C0. Introduction

C0.1

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

Gibson Energy Inc. (Gibson, the Company, we, our, us) is a Canadian-based liquids infrastructure company focused on delivering energy in an environmentally and socially responsible manner. Headquartered in Calgary, Alberta, our principal business consists of the storage, optimization, processing and gathering of liquids and refined products. Gibson's operations have grown, focusing our service offerings around our core terminal assets located at Hardisty and Edmonton, Alberta, our Moose Jaw Facility in Saskatchewan, as well as expanding our infrastructure service offerings to unconventional and conventional basins in Canada and the Permian basin in the United States (US).

For over 65 years, Gibson has delivered infrastructure and midstream solutions to customers in the energy industry safely and reliably. We provide best-in-class connectivity between energy producers and the markets we serve through our infrastructure and marketing segments, with a focus on creating valuable market access solutions for our customers. Our infrastructure network includes strategically located liquids terminals, a crude oil processing facility, liquids gathering pipelines and other terminals, and our marketing segment provides a full suite of marketing services to upstream and downstream customers and other industry participants. As a leading liquids infrastructure company, in 2021 our Infrastructure segment comprised approximately 90% of segment profit with terminals and pipelines representing approximately 85% of total segment profit. Given the nature of our liquids-based midstream operations, we have a relatively small GHG emissions profile as Gibson’s oil and gas activities are limited to the midstream sector.

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, 2021</td>
<td>December 31, 2021</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada
United States of America

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.

Equity share

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
- Biofuels
(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

<table>
<thead>
<tr>
<th>Indicate whether you are able to provide a unique identifier for your organization</th>
<th>Provide your unique identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, an ISIN code</td>
<td>CA374825206</td>
</tr>
<tr>
<td>Yes, a CUSIP number</td>
<td>374825206</td>
</tr>
<tr>
<td>Yes, a Ticker symbol</td>
<td>GEI</td>
</tr>
</tbody>
</table>

C1. Governance

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) 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>Gibson’s Board of Directors (the Board) recognizes the importance of managing sustainability and environmental, social and governance (ESG) factors, including climate-related issues, in our long-term strategy. Our Sustainability and ESG Committee of the Board (the SESG Committee) is responsible for reviewing the status and effectiveness of our sustainability/ESG performance, metrics and goals, including the oversight of processes to ensure compliance with all internal policies and applicable laws and regulations, with a focus on providing a desirable outcome for all stakeholders including investors, customers, employees, suppliers and the community. The SESG Committee assists the Board in fulfilling its mandate on climate-related and sustainability/ESG issues by providing oversight and support to Gibson’s sustainability/ESG programs, goals and initiatives, management systems and reporting to the Board on management’s progress. The SESG Committee is also responsible for reviewing emerging risks and opportunities related to sustainability/ESG issues, including climate-related issues relevant to Gibson that may have the potential to impact our reputation and business performance including, but not limited to, climate change, energy transition, air and greenhouse gas (GHG) emissions, emissions reduction technologies, carbon pricing, biodiversity, social impacts such as stakeholder relations, and significant legislative and regulatory changes, including policy proposals and modifications that could materially impact our business. The chair of the SESG Committee is a globally recognized sustainability/ESG expert, particularly with respect to climate-related issues and responsible investment. Case Study The SESG Committee is tasked with approving, and/or recommending to the Board, the immediate and long-term plans and strategy for sustainability/ESG issues at Gibson, including climate-related issues. In 2021, the SESG Committee requested that management explore the development of a Net Zero by 2050 commitment for Gibson in addition to the Company’s previously announced 2025 and 2030 climate goals specific to absolute and intensity based GHG emissions reduction targets. All of these targets were recommended for approval by the SESG Committee to the Board and ultimately approved by the Board in 2021.</td>
</tr>
</tbody>
</table>

C1.1b
C1.1d Does your organization have at least one board member with competence on climate-related issues?

<table>
<thead>
<tr>
<th>Board member(s) have competence on climate-related issues</th>
<th>Criteria used to assess competence of board member(s) on climate-related issues</th>
<th>Primary reason for not board-level competence on climate-related issues</th>
<th>Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes Row 1</td>
<td>Gibson’s GCGN Committee recognizes that the Board's membership should represent a diversity of backgrounds, experience and skills. Directors are selected for their integrity and character as well as their breadth of experience and business acumen. Each year, the GCGN Committee assesses the skills and expertise represented by the directors currently standing for election to ensure that the required skills are well represented. In addition, each director is required to complete an annual self-assessment in the “Director &amp; Officer Questionnaire” whereby they are asked to rate their experience and background in several subject areas. This data is compiled into a matrix representing the broad skills for current directors and is maintained to identify areas for strengthening the Board, if any, and address them through the recruitment of new members as well as ongoing education of current directors. Included in the matrix representing the broad skills for current directors is competency specific to ESG management issues and opportunities, including climate-related competencies. Currently, 7 out of 9 directors indicated skills and competency specific to ESG management. The chair of the SESG Committee is a globally recognized sustainability/ESG expert, particularly with respect to climate-related issues and responsible investment. Additionally, all Gibson directors regularly engage in a variety of continuing education activities, including industry conferences, webinars and courses to further develop their skills and competencies and ensure increasing awareness of issues that may affect Gibson. Throughout 2021, Gibson’s directors attended a variety of events that were focused on topics including sustainability/ESG, low carbon energy, the energy industry conferences, webinars and courses to further develop their skills and competencies and ensure increasing awareness of issues that may affect Gibson. For more information, please see “Director Skills Matrix” and “Director Education in 2021” in Gibson’s Management Information Circular dated March 21, 2022, which provides a breakdown of the Board’s skills and competencies as well as an overview of the Board’s continuing education activities in 2021.</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>
(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 (Senior Vice President, Chief Administrative Officer and Sustainability Lead (SVP &amp; CAO))</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 (SVP O&amp;E))</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>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>More frequently than quarterly</td>
</tr>
<tr>
<td>Other committee, please specify (C-Suite Sustainability Committee, Renewable Development Working Group, Renewables and Emissions Reduction Working Group and Emissions Management and Reporting 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>Quarterly</td>
</tr>
</tbody>
</table>
Gibson’s President & CEO is responsible for overseeing sustainability/ESG and climate-related matters including assessing and managing progress on short- and long-term goals and targets; allocating resources and budgets; overseeing climate-related disclosures on governance, risks and opportunities, strategy, management and performance made through our ESG targets and reporting, or within our press releases, annual information form, management information circular and corporate website. As potential climate-related and environmental impacts on our business are complex and uncertain and can affect the entire enterprise, we believe it is important to assign these responsibilities to the CEO to ensure any potential risks and opportunities are effectively managed. The CEO discussed climate-related matters at each SESG Committee meeting and at quarterly Board meetings.

Our SVP & CAO is the lead on sustainability/ESG and climate-related matters and is responsible for collaborating on efforts to minimize Gibson’s GHG and energy impacts, coordinating the management of any material sustainability/ESG and climate-related risks and opportunities, supporting responses to investor requests on climate-related topics and developing climate-related disclosures. The SVP & CAO is responsible for overseeing the governance of climate-related matters; leading the development of climate-related strategies including ESG targets and initiatives in collaboration with our SVP O&E; supporting Gibson’s climate-related risk and opportunity assessment alongside the SVP O&E; supporting resource deployment needed to implement our climate strategy; leading the Sustainability Team; supporting the deployment of Gibson’s climate strategy; engaging on climate-related topics with stakeholders; and reporting on climate-related performance. The SVP & CAO reports on these matters to the CEO. The SVP & CAO discussed climate-related matters at each SESG Committee meeting and at quarterly Board meetings in 2021.

Our SVP O&E is the lead for commissioning emissions, energy and efficiency studies and projects. The SVP O&E is responsible for overseeing the integration of climate-related matters within our Operations Management System (OMS), including climate-related risks in our risk register, ensuring emission and energy reduction projects are prioritized and receive appropriate resources and working with our SVP & CAO on defining and executing our climate strategy specific to emissions management. The SVP O&E works closely with the SVP & CAO and reports on these matters to the CEO.

Our C-Suite Sustainability Committee is comprised of Gibson’s entire executive team, who meets monthly to monitor emerging sustainability/ESG risks and opportunities relative to our sector and business.

Our Sustainability Team, led by the Sustainability Supervisor and Director of Supply Chain Management, ESG and Stakeholder Relations, is responsible for government relations on climate policy, supporting the implementation of our climate strategy and ESG-focused materiality assessments, ensuring climate-related performance monitoring and reporting is conducted regularly and supporting the development of ESG targets including targets on GHG reductions and intensity improvements. The team works collaboratively to ensure relevant climate-related risks and opportunities are discussed at Gibson’s monthly executive team meetings, enterprise risk management discussions and SESG Committee meetings. The Sustainability Team reports monthly to the SVP & CAO; participates in meetings with the SESG Committee on a quarterly basis and at additional status update meetings.

C1.3

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

<table>
<thead>
<tr>
<th>Provide incentives for the management of climate-related issues</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>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 achieve defined corporate objectives. In 2021, there were three climate-related performance objectives within the 35% ESG weighting of the total STIP, which aims to provide renewable and energy efficiency improvement solutions which will result in a meaningful reduction towards Gibson’s 2025 Scope 1 and/or 2 emissions targets; identify potential partnerships to achieve additional energy/emissions reductions which will meaningfully contribute to Gibson’s 2025 Scope 2 target; and progress the sanctioned fuel-switching project at the Moose Jaw Facility to deliver on targeted Scope 1 emissions reductions. These metrics help reduce our overall GHG footprint and ensure we remain a low emitter relative to our peers. STIP compensation for both executive and non-executive employees are tied to the same metrics.</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>Climate-related performance objectives are included within a 35% ESG weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on sustainability/ESG matters, optimize our energy use to help reduce our overall GHG footprint and ensure we remain a low emitter relative to our peers. This includes performance objectives related to developing action plans to close any strategic gaps as Gibson works towards reaching our GHG emissions targets, continuing to progress on renewable energy partnership opportunities as well as completing the Moose Jaw Facility fuel-switching project which will result in a Scope 1 emissions reduction. The 2021 STIP metrics and achievements included the completion of identifying renewable energy and energy efficiency improvement projects to help achieve our 2025 Scope 1 and 2 emissions targets, including a Net Zero Pathway and emission reduction technology investigation, and identification of potential renewable energy partners to achieve additional energy/emissions reductions to meaningfully contribute to our Scope 2 emissions targets. We also include targets to maintain our top performance on third-party sustainability/ESG ratings, which incorporate climate-related considerations and opportunities. This measure helps us continue to increase the awareness among our employees of the overall importance of integrating sustainability into our organization and driving change in our employees, and as a result, our overall business.</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 total compensation is achieved through STIP. Climate-related performance objectives are included within a 35% ESG weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on sustainability/ESG matters, optimize our energy use to help reduce our overall GHG footprint and ensure we remain a low emitter relative to our peers. This includes performance objectives related to developing action plans to close any strategic gaps as Gibson works towards reaching our GHG emissions targets, continuing to progress on renewable energy partnership opportunities as well as completing the Moose Jaw Facility fuel-switching project which will result in a Scope 1 emissions reduction. The 2021 STIP metrics and achievements included the completion of identifying renewable energy and energy efficiency improvement projects to help achieve our 2025 Scope 1 and 2 emissions targets, including a Net Zero Pathway and emission reduction technology investigation, and identification of potential renewable energy partners to achieve additional energy/emissions reductions to meaningfully contribute to our Scope 2 emissions targets. We also include targets to maintain our top performance on third-party sustainability/ESG ratings, which incorporate climate-related considerations and opportunities. This measure helps us continue to increase the awareness among our employees of the overall importance of integrating sustainability into our organization and driving change in our employees, and as a result, our overall business.</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), SVP &amp; CAO, SVP O&amp;E and SVP Commercial, is achieved through STIP. Climate-related performance objectives are included within a 35% ESG weighting of the total STIP to grow the awareness, maturity and effectiveness of our organization on sustainability/ESG matters, optimize our energy use to help reduce our overall GHG footprint and ensure we remain a low emitter relative to our peers. This includes performance objectives related to developing action plans to close any strategic gaps as Gibson works towards reaching our GHG emissions targets, continuing to progress on renewable energy partnership opportunities as well as completing the Moose Jaw Facility fuel-switching project which will result in a Scope 1 emissions reduction. The 2021 STIP metrics and achievements included the completion of identifying renewable energy and energy efficiency improvement projects to help achieve our 2025 Scope 1 and 2 emissions targets, including a Net Zero Pathway and emission reduction technology investigation, and identification of potential renewable energy partners to achieve additional energy/emissions reductions to meaningfully contribute to our Scope 2 emissions targets. We also include targets to maintain our top performance on third-party sustainability/ESG ratings, which incorporate climate-related considerations and opportunities. This measure helps us continue to increase the awareness among our employees of the overall importance of integrating sustainability/ESG into our organization and driving change in our employees, and as a result, our overall business.</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
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**
- More than once a year

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

**Description of process**

The process to identify, assess and respond to climate-related risks and opportunities is integrated within our Enterprise Risk Management (ERM) process, which takes place quarterly with a more comprehensive review completed twice a year. Our ERM process is primarily focused on short- and medium-term risks related to our direct operations as well as our upstream and downstream value chain. Additionally, longer-term risks are also discussed through our ERM process including a focus on our direct operations as well as our upstream and downstream value chain. We assess each facility’s operational risks in detail as part of our OMS risk management process. Our goal is to identify and assess all risks, including climate-related risks, that could have a substantial financial or strategic impact. Based on the findings of the assessment, we then identify, implement and maintain mitigations to manage our risks to levels that are as low as reasonably practicable. All Operations and Engineering risks are located on a central register, with our highest risks being reviewed monthly by senior leaders. These risks are also aggregated into the corporate ERM program to ensure appropriate oversight. Our executive team revisits historical risks and identifies and defines any new/emerging climate-related risks affecting the business. The Audit Committee Chair and President & CEO conduct a review of the identified risks and provide quarterly updates to the Audit Committee and the Board. Each identified risk is provided a risk rating based on its likelihood and potential impact. Significant risks with 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 a quarterly basis.

Case Study of Transition Risk/Opportunity: As part of our process to identify potential climate-related risks and opportunities, we completed a climate scenario analysis using scenarios from the International Energy Agency (IEA). Through this process, we acknowledge the potential risk of decreased oil demand, leading to less throughput at our assets, as the scenario assumes the world continues to move towards decarbonization and customer behavior trends towards increased demand for low carbon products. To prioritize opportunities for Gibson to support the transition to a lower carbon future, we assessed the potential financial and strategic impact of the risk of decreased demand for Gibson’s current products and services, such as our Storage and Handling operations, through our climate-related scenario analysis. Through the climate-scenario analysis work, this risk was estimated to have a maximum annual impact of $35,000,000 on our Adjusted EBITDA over the 5-year time frame from 2021 to 2026 (see Risk 1 in C2.3a for further details), and we successfully identified an opportunity to diversify our business activities and remain resilient in the face of the potential for decreased oil throughput by sanctioning the Biofuels Blending Project at our Edmonton Terminal with our customer, Suncor Energy Inc. (Suncor).

Physical Risk/Opportunity: For every significant project we execute at Gibson, as part of our scope development to support a given business case, we evaluate the potential impacts of the infrastructure we are designing as well as the potential impacts of the new infrastructure on the environment in return. To ensure that we are assessing physical risks, risk analysis and a Hazard and Operability Study (HAZOP) are completed to identify, list and rank any potential hazards. Once we have identified all of the potential hazards, we rank them using our 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. Any hazards that require further mitigation after completion of project work are entered into our Risk Registers to ensure that progress on further safeguards is monitored and tracked. 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.).

Case Study

We consider the potential impact of an extreme weather event, such as severe storms, increased rainfall and flooding, as part of our risk assessment process when building new infrastructure. To assess physical risks such as extreme weather on an opportunity to build a new storage tank, we conducted a HAZOP study and investigated the potential impact through our risk management procedures. Through this process, we mitigate the potential impact of extreme weather events by considering the sizing of tank berms and stormwater ponds based on the volume of storage tankage, in addition to considering a 1 in 100-year weather event such as flooding. In 2021, we sanctioned the construction of a new 435,000 barrel tank at our Edmonton Terminal, which followed the process above and accounted for physical risk impacts through the design and calculations as well as the sizing of the ponds/berms to limit any potential release from containment.

(C2.2a) 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, access to services like insurance, 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, of equal to or greater than 10%.
<table>
<thead>
<tr>
<th>Relevance to inclusion</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current regulation</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Current climate-related legislation is relevant and always included in our risk assessment given the potential risk of increased operating costs for our business, decreased customer demand and adverse reputational impacts. In Canada, climate-related legislation exists that could directly or indirectly impact our business, like Canada’s climate plan “A Healthy Environment and a Healthy Economy”, the Canadian Net Zero Emissions Accountability Act, the Clean Fuel Standard, the federal carbon pricing backdrop (federal backdrop), Alberta’s Technology Innovation and Emission Reduction (TIER) and Saskatchewan’s Management and Reduction of Greenhouse Gases Regulations (MRGGR). If we didn’t participate in the TIER and MRGGR programs or if any substantial changes occur to the existing programs, it could expose Gibson to the carbon tax pursuant to the federal backdrop for the regulated facilities, which could increase operating business expenses. For example, to meet our annual emissions performance benchmark under TIER, Gibson could incur costs to reduce emissions through facility improvements or the purchase of emission credits. To mitigate the potential risks associated with the federal backdrop, we voluntarily submit to TIER as an aggregate facility (see section C11 for facility details). Additionally, we are regulated by MRGGR for our Moose Jaw Facility and proactively set a Scope 1 and 2 absolute emissions reduction target for the Moose Jaw Facility, which surpasses the regulatory requirements that apply to Gibson. We considered Canada’s plan to accelerate climate action, which increases the carbon price to $710/tonne in 2030, which may have a significant impact on Canadian industry participants, including potential impacts on Gibson. We align our internal carbon pricing with Canada’s climate plan and our commitment to achieve Net Zero emissions supports Canada’s goal of Net Zero by 2050. We considered Canada’s Emissions Reduction Plan (ERP) as it has an impact on federal renewable technology funding opportunities. We consider how low carbon fuel regulations such as the Clean Fuel Standard may impact the demand for oil and refined products and will likely cause an increase in the demand for low carbon fuels and renewable fuel blends. To address shifts in demand, we continue to investigate opportunities to expand our renewable products and services, such as the opportunity to potentially partner on building a facility to produce hydrocracked renewable diesel.</td>
</tr>
<tr>
<td>Emerging regulation</td>
<td>Relevant, always included</td>
</tr>
<tr>
<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. In general, climate change legislation imposes, among other things, costs, restrictions, liabilities and obligations related to 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 may require significant expenditures and it is likely that such legislation could impact oil and gas operations, including those of our customers. Changing legislation may also impact the future demand of oil and refined products. In addition, new or amended legislation may apply to more facilities over time and result in further regulatory requirements that apply to Gibson. In 2023, we announced our ERP and intends to develop a program to cap and then cut emissions from the oil and gas sector, projecting that emissions will need to be cut 42% below 2019 levels by 2030. Implementation of the ERP may impact our other operations that are not currently regulated under TIER or MRGGR (see section C11 for facility details) or lead to changes to the provincial programs to align with the new plan requirements. To mitigate the potential risks regarding emerging regulations such as potential caps on oil and gas emissions in Canada, we continue to modernize and optimize our facilities to further reduce our emissions. We have set voluntary emissions reduction targets to enable us to meet and exceed current regulatory requirements and we are prepared in advance of future emissions caps. Gibson is working alongside governments to understand the development and implementation of carbon policies to ensure our business is aware of and prepared for any potential outcomes resulting from proposed legislation. To deliver on this, we have an internal government relations team and engage a third-party government relations firm to monitor relevant regulatory changes. We continue to monitor the potential for carbon policies to be introduced in the US, but at this time we are not subject to carbon pricing at any of our US operations, and the current state of US policy discussions is not focused on establishing new carbon pricing regimes.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
</tr>
<tr>
<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 consider technology advancements such as improvements in the production and longevity of alternative energy sources like solar and wind, emissions reduction technologies, as well as the growth of electric and battery powered engines. In the long-term, as such technologies become more accessible and cost effective, there could be changes in customer demand due to the increased capabilities of low-carbon energy sources. These types of technological advancements could expose us to a potential decrease in demand for crude oil and petroleum products and the transportation thereof, which could, in turn, impact revenues. Nevertheless, technology also presents an opportunity to investigate how we can leverage renewable technology operationally, such as utilizing renewable energy technology at locations where we could most effectively implement such technology, for example wind, solar or geothermal power. There is also the potential opportunity to deploy CCS technology to help achieve our ambitious absolute and intensity targets and our commitment to Net Zero by 2050, as well as reduce direct costs. We continue to investigate CCS as part of the suite of options at our disposal to reduce our emissions and contribute to a lower carbon future on our pathway to Net Zero.</td>
</tr>
<tr>
<td>Legal</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Legal actions from climate-related factors are relevant and always included in our risk assessment process, given the potential risks on our business and the energy industry in general. For example, we considered potential litigation that could be targeted against Gibson or the energy industry generally by third parties relating to climate change or climate-related legislation, potential risks on operating costs for our business as well as adverse reputational impacts. While impossible to eliminate the risk of potential litigation targeted towards the energy industry, we believe our position as a leader in sustainability and ESG reduces the impact of potential litigation risk. We continue to enhance our public disclosure around climate change through the release of our TCFD Report and commitment to reduce emissions across our business. Nevertheless, our ability to continue delivering on our ESG strategy and targets is dependent on our ability to execute our current business strategy and milestones as well as continuing to evolve our strategy.</td>
</tr>
<tr>
<td>Market</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Market demand for crude oil and petroleum products is relevant and always included in our risk assessment process. For example, Gibson considers how climate change mitigation, energy transition and adaptation policies will impact customer demand for crude oil and petroleum products in the medium- to long-term and affect the energy industry overall and related midstream infrastructure. We note there may be a change in customer behaviour as stakeholders continue to encourage companies to set decarbonization targets, supporting strategies with tangible actions, and new low carbon energy sources become increasingly affordable and accessible. To assure we meet the expectations of our customers and broader stakeholders, we remain proactive in our pursuit of opportunities to address this risk and reduce our emissions, achieve our targets and further embed climate-related considerations into our business strategy. Additionally, we are exploring the potential to expand our asset base to enable the further production and accessibility of low carbon fuels. As an ESG-focused company, we continue to invest in our processing facilities to ensure the products we process are less carbon intensive. We are confident that as we prioritize capital allocation opportunities, we will be well-positioned to continue to pivot with the energy transition. We also view the energy transition as an opportunity to offer enhanced infrastructure and services, such as the production, storage and transportation of low carbon fuels, and believe we are well-positioned to support the future transition to a lower carbon economy.</td>
</tr>
<tr>
<td>Reputation</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>We are committed to upholding our reputation as a credible and trusted company, building and maintaining positive relationships with our stakeholders and recruiting and retaining employees. Our operations and growth as a company depends on us having strong relationships with key stakeholders including our shareholders, customers, employees, landowners, governments and government agencies. Reputation is therefore relevant and always included in our risk assessment. We also recognize the potential stigmatization of the energy industry as a key regulatory risk, which could lead to a negative impact on Gibson, such as an impact on our market capitalization. As focus on climate change and GHG emissions continues to increase, we face the social pressure to support decarbonization. For example, emission reductions and move toward decarbonization will impact corporate sustainability and ESG considerations as part of their portfolios, which could result in higher capital costs. Failure to manage our reputation and meet the increasing climate-related expectations from our investors and other key stakeholders, including customers, suppliers, government bodies and communities could result in revenue loss, reduction in our customer base and decrease of share price.</td>
</tr>
<tr>
<td>Acute physical</td>
<td>Relevant, always included</td>
</tr>
<tr>
<td>Relevant, always included</td>
<td>Acute physical risks such as severe storms and floods 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 consider the possible impacts of ongoing soil erosion, earth movement; thawing and freezing on our pipeline infrastructure, which may result in mechanical failures or accidents. Our asset integrity team regularly reviews our infrastructure, including an assessment of chronic physical risks. Applying such assessment criteria, we previously identified a potential slope stability risk related to our Stoney Beach Pipeline that could be exacerbated by accelerated soil erosion. As this pipeline crosses the Moose Jaw River, we addressed this risk by proactively completing a horizontal directional drill to bury this pipeline deep into the surrounding bedrock.</td>
</tr>
</tbody>
</table>

(C2.2a) 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.
Additional, we will continually monitor our internal climate signposts to identify changes in the likelihood of the risk and proactively address it.

### Case Study
As renewable fuel regulations continue to emerge, such as the Clean Fuel Standard, there will likely be an increase in the demand for low carbon fuels. We recognized that we could reduce our potential exposure to the risk of decreased oil throughput by considering opportunities to support the transition to an increase in demand for low carbon and renewable products. Our strategy to address this risk includes reviewing opportunities to expand our business through the energy transition and offer products and services for the storage and blending of renewable fuels. Through this process, we successfully identified an opportunity to potentially partner on building a facility to enable Gibson to produce hydrotreated renewable diesel, with an estimated implementation timeline of approximately four years after potential sanctioning (for further information, please refer to Opp5 in C2.4a).

### Explanation of Cost Calculation

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Risk 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where in the value chain does the risk driver occur?</td>
<td>Downstream</td>
</tr>
</tbody>
</table>

### Primary potential financial impact
Other, please specify (Decreased Adjusted EBITDA due to reduced demand for products and services)

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

### Company-specific description
We conducted a climate-scenario analysis using the Sustainable Development Scenario (SDS) and the Stated Policies Scenario (STEPS) from the IEA to examine Gibson’s resiliency to climate-related risks. The SDS suggests the world is moving towards decarbonization and continues to set climate-related targets to limit global warming, and the IEA believes this trend becomes more relevant where Gibson operates. The scenario indicates the oil and gas industry is directly affected by climate-related targets as new, low-carbon energy sources become increasingly desirable, affordable and accessible, while government incentives and policies will also play a critical role in influencing the energy demand. Under the SDS, the long-term view is that there is reduction of oil demand and price, leading to limited expansion of existing projects and a decrease of investment into new oilfield development projects. As production plateaus and market access via pipeline is readily available, this scenario would lead to less need for traditional crude by rail and put downward pressure on revenues associated with the Hardisty Unit Rail Terminal. This risk may also have a lesser impact on demand for the products from our processing facilities. For example, many of Gibson’s products from our Moose Jaw Facility are primarily non-combustible or intermediate products and demand for many of these products is not expected to decrease under either of the scenarios and may even be strengthened. However, demand for certain products such as drilling fluids and light oil ends products produced at the Moose Jaw Facility may decrease under the SDS. Under the STEPS, Gibson does not experience any risks to our business. While our risk assessment is specifically in the context of the SDS and STEPS scenarios, we note there are additional external factors that may impact global oil demand, which were not factored into the IEA scenarios. We believe responsibly developed oil is part of a low carbon energy future and that oil will continue to be part of the global energy makeup in the future, in addition to serving as a feedstock for asphalt, plastics and other important products. The Canadian energy industry continues to be the leading supplier of responsibly produced oil operating in one of the most robust ESG regulatory frameworks in the world and is well-positioned to be the last remaining source of oil and gas globally.

### Time horizon
Medium-term

### Likelihood
Very unlikely

### Magnitude of impact
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)
0

### Potential financial impact figure – maximum (currency)
35000000

### Explanation of financial impact figure
A significant portion of Gibson’s Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA) and our Canadian operations are tied to the oilsands, while our US operations are related to non-oilsands crude production. When reviewing the IEA’s SDS and STEPS, we assessed the financial impacts of both scenarios on our business in Canada and the US. To identify the potential financial impact figure, we modelled the financial impact of the expected decline of oil supply under the SDS and considered our current contract structure and the impact on our revenue over the long term. The modelling results indicated that under the SDS, there could be a maximum one time decrease of approximately $35,000,000 in our Adjusted EBITDA over the next five years from 2021 to 2026. Note of the potential $35,000,000 impact, approximately $27,000,000 of the total are one-time items as disclosed in Gibson’s public filings on SEDAR. This estimate assumes that the conditions under the SDS are realized where crude oil production declines globally, with oil sands throughput starting to decline after 2030. On the low end, we would expect no change to our Adjusted EBITDA under the STEPS scenario. The potential financial impact on our Adjusted EBITDA is therefore estimated to be in the range of $0 to $35,000,000.

### Cost of response to risk
920000

### Description of response and explanation of cost calculation
Response Explanation
While this risk could have a significant impact if it occurred, our current contract structure is comprised of 80% take-or-pay, long-term contracts, which we believe offers revenue stability and resiliency over their term under both the SDS and STEPS. To reduce this risk further, we continue working with our customers to renew and/or extend our long-term and take-or-pay contracts as such agreements provide the most stable and resilient cash flows in the face of production changes. We continue to monitor market changes and have set up internal committees and working groups to proactively identify any developments that could have a significant impact on our business and operations. Additionally, we will continually monitor our internal climate signposts to identify changes in the likelihood of the risk and proactively address it.

### Explanation of Cost Calculation
The cost of managing this risk is approximately $920,000, which includes the approximate cost to commit sufficient resources internally to review and manage contracts and identify new business opportunities to ensure our operations continue to be resilient throughout the energy transition in the face of changing customer behavior. This also includes the costs related to investigating the potential opportunity of building a renewable diesel facility. Please note that these are near-term, immediate costs and at this time do not represent future costs that have yet to be ascertained as we continue to monitor this risk.

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. While the SDS and STEPS scenarios offer potential outlooks for the energy future, it is difficult to predict how the future may unfold and the potential outcomes under SDS and STEPS may not be an accurate representation of what will or should occur in the future. By considering these scenarios, we were able to stress test the resilience of our business over a range of different potential outcomes, including the lower probability, higher consequence set of assumptions under the SDS.

<table>
<thead>
<tr>
<th>Identifier</th>
<th>Risk 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where in the value chain does the risk driver occur?</td>
<td>Direct operations</td>
</tr>
<tr>
<td>Risk type &amp; Primary climate-related risk driver</td>
<td>Emerging regulation</td>
</tr>
</tbody>
</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
Gibson operates in Alberta and Saskatchewan where the federal backstop is applied by the Government of Canada in both provinces. In Alberta, we elected to voluntarily participate in TIER under the aggregate program and in Saskatchewan we are regulated by MRGGR legislation. Due to the ever-changing nature of the political landscape, new policies are developed and introduced related to GHG emissions. Carbon pricing systems have recently been introduced, modified and repealed including the implementation of the carbon tax, the development of the Clean Fuel Standard and changing regulations regarding the federal backstop which currently applies to a significant portion of Gibson’s business and operations. The federal government has confirmed the minimum carbon price will increase by $15 per tonne annually starting in 2023 through to 2030, which may have a significant impact on Canadian industry participants, including potential impact on Gibson. It is possible that future changes to the regulatory landscape may be driven by Canada's recently announced ERP, which includes higher carbon pricing, increased energy efficiency standards, energy and emissions reduction targets and promotion of alternative fuel technologies and carbon capture and storage. These changes may result in increased operating costs in the event we are no longer regulated under TIER and MRGGR or equivalent programs and therefore become exposed to the federal backstop, as well as increased costs to maintain compliance under the carbon pricing systems regulating Gibson’s operations. Such changes would be applicable to our regulated facilities in Canada including our Moose Jaw Facility regulated under MRGGR in Saskatchewan, and the DRU and Hardisty Fractionator that are included in our aggregate facility under TIER in Alberta.

<table>
<thead>
<tr>
<th>Time horizon</th>
<th>Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Likelihood</td>
<td>More likely than not</td>
</tr>
<tr>
<td>Magnitude of impact</td>
<td>Low</td>
</tr>
</tbody>
</table>

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)
0

Potential financial impact figure – maximum (currency)
13000000

Explanation of financial impact figure
The financial impact of $0 to $13,000,000 represents the minimum and maximum amounts of annual carbon tax compliance obligations we may incur annually to 2050 if we were no longer regulated under TIER and MRGGR, or equivalent programs, and become exposed to the federal backstop. This impact assumes the carbon price increases to $170 per tonne by 2030 and increases to $250 per tonne by 2050 under the SDS, and that Gibson is solely responsible for paying the carbon tax on all of our regulated Scope 1 emissions which includes our Moose Jaw Facility in Saskatchewan, as well as our DRU and Hardisty Fractionator in Alberta. The maximum potential impact is based on the SDS carbon pricing and assumes Gibson does not take any action to mitigate the carbon price, while the minimum potential impact assumes that we reach our Net Zero by 2050 goal. Gibson’s current carbon footprint is relatively small and as of the 2021 reporting year is primarily made up of our Moose Jaw Facility, which accounts for 65.8% of our overall Scope 1 emissions in 2021. Despite the carbon price expected to go up to $170 per tonne by 2030 based on current regulation and up to $250 per tonne under the SDS, our compliance obligations are expected to further decrease due to the relatively low footprint of our operations and the voluntary and meaningful emissions targets we have in place to achieve across time horizons to 2025, 2030 and 2050.

Cost of response to risk
440000

Description of response and explanation of cost calculation
Response Explanation
Gibson monitors potential regulations related to emissions, reporting, and pricing through our Emissions Management and Reporting Working Group, which provides strategic guidance on issues related to climate change and emissions. The group is responsible for maintaining an enterprise-wide emissions model to inform our climate
targets, monitoring and analyzing emissions regulatory and financial impacts and coordinating government and stakeholder interactions to ensure alignment. Gibson also works with governments to understand the development and implementation of carbon policies to ensure our business is aware of any potential positive or negative outcomes resulting from emerging legislation. We have an internal government relations team and engage a third-party government relations firm to monitor relevant regulation changes.

Case Study

By reducing our emissions profile, we can reduce exposure to potential carbon tax compliance obligations. Our internal teams were tasked with investigating energy efficiency and emissions reduction opportunities that would reduce the emissions of our regulated facilities as well as company-wide emissions. We identified a potential opportunity for the DRU to switch from a feedstock-based fuel supply to natural gas, similar to the ongoing work at our Moose Jaw Facility, which would require alignment with our JV partner and would result in a Scope 1 reduction. We expect that if this potential project is implemented (over a timeline of approximately three years after sanctioning), it could have a meaningful impact on reducing our emissions to contribute to the achievement of our emission targets, as well as reducing our carbon tax compliance obligations under TIER.

Explanation of Cost Calculation

The average annual cost of managing this risk is $440,000 which includes costs related to: voluntary quantification and verification of our company-wide emissions, including our regulated facilities, an effort that strengthens our resilience in the face of potential regulatory changes; monitoring any regulatory changes at all levels of government in Canada; internal resources for our Emissions Management and Reporting Working Group; and participation in industry focus groups. Please note that these are near-term, immediate costs and at this time do not represent future costs that have yet to be ascertained as we continue to monitor this risk.

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. While the SDS and STEPS scenarios offer potential outlooks for the energy future, it is difficult to predict how the future may unfold and the potential outlooks under SDS and STEPS may not be an accurate representation of what will or should occur in the future. By considering these scenarios, we were able to stress test the resilience of our business over a range of different potential outcomes, including the lower probability, higher consequence set of assumptions under the SDS.

---

**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>Reputation</th>
<th>Stigmatization of sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>Stigmatization of sector</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**

Under the SDS, the public focus on climate change and GHG emissions is continuing to increase globally, and the reputation of oil and gas companies may become increasingly unfavourable. There are added social pressures which demand governments and companies work to mitigate the risks associated with climate change, decrease GHG emissions and move towards decarbonization. Investors continue looking to incorporate sustainability and ESG considerations as part of their portfolios, with trillions of dollars in assets under management having specific goals to support the goal of Net Zero GHG emissions by 2050 or sooner. The continued focus on climate change by investors may lead to higher costs of capital for the oil and gas industry, which may impact Gibson, as the pressure to reduce emissions increases. This could impact the market capitalization of industry participants by approximately 20%, potentially including Gibson. It is important to note that such assumptions are based on suggestions by the IEA's SDS as well as views from third-party consultants. We recognize that Gibson’s ability to adapt and succeed in a lower-carbon economy will be compared against our peers and beyond. Investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure by Gibson to achieve our ESG targets, or a perception among key stakeholders that our ESG targets are insufficient, could adversely affect, among other things, our reputation and ability to attract capital.

As this risk would affect our entire business and not disproportionately impact certain regions or assets, we focus our efforts on ensuring our entire business is resilient in the face of the energy transition. For example, many of Gibson’s larger investors are focused on ESG and Net Zero mandates and are signatories to various climate-related principles or initiatives such as the Net Zero Asset Managers initiative. To meet our investors expectations and demonstrate our commitment to support the transition to a lower carbon future, we have set a target to achieve Net Zero Scope 1 and 2 emissions company-wide by 2050. If Gibson were unable to achieve this target, it would not align with investor goals to decarbonize their portfolios across this time horizon.

**Time horizon**

Medium-term

**Likelihood**

Very unlikely

**Magnitude of impact**

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)**

0

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

720000000
Explanation of financial impact figure
To estimate the potential financial impact, we considered the IEA’s suggestion that the impact of future tightening of climate policies may see a similar impact as the recent loss in market capitalization of oil and gas companies due to the COVID-19 pandemic. The high end of the range is based on a 20% loss in market capitalization for the oil and gas sector, which could ultimately impact Gibson’s market capitalization. The assumption of a 20% decrease is aligned to the approximate reduction in market capitalization experienced by Gibson as compared to periods prior to the pandemic (10%) and additional share price decrease due to the oil price decline expected under the SDS. Such assumptions are based on suggestions by the IEA’s SDS as well as views from third-party consultants. Therefore, based on the SDS scenario, the potential financial impact due to the potential stigmatization of the sector on Gibson’s current market capitalization (approximately $3.61 billion) over the time horizon of 2002 to 2050 could be $720,000,000, with no impact suggested under the STEPS. We estimate the potential financial impact could be in this range should we fail to meet the expectations of our key stakeholders.

Cost of response to risk
600000

Description of response and explanation of cost calculation
Response Explanation
To address this reputational risk, we are taking proactive steps to manage and respond to investors’ expectations. We continue to further integrate ESG and climate-related considerations throughout our business, which begins with strong climate-related governance by our SESG Committee. We set voluntary targets including Scope 1 and 2 absolute and intensity reductions and Net Zero by 2050. Additionally, we have tied our borrowing costs and employee compensation to our ESG performance. We continue to evaluate opportunities aligned with our internal return hurdles to implement low carbon initiatives and provide renewable products and services to further demonstrate our commitment to contribute to a lower carbon future.

Case Study
Given that many investors are incorporating Net Zero considerations into their investment portfolios, we recognized that being an ESG leader as the world transitions to a climate-resilient future is a critical role Gibson is committed to take for our business, shareholders, community and country. In 2021, the SESG Committee requested that management explore the development of a commitment to Net Zero Scope 1 and 2 emissions by 2050 in addition to our previously announced 2025 and 2030 intensity and absolute targets. We successfully identified an ambitious yet credible pathway by which we could reduce approximately 90% of our Scope 1 and 2 emissions from a 2020 baseline across our entire asset base through the application of existing technologies already in commercial use in North America, with the remaining 10% being addressed through new technologies currently in development or by the purchase of RECs or carbon offsets. Our Net Zero commitment was recommended for approval by the SESG Committee to the Board and ultimately approved by the Board in October of 2021, and was well received by our investors and stakeholders.

Explanation of Cost Calculation
The estimated annual cost of managing this risk includes: committing sufficient resources internally to sustainability/ESG initiatives; use of external consultants to support our climate strategy, government relations and voluntary disclosures; costs related to participation in industry focus groups and ESG conferences; and travel costs for ESG-related engagement during investor meetings. Please note that these are near-term, immediate costs and at this time do not represent future costs that have yet to be ascertained as we continue to monitor this risk.

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. While the SDS and STEPS scenarios offer potential outlooks for the energy future, it is difficult to predict how the future may unfold and the potential outlooks under SDS and STEPS may not be an accurate representation of what will or should occur in the future. By considering these scenarios, we were able to stress test the resilience of our business over a range of different potential outcomes, including the lower probability, higher consequence set of assumptions under the SDS.

C2.4
(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
(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

<table>
<thead>
<tr>
<th>Identifier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opp2</td>
</tr>
</tbody>
</table>

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

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Gibson is investigating how we can reduce the consumption of non-renewable energy for a portion of our assets by powering our operations with electricity generated by renewable technologies. The ability to consume lower-emissions sources of electricity will not only decrease our consumption of non-renewable power and contribute to the achievement of our 2025 and 2030 absolute and intensity emissions targets as well as our Net Zero by 2050 commitment, but can contribute to the overall decarbonization of the power grid. We had previously investigated the opportunity to directly deploy renewable energy technologies, such as solar power generation, for our Moose Jaw Facility, however after further investigation, we believe entering into a power purchase agreement (PPA) would be a more cost effective and feasible solution for our business. A PPA is an appropriate alternative to Gibson developing our own power resources as it would allow us to enter into a long-term agreement where we could buy...
As a liquids infrastructure company focused on Storage and Handling, Gibson believes there is an opportunity to deploy carbon capture and storage (CCS) technology as a

Reduced direct costs

Primary potential financial impact

Other, please specify (Deployment of emissions reduction technology)

Primary climate-related opportunity driver

Resource efficiency

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Primary climate-related opportunity driver

Other, please specify (Deployment of emissions reduction technology)

Primary potential financial impact

Reduced direct costs

Company-specific description

As a liquids infrastructure company focused on Storage and Handling, Gibson believes there is an opportunity to deploy carbon capture and storage (CCS) technology as a possible means of helping achieve our absolute and intensity targets, while doing our part to be a responsible operator. Under the SDS, the use of CCS through 2050

Explanation of financial impact figure

If we were to enter into a PPA in Alberta, it would provide up to 60% of the electricity required to power our Alberta facilities. We recognize that due to the current uncertainty in the long-term pricing of electricity, by locking in a PPA we may reduce the potential risk of being exposed to future cost volatility. Assuming a ten-year PPA generates 60,000 MWh/year of renewable electricity and an estimated average PPA/power price differential from -$10 to +$20/MWh, we estimate that the potential financial impact could be anywhere from an additional cost of $6,000,000 to a cost savings of $12,000,000. The future realized impact is likely to vary and will not necessarily provide a cost savings, however we believe this opportunity would nevertheless be a positive contributor to the achievement of our emission reduction targets and overall decarbonization of the grid as we transition to a lower carbon future. We continue to work on identifying the potential future cost impacts of this opportunity.

Cost to realize opportunity

175000

Explanation of cost calculation

Strategy to realize opportunity and explanation of cost calculation

Strategy Explanation

Our strategy includes incentivizing the investigation of renewable energy opportunities as part of our STIP metrics for all employees and providing sufficient resources internally to support the deployment of renewable projects. Climate-related performance objectives are included within a 35% ESG weighting of the total STIP and include objectives for executing renewable energy and energy efficiency improvement initiatives to help achieve our 2025 emissions targets. Our Renewables and Emissions Reduction Working Group as well as another internal working group are also responsible for investigating opportunities for emissions reduction and renewable energy projects, including establishing partnerships with renewable energy providers to enter into a PPA. Gibson joined the Business Renewables Centre of Canada (BRCC), a cross-industry initiative that supports the transition to a lower carbon future, making it easier for companies to enter the renewable energy market by providing resources on renewable energy procurement, including PPAs, and bringing veteran renewable purchasers and deal-makers together with those exploring the opportunity. Through this engagement, Gibson can connect with potential renewable energy partners and gain valuable resources to help meet our renewable energy goals and demonstrate our commitment to our ESG targets.

Case Study

As part of our STIP performance objectives, we aim to identify partnerships, such as with renewable energy providers, to further achieve additional energy/emissions reductions to meaningfully contribute to our emissions targets. In 2021, we specifically focused this objective on our Alberta facilities because they are all connected to the same grid, Alberta has a deregulated electricity market, and our Hardisty Terminal in Hardisty, AB is the largest consumer of electricity across our operations. Through this process, we have identified and engaged with potential partners to enter into a PPA, to be implemented prior to 2025, subject to Board approval. This opportunity would supply renewable energy to our Alberta facilities and contribute to the decarbonization of the regional grid.

Explanation of Cost Calculation

The cost to realize this opportunity is approximately $175,000 annually, which includes salary and overhead for employees focused on advancing PPA opportunities (one FTE for half a year as well as members of the working groups). Additionally, it includes our annual membership costs.

Comment

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continues to expand, with policies supporting widespread implementation of CCS as technologies continue to evolve and become more cost effective. Throughout 2021, we continued to investigate the applicability of leveraging CCS as a potential solution for capturing and sequestering atmospheric carbon dioxide (CO2) levels emitted from our operations, thereby reducing our Scope 1 emissions. We are evaluating the possibility of deploying this technology for certain assets, such as the DRU, which is expected to be a significant contributor to our Scope 1 emissions after it is operational for a full reporting year. Additionally, the Hardisty area was found to have suitable geologic resources and storage reservoirs for carbon sequestration based on a preliminary study. We will continue to investigate the opportunity to leverage CCS technology at other assets, such as our Moose Jaw Facility, to support our emission reduction goals and Net Zero commitment.

**Time horizon**
Long-term

**Likelihood**
Unlikely

**Magnitude of impact**
Medium-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)**
2063000

**Potential financial impact figure – maximum (currency)**
10313000

**Explanation of financial impact figure**
We estimated the financial impact as a reduction in direct costs due to lower carbon tax obligations as a result of implementing CCS at the DRU. The potential financial impacts were derived by using Shell’s Quest project offset credits calculation methodology as it is the best available data relevant to CCS technology and deployment. We assume that the carbon offset price is the same as the carbon tax in a given year. Additionally, the financial impact figure is based on the assumption that the CCS technology captures 90% of Gibson’s equity share of anticipated Scope 1 GHG emissions from the DRU, assuming a full year of operation at approximately 45,835 tCO2e, multiplied by $50/tonne (the 2022 carbon tax) to derive the low end of the estimate and $250/tonne (the upper limit of the carbon tax under the SDS in 2050) to estimate the high end. At the low end, the potential direct cost reduction related to decreased carbon tax obligations is estimated at approximately $2,063,000 per year and at the high end is estimated at approximately $10,313,000 per year. This impact assumes that our regulated Scope 1 emissions at the DRU would be subject to the carbon pricing under the federal backstop in the event that the DRU is no longer regulated by TIER. Additionally, this opportunity will require alignment with our JV partner for the DRU.

**Cost to realize opportunity**
35000000

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

**Strategy Explanation**
We continue to incentivize the investigation of emission reduction opportunities through our STIP metrics for all employees and provide sufficient resources internally to evaluate such projects. Climate-related performance objectives are included within a 35% ESG weighting of STIP, including objectives for evaluating emissions reduction projects to help achieve our 2025 Scope 1 and 2 targets and Net Zero commitment. Our internal Renewables and Emissions Reduction Working Group is also responsible for investigating opportunities for emissions reduction and renewable energy projects, identifying funding opportunities and engaging with potential partners to collaborate on joint venture options for CCS and other opportunities. Given the investment and ongoing operating costs required to realize this opportunity, Gibson would seek a partnership with an industry peer and/or government funding, such as the tax incentives announced in Canada’s Budget 2022, to make a potential CCS project economically feasible to ensure we maintain our fiscal responsibility as a company.

**Case Study**
In 2021, we announced several targets to reduce our emissions, including 2025 and 2030 absolute and intensity reduction targets as well as Net Zero by 2050. As part of the target-setting process, we identified credible pathways by which we can use existing technology to achieve our targets and ensure we do our part to contribute to a lower carbon future. To help reduce our Scope 1 emissions, we recognized that CCS presents a potential opportunity to capture direct emissions and help decrease atmospheric levels of CO2, while contributing to the achievement of our emissions reduction targets. We ultimately found that Alberta has suitable carbon storage reservoirs near the Hardisty area and potential partnership opportunities. To realize this opportunity, investment in new infrastructure would have to occur and/or existing assets and infrastructure would have to be repurposed, which places this opportunity on a long-term implementation timeline.

**Explanation of Cost Calculation**
We estimate the one-time cost to implement CCS at the DRU would be approximately $35,000,000 based on the approximate cost required to build the Shell Quest Facility, as well as estimates from the Intergovernmental Panel on Climate Change 2018. This estimate includes the cost to build carbon capture infrastructure but does not include the storage and handling costs.

**Comment**
Although Gibson uses the above noted criteria to measure substantive financial or strategic impact on a comparative 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**
Opp5

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

**Opportunity type**
Products and services

**Primary climate-related opportunity driver**
Ability to diversify business activities
Primary potential financial impact
Other, please specify (Increased Adjusted EBITDA resulting from increased demand for products and services)

Company-specific description
As a midstream storage and infrastructure-focused company, Gibson is in an advantageous position to expand our business to meet the demand for products and services that are required as we transition to a lower carbon future. While the global energy picture is highly uncertain, what is clear is that global climate change-minded initiatives will impact energy demand and the forms of energy, thereby creating an increased stakeholder focus on low emissions performance and opportunities. Renewable fuel regulations continue to emerge, such as the Clean Fuel Standard, which will likely cause an increase in the demand for low carbon fuels and renewable fuel blends, such as renewable diesel and sustainable aviation fuel. In 2021, Gibson continued to investigate the opportunity to diversify our business activities to offer products and services to additional customers, such as for the production, blending and storage of renewable fuels. For example, we are exploring an opportunity to potentially partner to build a facility in Saskatchewan and/or Alberta, regions where we already operate, which would further expand our product offerings by producing hydrotreated renewable diesel as a low carbon alternative to conventional petroleum diesel. We believe that through this type of opportunity, Gibson can support and be part of the transition to a lower carbon future. Ultimately, pursuing this opportunity would be dependent on the prospective outlook of the emerging market for renewable fuels and meeting our internal return hurdles, among other factors.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
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)
85000000

Potential financial impact figure – maximum (currency)
120000000

Explanation of financial impact figure
We estimate that the impact may be a potential increase to our Adjusted EBITDA of up to approximately $85,000,000 to $120,000,000 per year at rates of return consistent with targeting Gibson’s 5x to 7x EBITDA build multiple for contracted, long-term infrastructure projects.

Cost to realize opportunity
60000000

Strategy to realize opportunity and explanation of cost calculation
Strategy Explanation
To realize this opportunity, we hold regular discussions with current and potential customers on how we can support their business needs, understand their energy transition goals and pitch renewable/fossil carbon projects. Examples include building storage tanks and infrastructure for low carbon and renewable fuels. Our commercial team has an internal working group that meets bi-weekly to discuss engagement priorities with customers on climate-related topics and brainstorm how we can support our customers needs as we collectively move towards a lower carbon future. Through this process, we seek to identify opportunities that leverage our current asset base and diversify our business activities to ensure Gibson remains resilient in a low carbon future. Ultimately, our strategy for realizing potential opportunities involves committing capital to understand the costs and scope of work required and to conduct front end engineering design (FEED) studies to help inform our investment decisions. We continue to investigate the potential to collaborate with other stakeholders, including governments within Canada, to ensure such opportunities are successful.

Case Study
Through our commercial group, we regularly engage with our customers to identify opportunities where we can supplement their strategies and longer-term climate-related ambitions through renewable products and services. Our goal was to leverage our current asset base and identify how Gibson can support our customers needs as the world looks to transition towards the increased use of low carbon fuels, which provides attractive growth opportunities. In 2021, we successfully sanctioned the Biofuels Blending Project at our Edmonton Terminal with our customer Suncor. The project included an expansion to facilitate the storage, blending and transportation of renewable diesel and came into service in Q2 2022. We continue to seek opportunities to enter other segments of the biofuels value chain, such as through a renewable diesel facility.

Explanation of Cost Calculation
We estimate that Gibson’s capital cost to build a facility to produce hydrotreated renewable diesel may be in the range of $500-$600 million. The cost does not consider any potential funding opportunities and may vary depending on the specific agreements made with customers, any engineering studies required and the design of the facility constructed.

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.

C3. Business Strategy

C3.1
(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan
No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan
<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan
<Not Applicable>

Description of feedback mechanism
<Not Applicable>

Frequency of feedback collection
<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)
<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future
Gibson acknowledges the energy transition is underway and we are committed to acting now to secure a more sustainable future for our company and for society. In 2021, Gibson completed its first climate scenario analysis using two climate scenarios developed by the International Energy Agency’s (IEA) World Energy Outlook – the Stated Policies Scenario (STEPS) and the Sustainable Development Scenario (SDS). In 2022, we extended our climate scenario analysis to 2050 to reflect the changes published by the IEA to the SDS and STEPS. We applied these scenarios to all areas of our business to evaluate the resilience of our strategy in a lower carbon environment, and, where appropriate, we used the STEPS as the base case scenario and the SDS to stress test our asset base and strategy. From the scenario analysis, we have identified how our world-class asset base can benefit from the energy transition, including by supporting the changing needs of our current customers as well as new customers. For example, in early 2021, we announced our Biofuels Blending Project with Suncor, which includes an expansion at our Edmonton Terminal to support the blending and loading of third-party biofuels. We are confident in our ability to adapt to changes in the external market, enabling our business to remain in a low carbon economy. We will continue to use climate scenario analysis as a framework to strengthen our robust governance and strategy framework, while proactively identifying opportunities to remain resilient through the energy transition. We also continue to prioritize investment in low carbon initiatives and investigate opportunities to provide renewable products and services as we work towards a lower carbon future. Ultimately, we remain committed to transparent communication as we further progress on our sustainability and ESG journey including continuing to monitor the external environment.

Explain why climate-related risks and opportunities have not influenced your strategy
<Not Applicable>

(C3.2)

Use of climate-related scenario analysis to inform strategy
Yes, qualitative and quantitative

Primary reason why your organization does not use climate-related scenario analysis to inform its strategy
<Not Applicable>

Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
<Not Applicable>

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

<table>
<thead>
<tr>
<th>Climate-related scenario</th>
<th>Scenario analysis coverage</th>
<th>Temperature alignment of scenario</th>
<th>Parameters, assumptions, analytical choices</th>
</tr>
</thead>
<tbody>
<tr>
<td>IEA, STEPS (previously IAE NPS)</td>
<td>Company-wide</td>
<td>&lt;Not Applicable&gt;</td>
<td>We conducted quantitative and qualitative climate-related scenario analysis using the STEPS as the base case scenario. We completed our first scenario analysis using the IEA’s STEPS and SDS across a time horizon to 2040 and we have now extended it to 2050 as the data for this time horizon was made available by the IEA. The STEPS provides a detailed forecast of how existing climate action developments and policies would impact the energy sector until 2050. The STEPS also assumes advanced economies and China will return to pre-pandemic levels in 2021, with global energy demand returning in 2021. Oil demand is expected to reach pre-pandemic levels by 2023 with maintained price support. As CO2 emissions rebound in 2021 and exceed pre-pandemic levels by 2023, the STEPS also assumes the goals of the Paris Agreement will not be achieved. Both the STEPS and SDS have a time horizon to 2050, which aligns with our Net Zero commitment and allows for long-term planning on economic growth and the overall energy outlook. At Gibson, we performed financial modelling under these two scenarios, supplementary to our current three to ten-year risk planning process. The scenario analysis was conducted company-wide, considering our Canadian and US infrastructure assets, including pipelines, terminals and processing assets as well as our marketing segment. Our methods included engaging internal stakeholders via interviews with an external consultant, financial modelling and validating the results of our analysis to ensure we factored in multiple perspectives. For each scenario, we considered Gibson’s advantageous position as a midstream company with strategically located operations required to facilitate the movement of crude oil out of Western Canada and long-term contracts with our customers.</td>
</tr>
<tr>
<td>SDS</td>
<td>Company-wide</td>
<td>&lt;Not Applicable&gt;</td>
<td>We conducted quantitative and qualitative climate-related scenario analysis using the SDS to stress test our asset base and strategy. The SDS assumptions are based on a backcast scenario of what must occur to meet the Paris Agreement goals. Under the SDS, the UN Sustainable Development Goals (SDGs) on energy and air quality are met. The SDS represents a major transformation of the global energy system, showing how the world can change course to adopt clean energy policies and achieve sustainable energy objectives. This scenario shows 2019 as the peak year for CO2 emissions, with global oil production steadily decreasing to half of what it was pre-pandemic in 2050. As a result, the SDS assumes the UN SDGs on energy access and air quality will be achieved by 2070. Further, the SDS assumes Net Zero will be achieved by 2070, which has the objective of “holding the increase in the global average temperature to 1.5°C below pre-industrial levels.” Both the STEPS and SDS have a time horizon to 2050, which aligns with our Net Zero commitment and allows for long-term planning on economic growth and the overall energy outlook. At Gibson, we performed financial modelling under these two scenarios, supplementary to our current three to ten-year risk planning process. The scenario analysis was conducted company-wide, considering our Canadian and US infrastructure assets, including pipelines, terminals and processing assets as well as our marketing segment. Our methods included engaging internal stakeholders via interviews with an external consultant, financial modelling and validating the results of our analysis to ensure we factored in multiple perspectives. For each scenario, we considered Gibson’s advantageous position as a midstream company with strategically located operations required to facilitate the movement of crude oil out of Western Canada and long-term contracts with our customers.</td>
</tr>
</tbody>
</table>
C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

To address our focal questions, the SDS and STEPS were selected based on TCFD recommendations, as well as their focus on climate information, transition and physical risks relevant to our operations and widespread use and understanding by the energy industry. In particular, we hoped to answer the following focal questions:

Question 1: What climate-related physical and transition risks could potentially affect our company, what would their impacts be, how can we mitigate such risks, and what opportunities arise?

Question 2: What potential quantitative financial impacts would these potential opportunities and risks have on our business under each of the scenarios?

Question 3: How can Gibson remain resilient throughout the energy transition when considering policy expectations and the potential for changing energy demand and supply, among other variables, under each scenario?

Results of the climate-related scenario analysis with respect to the focal questions

Question 1

The scenario analysis results suggest the STEPS presents lower risk to our current operations, where Gibson is resilient with opportunities for growth. The SDS, which assumes a faster rate of decarbonization, could have a greater impact. Under the SDS there may be a risk of reduced demand for crude oil products and services as it assumes there will be decreased investment in new oil sands and conventional oilfield development projects. Short-term decreased throughput would not significantly impact Gibson as most of our existing contracts are on a long-term take-or-pay basis with a minor proportion of revenues related to product volumes transported. Under the SDS, this may impact throughput at our storage and handling facilities over the medium to long-term and introduce challenges for this business segment if we are not able to retain or attract long-term take-or-pay customers or if there is a reduction on rates for our services. While the scenario analysis revealed certain risks under the SDS, we are strengthening our governance and using scenarios as a basis for continuous monitoring and strategy adjustment.

Question 2

This work has informed our strategy by including climate scenario analysis as part of our financial modeling that guides our short-, medium- and long-term planning, and has allowed us to explore opportunities to mitigate potential climate-related risks and ensure the resiliency of our business in the future. The potential financial impact of risks in the STEPS could be minimal with strong opportunities enabling Adjusted EBITDA growth to 2050. The potential financial impact of risks in the SDS could be material, however opportunities in energy transition and traditional infrastructure are expected to exceed the impact of the risks. Expected oil demand and throughput decline may challenge Gibson’s products and services with contract renewals being harder to attain at current fixed prices. Overall, we see expansion opportunities in the energy transition that are expected to offset the financial impacts of these risks.

Question 3

Despite the risk of decreased oil demand, we believe Gibson will remain in an advantageous position to evolve alongside changing energy needs, while emerging energy transition investment opportunities will continue to influence our business strategy. As we pursue energy transition opportunities, we will remain prepared to address challenges from future changes in oil demand. We believe our strategy is resilient under the scenarios and actively monitor it to adapt to market changes, while recognizing the uncertain views of the future represented through scenarios. The scenario analysis supports the identification of business development opportunities we may explore to maintain our resiliency. We are updating and reviewing climate signposts for horizon scanning of changes in climate-related regulation, technology and consumer demand.

See C16 for Gibson’s views on the use of the IEA’s scenarios.

C3.3
(C3.3) 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>Climate-related risks and opportunities have influenced our business strategy, particularly with respect to renewable products and services. As renewable fuel regulations continue to emerge, such as the Clean Fuel Standard, there will likely be an increase in the demand for low carbon fuels and renewable fuel blends. This has influenced our strategy by considering opportunities to expand our business through the energy transition and offering products and services to enable the further production and accessibility of low carbon fuels. We view the energy transition as an opportunity to offer enhanced infrastructure and services, such as the production, storage and transportation of renewable fuels, and believe we are well-positioned to support the future transition to a low carbon economy. Our organizational capabilities and world-class asset base will support the energy transition and help us continue to evolve to meet the changing energy demand and the needs of our current and future customers. To deploy this strategy, we held discussions with customers on opportunities to build additional storage tanks and distribution infrastructure for renewable products. In 2021, we also established a dedicated energy transition team, as well as set up our internal Renewable Development Working Group and Renewables and Emissions Reduction Working Group, to identify and develop opportunities in this space. In early 2021, we announced a long-term agreement with our customer SunCor for services at Gibson's Edmonton Terminal and the related sanction of an expansion to support the blending and loading of third-party biofuels for SunCor. The additional infrastructure for the Biofuels Blending Project will be used to facilitate the storage, blending and transportation of renewable diesel. In addition, we are exploring the opportunity of potentially partnering to build a facility to produce hydrotreated renewable diesel. We believe that through this type of opportunity, Gibson can demonstrate how we are supporting the transition to a lower carbon future. The time horizon for our strategy on renewable products and services covers the next 5-10 years.</td>
</tr>
<tr>
<td>Supply chain and/or value chain</td>
<td>As part of our commitment to operating a responsible business, we believe that we can help mitigate climate-related risks throughout our value chain by engaging suppliers on climate-related topics. Through our sustainable procurement strategy, we have identified several opportunities to gather climate-related information from our suppliers, ensure our suppliers understand our carbon management expectations and encourage suppliers to improve their environmental and climate-related performance. As part of this strategy, in 2021 we implemented a new Supplier Code of Conduct and Ethics (the “Supplier Code”), which outlines our expectations of suppliers and their commitment to environmental responsibility and the management of carbon emissions, among other topics, and encourages suppliers to seek opportunities to improve their environmental and climate-related performance. Suppliers must adhere to the Supplier Code as part of our sustainable procurement approach for the supplier contracting, compliance and onboarding program. Throughout 2021, we also continued to ensure ESG considerations were integrated into our request for proposals (RFP) process by requiring all proponents to complete a sustainability and ESG questionnaire, which asks for information on ESG practices and performance, including climate-related topics such as air and GHG emissions and climate-related strategy. The sustainability and ESG section holds a 5% weighting of the overall supplier selection criteria for evaluating all RFPs. In the future, Gibson also intends to engage with suppliers to provide guidance on improving their sustainability and climate-related disclosure so they better understand any potential risks and opportunities they may face, and in turn we can collaboratively work to address the potential impacts throughout the value chain. The time horizon for our sustainable procurement strategy is for the next 2 years, at which point we plan to review and make any additional updates to our supplier expectations. We also review the ESG questions in our RFP and supplier pre-qualification processes on an annual basis to ensure we continue to evolve and enhance our commitments and expectations of managing climate-related risks and opportunities and collecting relevant information from our suppliers and contractors.</td>
</tr>
<tr>
<td>Investment in R&amp;D</td>
<td>Gibson is committed to investing in low carbon studies, with an emphasis on identifying opportunities to lower our emissions footprint. We regularly conduct engineering and efficiency studies to determine the GHG and air emissions reduction potential of new and emerging technologies for both Scope 1 and Scope 2 emissions. These studies are conducted to understand the potential operational impact of climate-related risks by: addressing changing market demands for low carbon fuels across the value chain; continuing our commitment to reduce our emissions profile and climate-related impacts; and, minimizing the potential climate-related regulatory risks associated with the federal backstop, TIER and MRGGR. This research includes technology pilot evaluations, carbon liability forecasting, and process efficiency studies focused on reducing existing and potential infrastructure emissions. Additionally, the studies involve factoring in the current and future carbon prices into our economic modeling to determine the overall viability of potential projects. These reviews influence our project development strategy on an ongoing basis and serve as a critical part of our corporate strategy. Through this process, we investigate opportunities to increase our consumption of renewable energy for our operations, which would decrease our Scope 2 emissions and contribute to the decarbonization of the grid. We also identified an opportunity to invest $20,500,000 at our Moose Jaw Facility to further reduce both the absolute emissions and emissions intensity by switching from a light stock-based fuel supply to natural gas. This project builds on our earlier emissions intensity reduction projects we have implemented at our Moose Jaw Facility. Work on the project commenced in 2021 and was successfully completed in Q2 2022. Such engineering studies are conducted on a time horizon that is typically annually or more frequently to coincide with the exploration of new projects or development opportunities, and potential opportunities that meet Gibson’s internal rate of return are presented to Management and the Board.</td>
</tr>
<tr>
<td>Operations</td>
<td>Our operations strategy is influenced by climate-related regulatory risks with respect to the federal backstop, TIER and MRGGR, as well as from an operational efficiency perspective. Our GHG management activities focus on effectively assessing and investing in projects to reduce our emission intensity at our operations to meet or exceed our compliance obligations and emission reduction targets. Specifically, we have established an emissions compliance operations strategy given that our Moose Jaw Facility in Saskatchewan is considered a large emitter under the MRGGR regulations. Furthermore, for the Hardisty Custom Treater, Hardisty Fractionator and DRU we elected to voluntarily participate in the Alberta TIER aggregate program, which includes emission benchmarks and targeted emission intensity reduction requirements, to minimize the potential financial impacts of the federal backstop. Through these programs, we are proactively preparing and aligning our corporate standards with government and industry expectations. Gibson continues to make meaningful progress in supporting the energy transition and reducing the GHG emissions of our operations on the path to achieve our Net Zero by 2050 commitment. We have developed a credible roadmap to Net Zero by 2050 across all our operations through the application of existing technologies already in commercial use in North America, including but not limited to opportunities to switch to lower emission energy sources, investment in renewable energy and the potential for future decarbonization through CCS. We have also completed a fuel switching opportunity for emissions reduction at our Moose Jaw Facility, where we would switch from a feedstock-based fuel supply to natural gas, thus reducing our emissions by approximately 5,000 tCO2e per year. This project builds on the earlier emissions intensity reduction projects we have implemented at our Moose Jaw Facility. Construction on this project began in 2021 and was successfully completed in Q2 2022. The time horizon for this strategy is for 3-5 years and it will continue to be reviewed annually in the context of changes to the federal backstop’s carbon pricing escalation.</td>
</tr>
</tbody>
</table>
(C3.4) 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, are influenced by climate-related policies and market changes, such as increased demand for renewable fuels. For example, we are investigating an opportunity to expand our offering of renewable products and services by potentially partnering to build a facility to produce hydrogenated renewable diesel, which would contribute to an increase in Gibson's revenue. The time horizon for financial planning related to revenues occurs at least annually, with near term outlooks reviewed more frequently and long-term forecasting modelled over five- and ten-year periods.</td>
</tr>
<tr>
<td>Capital expenditures: Direct costs</td>
<td>Our financial planning process is influenced by climate-related and regulatory risks, as understanding direct costs over the long-term is vital to our financial planning and evaluation of project viability. We include carbon pricing in business case modelling as an economic driver for projects in jurisdictions where applicable, along with other economic considerations. To understand the future impacts of carbon pricing on our business decisions and direct costs, including investment in emission reduction activities, we currently use an evolving shadow price of $50-65/tonne and will continue to align our internal carbon pricing with the Canadian Government’s plan to increase the carbon price to $175/tonne in 2030. As an example, we used an internal carbon price when evaluating a fuel switching opportunity at the DRU, similar to our successfully completed fuel switching project at our Moose Jaw Facility, which may result in an emissions reduction by switching from a fossil-based fuel supply to natural gas. This potential opportunity would require alignment with our JV partner, and could impact our direct costs by reducing our carbon tax compliance obligations under TIER. We also apply Gibson’s shadow price on other projects where the carbon tax is applicable. The time horizon for financial planning related to direct costs occurs annually.</td>
</tr>
<tr>
<td>Acquisitions and divestments: Capital expenditures</td>
<td>Indirect Costs are evaluated during our financial planning process through the impact of carbon pricing on indirect energy-related costs and operating costs. When evaluating new projects, we embed carbon pricing as an assumption in energy-related factors such as electricity, where relevant. Climate-related operating costs we consider include climate-related consulting costs such as monitoring of potential impacts from regulatory and carbon pricing changes, analyzing potential future decarbonization scenarios, quantification and verification of company-wide emissions and emissions management and disclosure programs. The time horizon for financial planning related to indirect costs occurs annually.</td>
</tr>
<tr>
<td>Access to capital</td>
<td>Indirect Costs are evaluated during our financial planning process through the impact of carbon pricing on indirect energy-related costs and operating costs. When evaluating new projects, we embed carbon pricing as an assumption in energy-related factors such as electricity, where relevant. Climate-related operating costs we consider include climate-related consulting costs such as monitoring of potential impacts from regulatory and carbon pricing changes, analyzing potential future decarbonization scenarios, quantification and verification of company-wide emissions and emissions management and disclosure programs. The time horizon for financial planning related to indirect costs occurs annually.</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>Capital Expenditures are evaluated during our financial planning process through the impact of carbon pricing on indirect energy-related costs and operating costs. When evaluating new projects, we embed carbon pricing as an assumption in energy-related factors such as electricity, where relevant. Climate-related operating costs we consider include climate-related consulting costs such as monitoring of potential impacts from regulatory and carbon pricing changes, analyzing potential future decarbonization scenarios, quantification and verification of company-wide emissions and emissions management and disclosure programs. The time horizon for financial planning related to indirect costs occurs annually.</td>
</tr>
<tr>
<td>Capital Allocation</td>
<td>Capital Expenditures are evaluated during our financial planning process through the impact of carbon pricing on indirect energy-related costs and operating costs. When evaluating new projects, we embed carbon pricing as an assumption in energy-related factors such as electricity, where relevant. Climate-related operating costs we consider include climate-related consulting costs such as monitoring of potential impacts from regulatory and carbon pricing changes, analyzing potential future decarbonization scenarios, quantification and verification of company-wide emissions and emissions management and disclosure programs. The time horizon for financial planning related to indirect costs occurs annually.</td>
</tr>
</tbody>
</table>

C4. Targets and performance

C4.1

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

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

<table>
<thead>
<tr>
<th>Description of influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
</tr>
<tr>
<td>Capital expenditures:</td>
</tr>
<tr>
<td>Direct costs</td>
</tr>
<tr>
<td>Acquisitions and</td>
</tr>
<tr>
<td>divestments: Capital</td>
</tr>
<tr>
<td>expenditures:</td>
</tr>
<tr>
<td>Access to capital:</td>
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<tr>
<td>Capital Expenditures</td>
</tr>
<tr>
<td>Capital Allocation</td>
</tr>
<tr>
<td>Capital Allocation</td>
</tr>
<tr>
<td>Capital Expenditures</td>
</tr>
</tbody>
</table>

Target reference number

Abs 1

Year target was set

2020

Target coverage

Site/facility

Scope(s)

Scope 1
Scope 2
Scope 2 accounting method
Market-based
Scope 3 category(ies)
<Not Applicable>
Base year
2020
Base year Scope 1 emissions covered by target (metric tons CO2e)
52673
Base year Scope 2 emissions covered by target (metric tons CO2e)
8252
Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>
Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
60925
Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
73.8
Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
14.9
Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>
Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
48.1
Target year
2025
Targeted reduction from base year (%)
15
Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
51786.25
Scope 1 emissions in reporting year covered by target (metric tons CO2e)
63601
Scope 2 emissions in reporting year covered by target (metric tons CO2e)
7754
Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>
Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
71355
% of target achieved relative to base year [auto-calculated]
-114.12939406374
Target status in reporting year
Underway
Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years
Target ambition
<Not Applicable>
Please explain target coverage and identify any exclusions
We target a 15% reduction in absolute Scope 1+2 emissions at our Moose Jaw Facility by 2025 from a 2020 baseline.
Plan for achieving target, and progress made to the end of the reporting year
The Moose Jaw Facility is our largest single contributor to our total Scope 1+2 emissions, and we believe that by focusing on reducing absolute emissions at this facility, it can have a meaningful impact on reducing our overall emissions profile. We have already made meaningful investments in progressing towards improving the emissions profile of the Moose Jaw Facility, and in 2021 began construction on an opportunity for the facility to switch from a feedstock-based fuel supply to natural gas, resulting in an estimated future reduction of approximately 5,000 tCO2e/year (absolute net of production expansion emissions), while simultaneously increasing production from 22,500 bpd to 24,000 bpd. This change is also expected to reduce flaring by stabilizing the off gas produced in the process. The next steps that will lead to further progress towards absolute emissions reduction at the Moose Jaw Facility are still being defined but are expected to focus on Scope 2 emissions since this will also help achieve our target to reduce 50% of our company-wide Scope 2 emissions by 2025 (please refer to Abs2 for further details).

We anticipate that our progress towards achieving this target will be variable as we expect that variability in the initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.
List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>
Target reference number
Abs 2
Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)
49657

Base year Scope 3 emissions covered by target (metric tons CO2e)
<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
49657

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2025

Targeted reduction from base year (%)
50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
24828.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
47356

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
47356

% of target achieved relative to base year [auto-calculated]
9.26757556839922

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 50% company-wide reduction in absolute Scope 2 emissions by 2025 from a 2020 baseline. This target covers Scope 2 emissions sources from all operations in Canada and the US as reported in C7.6b. The target also includes our equity weighted portion of emissions from phase 1 of the jointly owned DRU at the Hardisty Energy Terminal (HET), which began operation in mid-2021, as well as our 36% equity share of the Joliet Terminal, but does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
To achieve our target to reduce 50% of our company-wide Scope 2 emissions by 2025, we plan to focus on switching to lower emission energy sources. The main contributors to our Scope 2 emissions profile include electricity for product pumps at Hardisty and Edmonton as well as electricity at our Moose Jaw Facility. Throughout 2021, we have focused our efforts on identifying renewable energy opportunities for these facilities to meet our 2025 target. In 2021, we identified and engaged with potential partners to enter into a PPA, to be implemented prior to 2025, subject to Board approval, which would supply renewable energy to our Alberta facilities.

Additionally, we began investigating the potential feasibility of implementing a geothermal energy system (or other renewable electricity options) at the Moose Jaw Facility. We will continue to investigate other potential opportunities for renewable energy and energy efficiency improvements to meet our 2025 Scope 2 reduction target.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year.
List the emissions reduction initiatives which contributed most to achieving this target

Not Applicable

Target reference number
Abs 3

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
Not Applicable

Base year
2020

Base year Scope 1 emissions covered by target (metric tons CO2e)
Not Applicable

Base year Scope 2 emissions covered by target (metric tons CO2e)
49657

Base year Scope 3 emissions covered by target (metric tons CO2e)
Not Applicable

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)
49657

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1
Not Applicable

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2
100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)
Not Applicable

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes
100

Target year
2030

Targeted reduction from base year (%)
100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]
0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)
Not Applicable

Scope 2 emissions in reporting year covered by target (metric tons CO2e)
47356

Scope 3 emissions in reporting year covered by target (metric tons CO2e)
Not Applicable

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
47356

% of target achieved relative to base year [auto-calculated]
4.63378778419961

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
Not Applicable

Please explain target coverage and identify any exclusions
We target a 100% company-wide reduction in absolute Scope 2 emissions by 2030 from a 2020 baseline. This target covers Scope 2 emissions sources from all operations in Canada and the US as reported in C7.6b. The target also includes our equity weighted portion of emissions from phase 1 of the jointly owned DRU at the HET, which began operation in mid-2021, as well as our 36% equity share of the Joliet Terminal, but does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
Our target to reduce 50% of company-wide Scope 2 emissions by 2025 (Abs2) is an interim target on the path to achieving our target of reducing 100% of Scope 2 emissions by 2030. After successfully achieving our 2025 target, we will continue to identify opportunities to further optimize and improve our emissions profile across all our operations to achieve our 2030 target. This may include investigating additional renewable energy partnership opportunities such as through PPAs, investment in...
renewables such as owning/operating and/or inciting development of solar or wind to eliminate residual emissions, and finally seeking opportunities to purchase renewable energy certificates (RECs) to reduce any minimal remaining Scope 2 emissions at the target year.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year.

List the emissions reduction initiatives which contributed most to achieving this target
<>Not Applicable>

<table>
<thead>
<tr>
<th>C4.1b</th>
</tr>
</thead>
</table>

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

**Target reference number**
- Int 1

**Year target was set**
- 2020

**Target coverage**
- Company-wide

**Scope(s)**
- Scope 1
- Scope 2

**Scope 2 accounting method**
- Market-based

**Scope 3 category(ies)**
- <Not Applicable>

**Intensity metric**
- Metric tons CO2e per barrel of oil equivalent (BOE)

**Base year**
- 2020

- **Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**
  - 0.000193

- **Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**
  - 0.000134

- **Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)**
  - <Not Applicable>

- **Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**
  - 0.000326

- **% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure**
  - 100

- **% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure**
  - 100

- **% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure**
  - <Not Applicable>

- **% of total base year emissions in all selected Scopes covered by this intensity figure**
  - 100

**Target year**
- 2025

- **Targeted reduction from base year (%)**
  - 15

- **Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**
  - 0.0002771

- **% change anticipated in absolute Scope 1+2 emissions**
  - 9.2

- **% change anticipated in absolute Scope 3 emissions**
  - 0

- **Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**
  - 0.000223

- **Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**
  - 0.000109

- **Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**
  - <Not Applicable>

- **Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)**
  - 0.000332
% of target achieved relative to base year [auto-calculated]
-12.2699386503067

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 15% company-wide reduction in Scope 1+2 intensity by 2025 from a 2020 baseline. This target covers Scope 1+2 emissions sources from all operations in Canada and the US as reported in C7.3b and C7.6b. The target also includes our 50% equity weighted portion of emissions from phase 1 of the jointly owned DRU at the HET, which began operation in mid-2021, as well as our 36% equity share of the Joliet Terminal, but does not consider any material mergers or acquisitions that may potentially occur in the future. Achievement of this target is also tied to the borrowing cost of our Sustainability-Linked 5-Year, $750 million Revolving Credit Facility.

Plan for achieving target, and progress made to the end of the reporting year
To inform our company-wide emission reduction targets, we have completed an extensive review of our current assets and have identified several energy and emissions optimization projects and initiatives to undertake to ensure we have realistic and actionable pathways to achieve these targets. Our plan to achieve a 15% reduction in company-wide emissions intensity by 2025 includes implementing opportunities to reduce our Scope 1 emissions while also increasing our consumption of lower emission energy sources to address our Scope 2 emissions.

We have already made meaningful investments in progressing towards improving the emissions profile of the Moose Jaw Facility, which is currently the main contributor to our overall emissions profile. Through our efficiency studies, we identified an opportunity to invest $20,500,000 at our Moose Jaw Facility to further reduce the emissions intensity by switching from a feedstock-based fuel supply to natural gas, resulting in an estimated future reduction of approximately 5,000 tCO2e/year. This project began construction in 2021 and was fully implemented in Q2 2022. Additional opportunities for similar projects which would result in process efficiency improvements have also been identified and are being assessed. Throughout the reporting year, we also continued to identify opportunities to switching to lower emission energy sources such as powering our operations with renewable energy through PPAs.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives, versus engineered estimates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 2

Year target was set
2020

Target coverage
Company-wide

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Metric tons CO2e per barrel of oil equivalent (BOE)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.000193

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.000134

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.000326

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
100

Target year
2030
Targeted reduction from base year (%)
20

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.0002608

% change anticipated in absolute Scope 1+2 emissions
13

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.000223

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.000109

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.000332

% of target achieved relative to base year [auto-calculated]
-9.20245398773004

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 20% company-wide reduction in Scope 1+2 intensity by 2030 from a 2020 baseline. This target covers Scope 1+2 emissions sources from all operations in Canada and the US as reported in C7.3b and C7.6b. The target also includes our 50% equity weighted portion of emissions from phase 1 of the jointly owned DRU at the HET, which began operation in mid-2021, as well as our 36% equity share of the Joliet Terminal, but does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
To inform our company-wide emission reduction targets, we have completed an extensive review of our current assets and have identified several energy and emissions optimization projects and initiatives to undertake to ensure we have realistic and actionable pathways to achieve these targets. After achieving our 2025 company-wide emissions reduction target (Int1), our plan to achieve this 2030 target includes implementing additional Scope 1 reduction initiatives across our facilities as well as continuing to transition to renewable energy consumption to reduce 100% of our Scope 2 emissions (Abs3).

We anticipate that our progress towards achieving this target will be variable as we expect that variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

Target reference number
Int 3

Year target was set
2020

Target coverage
Business activity

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Metric tons CO2e per barrel of oil equivalent (BOE)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.006766

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.00124

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.008007
% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
87.2

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
20.6

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
58.1

Target year
2025

Targeted reduction from base year (%)
30

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.0056049

% change anticipated in absolute Scope 1+2 emissions
5.9

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.006525

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.000927

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.007451

% of target achieved relative to base year [auto-calculated]
23.1464135548062

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 30% reduction in Scope 1+2 intensity for our Processing Facilities by 2025 from a 2020 baseline. Processing Facilities included in this target are the Moose Jaw Facility, Plato North Custom Treater, Plato South Custom Treater, Rimby Custom Treater, Sexsmith drilling fluid recycling, Hardisty Custom Treater and Hardisty Fractionator. The target also includes our 50% equity weighted portion of emissions from phase 1 of the jointly owned DRU at the HET, which began operation in mid-2021, as well as our 36% equity share of the Joliet Terminal, but does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
The Processing side of our business is more emissions intensive than the Storage and Handling business, with a higher proportion of Scope 1 emissions as more stationary combustion occurs at these facilities. We believe it was prudent to separate these business activities and define targets specific to how these assets are operated. To achieve this target, we plan to focus on initiatives that target Scope 1 emission reductions at these facilities, as well as implementing opportunities to switch to renewable energy sources for Scope 2.

We have already made meaningful investments in progressing towards improving the emissions profile of the Moose Jaw Facility, which is currently the main contributor to our overall emissions profile. Through our efficiency studies, we identified an opportunity to invest $20.500,000 at our Moose Jaw Facility to further reduce the emissions intensity by switching from a feedstock-based fuel supply to natural gas. This project began construction in 2021 and was fully implemented in Q2 2022. In 2021, we also continued to identify opportunities to switching to lower emission energy sources such as powering our operations with renewable energy through PPAs.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>
Intensity metric
Metric tons CO2e per barrel of oil equivalent (BOE)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.006766

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.00124

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.008007

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
87.2

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
20.6

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
58.1

Target year
2030

Targeted reduction from base year (%) 40

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.0048042

% change anticipated in absolute Scope 1+2 emissions
-7.3

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.006525

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.000927

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.007451

% of target achieved relative to base year [auto-calculated]
17.3598101661047

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 40% reduction in Scope 1+2 intensity for our Processing Facilities by 2030 from a 2020 baseline. Processing Facilities included in this target are the Moose Jaw Facility, Plato North Custom Treater, Plato South Custom Treater, Rimney Custom Treater, Sexsmith drilling fluid recycling, Hardisty Custom Treater and Hardisty Fractionator. The target also includes our equity weighted portion of emissions from phase 1 of the jointly owned DRU at the HET, which began operation in mid-2021, but does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
The Processing side of our business is more emissions intensive than the Storage and Handling business, with a higher proportion of Scope 1 emissions as more stationary combustion occurs at these facilities. We believe it was prudent to separate these business activities and define targets specific to how these assets are operated. After achieving our target to reduce our Processing intensity 30% by 2025 (Int 3), we plan to achieve this 2030 target by continuing to implement Scope 1 reduction initiatives as well as reducing 100% of our Scope 2 emissions by 2030 in line with target Abs3. To reduce Scope 1 emissions, we have identified the potential to implement a fuel switching project at the DRU, similar to the ongoing work at our Moose Jaw Facility, which would require alignment with our JV partner. We are also investigating the potential for CCS at the DRU as well as our Moose Jaw Facility. These projects are undergoing evaluation.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>
Target reference number
Int 5

Year target was set
2020

Target coverage
Business activity

Scope(s)
Scope 1
Scope 2

Scope 2 accounting method
Market-based

Scope 3 category(ies)
<Not Applicable>

Intensity metric
Metric tons CO2e per barrel of oil equivalent (BOE)

Base year
2020

Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)
0.000025

Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)
0.000121

Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)
0.000147

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure
12.8

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure
79.4

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure
<Not Applicable>

% of total base year emissions in all selected Scopes covered by this intensity figure
41.9

Target year
2025

Targeted reduction from base year (%)
60

Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]
0.0000588

% change anticipated in absolute Scope 1+2 emissions
-10.9

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)
0.000015

Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)
0.000097

Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)
<Not Applicable>

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.000112

% of target achieved relative to base year [auto-calculated]
39.6825396825397

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 60% reduction in Scope 1+2 intensity for our Storage and Handling Facilities by 2025 from a 2020 baseline. The Storage and Handling Facilities included in this target are Edmonton, Edson, Hardisty Terminal, Hardisty West, Hussar, Plato North, Plato South, Rimbew, Sexsmith, Canadian Pipelines, Canadian Fleet Vehicles, US CDP
Injection Stations, Wink Terminal, US Pipelines, US Trucking, US Fleet Vehicles and Joliet Terminal. This target does not consider any material mergers or acquisitions that may potentially occur in the future.

**Plan for achieving target, and progress made to the end of the reporting year**

Our Storage and Handling business has a higher proportion of Scope 2 emissions relative to the Processing side of our business. We believe it was prudent to separate these business activities and define targets specific to how these assets are operated. To achieve this target, we plan to focus on switching to lower emission energy sources in line with our target to reduce 50% of our company-wide Scope 2 emissions by 2025 (Int2). The main contributors to our Storage and Handling emissions include electricity for product pumps at Hardisty and Edmonton. Throughout 2021, we have focused our efforts on identifying renewable energy opportunities for these facilities to meet our 2025 target. We have successfully identified and engaged with potential partners to enter into a power purchase agreement (PPA), which would supply renewable energy to our Alberta facilities.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.

**List the emissions reduction initiatives which contributed most to achieving this target**

*<Not Applicable>*

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**Target reference number**

Int 6

**Year target was set**

2020

**Target coverage**

Business activity

**Scope(s)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

*<Not Applicable>*

**Intensity metric**

Metric tons CO2e per barrel of oil equivalent (BOE)

**Base year**

2020

**Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)**

0.000025

**Intensity figure in base year for Scope 2 (metric tons CO2e per unit of activity)**

0.000121

**Intensity figure in base year for Scope 3 (metric tons CO2e per unit of activity)**

*<Not Applicable>*

**Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)**

0.000147

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

12.8

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

79.4

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

*<Not Applicable>*

% of total base year emissions in all selected Scopes covered by this intensity figure

41.9

**Target year**

2030

**Targeted reduction from base year (%)**

95

**Intensity figure in target year for all selected Scopes (metric tons CO2e per unit of activity) [auto-calculated]**

0.00000735

% change anticipated in absolute Scope 1+2 emissions

-9.6

% change anticipated in absolute Scope 3 emissions

0

**Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)**

0.0000015

**Intensity figure in reporting year for Scope 2 (metric tons CO2e per unit of activity)**

0.0000097

**Intensity figure in reporting year for Scope 3 (metric tons CO2e per unit of activity)**

*<Not Applicable>*
Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)
0.000112

% of target achieved relative to base year [auto-calculated]
25.062656641604

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain target coverage and identify any exclusions
We target a 95% reduction in Scope 1+2 intensity for our Storage and Handling Facilities by 2030 from a 2020 baseline. The Storage and Handling Facilities included in this target are Edmonton, Edson, Hardisty Terminal, Hardisty West, Hussar, Platon North, Platon South, Rimbel, Sexsmith, Canadian Pipelines, Canadian Fleet Vehicles, US Injection Stations, Wink Terminal, US Pipelines, US Trucking, US Fleet Vehicles and Joliet Terminal. This target does not consider any material mergers or acquisitions that may potentially occur in the future.

Plan for achieving target, and progress made to the end of the reporting year
Our Storage and Handling business has a higher proportion of Scope 2 emissions relative to the Processing side of our business. We believe it was prudent to separate these business activities and define targets specific to how these assets are operated. After successfully achieving our 2025 target, we will continue to identify opportunities to further optimize and improve our emissions profile across all our operations to achieve our 2030 target. This may include investigating additional renewable energy partnership opportunities such as through PPAs, investment in renewables such as owning/operating and/or inclining development of solar or wind to eliminate residual emissions, and finally seeking opportunities to purchase renewable energy certificates (RECs) to reduce any minimal remaining Scope 2 emissions at the target year.

We anticipate that our progress towards achieving this target will be variable as we expect variability in the emerging opportunities and initiatives that we are able to implement year to year. We may also see shifts in the actual performance of emission reduction initiatives versus engineered estimates.

List the emissions reduction initiatives which contributed most to achieving this target
<Not Applicable>

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)

C4.2c
(C4.2c) Provide details of your net-zero target(s).

**Target reference number**
NZ1

**Target coverage**
Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**
Abs1
Abs2
Abs3
Int1
Int2
Int3
Int4
Int5
Int6

**Target year for achieving net zero**
2050

**Is this a science-based target?**
No, and we do not anticipate setting one in the next 2 years

Please explain target coverage and identify any exclusions
Gibson’s Net Zero by 2050 target covers our company-wide Scope 1 and 2 emissions under our equity share boundary from a 2020 baseline across all our operations in Canada and the US.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?
Yes

**Planned milestones and/or near-term investments for neutralization at target year**
We have developed a credible path to Net Zero by 2050 in which Gibson can reduce approximately 90% of our Scope 1 and 2 emissions from a 2020 baseline across our entire asset base through the application of existing technologies already in commercial use in North America, with the remaining 10% being addressed through new technologies currently in development or by the purchase of RECs or carbon offsets. Our previously announced 2025 and 2030 GHG reduction targets, both on an absolute and intensity basis, will serve as interim milestones to support our path to Net Zero and ensure we continue to make progress to meet our 2050 commitment. To inform our interim target setting and path to Net Zero by 2050, we completed an extensive review of our current assets, potential future projects/expansions and several energy and emissions optimization projects and initiatives to undertake across 2025, 2030 and 2050, to ensure we have realistic and actionable pathways to achieve these targets. For each project, we have identified the cost, emission reduction potential, implementation timeline and strategy, technology readiness, interdependencies and risks and opportunities.

In the near term, we aim to implement modernization and innovation opportunities at our facilities and identify opportunities to switch to lower emission energy sources such as through PPAs and other investments in renewable energy. We believe that through the implementation of proven technologies, we could account for 90% of our forecasted Scope 1 and 2 emissions by 2050, with the potential for superior alternatives to emerge over time to minimize our reliance on offsets or credits. We intend to address the remaining 10% through new technologies currently in development or by the purchase of RECs or carbon offsets, such as nature-based solutions. If we need to purchase offsets, we are committed to purchasing those accredited by globally recognized standards and are investigating opportunities to partner with other stakeholders on mutually beneficial carbon offset projects.

**Planned actions to mitigate emissions beyond your value chain (optional)**

(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) 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>Stage of Development</th>
<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>8</td>
<td></td>
</tr>
<tr>
<td>To be implemented*</td>
<td>3</td>
<td>33000</td>
</tr>
<tr>
<td>Implementation commenced*</td>
<td>2</td>
<td>4480</td>
</tr>
<tr>
<td>Implemented*</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

(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) or Scope 3 category(ies) where emissions savings occur</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>Transportation</td>
<td>3</td>
<td>Scope 1</td>
<td>Voluntary</td>
<td>0</td>
<td>290000</td>
<td>No payback</td>
<td>6-10 years</td>
<td>In 2021, we purchased 7 new fleet vehicles to replace older models for a portion of our Canadian fleet. The new fleet vehicles had higher fuel efficiency ratings, which resulted in an annual Scope 1 emissions savings of approximately 3 tCO2e. We estimate that the lifetime of the initiative would be about 5-6 years, depending on usage of the vehicles as we aim to replace our fleet vehicles when they reach approximately 150,000 km. At that point we would look to replace these vehicles again with newer, more efficient models.</td>
</tr>
<tr>
<td>Energy efficiency in buildings</td>
<td>4</td>
<td>Scope 2 (location-based), Scope 2 (market-based)</td>
<td>Voluntary</td>
<td>0</td>
<td>23000</td>
<td>No payback</td>
<td>6-10 years</td>
<td>We implemented an initiative to replace all the lights at our Plato North Facility with high efficiency LED bulbs. At this facility, the lights must be on 24 hours a day, and as a result of switching the bulbs, we estimate an annual savings of 4 tCO2e. The lifetime of the initiative is approximately 7 years based on how long we expect the LED bulbs to last before needing to be replaced.</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>Compliance with regulatory requirements and standards influences our approach to emissions reduction activities as we plan to focus on effectively measuring and investing in projects to reduce emissions across our operations to meet or exceed our compliance obligations and emission reduction targets. Gibson has a compliance assurance framework that ensures that we remain aware of current and emerging regulatory emissions compliance requirements and consider emission reduction initiatives to meet such requirements. This also includes assessment of current operations for methane fugitive emissions and follow-up actions to address any relevant findings. We have embedded climate-related considerations into our decision-making process, such as by considering the impact of GHG emissions as part of our capital review processes and remain committed to ensuring that all our capital investments continue to realize Gibson’s internal return hurdles in addition to meeting our regulatory requirements. We continue to identify potential emission reduction initiatives across our business. For example, as we continue to focus on improving the emissions profile of the Moose Jaw Facility, we have allocated capital within our budget to further reduce emissions by pursuing an opportunity to switch from a fossil-based fuel supply to natural gas. This project began construction in 2021 and was fully implemented in Q2 2022, and will not only contribute to the achievement of our emission targets, but will help meet our compliance obligations under the MRGROR regulation.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>In 2021, 35% of the total STIP weighting for all employees was tied to ESG metrics. The 35% weighting includes targets to maintain our top performance on third-party sustainability/ESG ratings, which incorporate climate-related considerations. This measure helps us increase the awareness among our employees of the overall importance of integrating sustainability into our organization, while engaging and driving change in our employees and ultimately our business. We also host monthly government relations coffee chats in which employees are invited to learn about and engage on climate-related topics such as emissions regulations, emission reduction opportunities and the Clean Fuel Standard. Additionally, all employees are required to complete a sustainability training course as part of the onboarding process, which 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, and as a result, our overall business.</td>
</tr>
<tr>
<td>Internal incentives/recognition programs</td>
<td>In 2021, there were three climate-related performance objectives included in the 35% ESG weighting of the total STIP, which aims to grow the awareness, maturity and effectiveness of our organization on ESG matters and optimize our energy use to help reduce our overall carbon footprint and ensure we remain a low emitter relative to our peers. This includes performance objectives related to providing renewable energy and energy efficiency improvement solutions which will result in meaningful investments in progressing towards achieving Gibson’s 2025 Scope 1 and/or 2 emissions targets, identifying potential partnerships, such as with renewable energy providers, to achieve additional energy/emissions reductions and progressing the sanctioned fuel switching project at the Moose Jaw Facility to deliver on targeted Scope 1 emission reductions. Our STIP objectives also include targets to maintain our top performance on third-party sustainability/ESG ratings, which incorporate climate-related considerations and opportunities.</td>
</tr>
<tr>
<td>Internal price on carbon</td>
<td>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. The Government of Canada has confirmed its previously announced plan to accelerate climate action in Canada, titled “A Healthy Environment and a Healthy Economy” which proposes an increasing cost on carbon to $170 per tonne in 2030. To reach that level, the price imposed on carbon will rise from the 2022 rate of $50 per tonne by $15 per tonne each year beginning in 2023, which may have a potential impact on Canadian industry participants, including Gibson. To understand the future impacts of an internal carbon price on our business decisions, including investment in emission reduction activities, we currently use an evolving shadow price of $50-65/tonne for projects in Canada. We follow the current Government of Canada’s guidelines and will align our internal carbon pricing with the government’s legislative policy to set a cost on carbon of $170 per tonne in 2030. We also continue to monitor the potential for additional carbon policies programs to be introduced in the US, but at this time we are not subject to carbon pricing at any of our US operations, and the current state of US policy discussions is not focused on establishing new carbon pricing regimes.</td>
</tr>
<tr>
<td>Dedicated budget for energy efficiency</td>
<td>Gibson has a dedicated budget for business development (including energy efficiency) studies. This budget is used for preliminary engineering (pre-FEED/FEED) work; once a project has passed our technical and commercial hurdles it is sanctioned like all other company projects, using either growth or maintenance capital budgets, as appropriate.</td>
</tr>
<tr>
<td>Dedicated budget for other emissions reduction activities</td>
<td>Gibson has a dedicated budget for business development (including emissions reduction) studies. This budget is used for preliminary engineering (pre-FEED/FEED) work; once a project has passed our technical and commercial hurdles it is sanctioned like all other company projects, using either growth or maintenance capital budgets, as appropriate.</td>
</tr>
</tbody>
</table>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes
(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

**Level of aggregation**
Product or service

**Taxonomy used to classify product(s) or service(s) as low-carbon**
No taxonomy used to classify product(s) or service(s) as low carbon

**Type of product(s) or service(s)**

<table>
<thead>
<tr>
<th>Other</th>
<th>Other, please specify (DRUBit(TM) product to decrease emissions intensity and increase safety of transporting bitumen via rail)</th>
</tr>
</thead>
</table>

**Description of product(s) or service(s)**
Gibson’s joint-venture DRU, which began operation in 2021 and is located at our HET, removes and upcycles diluent from Diluted Bitumen (DilBit) to create DRUBit(TM), which is a combination of bitumen with a small amount of diluent remaining. The addition of diluent to bitumen is required to reduce the overall viscosity so that the mixture can be transported by pipeline, however diluent is not required for rail transportation. Following separation of diluent from bitumen at the HET, the denser separated DRUBit(TM) is loaded into rail tank cars and transported to markets in the US. The remaining diluent will then be upcycled from Hardisty, AB for reuse in the oil sands and elsewhere. This is an improvement from the current baseline process where the DilBit is transported by rail to refineries in Texas for diluent removal and recycle by pipeline back over long distances to Alberta. Recycling the diluent in Alberta, and therefore reducing the transportation distance required, leads to a significant improvement in GHG emissions via our DRUBit(TM) product.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**
Yes

**Methodology used to calculate avoided emissions**
Other, please specify (Internally developed model informed by Environment Canada’s “Technical guidance on reporting greenhouse gas emissions”)

**Life cycle stage(s) covered for the low-carbon product(s) or service(s)**
Gate-to-gate

**Functional unit used**
Delivery of bitumen derived from 50,000 bpd of DRUBit(TM) sent from Hardisty, Alberta to Port Arthur, Texas on an annual basis via rail transportation versus delivery of bitumen derived from 50,000 bpd of DilBit sent from Hardisty, Alberta to Port Arthur, Texas on an annual basis via rail transportation.

Note that 50,000 bpd aligns with the nameplate capacity of our operational first phase of the DRU.

**Reference product/service or baseline scenario used**
The reference case is the delivery of bitumen derived from 50,000 bpd of DilBit sent from Hardisty, Alberta to Port Arthur, Texas on an annual basis via rail. This scenario was chosen as it was the lowest emissions intensity alternative transport method and a current major egress pathway to transport bitumen to the same Port Arthur, Texas destination.

**Life cycle stage(s) covered for the reference product/service or baseline scenario**
Gate-to-gate

**Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario**
57000

**Explain your calculation of avoided emissions, including any assumptions**
Using an attributional approach, we analyzed the avoided emissions of delivering bitumen as DRUBit(TM) versus DilBit by rail from Hardisty, Alberta to the Port Arthur Terminal (PAT) in Texas. We did not use an existing taxonomy but based on our analysis, which has been third-party reviewed, we found that DRUBit(TM) is a significantly lower carbon alternative to transporting bitumen by rail. We also analyzed two other current egress pathways via pipeline and found that this comparison resulted in even higher avoided emissions vs. DilBit by rail. The model assumes: diluent recovery at the HET; rail transport including car counts and locomotive performance from the HET to PAT; pipeline transport including recent electrical grid intensity; railcar unloading, blending, and product delivery at PAT; and diluent recovery at the end-user refinery. The model is based on emission factors from fuel/energy consumption, aligning with standard industry practice. Emissions from upstream bitumen production and downstream refinery processing beyond diluent recovery are not included as they are outside our boundaries. Modeled emissions from the HET and PAT are based on engineering design calculations for each facility at 50,000 bpd. Emissions for rail transport are based on the railcar loading capacities for DilBit and DRUBit(TM) and locomotive fuel efficiency for the rail route and the return of empty railcars to AB. Emissions for pipeline transport are based on calculated pumping power requirements for DilBit and diluent with average electrical grid intensity for each pipeline section. Emissions for diluent recovery/upcycle at the refinery in Texas are assumed to be the same as at the HET.

For a complete list of other assumptions relevant to this analysis, please refer to Further Information in section C16.

The results of our analysis indicate the total estimated emissions displaced for the first phase of the DRU, although we have a 50% equity share of the facility. Actual avoided emissions are subject to change as grid profiles evolve and as we continue to refine the facility after working through the typical start-up process for a new facility. Additionally, this is an annual estimate assuming a whole year of operations although the DRU was only operational for approximately 6 months in 2021. The analysis was verified by an independent third-party who examined the model for calculation errors, data integrity and quality of references.

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**
(C-OG4.6) Describe your organization’s efforts to reduce methane emissions from your activities.

As a leading liquids-focused infrastructure company, our operations are focused around our core terminal assets located in Hardisty and Edmonton, Alberta where we generated approximately 80% of our segment profit from our terminals in 2021. Given the nature of our liquids-based midstream handling operations, we do not generate material methane emissions as Gibson’s oil and gas activities are limited to the midstream sector and our total methane emissions in 2021 were only 1,952 tCO2e. However, we do generate minimal levels of methane emissions at our Moose Jaw Facility in Saskatchewan where we process high quality refined products. Small quantities of methane emissions from our operations can arise from the heat process as well as minor leaks from equipment 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. On an ongoing basis, we conduct preventive maintenance on all our equipment at the 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 200 parts per million via direct measurement of fittings in gas-service, and target maintenance accordingly. Additional methane emissions reductions across our operations will be achieved as we progress towards the targets reported above in C4.1 which include Scope 1 emissions. Specifically, the facility-specific absolute Scope 1+2 emissions target for the Moose Jaw Facility (Abs1) will have the greatest impact on our methane emissions.

Case Study

As our Moose Jaw Facility remains the largest contributor towards our total overall emissions and methane emissions, we have prioritized opportunities to further optimize and improve its emissions profile to ensure we meet our stated emission reductions targets. In 2022, we implemented an opportunity for the Moose Jaw Facility to switch from a feedstock-based fuel supply to natural gas, resulting in an estimated reduction of approximately 5,000 tCO2e/year, while simultaneously increasing production from 22,500 bpd to 24,000 bpd. Additionally, this change is expected to reduce incidentally flaring by improving the stability of the overall process, further decreasing methane emissions from the already low levels generated at the facility. Work on this project has commenced during the 2021 reporting year and it and was successfully completed in Q2 2022. This project builds on the earlier emissions intensity reduction projects we have implemented at our Moose Jaw Facility.

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?

Yes

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

Although Gibson’s oil and gas production activities are limited to midstream storage and handling and methane is not material to our overall emissions profile at only 1,952 tCO2e in 2021, 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. LDAR surveys are regularly conducted at all facilities in Alberta as well as our Moose Jaw Facility, with different regulatory requirements applicable in the regions where we operate. In Alberta, we follow the Alberta Energy Regulator Directive 060, which requires inspections to be conducted once per year using handheld sniffer gas detectors to provide the loss rate, and also reference US EPA’s Method 21. We use direct sniffers rather than infrared thermal imaging (FLIR) cameras as our regulated emissions in Alberta are not fugitive. In Saskatchewan, we are regulated by the federal Reduction in the Release of Volatile Organic Compounds Regulations and undertake an annual inspection at our Moose Jaw Facility with direct sniffers. Beginning in 2022, we will be using FLIR cameras to conduct inspections three times per year to align with the recent update to the regulations. From a safety perspective, we also routinely inspect our assets with photo ionization detector handheld devices. Additionally, we have several assets that are exempt from fugitive emission management regulations, including our operations in the US as well as our pipelines and Plato North and Plato South facilities in Canada. As we do not operate natural gas pipelines and only transport crude oil, which is considered “dead oil” because it does not contain dissolved gases and volatile components, LDAR inspections are not impactful as methane emissions are not relevant to such activities. The scope of our leak detection and fugitive emission management program covers 78% of Gibson’s assets by number of active facilities, excluding pipelines, which covers all assets where fugitive emission management regulations are applicable.

Gibson’s LDAR program consists of direct measurement of fittings to identify any potential leaks, quantify the size of each release and take action as needed. Any problematic fittings identified are scheduled via the corrective maintenance program so appropriate mitigation measures can be performed. In conformance with our OMS implementation objectives, it is envisioned that the fugitive emission management system will become standardized throughout our operations where such programs are required. We find that the main cause of identified leaks is natural degradation of gaskets or packing material. Any methane leaks found are routinely fixed within 30 days with some exceptions, such as in the case of large leaks which can be repaired in line with planned facility shutdown schedules.

Case Study

As our Alberta facilities are regulated by Directive 060, we conduct annual inspections which identify and classify loss rates into small, medium or large leaks. In 2021, we conducted such inspections at our regulated Alberta facilities, and for example, detected 22 leaks at our Hardisty Fractionator that were classified as large (>1000 ppm loss rate of methane). Of these leaks, 14 were repaired within 30 days and 8 required shutdown for repair, and we subsequently performed a verification to ensure all leaks were properly abated. As a result, we were able to successfully identify and repair methane leaks at this facility, contributing to the further reduction of Gibson’s already immaterial methane emissions profile.

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.

As our business consists of the storage and handling, processing and marketing of crude oil and refined products, this question is not relevant to Gibson. 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 primarily used for upset/safety conditions in addition to some other cases such as planned maintenance activities. As our Moose Jaw Facility remains the largest contributor towards our total overall emissions, we have prioritized opportunities to further optimize and improve its emissions profile to ensure we meet our stated emission reductions targets and exceed regulatory requirements. In 2022, we implemented an opportunity for the Moose Jaw Facility to switch from a feedstock-based fuel supply to natural gas, resulting in an estimated reduction of approximately 5,000 tCO2e/year, while simultaneously increasing production from 22,500 bpd to 24,000 bpd. Additionally, this change is expected to reduce incidental flaring by improving the stability of the overall process. Work on this project commenced during the 2021 reporting year and was successfully completed in Q2 2022.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

<table>
<thead>
<tr>
<th>Change(s) in methodology, boundary, and/or reporting year definition?</th>
<th>Details of methodology, boundary, and/or reporting year definition change(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, a change in boundary</td>
<td>We have changed our reporting boundary to an equity share approach in 2021 from operational control to more appropriately represent our business activities as the DRU in Hardisty, AB began operations in mid-2021. Gibson has a 50% interest in the DRU, a joint venture with US Development Group. We also have a 50% equity share with Suncor for our Hardisty West storage facility. In the US, we have a 36% equity share in the Joliet Terminal, which is operated by Zenith Energy Terminals Holding LLC and includes a crude-by-rail and storage terminal and a pipeline connection to a common carrier crude oil pipeline in Joliet, Illinois. We also have an 85% equity share in the Flintlock Pipeline in Texas, which is reported along with our other US pipeline assets under “US Pipelines” in the emissions breakdowns in subsequent sections. Therefore, the equity share of emissions from the DRU and Joliet Terminal are now included in our Scope 1 and 2 boundary. Previously, under an operational control boundary, 100% of emissions from Hardisty West and Flintlock pipeline were included in our emissions inventory. This boundary change also affects our Calgary, Houston, Midland and Rockwall offices as we are the lessee of these buildings and do not have any equity share in the leased offices. The associated Scope 1 and 2 emissions from these offices have been moved to the Scope 3 Upstream leased assets category, which is a new category in our emissions inventory that we previously did not report. We maintain 100% operational control and equity share at all our other facilities. Fixed asset investments are excluded from the equity share boundary.</td>
</tr>
</tbody>
</table>

C5.1c
Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

<table>
<thead>
<tr>
<th>Base year recalculation</th>
<th>Base year emissions recalculation policy, including significance threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Gibson’s base year emissions recalculation would occur when there is a change in the methodology or boundary used to calculate emissions, such as a shift in consolidation approach used for the organizational boundary, or if significant errors are identified in previous calculations. Our significance threshold is based on whether a change or a cumulative set of changes would result in a material change to our emissions profile of greater than 5% of the total emissions inventory, however recalculations where changes are less than 5% of base year emissions may be performed at Gibson’s discretion. In regard to measuring our progress towards our 2025 and 2030 emissions reduction targets against the base year, these targets do not consider any potential acquisitions that may occur in the future. Additionally, in the case of any future substantial changes to Gibson’s asset profile or business segments, which could impact the comparability, consistency and relevance of the base year compared to the reporting year, Gibson may choose in the future to restate our targets to ensure appropriate comparability of performance towards our targets. Due to the change in boundary from an operational control to equity share approach, we have recalculated our 2020 base year emissions. The Scope 1 and 2 emissions associated with our Calgary, Houston, Midland and Rockwall offices have been moved to the Scope 3 Upstream leased assets category (582 tCO2e). Additionally, 50% of emissions from Hardisty West (2,577 tCO2e) and 15% of emissions from the Flintlock pipeline (45 tCO2e) have been removed from the base year calculation. Our 36% equity share of emissions from the Joliet Terminal were also added (3,329 tCO2e). The DRU is not considered in our base year recalculation as the facility was not operational when the base year was set and we have already considered the DRU emissions, on an equity share basis, through engineering estimates for our 2025 and 2030 absolute and intensity targets, as well as our Net Zero commitment.</td>
</tr>
</tbody>
</table>

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

**Scope 1**

<table>
<thead>
<tr>
<th>Base year start</th>
<th>January 1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base year end</td>
<td>December 31 2020</td>
</tr>
<tr>
<td>Base year emissions (metric tons CO2e)</td>
<td>71421</td>
</tr>
<tr>
<td>Comment</td>
<td>Please refer to question C5.1b for a description of the recalculations that occurred for the base year.</td>
</tr>
</tbody>
</table>

**Scope 2 (location-based)**

<table>
<thead>
<tr>
<th>Base year start</th>
<th>January 1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base year end</td>
<td>December 31 2020</td>
</tr>
<tr>
<td>Base year emissions (metric tons CO2e)</td>
<td>55330</td>
</tr>
<tr>
<td>Comment</td>
<td>Please refer to question C5.1b for a description of the recalculations that occurred for the base year.</td>
</tr>
</tbody>
</table>

**Scope 2 (market-based)**

<table>
<thead>
<tr>
<th>Base year start</th>
<th>January 1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base year end</td>
<td>December 31 2020</td>
</tr>
<tr>
<td>Base year emissions (metric tons CO2e)</td>
<td>43657</td>
</tr>
<tr>
<td>Comment</td>
<td>Please refer to question C5.1b for a description of the recalculations that occurred for the base year.</td>
</tr>
</tbody>
</table>

**Scope 3 category 1: Purchased goods and services**

<table>
<thead>
<tr>
<th>Base year start</th>
<th>January 1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base year end</td>
<td>December 31 2020</td>
</tr>
<tr>
<td>Base year emissions (metric tons CO2e)</td>
<td>423928</td>
</tr>
<tr>
<td>Comment</td>
<td>We are currently reporting the base year for our reported Scope 3 categories as 2020. However, please note that in the future we intend to change the base year to 2022 for Scope 3 only after the DRU has been in operation for a full year, which will allow the Scope 3 base year to be appropriately compared to future performance.</td>
</tr>
</tbody>
</table>
Scope 3 category 2: Capital goods

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
194,490

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
6,540

Comment

Scope 3 category 4: Upstream transportation and distribution

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
54,420

Comment

Scope 3 category 5: Waste generated in operations

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
993

Comment

Scope 3 category 6: Business travel

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
214

Comment

Scope 3 category 7: Employee commuting

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
1,998

Comment

Scope 3 category 8: Upstream leased assets

Base year start
January 1 2020

Base year end
December 31 2020

Base year emissions (metric tons CO2e)
582

Comment

Due to our shift from an operational control to equity share boundary and base year recalculation, these emissions have been moved here from Scope 1 and 2 for our Calgary, Houston, Rockwall and Midland offices.
Scope 3 category 9: Downstream transportation and distribution
Base year start
January 1 2020
Base year end
December 31 2020
Base year emissions (metric tons CO2e)
282991
Comment

Scope 3 category 10: Processing of sold products
Base year start
January 1 2020
Base year end
December 31 2020
Base year emissions (metric tons CO2e)
15266
Comment

Scope 3 category 11: Use of sold products
Base year start
January 1 2020
Base year end
December 31 2020
Base year emissions (metric tons CO2e)
80614
Comment

Scope 3 category 12: End of life treatment of sold products
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment

Scope 3 category 13: Downstream leased assets
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment

Scope 3 category 14: Franchises
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment

Scope 3 category 15: Investments
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment

Scope 3: Other (upstream)
Base year start
Base year end
Base year emissions (metric tons CO2e)
Comment
(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
ISO 14064-1
US EPA Emissions & Generation Resource Integrated Database (eGRID)
Other, please specify (US EPA GHG Emission Factors Hub; Government of Alberta, Technology Innovation Emissions Reduction Regulation; Government of Saskatchewan, Management and Reduction of Greenhouse Gases Standards)

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

Gross global Scope 1 emissions (metric tons CO2e)
96599

Start date
<Not Applicable>
End date
<Not Applicable>

Scope 1 emissions are quantified and verified annually by third-parties and includes emissions on an equity share basis, which have been verified to a reasonable level of assurance. The Joliet Terminal emissions were independently verified by the operator Zenith to a limited level of assurance, however as these emissions are below the materiality threshold, our entire corporate inventory has been accepted by the verifier under reasonable assurance. Please note that emissions breakdowns disclosed in sections below may vary slightly from this total as values have been rounded to the nearest whole number.

(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 are reporting a Scope 2, market-based figure

Scope 2 emissions are quantified and verified annually by third-parties and includes emissions on an equity share basis, which have been verified to a reasonable level of assurance. The Joliet Terminal emissions were independently verified by the operator Zenith to a limited level of assurance, however as these emissions are below the materiality threshold, our entire corporate inventory has been accepted by the verifier under reasonable assurance. We purchase electricity required for our operations from the grid as well as RECs via contractual instruments. The market-based Scope 2 figure reported includes RECs for 10,500 MWh of renewable electricity consumption.
(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year
Scope 2, location-based
53493
Scope 2, market-based (if applicable)
47356
Start date
<Not Applicable>
End date
<Not Applicable>
Comment
Please note that emissions breakdowns disclosed in sections below may vary slightly from this total as values have been rounded to the nearest whole number.

C6.4

(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?
No

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
Emissions in reporting year (metric tons CO2e)
595310
Emissions calculation methodology
Average data method
Spend-based method
Percentage of emissions calculated using data obtained from suppliers or value chain partners
7.3
Please explain
Scope 3 emissions related to purchased goods and services were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol (GHG Protocol). The emissions from annual spend data from our supply chain management system that tracks external spend were estimated via the spend-based method using the Quantis Scope 3 Evaluator. Following the GHG Protocol, this category also includes an estimate for emissions associated with the upstream extraction, production, and transportation of purchased crude oil and feedstocks for our Processing operations. Data sources include specific volumes of crude feedstocks for our Moose Jaw Facility and liquefied petroleum gas (LPG) feedstock for our Hardisty Fractionator. Relevant crude oil emission factors were obtained from supplier specific factors for crude feedstock originating from Cold Lake, and the emission factor for Fosterton crude was estimated based on a report from the California Air Resources Board. Emission factors for LPG feedstocks were obtained based on publicly available data from Gibson’s LPG suppliers.

Capital goods
Evaluation status
Relevant, calculated
Emissions in reporting year (metric tons CO2e)
65876
Emissions calculation methodology
Spend-based method
Percentage of emissions calculated using data obtained from suppliers or value chain partners
0
Please explain
Scope 3 emissions related to capital goods were estimated from our annual spend data following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. Emissions were estimated via the spend-based method using the Quantis Scope 3 Evaluator. Please note that in some instances we were unable to differentiate our construction spend data between construction services and materials to construct capital goods from the same supplier, and therefore such spend is being reported in this category. The decrease of emissions in this Scope 3 category was due to the completion of construction for the DRU where many of the capital goods needed to construct the facility were purchased in 2020.
Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
8916

**Emissions calculation methodology**
Average data method

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
33.7%

**Please explain**
Scope 3 emissions for fuel-and-energy-related activities were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol using the average data method. Emissions from this category are associated with the upstream production and processing of the fuels consumed in activities that fall within our organizational boundary. This also includes an estimate for transmission and distribution emissions associated with the electricity that we consume.

Upstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
75411

**Emissions calculation methodology**
Average data method
Distance-based method

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

**Please explain**
Scope 3 emissions related to upstream transportation and distribution of processed products were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. These emissions are associated with the transportation and distribution services that we purchase including inbound logistics, outbound logistics (e.g., of sold products), and third-party transportation and distribution between our facilities. This estimate does not include products that pass through our facilities that our customers maintain ownership of. The emissions also include data for third-party transportation and distribution services that we purchased for both our US and Canadian operations. The increase in emissions for this Scope 3 category were due to the higher throughput volumes in 2021 versus 2020.

Waste generated in operations

**Evaluation status**
Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
795

**Emissions calculation methodology**
Waste-type-specific method

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

**Please explain**
Scope 3 emissions related to waste generated in operations were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard Protocol. Emission factors used for our various waste types were from sources including the US EPA, Government data, and the Canadian GHG Calculator for Waste Model. Emissions were estimated via the average data method using data from the amount of waste injected, landfilled, and recycled.

Business travel

**Evaluation status**
Not relevant, calculated

**Emissions in reporting year (metric tons CO2e)**
251

**Emissions calculation methodology**
Distance-based method

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

**Please explain**
GHG emissions from business travel were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Data on flights and transportation in rented vehicles not owned or operated by Gibson was provided by a third-party travel agency we work with. Distance based method emissions were estimated using by multiplying the approximate distance traveled in km by the corresponding emission factor for the method of travel according to the DEFRA’s 2020 Government Greenhouse Gas Conversion Factors for Company Reporting, EPA Emission Factors for Greenhouse Gas Inventories.
Employee commuting

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
1393

Emissions calculation methodology
Average data method

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

Please explain
Scope 3 emissions related to employee commuting were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Primary data was gathered through a company-wide survey, with a 71% response rate, which was sent to all employees to understand the employee commute distances and transit methods used in 2019. These results were used as a proxy to estimate 2021 commuting emissions by accounting for the proportion of days employees worked from home due to the COVID-19 pandemic. Emission factors across each of the major transit systems – rail, bus, carpool and vehicle – were derived from the American Public Transportation Association (APTA) Standards. Additionally, we have included an estimate of the emissions related to teleworking via the average data method.

Upstream leased assets

Evaluation status
Not relevant, calculated

Emissions in reporting year (metric tons CO2e)
867

Emissions calculation methodology
Asset-specific method

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

Please explain
This is Gibson’s first year reporting emissions from upstream leased assets, which includes our Calgary, Houston, Midland and Rockwall offices. For the 2020 reporting year, we previously included these emissions in Scope 1 and 2 under an operational control boundary. For 2021, we have modified our boundary to equity share and therefore emissions from these offices are now applicable to this Scope 3 category. For the Calgary office, emissions were calculated based on electricity and natural gas consumption metered for the floors of the office that we lease. Houston office electricity and natural gas consumption was collected via monthly invoices. Midland and Rockwall office energy use was estimated based on the square footage of the office space we lease as the energy costs are included in our overall rent and separate invoices were not available.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
367291

Emissions calculation methodology
Distance-based method

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

Please explain
Scope 3 emissions related to downstream transportation and distribution of processed products were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. These emissions are associated with the downstream transportation and distribution of processed products leaving our facilities (transportation not paid for by Gibson, in vehicles and/or facilities not owned by us or under our operational control). This does not include products that pass through our operations that our customers maintain ownership of. Distance-based and average methods were used to estimate the emissions for this category. Publicly available information regarding product movements in Canada and the US and input from our operators were used to guide the estimation process. Emissions factors were sourced from the US EPA and the GHGenius model. The increase in emissions for this Scope 3 category were due to the higher throughput volumes in 2021 versus 2020.
Processing of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
12275

Emissions calculation methodology
Average data method

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

Please explain
Scope 3 emissions related to processing of sold products were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. These estimated emissions are associated with further refining of processed products including the vacuum gas oil (VGO) products from our Moose Jaw facility as well as butane and pentane from our Hardisty Fractionator that we process and sell to downstream customers. Publicly available tools and emissions factors including the Oil Climate Index (OCI) webtool, and the Petroleum Refinery Life Cycle Inventory Model (PRELIM) were used to estimate these emissions. This category does not include the volumes that pass through our operations that our customers maintain ownership of. Light distillate and tops from our Moose Jaw Facility are also excluded as there is uncertainty around the fate of these products, however, we estimate that any further processing is limited to mixing these products with other gasoline or diesel components, and we therefore estimate such emissions are negligible. This category also excludes further processing of asphalt products that we produce at the Moose Jaw Facility due to the relatively stable nature of such products and the lack of publicly available information regarding the fate of asphalt, processing methods and their associated emissions. Overall, based on a rough calculation, these asphalt-related emissions are expected to be negligible.

Use of sold products

Evaluation status
Relevant, calculated

Emissions in reporting year (metric tons CO2e)
86930

Emissions calculation methodology
Fuel-based method
Methodology for direct use phase emissions, please specify (Non-variable fuels method)

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

Please explain
Scope 3 emissions related to use of sold processed products were estimated following the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. These emissions are associated with downstream combustion of propane from our Hardisty Fractionator. Publicly available emissions factors were used from sources including the Alberta Greenhouse Gas Quantification Methodologies. The emissions in this category do not include the volumes that pass through our operations that our customers maintain ownership of. This category also excludes the use of asphalt that we produce at our Moose Jaw Facility due to the relatively stable nature of such products and the lack of publicly available information regarding the fate of asphalt, and emissions associated with its use. Accordingly, these asphalt-related emissions are expected to be negligible. Additionally, other sold products from Moose Jaw are excluded from this category as they are not directly combustible in their downstream use.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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 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. This would not apply to end of life treatment of asphalt products as it is not feasible to determine the fate of asphalt, when and where and how it is treated. A rough estimate assuming all roofing flux product is turned into shingles and all shingles produced in 2020 will become landfilled suggested these emissions would be less than 1% of our Scope 3 emissions.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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

Emissions in reporting year (metric tons 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

Emissions in reporting year (metric tons 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 Scope 3 footprint.

Other (upstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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 have other upstream Scope 3 emissions to report and therefore this category is not relevant.

Other (downstream)

Evaluation status
Not relevant, explanation provided

Emissions in reporting year (metric tons 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 have other downstream Scope 3 emissions to report and therefore this category is not relevant.

C6.7

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

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
0.00002

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
143955

Metric denominator
unit total revenue

Metric denominator: Unit total
7211148000

Scope 2 figure used
Market-based

% change from previous year
20

Direction of change
Decreased

Reason for change
We saw a decrease in our Scope 1+2 emissions intensity in tonnes CO2e/unit total revenue from 0.000025 in 2020 to 0.000020 in 2021 due to an increase in our revenue.

Intensity figure
0.000332

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
143955

Metric denominator
barrel of oil equivalent (BOE)

Metric denominator: Unit total
433771181

Scope 2 figure used
Market-based

% change from previous year
1.8

Direction of change
Increased

Reason for change
We saw an increase in our Scope 1+2 emissions intensity in tonnes CO2e/BOE from 0.000326 in 2020 to 0.000332 in 2021 due to the DRU becoming operational in mid-2021 as well as the addition of the Joliet Terminal to our organizational boundary following the adoption of the equity share consolidation approach.

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

Metric tons CO2e from hydrocarbon category per unit specified
0

% change from previous year
16

Direction of change
Increased

Reason for change
We saw an increase in our Scope 1 emissions intensity in tonnes CO2e/m3 throughput from 0.001211 in 2020 to 0.001401 in 2021. This was mainly driven by the DRU beginning operations in mid-2021, as well as the addition of the Joliet Terminal to our organizational boundary following the adoption of the equity share consolidation approach. Please note that this intensity metric is not related to our 2025 and 2030 company-wide emissions intensity targets, as the targets are for Scope1+2 intensity combined.

Comment
The “metric tons CO2e from hydrocarbon category per unit specified” was 0.001401, but has been rounded to 0 due to CDP’s online database system.
(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
0

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division
0.17

Comment
Our operations do not consist of any natural gas throughput or production, therefore we are not able to report the estimated total methane emitted expressed as % of natural gas production or throughput at given division.

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>91950</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>CH4</td>
<td>1952</td>
<td>IPCC Fourth Assessment Report (AR4 - 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>499</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.

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Value chain</th>
<th>Product</th>
<th>Gas</th>
<th>Gross Scope 1 CO2 emissions (metric tons CO2)</th>
<th>Gross Scope 1 methane emissions (metric tons CH4)</th>
<th>Total gross Scope 1 emissions (metric tons CO2e)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combustion (excluding flaring)</td>
<td>Midstream</td>
<td>Gas</td>
<td>29622</td>
<td>15.7</td>
<td>32967</td>
<td>42947</td>
<td>Natural Gas CH4 GWP – 25</td>
</tr>
</tbody>
</table>

Emissions category
Combustion (excluding flaring)

Value chain
Midstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
29622

Gross Scope 1 methane emissions (metric tons CH4)
15.7

Total gross Scope 1 emissions (metric tons CO2e)
32967

Comment
Natural Gas CH4 GWP – 25
<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Value chain</th>
<th>Product</th>
<th>Gross Scope 1 CO2 emissions (metric tons CO2)</th>
<th>Gross Scope 1 methane emissions (metric tons CH4)</th>
<th>Total gross Scope 1 emissions (metric tons CO2e)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flaring</td>
<td>Midstream</td>
<td>Gas</td>
<td>17110</td>
<td>15</td>
<td>17511</td>
<td>Flaring CH4 GWP = 25</td>
</tr>
<tr>
<td>Venting</td>
<td>Midstream</td>
<td>Gas</td>
<td>0</td>
<td>13.5</td>
<td>337</td>
<td>Venting CH4 GWP = 25</td>
</tr>
<tr>
<td>Fugitives</td>
<td>Midstream</td>
<td>Gas</td>
<td>0</td>
<td>20.9</td>
<td>523.7</td>
<td>Flaring CH4 GWP = 25</td>
</tr>
<tr>
<td>Other (please specify) (Propane)</td>
<td>Midstream</td>
<td>Gas</td>
<td>147.9</td>
<td>0</td>
<td>151.3</td>
<td>Propane CH4 GWP = 25</td>
</tr>
<tr>
<td>Emissions category</td>
<td>Other (please specify) (Diesel)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>---------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value chain</td>
<td>Midstream</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Scope 1 CO2 emissions (metric tons CO2)</td>
<td>76.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>77.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comment</td>
<td>Diesel CH4 GWP = 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Other (please specify) (Gasoline)</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>66.4</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>0.3</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>73.4</td>
</tr>
<tr>
<td>Comment</td>
<td>Gasoline CH4 GWP = 25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emissions category</th>
<th>Other (please specify) (Truck and fleet vehicles fuel)</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>2471</td>
</tr>
<tr>
<td>Gross Scope 1 methane emissions (metric tons CH4)</td>
<td>0.2</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>2512</td>
</tr>
<tr>
<td>Comment</td>
<td>Fuel 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>3.4</td>
</tr>
<tr>
<td>Total gross Scope 1 emissions (metric tons CO2e)</td>
<td>83.9</td>
</tr>
<tr>
<td>Comment</td>
<td>Wastewater Treatment CH4 GWP = 25</td>
</tr>
</tbody>
</table>

**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>91897</td>
</tr>
<tr>
<td>United States of America</td>
<td>4702</td>
</tr>
</tbody>
</table>

### C7.3

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

- By facility
- By activity

### 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 Facility</td>
<td>63601</td>
<td>50.38432</td>
<td>-105.513219</td>
</tr>
<tr>
<td>Diluent Recovery Unit (50% equity share)</td>
<td>17142</td>
<td>52.63895</td>
<td>-111.19183</td>
</tr>
<tr>
<td>Hardisty Terminal</td>
<td>380</td>
<td>52.6399</td>
<td>-111.27447</td>
</tr>
<tr>
<td>Hardisty Custom Treater</td>
<td>287</td>
<td>52.6399</td>
<td>-111.275422</td>
</tr>
<tr>
<td>Hardisty Fractionator</td>
<td>7030</td>
<td>52.63187</td>
<td>-111.2748</td>
</tr>
<tr>
<td>Hardisty West (50% equity share)</td>
<td>0.3</td>
<td>52.64348</td>
<td>-111.280064</td>
</tr>
<tr>
<td>Plato North</td>
<td>878</td>
<td>51.55726</td>
<td>-108.98039</td>
</tr>
<tr>
<td>Plato South</td>
<td>680</td>
<td>51.153758</td>
<td>-108.37385</td>
</tr>
<tr>
<td>Rimby</td>
<td>764</td>
<td>52.6453</td>
<td>-114.219933</td>
</tr>
<tr>
<td>Edmonton</td>
<td>614</td>
<td>53.55133</td>
<td>-113.371378</td>
</tr>
<tr>
<td>Saxsmith</td>
<td>250</td>
<td>55.342917</td>
<td>-118.773075</td>
</tr>
<tr>
<td>Hussar</td>
<td>8</td>
<td>51.094206</td>
<td>-112.821995</td>
</tr>
<tr>
<td>Edmonton</td>
<td>0</td>
<td>53.573982</td>
<td>-116.648528</td>
</tr>
<tr>
<td>Canadian Pipelines</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadian Fleet Vehicles</td>
<td>249</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wink Terminal</td>
<td>156</td>
<td>31.71136</td>
<td>-103.1595</td>
</tr>
<tr>
<td>US Pipelines</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Trucking</td>
<td>2177</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Fleet Vehicles</td>
<td>86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Injection Stations</td>
<td>78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joliet Terminal (36% equity share)</td>
<td>2205</td>
<td>41.485168</td>
<td>-88.109658</td>
</tr>
</tbody>
</table>

### C7.3c

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processing Facilities – Includes activities from the Moose Jaw Facility, Diluent Recovery Unit, Plato North Custom Treater, Plato South Custom Treater, Rimby Custom Treater, Saxsmith drilling fluid recycling, Hardisty Custom Treater and Hardisty Fractionator</td>
<td>90385</td>
</tr>
</tbody>
</table>

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4
Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

<table>
<thead>
<tr>
<th>Sector Production Activity</th>
<th>Gross Scope 1 emissions, metric tons CO2e</th>
<th>Net Scope 1 emissions, 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>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>We do not have any upstream oil and gas production activities.</td>
</tr>
<tr>
<td>Oil and gas production activities (midstream)</td>
<td>96599</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Oil and gas production activities (downstream)</td>
<td>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>We do not have any downstream oil and gas production activities.</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>

(C7.5) 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>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>52000</td>
<td>45863</td>
</tr>
<tr>
<td>United States of America</td>
<td>1494</td>
<td>1494</td>
</tr>
</tbody>
</table>

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility
By activity

(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>Moose Jaw</td>
<td>7754</td>
<td></td>
</tr>
<tr>
<td>Diluent Recovery Unit (50% equity share)</td>
<td>2287</td>
<td></td>
</tr>
<tr>
<td>Hardisty Terminal</td>
<td>28044</td>
<td></td>
</tr>
<tr>
<td>Hardisty Custom Treater</td>
<td>462</td>
<td></td>
</tr>
<tr>
<td>Hardisty Fractionator</td>
<td>1950</td>
<td></td>
</tr>
<tr>
<td>Hardisty West (50% equity share)</td>
<td>2656</td>
<td></td>
</tr>
<tr>
<td>Plato North</td>
<td>447</td>
<td></td>
</tr>
<tr>
<td>Plato South</td>
<td>244</td>
<td></td>
</tr>
<tr>
<td>Rimbeay</td>
<td>327</td>
<td></td>
</tr>
<tr>
<td>Edmonston</td>
<td>4441</td>
<td></td>
</tr>
<tr>
<td>Saxonith</td>
<td>528</td>
<td></td>
</tr>
<tr>
<td>Hussar</td>
<td>219</td>
<td></td>
</tr>
<tr>
<td>Edson</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Canadian Pipelines</td>
<td>2639</td>
<td></td>
</tr>
<tr>
<td>Canadian Fleet Vehicles</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Wink Terminal</td>
<td>586</td>
<td></td>
</tr>
<tr>
<td>US Pipelines</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>US Trucking</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>US Fleet Vehicles</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>US Injection Stations</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Joellet Terminal (38% equity share)</td>
<td>858</td>
<td></td>
</tr>
</tbody>
</table>
(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storage and Handling Facilities – Includes activities from Edmonton,</td>
<td>40655</td>
<td></td>
</tr>
<tr>
<td>Edson, Hardisty Terminal, Hardisty West, Hussar, Plato North, Plato</td>
<td></td>
<td></td>
</tr>
<tr>
<td>South, Rimby, Sexsmith, Canadian Pipelines, Canadian Fleet Vehicles,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Injection Stations, Wink Terminal, US Pipelines, US Trucking,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Fleet Vehicles and Joliet Terminal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing Facilities – Includes activities from the Moose Jaw Facility,</td>
<td>12838</td>
<td></td>
</tr>
<tr>
<td>Diluent Recovery Unit, Plato North Custom Treater, Plato South Custom</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treater, Rimby Custom Treater, Sexsmith drilling fluid recycling,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hardisty Custom Treater and Hardisty Fractionator</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C-CE7.7/C-CH7.7/C-CC07.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(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?

Increased
Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>Decreased 936</td>
<td>0.8</td>
<td>We had an increase in renewable energy consumption from 2020 to 2021 due to the purchase of certified renewable energy from Canadian-produced hydropower. For 2021, we consumed 10,500 MWh of renewable energy, versus 9,000 MWh in 2020. The additional 1,500 MWh of renewable energy replaced approximately 936 tCO2e of non-renewable energy consumption for our Canadian operations. The percentage change in emissions due to this change in renewable energy consumption is approximately: (-936/121,078) * 100 = -0.8% Please note that the calculations in this column use our 2020 total Scope 1 and 2 emissions of 121,078 tCO2e, as requested by CDP guidance.</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>Decreased 7</td>
<td>0.006</td>
<td>We had several emissions reduction initiatives underway during the 2021 reporting year, including one that was implemented that led to a reduction of approximately 3 tCO2e of Scope 1 emissions. Through this initiative, we replaced several older fleet vehicles in our Canadian fleet with newer, more efficient models. For more information, please refer to C4.3b. The percentage change in emissions due to this emissions reduction activity is approximately: (-7/121,078) * 100 = -0.006%</td>
</tr>
<tr>
<td>Divestment</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mergers</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in output</td>
<td>Increased 6637</td>
<td>5.5</td>
<td>Infrastructure volumes increased by approximately 58.9 million barrels or 14% from 2020 to 2021, largely attributable to the addition of 1.5 million barrels of additional tankage at Hardisty that was placed into service in the fourth quarter of 2020 as well as additional throughput by certain customers at Hardisty. This also includes increased throughput at our Moose Jaw Facility, which led to an increase in emissions as compared to previous years, while the emissions intensity of the facility remained stable. Overall, we estimate the increase in throughput across our facilities resulted in an increase of approximately 26,606 tonnes of our Scope 1+2 emissions. The percentage change in emissions due to change in output is approximately: (6,637/121,078) * 100 = 5.5%</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in boundary</td>
<td>Decreased 524</td>
<td>0.4</td>
<td>For the 2021 reporting year, we changed our boundary from an operational control to equity share approach. This change resulted in the addition of our 36% equity share of Joliet Terminal to our Scope 1 and 2 inventory, which totaled 3,063 tCO2e in 2021. There was also a decrease of 2,720 tCO2e to reflect our 50% equity share in Hardisty West and 85% equity share of the Flintlock pipeline. Additionally, our Calgary, Houston, Midland and Rockwell offices were removed from our Scope 1 and 2 boundary and are now included in the Scope 3 Upstream leased assets category, leading to a decrease of 867 tCO2e Scope 1 and 2 emissions. The overall change in emissions due to change in boundary includes an increase of 3,063 tCO2e as well as a decrease of 2,720 tCO2e, which equates to an overall decrease of 524 tCO2e. The percentage change in emissions due to change in boundary is approximately: (-524/121,078) * 100 = -0.4%</td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unidentified</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Increased 19429</td>
<td>16</td>
<td>In mid-2021, the DRU began operations, which is a newly constructed facility that is a 50% joint venture with US Development Group. Because this facility was being built and not operational in 2020, we saw an increase in emissions in 2021 versus 2020. For the part of 2021 that the facility was active, its emissions were 17,142 tCO2e Scope 1 and 2,287 tCO2e Scope 2, for a total of 19,429 tCO2e. The percentage change in emissions due to the DRU becoming operational is approximately: (19,429/121,078) * 100 = 16.0%</td>
</tr>
</tbody>
</table>

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure? 
Market-based

C8. Energy

(C8.1) What percentage of your total operational spend in the reporting year was on energy? 
More than 20% but less than or equal to 25%
(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Yes/No</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) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Heating value</th>
<th>HHV (Higher 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</td>
<td>0</td>
<td>355258</td>
<td>355258</td>
<td></td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>10500</td>
<td>81607</td>
<td>92107</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>&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>&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>&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>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>10500</td>
<td>436865</td>
<td>447365</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Application</th>
<th>Yes/No</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>Yes</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) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Sustainable biomass**

- **Heating value**
  - HHV

- **Total fuel MWh consumed by the organization**
  - 0

- **MWh fuel consumed for self-generation of electricity**
  - <Not Applicable>

- **MWh fuel consumed for self-generation of heat**
  - 0

- **MWh fuel consumed for self-generation of steam**
  - 0

- **MWh fuel consumed for self-generation of cooling**
  - <Not Applicable>

- **MWh fuel consumed for self-cogeneration or self-trigeneration**
  - <Not Applicable>

**Comment**
Other biomass

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment

Coal

Heating value
HHV

Total fuel MWh consumed by the organization
0

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
0

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration
<Not Applicable>

Comment
<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Heating value</th>
<th>Total fuel MWh consumed by the organization</th>
<th>MWh fuel consumed for self-generation of electricity</th>
<th>MWh fuel consumed for self-generation of heat</th>
<th>MWh fuel consumed for self-generation of steam</th>
<th>MWh fuel consumed for self-generation of cooling</th>
<th>MWh fuel consumed for self- cogeneration or self-trigeneration</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>HHV</td>
<td>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>HHV</td>
<td>353972</td>
<td>&lt;Not Applicable&gt;</td>
<td>352672</td>
<td>1300</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
<tr>
<td>Other non-renewable fuels (e.g. non-renewable hydrogen)</td>
<td>HHV</td>
<td>1286</td>
<td>&lt;Not Applicable&gt;</td>
<td>687</td>
<td>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td></td>
</tr>
</tbody>
</table>
Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization
355258

MWh fuel consumed for self-generation of electricity
<Not Applicable>

MWh fuel consumed for self-generation of heat
353958

MWh fuel consumed for self-generation of steam
1300

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Unbundled energy attribute certificates (EACs) purchase

Energy carrier
Electricity

Low-carbon technology type
Large hydropower (>25 MW)

Country/area of low-carbon energy consumption
Canada

Tracking instrument used
US-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)
10500

Country/area of origin (generation) of the low-carbon energy or energy attribute
Canada

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)
1954

Comment
In Canada, we have utilized contractual instruments for our organization to retire 10,500 MWh of certified renewable energy from Canadian produced hydropower. The RECs are certified in accordance with the Midwest Renewable Energy Tracking System (M-RETS) and are within the geographic boundary of the market in which we consume electricity.
(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

**Country/area**
Canada

**Consumption of electricity (MWh)**
89219

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
89219

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

**Country/area**
United States of America

**Consumption of electricity (MWh)**
2888

**Consumption of heat, steam, and cooling (MWh)**
0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**
2888

Is this consumption excluded from your RE100 commitment?
<Not Applicable>

---

**C9. Additional metrics**

**C9.1**

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

(C-C9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

<table>
<thead>
<tr>
<th>Technology area</th>
<th>Stage of development in the reporting year</th>
<th>Average % of total R&amp;D investment over the last 3 years</th>
<th>R&amp;D investment figure in the reporting year (optional)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure</td>
<td>Applied research and development</td>
<td>81-100%</td>
<td></td>
<td>Our applied research and development related to infrastructure includes process efficiency evaluations focused on reducing emissions from existing and potential infrastructure. Through our efficiency studies, we identified an opportunity to invest $20,500,000 at our Moose Jaw Facility to further reduce the emissions intensity by switching from a feedstock-based fuel supply to natural gas. This project began construction in 2021 and was fully implemented in Q2 2022. Additional opportunities for similar projects which would result in process efficiency improvements of our infrastructure assets have also been identified and are being pursued.</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>Basic academic/theoretical research</td>
<td>≤20%</td>
<td></td>
<td>We continue to investigate the potential of integrating renewable energy technologies into our business to reduce the Scope 2 emissions footprint of our assets on an ongoing basis. During the reporting year, three renewable energy opportunities were investigated, and further steps are underway to execute one of these opportunities. Gibson will continue to research and evaluate renewable technologies which can support our Net Zero by 2050 commitment on an ongoing basis.</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>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Third-party verification or assurance process in place</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
Verification Report - Gibson Energy Inc. 2021 Corporate Inventory.pdf

Page/ section reference
All document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

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

Scope 2 approach
Scope 2 location-based

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
Verification Report - Gibson Energy Inc. 2021 Corporate Inventory.pdf

Page/ section reference
All document

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1c
(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

**Scope 3 category**
- Scope 3: Purchased goods and services
- Scope 3: Capital goods
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Upstream transportation and distribution
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Upstream leased assets
- Scope 3: Downstream transportation and distribution
- Scope 3: Processing of sold products
- Scope 3: Use of sold products

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Verification Report - Gibson Energy Inc. 2021 Corporate Inventory.pdf

**Relevant 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?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C8. Energy</td>
<td>Energy consumption</td>
<td>ISO 14064-3 Reasonable assurance</td>
<td>The verification statement includes an assessment of the energy consumption data from C8.2a in terms of accuracy and conformance with the criteria of the ISO 14064-3 standards. The scope of this energy consumption data covers all operations in Canada and the US, which we have chosen to verify as this data relates to our Scope 1 and 2 emissions quantification.</td>
</tr>
</tbody>
</table>

---

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.
- Alberta TIER - ETS
- BC carbon tax
- Canada federal fuel charge
- Saskatchewan OBPS - ETS
(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

**Alberta TIER - ETS**

- **% of Scope 1 emissions covered by the ETS**: 17.7
- **% of Scope 2 emissions covered by the ETS**: 0
- **Period start date**: January 1, 2021
- **Period end date**: December 31, 2021
- **Allowances allocated**: 24,249
- **Allowances purchased**: 2,984
- **Verified Scope 1 emissions in metric tons CO2e**: 27,231
- **Verified Scope 2 emissions in metric tons CO2e**: 0

**Details of ownership**

- Facilities we own and operate

**Comment**

The TIER Regulation is Alberta’s industrial GHG emissions pricing regulation and emissions trading system for Scope 1 emissions. In 2020, we elected to begin voluntarily participating in TIER as an aggregate facility. For our operations included within the aggregate facility for the 2020 compliance year (Hardisty Fractionator and Hardisty Custom Treater), Gibson received a facility specific benchmark (FSB) set at 90% of the emissions intensity of the operations.

In 2021, we applied and received approval for the inclusion of the DRU, which began operation in mid-2021, into our TIER aggregate. Due to the unique operations of the DRU, we engaged with Alberta Environment and Parks to confirm how to recalculate the FSB to reflect the new aggregate facility composition. We determined that the aggregate facility will be issued two benchmarks: one benchmark specifically for the DRU and the other will be for the non-DRU facilities (Hardisty Fractionator and Hardisty Custom Treater). The non-DRU facilities of our TIER aggregate will continue with the previous benchmarking methodology. For the DRU, a temporary in-year benchmark will be assigned based on the 2021 emissions and production during the portion of the compliance year that the facility was operational. After the DRU is operating for a full year, it will be benchmarked separately and is anticipated to have a baseline period of one year representing stable operations, which is anticipated to be the 2022 operating year.

Based on our 2021 verified emissions for the aggregate facilities, the number of allowances purchased to meet the true-up obligation was 2,984.

**Saskatchewan OBPS - ETS**

- **% of Scope 1 emissions covered by the ETS**: 65.8
- **Period start date**: January 1, 2021
- **Period end date**: December 31, 2021
- **Allowances allocated**: 0
- **Allowances purchased**: 0
- **Verified Scope 1 emissions in metric tons CO2e**: 63,601
- **Verified Scope 2 emissions in metric tons CO2e**: 0

**Details of ownership**

- Facilities we own and operate

**Comment**

The Saskatchewan Output-Based Pricing System (OBPS), regulated by the MRGGR, applies to Scope 1 emissions at our Moose Jaw Facility. It uses an emission benchmark calculated from an average of 2016-2018 baseline Scope 1 emissions intensity, with baselines confirmed in 2019. The number of allowances allocated and purchased in 2021 is 0 because the compliance obligation has not yet been assessed by the Saskatchewan Ministry of Environment Climate Change Branch.
(C11.1c) Complete the following table for each of the tax systems you are regulated by.

**BC carbon tax**

<table>
<thead>
<tr>
<th><strong>Period start date</strong></th>
<th>January 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period end date</strong></td>
<td>December 31, 2021</td>
</tr>
<tr>
<td><strong>% of total Scope 1 emissions covered by tax</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>Total cost of tax paid</strong></td>
<td>$1,181,343</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 export 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 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 our consolidation approach for emissions quantification.

**Canada federal fuel charge**

<table>
<thead>
<tr>
<th><strong>Period start date</strong></th>
<th>January 1, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period end date</strong></td>
<td>December 31, 2021</td>
</tr>
<tr>
<td><strong>% of total Scope 1 emissions covered by tax</strong></td>
<td>16.5</td>
</tr>
<tr>
<td><strong>Total cost of tax paid</strong></td>
<td>$74,378.58</td>
</tr>
</tbody>
</table>

**Comment**
In 2021, Gibson was registered under Part I of Canada's Greenhouse Gas Pollution Pricing Act (GGPPA).
What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Our Canadian operations are currently regulated by several emissions and tax systems including MRGGR, TIER, BC Carbon Tax and Canada’s federal fuel charge. Participating in MRGGR and TIER and meeting the respective performance standards exempts us from the Canada federal fuel charge for facilities regulated under these programs. To proactively address and comply with existing and emerging regulations, we have established a strategy comprised of four pillars:

**Accountability:** Our operations and engineering, government relations, tax as well as environment and regulatory teams all have key responsibilities to ensure we remain current on and comply with all climate-related regulatory systems we participate in. Annually, these teams are provided with sufficient regulatory compliance resources and third-party support to enable them to spend adequate time and effort on meeting compliance expectations, while also monitoring our exposure to emerging carbon emissions trading systems. As a responsible operator, before we begin any operations or construction activities in a jurisdiction, we ensure we apply for and receive the necessary approvals and permits. Additionally, we apply an internal carbon shadow price to business units, corporate divisions and facilities where we have operational control and can influence business and operations decision-making within Canada.

**Third-Party Quantification and Verification:** We seek third-party support in the quantification and verification of our company-wide GHG emissions, including both our MRGGR-regulated Moose Jaw Facility and aggregate TIER facilities in Hardisty. For example, in 2021, the compliance costs we paid to engage third-parties to quantify, verify and report on our emissions was approximately $110,000.

**Engagement and Monitoring:** We monitor and evaluate our regulatory exposure to other emissions trading systems and proactively engage with governments to provide input on policy drafts. Our government relations, tax as well as environment and regulatory teams are responsible for monitoring changes in regulations that could impact our business. They also interpret and draw attention to any climate-related legislation developments that could impact our business or operations.

**Emissions Reduction and Efficiency:** Our commitment to reduce emissions and improve energy efficiency throughout our operations will help achieve performance standards required under MRGGR and TIER. We consider innovation and optimization as key parts of our strategy and our operations and engineering in collaboration with our environment and regulatory teams are responsible for supporting the identification of both intensity and absolute emissions reduction initiatives as well as identifying partnership opportunities with a variety of external stakeholders to achieve additional energy and emissions reductions that will meaningfully contribute to our emissions targets. We already consider the impact of GHG emissions as part of our capital review processes and remain committed to ensuring that all our capital investments continue to realize Gibson’s internal return hurdles.

**Regulations in 3-5 Years**

The Government of Canada has confirmed its previously announced plan to accelerate climate action in Canada, which includes increasing the cost of carbon to $170/tonne by 2030. To reach that level, the carbon price will increase from its current level of $50/tonne in 2022 by $15/tonne each year starting in 2023. As such, Alberta will need to modify the TIER program and Saskatchewan will need to modify its MRGGR regulation to ensure they continue to align with the federal backstop. Gibson is working proactively to anticipate these changes to minimize the impact on our operations, but the longer it takes for Alberta and Saskatchewan to formalize the resulting changes to their systems, the more Gibson could be exposed to additional costs and possible administrative or implementation issues that may arise. To reduce this exposure, our strategy was to voluntarily opt-in to TIER beginning in 2020 and continue our reporting obligations under MRGGR. This approach has made us more resilient in the face of carbon pricing changes in Alberta and Saskatchewan as we are meeting our regulatory requirements. We also continue to align our internal carbon pricing with the Government of Canada. Gibson is closely monitoring the federal government’s work on oil and gas sector emissions caps, but no materials on how the emission caps are to be implemented have been made available for assessment. We continue to monitor the potential for carbon policies to be introduced in the US, but at this time we are not subject to carbon pricing at any of our US operations, and the current state of US policy discussions is not focused on establishing new carbon pricing regimes.

The four pillars of our current compliance strategy as described above would be applied towards any new climate policies we may face in the next 3-5 years.

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

(C11.3) 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 price 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)**
50

**Variance of price(s) used**
50-65

**Type of internal carbon price**
Shadow price

**Impact & implication**
Understanding future costs is vital to determining project viability so we include carbon pricing in business case modelling for our Canadian projects. To understand the future impacts of an internal carbon price on our business decisions, including investment in emission reduction activities, we currently use an evolving shadow price of $50-65/tonne for projects in Canada. The Government of Canada’s plan to accelerate climate action in Canada, titled “A Healthy Environment and a Healthy Economy” intends to increase the carbon price from the 2022 rate of $50/tonne by $15 per tonne each year beginning in 2023 until it reaches $170/tonne in 2030, which may have an impact on Canadian industry participants, potentially including Gibson. We continue to monitor the potential for additional carbon pricing programs to be introduced in the US. At this time, our US operations are not subject to any carbon tax regulations. We follow the Government of Canada's current guidelines and will align our internal carbon pricing with the government’s legislation to increase the carbon price by $15 per year to $170/tonne in 2030. As of 2022, we apply an internal carbon price at the low end of $50/tonne for projects with shorter-time horizons and a higher cost of $65/tonne for medium-term projections. We consider the impact of carbon tax and other climate-related impacts on the viability of our future projects. As an example, we considered carbon pricing as part of our investigation of a potential fuel switching opportunity at the DRU, similar to our previously commenced fuel switching project at our Moose Jaw Facility, which, would require alignment with our JV partner, and could result in additional emissions reduction by switching from a feedstock-based fuel supply to natural gas. During the investigation of this project for the DRU, we considered many factors such as the impact this project would have on Gibson’s emissions in addition to incorporating the carbon pricing into the project evaluation to better understand how it may help reduce our emissions obligations and be resilient in the face of tightening emissions standards in the future.

---

**C12. Engagement**

**C12.1**

(C12.1) Do you engage with your value chain on climate-related issues?
- Yes, our suppliers
- Yes, our customers/clients
- Yes, other partners in the value chain

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

**Type of engagement**
- Information collection (understanding supplier behavior)

**Details of engagement**
- Collect climate change and carbon information at least annually from suppliers

% of suppliers by number
31

% total procurement spend (direct and indirect)
51

% of supplier-related Scope 3 emissions as reported in C6.5
81

**Rationale for the coverage of your engagement**
We collect environmental information, including climate-related information, from our suppliers as part of our third-party supplier management tool, entitled “ISNetworld”, which includes a prequalification questionnaire that asks questions related to ESG practices and performance. The process ensures suppliers meet minimum requirements, including with respect to carbon management. Registering with ISNetworld is a requirement for our high-risk suppliers, such as those working at our sites, and we target this group of suppliers because they make up the majority of our spend each year. Through the ISNetworld questionnaire, we compile information on suppliers with environmental policies, audit programs, training and programs including waste management. Throughout 2021, we continued to include environmental and climate-related questions to collect information such as sources and tracking of direct GHG emissions as well as climate-related strategy. This engagement is relevant to all high-risk
suppliers we work with across all facilities where we operate in Canada and the US and is not focused on certain regions or geographic areas.

Impact of engagement, including measures of success
By gathering climate-related information about our suppliers, we are better able to understand our climate-related impacts through the supply chain and identify the possible opportunities to work with suppliers to improve practices, where necessary. The measures of success include the % of suppliers that complete the ISNetworld questionnaire, the % of suppliers with environmental policies and the % of suppliers with environmental programs. In 2021, because joining ISNetworld is only a mandatory requirement for our high-risk suppliers such as those working at our sites, 31% of suppliers we worked with in 2021 completed the ISNetworld questionnaire, representing 51% of our total spend. We aim for a threshold of at least 50% of our annual spend to include suppliers who have completed the ESG questionnaire in ISNetworld. 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 continue increasing the proportion of suppliers who complete the ISNetworld questionnaire to better enable us to identify suppliers with opportunities to improve their environmental and climate-related practices.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Run an engagement campaign to educate suppliers about climate change

% of suppliers by number
0.5

% total procurement spend (direct and indirect)
15

% of supplier-related Scope 3 emissions as reported in C6.5
27

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 and conduct stewardship meetings with several suppliers on an annual basis. In 2021, our climate-related engagement meetings were focused on six suppliers which were chosen because they were the largest spend suppliers and we believe that we can leverage our strong working relationships to positively engage on climate-related issues. In particular, these suppliers are Canadian and conducted work at our facilities in Alberta and Saskatchewan. 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. We aim for a threshold of engaging at least five of our top spend suppliers annually. In 2021, we engaged with our six largest suppliers who comprised approximately 15% of our total spend.

Comment

Type of engagement
Other, please specify (Compliance & onboarding)

Details of engagement
Other, please specify (Included climate change in supplier selection / management mechanism)

% of suppliers by number
3

% total procurement spend (direct and indirect)
19

% of supplier-related Scope 3 emissions as reported in C6.5
33

Rationale for the coverage of your engagement
Throughout 2021, we continued to include a sustainability and ESG questionnaire as part of the RFP process to collect information on how potential suppliers address ESG practices and performance, including climate-related topics such as air and GHG emissions and climate-related strategy. The sustainability and ESG section holds a 5% weighting of the overall supplier selection criteria for evaluating all RFP’s. We target potential suppliers going through the RFP process because it provides us an opportunity to both collect information from proponents, while also encouraging them to share climate-related information in a meaningful way. This engagement is relevant to all RFPs we issue for work across all facilities where we operate in Canada and the US and is not focused on certain regions or geographic areas.

Impact of engagement, including measures of success
By scoring suppliers on their ESG performance during the RFP process, it will encourage suppliers to improve their ESG and climate-related practices and disclosures. The measure of success for this engagement is the proportion of new RFPs which ask ESG and climate-related information, with a target threshold for 100% of new RFPs to include the questionnaire. Although 100% of RFPs issued in 2021 included the sustainability and ESG questionnaire, not all suppliers we work with go through an RFP process, therefore by year-end 3% of all existing suppliers we worked with in 2021 were awarded work through an RFP and had completed the ESG questionnaire including information on climate-related topics.

Comment

Type of engagement
Other, please specify (Compliance & onboarding)

Details of engagement
Other, please specify (Code of conduct featuring climate change KPIs)

% of suppliers by number
100

% total procurement spend (direct and indirect)
100
Give details of your climate-related engagement strategy with your customers.

**Type of engagement & Details of engagement**

| Collaboration & innovation | Run a campaign to encourage innovation to reduce climate change impacts |

**% of customers by number**

50

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

We target our major commercial customers for this type of engagement because many have also set ambitious GHG emissions reduction targets and low carbon fuel goals, and we believe we can help them achieve their commitments by providing innovative solutions to problems they are currently facing and solutions for the future. Customers were engaged where we believe our skill sets and strategic climate-related priorities have the potential to complement our customers' stated climate and environmental focused priorities. We were tasked with identifying how Gibson can support the energy transition and the changing needs of our customers, while partnering with suppliers to help achieve their low carbon fuel goals. The measure of success is the implementation of low carbon innovative projects in collaboration with our customers. For example, as a midstream storage and infrastructure-focused company, Gibson is in an advantageous position to expand our business to meet the demand for products and services that are required as we transition to a lower carbon future. We were tasked with identifying how Gibson can support our customers’ changing needs as the world continues to transition towards decarbonization and increased use of low carbon fuels, while providing attractive growth opportunities for Gibson. Through this process, we successfully identified an opportunity to use our asset base to enter into the biofuels value chain to facilitate the storage and blending of biofuels. Ultimately, in early 2021 we successfully sanctioned the Biofuels Blending Project at our Edmonton Terminal with our customer Suncor, which includes an expansion to facilitate the storage and blending of renewable diesel and conventional petroleum diesel.

**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, all suppliers are required to adhere to our Supplier Code which outlines how we expect our suppliers to uphold our values in their conduct of business, and further encourages suppliers to seek opportunities to improve their environmental and climate-related performance. The Supplier Code was approved by the Board in July 2021, and by year end we communicated the new Supplier Code to all past and existing suppliers as part of this engagement. We will continue to ensure all current and new suppliers are aware of our Supplier Code, as this provides us with an opportunity to make our climate-related expectations clear at the beginning of our working relationship. This engagement is relevant to all suppliers we work with across all facilities where we operate in Canada and the US and is not focused on certain regions or geographic areas.

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

By communicating our Supplier 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-related issues. The measure of success is the % of vendors that we have communicated our Supplier Code to, which clarifies our expectations of environmental responsibility and carbon management. We target a threshold of 100% of suppliers for this engagement and by year-end, we communicated our Supplier code and carbon management expectations to 100% of vendors in 2021.

**Comment**

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**C12.1b**

Give details of your climate-related engagement strategy with your customers.

**Type of engagement & Details of engagement**

| Collaboration & innovation | Run a campaign to encourage innovation to reduce climate change impacts |

**% of customers by number**

We target our major commercial customers for this type of engagement because many have also set ambitious GHG emissions reduction targets and low carbon fuel goals, and we believe we can help them achieve their commitments by providing innovative solutions to problems they are currently facing and solutions for the future. Customers were engaged where we believe our skill sets and strategic climate-related priorities have the potential to complement our customers' stated climate and environmental focused priorities. We were tasked with identifying how Gibson can support the energy transition and the changing needs of our customers, while partnering with suppliers to help achieve their low carbon fuel goals. The measure of success is the implementation of low carbon innovative projects in collaboration with our customers. For example, as a midstream storage and infrastructure-focused company, Gibson is in an advantageous position to expand our business to meet the demand for products and services that are required as we transition to a lower carbon future. We were tasked with identifying how Gibson can support our customers’ changing needs as the world continues to transition towards decarbonization and increased use of low carbon fuels, while providing attractive growth opportunities for Gibson. Through this process, we successfully identified an opportunity to use our asset base to enter into the biofuels value chain to facilitate the storage and blending of biofuels. Ultimately, in early 2021 we successfully sanctioned the Biofuels Blending Project at our Edmonton Terminal with our customer Suncor, which includes an expansion to facilitate the storage and blending of renewable diesel and conventional petroleum diesel.

**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, all suppliers are required to adhere to our Supplier Code which outlines how we expect our suppliers to uphold our values in their conduct of business, and further encourages suppliers to seek opportunities to improve their environmental and climate-related performance. The Supplier Code was approved by the Board in July 2021, and by year end we communicated the new Supplier Code to all past and existing suppliers as part of this engagement. We will continue to ensure all current and new suppliers are aware of our Supplier Code, as this provides us with an opportunity to make our climate-related expectations clear at the beginning of our working relationship. This engagement is relevant to all suppliers we work with across all facilities where we operate in Canada and the US and is not focused on certain regions or geographic areas.

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

By communicating our Supplier 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-related issues. The measure of success is the % of vendors that we have communicated our Supplier Code to, which clarifies our expectations of environmental responsibility and carbon management. We target a threshold of 100% of suppliers for this engagement and by year-end, we communicated our Supplier code and carbon management expectations to 100% of vendors in 2021.

**Comment**

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**C12.1d**

Give details of your climate-related engagement strategy with your customers.

**Type of engagement & Details of engagement**

| Collaboration & innovation | Run a campaign to encourage innovation to reduce climate change impacts |

**% of customers by number**

50

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

We target our major commercial customers for this type of engagement because many have also set ambitious GHG emissions reduction targets and low carbon fuel goals, and we believe we can help them achieve their commitments by providing innovative solutions to problems they are currently facing and solutions for the future. Customers were engaged where we believe our skill sets and strategic climate-related priorities have the potential to complement our customers' stated climate and environmental focused commitments. This engagement is relevant across all regions where we operate and is not focused on certain geographic areas.

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

Through this type of engagement, Gibson can demonstrate how we can support the energy transition and the changing needs of our customers, while partnering with customers to help achieve their low carbon fuel goals. The measure of success is the implementation of low carbon innovative projects in collaboration with our customers. For example, as a midstream storage and infrastructure-focused company, Gibson is in an advantageous position to expand our business to meet the demand for products and services that are required as we transition to a lower carbon future. We were tasked with identifying how Gibson can support our customers' changing needs as the world continues to transition towards decarbonization and increased use of low carbon fuels, while providing attractive growth opportunities for Gibson. Through this process, we successfully identified an opportunity to use our asset base to enter into the biofuels value chain to facilitate the storage and blending of biofuels. Ultimately, in early 2021 we successfully sanctioned the Biofuels Blending Project at our Edmonton Terminal with our customer Suncor, which includes an expansion to facilitate the storage, blending and transportation of renewable diesel. We continue to engage with Suncor regarding the potential for additional expansions in the future. We also seek further opportunities to expand on our current biofuels blending and loading business with different customers or at other facilities. Moreover, we continue to identify ways to enter into other segments of the biofuels value chain and access a new set of customers, while continuing to pivot with the energy transition. We have identified the opportunity to potentially partner to build a renewable diesel facility in Alberta and/or Saskatchewan, which would produce hydrotreated renewable diesel as a low carbon alternative to conventional petroleum diesel.

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(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 climate-related matters within our value chain are our peers.

We actively participate in a sustainability leadership initiative made up of our energy industry peers in Calgary, Alberta. Engagement with this group includes bi-monthly meetings to discuss sustainability integration challenges, third-party disclosure challenges and opportunities, learnings from innovations implemented by our peers and best practices in disclosure and engagement, especially as it related to climate change and GHG emissions. In 2021, the meetings covered several topics including Scope 3 emissions, supplier engagement, proposed climate-related reporting requirements, ESG data management, sustainability certification, transition finance and climate-related case studies from companies who are members of the working group or other invited speakers. Each meeting focuses on a specific subject matter that is lead by one or more companies who have experience in the respective area or a subject matter that a member company is currently challenged by that wishes to engage the broader group. Other engagement opportunities include an annual daylong 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 including recommendations from leading experts in the field. We prioritized this method of engagement within our value chain because it produces climate-related ideas and solutions that can be immediately trialed or implemented within Gibson based on peers that have face similar issues and challenges. In 2021, we implemented some of the best practices shared in the working group. We measure our success in this regard by looking at the number of new practices implemented as a result of our engagement with this peer working group and in 2021, we implemented three key new practices. These new practices are: expanding internal controls on our ESG data to prepare for future data regulations, integrating additional transition finance opportunities into our review process and further articulating our boundaries on Scope 3 emissions associated with our business activities.

Gibson is also a corporate member of Canadian Business for Social Responsibility (CBSR), which is a professional association for Canadian companies championing business as a force for good. CBSR supports sustainable business in Canada by offering companies tools, insights and a platform to share information and engage with other businesses, NGOs and governments on best practices and opportunities for collaboration. Through this group, we participate in regular round-table discussions where we engage with other sustainability leaders across a broad set of industries. Discussions cover various sustainability and climate-related topics, including integrating sustainability into capital decisions and financing the Net Zero transition.

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts.
C12.2a Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.

**Climate-related requirement**
Complying with regulatory requirements

**Description of this climate related requirement**
In July 2021, we introduced a Supplier Code which outlines our expectations of suppliers and ensures our suppliers uphold Gibson’s values in their conduct of business. Subsequently, we communicated the Supplier Code to all suppliers and clarified that complying with the policy is a requirement for doing business with Gibson. The Supplier Code requires that all suppliers must operate in full compliance with the laws, rules and regulations of the countries in which it operates, including climate-related regulatory requirements where applicable. The Supplier Code encourages suppliers to go beyond legal compliance to advance social and environmental responsibility and business ethics. We ensure continued awareness of the Supplier Code by communicating it to all new suppliers as well as making it available on our external and internal websites. We monitor compliance through grievance mechanisms including through reports to management or via our whistleblower hotline, as governed by the Whistleblower Policy. In the case of a less serious violation or potential violation to the Supplier Code, Gibson may retain and engage suppliers to resolve such violations and take all reasonable measures to meet the requirements in a diligent manner. A violation may result in disciplinary action up to and including termination of contracts, disqualification as a future supplier and/or legal action. In 2021, all suppliers were in compliance with the Supplier Code and no known breaches occurred.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

**Mechanisms for monitoring compliance with this climate-related requirement**
Grievance mechanism/Whistleblowing hotline

**Response to supplier non-compliance with this climate-related requirement**
Retain and engage

**Climate-related requirement**
Other, please specify (Improving environmental and climate-related performance)

**Description of this climate related requirement**
In addition to outlining explicit requirements of our suppliers, the Supplier Code further encourages suppliers to seek opportunities to improve their environmental and climate-related performance. Suppliers should consider energy efficiency of business operations in order to reduce GHG emissions where possible. We encourage suppliers to improve energy efficiency in their operations, minimize energy consumption and GHG emissions and track and disclose Scope 1 and 2 emissions. 100% of our suppliers are required to be in compliance with our Supplier Code and we collect information on GHG emissions and efficiency initiatives from new suppliers through our RFP process and ISNetworld questionnaire. As we continue to educate and engage suppliers on emissions and energy management topics, we will continue to look for opportunities to establish a more robust compliance mechanism based on the size of the supplier and the scope of the contract.

% suppliers by procurement spend that have to comply with this climate-related requirement
100

% suppliers by procurement spend in compliance with this climate-related requirement
100

**Mechanisms for monitoring compliance with this climate-related requirement**
Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**
Other, please specify (Supplier education and engagement)

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C12.3
(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

**Row 1**

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate
- Yes, we engage directly with policy makers
- Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?
- No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)
- <Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Gibson has several processes implemented to ensure our direct activities with government that influence policy are consistent with our overarching climate strategy, including our Net Zero by 2050 commitment as well as our interim 2025 and 2030 targets. The risks associated with climate policy are monitored by several groups and are escalated to Gibson’s management team through our ERM process as required. We do this to ensure our management team and Board have visibility on the broader climate policy environment and are aware of any material risks that have been identified. We also leverage our climate scenario analysis work and our climate signposts to monitor the and assess the impact to the business of the IEA scenarios, specifically carbon pricing and carbon policy developments.

Our Sustainability Supervisor and Director of Supply Chain Management, ESG and Stakeholder Relations are responsible for maintaining consistency with our climate strategy and conducting any direct and indirect engagement with government and policy. Gibson maintains consistency with its climate strategy in any engagement by leveraging the internal expertise of various business units, including but not limited to, environment and regulatory, tax, legal and commercial. These teams are also engaged and responsible for supporting Gibson’s climate scenario work and additional external disclosure, so information sharing is cross-functionally integrated and all business units are aware of the Company’s overall approach. We engage a third-party government relations team to monitor relevant regulation changes and help ensure we are consistent in our approach and messaging.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
- <Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate
- <Not Applicable>
(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

<table>
<thead>
<tr>
<th>Focus of policy, law, or regulation that may impact the climate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate-related targets</td>
</tr>
</tbody>
</table>

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Canadian Net-Zero Emissions Accountability Act – enshrines in legislation the Government of Canada’s commitment to achieve net zero GHG emissions by 2050 and provides a framework of accountability and transparency to deliver on it.

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Canada

Your organization’s position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Gibson has engaged with policy makers to discuss our efforts in our sustainability and ESG journey as well as communicate how our ESG targets, specifically our Net Zero by 2050 commitment as well as our 2025 and 2030 targets, work to support the Government of Canada’s Net Zero ambitions, align with the Oil Sands Pathways to Net Zero initiative, now known as the Pathways Alliance, and ensure we support the transition to a lower carbon future.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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Focus of policy, law, or regulation that may impact the climate

Subsidies for renewable energy projects

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Canada’s Clean Fuels Fund – as part of Canada’s Strengthened Climate plan, this fund will de-risk the capital investment required to build new or expand existing clean fuel production facilities (including facility conversions)

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Canada

Your organization’s position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Gibson has engaged with policy makers to discuss our application to the Clean Fuels Fund with respect to the potential development of a hydrotreated renewable diesel facility that Gibson continues to advance. Gibson’s engagement was to discuss how this project was an ideal candidate for funds from the Government of Canada’s Clean Fuels Fund.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

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Focus of policy, law, or regulation that may impact the climate

Carbon tax

Specify the policy, law, or regulation on which your organization is engaging with policy makers

Output-Based Pricing System – ensures there is a price incentive for industrial emitters to reduce their GHG emissions and spur innovation while maintaining competitiveness and protecting against carbon leakage

Policy, law, or regulation geographic coverage

National

Country/region the policy, law, or regulation applies to

Canada

Your organization’s position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

Gibson participates in ongoing discussions with the provincial government regarding GHG and air emissions regulations for the midstream sector. The goal of Gibson’s engagement is to ensure public policy and subsequent legislation considers the balance between environmental benefits as well as maintaining competitiveness across geographical boundaries. We continue to follow the current Government of Canada’s guidelines and will align our internal carbon pricing with the government’s legislation to set a carbon price of $170 per tonne in 2030.

Details of exceptions (if applicable) and your organization’s proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization’s engagement is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned
(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

**Trade association**
Canadian Association of Petroleum Producers

**Is your organization’s position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We are not attempting to influence their position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

CAPP’s position on climate change is articulated through a set of climate principles, released in 2020, which are designed to address the challenges associated with mitigating climate change. For example, CAPP supports carbon pricing mechanisms, when properly implemented. Gibson is an associate member of CAPP and our engagement and work with CAPP is focused on air emission regulations as we are not a producer. As a midstream infrastructure service provider, we engage with CAPP to understand the impact of regulatory changes on our upstream customers businesses, many of whom are members of CAPP, to ensure that Gibson can remain agile in supporting our customers changing long-term needs.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization’s funding**
<Not Applicable>

**Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?**
No, we have not evaluated

**Trade association**
Other, please specify (Business Renewables Centre of Canada (BRCC))

**Is your organization’s position on climate change consistent with theirs?**
Consistent

**Has your organization influenced, or is your organization attempting to influence their position?**
We are not attempting to influence their position

State the trade association’s position on climate change, explain where your organization’s position differs, and how you are attempting to influence their position (if applicable)

BRCC is a non-profit initiative seeking to catalyze the market for non-utility procurement in Canada to grow renewable energy development in the country. This initiative is managed by a partnership between the Pembina Institute, a non-profit think-tank that advocates for strong, effective policies to support Canada's clean energy transition, as well as the Clean Energy Buyers Association and Prairies Economic Development Canada. The initiative makes it easier for corporations to enter the renewable energy market by providing resources on renewable energy procurement, including PPAs, and bringing veteran renewable purchasers and deal-makers together with those exploring the opportunity. BRCC supports the transition to a low carbon future and is focused on addressing climate change and reducing emissions from the grid through corporate renewable energy procurement. Gibson is a silver member of BRCC. Through this engagement, we can connect with potential renewable energy partners and gain valuable resources to help meet our renewable energy goals and demonstrate our commitment to our ESG targets.

**Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)**

**Describe the aim of your organization’s funding**
<Not Applicable>

**Have you evaluated whether your organization’s engagement with this trade association is aligned with the goals of the Paris Agreement?**
Yes, we have evaluated, and it is aligned

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(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 mainstream reports

**Status**
Complete

**Attach the document**
Gibson Energy 2021 Annual Information Form.pdf

**Page/Section reference**
“Sustainability and ESG” (pages 22-26)
“Risk Factors” (pages 36-59)

**Content elements**
Governance
Strategy
Risks & opportunities

**Comment**
See Gibson's 2021 Annual Information Form (AIF) for details on the pages/sections noted. Climate-related risk factors discussed in our AIF include: Accuracy of Climate Scenario and Assumptions, Climate Change and ESG Targets and Commitments, Demand for Crude Oil and Petroleum Products, Climate Change Legislation, US Regulation, Risks Related to Climate Change Legislation, Emerging Climate Change Regulations, Increasing Minimum Price on Carbon, Clean Fuel Regulations, Environmental and Health and Safety Regulations, Reputation, Seasonality and Adverse Weather Conditions, and Hazards and Operational Risks.
Climate-related risk factors discussed in our 2021 Annual Report include: Climate Change and ESG Targets and Commitments, Demand for Crude Oil and Petroleum Products, Climate Change Legislation, Emerging Climate Change Regulations, Environmental and Health and Safety Regulations, Reputation, and Hazards and Operational Risks.

In Q3 2021, we published our Task Force on Climate-Related Financial Disclosure Report & 2020 Sustainability Performance Data Update. This report is aligned to the recommendations of the TCFD, among other ESG reporting frameworks, and includes our sustainability and ESG performance data for the years 2018-2020.
Emission targets
Other metrics

In March 2021, we announced that we set several medium and long-term ESG targets, including both absolute and emissions intensity targets.

Publication
In voluntary communications

Status
Complete

Attach the document
Biofuels Blending Project Press Release.pdf

Page/Section reference
Entire press release

Content elements
Strategy

Comment
In March 2021, we announced that Gibson has entered into a long-term agreement with Suncor for services at Gibson's Edmonton Terminal pertaining to an expansion to support the blending and loading of third-party biofuels for Suncor.

In April 2021, we announced that the borrowing cost of our Sustainability-Linked 5-Year, $750 million Revolving Credit Facility is tied to achievement of the target we set for a 15% reduction in company-wide Scope 1+2 emissions intensity by 2025, among other targets on diversity and inclusion and governance.

In October 2021, we announced our Net Zero by 2050 commitment, achievement of the top AAA ESG Rating by MSCI and publication of our inaugural TCFD Report.

In December 2021, we announced that the DRU had been declared fully operational and the shipment of DRUBit(TM) by rail had commenced.
(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

<table>
<thead>
<tr>
<th>Board-level oversight and/or executive management-level responsibility for biodiversity-related issues</th>
<th>Description of oversight and objectives relating to biodiversity</th>
<th>Scope of board-level oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, both board-level oversight and executive management-level responsibility</td>
<td>Gibson’s Board recognizes the vital importance of managing ESG and biodiversity-related issues in our long-term strategy. The SESG Committee is responsible for reviewing the status and effectiveness of our sustainability/ESG performance, metrics and goals, including processes to ensure compliance with all internal policies and applicable laws and regulations, with a focus on providing a desirable outcome for all stakeholders including investors, customers, employees, suppliers and the community. The SESG Committee assists Gibson’s Board in fulfilling its mandate on sustainability/ESG issues, including biodiversity, by reporting to the Board on management’s progress. The SESG Committee is also responsible for reviewing emerging risks and opportunities associated with sustainability/ESG issues relevant to Gibson that may have the potential to impact our reputation and business performance. The SESG Committee provides oversight on how we are responding to ESG and biodiversity-related risks and opportunities. At the executive management level, Gibson’s C-Suite Sustainability Committee is comprised of our executives who meet monthly to monitor emerging sustainability and ESG risks and opportunities relative to our sector and business. Our President &amp; CEO is responsible for overseeing environmental issues and effectively managing potential environmental impacts on our business. Our SVP &amp; CAO is the lead on ESG and environmental matters and is responsible for overseeing the governance of environmental matters; overseeing the development of ESG targets and initiatives in collaboration with our SVP O&amp;E; supporting the deployment of Gibson’s biodiversity strategy and any resources needed to implement it; leading Gibson’s Environment &amp; Regulatory team; engaging on environmental topics with stakeholders including government and investors; and reporting on environmental performance. The SVP O&amp;E is responsible for overseeing the integration of environmental and biodiversity-related matters within our OMS through our Environmental Management element. The SVP O&amp;E works closely with the SVP &amp; CAO and reports to the CEO on these matters.</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

<table>
<thead>
<tr>
<th>Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity</th>
<th>Biodiversity-related public commitments</th>
<th>Initiatives endorsed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity</td>
<td>Commitment to avoidance of negative impacts on threatened and protected species</td>
<td>SDG</td>
</tr>
</tbody>
</table>

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

<table>
<thead>
<tr>
<th>Does your organization assess the impact of its value chain on biodiversity?</th>
<th>Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>No, and we do not plan to assess biodiversity-related impacts within the next two years</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

<table>
<thead>
<tr>
<th>Have you taken any actions in the reporting period to progress your biodiversity-related commitments?</th>
<th>Type of action taken to progress biodiversity-related commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we are taking actions to progress our biodiversity-related commitments</td>
<td>Land/water management, Species management, Education &amp; awareness</td>
</tr>
</tbody>
</table>

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

<table>
<thead>
<tr>
<th>Does your organization use indicators to monitor biodiversity performance?</th>
<th>Indicators used to monitor biodiversity performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, we use indicators</td>
<td>Response indicators</td>
</tr>
</tbody>
</table>
(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

<table>
<thead>
<tr>
<th>Report type</th>
<th>Content elements</th>
<th>Attach the document and indicate where in the document the relevant biodiversity information is located</th>
</tr>
</thead>
<tbody>
<tr>
<td>In voluntary sustainability report or other voluntary communications</td>
<td>Content of biodiversity-related policies or commitments, Governance, Details on biodiversity indicators</td>
<td>Environmental commitment: page 32, Governance: pages 12-15, Biodiversity and land use indicators: page 41, Gibson Energy TCFD Report and 2020 Sustainability Performance Data Update.pdf</td>
</tr>
<tr>
<td>Other, please specify (Community Commitments)</td>
<td>Content of biodiversity-related policies or commitments</td>
<td>Environmental commitment: page 2, Gibson Energy Community Commitments.pdf</td>
</tr>
<tr>
<td>Other, please specify (Code of Conduct and Ethics)</td>
<td>Content of biodiversity-related policies or commitments</td>
<td>Environmental commitment: page 8, Gibson Energy Code of Conduct and Ethics.pdf</td>
</tr>
<tr>
<td>Other, please specify (Land and Biodiversity Fact Sheet)</td>
<td>Governance, Impacts on biodiversity, Biodiversity strategy</td>
<td>Entire document, Gibson Energy Land and Biodiversity Fact Sheet.pdf</td>
</tr>
</tbody>
</table>

C16. Signoff

C-FI
Certain statements and information contained in this document constitute forward-looking information (as such term is defined under Canadian securities laws). All statements other than statements of historical fact are forward-looking information. The use of any of the words “anticipate”, “plan”, “continue”, “target”, “estimate”, “expect”, “intend”, “propose”, “might”, “may”, “will”, “shall”, “project”, “should”, “could”, “would”, “believe”, “predict”, “potential”, “goal”, “seek”, and “opportunity” and similar expressions expressing future outcomes or statements regarding an outlook are intended to identify forward-looking information. Forward-looking information contained in this document includes, but is not limited to, information regarding: Gibson's ESG and emission reduction focuses and targets and the timing and strategy to achieve such targets; climate-related governance and oversight processes; Gibson remaining a low-emitter and ESG leader relative to its peers; the success of Gibson's ESG initiatives, including climate-related compensation performance objectives, and their ability to reduce emissions; Gibson's process for risk identification and mitigation; the effects of legislation on Gibson's business and Gibson's ability to prepare for and adapt to such developments; the introduction of climate-change legislation, including in the US; Gibson's position and ability to pivot with and support the energy transition, including changes in demand for Gibson's products and services; the expansion of Gibson's asset base to support its ESG focus; outcomes predicted by climate scenarios and underlying assumptions thereof; the use of climate scenario analysis and the anticipated effects on Gibson's business should such scenarios materialize; Gibson's revenue stability; the extension, renewal and entry into contracts; demand for Gibson's products, services and low-carbon fuel; the costs and actions necessary to mitigate climate-related risks; the operational and financial effect of Gibson's ESG initiatives on its business; Gibson's obligations under climate-change legislation; the stigmatization of the energy industry generally, and the effects thereof on Gibson; the integration of ESG & climate-related considerations in Gibson's business; the benefits of and costs and actions necessary to realize climate-related opportunities; Gibson's ability to consume lower-carbon electricity and contribute to the overall decarbonization of the grid; reductions in operating costs as a result of changes to Gibson's electricity consumption; the DRU's impact on emissions reductions; Gibson's ability to enter the biofuels supply chain; Gibson's business strategy; the development and timing of Gibson's transition plan; Gibson's investment priorities and commitments, including in emerging technology; the benefits of the Biofuels Blending Project; Gibson's sustainable procurement strategy; the completion and timing of climate-related projects; the continued consideration of climate-related risks and opportunities in Gibson's financial planning; Gibson's pathway to Net Zero, including costs and milestones; Gibson's budget and capital allocation; increases to the price of carbon and its impact on Gibson's business; increases in the costs of capital and the effect on Gibson's market capitalization; and the repurposing of Gibson's infrastructure.

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. 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. The forward-looking information included or referred to in this document is expressly qualified by this cautionary statement and is as of the date hereof. Gibson does not undertake any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Assumptions for Estimation of Emissions Avoided from DRUBit(TM)

The model is based on the following assumptions:

1) All scenarios ship the same amount of bitumen to Texas.

2) The majority of diluent imported into Alberta is sourced from fractionation facilities in Mont Belvieu, Texas.

3) The current market scenario of diluent recycle from Mont Belvieu is compared with the new scenario of diluent recovery and recycle at the HET in Hardisty, Alberta.

4) The same volume of diluent is recovered from DiBiT at the HET as is recovered from DiBiT in Texas.

5) GHG emissions for diluent recovery at the HET are the same as GHG emissions for diluent recovery in Texas.

6) Diluent is currently recycled to Alberta from Texas to Illinois via the Explorer pipeline and then from Illinois to Alberta through the Southern Lights diluent return dedicated pipeline.

7) Minor emissions from pipeline transport between facilities or custody transfer in Texas (e.g. Port Arthur and Mont Belvieu) are ignored.

8) DRUBit(TM) delivered by rail into the Port Arthur market displaces DiBiT delivered by rail into Port Arthur.

9) Railcars are dedicated to DRUBit(TM) or DiBiT transport and are returned to Alberta empty.

10) The rail route for DRUBit(TM) and DiBiT by rail is the same.

11) The analysis is agnostic of third-party rail or pipeline transport investments in renewable power purchase agreements, renewable energy certificates or other offsets and uses published grid and rail emissions intensities.

12) The model calculates operational emissions and does not include construction or decommissioning emissions.

C16.1
(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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