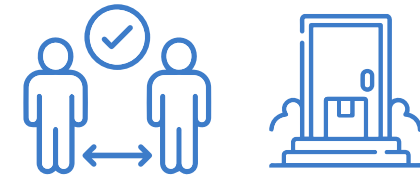
- Masks
- Goggles and face shields
- Sanitizer and non-hazardous chemical disinfectants
- Gloves

Once vaccines became available in 2021, we offered employees three hours of paid leave for vaccination appointments and hosted on-site vaccine clinics. See [page 23](#) to learn more about the health and safety measures taken in response to COVID-19.

"One of the decisions we made early was that we would not pressure people to come to work – no doctor's note required. I look back on that as being a positive differentiator."

– Ken Johnston, Senior Vice President and Chief Human Resources Officer

Physical-distancing measures include:



- Contactless deliveries
- Curbside pick-up at Purolator Shipping Centres
- Mobile Quick Stop trucks for apartment and condo residents to pick up shipments outside buildings
- Reconfigured facility layouts



Serving our communities

- Provided direct assistance to [Food Banks Canada](#) through a dedicated COVID-19 website – raising more than 100,000 pounds of food in June alone, as part of Purolator Tackle Hunger Month
- Supported Let’s Talk Science’s [Horizon Project](#) by delivering 75,000 kits containing STEM and literacy resources for Canadian youth in low socio-economic communities to engage them in meaningful and fun learning opportunities without requiring technology or internet access

Keeping deliveries moving and businesses operating

- Overall delivery stops were up 35 per cent compared to 2019; total shipment volume was up 12 per cent; and residential volume was up more than 76 per cent
- Our busiest day of the year – Cyber Monday (Nov. 30, 2020) – saw us process 1.5 million pieces, approximately 30 per cent more than in 2019
- Created a dedicated [website](#) for small businesses with guidance, tools and customer stories to support companies through the tough times

“We consider ourselves to be partners to our small and medium-sized customers. We quickly had to guide them on how to set up a website, take product photos and get PPE.”

– Tricia Chapman, Director, Inside Sales

Overall delivery stops

↑ **35%**

Total shipment volume

↑ **12%**

Residential volume

↑ **76%**



Our own COVID-19 response model includes dedicated multi-disciplinary groups:

- **Business continuity management team** – responsible for assessing and planning for significant or prolonged disruptions to Purolator’s network
- **Pandemic response team** – leverages experience from past proactive response events (e.g., labour disruptions, peak season planning) to prepare for near-term issues and business fluctuations

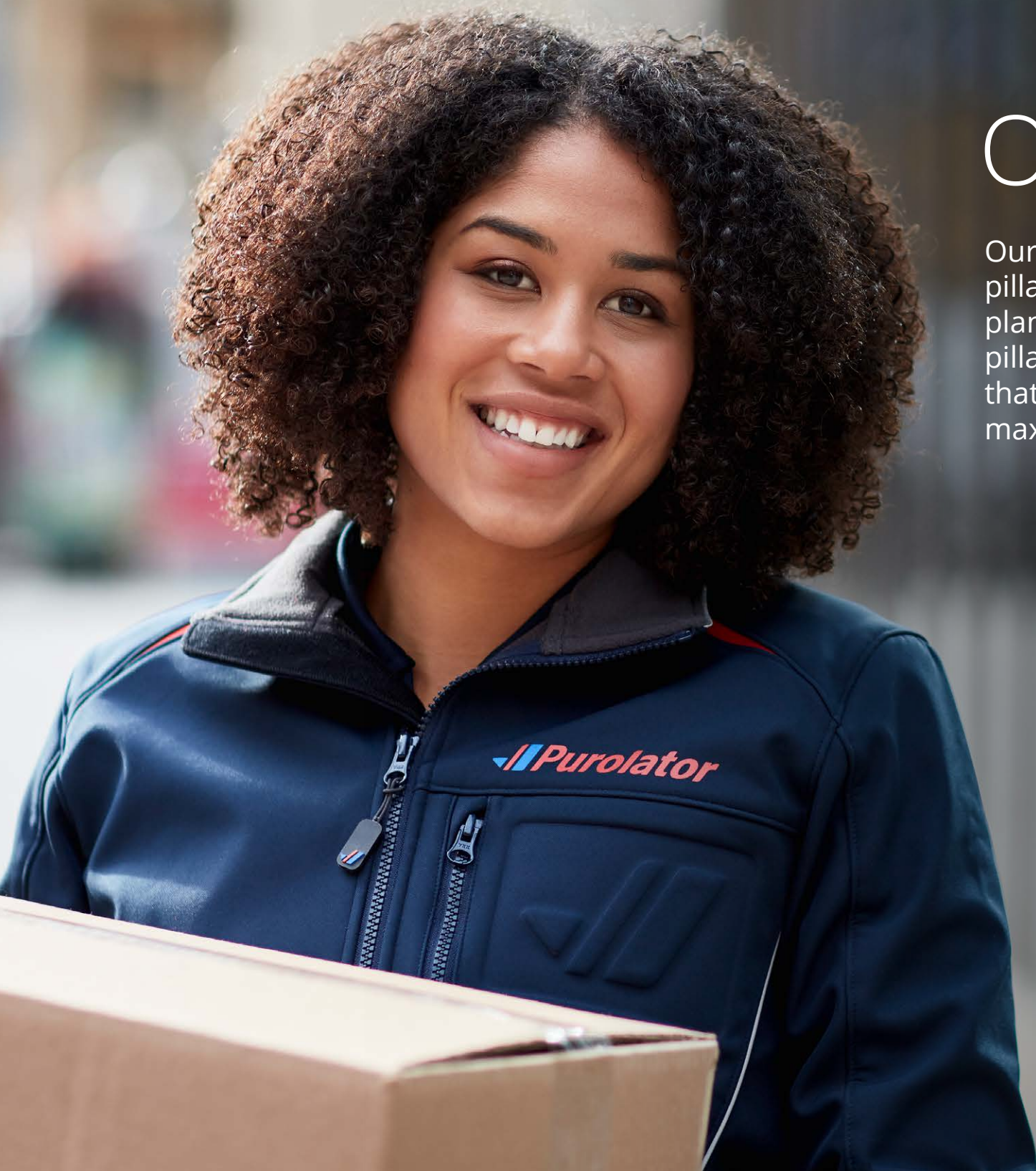
- **Executive pandemic committee** – includes all of our executive team members, along with key sub-team members across functions, to provide directional and cross-functional oversight

Watch our videos:

[Our commitment to delivering promises during COVID-19](#)

[Purolator COVID-19 front-line heroes](#)





Our approach

Our approach to sustainability focuses on three pillars – empowering our people, delivering for our planet and helping our neighbours. Across these pillars, we develop, implement and invest in initiatives that matter to our stakeholders and are aimed at maximizing our positive impact on the world.

Vision and strategy

Purolator has been delivering promises for more than 60 years. It's our job to help our customers keep the promises they've made to their customers – on time, every time. Beyond that, it's also our job to make a positive difference in our communities, to create rewarding workplaces for our employees and to always aim higher when it comes to minimizing our environmental impact.

To continue fulfilling our responsibilities, we launched our *Delivering the Future* strategy, which includes plans for transforming our network and fleet, accelerating our customers' digital experience, creating the safest and best place to work and driving growth for businesses of all sizes.

However, what had been a five-year strategy for the future became an immediate priority once the COVID-19 pandemic took hold in 2020. To meet the critical needs of businesses and Canadians, we accelerated many of our plans, adding significant capacity, resources and access points to our network – including creating more than 1,100 new courier and sorter

jobs. We also advanced contactless deliveries, created dedicated e-commerce lanes and invested in our employees' health and safety.

Going forward, our strategic priorities remain as follows:

- Continue to make significant investments in health and safety and contactless deliveries to keep people and communities safe and connected
- Increase network capacity, speed and access to help businesses grow and benefit from emerging market opportunities
- Enrich the digital experience of shippers and receivers
- Expand global supply chain capabilities for businesses shipping to and from Canada
- Advance social responsibility and sustainability across all areas of the business

Created more than
1,100
new courier and
sorter jobs

Hear from our President and CEO on [how we accelerated our growth and innovation plans to help businesses throughout the pandemic.](#)



Ethics and integrity

As a company that's an essential part of Canada's heritage and economy, we place great importance on upholding our core values in every decision and every action we take.



People first – We foster a culture of employees who love their jobs and see the value in what they do.



Corporate stewardship – We take action to strengthen the communities we serve and to manage our business ethically and sustainably.



Customer focus – Our customers are the reason we are in business. We put them first in all we do.



Transparency – We earn and maintain trust by being honest with our employees, customers and stakeholders.

Our [Code of Business Conduct and Ethics](#) (the Code) reflects our values by articulating the standards of conduct expected of Purolator employees in areas such as legal compliance, anti-corruption, conflicts of interest, political activities, competitive practices and more.

The Code serves as the foundation for other Purolator policies and procedures, and all employees are expected to understand it and comply with it. They are required to report any violations of the Code to their immediate supervisor or through Purolator's [confidential submissions process](#). A comprehensive revision to the Code was completed by 2020 and released on January 1, 2021.

We continually develop and update policies and procedures to communicate our expectations related to a range of topics. While the Code speaks to important areas of concern, employees are also expected to understand and comply with the other policies and procedures that contribute to ensuring Purolator continues to be a safe, rewarding and sustainable employer.

These include policies related to:

- Anti-spam
- Customer care privacy
- Disclosure of confidential information
- Employment equity and diversity
- Employee privacy
- [Environment](#)
- [Health and safety](#)
- [Healthy workplace](#)
- Information security
- Procurement
- Travel/business expenses
- Workplace relationships
- Workplace accommodation



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Data privacy and governance

We are committed to protecting the personal information entrusted to us.

Purolator is federally regulated, and our operation is subject to the *Personal Information Protection and Electronic Documents Act* (PIPEDA). Employees, customers and suppliers trust us to handle their personal information responsibly, in compliance with our PIPEDA obligations.

Our privacy program includes regular reviews of our policies, procedures, employee training, data management and privacy risk mitigation practices. It incorporates an overall privacy-by-design element that considers PIPEDA's 10 fair information principles to ensure that stakeholders account for privacy in the development of our service offerings and technologies.

We make commercially reasonable efforts to safeguard personal information collected and to protect it against loss, theft, or any unauthorized access, disclosure, copying, use or modification. Access to the personal information in our systems requires authentication and is restricted to selected Purolator personnel. Purolator employees are also enrolled in mandatory policy and regulatory training that includes privacy and data management.

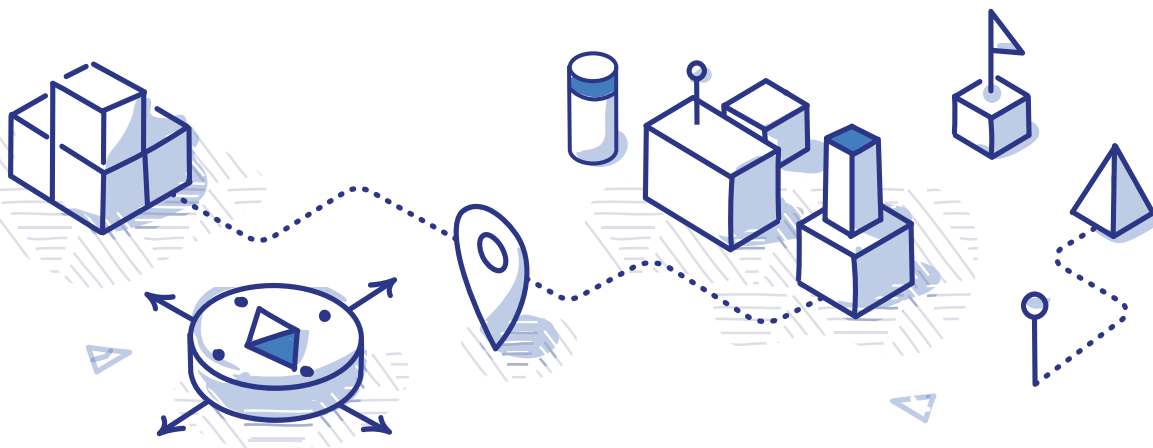
In 2020, we began work to strengthen our privacy risk mitigation, data classification and data management processes, which continued into 2021. These efforts resulted in the launch of phase one of our Enterprise Data Protection program, which included implementing sensitivity labels for all Microsoft Office tools. We also developed a privacy risk mitigation tool to conduct impact assessments for all projects and business workflows. And we worked hard to ensure our supplier agreements reflect the commitments we have made to our customers where personal information is an issue.



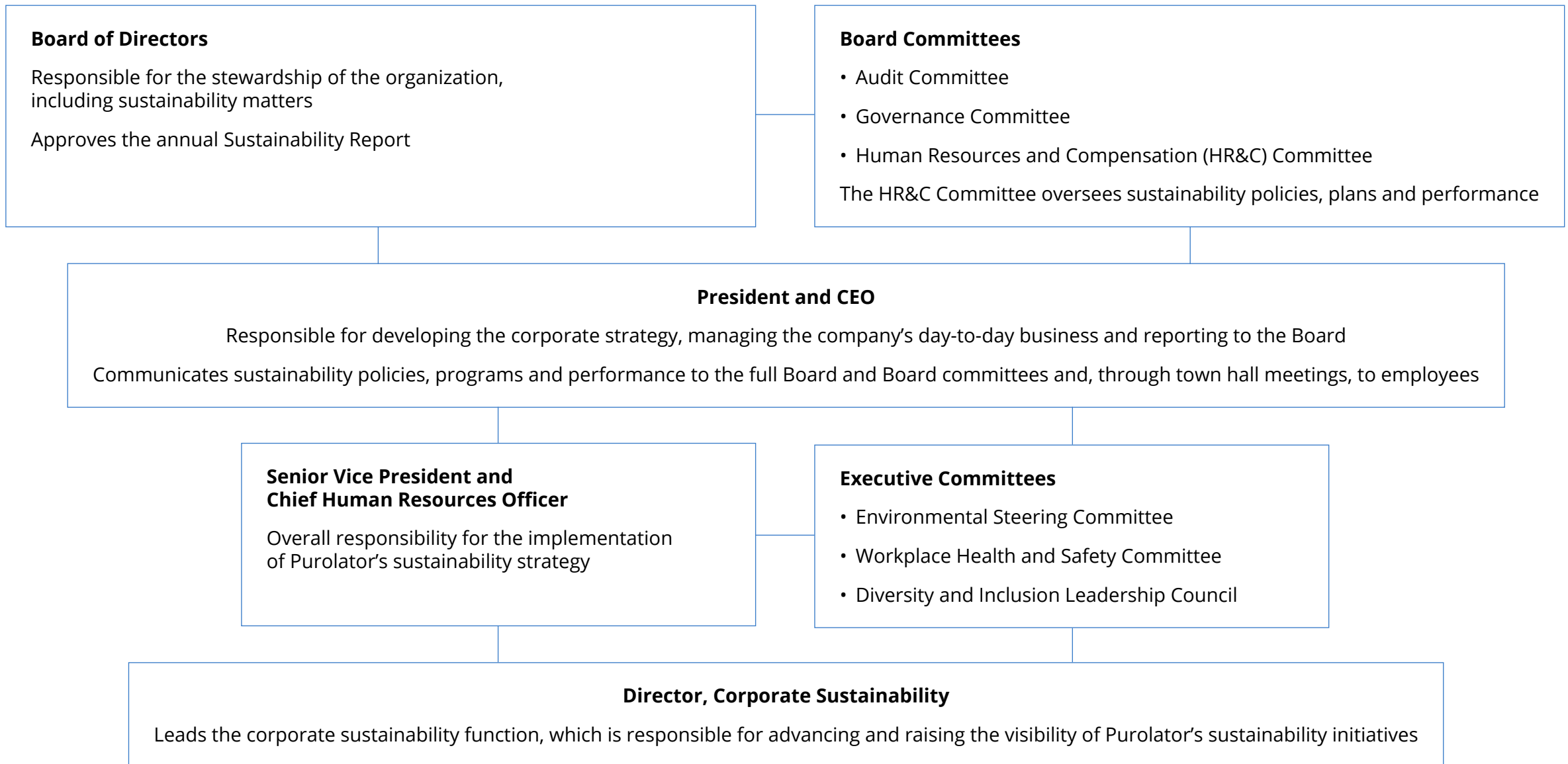
Sustainability governance and management

Responsible governance is one of the promises we deliver to our stakeholders. Our governance practices encourage accountability and transparency and promote good decision-making to support our business for generations to come.

We use a balanced performance scorecard, which includes health and safety targets, to award annual bonuses for employees, including senior leadership. Starting in 2021, our balanced performance scorecard will also include sustainability targets.



Organizational governance structure



Stakeholder engagement

By engaging regularly with our stakeholders, we ensure our strategies, activities and reporting are aligned with their needs and interests. Here's how we typically engage with key stakeholder groups and the primary topics discussed in 2020:

Stakeholder group	How we engage	Top 2020 initiatives/topics
Employees	<ul style="list-style-type: none"> Engagement and pulse surveys Semi-annual town hall meetings Internal social media platform, email and intranet site Digital signage screens Controlled access app on mobility scanners Team huddles E-learning kiosks Cross-functional committees 	<ul style="list-style-type: none"> COVID-19 health and safety measures (pages 7 and 23) Mental health (page 26) Diversity, equity and inclusion (page 27) Remote learning/training (pages 20-21)
Contractors	<ul style="list-style-type: none"> Health and safety pre-qualification process Assessments and audits Planning and communications 	<ul style="list-style-type: none"> COVID-19 safety measures Ongoing revisions to health and safety guidelines for contractors
Customers	<ul style="list-style-type: none"> Feedback through phone, live chats and social media Service alerts and updates Support centre and resources on shipping, courier, freight, packaging, fuel surcharges and more Sustainability-related presentations and workshops Carbon emissions reporting to customers and completion of questionnaires related to Purolator's sustainability initiatives 	<ul style="list-style-type: none"> COVID-19 measures and programs (page 23) including: <ul style="list-style-type: none"> Protocols and safety measures Business continuity Customer service Resources for small businesses Investments in fuel-efficient fleets to support increasing volume and growth
Communities	<ul style="list-style-type: none"> Community sponsorships and partnerships Virtual events Social media engagement Community involvement programs through Purolator Tackle Hunger Game Days, Tackle Hunger Month, and Red Bag Campaigns 	<ul style="list-style-type: none"> Launch of Purolator Tackle Hunger COVID-19 website (page 42) Red Bag Campaigns (page 41) Mobile food drive in partnership with Metrolinx GO Transit (page 42)

Stakeholder group	How we engage	Top 2020 initiatives/topics
Industry associations	<ul style="list-style-type: none"> Industry association memberships and participation in conferences, meetings and roundtable discussions 	<ul style="list-style-type: none"> Official launch of Pembina Institute's Urban Delivery Solutions Initiative (page 35)
Government	<ul style="list-style-type: none"> Meetings with elected officials and political staffers Meeting with bureaucrats and public health officials 	<ul style="list-style-type: none"> Engaging with public health officials to provide input and support on COVID-19 mitigation measures Engaging with public health officials, politicians and staff to offer Purolator's support in COVID-19 vaccine distribution Outreach to government in support of various Purolator projects
Shareholders and investors	<ul style="list-style-type: none"> Quarterly Board of Director meetings Annual Sustainability Report 	<ul style="list-style-type: none"> Quarterly financial and ESG performance Impact of COVID-19 on the business and employees Board composition and diversity – new appointments to the Board Climate change and investments in fuel-efficient delivery fleets Talent management, retention and training
Bargaining agents (unions)	<ul style="list-style-type: none"> Joint National Committees Divisional field meetings Local monthly and quarterly meetings 	<ul style="list-style-type: none"> COVID-19 response Mental health support and initiatives Dispute resolution
Suppliers	<ul style="list-style-type: none"> Procurement procedures Ongoing dialogue Third-party supplier management program 	<ul style="list-style-type: none"> Ongoing work on ESG requirements in procurement processes Ongoing work on supplier risk assessments and audits Email responses and clarification to supplier questions



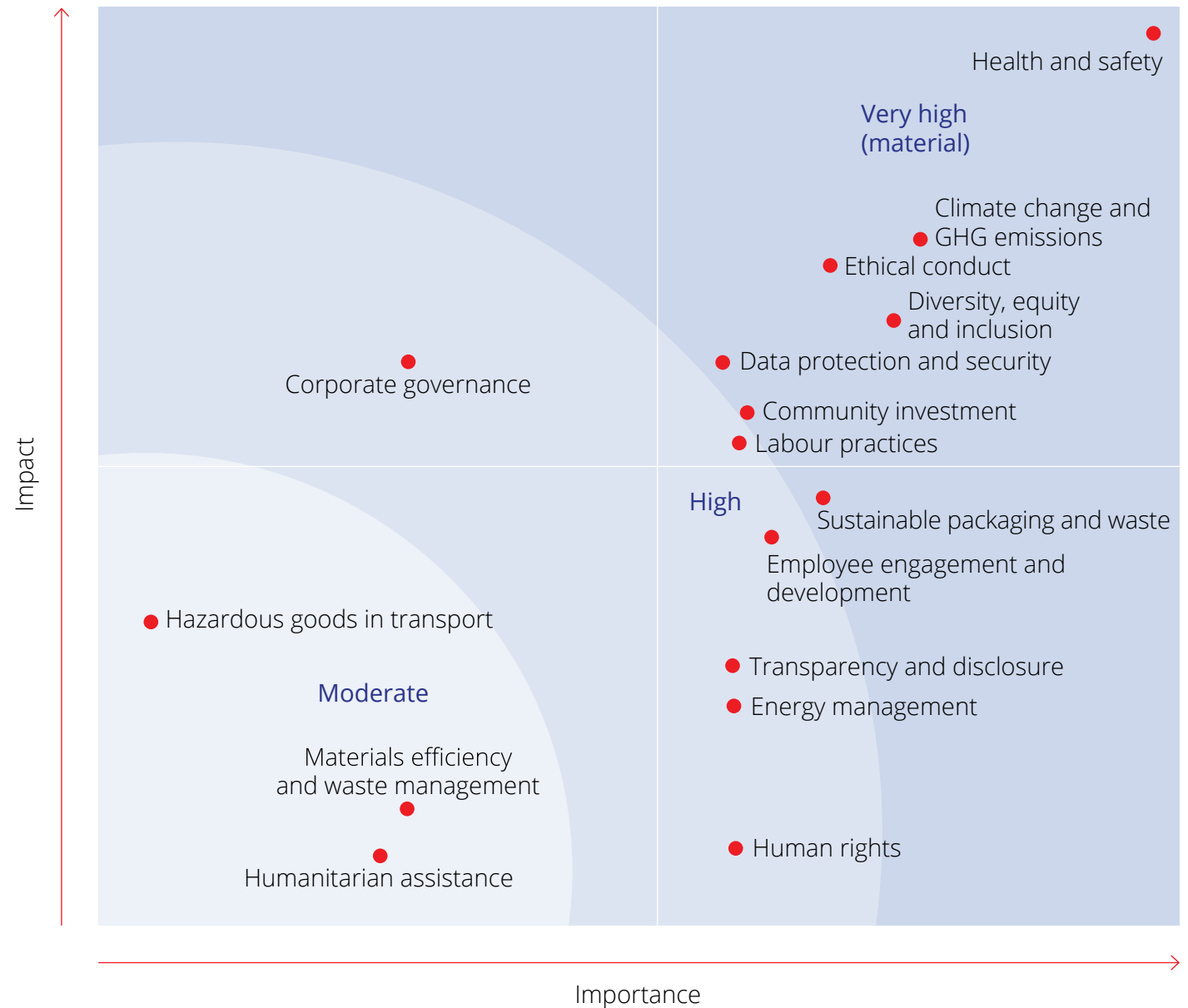
Materiality

In 2020, we retained a third-party organization to help us conduct a comprehensive materiality assessment based on the identification/prioritization/validation approach proposed by the GRI.

Through interviews and surveys of internal and external stakeholders, we prioritized the most significant sustainability topics facing our business. The 16 topics identified were ranked based on their relevance and impact on our business and stakeholders. Seven priority topics were ultimately validated by our executive leadership team.

The outcomes of the materiality assessment will guide the evolution of our sustainability strategy over the next three years and help us drive positive impact on issues important to our business and stakeholders.

In this report, we discuss the management approaches and 2020 performance highlights for our priority topics, as well as *sustainable packaging and waste*, which was rated as highly important and moderately impactful. Key labour practices are covered in the “Employee experience” section of this report.



Sustainable Development Goals

The [UN Sustainable Development Goals](#) (SDGs) are a set of 17 global goals promoting collective action to address the world's most pressing global challenges. They are a call to action for industries, organizations and governments to support the delivery of the goals in impactful and deliberate ways.

Purolator recognizes the interconnectedness of the 17 SDGs; having a positive or negative impact on one goal may also affect other goals. Sustainability is a key part of our business strategy and, as such, we aim to make increasingly positive impacts that support the SDGs.

We identified five SDGs where we make our most significant contributions, and three other SDGs we also support. Related SDG targets reinforce areas where we believe we can have the greatest positive influence or where we can minimize our negative impacts. Examples of policies and initiatives supporting our progress toward achieving the selected SDGs are described throughout this report. Alignment to targets was identified through a third-party review and took into consideration the priorities determined through our 2020 materiality assessment.



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Purolator

Primary SDGs

Goals	Targets
 <p>Learn more: Empowering our people Our COVID-19 response</p>	<p>3.4 – By 2030, reduce premature mortality from non-communicable diseases by one-third through prevention and treatment, and promote mental health and well-being</p> <p>3.6 – By 2020, halve the number of global deaths and injuries from road traffic accidents</p> <p>3.8 – Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>
 <p>Learn more: Delivering for our planet</p>	<p>9.4 – By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>
 <p>Learn more: Empowering our people Our COVID-19 response</p>	<p>10.2 – By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.4 – Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>
 <p>Learn more: Delivering for our planet</p>	<p>12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>
 <p>Learn more: Delivering for our planet</p>	<p>13.1 – Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p>13.2 – Integrate climate change measures into national policies, strategies and planning</p>

Secondary SDGs

Goals	Targets
 <p>Learn more: Helping our neighbours</p>	<p>2.1 – By 2030, end hunger and ensure access by all people – in particular, the poor and people in vulnerable situations, including infants – to safe, nutritious and sufficient food all year round</p>
 <p>Learn more: Empowering our people</p>	<p>5.1 – End all forms of discrimination against all women and girls everywhere</p>
 <p>Learn more: Empowering our people</p>	<p>8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.8 – Protect labour rights and promote safe and secure working environments for all workers, including migrant workers – in particular, women migrants, and those in precarious employment</p>



Empowering our people

While our couriers are the most recognizable faces of our organization, Purolator employs thousands of people behind the scenes in a wide variety of jobs. Recognized by Forbes as one of Canada's Best Employers, we know that empowering members of our team to achieve their full potential is critical for delivering on our promises to customers and for moving our business forward.



Employee experience

Purolator's success depends on the work of our passionate and dedicated employees. That's why we're committed to hiring talented people who are motivated by working together as a team, advancing our business, and going the extra mile for customers and communities – and we do all we can to help them flourish. This includes prioritizing employees' health and safety, building an ever more diverse and inclusive workplace, investing in training and development and upholding fair labour practices.

In keeping with our *people first* value, we work to foster a culture where people love their jobs and see the value in what they do. Strong communication is critical, and we use a variety of channels to connect with employees in the most convenient way for them. This includes, for example, messages to couriers' scanning devices, internal televisions and screens, team huddles, as well as town halls, newsletters and email and intranet communications.

Training and development are provided at every stage of an employee's career, beginning with a comprehensive onboarding program for new hires, which is aimed at setting new team members up for long-term success with the

company. Across the country, we have 16 learning and development centres of excellence and hundreds of e-learning kiosks, for timely and consistent training of our front-line employees. Other high-profile programs include Lean Six Sigma continuous improvement training, a mentorship program and a leadership development program.

Along with the training programs, our continuous performance management system supports check-ins between managers and employees to promote ongoing career discussions, coaching and feedback. All employees receive regular performance and career development reviews.

Employees have access to a comprehensive benefits program that includes healthcare and insurance benefits, as well as retirement and savings plans, an employee and family assistance program, shipping and other discounts, flexible work arrangements, scholarship programs, service awards, opportunities for community involvement and more.

We invite employees to share their insights and perspectives on how we can make Purolator a better place to work through the annual MyVoice engagement survey. The results are shared broadly within the organization and inform the evolution of our people programs.



≈85%

of our employees are represented by a union

167,904

hours of formal training completed by employees



2020 Performance

As it did for most businesses, COVID-19 demanded an immediate pivot in our operations in 2020. Our business-to-consumer volumes surged as we were making more home deliveries than ever before. We also delivered vast quantities of PPE to front-line healthcare workers and dealt with major supply chain disruptions – all while keeping our people, customers and communities safe.

To meet these new – and ever-changing – demands, we transformed the way we work by introducing new processes, training our people to follow them, and doing our best to support employees during an exceptionally stressful time. Here’s what we did to strengthen our culture and keep our people engaged:

- Switched to virtual meetings wherever possible, and increased internal communications to keep people connected, answer questions and ease concerns. Initiatives included a communications playbook, CEO video and email messages, targeted messaging

for different groups, daily updates, posters/visuals, and talking points for facilities with COVID-19 cases.

- Expedited the rollout of Microsoft Teams, one of the features of Office 365, to support our remote workforce. The rollout happened at the beginning of April, and our team has adapted with agility and speed to keep our business moving. With the introduction of Microsoft Teams, we aspire to provide our people with even more support and resources to continue to move, while creating a more flexible, digital environment.
- Onboarded more than 3,700 new team members in a virtual setting, replacing traditional in-class training. After investing in the necessary technology, modifying our content for online delivery and providing instructors with training and resources, the experience proved successful when measured by participant satisfaction and learning effectiveness.

Our employees tell us that these are the most valued aspects of working at Purolator:



Winning together

We support each other, have fun and win together. At Purolator, we’re all about the team.



Delivering the future

We excel because we believe in possibilities, and we are challenged to reach our full potential.



Going the extra mile

We are incredibly proud of the role we play in helping our customers grow their businesses and contribute to thriving communities where we all live, work and play. It’s important to us to be a partner, a friend and a welcome face.

- Increased the dollar limit and scope of our mental health benefits offering, including providing access to cognitive behaviour therapy and social workers, recognizing the heavy toll the pandemic has had on mental health. Learn more about our mental health programs on [page 26](#).

- Ran a *Purolator was there!* photo contest to encourage employees to share photos and stories of positive customer feedback and action during the pandemic. These and other stories were shared in a special edition newsletter, which recognized employees for all their efforts.



Occupational health and safety

For Purolator, there's no priority higher than protecting the psychological and physical health of our people. While this has always been true for us, the pandemic reinforced the importance of this commitment for keeping our business running, meeting the critical needs of our customers and communities, and attracting and retaining talent.

We aspire to be the industry's safest workplace in Canada. We're well positioned to reach this goal in the next five years. Our [Health and Safety](#), [Healthy Workplace](#) and [Workplace Harassment and Violence Prevention](#) policies articulate our overarching commitments and responsibilities.

Safety standards and controls are embedded in a world-class integrated health and safety management system, which was newly implemented in 2020 along with a health and safety governance structure and senior-level steering committee. All of our employees and contractors are covered under the new system.

We detail safe operating processes for the most common risks, including safe lifting and materials handling, conveyor safety, pre-trip vehicle inspections, dog-bite prevention, preventing slips, trips and falls, and more. Safety training is an integral part of the new hire onboarding program and continues throughout an employee's career.

Responsibility for safety starts with our company's leaders, and carries through to everyone in our organization, as we build an interdependent safety culture where people can rely on each other to make the right decisions. Each location has a Workplace Health and Safety Committee whose members hold monthly meetings, conduct workplace inspections and communicate relevant information to their colleagues.

Our company's leaders play an especially important role in championing employee mental health, which is a key area of focus. We want to support our people and equip them to help others experiencing mental health challenges. Our strategy includes mental health training, extensive communications, and access to mental health benefits and our Employee and Family Assistance Program, which provides 24/7 confidential access to professional support for help managing stress, anxiety, grief, financial concerns and more.

Looking ahead, we'll continue to focus on advancing our three strategic pillars of process, people and technology. This will include rolling out new training programs developed in 2020. One of these programs, called *Human Factors of Safety Foundation*, focuses on mitigating the human factors of safety risk and has already been completed by more than 90 per cent of our workforce. Another program, called *Hands on the Wheel*, monitors high-risk driving behaviours through telematics and geotabs, and then trains and coaches individual drivers on how to improve their performance.



2020 Performance

There's no question, health and safety were overriding priorities in the 2020 pandemic, as we were called upon to provide an essential service to Canadians and deliver more products than ever before. While Purolator played a leadership role in getting PPE and sanitation supplies to healthcare heroes in communities across Canada, we continued to put our people first.

In everything, we followed Public Health Agency of Canada and Centers for Disease Control and Prevention (U.S. operations) recommendations, and depended on the resourcefulness, dedication and collaborative efforts of our people to keep their co-workers, as well as our customers and communities, safe.

Within days, we created a COVID-19 Safety Plan/ Hazard Prevention Program that evolved as the situation unfolded and new information, data and guidance became available. A snapshot of our plan is provided to the right.

The result of our efforts was improved safety performance across all key metrics, despite the increased safety risks associated with higher volumes, heavier packages, more exposure to residential environments and general anxiety triggered by the pandemic.

COVID-19 safety plan snapshot

Measures we're taking:

How we're ensuring workers know how to keep themselves safe from exposure to COVID-19

- Training provided on all COVID safety measures to all existing and new employees.

How we're screening for COVID-19

- Screening is conducted daily for employees, owner operators, contractors, key partners and visitors.

How we're controlling the risk of transmission in our workplace

- Mandatory mask required for entry.
- Provision of hand hygiene (sanitizer stations and washrooms).

Physical distancing and separation

- Line-up and distance markers in Retail Centres – minimizing the number of customers in the Centres to ensure enough space.
- Signage and markings have been installed in our corporate offices, hubs and terminals.
- Separations at all counters and workstations.
- Obtaining verbal consent instead of requiring a written signature for most types of shipment deliveries. This avoids the spread of germs through scanners and styluses being passed back and forth.

Cleaning

- Advanced sanitization practices have been implemented across our network and offices, increasing the frequency of sanitizing our facilities and vehicles.

How we're managing any new risks caused by the changes made to the way we operate our business

- Purolator's Chief Medical Director is guiding our response to meet all advice from the Public Health Agency of Canada, Centers for Disease Control and Prevention (CDC) and medical experts to guide our COVID-19 response to protect our people, customers and the communities we serve.

What we will do if there is a potential case, or suspected exposure to, COVID-19 at our workplace

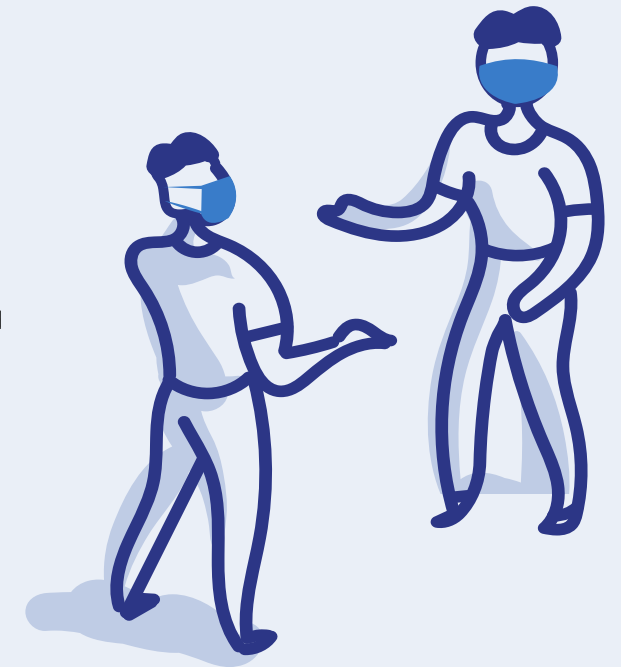
- Notification and contact tracing are conducted as per Purolator procedures.

How we're making sure our plan is working

- Regular facility inspections and daily manager supervision.

Other

- Offering curbside pick-up at select Purolator Shipping Centres.
- Accepting payments at our Purolator Retail Centres using only debit or credit card.
- Encouraging customers to use our online tools on the home page of purolator.com to schedule and track shipments, and pay invoices.





CASE STUDY

New procedures are the new normal

Things moved rapidly at our Montreal Hub when COVID-19 struck. The facility quickly closed for a deep cleaning, and within five weeks, 65 new safety procedures were in place.

A typical shift now starts with hand sanitization, screening, temperature checks, jacket storage, masks and more handwashing at portable wash basins. “Even the cafeteria had to be reconfigured,” said Yves Dubé, Senior Operations Manager, Montreal Hub and Western Quebec. “We went from 92 to 32 chairs. Now there’s only one chair per table.”

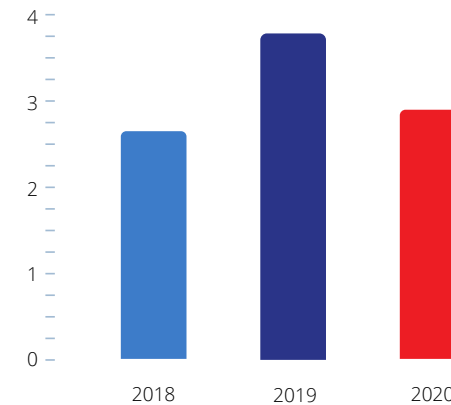
“We’ve changed the way we work, but when you see everyone with masks, it’s like ‘whoa,’” added Yves. “It’s important that customers are served, but at the same time, the face of Purolator has changed – at least for now.”

Lost-time injury frequency

(number of lost-time injuries per 100 full-time employees)

21.9%

year-over-year improvement from 2019 to 2020



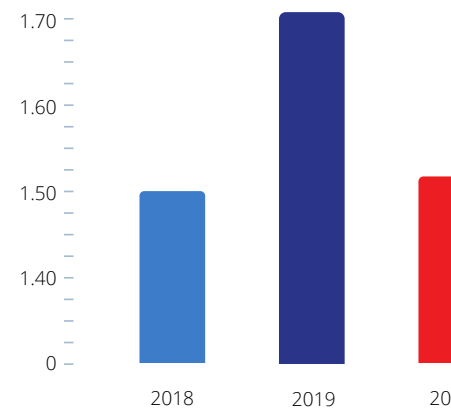
- 2018 – 2.87
- 2019 – 3.79
- 2020 – 2.96

Motor vehicle collision frequency

(number of collisions per 100,000 km driven)

11.7%

year-over-year improvement from 2019 to 2020



- 2018 – 1.50
- 2019 – 1.71
- 2020 – 1.51



Delivering world-class health expertise

While we could not have forecasted the COVID-19 pandemic, two timely 2020 initiatives enabled our quick response and have been invaluable for shaping our strategies and actions as the crisis has persisted.

In February 2020, we appointed our Chief Medical Director (CMD), Dr. Shaan Chugh, to help align our company's health and safety strategy, policy and leadership to medical best practices. Dr. Chugh joined us on assignment from Cleveland Clinic Canada through its Medical Director program. While his ongoing focus is on optimizing the physical and mental health of our employees, his priorities quickly morphed into virus-proofing our operations, infection control and prevention, interfacing with public health and educating staff once COVID-19 struck in March.

Thanks to Dr. Chugh, Purolator has stayed on top of the rapidly evolving situation and introduced innovative protocols to keep our people safe.

Moving quickly to implement recommendations, we required employees to wear masks in our facilities before they were mandated by government. In collaboration with local public health authorities, we created a robust contact-tracing protocol, led by our own contact-tracing team. The protocol includes reviewing closed-circuit television footage to see if a person who has tested positive for COVID-19 was in significant contact with any of their colleagues. In 2021, we organized on-site vaccine clinics, which saw more than 1,000 employees vaccinated.

Dr. Chugh has also hosted virtual "Ask the CMD" sessions, which are open to all employees nationwide – and in some cases their family members. Topics ranged from masks and the safety of package handling to mental health, vaccine hesitancy and how we'll exit the pandemic.

Secondly, we expanded our relationship with Cleveland Clinic to take us a step closer to our aspiration of being our industry's healthiest and safest place to work. As part of this new partnership, Cleveland Clinic's Medical Director team works closely with employees at all levels of our organization to fuel our delivery of next-generation employee health, safety and wellness initiatives and benefits, enhance our health-sector service offering to customers and manage enterprise health risk, including the ongoing business continuity plans for COVID-19.



Chief Medical Director, Dr. Shaan Chugh

"One of the things we've emphasized since the beginning of the pandemic is communication. Having someone answer topical questions, and make medical information more relevant and understandable, goes a long way toward easing people's stress and enabling them to do their best work."

– Dr. Shaan Chugh, Chief Medical Director



Mental health

With the pandemic taking a heavy toll on people's mental health, we made additional investments in our psychological safety program in 2020.

This included continuing the rollouts of a mental health first aid (MHFA) responder training program and mental health crisis intervention training for our human resources and health and safety professionals. Our goal is to have at least one MHFA responder at every location, and multiple responders at large hubs and facilities.

\$1,000

mental health benefit for employees and their eligible dependents

Both the dollar limit and the scope of our mental health benefits were temporarily increased, allowing employees to claim up to \$1,000 annually in mental health expenses for themselves and their dependents. We also expanded our benefits coverage to include cognitive behavioural therapy and visits to therapists and social workers.

To promote mental health awareness and create an accepting environment where people feel comfortable seeking support if needed, mental health remained at the forefront of executive communications and the virtual information sessions hosted by our Chief Medical Director. We also recognized Mental Health Week and World Mental Health Day with activities focused on adjusting employee behaviours, attitudes, lifestyles and social interactions.

"Bringing awareness to mental health can influence how employees feel about their own mental health journey. It opens dialogue and it creates a safe space. We want to ensure we're being proactive in terms of providing the right resources and support at the right time for our people."

– Anna Manocchio, Senior Director, Total Rewards and Human Resources Technology



Dr. Shaan Chugh speaks to employees about the use of personal protective equipment and sanitization practices to prevent the spread of COVID-19.



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Diversity, equity and inclusion

We believe that having a diverse team and fostering an inclusive culture where everyone can contribute to their fullest leads to better problem solving and inspires more innovative solutions to business challenges.

As a federally regulated company, Purolator complies with Canada's *Employment Equity Act*, which seeks to eliminate systemic discrimination against members of four designated groups (women, Indigenous peoples, persons with disabilities and visible minorities) and to achieve equality in the workplace. We continue to advance our 2020–2025 Employment Equity Plan. However, that's just one part of our diversity, equity and inclusion (DE&I) strategy, which includes a variety of programs and initiatives aimed at reflecting the diversity of the communities we serve and fostering the most inclusive, accessible workplace in Canada.

We focus mainly on the areas of:

- **Recruitment and hiring** – attracting and hiring more diverse talent
- **Training and development** – addressing unconscious biases and empowering employees who identify as visible minorities
- **Communications, engagement and community outreach** – celebrating diversity, creating space for talking and listening, and educating ourselves on painful issues



Our efforts are overseen by a Diversity and Inclusion (D&I) Leadership Council, which provides strategic support and executive sponsorship of programs. We also have eight D&I regional councils, which were relaunched in 2020 and are responsible for spearheading DE&I initiatives on the ground. The regional councils consist of a

cross-section of employees, each with a chair and co-chair elected by council members. Council chairs are expected to have strong leadership competencies, be spokespersons and change agents for DE&I, and promote collaboration between employees, union representatives and local organizations on DE&I matters.



2020 Performance

While the health and safety of our employees took centre stage in 2020, we also advanced our DE&I strategy in key areas.

Governance: Our D&I Leadership Council retained outside experts to assess our DE&I maturity and inform our strategies.

Recruitment and hiring: Purolator hired 2,156 full-time and 1,314 part-time employees in 2020. While our efforts to recruit diverse talent were hampered by the pandemic, we were still able to focus on hiring more women into full-time, non-unionized professional roles. Of the 45 professionals hired into these roles, 24 of them (53 per cent) were women. This compares to 48 per cent in 2019. In total, 190 women were hired in 2020.

Training and development: The D&I Leadership Council participated in a session led by the Canadian Centre for Diversity and Inclusion, which was aimed at equipping participants with knowledge, tools and strategies to engage respectfully and positively while leading inclusively. We also began to roll out unconscious

bias training, starting with our executive team and ultimately for all employees. The training helps participants become more aware of their biases, the impact of these biases and how to mitigate them.

Communication and engagement:

- Our Legal department launched a monthly movie club encouraging all employees to engage on issues related to discrimination and the justice system. By featuring films and documentaries on wide-ranging issues affecting marginalized groups, the club aims to raise awareness and build understanding around the challenges people face, and create a forum for employees to ask questions, share their unique perspectives and be catalysts for positive change.
- During Black History Month, we ran several employee spotlights. Through storytelling, this educational initiative raised awareness about the Black experience, and dispelled myths and stereotypes, while giving individuals a voice for their respective causes and community involvement.

- To mark International Women's Day, we offered webinars hosted by our own employees and external experts over the course of a week. Topics included living with stress, and how to be allies, sponsors and partners in women's careers. We also organized a panel discussion with our women leaders, who shared their insights and offered advice for breaking down barriers to advancement in the workplace.
- For Pride Month, events included *Did you know?* campaigns aimed at educating our employees. Topics ranged from the history of Pride parades, to the accomplishments and rights achieved through the 1969 Stonewall Riots in New York City, to Canada's activism resulting in decriminalization of homosexuality with passage of the *Criminal Law Amendment Act*. We also hosted a webinar exploring what it means to be a member of the LGBTQ+ community and how best to contribute to an inclusive and respectful workplace.

- In recognition of National Indigenous Peoples Day (June) and International Day of the World's Indigenous Peoples (August), we organized events celebrating the heritage of Canada's First Nations, Inuit and Métis peoples, and Native Americans in the United States. Through our *Did you know?* series, information on topics such as the history of First Nations, Inuit, Métis and Native Americans and Canada's 94 Calls to Action was shared via multiple communication channels.
- A *Conversations Over Coffee* discussion series launched by senior leadership team members sought to facilitate courageous conversations and foster activism. The first installment focused on race and bias, while the second looked at the impact of COVID-19 on mental health.





CASE STUDY

Diverse talent matters

George Floyd's death at the hands of police officers prompted an all-employee call by our President and CEO to stand together in the fight against systemic racism. The overwhelming feedback resulted in the creation of a special measures program to provide career development support and networks to empower and engage employees who identify as visible minorities.

The program prepares participants to take on progressive opportunities, reduces inequality and provides more advancement opportunities to our visible minority population. The first cohort included 21 Black professional-level employees. This development program is scheduled to run for between 12 and 18 months, and feedback from the first cohort will be incorporated into a future development program targeting all employees who identify as visible minorities.

Diversity by the numbers

Diversity of governance bodies (%)	2018	2019	2020
Gender			
Women	-	-	30%
Men	-	-	70%
Other indicators of diversity			
Representation of people with disabilities	-	-	-
Representation of visible minorities	-	-	10%
Representation of Indigenous people	-	-	-
Diversity of employees (%)			
Diversity of senior management			
Gender			
Women	-	21%	21%
Men	-	79%	79%
Other indicators of diversity			
Representation of people with disabilities ¹	-	6%	6%
Representation of visible minorities	-	14%	14%
Representation of Indigenous people	-	-	-
Diversity of overall workforce			
Gender			
Women	20%	20%	20%
Men	80%	80%	80%
Other indicators of diversity across the workforce			
Representation of people with disabilities	4.7%	4.5%	3.9%
Representation of visible minorities	26.8%	27%	27%
Representation of Indigenous people	3.3%	3.2%	3%

¹ Per Employment and Social Development Canada, statistics for persons with disabilities at the senior management level (Employment Equity Occupational Group (EEOG) 1) are combined with that of EEOG 2, Middle and Other Managers.



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Delivering for our planet

As part of our *Delivering the Future* growth and innovation strategy, we're making important sustainability investments, including investing in a greener delivery fleet. In the face of a changing climate and environmental challenges affecting every corner of the world, we want to help Canada meet its goal of achieving net-zero emissions by 2050.



Climate change and GHG emissions

In its reports, the Intergovernmental Panel on Climate Change warns that global warming must not exceed 1.5°C in order to avoid the catastrophic impacts of climate change, and related economic and social consequences. To better manage these risks and achieve net-zero emissions by 2050, businesses with large fleet operations, like ours, need to reduce their carbon footprint and transition to alternative fuel vehicles.

In keeping with our [Environmental Policy](#), we continue to evaluate the impact of our operations on the environment and implement solutions that improve our energy efficiency and decrease our greenhouse gas (GHG) emissions. This includes investing in sustainable fleets and energy-efficient building systems and optimizing network performance.

Since 2007, we've completed an annual comprehensive GHG emissions inventory, based on the ISO 14064-1 standard and the World Resources Institute Greenhouse Gas Protocol. The process deepens our understanding of the sources of our emissions, enables performance monitoring, and ultimately supports target-setting and actions to reduce GHG emissions.

In 2020, we started work with an outside firm to set ambitious, achievable and verifiable GHG emissions reduction targets for 2030. The aim of the project is to determine pathways for GHG reduction and support the development of our targets.

Our pathways to reduction will focus on:

- **Fleet emissions** – retiring older fleets and investing in fuel-efficient vehicles, including electric cargo bikes (e-bikes), low-speed electric vehicles and all-electric step-vans
- **Building emissions** – improving energy efficiency in existing hubs and terminals by retrofitting and removing older equipment, and procuring renewable energy
- **Fuel consumption** – moving customer packages from ground to more fuel-efficient modes of transportation, and leveraging route optimization and telematics to reduce fuel consumption
- **Scope 3 emissions** – engaging with suppliers and customers to reduce Scope 3 emissions and eliminate waste in our operations

We also plan to conduct a climate risk assessment to evaluate potential risks and opportunities, such as increased costs from carbon taxes, shifting consumer preferences and the demand for low-emission products and services.



2020 Performance

GHG inventory

Our 2020 GHG inventory includes all material Scope 1 and 2 emission sources. In 2021, we plan to conduct a Scope 3 emissions materiality assessment to guide next steps in expanding our GHG inventory to include more emission sources. We also intend to introduce a formal data management system to improve our data collection process and overall data quality.

Scope 1 – Direct emissions

- Emissions associated with on-site combustion of fuels at Purolator facilities – e.g., terminals, hubs, retail facilities and corporate offices
- Emissions associated with on-site use of refrigerants at Purolator facilities
- Emissions associated with fleet owned and operated by Purolator

Scope 2 – Indirect emissions from energy

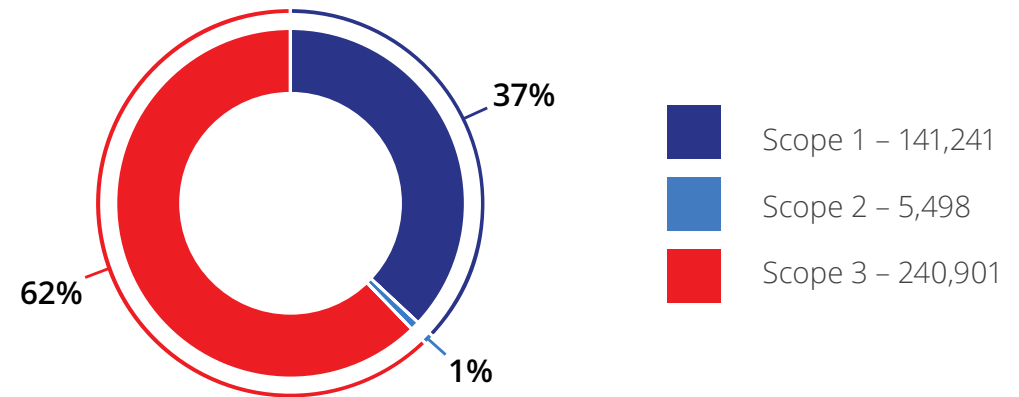
- Emissions associated with purchased electricity used at Purolator facilities

Scope 3 – Indirect emissions from transportation, materials and other sources

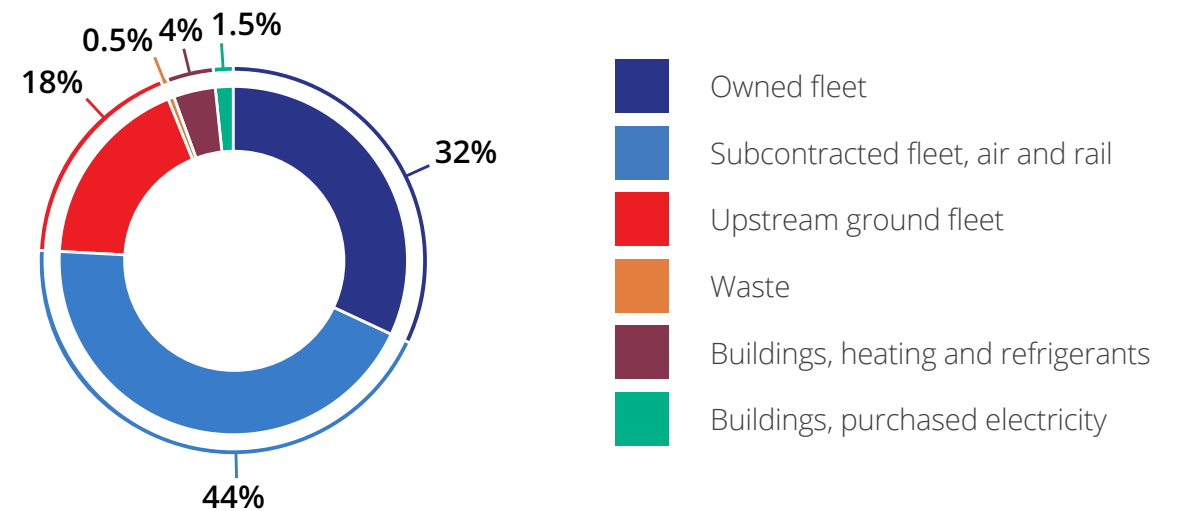
- Emissions associated with subcontracted ground fleet, air carriers and rail.
- Emissions associated with waste generated at Purolator’s facilities and disposed of off-site – e.g., at a landfill
- Upstream emissions from ground transportation

Our GHG intensity metric measures the Scope 1, 2 and 3 emissions associated with transporting packages through our network. Additional intensity metrics related to emissions per revenue and shipment are provided in our ESG performance data table on [page 45](#).

2020 GHG emissions by scope (tCO₂e)



2020 GHG emissions by source (tCO₂e)



Emissions performance and analysis

Annual emissions by source type (by scope)

Emissions by source (%)	2016	2017	2018	2019	2020	Absolute change 2016–2020	Variance 2016–2020	Variance 2019–2020
Direct GHG emissions (Scope 1)								
Owned fleet	87,619	91,383	88,387	111,180	124,719	37,101	42%	12%
Buildings, heating and refrigerants	15,952	17,758	18,302	18,024	16,521	570	4%	-8%
Indirect GHG emissions – purchased electricity (Scope 2)								
Buildings, purchased electricity	6,539	6,300	5,826	5,568	5,498	(1,041)	-16%	-1%
Indirect GHG emissions – other (Scope 3)								
Subcontracted ground fleet	81,317	86,770	86,455	85,775	100,998	19,681	24%	18%
Subcontracted air carrier	58,865	58,524	77,188	80,641	64,940	6,076	10%	-19%
Rail	2,754	2,887	2,766	5,098	4,268	1,514	55%	-16%
Waste	-	-	264	1,284	2,092	2,092		
Upstream ground fleet emissions ¹	-	-	-	59,914	68,603	68,603		
Total	253,045	263,622	279,187	367,484	387,640	134,594	53%	5%

¹ Emissions associated with the production and transportation of fuel consumed by Purolator.



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Fleet performance

Absolute emissions from our owned fleet rose by 12 per cent compared to 2019, driven by increased demand for our services as we worked to meet the critical needs of businesses and Canadians during the pandemic. Residential volume was up over 76 per cent, including in areas designated as pedestrian-only or those with limited access for delivery trucks. We also saw a rise in retail, technology and healthcare shipments.

Despite the challenging circumstances, we continued to introduce new types of advanced-technology vehicles to our fleet. In 2020, we added four e-bikes in Vancouver, two low-speed vehicles in Toronto and five e-bikes in Montreal. We also procured five all-electric curbside delivery trucks that will be launched in early 2021.

Our last-mile delivery solutions in cities include:

- **Electric low-speed vehicles (LSV)** – We're testing new fully electric low-speed vehicles to reduce noise and traffic congestion in the busy downtown cores of Toronto and Montreal. These

vehicles make parking more manageable because they take up less than half the space of a traditional courier truck. With a maximum speed of 40 kilometres per hour, and one stop to refill with more packages, electric LSVs can achieve more than 100 deliveries a day and reduce GHG emissions.

- **E-bikes** – We're expanding our fleet of electric cargo bikes in Montreal to maneuver through pedestrian-only and zero-emission zones and street closures. The e-bikes can also be parked on sidewalks for delivery in restricted-parking areas. Our fleet of e-bikes is housed at Canada's first urban distribution centre, which opened in partnership with the City of Montreal.
- **Self-serve lockers** – We're piloting automated self-serve parcel lockers at the Honoré-Beaugrand subway station in Montreal. A partnership with Société de transport de Montréal and the City of Montreal, this initiative is one of the first public transit subway systems to give commuters a convenient self-serve option for picking up shipments.



Our fleet of green vehicles includes:

3

low-speed vehicles

10

e-bikes

186

hybrid-electric vehicles



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CASE STUDY***Addressing urban congestion and encouraging sustainable cities***

“In Canada, the transportation sector represents a quarter of all the greenhouse gas emissions, and freight transportation accounts for roughly 42 per cent of those carbon emissions,” says John Ferguson, President and CEO. “As a courier and logistics company, we want to do as much as we can to help Canada meet its goal of being net zero by 2050.”

In 2020, Purolator joined the Pembina Institute and other last-mile delivery companies and research organizations in efforts to reduce urban freight emissions through the [Urban Delivery Solutions Initiative](#). Through this initiative, we connect with other industry leaders to share best practices, explore the critical pathways to achieving sustainable urban freight activity and communicate to governments the policies needed to modernize urban freight operations in Canada.

At a time when deliveries and emissions are on the rise, the accelerated deployment of zero-emission vehicles (ZEV) is key to meeting Canada’s 2030 climate targets and achieving a net-zero economy by 2050. A new report from the Urban Delivery Solutions Initiative, [Building a zero-emission goods movement system: Opportunities to strengthen Canada’s ZEV freight sector](#), finds current policies and incentives vary significantly among jurisdictions and prevent widespread adoption of ZEVs, particularly for Canada’s goods movement sector. The report identifies 10 actions that would scale-up efforts to transition to a clean transportation system. This is the coalition’s first major publication.

Building performance

We operate a network of more than 180 buildings, including hubs, terminals, retail locations and corporate offices. In 2020, our Scope 1 emissions associated with our buildings’ heating and refrigerants decreased by eight per cent compared to 2019.

Implementing lighting retrofits is a key part of improving our energy efficiency and subsequently reducing our emissions.

By upgrading facilities to LED fixtures and motion sensors, we reduce energy demand and enhance working conditions for our employees. We completed lighting retrofits in seven terminals in 2020, saving more than one million kWh of electricity. In 2021, we will conduct lighting assessments in all of our terminals and hubs across Canada and complete more than 30 lighting retrofits.



[Hear what our employees have to say about the LED lighting optimization program at our Mount Hope Terminal in Hamilton.](#)



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CASE STUDY

Delivering the future: Purolator's national hub

The centrepiece of our growth and innovation strategy is a new \$330 million, 430,000 sq ft national hub facility, strategically located in Toronto, with close access to four major highways.

Set to open in late 2021, this new facility will house world-class automation features, helping more customers get even more packages to their destinations quickly, safely and reliably. Moreover, our national hub will support further growth, offering a scalable workspace to match demand during peak volume periods.

The hub has been designed to meet the high standards of the [Toronto Green Standard](#) program. We've planted more than 1,500 trees and shrubs on the property and installed a berm along the perimeter road to provide visual screening. The hub will include electric vehicle charging stations, a non-potable grey water system for irrigation and toilets, lower emission battery-powered forklifts and a standardized waste recycling program.

Subcontracted and other indirect emissions

In 2020, indirect GHG emissions from our subcontracted ground fleet rose by 18 per cent as a result of increased demand for our services during our busiest-ever peak season. In addition, more packages than usual were shipped by the subcontracted ground fleet rather than by rail or subcontracted air carriers.

As part of our new emissions reduction strategy, we plan to engage with our suppliers to measure, track and reduce our Scope 3 emissions. We're also undertaking a major revision of our Supplier Code of Conduct and Procurement Policy, which will include criteria on environmental sustainability and supplier diversity.



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CASE STUDY*The greener the better*

Our U.S. subsidiary, Purolator International, partners with best-in-class transportation providers to offer cross-border logistics between the U.S. and Canada. In its operations and in its choice of partners, Purolator International makes environmental sustainability a priority.

Offices and warehouses in the U.S. have been converted to LED lighting as a way of improving energy efficiency. Furthermore, in 2020 Purolator International replaced old propane-fueled forklifts with battery-powered models that reduce emissions and improve worker safety.

Purolator International is committed to sourcing top-quality service providers that participate in the U.S. Environmental Protection Agency's (EPA) SmartWay Transport Partnership. SmartWay transport partners commit to working with the EPA to reduce their fuel use and increase efficiency.

Other environmental initiatives undertaken by our U.S. service providers include:

- Testing hydrogen technology in existing diesel engine configurations
- Installing idling reduction technologies
- Equipping trucks with side skirts, roof fairings and other devices to improve aerodynamics
- Recycling oils and greases, and retreading tires for up to three cycles of use
- Building new trailers with scuff walls made of recycled rubber and plastic



“We seek to partner with service providers that share our dedication to lowering our environmental impact. To be included in our network of best-in-class transportation providers, carriers need to demonstrate that they're serious about reducing greenhouse gas emissions, improving fuel efficiency and minimizing waste.”

– Paul Jasko, Safety, Security and Regulatory Affairs Manager, Purolator International



Sustainable packaging and waste

Significant plastic and packaging waste is generated across our entire supply chain, including by our operations. We recognize our responsibility to act on this issue – and we do so by working with our suppliers and customers to optimize packaging, reduce waste at the source and maximize recycling.

We have a comprehensive packaging guide for customers, which outlines the criteria for correct packaging. When shipments are properly packaged to meet our requirements and withstand the transit cycle, we are better able to get them to their destination in exactly the same condition in which they were sent. The result is a lower risk of damage claims, better customer relationships, less waste from damaged packaging and fewer reshipments.

We also offer our customers sustainable packaging options. For example, our Purolator Express® Envelope and Purolator Express Pack are made from 95 per cent recycled, biodegradable content, including

25 per cent post-industrial material. Our Purolator Express Envelope is also Forest Stewardship Council® certified and uses 50 per cent less water and energy than virgin content.

In our facilities, we sort waste into the appropriate waste streams and seek to divert as much as possible from landfill. Our waste reduction efforts include recycling programs for materials such as cardboard, plastic film, and waste oil fluids generated from fleet usage and repairs.

More information can be found in our GRI content index on [page 49](#).



2020 Performance

In 2020, we worked with our property managers to improve the completeness and reporting of our waste data, which helped us identify areas for improvement in our waste management program.

Nine locations made up more than 58 per cent of our total portfolio waste generation and will be prioritized going forward. We will begin by conducting waste audits of our facilities to better understand our current on-site waste and recycling practices. The audit findings will be used to set a solid-waste reduction target that increases diversion rates across all terminals and hubs. We aim to set this target by 2022.

In 2020, we also conducted a supplier audit to better understand the sustainable packaging claims of our Purolator Express products and assess third-party certifications.

Plans for 2021 include:

- Collaborating with our property managers and suppliers to develop a standardized waste and recycling program that can be rolled out nationally
- Working with recycling partners to implement a recycling program for personal protective equipment, including masks and gloves
- Engaging with current and new suppliers to increase the percentage of recycled content in our packaging material and decrease consumption of single-use plastics
- Working with a laboratory to assess the feasibility of a 100 per cent recyclable packaging solution, which we aim to pilot with select customers by 2022



Helping our neighbours

Our employees live and work in communities across Canada. Helping local businesses, communities and neighbours thrive is a big part of what they cherish about working for Purolator and what helps us continue delivering for Canada.



Community investment

We recognize that the health of our company is inextricably tied to the health and vitality of our communities and our country. We need to do all we can to support them.

Our community investment efforts promote local community engagement and development, and benefit stakeholders in our areas of operation through donations and employee volunteerism.

Since 2003, we've focused on what we believe to be one of the most pressing issues affecting Canadian communities nationwide: hunger. We made a promise then to help alleviate food insecurity by launching the Purolator Tackle Hunger program. In 2006, we expanded the program to include Purolator Tackle Hunger Week at the start of June every year, and in 2019 it became Purolator Tackle Hunger Month.

Throughout the month of June, Purolator employees work with their partners and customers from coast to coast to raise awareness about hunger in Canada, and to collect food and funds for food banks. All donations raised stay in the community and go toward the local food bank.

As a main component of the Purolator Tackle Hunger program, Purolator hosts a series of Game Day Food Drives at Canadian Football League (CFL) games and Canadian Hockey League (CHL) games across Canada. Fans bring non-perishable food items or monetary donations to these games to help support their local food banks. In addition to this, our employees have launched Red Bag Campaigns in communities in Toronto and Calgary, whereby local residents are given red bags which they are asked to fill with nutritious, non-perishable items, and leave at their front door. Volunteer Purolator drivers pick up the bags and deliver them to local food banks.

Along with raising food for our community, we provide logistical support and services to food banks and agencies to help them safely transport the food.



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Purolator
TackleHunger

2020 Performance

Over the past 18 years, Purolator Tackle Hunger has helped deliver nearly 20 million pounds of food to local food banks. Despite there being no CFL Game Day Food Drives, and all fundraising occurring virtually due to the pandemic, the program raised more than 1.6 million pounds of food in 2020.

With food banks feeling increasing strain, one of the changes made to the program was to provide direct assistance to [Food Banks Canada](#) through a dedicated COVID-19 website. Food Banks Canada supports 650 food banks and thousands of community-based programs across the country, most of which were experiencing a devastating decrease in monetary donations, limited volunteers and diminishing food supply. The website raised more than 100,000 pounds of food in June alone, as part of our Purolator Tackle Hunger Month.

Our employees bring Purolator Tackle Hunger to life every year, and they did so again in 2020. Three of our heroes – Robin Hall, Scott Jacobs and Dennis Legault – are profiled on our [website](#), and others are featured on [page 43](#) of this report.

Our Chief Medical Director organized employee information sessions at which dietitians from Cleveland Clinic Canada and other physicians spoke about food insecurity and its heavy toll on people’s health and well-being.

While Purolator Tackle Hunger remains our main community investment initiative, in 2020 we also lent a hand to our residential neighbours by extending delivery times, accelerating contactless delivery and increasing Mobile Quick Stop pick-ups. During the holiday season, we partnered with GO Transit to accept non-perishable food donations at Mobile Quick Stop trucks parked at several GO stations in Toronto.

In September, Purolator volunteers delivered red bags to homes in three Toronto neighbourhoods. Residents were asked to fill their bag with non-perishable food items and leave it at their front door to be picked up by volunteer Purolator drivers and Daily Bread Food Bank volunteers. Incredibly, Torontonians donated over 35,000 pounds of food – more than five times the amount of food collected in the previous year. Watch the [video of Purolator employees](#) supporting their neighbours in need during this challenging time.

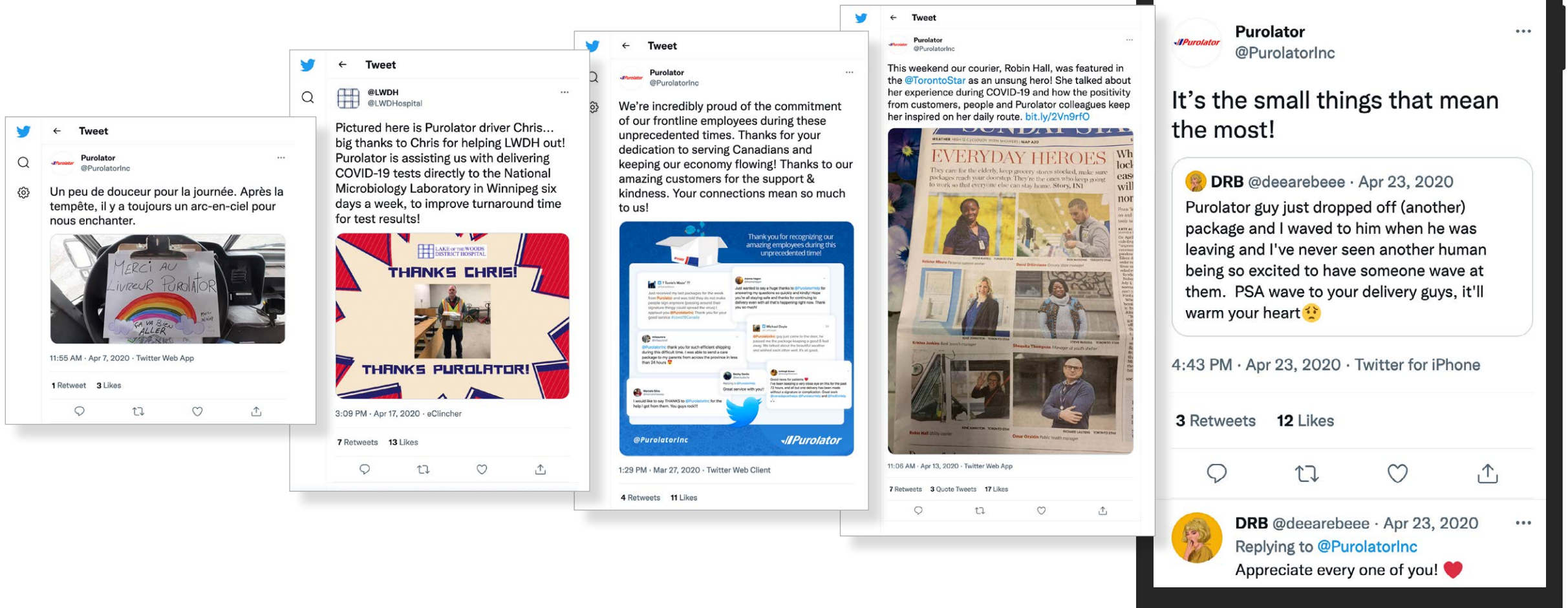


Food donated and transported	2018	2019	2020
Weight of food (lbs)	1,549,202	1,651,460	1,602,244



Community recognition

At the peak of the pandemic, when most Canadians were staying at home, Purolator couriers were spending a record number of hours on the road delivering much-needed packages. The messages of thanks and encouragement they received from customers and communities helped sustain them.



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Appendix

ESG performance
GRI content index



ESG performance

Delivering for our planet

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
305 – Greenhouse gas emissions					
305-1	Direct (Scope 1) GHG emissions	Tonnes CO ₂ e	106,688	129,203	141,241
	Owned fleet	Tonnes CO ₂ e	88,387	111,180	124,719
	Buildings, heating and refrigerants	Tonnes CO ₂ e	18,302	18,024	16,521
305-2	Energy indirect (Scope 2) GHG emissions	Tonnes CO ₂ e	5,826	5,568	5,498
	Buildings, electricity	Tonnes CO ₂ e	5,826	5,568	5,498
305-3	Other indirect (Scope 3) GHG emissions	Tonnes CO ₂ e	166,673	232,713	240,901
	Subcontracted ground fleet	Tonnes CO ₂ e	86,455	85,775	100,998
	Subcontracted air carrier	Tonnes CO ₂ e	77,188	80,641	64,940
	Rail	Tonnes CO ₂ e	2,766	5,098	4,268
	Waste	Tonnes CO ₂ e	264	1,284	2,092
	Upstream ground fleet emissions	Tonnes CO ₂ e	NA	59,914	68,603
	Total GHG emissions (Scope 1, 2 and 3)	Tonnes CO₂e	279,187	367,484	387,640
305-4	GHG emissions intensity ratio				
	Total emissions intensity (Scope 1, 2 and 3)	Tonnes CO ₂ e/\$ revenue	0.15	0.19	0.18
	Revenue from operations	Millions of dollars	1,852	1,934	2,206
	Total emissions intensity (Scope 1, 2 and 3)	Tonnes CO ₂ e/shipments	2.93	3.61	3.11
	Total emissions intensity (Scope 1, 2 and 3)	Tonnes CO ₂ e/pieces	2.09	2.61	2.40

NA = Not available



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Delivering for our planet (continued)

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
302-1 – Energy consumption from buildings					
	Heating fuels	GJ	358,059	348,134	322,538
	Electricity	GJ	173,875	167,920	169,094
	Total energy consumption from buildings	GJ	531,934	516,054	491,632
302-3					
	Energy intensity	GJ/m ²	1.29	1.17	1.11
	Total floor area	m ²	411,993	439,985	440,990
	Total emissions intensity	Tonnes CO ₂ e/m ²	0.06	0.05	0.05
306 – Waste					
306-3	Total waste generated	Metric tons	NA	2,626	4,334
306-4	Waste diverted from disposal	Metric tons	NA	862	1,363
306-5	Waste directed to disposal (landfilled)	Metric tons	NA	1,764	2,972

NA = Not available



Empowering our people

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
102-8	Total workforce		11,212	11,459	13,515
405 – Diversity, equity and inclusion					
405-1	Diversity of governance bodies				
	Gender				
	Women	%	NA	NA	30%
	Men	%	NA	NA	70%
	Other indicators of diversity				
	Representation of people with disabilities	%	NA	NA	0%
	Representation of visible minorities	%	NA	NA	10%
	Representation of Indigenous people	%	NA	NA	0%
	Diversity of employees				
	Diversity of senior management				
	Gender				
	Women	%	NA	21%	21%
	Men	%	NA	79%	79%
	Other indicators of diversity				
	Representation of people with disabilities	%	NA	6%	6%
	Representation of visible minorities	%	NA	14%	14%
	Representation of Indigenous people	%	NA	0%	0%
	Diversity of overall workforce				
	Gender				
	Women	%	20%	20%	20%
	Men	%	80%	80%	80%
	Other indicators of diversity				
Representation of people with disabilities	%	4.7%	4.5%	3.9%	
Representation of visible minorities	%	26.8%	27%	27%	
Representation of Indigenous people	%	3.3%	3.2%	3%	

NA = Not available



Empowering our people (continued)

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
403 – Occupational health and safety					
403-8	Employees and contractors covered under the OH&S management system	%	100%	100%	100%
	Is the OH&S management system internally audited?	Yes/No	Yes	Yes	Yes
	Is the OH&S management audited or certified by an external party?	Yes/No	Yes	Yes	Yes
403-9	Employee lost-time injury frequency rate (per 200,000 hours worked)	Number of injuries per 100 full-time employees	2.87	3.79	2.96
	Motor vehicle collision frequency	Number of collisions per 100,000 km driven	1.50	1.71	1.51

Helping our neighbours

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
413-1	Community engagement program – food donated and transported through Purolator Tackle Hunger	lbs	1,549,202	1,651,460	1,602,244

Economic performance

GRI indicator	Topic-specific disclosure	Units	2018	2019	2020
201-1	Direct economic value generated and distributed				
	Revenue from operations	Millions of dollars	1,852	1,934	2,206
	Cost of operations	Millions of dollars	1,675	1,770	2,006
	Profit from operations	Millions of dollars	177	164	200
	Investing and financing income (expense), net	Millions of dollars	-16	-12	-24
	Profit before tax	Millions of dollars	161	152	176

NA = Not available



GRI content index

Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	Purolator Holdings Ltd. (Purolator)
102-2	Activities, brands, products and services	Purolator Inc. is a leading integrated freight, package and logistics solutions provider. 2020 Sustainability Report, About Purolator, page 2
102-3	Location of headquarters	Purolator's headquarters is based out of Mississauga, Ontario, Canada.
102-4	Location of operations	Purolator operates more than 180 buildings, including hubs, depots, retail locations and corporate offices.
102-5	Ownership and legal form	Purolator Holdings Ltd. is owned by Canada Post (91 per cent), Rainmaker Investments Inc. (7 per cent) and Other (2 per cent).
102-6	Markets served	Canada and United States 2020 Sustainability Report, Our role, page 5
102-7	Scale of the organization	13,515 employees \$2.2 billion in revenue 176 operations facilities 5,200 fleets 104 Purolator Shipping Centres 1,370 Authorized Shipping Agents 208 Drop Boxes Purolator Facts and History
102-8	Information on employees and other workers	13,515 total employees. 150 employees are on-call/casual with the remainder being permanent employees. 2020 Sustainability Report, ESG performance, page 47 2020 Canada Post Annual Report , Management's Discussion and Analysis, Labour relations, Purolator segment, page 18
102-9	Supply chain	2020 Sustainability Report, Our role, page 5
102-10	Significant changes to the organization and its supply chain	There were no significant changes in 2020.
102-11	Precautionary Principle or approach	Purolator is federally regulated and has implemented management practices to protect the health and safety of its employees, its customers and the communities it serves. Purolator is working with internal and external stakeholders to manage and mitigate environmental risks, particularly those related to climate change.



Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Organizational profile		
102-12	External initiatives	Purolator engages in several external initiatives, including: Purolator Tackle Hunger® program community engagement partners Corporate sponsorships to support communities Supporting small businesses during COVID-19 2020 Sustainability Report, Community investment, page 41
102-13	Membership of associations	Purolator is a member of several associations, including: Business and governance: Canadian Trucking Alliance (CTA) Ontario Trucking Association (OTA) Customs Trade Partnership Against Terrorism (C-TPAT) Partners in Protection (PIP) North American Fleet Administrators (NAFA) International Air Transport Association Siemens Pomerleau Sustainability: Pembina Institute – Urban Delivery Solutions Initiative Electric Mobility Canada (EMC) MaRS Discovery District Brookfield Global Integrated Solutions Social: Purolator Tackle Hunger program community engagement partners Corporate sponsorships to support communities Cleveland Clinic Morneau Shepell Ready, Willing and Able Our Children's Medicine Canadian Centre for Diversity and Inclusion Pride at Work



Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Strategy		
102-14	Statement from senior decision-maker	2020 Sustainability Report, Message from the President and CEO, pages 3-4
102-15	Key impacts, risks and opportunities	2020 Sustainability Report, Vision and strategy, page 10 2020 Sustainability Report, Materiality, page 16 2020 Sustainability Report, Sustainable Development Goals, pages 17-18 2020 Canada Post Annual Report , Management’s Discussion and Analysis, Outlook for 2021, Purolator segment, page 45
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	Purolator has a Code of Business Conduct and Ethics that has been approved by the Board of Directors and the President and CEO. Our Code of Business Conduct and Ethics reinforces our values by articulating the standards of conduct expected of Purolator employees in areas such as legal compliance, anti-corruption, conflicts of interest, political activities, competitive practices and more. Leadership & Governance – Policies – Code of Business Conduct and Ethics , page 10 2020 Sustainability Report, Vision and strategy, page 10 2020 Sustainability Report, Ethics and integrity, page 11
102-17	Mechanisms for advice and concerns about ethics	Purolator employees are required to report any violations of the Code to their immediate supervisor or through Purolator’s confidential submissions process. The Confidential Submissions Policy (pages 3-12) applies to all employees who witness or become aware of any wrongdoing. 2020 Sustainability Report, Vision and strategy, page 10 2020 Sustainability Report, Ethics and integrity, page 11
Governance		
102-18	Governance structure	Purolator’s highest governance body is the Board of Directors. The Board of Directors is responsible for the stewardship of the organization. It comprises three committees – the Audit Committee, the Governance Committee and the Human Resources and Compensation Committee. Executive-level members of the organization report to our President and CEO. The President and CEO communicates sustainability policies, programs and performance to the Board and Board committees. Leadership & Governance – Corporate Governance 2020 Sustainability Report, Sustainability governance and management, pages 13-14
102-19	Delegating authority	The Board of Directors is responsible for the stewardship of Purolator Holdings Ltd. (the Corporation). That stewardship consists primarily of the duty to manage, or supervise the management of, the business and affairs of the Corporation and, where material or otherwise significant to the Corporation, the business and affairs of the Corporation’s subsidiaries. Leadership & Governance – Corporate Governance – Board Mandate
102-20	Executive-level responsibility for economic, environmental and social topics	The overall responsibility for the implementation of Purolator’s ESG topics is led by the Senior Vice President and Chief Human Resources Officer. The Senior Vice President and Chief Human Resources Officer reports directly to the President and CEO. 2020 Sustainability Report, Sustainability governance and management, pages 13-14



Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Governance		
102-21	Consulting stakeholders on economic, environmental and social topics	Purolator conducts ongoing stakeholder consultations with both internal and external stakeholders on ESG topics. Our executive-level leadership regularly participates in meetings and consultations throughout the year on material topics, and provides feedback and progress to the Board and Board committees. 2020 Sustainability Report, Stakeholder engagement, page 15
102-22	Composition of the highest governance body and its committees	Purolator is governed by a Board of Directors consisting of 10 members. There are three committees of the Board – the Audit Committee, the Governance Committee and the Human Resources and Compensation Committee. Leadership & Governance – Committees – Board of Directors and Committee Membership
102-23	Chair of the highest governance body	Stewart Bacon, Board Chair, Purolator Holdings Ltd.
102-24	Nominating and selecting the highest governance body	Leadership & Governance – Committees – Board of Directors and Committee Membership
102-25	Conflicts of interest	Leadership & Governance – Policies – Code of Business Conduct and Ethics , page 10
102-26	Role of highest governance body in setting purpose, values, and strategy	The Board of Directors is responsible for the stewardship of Purolator. That stewardship consists primarily of the duty to manage, or supervise the management of, the business and affairs of the Corporation and, where material or otherwise significant to the Corporation, the business and affairs of the Corporation's subsidiaries. Leadership & Governance – Corporate Governance – Board Mandate
102-27	Collective knowledge of highest governance body	Leadership & Governance – Board of Directors
102-28	Evaluating the highest governance body's performance	The Board of Directors is responsible for the stewardship of Purolator. That stewardship consists primarily of the duty to manage, or supervise the management of, the business and affairs of the Corporation and, where material or otherwise significant to the Corporation, the business and affairs of the Corporation's subsidiaries. Leadership & Governance – Board of Directors
102-29	Identifying and managing economic, environmental and social impacts	Purolator conducts ongoing stakeholder consultations with both internal and external stakeholders on ESG topics. Through interviews and surveys of internal and external stakeholders, we prioritize the most significant sustainability topics facing our business. The outcomes of the 2020 materiality assessment will guide the evolution of our sustainability strategy over the next three years and help us drive positive impact on issues important to our business and stakeholders. 2020 Sustainability Report, Stakeholder engagement, page 15 2020 Sustainability Report, Materiality, page 16
102-30	Effectiveness of risk management processes	The Audit Committee oversees the risk management process, which includes potential legal risks and enterprise risk management. The Committee's charter includes review with the Corporation's Chief Legal Officer of all potential legal risks to the Corporation or its subsidiaries that could, if they were to materialize, have a significant adverse effect on the Corporation. The charter also includes the review of compliance and strategic risks facing the Corporation and the actions taken to monitor and manage those risks.
102-31	Review of economic, environmental and social topics	The outcomes of the materiality assessment will guide the evolution of our sustainability strategy over the next three years and help us drive positive impact on issues important to our business and stakeholders. 2020 Sustainability Report, Materiality, page 16



Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Governance		
102-32	Highest governance body's role in sustainability reporting	Purolator's Sustainability Report is reviewed and approved by the Board of Directors.
102-33	Communicating critical concerns	Quarterly Board of Director meetings
102-35	Remuneration policies	Information regarding remuneration policies is not currently available. Leadership & Governance – Committees – Human Resources and Compensation Committee Charter
102-36	Process for determining remuneration	Information regarding the process for determining remuneration is not currently available. Leadership & Governance – Committees – Human Resources and Compensation Committee Charter
102-37	Stakeholders' involvement in remuneration	Information regarding stakeholders' involvement in remuneration is not currently available. Leadership & Governance – Committees – Human Resources and Compensation Committee Charter , pages 1–2
Stakeholder engagement		
102-40	List of stakeholder groups	2020 Sustainability Report, Stakeholder engagement, page 15
102-41	Collective bargaining agreements	2020 Canada Post Annual Report , Management's Discussion and Analysis, Labour relations, Purolator segment, page 18
102-42	Identifying and selecting stakeholders	2020 Sustainability Report, Stakeholder engagement, page 15 2020 Sustainability Report, Materiality, page 16
102-43	Approach to stakeholder engagement	2020 Sustainability Report, Stakeholder engagement, page 15 2020 Sustainability Report, Materiality, page 16
102-44	Key topics and concerns raised	2020 Sustainability Report, Stakeholder engagement, page 15 2020 Sustainability Report, Materiality, page 16
Reporting practice		
102-45	Entities included in the consolidated financial statements	2020 Canada Post Annual Report , Management's Discussion and Analysis, pages 5 and 8
102-46	Defining report content and topic Boundaries	2020 Sustainability Report, Materiality, page 16
102-47	List of material topics	2020 Sustainability Report, Materiality, page 16
102-48	Restatements of information	There were no restatements of information in 2020.
102-49	Changes in reporting	There have not been any significant changes in Purolator's reporting activities.
102-50	Reporting period	January 1, 2020 – December 31, 2020
102-51	Date of most recent report	October 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	info.csr@purolator.com



Disclosure number	Disclosure title	Response, link or additional information
GRI 102: General Disclosures 2016		
Reporting practice		
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This table is presented as our 2020 GRI content index.
102-56	External assurance	Purolator does not currently have a policy that requires external assurance related to the annual Sustainability Report.
GRI 201: Economic Performance 2016		
103	Management approach	Canada Post Corporation's Annual Report is prepared for the year ended December 31, 2020, for Canada Post Corporation and its subsidiaries – Purolator Holdings Ltd. (Purolator), SCI Group Inc. (SCI) and Innovapost Inc. (Innovapost). These companies are collectively referred to as the Canada Post Group of Companies or the Group of Companies. Segments are based on the legal entities, Canada Post, Purolator, SCI and Innovapost. 2020 Sustainability Report, Climate change and GHG emissions, pages 31–37 2020 Sustainability Report, Community investment, page 41 2020 Canada Post Annual Report , Management's Discussion and Analysis, Core Business and Strategy, Purolator segment, page 8
201-1	Direct economic value generated and distributed	2020 Canada Post Annual Report , Management's Discussion and Analysis, Core Business and Strategy, Purolator segment, page 8 2020 Sustainability Report, ESG performance, page 48
201-2	Financial implications and other risks and opportunities due to climate change	This information is currently unavailable. We plan to conduct a climate risk assessment to evaluate potential risks and opportunities, such as increased costs from carbon taxes, shifting consumer preferences and the demand for low-emission products and services.
GRI 203: Indirect Economic Impacts 2016		
103	Management approach	A significant portion of Purolator's indirect economic impact is contributed through the Purolator Tackle Hunger program. Purolator made a promise to help alleviate food insecurity when we launched the Purolator Tackle Hunger program in 2003, and the tradition of delivering good continues. Our community investment efforts seek to promote local community engagement and development and benefit stakeholders in our areas of operation through community donations and volunteering. Since 2003, we've been committed to tackling hunger in Canada and making a difference in the communities where we live and work. Purolator Tackle Hunger is an initiative that's all about people helping people. This employee-led grassroots initiative has helped deliver more than 20 million pounds of food to families across Canada. 2020 Sustainability Report, Community investment, page 41
203-1	Infrastructure investments and services supported	Delivering the future 2020 Sustainability Report, Vision and strategy, page 10



Disclosure number	Disclosure title	Response, link or additional information
GRI 302: Energy 2016		
103	Management approach	<p>We operate a network of more than 180 buildings, including hubs, terminals, retail locations and corporate offices. Our property managers support us in compiling quarterly and yearly reports on energy performance and consumption. Purolator works with property managers and other partners to identify energy savings and implement retrofits at facilities.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37</p>
302-1	Energy consumption within the organization	<p>In 2020, our Scope 1 emissions associated with our buildings’ heating and refrigerants decreased by eight per cent compared to 2019. Scope 2 emissions associated with purchased electricity decreased by 1 per cent compared to 2019. Purolator does not currently procure or produce any energy from renewable sources.</p> <p>An estimation exercise was undertaken to apply energy intensity proxy data (average energy consumption per square foot) to those facilities for which no data was available. Where actual data was available for a facility in a previous year, the previous year’s data was applied to represent missing data. Estimations based on actual data from the same facility for the previous year were applied wherever possible. If such data was not available, other options included estimates based on similar facility types, where the average of all similar facility types having actual consumption data in that province would be applied. When insufficient data was available for this approach (e.g., too few facilities in the province in question to make a meaningful estimate), a proxy based on the average emission intensity of similar-type Purolator facilities across Canada was used.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37</p> <p>2020 Sustainability Report, ESG performance, page 46</p>
302-3	Energy intensity	<p>Purolator is currently in the process of reassessing a baseline year. A baseline year will be announced in future reporting.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37</p> <p>2020 Sustainability Report, ESG performance, page 46</p>
302-4	Reduction of energy consumption	<p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37</p> <p>2020 Sustainability Report, ESG performance, page 46</p>
GRI 305: Emissions 2016		
103	Management approach	<p>Purolator has undertaken to develop a comprehensive greenhouse gas (GHG) inventory for its Canadian business since 2007. We have retained a third party to support our GHG inventory for each subsequent year. GHG emissions presented within this report pertain to Purolator’s Canadian operations only as they comprise approximately 97 per cent of our operations. Purolator has elected to use the Operational Control Approach described in the GHG Protocol Corporate Standard and the International Organization for Standardization’s (ISO) Specification 14064-1.</p> <p>The following methodologies are used to calculate the emissions-related disclosures in this report. The global warming potential (GWP) rates used in this exercise are the 100-year time horizon values, drawn from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) dated 2014. AR5 includes the most recent GWP factors available, and currently recommended by the World Resources Institute for use in GHG inventory calculations. Purolator reviews the GWP annually as part of the inventory development process. GHGs included in the calculation are carbon dioxide, methane, nitrous oxide and fluorinated gases. Purolator is currently in the process of reassessing a baseline year. A baseline year will be announced in future reporting.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37</p>



Disclosure number	Disclosure title	Response, link or additional information
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	<p>In the calculation of Purolator's GHG inventory, direct (Scope 1) emissions primarily originated from the on-site combustion of fuels, used for operation of buildings and mobile emissions from fleet directly operated by Purolator. Scope 1 emissions also included those originating from fugitive releases of refrigerants used in the air conditioning units of buildings.</p> <p>Fleet fuel: Fuel volumes were readily available for Purolator operated fleet. Subcontracted fleet fuel consumption (contractor carriers and owner operators) was estimated based on total kilometres travelled from 2007 to 2017, while in 2018 these estimates were based on average fuel costs. In 2019 and 2020, subcontracted emissions were estimated based on a combination of fuel surcharge costs and distance travelled.</p> <p>Refrigerants: A more comprehensive report was provided for refrigerants in 2020. Emissions of R-140A, HFC-134a, and R-407C were reported in 2020.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37 2020 Sustainability Report, ESG performance, page 45</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>Energy indirect (Scope 2) emissions were quantified based on purchased electricity consumption at Purolator facilities – they are considered “indirect” because the actual GHG emissions associated with the generation of electricity originate off-site at a power station.</p> <p>An estimation exercise was undertaken to apply energy intensity proxy data (average energy consumption per square foot) to those facilities for which no data was available. Where actual data was available for a facility in a previous year, the previous year's data was applied to represent missing data. Estimations based on actual data from the same facility for the previous year were applied wherever possible. If such data was not available, other options included estimates based on similar facility types, where the average of all similar facility types having actual consumption data in that province would be applied. When insufficient data was available for this approach (e.g., too few facilities in the province in question to make a meaningful estimate), a proxy based on the average emission intensity of similar-type Purolator facilities across Canada was used.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37 2020 Sustainability Report, ESG performance, page 45</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>Indirect (Scope 3) emissions included in Purolator's inventory were those associated with downstream emission sources. A comprehensive approach was taken in the development of the 2020 GHG inventory, and all material Scope 1 and 2 emission sources were included on the inventory. In the near future, Purolator will conduct a GHG materiality assessment to consider expanding the inventory to additional upstream and downstream sources that are categorized under Scope 3.</p> <p>Subcontracted air carriers: Two non-dedicated air carriers were included in the analysis. Emissions from two other non-dedicated carriers were not included in the 2020 inventory due to missing data. However, in 2019, emissions from both air carriers accounted for less than one per cent of air carrier emissions, so this is not anticipated to significantly impact emissions.</p> <p>In 2020, municipal solid waste and recycling was collected by five separate waste haulers, covering approximately 60 per cent of Purolator facilities. We are working with our property managers to improve waste data collection for future iterations of the inventory.</p> <p>2020 Sustainability Report, Climate change and GHG emissions, pages 31–37 2020 Sustainability Report, ESG performance, page 45</p>
305-4	GHG emissions intensity	2020 Sustainability Report, ESG performance, page 45
305-5	Reduction of GHG emissions	2020 Sustainability Report, Climate change and GHG emissions, pages 31–37 2020 Sustainability Report, ESG performance, page 45



Disclosure number	Disclosure title	Response, link or additional information
GRI 306: Waste 2020		
103	Management approach	Our property managers compile our annual waste management report. They work with several waste haulers to consolidate landfill and waste diversion data. Property managers have oversight of waste streams for different locations. 2020 Sustainability Report, Sustainable packaging and waste, pages 38–39
306-1	Waste generation and significant waste-related impacts	The majority of the waste generated in our terminals comes from garbage and cardboard waste. These are categorized under non-hazardous waste. Purolator also generates plastic-related waste, some of which is captured in mixed recycling and some of which may be captured in landfill waste. We are currently working with our vendors to determine estimated amounts of plastics and the streams they could be captured for.
306-2	Management of significant waste-related impacts	Purolator has a Hazardous Waste Procedure. The objective of the procedure is to establish requirements for the management of materials that are deemed hazardous waste under the relevant legislation. These materials are typically generated by the cleanup of discharges produced in the garage or terminal as non-product output in the course of normal operations or maintenance, or generated from damaged or undeliverable Dangerous Goods not returnable to the original consignor. This Procedure is to be followed for facility registration (where required), shipping documentation, storage, handling and disposal of these materials. This Procedure applies to all Purolator employees, facilities and workplaces. Purolator has outlined a Non-Hazardous Waste Procedure to ensure that practices are in place to minimize the generation of non-hazardous waste as well as ensuring that it is disposed of in an environmentally safe and acceptable manner. The Procedure applies to all Purolator employees, facilities and workplaces.
306-3	Waste generated	In 2019, Purolator expanded its waste sources to include solid waste (i.e., cardboard, paper, wood, landfill, etc.). Upstream and downstream packaging are excluded as the data is not currently tracked. In 2020, approximately 60 per cent of the solid waste generated from facilities was tracked and reported. We worked with our property managers to improve the completeness and reporting of our waste data, which helped us identify and address waste collection inefficiencies. For the first time, we were also able to identify and categorize the various waste streams that contribute to our overall waste diversion and landfill data. 2020 Sustainability Report, ESG performance, page 46
306-4	Waste diverted from disposal	Our 2020 waste diversion rate was 31 per cent, compared to 33 per cent in 2019. The increase was largely attributable to increased delivery volumes, e-commerce growth and significant demand in residential deliveries. Total weight of shipments also increased, which led to increased packaging waste. All waste diverted from landfill was recycled. Composted waste and hazardous waste diverted from disposal are not currently tracked. 2020 Sustainability Report, ESG performance, page 46
306-5	Waste diverted to disposal	2020 Sustainability Report, ESG performance, page 46
GRI 307: Environmental Compliance 2016		
103	Management approach	Purolator is committed to high professional standards for its environmental practices in its construction, operations and the delivery of its services. Purolator acknowledges its responsibility to manage the environmental effects associated with its operations, is committed to addressing climate change risks and strives for continuous improvement in environmental management and pollution prevention in all business activities. Our management approach includes an Environmental Policy that outlines how the policy should be implemented. The policy can be viewed on our website . 2020 Sustainability Report, Ethics and integrity, page 11
307-1	Non-compliance with environmental laws and regulations	In 2020, Purolator did not receive any fines related to non-compliance with environmental laws and regulations.



Disclosure number	Disclosure title	Response, link or additional information
GRI 308: Supplier Environmental Assessment 2016		
103	Management approach	As part of our new emissions reduction strategy, we plan to engage with our suppliers to measure, track and reduce our Scope 3 emissions. We're also undertaking a major revision of our Supplier Code of Conduct and Procurement Policy, which will include criteria on environmental sustainability and supplier diversity. 2020 Sustainability Report, Stakeholder engagement, page 15 2020 Sustainability Report, Climate change and GHG emissions, pages 31-37
308-1	New suppliers that were screened using environmental criteria	Information regarding new suppliers is currently unavailable. We will be reviewing disclosure requirements to address this on a yearly basis as we work with our internal stakeholders to capture and track this data.
GRI 403: Occupational Health and Safety 2018		
103	Management approach	Purolator Inc. is committed to the personal safety and general well-being of each of our employees and is committed to continually improving our health and safety management system and performance. Purolator acknowledges its responsibility to protect employees from occupational injury and illness, and this responsibility will take precedence over operating objectives. We commit to consulting with workers and encouraging their participation in the initiatives of the Health and Safety (H&S) Policy Committee and respective Workplace Health and Safety Committees. By involving workers in the development of our health and safety policies and procedures, we can work together to create a workplace that is physically and psychologically safe. The implementation of the Health and Safety Policy is an important management objective and the responsibility of all employees. 2020 Sustainability Report, Occupational health and safety, pages 22-24
403-1	Occupational health and safety management system	All Purolator employees are represented by a Workplace Health and Safety Committee (WHSC). The committees meet monthly to discuss any concerns related to health and safety. A monthly workplace inspection is also conducted, which documents any hazards identified along with corrective actions.
403-2	Hazard identification, risk assessment and incident investigation	Purolator has implemented a Hazard Prevention Program procedure to outline the process Purolator will use in the development, implementation and monitoring of a program for the prevention of hazards in compliance with the regulatory requirements of the Canadian Occupational Health and Safety Regulations. The Hazard Prevention Program includes an implementation plan, a hazard identification and assessment methodology, hazard identification and assessment including ergonomics-related hazards, preventive measures, employee training and Hazard Prevention Program evaluation. The scope of the procedure applies to all Purolator facilities, workplaces and employees. Purolator has a Workplace Injury & Hazardous Occurrence Reporting procedure to ensure employees receive proper treatment for injuries in the course of their work and to ensure accidents are reported and investigated to prevent recurrence.
403-3	Occupational health services	This information is currently unavailable. As this information becomes available, Purolator will consider disclosing it in future reporting.
403-4	Worker participation, consultation, and communication on occupational health and safety	Purolator acknowledges its responsibility to protect employees from occupational injury and illness, and this responsibility will take precedence over operating objectives. We commit to consulting with workers and encouraging their participation in the initiatives of the H&S Policy Committee and respective Workplace Health and Safety Committees. By involving workers in the development of our health and safety policies and procedures, we can work together to create a workplace that is physically and psychologically safe.
403-5	Worker training on occupational health and safety	Purolator has several policies and procedures related to worker training. These include vehicle safety, personal protective equipment, motor vehicle backing procedures, the Personal Safety Intervention Program and many more. 2020 Sustainability Report, Occupational health and safety, pages 22-24



Disclosure number	Disclosure title	Response, link or additional information
GRI 403: Occupational Health and Safety 2018		
403-6	Promotion of worker health	Purolator has a Healthy Workplace Policy and is committed to developing and maintaining a healthy workplace, which includes the physical, psychological and social environment in addition to personal health practices. A healthy workplace requires company-wide participation, and it is a responsibility shared between employees and employer. At Purolator, all employees are encouraged to exercise control of their own health and to participate in programs and initiatives available to them. 2020 Sustainability Report, Occupational health and safety, pages 22–24
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	Purolator has a Health and Safety Action Management Procedure. The objective of this procedure is to detail the process for managing H&S Actions, including findings and actions resulting from any Purolator H&S non-conformance, non-compliance or Opportunity for Improvement (OFI). 2020 Sustainability Report, Occupational health and safety, pages 22–24
403-8	Workers covered by an occupational health and safety management system	100 per cent of our employees and contractors are covered under the occupational health and safety (OH&S) management system. Purolator's OH&S management system is internally and externally audited. Purolator has a procedure to outline the process to be used for any external OH&S audits, including any third-party audits. The scope of this procedure applies to any external H&S audit that Purolator arranges to have conducted. The scope will also require the external methodology used by any external auditor to be consistent with ISO 19011– Guidelines for Auditing Management Systems.
403-9	Work-related injuries	Lost-time injury frequency rate (LTIFR) is calculated as: the number of lost-time illnesses and injuries * 200,000 hours/the total number of hours worked by employees. LTIFR measures how many lost-time incidents have occurred year to date, measured as a frequency. This includes lost-time injuries. Contractor data and fatalities are excluded from this metric because they are currently unavailable. We will be reviewing disclosure requirements to address this on a yearly basis as we work with our internal stakeholders to capture and track this data. Motor vehicle collision frequency rate is based on the number of collisions per 100,000 kilometres driven. 2020 Sustainability Report, Occupational health and safety, pages 22–24 2020 Sustainability Report, ESG performance, page 48
GRI 404: Training and Education 2016		
103	Management approach	Purolator is committed to the growth and development of all employees through investment in internal and external development activities that align with individual and organizational objectives. In line with our Diversity & Inclusion Principles, we are committed to providing fair access to training opportunities for all eligible employees. We support a continuous learning culture and encourage employees to commit to their self-development and continuous improvement. Specific requirements for internal and external training are identified within the respective sections of our Training and Development Policy, which is listed on our internal website and is available to employees. 2020 Sustainability Report, Employee experience, pages 20–21
404-1	Average hours of training per year per employee	15 hours per employee. This information is currently unavailable by employee gender or level.
404-2	Programs for upgrading employee skills and transition assistance programs	Across the country, we have 16 learning and development centres of excellence and hundreds of e-learning kiosks for timely and consistent training of our front-line employees. Other high-profile programs include Lean Six Sigma continuous improvement training, a mentorship program and a leadership development program. 2020 Sustainability Report, Employee experience, pages 20–21
404-3	Percentage of employees receiving regular performance and career development reviews	100 per cent of our employees receive a mid-year and annual performance and career development review.



Disclosure number	Disclosure title	Response, link or additional information
GRI 405: Diversity and Equal Opportunity 2016		
103	Management approach	Purolator is committed to employment equity along with diversity and inclusion. This means pursuing employment equity compliance requirements and making every effort to move beyond reasonable progress by recognizing and addressing barriers experienced by a variety of groups including, but not limited to, members of designated groups such as women, Indigenous peoples, persons with disabilities, visible minorities, the LGBTQ2S community and newcomers to Canada. As part of this commitment, Purolator complies with required initiatives governed by the <i>Canadian Employment Equity Act</i> . Purolator also has an Employment Equity and Diversity Policy that is provided to our employees. 2020 Sustainability Report, Diversity, equity and inclusion, pages 27-29
405-1	Diversity of governance bodies and employees	2020 Sustainability Report, ESG performance, page 47
GRI 407: Freedom of Association and Collective Bargaining 2016		
103	Management approach	Purolator bargains in good faith with our Union partners. We communicate regularly with our employees in joint national committee and field meetings. The number of employees covered by collective agreements is reported in Canada Post Corporation's Annual Report. Our three bargaining agents are Teamsters, Public Service Alliance of Canada and Unifor. Teamsters represents employees in operations as well as certain clerical and administrative employees. Public Service Alliance of Canada represents clerical and administrative employees in the province of British Columbia. Unifor represents clerical and administrative employees in the province of Quebec. Purolator has several HR policies applicable to our unionized employees. These include policies related to leaves of absence, short- and long-term disability, retirement, and savings and benefits. 2020 Canada Post Annual Report , Labour relations, Purolator segment, page 18
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	We are not currently aware of any operations or suppliers in which the right to freedom of association and collective bargaining may be deemed a significant risk. This data is not currently available.
GRI 418: Customer Privacy 2016		
103	Management approach	Our privacy program includes regular reviews of our policies, procedures, employee training, data management and privacy risk mitigation practices. 2020 Sustainability Report, Ethics and integrity, pages 11-12
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information regarding customer privacy breaches is currently unavailable. We will be reviewing disclosure requirements to address this on a yearly basis as we work with our internal stakeholders to capture and track this data.





Corporate Profile

Purolator is a leading integrated freight, package and logistics solutions provider.

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