C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Gibson Energy Inc. (Gibson) is a Canadian-based oil infrastructure company with our principal businesses consisting of the storage, optimization, processing and gathering of crude oil and refined products. Headquartered in Calgary, Alberta, Gibson’s operations are focused around our core terminal assets located at Hardisty and Edmonton, Alberta, and include the Moose Jaw Facility in Saskatchewan (Moose Jaw Facility) as well as an infrastructure position in the United States.

We provide best-in-class connectivity between energy producers and the markets we serve through our infrastructure and marketing segments. Our infrastructure network includes strategically located oil terminals, a crude oil processing facility, crude oil gathering pipelines and other terminals. We have best-in-class connectivity with a focus on improving market access for our customers.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Reporting year</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1 2019</td>
<td>December 31 2019</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Canada

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

CAD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain
Midstream
Other divisions
Please select
(C.1.1a) Is there board-level oversight of climate-related issues within your organization?
Yes

(C.1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board-level committee</td>
<td>In 2019, the Environment, Social, Governance/Health and Safety Committee (ESG/H&amp;S Committee) of the Board of Directors (the Board) had responsibility for climate-related issues, which included reviewing the status and effectiveness of environmental, social, governance (ESG) and health and safety performance, including ensuring compliance with internal policies and goals as well as external laws and regulations; monitoring performance, including agreed upon climate-related metrics and indicators; reviewing high-risk activities and events that have led, or could have led, to major and catastrophic issues or incidents; including any related issues and action plans put in place to prevent recurrence; approving the annual ESG and health and safety goals and plans; and ensuring there are measurable and actionable systems and processes in place by which to hold management accountable in relation to ESG and health and safety performance. In 2020, the ESG/H&amp;S Committee was separated into two new committees: the Sustainability and ESG Committee and the Health and Safety (H&amp;S) Committee, with each committee having a distinct set of roles and responsibilities. The Board recognized the vital importance of ESG and climate-related issues and established the Sustainability and ESG Committee to ensure that a single committee of the Board was focused on ESG and climate-related matters. The H&amp;S Committee will provide oversight on safety and employee health matters including Gibson's pandemic response. The Sustainability and ESG Committee provides oversight and support for Gibson's sustainability and ESG programs, reporting into the Board to assist it in fulfilling its mandate on such topics. The Sustainability and ESG Committee is responsible for reviewing programs, metrics, goals and initiatives and emerging ESG risks and opportunities that could impact business performance and reputation. The risks and opportunities the Sustainability and ESG Committee must evaluate can include matters related to climate change, energy transition, air emissions/greenhouse gas (GHG) emissions/carbon reducing technologies, carbon pricing, social impacts such as human rights, diversity and inclusion, and stakeholder relations and significant legislative and regulatory changes including policy proposals and modifications.</td>
</tr>
</tbody>
</table>

(C.1.1b) Provide further details on the board’s oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Scope of board-level oversight</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – some meetings</td>
<td>Reviewing and guiding strategy</td>
<td>&lt;Not Applicable&gt;</td>
<td>Environmental, including climate-related issues, were scheduled agenda items at most ESG/H&amp;S Committee meetings in 2019, which are typically held quarterly or more frequently, as necessary. The agenda on climate-related issues includes a review of strategy, function-specific plans, budgets and business plans, risk management policies, objectives, relevant capital expenditures, acquisitions and divestitures, as well as performance monitoring and disclosure. These agenda items were formalized to enable the ESG/H&amp;S Committee to provide climate-related oversight aligned with the ESG/H&amp;S Committee charter. In 2019, the ESG/H&amp;S Committee made several important climate-related decisions. First, the ESG/H&amp;S Committee updated its charter in alignment with the Task Force on Climate-Related Financial Disclosure (TCFD) and expanded the Director Skills Metric to include environment, health and safety, sustainability and climate-related competency requirements. Early in 2020, the Board added a new director, who was a member of the ESG/H&amp;S Committee, with strong ESG competencies, particularly with respect to climate-related issues and experience leading an ESG global advisory firm. As well, the ESG/H&amp;S Committee, in conjunction with the Corporate Governance, Compensation and Nomination (CGCN) Committee, reviewed and approved an update to the employee Short Term Incentive Program (STIP) to tie a substantial portion of employees’ STIP to ESG factors, including additional environmental and climate-related performance objectives. The ESG/H&amp;S Committee also reviewed and approved, upon recommendation of management (i) updates to the Code of Conduct and Ethics (Code) which came into effect in July 2019 to ensure employees are conducting themselves in an environmentally responsible manner and seeking to minimize the environmental and carbon-related impacts of Gibson’s business, and (ii) Gibson’s first Sustainability Report published in May 2020, which includes climate-related performance disclosure. In 2020, the ESG/H&amp;S Committee was separated into two new committees: the Sustainability and ESG Committee and the H&amp;S Committee, with each committee having a distinct set of roles and responsibilities. The chair of the Sustainability and ESG Committee has strong ESG competencies, particularly with respect to climate-related issues and experience leading an ESG global advisory firm. The Sustainability and ESG Committee will continue to develop its climate-related knowledge and competencies through the review of climate-related articles and publications, participation in ESG conferences and our company-wide sustainability training course and conducting board meetings with expert guest speakers presenting on topics such as climate risk management, climate-related regulations and carbon tax. Climate-related issues will continue to be scheduled agenda items at some meetings of the Board and the Sustainability and ESG Committee.</td>
</tr>
<tr>
<td>Reviewing and guiding major plans of action</td>
<td>Reviewing and guiding risk management policies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewing and guiding annual budgets</td>
<td>Reviewing and guiding business plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setting objectives and performance objectives</td>
<td>Monitoring implementation and performance of objectives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overseeing major capital expenditures, acquisitions and divestitures</td>
<td>Monitoring and overseeing progress against goals and targets for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Addressing climate-related issues</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C.1.2
## C1.2 Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Reporting line</th>
<th>Responsibility</th>
<th>Coverage of responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>More frequently than quarterly</td>
</tr>
<tr>
<td>Other C-Suite Officer, please specify (Chief Administration Officer)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>More frequently than quarterly</td>
</tr>
<tr>
<td>Other C-Suite Officer, please specify (Senior Vice President of Operations and Engineering)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other C-Suite Officer, please specify (Sustainability Committee)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>As important matters arise</td>
</tr>
<tr>
<td>Sustainability Committee</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Environment/Sustainability manager</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Other committee, please specify (Climate Change and Emissions Working Group)</td>
<td>&lt;Not Applicable&gt;</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>&lt;Not Applicable&gt;</td>
<td>Not reported to the board</td>
</tr>
</tbody>
</table>

### C1.2a

**C1.2a Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Gibson’s President and Chief Executive Officer (CEO) is responsible for overseeing environmental, including climate-related matters. These responsibilities include assessing and managing progress on short- and long-term goals and targets; selecting resources and budgets; and overseeing climate-related disclosures on governance, risks and opportunities, strategy, management and performance through our Sustainability Report, CDP submission, Management Information Circular, Annual Report and corporate website. As potential environmental and climate-related impacts on our business are complex and uncertain, we believe it is important to assign climate-related responsibilities to the CEO to ensure risks and opportunities are effectively managed. The CEO discussed environmental, including climate-related matters at each ESG/H&S Committee meeting and at quarterly Board meetings and will regularly report to the new Sustainability and ESG Committee.

Our Senior Vice President (SVP) and Chief Administration Officer (CAO) is the lead on ESG and climate-related matters and has responsibility for collaborating on efforts to minimize Gibson’s GHG and energy impacts and climate-related risks, supporting responses to investor requests on climate-related topics and developing climate-related disclosures. Specifically, the SVP & CAO is responsible for overseeing the governance of climate-related matters; overseeing the development of climate-related strategies including initiatives and potential targets in collaboration with our SVP of Operations and Engineering (SVP O&E); supporting Gibson with a climate-related risk and opportunity assessment alongside the SVP O&E; supporting any resource deployment needed to implement our climate strategy; overseeing the internal multi-functional Sustainability Committee and Sustainability Core Team; supporting the deployment of Gibson’s climate strategy; engagement on climate-related topics including with government and investors; and reporting on climate-related performance. The SVP & CAO reports to the CEO on these matters and to the new Sustainability and ESG Committee, including at Board meetings with scheduled climate-related agenda items.

Our SVP O&E is the lead for commissioning emissions, energy and efficiency studies and projects. The SVP O&E is accountable for our environmental expertise as the leader of our Environment, Health and Safety (EH&S) team. Specifically, the SVP O&E is responsible for overseeing the integration of climate-related matters within our Operations Management System, including climate risks in our risk register, ensuring emission and energy reduction projects are prioritized and receive appropriate resources as well as working with our SVP & CAO on defining and executing our climate strategy. Additionally, the SVP O&E leads our Climate Change and Emissions Working Group (CCEWG) which is focused on reviewing current and possible climate-related policy opportunities and risks. The CCEWG seeks to provide informed guidance to Gibson on climate change and emission matters. The SVP O&E works closely with the SVP & CAO and reports to the CEO on all these matters.

Our C-Suite Sustainability Committee is comprised of Gibson’s executive team. They are responsible for reviewing emerging risks and opportunities associated with sustainability and ESG issues relative to Gibson’s sector and business.

Our Sustainability Core Team, led by our Stakeholder Relations Manager who also acts as the Sustainability Manager, is responsible for government relations on climate policy, supporting the implementation of our climate strategy and working collaboratively to ensure relevant climate-related risks and opportunities are discussed at Gibson’s executive team meetings, enterprise risk management (ERM) discussions and ESG/H&S Committee meetings and as well as the new Sustainability and ESG Committee meetings. The Sustainability Core Team reports directly on a bi-weekly basis to the SVP & CAO and participates in quarterly Board meetings as well as additional status update meetings. Climate-related responsibilities are assigned to the Sustainability Core Team and include facilitating multi-functional integration by providing advice on standards and leading practices and ensuring climate-related performance monitoring and reporting is conducted regularly.

Our internal multi-functional Sustainability Committee includes leads from across Gibson’s main business and support functions. Through cross-functional collaboration, the leads that make up the Committee are responsible for ensuring environmental as well as climate-related risks and opportunities, targets and initiatives are identified and being adequately addressed within the business functions. The leads are responsible for mobilizing and empowering employees on our climate initiatives. The internal Sustainability Committee reports to the SVP & CAO and Sustainability Core Team on their progress and performance on a bi-monthly basis.

---

**C1.3**
(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

<table>
<thead>
<tr>
<th>Resident</th>
<th>Provide incentives for the management of climate-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>The employee compensation program is comprised of base pay and variable pay, which includes the STIP and the Long Term Incentive Program (LTIP). The pay mix of variable STIP and LTIP varies by level and function of the organization. Incentives for managing climate-related issues are tied to both executive and non-executive employee compensation through STIP. A meaningful portion of employee compensation is achieved through variable pay components such as our STIP, where employees are compensated based on their ability to attain defined corporate objectives. In 2020, we made changes to our STIP weighting to include ESG and climate-related performance objectives. 30% of STIP weighting is tied to ESG metrics and 70% of STIP weighting is tied to financial performance metrics. Two climate-related performance objectives are included in the 30% ESG weighting of the total STIP which aims to grow the awareness, maturity and effectiveness of our organization on ESG matters.</td>
<td></td>
</tr>
</tbody>
</table>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

<table>
<thead>
<tr>
<th>Entitled to incentive</th>
<th>Type of incentive</th>
<th>Activity incentivized</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>All employees</td>
<td>Monetary reward</td>
<td>Emissions reduction project</td>
<td>Environmental, including climate-related performance objectives are included within a 30% weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on ESG matters, potentially optimize our energy use to help reduce our overall carbon footprint and ensure we remain a low emitter among peers. This includes performance objectives related to deploying two company-wide energy and efficiency engineering studies as well as emission reduction and optimization engineering studies. We also include target completion rates for our sustainability training course as part of our total STIP. The training is delivered to all Gibson's employees, the executive team and the Board and includes climate-related topics. The course is intended to increase our employees' awareness of the importance of sustainability and climate-related topics to our business, explain how all employees can engage in our sustainability journey and drive change in our employees' behaviour.</td>
</tr>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>Please select</td>
<td>Emissions reduction project</td>
<td>Approximately 20% of our CEO's compensation is achieved through STIP. Environmental, including climate-related performance objectives are included within a 30% weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on ESG matters, potentially optimize our energy use to help reduce our overall carbon footprint and ensure we remain a relatively low emitter among peers. This includes performance objectives related to deploying two company-wide energy and efficiency engineering studies as well as emission reduction and optimization engineering studies. We also include target completion rates for our sustainability training course as part of our total STIP. The training is delivered to all Gibson's employees, the executive team as well as the Board and includes climate-related topics. The course is intended to increase our employees' awareness of the importance of sustainability and climate-related topics to our business as well as explain how all employees can engage in our sustainability journey while driving change in our employees' behaviour.</td>
</tr>
<tr>
<td>Corporate executive team</td>
<td>Monetary reward</td>
<td>Emissions reduction project</td>
<td>Approximately 20% of the compensation of our executive team, including the SVP and Chief Financial Officer (CFO), CAO, SVP Operations and Engineering and SVP Supply and Marketing, is achieved through STIP. Environmental, including climate-related performance objectives are included within a 30% weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on ESG matters, potentially optimize our energy use to help reduce our overall carbon footprint and ensure we remain a relatively low emitter among peers. This includes performance objectives related to deploying two company-wide energy and efficiency engineering studies as well as emission reduction and optimization engineering studies. We also include target completion rates for our sustainability training course as part of our total STIP. The training is delivered to all Gibson's employees, the executive team as well as the Board and includes climate-related topics. The course is intended to increase our employees' awareness of the importance of sustainability and climate-related topics to our business as well as explain how all employees can engage in our sustainability journey while driving change in our employees' behaviour.</td>
</tr>
</tbody>
</table>

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

<table>
<thead>
<tr>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Medium-term</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Long-term</td>
<td>5</td>
<td>20</td>
</tr>
</tbody>
</table>

C2.1b
(C2.1b) How does your organization define substantive financial or strategic impact on your business?

There are a number of factors that Gibson considers when defining a substantive financial or strategic impact on its business. We recognize that Gibson's business can be impacted by many different events and as such, when measuring the impact of a risk, we consider both qualitative and quantitative impacts. These impacts include, but are not limited to, impacts on demand for our products and services, revenue, reputation, access to capital and operating costs. Generally, on a quantitative basis, we classify a risk as capable of having a substantive financial or strategic impact on our business if that risk can reasonably be expected, in the short- or medium-term, to have a significant effect on our share price, and correspondingly, our market capitalization, by equal to or greater than 10%.

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
- Direct operations
- Upstream
- Downstream

Risk management process
- Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
- Annually

Time horizon(s) covered
- Short-term
- Medium-term
- Long-term

Description of process
Process to determine substantive financial or strategic risks/opportunities: The process to identify, assess and respond to climate-related risks and opportunities is integrated within our ERM process, which takes place annually with an additional review occurring biannually. Our ERM process covers short-, medium- and long-term risks related to our direct operations as well as our upstream and downstream value chain. We assess each facility's operational risks as part of our ERM process. The overall goal is to qualitatively assess threats that could impact the environmental or financial aspects of our operations such as through loss of containment. These threats include climate-related risks for flooding, wind and process safety. The significant risks from Gibson’s Operations and Engineering division were aggregated into the corporate ERM program to ensure there is governance on these risks. Our executive team revisits historical risks and identifies and defines any new/emerging risks affecting the business, including climate-related risks. The Audit Committee Chair and CEO conduct a review of the identified risks. Each identified risk is provided a risk rating based on the likelihood and impact of the risk. Significant risks that have the potential to have a substantive financial or strategic impact on our business are identified and, to the extent possible, mitigation plans are put in place. We assign executive risk owners who are responsible for the mitigation plans and provide status updates on the plans biannually.

Case Study of Transition Risks/Opportunities: As part of our risk process, we identified climate-related legislative and regulatory risks that have the potential to impact our business. Specifically, it included the Canadian Federal Greenhouse Gas Pollution Pricing Act (Federal Backstop), Alberta's Technology Innovation and Emission Reduction (TIER) Regulation and the Saskatchewan Management and Reduction of Greenhouse Gases (Reporting and General) Regulations (MRGGR). Through the risk assessment process, these climate-related legislations, as currently defined, were not determined to have a substantive impact on Gibson’s business as none of our facilities are considered large emitters under the provincial legislation. To mitigate the potential medium-term risks associated with the Federal Backstop, we opted to voluntarily submit to TIER and are regulated by MRGGR legislation. Case Study of Physical Risks/Opportunities: For every significant project we execute at Gibson, we conduct a Hazard and Operability Study (HAZOP) which is used to identify, list and rank any potential hazards. Once we have identified all of the potential hazards, we rank the hazards using our Gibson Risk Register/Risk Matrix, to identify if the hazard is properly mitigated, or if we need to apply further safeguards to mitigate the risk to an acceptable level. During this exercise, we routinely evaluate the potential climate-related physical risks that could occur as well as the likelihood of those events happening (1 in 10 years, 1 in 100 years, etc.). An example of a risk that would take climate change into consideration is in the sizing of tank berms and stormwater ponds. We size these based on the volume of storage tankage, in addition to considering a 1 in 100-year weather event such as extreme rainfall. Due to climate change, the likelihood of an extreme weather event may be increasing in some areas that are now experiencing increased annual levels of rainfall. This is accounted for in the design and calculations and added to the sizing of the ponds/berms to limit any potential release of containment.

(C2.2a)
(C2.2a) Which risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Risk type &amp; Primary climate-related risk driver</th>
<th>Relevance &amp; inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
<td>Current climate-related legislation is relevant and always included in our risk assessment given the risk of increased operating costs for our business, decreased customer demand and adverse reputational impacts. Examples of current climate-related legislation that could directly or indirectly impact our business include the Federal Backstop, TIER and MRGGR. While none of our facilities are considered large emitters under the provincial legislation, the lack of eligibility under the provincial climate-related legislation could expose Gibson to the carbon tax pursuant to the Federal Backstop, which could, in turn, increase operating business expenses. To mitigate the potential medium-term risks associated with the Federal Backstop, we opted to voluntarily submit to TIER and are regulated by MRGGR legislation.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Relevant, always included</td>
<td>Emerging climate-related regulations are relevant and always included in our risk assessment process given the potential risk of increased operating costs for our business, decreased customer demand and adverse reputational impacts. For example, we considered that a number of states in the United States have formed regional partnerships to regulate emissions of GHGs such as the Transportation and Climate Initiative (TCI) enacted on December 17, 2010, which involves thirteen jurisdictions in the Northwest and Mid-Atlantic United States. In general, climate change legislation imposes, among other things, costs, restrictions, liabilities and obligations in connection with the handling, use, storage and transportation of crude oil and petroleum products. The complexities of emerging climate-related regulations make it difficult to predict the potential future impact to our business. However, compliance with climate change legislation requires significant expenditures, and it is likely that such legislation could impact the nature of oil and gas operations, including those of our customers. In addition, changes to such legislation or future legislation may apply to more facilities over time and result in further regulatory requirements that could affect our business.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>Technology is relevant and always included in our risk assessment process given the potential risk of increased operating costs for our business and decreased customer demand due to changes in technology. For example, we have considered the increase in fuel efficiency and economy due to technological advances by manufacturers towards more fuel-efficient vehicles as well as the production and longevity of fuel cells, solar, electric and battery-powered engines. We also consider technology advances, like higher efficiency furnaces, that could potentially help increase the effectiveness of our processes and heat exchangers to capture and use the waste heat in our operations. These types of technological advances could expose us to a potential decrease in demand for crude oil and petroleum products, which could, in turn, impact revenues.</td>
</tr>
<tr>
<td>Legal</td>
<td>Relevant, always included</td>
<td>Legal actions from climate-related events are relevant and always included in our risk assessment process, given the potential risks on our business from claims. For example, we considered potential litigation that could be targeted against Gibson and the oil and gas industry generally by third parties relating to climate change or other environmental regulations, and the potential risks on operating costs for our business as well as adverse reputational impacts.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
<td>Market demand for crude oil and petroleum products from climate change risk, among other things, is relevant and always included in our risk assessment process. For example, we consider how climate change mitigation and adaptation policies and subsidies could decrease the demand by customers for crude oil and petroleum products and adversely affect the energy industry generally, which could, in turn, have an adverse effect on Gibson’s operations, margins, profitability and results.</td>
</tr>
<tr>
<td>Repuation</td>
<td>Relevant, always included</td>
<td>We rely on our reputation to build and maintain positive relationships with our stakeholders, to recruit and retain staff and to be a credible, trusted company. Reputation is therefore relevant and always included in our risk assessment; as failure to manage our reputation could result in revenue loss, reduction in our customer base and diminution of share price. For example, we considered the risk of deterioration in our ability to meet the increasing climate-related reporting and emission reduction expectations from our key stakeholders, including customers, investors, government bodies, suppliers and communities. Failure to manage our reputation could result in revenue loss, reduction in our customer base and diminution of share price.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, always included</td>
<td>Acute physical risks are relevant and always included in our risk assessment, given the potential for such risks to disrupt our operations, damage infrastructure and assets, and adversely impact operations, financial position, liquidity and reputation. For example, we considered extreme weather events such as flooding and the impacts at our Moose Jaw Facility, which is located in a 500-year flood plain. Extreme climate-related events could result in mechanical malfunctions, faulty measurements or other errors that could increase operating expenses and reduce revenues.</td>
</tr>
<tr>
<td>Chronic physical</td>
<td>Relevant, always included</td>
<td>Chronic physical risks including longer-term changes in temperature and precipitation are relevant and always included in our risk assessment, given the potential for such risks to damage infrastructure and assets, adversely impact on our operations, financial position, liquidity and reputation. For example, we consider the possible impacts of thawing and freezing on our pipeline infrastructure, which could result in a pipeline leak causing environmental damage and reputational impacts.</td>
</tr>
</tbody>
</table>

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Risk type &amp; Primary climate-related risk driver</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk 1</td>
<td>Direct operations</td>
<td></td>
</tr>
<tr>
<td>Reputation</td>
<td>Increased stakeholder concern or negative stakeholder feedback</td>
<td></td>
</tr>
</tbody>
</table>

Primary potential financial impact

Other, please specify (Negative impact to market capitalization)

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

There is a risk of an overall reduction in investor interest in our business that could occur as a result of our inability to meet the increasing climate and sustainability-related expectations of our key stakeholders. Continued stigmatization of the oil and gas industry could impact investors perception of the industry making an investment in our company less palatable. With the number of investors who are integrating sustainability into their investing strategy growing, climate change is becoming increasingly central to major investment decisions. This may lead to an increase in the cost of capital, which in turn could make our future projects more expensive.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
25000000

Potential financial impact figure – maximum (currency)
100000000

Explanation of financial impact figure
A one-time potential medium to high financial impact is estimated at the top end of $100 million and the low end at $25 million to Gibson's market capitalization. We have made a best estimate of this impact after comparing against our peers and our respective carbon intensities. We believe the potential financial impact could be in this range should we fail to meet the expectations of our key stakeholders. As a crude oil storage and infrastructure company, our business is generally less emission intensive than midstream businesses involved in natural gas handling and processing as well as other sectors of the energy industry. Additionally, we apply best-in-class technology to all our new tanks which have an external or internal floating roof configuration with a dual liner which reduces our working venting losses by over 98%

Cost of response to risk
800000

Description of response and explanation of cost calculation
To mitigate this risk, we made changes to our ESG and sustainability strategy, which is overseen by our Sustainability and ESG Committee as well as our CEO. The strategy is supported by our CFO, CAO and the Investor Relations team. To date, we have taken some strong actions including: •Establishing the Sustainability and ESG Committee to ensure that a single committee of the Board was intently focused on ESG and climate-related matters. •Adding a new director with strong ESG competencies, particularly with respect to climate-related issues and experience leading an ESG global advisory firm, who chairs the new Sustainability and ESG Committee. •Exploring opportunities to analyze new technologies or improved equipment to reduce the GHG intensity of our operations. •Identifying opportunities to further integrate ESG and climate-objectives into our capital allocation and investment analyses. •Engaging with stakeholders to understand their climate-related expectations and continuing to review their expectations as part of our broader strategy. •Expanding our STIP metrics to include additional ESG and sustainability factors with 30% of Gibson's STIP weighting tied to ESG performance. •Communicating a strong profile of Gibson and our ESG values. •Updating the Board charter to align with the TCFD and expanding the Director Skills Matrix to include EH&S, sustainability and climate-related competency requirements. •Approving updates to the Code to include climate-related expectations. •Issuing Gibson's first Sustainability Report, which includes our climate-related performance. As a crude oil storage and infrastructure company, our business is generally less emission intensive than midstream businesses involved in natural gas handling and processing as well as other sectors of the energy industry. We see opportunities across our business, especially at our Moose Jaw Facility, to optimize our energy and emissions and reduce our emissions profile further. We will continue to pursue energy and emissions optimization projects where the upfront scoping engineering costs can range from $100,000 to $750,000 depending on the project and is not included in our cost of managing this risk. The cost of managing this risk is estimated at approximately $800,000 annually which includes committing sufficient resources internally to ESG and sustainability initiatives, leveraging external consultants to support us on our climate strategy, disclosures and ESG investor engagement.

Comment
Although Gibson uses the above noted criteria to measure substantive financial or strategic impact on a quantitative basis, the potential financial impacts and costs set out herein are estimates based on management's assumptions and reasonable expectations and, by their nature, are "forward looking information". No assurances can be given that any of these estimates will prove to be correct and therefore, should not be unduly relied upon, are subject to change and the impact of events, in addition to environmental, including climate-related, matters, outside of Gibson's control and other risks associated with Gibson's business and operations. Any such changes may be material. Gibson disclaims any obligation to update or revise these estimates whether as a result of new information or future events. For more information on these estimates, assumptions, expectations and risks inherent in Gibson's business, please see the information set out under the heading "Further Information" below, which expressly qualifies the preceding information in its entirety.

Primary potential financial impact
Other, please specify (Decreased in estimated average earnings before interest and taxes (EBIT) if the facility was out of service)

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Extreme weather events such as droughts and flooding have the potential to disrupt our operations, damage infrastructure and assets, reduce production capacity and adversely impact operations, financial position or liquidity. For example, our Moose Jaw Facility, is at risk as it is located within the province of Saskatchewan which faces future climate change due to rising greenhouse gases which will likely increase the frequency intensity and extent of droughts and severe storms. Our Moose Jaw Facility also has several inbound and outbound pipelines crossing the river that could be at risk from these future potential climate change impacts. Extreme drought or rainfall events in the Moose Jaw area could result in mechanical malfunctions in one of the inbound or outbound pipelines at our Moose Jaw Facility due to increased soil erosion and earth movement. If this occurs, it could potentially cause pipeline deformation and/or compromise the integrity of the pipeline, leading to an increase in repair costs and operating expenses, a decrease in revenues as well as reputational damage.

Time horizon
Medium-term

Likelihood
About as likely as not

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
**Explanation of financial impact figure**

A one-time potential financial impact is calculated as the estimated average earnings before interest and taxes (EBIT) lost from the Moose Jaw Facility if the facility were out of service. At the low-end, we have estimated the loss of EBIT for one month based on average 2019 figures of approximately $3 million and at the high end it is the cost for 5 months which is approximately $15 million. The potential financial impact does not include any insurance benefits, environmental monitoring and assurance or regulatory costs that we could incur should this type of event transpire.

**Cost of response to risk**

10000000

**Description of response and explanation of cost calculation**

To mitigate this risk, we have strengthened our emergency response plan to address extreme weather-related events. Through our control centre, we track the flow rates for our pipelines and can shut down pumps if any indication of an issue arises. We have provided appropriate training to our people on our emergency response plan and have implemented a supporting emergency management system which we run simulations on. On our pipelines, we use smart tools such as pipeline inspection gauges (pigs), to help inspect and ensure the integrity of the pipeline. We also conduct engineering and environmental studies on areas potentially at risk for extreme weather-related impacts. An example of our risk analysis on climate-related events is the geohazard threat on the Stony Beach Pipeline across the Moose Jaw River. The east slope of the river was not stable and moving with potential to cause a land slide and a potential release into the river. After review of the slope stability, we sanctioned a new Horizontal Directional Drill (HDD) under the affected slope, under the river and back out the west side. The design of this drill put the pipe deep enough and moved it below the unstable slope zone, deep into the bedrock under the river and out the west side eliminating a landslide risk. The one-time cost of managing this risk is approximately $10 million which was allocated to managing and enhancing our emergency response plan, managing our emergency management system, control room upgrades and all capital costs associated with replacing the existing pipeline to avoid a potential slope collapse. We have captured this range by including the highest potential cost of management for this risk.

**Comment**

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

<table>
<thead>
<tr>
<th>Emerging regulation</th>
<th>Carbon pricing mechanisms</th>
</tr>
</thead>
</table>

**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

GHG regulations related to carbon pricing could become increasingly stringent exposing our business to increased operating costs should a new Alberta provincial government be elected. With new Alberta provincial elections scheduled to take place at least every four years, legislative changes around carbon pricing mechanisms could be possible. For instance, in 2019, the newly elected Alberta UCP government made several legislative changes including repealing the Climate Leadership Regulation (CLR), thereby eliminating Alberta’s carbon tax and replacing the Carbon Competitiveness Incentive Regulation (CCIR) with the Technology Innovation and Emission Reduction (TIER) Regulation. A new legislation change or a repeal of the existing TIER program could expose us to incremental costs related to the Federal Backstop or other compliance matters. Failure to prepare for such emerging regulation could result in increased operating costs for our current assets and future growth projects. For this reason, we consider emerging regulation as part of our internal risk assessments.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

950000

**Potential financial impact figure – maximum (currency)**

5000000
At the high end, we could be exposed to an annual incremental compliance cost of $5 million on our current operations and potential growth projects in Alberta and at the low end $95,000 in annual incremental compliance costs if a new legislation change or a repeal of TIER were to take place and expose us to the Federal Backstop. For this potential financial impact figure, we have assumed the price of carbon will increase by $10/tonne every year until reaching $100/tonne. We are considering the cost of $100/tonne as a worst-case scenario for this potential risk related to our current asset profile in Alberta. However, we internally apply an evolving carbon price of $30-$50 for Canadian projects under consideration.

**Cost of response to risk**
52000

**Description of response and explanation of cost calculation**
In response to this risk, we continue to monitor and evaluate potential regulations related to GHG reporting, emission thresholds and pricing changes. We also proactively engage with governments to provide input into policy drafts through our Climate Change and Emissions Working Group and our Government Relations and EH&S teams. Additionally, we believe understanding future costs over the long-term is vital in determining project viability. To understand the future impacts of a carbon price on our business decisions and investments, we use an evolving shadow price for projects in Canada, that enables us to apply a higher internal carbon price of $50/tonne for medium to long-term projections and a lower cost of $30/tonne to shorter-time horizon projects. We are also moving forward in identifying opportunities to further integrate ESG and climate-objectives into our capital allocation and investment analyses. Furthermore, we decided to voluntarily opt into TIER to minimize the potential financial impacts of the Federal Backstop, particularly with respect to a carbon tax on the fuels used by our facilities in Alberta. The cost of managing this risk is $52,000 which is the approximate cost to quantify and verify our greenhouse gas emissions at our Alberta facilities which we do voluntarily, an effort that strengthens our resilience in the face of a regulatory change.

**Comment**
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C2.4

Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

**Identifier**
Opp1

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Markets

**Primary climate-related opportunity driver**
Access to new markets

**Primary potential financial impact**
Other, please specify (Positive impact to market capitalization)

**Company-specific description**
Gibson continues to execute on being a leading oil-focused infrastructure business. Gibson's terminal business comprises 70% of our earnings before interest, taxes, depreciation, and amortization (EBITDA) and terminals are not a material emitter with carbon emissions from this segment of the business sitting below 10,000 tCO2e annually. We believe just as there is a risk associated with poor operating practices and poor climate-related performance resulting in an impact to our brand, our record of being a good neighbour in the ways we work to minimize our climate impact provides potential opportunities for Gibson to access new markets of capital focused on conscious development. We can capitalize on these potential opportunities by demonstrating climate awareness associated with our operations to provide a competitive differentiation for our external stakeholders. For example, we are moving forward in identifying opportunities to further integrate ESG and climate-objectives into our capital allocation and investment analyses. At Gibson, we see our commitment to climate and sustainability-related objectives as core to our business, which has provided important organizational focus on emissions quantification and management. As external stakeholders become more aware and involved in the selection of where the energy they use comes from and its carbon intensity, we believe that Gibson can become the preferred choice for investors and provide opportunities potentially not available to peer organizations.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

**Potential financial impact figure (currency)**
<Not Applicable>

**Potential financial impact figure – minimum (currency)**
Potential financial impact figure – maximum (currency)

200000000

Explanation of financial impact figure

A one-time potential medium to high financial impact is estimated at the top end at $200 million and the low end at $50 million to Gibson's market capitalization. We have made a best estimate of this impact after comparison with our peers and our associated carbon intensities. As a crude oil storage and infrastructure company, our business is generally less emission intensive than midstream businesses involved in natural gas handling and processing as well as other sectors of the energy industry. Additionally, we apply best-in-class technology to all our new tanks which have an external or internal floating roof configuration with a dual liner which reduces our working venting losses by over 98%. We believe the potential financial impact could be in this range should we meet the expectations of our key stakeholders. Additionally, we believe this opportunity could be driven by our sustainability and climate-related performance and act as the support required to potentially enter new markets if we demonstrate consistent, positive climate and sustainability-related performance.

Cost to realize opportunity

800000

Strategy to realize opportunity and explanation of cost calculation

In 2019 Gibson made several strategic changes to further embed sustainability and climate objectives into our strategy and operations at all levels of the organization. We formalized Board oversight for climate-related issues through the ESG/H&S Committee. The ESG/H&S Committee in conjunction with the CGCN Committee and the Board made several important climate-related decisions: •Updated its charter in alignment with the TCFD and expanded the Director Skills Matrix to include EH&S, sustainability and climate-related competency requirements •Approved updates to the Code to include climate-related expectations and issued Gibson's first Sustainability Report which includes climate-related performance disclosure •Added a new director who was a member of the ESG/H&S Committee with strong ESG competencies particularly with respect to climate-related issues and experience leading an ESG global advisory firm • In 2020 the ESG/H&S Committee was separated into two new committees: the Sustainability and ESG Committee and the Health and Safety Committee, with each committee having a distinct set of roles and responsibilities. The Board recognized the vital importance of ESG and climate-related issues and established the Sustainability and ESG Committee to ensure a single committee was intentionally focused on ESG and climate-related matters • The chair of the Sustainability and ESG Committee has strong ESG competencies and experience leading an ESG global advisory firm • Our strategy is to continue to embed sustainability and climate-related objectives and invest in projects that could reduce emissions by: • Standing up an internal CCEWG to provide strategic guidance to Gibson on climate change and emissions matters • Amending our STIP to include a 30% weighting for ESG and climate-related performance objectives. Two climate-related performance objectives are included within the 30% ESG weighting and completion rates for our sustainability training course which cover climate-related topics • Quantifying our Canadian operations emission intensity which is very low among our peers. Our Scope 1 and 2 emissions intensity is 0.000027 tCO2e/Canadian revenue The cost of managing this opportunity could be up to $800,000 per year. It includes committing resources internally to ESG and sustainability initiatives and leveraging external consultants to support us on our climate strategy, disclosure and ESG investor engagement. This does not include capital costs of potential investments.

Comment

Although Gibson uses the above noted criteria to measure substantive financial or strategic impact on a quantitative basis, the potential financial impacts and costs set out herein are estimates based on management's assumptions and reasonable expectations and, by their nature, are "forward looking information". No assurances can be given that any of these estimates will prove to be correct and therefore, should not be unduly relied upon, are subject to change and the impact of events, in addition to environmental, including climate-related, matters, outside of Gibson's control and other risks associated with Gibson's business and operations. Any such changes may be material. Gibson disclaims any obligation to update or revise these estimates whether as a result of new information or future events. For more information on these estimates, assumptions, expectations and risks inherent in Gibson's business, please see the information set out under the heading “Further Information” below, which expressly qualifies the preceding information in its entirety.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Other, please specify (Increased revenue resulting from increased production capacity)

Company-specific description

Improvements in energy efficiency across our processes provide an opportunity to grow our capacity, while reducing our emissions intensity. For example, in 2019, efficiency improvements, included upgrades to a thermal heat exchanger at our Moose Jaw Facility. This enabled us to grow production capacity and reduce emission intensity by more than 20%. There are additional opportunities for improvements to Moose Jaw and other facilities which are being investigated to increase our production capacity while reducing emissions including optimization projects to reduce emissions.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

42000000

Potential financial impact figure – maximum (currency)

52000000

Explanation of financial impact figure
Through our Front-End Expansion and NGL Recovery projects we are expecting to be able to increase capacity at the Moose Jaw Facility by 1,500 barrels per day or 7%, while reducing carbon emissions through use of a cleaner burning fuel. Our internal modelling suggests, all things equal, this additional capacity could be translated to an annual increase in revenue for Moose Jaw Facility. An annual increase in Revenue of 7% based on 2019 numbers would be approximately $47 million. The financial figures stated above represent a +/- 10% range.

**Cost to realize opportunity**

14000000

**Strategy to realize opportunity and explanation of cost calculation**

Using our Moose Jaw Facility as a case study, the approximate cost to upgrade additional facility technology to remove bottlenecks and improve efficiency is a one-off cost estimated at approximately $14 million. This upgrade could increase our production at the facility by an estimated 1,500 barrels per day. Further switching to a cleaner burning fuel could not only save money, but also reduces emissions related to the combustion of fuel in our fired heaters by 20% or ~8900 tonnes CO2e per year.

**Comment**

Although Gibson uses the above noted criteria to measure substantive financial or strategic impact on a quantitative basis, the potential financial impacts and costs set out herein are estimates based on management's assumptions and reasonable expectations and, by their nature, are “forward looking information”. No assurances can be given that any of these estimates will prove to be correct and therefore, should not be unduly relied upon, are subject to change and the impact of events, in addition to environmental, including climate-related, matters, outside of Gibson's control and other risks associated with Gibson’s business and operations. Any such changes may be material. Gibson disclaims any obligation to update or revise these estimates whether as a result of new information or future events. For more information on these estimates, assumptions, expectations and risks inherent in Gibson’s business, please see the information set out under the heading “Further Information” below, which expressly qualifies the preceding information in its entirety.

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**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?**

Yes

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative and quantitative

**C3.1b**

**(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.**

<table>
<thead>
<tr>
<th>Climate-related scenarios and models applied</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2DS</strong></td>
<td>We conducted a scenario analysis of carbon price transition risks on our business in relation to the Diluent Recovery Unit (DRU) at the Hardisty Unit Rail Connection (HURC) Facility in Alberta. Specifically, when determining carbon pricing, we took into consideration the Government of Canada’s Nationally Determined Contribution (NDC) under the Paris Agreement and associated target to reduce GHG emissions by 30% by 2030 in alignment with a 2 degree climate scenario (2DS), as well as its long-term net zero by 2050 commitment, which is more aligned to a 1.5 degree climate scenario. The following provides an overview of the inputs, assumptions, timeline and results of our scenario analysis. Inputs, Assumptions and Analytical Method The model inputs included the DRU fuel volume in gigajoule per hour and per year, carbon price cost per gigajoule base cost versus expected increases over the time horizon, alongside other costs such as operator costs, cost of production and other consulting costs. We assumed that carbon price increases by $10 per year until 2022, and then continues to increase by $10 until a carbon price of $100/tonne of carbon is achieved by 2030. Although we apply an internal evolving carbon price of $30-$50 per tonne for potential Canadian projects under consideration, our scenario analysis goes to $100/tonne to reflect the 2DS and 1.5 degree scenarios. Time Horizon We applied a time horizon spanning to 2030. Areas of the Organization Considered We considered the direct aspects of our business related to the DRU at the HURC Facility in Alberta. Description Summary of the Results The results of the scenario analysis provided us with a better understanding of the potential carbon pricing implications on the DRU at the HURC Facility based on the carbon price expectations by the Government of Canada in line with its commitment to meeting the Paris Agreement and its net zero ambitions. It also enabled us to model the impacts from various opportunities that could be utilized in an effort to potentially optimize the DRU and drive down the emission intensity and carbon price costs. Based on the analysis, there could be opportunities to further optimize the DRU at a later stage. How the Results have informed the Business Objectives and Strategy The results of the analysis have informed our strategic approach to further integrate carbon pricing into capital allocation decision-making. It has also helped us to better focus our project design parameters to examine methods in potentially optimizing emissions and energy efficiency at the DRU and provide information upon which to set our baseline and cost optimization targets through fuel recovery and efficiency.</td>
</tr>
</tbody>
</table>

**C3.1d**
(C3.1e) Describe where and how climate-related risks and opportunities have influenced your strategy.

<table>
<thead>
<tr>
<th>Have climate-related risks and opportunities influenced your strategy in this area?</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products and services</td>
<td>Yes</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Yes</td>
</tr>
<tr>
<td>Operations</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

<table>
<thead>
<tr>
<th>Financial planning elements that have been influenced</th>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Revenues in our financial planning process, specific to project development, have been influenced by environmental, including climate-related, opportunities with respect to the increase in demand for renewable fuels. We continue to have discussions with our customers on renewable fuel storage, which could increase our revenues over time should this type of project be sanctioned and mitigate any potential loss of other revenue due to a low carbon transition risk. While important, the magnitude of revenues from any potential renewable storage project is not expected to be substantive. We have estimated it to be less than 1% of our total revenues at this time. The time horizon for financial planning related to revenues is within a 3-year period. Direct costs in our financial planning processes have been influenced by environmental, including climate-related, regulatory risks. We proactively allocate operating costs to projects that will help us mitigate possible risks from both emerging and current environmental, including climate-related, regulatory risks and opportunities. Specifically, in 2019, our direct operating costs included quantifying our Canadian GHG emissions footprint and determining the impacts related to regulatory emission thresholds and carbon pricing changes as it relates to TIER and MRGGR. We also allocate operating costs to carbon management and disclosure programs. In 2019, the magnitude of environmental, including climate-related, risks and opportunities on our financial planning was in the range of $200,000-$500,000. The time horizon for financial planning related to operating costs associated with climate-related risks takes place over a 2-year period.</td>
</tr>
</tbody>
</table>

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target
<table>
<thead>
<tr>
<th>Target reference number</th>
<th>Int 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year target was set</td>
<td>2019</td>
</tr>
<tr>
<td>Target coverage</td>
<td>Site/facility</td>
</tr>
<tr>
<td><strong>Scope(s) (or Scope 3 category)</strong></td>
<td>Scope 1</td>
</tr>
<tr>
<td>Intensity metric</td>
<td>Metric tons CO2e per barrel of oil equivalent (BOE)</td>
</tr>
<tr>
<td><strong>Base year</strong></td>
<td>2018</td>
</tr>
<tr>
<td>Intensity figure in base year (metric tons CO2e per unit of activity)</td>
<td>0.00906</td>
</tr>
<tr>
<td>% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure</td>
<td>55</td>
</tr>
<tr>
<td><strong>Target year</strong></td>
<td>2028</td>
</tr>
<tr>
<td>Targeted reduction from base year (%)</td>
<td>10</td>
</tr>
<tr>
<td>Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]</td>
<td>0.008154</td>
</tr>
<tr>
<td>% change anticipated in absolute Scope 1+2 emissions</td>
<td>1.78</td>
</tr>
<tr>
<td>% change anticipated in absolute Scope 3 emissions</td>
<td>0</td>
</tr>
<tr>
<td>Intensity figure in reporting year (metric tons CO2e per unit of activity)</td>
<td>0.0059</td>
</tr>
<tr>
<td>% of target achieved [auto-calculated]</td>
<td>34.878567196468</td>
</tr>
<tr>
<td><strong>Target status in reporting year</strong></td>
<td>Achieved</td>
</tr>
<tr>
<td>Is this a science-based target?</td>
<td>No, and we do not anticipate setting one in the next 2 years</td>
</tr>
<tr>
<td>Please explain (including target coverage)</td>
<td>Our intensity target is based on the MRGGR, which requires a 10% reduction relative to the historical production weighted average emission intensity. This reduction target is facility-specific, covering Scope 1 emissions of our Moose Jaw Facility. We indicated the base year for this target is 2018, but the base year intensity figure is an average of 2016-2018 as required by the MRGGR. Under the MRGGR, the baseline and intensity target is also subject to change in the future if we introduce any changes Moose Jaw Facility that would have a significant impact on emissions. The percent of total Scope 1 emissions covered by this target is approximately 55%, based on the Scope 1 base year emissions reported in C5.1. We have estimated a 1.78% increase in absolute Scope 1+2 emissions under the assumption that emissions intensity remains the same as in 2019, but with an increase in production at Moose Jaw Facility to 2028.</td>
</tr>
</tbody>
</table>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?  
No other climate-related targets

C-OG4.2c

(C-OG4.2c) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

We do not have a methane-specific emissions reduction target because methane emissions are not material to our activities or asset profile. As our methane emissions are negligible, we have not established a baseline that would enable us to set a target. We forecast that methane emissions will not undergo any significant changes in the next five years based upon our potential and planned growth and sustainment projects.
(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Number of initiatives</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>0</td>
</tr>
<tr>
<td>To be implemented*</td>
<td>0</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>0</td>
</tr>
<tr>
<td>Implemented*</td>
<td>1</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>0</td>
</tr>
</tbody>
</table>

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Initiative category &amp; Initiative type</th>
<th>Estimated annual CO2e savings (metric tonnes CO2e)</th>
<th>Scope(s)</th>
<th>Voluntary/Mandatory</th>
<th>Annual monetary savings (unit currency – as specified in C0.4)</th>
<th>Investment required (unit currency – as specified in C0.4)</th>
<th>Payback period</th>
<th>Estimated lifetime of the initiative</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency in production processes</td>
<td>2341</td>
<td>Scope 1</td>
<td>Mandatory</td>
<td>600000</td>
<td>20000000</td>
<td>1-3 years</td>
<td>16-20 years</td>
<td>In 2019, we invested $20 million in a project at our Moose Jaw Facility that increased production by using thermal heat exchanger technology. This project allowed us to increase production at our Moose Jaw Facility by approximately 30% without increasing GHG emissions intensity. We have estimated the annual carbon savings to be approximately 2,341 tonnes of CO2e based on the reduction in Scope 1 emissions at Moose Jaw from 2018 to 2019. The initiative led to an estimated savings of $600,000 per year based on the increase in production capacity at the facility from 17,000 to 22,000 barrels per day while requiring lower fuel gas input.</td>
</tr>
<tr>
<td>Other, please specify (Emissions reduction)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>We have projects that help us meet our regulatory compliance obligations, including with respect to improving energy efficiency.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>We include completion rates of our sustainability training course that was rolled out in 2020 as part of our STIP, which is delivered to all Gibson's employees, the executive team and the board. The course is a tool intended to increase our employees' awareness of the importance of sustainability and climate-related topics to our business as well as explain how all employees can engage in our sustainability journey while driving change in our employees' behaviour.</td>
</tr>
<tr>
<td>Internal incentives/recognition programs</td>
<td>Early in 2020, the ESG/H&amp;S Committee in conjunction with the CGCN Committee, reviewed and approved an update to the employee STIP to expand the weighting of ESG factors in the STIP to now include additional environmental and climate-related performance objectives, including the completion of energy and efficiency engineering studies and emission reduction and optimization engineering studies.</td>
</tr>
<tr>
<td>Internal price on carbon</td>
<td>To understand the future impacts of a carbon price on our business decisions, including investment in emission reduction activities, we use an evolving shadow price of $30-$50/tonne for projects in Canada. We consider carbon pricing to be a key factor in determining the financial viability of a project and include it in our business case modelling for Canadian projects.</td>
</tr>
</tbody>
</table>

C4.5
(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C-OG4.6

(C-OG4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

Company-specific Explanation of Methane Emission Reductions

As a leading oil-focused infrastructure company, our operations are focused around our core terminal assets located in Hardisty and Edmonton, Alberta where we generate over 70% of our EBITDA from our terminals. Given the nature of our liquids-based midstream handling operations, we do not generate material methane emissions as we do not have oil and gas production activities that we own or operate. However, minimal levels of methane emissions are generated through our Moose Jaw Facility in Saskatchewan where we process heavy crude oil into high quality refined products. Small quantities of methane emissions from our operations can arise from the heat process as well as from equipment leaks such as valves, pumps and flanges. To reduce emissions of methane, we have focused our efforts on improving process heat efficiency as well as conducting proactive preventive maintenance and leak detection and repair (LDAR) programs.

An Example/Case Study of these Methane Emission Reduction Activities

For example, with respect to improving process heat efficiency, in 2019, we invested $20 million in a project at our Moose Jaw Facility that increased production by using thermal heat exchanger technology. This project allowed us to increase production at our Moose Jaw Facility by approximately 30% without increasing GHG emissions intensity. The new heat exchanger captures and transfers energy during the process, improving energy efficiency so that less fuel is required to achieve the same result. The investment reduced GHG emissions intensity per barrel of oil processed by approximately 20-25%, including methane emissions. In addition, on an ongoing basis, we conduct preventive maintenance on all our equipment at Moose Jaw Facility, including valves, pumps and flanges. We also deploy annual LDAR programs at our significant facilities which use organic vapour analyzers to identify hydrocarbon concentrations greater than 500 parts per million via direct measurement of fittings in gas-service, and target maintenance accordingly.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

No, this is not relevant to our operations

C-OG4.7b

(C-OG4.7b) Explain why you do not conduct LDAR or use other methods to find and fix fugitive methane emissions, and whether you have a plan to do so from your oil and gas production activities.

Our business and operations do not include oil and gas production activities; therefore, this question is not relevant. Our businesses consist of the storage, processing, marketing and gathering of crude oil and refined products. Our infrastructure network includes strategically located oil terminals, separation and fractionation facilities, a crude oil processing/refining facility, gathering pipelines and other terminals. Although Gibson does not conduct any oil and gas production activities, we do undertake leak detection and repair and fugitive emission management activities. This includes routine operational inspections where any issues identified are logged into our corrective maintenance program for appropriate mitigation scheduling as well as preventative maintenance scheduling where proactive efforts are employed to address potential issues. As of 2020, fugitive emissions surveys are conducted at all facilities in Alberta as well as our Moose Jaw Facility. The fugitive emission survey consists of direct measurement of fittings and quantifies release rates. Any problematic fittings identified are scheduled via the corrective maintenance program so appropriate mitigation measures can be performed. In conformance with our Operational Management System implementation objectives, it is envisioned that the Fugitive Emission management system will become standardized throughout our Canadian operations where such programs are required.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization’s efforts to reduce flaring, including any flaring reduction targets.

Our business and operations do not include oil and gas production activities; therefore, this question is not relevant. Our businesses consist of the storage, processing, marketing and gathering of crude oil and refined products. Our infrastructure network includes strategically located oil terminals, separation and fractionation facilities, a crude oil processing/refining facility, gathering pipelines and other terminals. Continuous flaring is not relevant to our operations, with the potential for flaring only used for upset/safety conditions.

C5. Emissions methodology

C5.1
(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
86697

Comment
We have chosen the 2019 calendar year as our base year based on availability and representativeness of the data required to develop a GHG emissions inventory. We understand that our base year emissions may need to be recalculated if a significant change in the GHG emissions occurs including structural changes (e.g., significant changes due to transfer of ownership, mergers, outsourcing, etc.), changes in calculation methodology or improvements in the accuracy of emission factors that result in significant changes, and discovery of significant errors, or a number of cumulative errors, that are collectively significant. Our Scope 1 emissions for 2019 include data from our former Canadian Truck Transportation business which was sold in July 2019.

Scope 2 (location-based)

Base year start
January 1 2019

Base year end
December 31 2019

Base year emissions (metric tons CO2e)
57452

Comment
We have chosen the 2019 calendar year as our base year based on availability and representativeness of the data required to develop a GHG emissions inventory. We understand that our base year emissions may need to be recalculated if a significant change in the GHG emissions occurs including structural changes (e.g., significant changes due to transfer of ownership, mergers, outsourcing, etc.), changes in calculation methodology or improvements in the accuracy of emission factors that result in significant changes, and discovery of significant errors, or a number of cumulative errors, that are collectively significant.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

ISO 14064-1

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
86697

Start date
<Not Applicable>

End date
<Not Applicable>

Comment
Gibson's Scope 1 emissions include data from our former Canadian Truck Transportation business which was sold in July 2019. Our Scope 1 emissions excluding Canadian Truck Transportation are 53,152 tonnes CO2e.

C6.2
(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

**Scope 2, location-based**
We are reporting a Scope 2, location-based figure

**Scope 2, market-based**
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

**Comment**
We purchase all electricity required for our Canadian operations from the grid and do not have any operations where we are able to access electricity supplier emission factors or residual emission factors. Furthermore, we are not involved in any power purchase agreements, or contractual instruments such as renewable generation contractual instruments. Therefore, we are using the location-based method to estimate and report on Scope 2 GHG emissions.

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

**Reporting year**

**Scope 2, location-based**
57452

**Scope 2, market-based (if applicable)**
<Not Applicable>

**Start date**
<Not Applicable>

**End date**
<Not Applicable>

**Comment**

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a
(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

### Source
- **Pipeline operation**
  - **Relevance of Scope 1 emissions from this source**
    - No emissions from this source
  - **Relevance of location-based Scope 2 emissions from this source**
    - Emissions are not relevant
  - **Relevance of market-based Scope 2 emissions from this source (if applicable)**
    - Emissions are not relevant
  - **Explain why this source is excluded**
    - Gibson owns and operates approximately 600 km of crude oil pipelines, with more than 475 km in Alberta and more than 125 in Saskatchewan. Given that venting equipment like pneumatic devices use process air, which does not contain greenhouse gases, there are no direct emissions associated with pipeline operation.

### Source
- **Operations in the United States**
  - **Relevance of Scope 1 emissions from this source**
    - Emissions are relevant but not yet calculated
  - **Relevance of location-based Scope 2 emissions from this source**
    - Emissions are relevant but not yet calculated
  - **Relevance of market-based Scope 2 emissions from this source (if applicable)**
    - Emissions are relevant but not yet calculated
  - **Explain why this source is excluded**
    - Emissions from our operations in the United States are excluded as we do not currently have the capacity to evaluate and quantify these emissions, but we are investigating opportunities to pursue this in the next reporting cycle.

### Source
- **Office space**
  - **Relevance of Scope 1 emissions from this source**
    - Emissions are not relevant
  - **Relevance of location-based Scope 2 emissions from this source**
    - Emissions are not relevant
  - **Relevance of market-based Scope 2 emissions from this source (if applicable)**
    - Emissions are not relevant
  - **Explain why this source is excluded**
    - Gibson's emissions from office space are immaterial to our total GHGs as it represents under 1% of the total 2019 Scope 1 and 2 emissions.

---

### C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

#### Purchased goods and services

- **Evaluation status**
  - Relevant, calculated

- **Metric tonnes CO2e**
  - 129298

- **Emissions calculation methodology**
  - Scope 3 emissions related to Purchased Goods and Services were calculated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. Emissions were calculated using the Quantis Scope 3 Evaluator.

- **Percentage of emissions calculated using data obtained from suppliers or value chain partners**
  - 0

- **Please explain**
Capital goods

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
119008

**Emissions calculation methodology**
Scope 3 emissions related Capital Goods were calculated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. Emissions were calculated using the Quantis Scope 3 Evaluator.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**

Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
11430

**Emissions calculation methodology**
Scope 3 emissions related to Fuel-and-Energy Related Activities (Not Included in Scope 1 and 2) were calculated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol using the distance-based method. Distance based method emissions were calculated by multiplying the estimated distance traveled by the corresponding emission factor from the GHGenius 5.0 from Fuel Production and Vehicle Assembly.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Please explain**
Scope 3 emissions from this category are associated with the transportation of products by trucks owned and operated by Gibson, including fuel production and vehicles assembly not included in Scope 1.

Upstream transportation and distribution

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
<Not Applicable>

**Emissions calculation methodology**
<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
<Not Applicable>

**Please explain**
Gibson uses an Operational Control approach boundary and therefore emissions from upstream transportation and distribution have already been accounted for in our Scope 1 emissions.

Waste generated in operations

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
179

**Emissions calculation methodology**
Scope 3 emissions related to waste generated in operations were identified following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. Emission factors for our various waste types were sourced from the Canadian GHG Calculator for Waste Model, United States Environment Protection Agency’s Waste Reduction Model (WARM) and IPCC 2006 Waste Model.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Please explain**
Business travel

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
524

Emissions calculation methodology
GHG emissions from business travel were calculated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("Protocol" hereafter). Total GHG emissions are reported in metric tons of CO2 equivalent, excluding biogenic CO2 emissions and independent of any GHG trades. This section employed the 'Operational Control' approach for consolidation as described in the Protocol. Distance based method emissions were calculated using by multiplying the estimated distance traveled by km and then by the corresponding emission factor for the method of travel according to the DEFRA's 2019 Government Greenhouse Gas (GHG) Conversion Factors for Company Reporting, EPA Emission Factors for Greenhouse Gas Inventories.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Gibson’s emissions from business travel are immaterial to our total GHGs as it represents under 1% of the total Scope 1 & 2 emissions in 2019.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2994

Emissions calculation methodology
Scope 3 emissions related to Employee Commuting were identified following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard ("Protocol"). Primary data was gathered through a companywide survey, with a 71% response rate, which was sent to all employees to understand the employee commute distances and used transit systems. Emission factors across each of the major transit systems – rail, bus, carpool and vehicle – were derived from the American Public Transportation Association (APTA) Standards.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Gibson uses an Operational Control approach boundary and therefore emissions from upstream leased assets have already been accounted for in our Scope 1 & 2 emissions.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
The majority of our emissions from the transportation and distribution of our products have already been accounted for in our Scope 1 emissions as Gibson is a midstream oil & gas company. Calculating these emissions in this category would mean double counting those Scope 1 emissions.
Processing of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Due to Gibson’s relatively new entrance into climate change reporting, we have yet to include all Scope 3 emissions categories into our portfolio. We recognize Scope 3 emissions from processing of sold products are relevant to our operations and are investigating opportunities to quantify and verify this category in future reporting years.

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Due to Gibson’s relatively new entrance into climate change reporting, we have yet to include all Scope 3 emissions categories into our portfolio. We recognize Scope 3 emissions from use of sold products are relevant to our operations and are investigating opportunities to quantify and verify this category in future reporting years.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Gibson’s sold products do not generate any end of life GHG emissions because they are consumed as a primary source of energy or as a feedstock for other processes. Given the majority of these products are energy based, we anticipate that there will not be any end of life emissions to treat the products.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Gibson does not lease any assets that would fall under the definition of this category and therefore it is not relevant.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Gibson does not own any franchises and therefore this category is not relevant.
Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Gibson has minimal equity investments, debt investments, and long-term financing projects and therefore, emissions from this category are immaterial to our overall carbon footprint.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000027

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
144149

Metric denominator
unit total revenue

Metric denominator: Unit total
5345113000

Scope 2 figure used
Location-based

% change from previous year
0

Direction of change
No change

Reason for change
This is Gibson's first year quantifying a carbon footprint for all of our Canadian facilities so 2019 is our base year. Given this, measuring the direction of change vs. the previous year is not possible. This will, however, be possible to measure and discuss in our CDP disclosure for 2020 and beyond. The intensity figure includes emissions and revenue from Canada only in Canadian dollars.
C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)
Other, please specify (m3 of salable product)

Metric tons CO2e from hydrocarbon category per unit specified
0.01

% change from previous year
0

Direction of change
No change

Reason for change
This is Gibson’s first year quantifying a carbon footprint. 2019 is our base year. Given this, measuring the direction of change vs. the previous year is not possible. This will, however, be possible to measure and discuss in our CDP disclosure for 2020 and beyond.

Comment
The intensity figure provided does not include our Canadian Truck Transportation business as this division was sold in July 2019 and the throughput data is not available. We have therefore only included the Scope 1 emissions from our Canadian facilities and their associated volume (m3) of saleable product. Please note that the Metric tons CO2e from hydrocarbon category per unit specified is 0.0008466 and was rounded in the second column due to CDP’s online database system.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division
Midstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division
0.001

Comment
Please note that the Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division is 0.000045% and was rounded in the third column due to CDP’s online database system.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>85431</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>717</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>549</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
</tbody>
</table>

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category
Combustion (excluding flaring)

Value chain
Midstream

Product
Gas
<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Combustion (excluding flaring)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value chain</td>
<td>Midstream</td>
</tr>
<tr>
<td>Product</td>
<td>Gas</td>
</tr>
<tr>
<td>Gross Scope 1 CO2 emissions (metric tons CO2)</td>
<td>23760</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>3</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>23859</td>
</tr>
<tr>
<td>Comment</td>
<td>Fuel Gas CH4 GWP = 25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Flaring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value chain</td>
<td>Midstream</td>
</tr>
<tr>
<td>Product</td>
<td>Gas</td>
</tr>
<tr>
<td>Gross Scope 1 CO2 emissions (metric tons CO2)</td>
<td>2207</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>7</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>2373</td>
</tr>
<tr>
<td>Comment</td>
<td>Flare CH4 GWP = 25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Fugitives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value chain</td>
<td>Midstream</td>
</tr>
<tr>
<td>Product</td>
<td>Gas</td>
</tr>
<tr>
<td>Gross Scope 1 CO2 emissions (metric tons CO2)</td>
<td>0</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>7</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>175</td>
</tr>
<tr>
<td>Comment</td>
<td>Fugitives CH4 GWP = 25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Other (please specify) (Wastewater treatment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value chain</td>
<td>Midstream</td>
</tr>
<tr>
<td>Product</td>
<td>Gas</td>
</tr>
<tr>
<td>Gross Scope 1 CO2 emissions (metric tons CO2)</td>
<td>0</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>10</td>
</tr>
</tbody>
</table>

Gross Scope 1 CO2 emissions (metric tons CO2) 26288
Gross Scope 1 methane emissions (metric tons CH4) 1
Total gross Scope 1 emissions (metric tons CO2e) 26443

Comment
Natural Gas CH4 GWP = 25

Emissions category
Combustion (excluding flaring)
Value chain
Midstream
Product
Gas
Gross Scope 1 CO2 emissions (metric tons CO2) 23760
Gross Scope 1 methane emissions (metric tons CH4) 3
Total gross Scope 1 emissions (metric tons CO2e) 23859
Comment
Fuel Gas CH4 GWP = 25

Emissions category
Flaring
Value chain
Midstream
Product
Gas
Gross Scope 1 CO2 emissions (metric tons CO2) 2207
Gross Scope 1 methane emissions (metric tons CH4) 7
Total gross Scope 1 emissions (metric tons CO2e) 2373
Comment
Flare CH4 GWP = 25

Emissions category
Fugitives
Value chain
Midstream
Product
Gas
Gross Scope 1 CO2 emissions (metric tons CO2) 0
Gross Scope 1 methane emissions (metric tons CH4) 7
Total gross Scope 1 emissions (metric tons CO2e) 175
Comment
Fugitives CH4 GWP = 25

Emissions category
Other (please specify) (Wastewater treatment)
Value chain
Midstream
Product
Gas
Gross Scope 1 CO2 emissions (metric tons CO2) 0
Gross Scope 1 methane emissions (metric tons CH4) 10
Total gross Scope 1 emissions (metric tons CO2e)
255

Comment
Wastewater treatment CH4 GWP = 25

Emissions category
Other (please specify) (Other fuels)

Value chain
Midstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
46

Gross Scope 1 methane emissions (metric tons CH4)
0

Total gross Scope 1 emissions (metric tons CO2e)
46

Comment
Other fuels CH4 GWP = 25

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>86697</td>
</tr>
</tbody>
</table>

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
<th>Latitude</th>
<th>Longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moose Jaw</td>
<td>48066</td>
<td>50.384342</td>
<td>-105.513219</td>
</tr>
<tr>
<td>Trucking Canada</td>
<td>33545</td>
<td>53.593086</td>
<td>-113.313142</td>
</tr>
<tr>
<td>Hardisty (including all assets at this location)</td>
<td>1864</td>
<td>52.643244</td>
<td>-111.273572</td>
</tr>
<tr>
<td>Plato North</td>
<td>978</td>
<td>51.650014</td>
<td>-108.973219</td>
</tr>
<tr>
<td>Plato South</td>
<td>658</td>
<td>51.153759</td>
<td>-108.37385</td>
</tr>
<tr>
<td>Rimby</td>
<td>630</td>
<td>52.6453</td>
<td>-114.219933</td>
</tr>
<tr>
<td>Edmonton</td>
<td>628</td>
<td>53.551333</td>
<td>-113.371378</td>
</tr>
<tr>
<td>Sexsmith</td>
<td>328</td>
<td>55.342917</td>
<td>-118.773075</td>
</tr>
</tbody>
</table>

C-CE7.4I/C-CH7.4I/C-CO7.4I/C-EU7.4I/C-MM7.4I/C-OG7.4I/C-ST7.4I/C-TO7.4I/C-TS7.4
### C7.5

**C7.5 Break down your total gross global Scope 2 emissions by country/region.**

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>57452</td>
<td>78036</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### C7.6b

**C7.6b Break down your total gross global Scope 2 emissions by business facility.**

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardisty (including all assets at this location)</td>
<td>38332</td>
<td></td>
</tr>
<tr>
<td>Moose Jaw</td>
<td>8384</td>
<td></td>
</tr>
<tr>
<td>Edmonton</td>
<td>7323</td>
<td></td>
</tr>
<tr>
<td>Plato North</td>
<td>762</td>
<td></td>
</tr>
<tr>
<td>Sexsmith</td>
<td>1272</td>
<td></td>
</tr>
<tr>
<td>Rimbey</td>
<td>761</td>
<td></td>
</tr>
<tr>
<td>Plato South</td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>Hussar</td>
<td>299</td>
<td></td>
</tr>
<tr>
<td>Hussar</td>
<td>299</td>
<td></td>
</tr>
<tr>
<td>Edson</td>
<td>59</td>
<td></td>
</tr>
</tbody>
</table>

### C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

**C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7 Break down your organization’s total gross global Scope 2 emissions by sector production activity in metric tons CO2e.**

<table>
<thead>
<tr>
<th>Facility</th>
<th>Scope 2, location-based, metric tons CO2e</th>
<th>Scope 2, market-based (if applicable), metric tons CO2e</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cement production activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Chemicals production activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Coal production activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Electric utility activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Metals and mining production activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Oil and gas production activities (upstream)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Oil and gas production activities (midstream)</td>
<td>86697</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Oil and gas production activities (downstream)</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Steel production activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Transport OEM activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Transport services activities</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year.

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertook this energy-related activity in the reporting year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>No</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>No</td>
</tr>
</tbody>
</table>

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total (renewable and non-renewable) MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>HHV (higher heating value)</td>
<td>0</td>
<td>243813</td>
<td>243813</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>78036</td>
<td>78036</td>
<td></td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>321849</td>
<td>321849</td>
</tr>
</tbody>
</table>

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Fuel Application</th>
<th>Indicate whether your organization undertakes this fuel application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of heat</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>No</td>
</tr>
</tbody>
</table>

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

- **Fuels (excluding feedstocks)**
  - Natural Gas

- **Heating value**
  - HHV (higher heating value)

**Total fuel MWh consumed by the organization**

145766

**MWh fuel consumed for self-generation of electricity**
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
1.94

Unit
kg CO2 per m³

Emissions factor source
2019 National Inventory Report 1990-2017: Greenhouse Gas Sources and Sinks in Canada Except for Moose Jaw Facility where the CO2 emission factor is calculated based on carbon content, and the CH4 and N2O factors are provided in the 2019 Canada’s GHG quantification requirements document.

Comment

Fuels (excluding feedstocks)
Fuel Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
86215

MWh fuel consumed for self-generation of electricity
<Not Applicable>
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
2.57

Unit
kg CO2e per m³

Emissions factor source
2018 Canada’s Greenhouse Gas Quantification Requirements – EQ2.8, Table 2-5 for Ethane, CH4 and N2O

Comment

Fuels (excluding feedstocks)
Other, please specify (Flare)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
11832

MWh fuel consumed for self-generation of electricity
<Not Applicable>
MWh fuel consumed for self-generation of heat
<Not Applicable>
MWh fuel consumed for self-generation of steam
<Not Applicable>
MWh fuel consumed for self-generation of cooling
<Not Applicable>
MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
62.42

Unit
kg CO2e per GJ
C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**
Waste

**Metric value**
6.98

**Metric numerator**
Total waste generated (thousand tonnes)

**Metric denominator (intensity metric only)**
% change from previous year
54

**Direction of change**
Decreased

**Please explain**
In 2019, Gibson sold the majority of its Canadian Environmental Services business, which was Gibson’s business unit that provided waste management services that processed, recovered, treated, terminated and disposed of industrial waste streams in Western Canada.


<table>
<thead>
<tr>
<th>Investment in low-carbon R&amp;D</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Verification/assurance status</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 (locational or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>No third-party verification or assurance</td>
</tr>
</tbody>
</table>

C10.1a
(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
Tetra Tech Verification Report Gibson_CDP_2019_v5_FINAL.pdf

Page/ section reference
All document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Please select

Attach the statement
Tetra Tech Verification Report Gibson_CDP_2019_v5_FINAL.pdf

Page/ section reference
All document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
BC carbon tax
Canada federal fuel charge
Saskatchewan OBPS - ETS
### C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

<table>
<thead>
<tr>
<th>Saskatchewan OBPS - ETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Scope 1 emissions covered by the ETS</td>
<td>55</td>
</tr>
<tr>
<td>Percentage of Scope 2 emissions covered by the ETS</td>
<td>0</td>
</tr>
<tr>
<td>Period start date</td>
<td>January 1 2019</td>
</tr>
<tr>
<td>Period end date</td>
<td>December 31 2019</td>
</tr>
<tr>
<td>Allowances allocated</td>
<td>0</td>
</tr>
<tr>
<td>Allowances purchased</td>
<td>0</td>
</tr>
<tr>
<td>Verified Scope 1 emissions in metric tons CO2e</td>
<td>48066</td>
</tr>
<tr>
<td>Verified Scope 2 emissions in metric tons CO2e</td>
<td>8384</td>
</tr>
<tr>
<td>Details of ownership</td>
<td>Facilities we own and operate</td>
</tr>
</tbody>
</table>

**Comment**

The newly developed Saskatchewan Output-Based Pricing System (OBPS) is an emission benchmark calculated using an average of 2016-2018 baseline Scope 1 emissions intensity, with baselines confirmed in 2019. Implementation of the output-based credit system is planned for 2021, therefore, the allowances allocated and purchased in 2019 are 0.

### C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

<table>
<thead>
<tr>
<th>BC carbon tax</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Period start date</td>
<td>January 1 2019</td>
</tr>
<tr>
<td>Period end date</td>
<td>December 31 2019</td>
</tr>
<tr>
<td>Percentage of total Scope 1 emissions covered by tax</td>
<td>0</td>
</tr>
<tr>
<td>Total cost of tax paid</td>
<td>1212686</td>
</tr>
</tbody>
</table>

**Comment**

The BC Carbon Tax was adopted in 2008 and was the first broad-based carbon tax in North America. Under this tax system, Gibson is registered as a distributor with respect to the fuels that we import into BC, and a deputy collector for the fuels that we purchase in BC to resell to someone other than a purchaser. The tax paid to the BC government was based on volume of fossil fuel we imported and purchased in BC during the reporting period, but ultimately, we recovered the tax paid on the resale of this fuel to customers in the province. The percent of Scope 1 emissions is 0 because we do not have facilities operating in BC under operational control for emissions quantification.

<table>
<thead>
<tr>
<th>Canada federal fuel charge</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Period start date</td>
<td>April 1 2019</td>
</tr>
<tr>
<td>Period end date</td>
<td>December 31 2019</td>
</tr>
<tr>
<td>Percentage of total Scope 1 emissions covered by tax</td>
<td>42.7</td>
</tr>
<tr>
<td>Total cost of tax paid</td>
<td>89932</td>
</tr>
</tbody>
</table>

**Comment**

In 2019, Gibson was registered as an importer, distributor, user, emitter and road carrier under Part I of Canada’s Greenhouse Gas Pollution Pricing Act. These registration types permit us to do the following: • User – use fuel for non-combustion activities such as blending • Importer/distributor – sell fuel on a wholesale basis • Emitter – register our Moose Jaw Facility without paying federal OBPS • Road carrier – transport fuel by road, which applied to our Canadian Truck Transportation business unit that was sold in 2019. The cost of tax paid directly to the federal government includes 2019 continuing and discontinued operations, as well as fuel charges paid to fuel suppliers based on mileage records from our discontinued Canadian Truck Transportation business unit. The cost of tax paid and percent of Scope 1 emissions includes all facilities with the exception of the following that were not tracked: • Natural gas, propane or other fuels purchased by Plato North and South in Saskatchewan • Natural gas or other heating fuels purchased in Moose Jaw for the office • Diesel or gasoline purchased by Moose Jaw for fleet operations
What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our Moose Jaw Facility in Saskatchewan is regulated by the OBPS which requires facilities with greater than 10,000 tonnes of CO2e to quantify, report and reduce intensity-based emissions on a defined program schedule. Furthermore, given that we purchase propane and butane in BC, we are subject to the BC Carbon Tax. In order to proactively address emerging regulations and comply with existing regulations such as the OBPS, BC Carbon Tax and Canada Federal Fuel Charge, we have put in place a strategy comprised of four pillars:

- **Accountability**: Our CCEWG, Government Relations and EH&S teams all have key responsibilities in ensuring that we remain current on and comply with all emissions-related regulatory systems we participate in, including the OBPS and BC Carbon Tax. Annually, we ensure these teams are provided sufficient regulatory compliance resources and third-party support to enable them to spend adequate time and effort on meeting OBPS and BC Carbon Tax compliance expectations while also monitoring our exposure to emerging carbon emissions trading schemes. As a responsible operator, before we begin any operations or activities in a jurisdiction, we ensure our employees are in possession of the necessary registrations and permits.

- **Third Party Quantification and Verification**: We seek third party support in both the quantification and verification of our Scope 1 emissions for our OBPS-regulated facility in Moose Jaw. In 2019, for instance, the compliance costs we paid to hire various third parties to quantify, verify and report on our Moose Jaw Facility emissions through the OBPS was between $25,000 - $30,000.

- **Engagement**: We continue monitor to and evaluate our regulatory exposure to other emissions trading schemes. We also proactively engage with governments to provide input into policy drafts through our CCEWG, Government Relations and EH&S teams.

- **Monitoring**: Our CCEWG and our EH&S team are responsible for monitoring changes in regulations that could have an impact on our business. They are responsible for interpreting and drawing attention to any climate change related legislation developments that could impact Gibson’s business or operations.

**Regulations in 3-5 Years**

GHG regulations related to carbon pricing could become increasingly stringent, exposing our business to additional emissions trading or tax schemes in the future. In the next 3-5 years, we may become exposed to more stringent legislation in Alberta where we are not currently regulated by any emission trading schemes but decided to voluntarily opt-in to TIER Regulation for some of our key facilities beginning in 2020. For Alberta, our voluntary opt-in approach has made us more resilient in the face of an upcoming emission trading scheme change. However, with provincial elections scheduled to take place at least every four years, we could still be affected by legislation changes implemented by a new government. For example, the potential risk of a repeal of the existing TIER program could expose us to incremental costs related to the Federal Backstop or other compliance matters. The four pillars of our current compliance strategy as described above would be applied towards any new emissions trading and tax scheme exposures we would face going forward.

Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

Does your organization use an internal price on carbon?

Yes

C11.3a
(C11.3a) Provide details of how your organization uses an internal price on carbon.

**Objective for implementing an internal carbon price**
- Navigate GHG regulations
- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Stress test investments
- Identify and seize low-carbon opportunities

**GHG Scope**

**Scope 1**

**Application**

Our internal price on carbon is applied to business units, corporate divisions and facilities where we have operational control and can influence business and operations decision-making within Canada. Shadow pricing of the carbon tax is included in Canadian project economics to determine future exposures and operating costs of facilities to be constructed.

**Actual price(s) used (Currency/metric ton)**

$30

**Variance of price(s) used**

$30-50

**Type of internal carbon price**

Shadow price

**Impact & implication**

Understanding future costs over the long-term is vital to determining project viability. To understand the future impacts of a carbon price on our business decisions and investments, we use an evolving shadow price for potential projects in Canada, that enables us to apply a higher internal carbon price of $50/tonne for medium to long-term projections and a lower cost of $30/tonne for shorter-time horizons. We consider carbon pricing to be an important factor in determining the financial viability of a project and include it in our business case modelling for most Canadian projects. As an example, we considered the impact of carbon tax for the Diluent Recovery Unit (DRU) project in Hardisty, which will help reduce emissions along the value chain as the project will no longer require diluent to be exported and returned to Canada. During the development of this project, we considered many factors such as the impact this project would have on Gibson's emissions, potential optimization opportunities for the project and benefits to emissions intensity per barrel of bitumen equivalent exported, along with the carbon tax and financial evaluations. In the project modelling/decision matrix for the DRU, carbon tax was quantified and included alongside other quantified operating costs including employee salaries, repairs and maintenance, consulting, EH&S, utility, power and IT in determining the business case and return of the project. Given the net positive climate-related implications of the project, as well as the fact that it had strong financial returns inclusive of an evolving carbon price, the project was approved by the Board in December 2019. Finally, we are moving forward in identifying additional opportunities to further integrate ESG and climate-related objectives into our capital allocation and investment analyses.

---

**C12. Engagement**

**C12.1**

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

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**C12.1a**

(C12.1a) Provide details of your climate-related supplier engagement strategy.

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Code of conduct featuring climate change KPIs

% of suppliers by number

31

% total procurement spend (direct and indirect)

15

% of supplier-related Scope 3 emissions as reported in C6.5

20

**Rationale for the coverage of your engagement**

Carbon management by our suppliers is an important priority for Gibson. As part of our supplier/vendor contracting, compliance and onboarding program, we require strict adherence to our Code which outlines our commitment to environmental responsibility and management of carbon emissions. In 2019, we updated the Code to better articulate our environmental, including carbon emission management, expectations.

**Impact of engagement, including measures of success**

By agreeing to our Code, the successful impact of this engagement is greater clarity for our suppliers on our position on environmental responsibility and carbon management expectations. Our suppliers are an important extension of our business and we want to ensure they understand what we expect from them with regards to climate issues. The measure of success is the % of vendors that agree to our updated Code, which clarifies our commitment to environmental responsibility and carbon management. Given that our new Code went into effect in July 2019, by year-end 31% of vendor agreements included our carbon expectations. In 2020 onwards, this
(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

The ‘other’ partners we have identified as critical to engage with on environmental, including climate-related, matters within our value chain are our customers and peers. Solving complex environmental, including climate-related, issues is only possible through industry-wide collaboration. We engage our customers to better understand their environmental and climate-related priorities to identify opportunities where we can supplement their strategies and longer-term ambitions. We work with some customers to meet their environmental and climate-related goals during projects by providing solutions that help reduce carbon emissions. An example of this type of project is the implementation of internal floating roofs on our tanks to reduce working venting losses by over 98%, enabling customers to access lower carbon intensity storage solutions.

Additionally, we actively participate in a sustainability leadership working group made up of our peers - companies in the energy industry in Calgary, Alberta. Engagement within our value chain because it helps produce climate-related ideas and solutions that can be immediately trialed or implemented within Gibson. In 2019, we implemented two key new practices. Those practices allowed us to enhance our environmental, including climate-related, practices.

Engagement also involves an annual day-long workshop with the specific intent of sharing best practices and open dialogue to raise the bar for the entire industry. Outputs include discussion records collated to create living documents housed online that form an ongoing resource for best practices and ideas. We have prioritized this method of engagement over others because it helps produce climate-related ideas and solutions that can be immediately trialed or implemented within Gibson. In 2019, we implemented some of the best practices shared in the working group. Going forward, we hope to increase the proportion of suppliers completing the ISNET questionnaire to better enable us to identify suppliers with opportunities to improve their environmental and climate-related practices.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Details of engagement</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information collection (understanding supplier behavior)</td>
<td>Collect climate change and carbon information at least annually from suppliers</td>
<td></td>
</tr>
<tr>
<td>% of suppliers by number</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>% total procurement spend (direct and indirect)</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>% of supplier-related Scope 3 emissions as reported in C6.5</td>
<td>58</td>
<td></td>
</tr>
</tbody>
</table>

Rationale for the coverage of your engagement
We collect environmental information, including climate-related information, from our suppliers as part of our pre-qualification questionnaire tool, entitled “ISNET”. The impact of engagement with this peer working group and in 2019 we implemented two key new practices. Those practices allowed us to enhance our environmental, including climate-related, practices.

Impact of engagement, including measures of success
By engaging and raising the awareness of our suppliers on our environmental, including climate-related priorities and objectives, we are better able to understand our climate-related impacts through the supply chain and identify the possible gaps and opportunities to work with suppliers to improve practices, where necessary. The measures of success include the % of suppliers that complete the ISNET questionnaire, the % of suppliers with environmental policies and the % of suppliers with environmental programs. In 2019, 14% of suppliers completed the ISNET questionnaire. In addition, we were able to collect information on a portion of these suppliers who have environmental policies and environmental programs. Going forward, we hope to increase the proportion of suppliers completing the ISNET questionnaire to better enable us to identify suppliers with opportunities to improve their environmental and climate-related practices.

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<tbody>
<tr>
<td>Engagement &amp; incentivization (changing supplier behavior)</td>
<td>Run an engagement campaign to educate suppliers about climate change</td>
<td></td>
</tr>
<tr>
<td>% of suppliers by number</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>% total procurement spend (direct and indirect)</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>% of supplier-related Scope 3 emissions as reported in C6.5</td>
<td>21</td>
<td></td>
</tr>
</tbody>
</table>

Rationale for the coverage of your engagement
We actively engage and raise the awareness of our suppliers on our environmental, including climate-related priorities and objectives. On a bi-annual basis, we conduct stewardship meetings with 5 of our largest spend suppliers. Climate change is an important topic on our agenda at these stewardship meetings. We educate our suppliers about our environmental, including climate change goals and objectives and use the engagement as an opportunity to learn more about how we might collaborate on joint emission reduction projects.

Impact of engagement, including measures of success
By engaging and raising the awareness of our suppliers of our climate-related priorities, we clarify our expectations and enable accelerated action on our objectives. The measure of success is to ensure our largest spend suppliers are involved in the engagement and are working collaboratively to contribute to our environmental goals and objectives, including climate-related priorities. In 2019, our engagement with suppliers comprised approximately 15% of our total 2019 spend.

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</tr>
<tr>
<td>% of supplier-related Scope 3 emissions as reported in C6.5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

We collect environmental information, including carbon-related information about our suppliers, we are better able to understand our climate-related impacts through the supply chain and identify the possible gaps and opportunities to work with suppliers to improve practices, where necessary. The measures of success include the % of suppliers that complete the ISNET questionnaire, the % of suppliers with environmental policies and the % of suppliers with environmental programs. In 2019, 14% of suppliers completed the ISNET questionnaire. In addition, we were able to collect information on a portion of these suppliers who have environmental policies and environmental programs. Going forward, we hope to increase the proportion of suppliers completing the ISNET questionnaire to better enable us to identify suppliers with opportunities to improve their environmental and climate-related practices.
Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

**C12.3a**

On what issues have you been engaging directly with policy makers?

<table>
<thead>
<tr>
<th>Focus of legislation</th>
<th>Corporate position</th>
<th>Details of engagement</th>
<th>Proposed legislative solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon tax</td>
<td>Support</td>
<td>We engaged with the Government of Alberta during the development of TIER. Specifically, we engaged by responding to a consultation exercise and providing comments on the law during its development. The TIER system is an improved way to manage emissions from large industries like oil and gas, which account for more than half of Alberta's total greenhouse gas emissions. The new system would encourage energy-intensive facilities to find innovative ways to reduce emissions and invest in clean technology to stay competitive. It replaced the current Carbon Competitiveness Incentive Regulation on January 1, 2020.</td>
<td>We generally supported the development of TIER and during the consultation exercise provided clarifying comments on various technical specifications and performance requirements. We also elected to voluntarily enrol in the TIER program via the “aggregate facility” option even though none of our Alberta facilities are considered large emitters under TIER. Certain conventional oil and gas facilities which do not satisfy the large emitter criteria under TIER can be aggregated together and treated as if they were a single aggregate facility. Accordingly, we will be required to reduce our emission intensity with respect to the “aggregate facility” in accordance with TIER. By voluntarily participating in the TIER program, we are proactively preparing and aligning our corporate standards with government and industry expectations.</td>
</tr>
</tbody>
</table>
(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In voluntary sustainability report

Status
Complete

Attach the document
gei_sustainabilityreport_print_202005.pdf

Page/Section reference

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
2019-GEI-AIF.pdf

Page/Section reference
“Risk Factors” (page 26) “Climate Control Legislation” (page 29-32) “Environmental and Health and Safety Regulations” (page 34-35) Other Metrics (page 30) Regulatory emission requirements (page 30)

Content elements
Risks & opportunities
Emissions figures
Other metrics

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Government announces new incentive program for the oil and gas industry _ Pipeline News.pdf

Page/Section reference
Press release

Content elements
Strategy
Emissions figures
Other metrics

Comment

C15. Signoff

C-FI
Certain statements and information contained in this document constitute forward-looking information (as such term is defined under Canadian securities laws). The forward-looking information contained in this document reflects our beliefs and assumptions with respect to the outlook for economic and industry trends, commodity prices, capital markets, the governmental, regulatory and legal environment, our business and the businesses of our industry partners, the impact thereon of environmental, including climate-related, matters, and the likelihood, timing and financial impact of certain events. Our management believes that its assumptions and analysis in this document are reasonable, however, no assurance can be given that these expectations will prove to be correct.

Actual results could differ materially from those anticipated in such forward-looking information as a result of factors outside of our control and due to the risks and uncertainties described under the heading “Risk Factors” in our current management’s discussion and analysis and Annual Information Form, in each case as filed on SEDAR at [www.sedar.com](http://www.sedar.com). Readers should refer to “Forward-Looking Information” and “Risk Factors” included in such documents. Readers are cautioned that there may be risks that are unknown and other risks that may pose unexpected consequences. As such, forward-looking information included or referred to in this document should not be unduly relied upon.

### C15.1

**C15.1 Provide details for the person that has signed off (approved) your CDP climate change response.**

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>President and Chief Executive Officer</td>
<td>Chief Executive Officer (CEO)</td>
</tr>
</tbody>
</table>

**Submit your response**

**In which language are you submitting your response?**

- English

**Please confirm how your response should be handled by CDP**

<table>
<thead>
<tr>
<th>I am submitting to</th>
<th>Public or Non-Public Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investors</td>
<td>Public</td>
</tr>
</tbody>
</table>

**Please confirm below**

- I have read and accept the applicable Terms