



ENVIRONMENTAL STEWARDSHIP

Protecting the environment is part of being a responsible corporate citizen and a good neighbour. We work hard to minimize waste and emissions, and we promote resource conservation and environmental stewardship.

Our operations strictly adhere to environmental protection measures and regulations from planning and construction through to daily operations. We follow all regulatory requirements and conduct ongoing monitoring of air, groundwater and soil quality at key areas so we can respond quickly to any issues that may arise. We commit to regular reporting on our environmental stewardship efforts through our sustainability disclosures.

Caring for Water

Whenever the potential exists for our operations to interact with water, we conduct evaluations to understand how we can conserve and protect this resource. These evaluations, along with information about economic feasibility, regulatory requirements and industry best practices, are used to determine the best option. An example of this is the upgrading of the kettle boiler at the DRU to allow for produced water from inlet fluids to be the primary source of water used for steam rather than fresh groundwater, resulting in the DRU utilizing less fresh water annually. Our major sources of water withdrawal that are eventually returned to the hydrologic cycle are for boiler feed water at our Moose Jaw Facility and hydrostatic testing of tanks. Our freshwater sources include surface water, groundwater and municipal water, and we endeavour to reuse and return water whenever practical.

Handling Waste Responsibly

We reduce waste where possible and have several recycling initiatives across our operations. We follow all regulatory guidelines for disposal and ensure waste materials from our facilities are tested to inform the appropriate disposal method and aim to reduce waste diverted to the landfill where possible. One of our primary waste streams is the disposal of contaminated soils during construction or remediation activities. We also have a program in place to extend the life cycle of our information technology hardware by reselling or recycling items that would otherwise be disposed of.

Monitoring and Reducing Air Emissions

Our air quality monitoring program meets or exceeds regulatory requirements across all regulated assets. We have strict inventory measurements and preventive maintenance programs for all of our assets, including our facilities, tanks and pipelines. In the communities where we operate our major facilities, we work closely with local air quality industry associations to monitor air quality. One example is the Strathcona Industrial Association (SIA) in Edmonton. We monitor nitrogen oxide (NO_x), sulphur oxide (SO_x), methane and volatile organic compounds, among other air emissions, and report to regulatory authorities continuously. As part of Gibson's SIA membership, we have representatives on three committees: Executive Committee, Environment Committee and Stakeholder Relations Committee. Our strategy is to reduce air emissions through technology improvements and equipment upgrades. Accordingly, most of our tanks have been constructed or converted to include an external or internal floating roof configuration with a dual liner. Our internal floating roof tanks reduce working venting losses by over 98% compared to open-vented tanks. Additionally, we expect that as we continue to reduce the emissions profile of our operations through our GHG reduction targets, we will anticipate a decrease in non-GHG air emissions.

Fuel Switching Project

As part of our efforts to expand capacity, reduce emissions and improve the efficiency of our operations, in 2022, we completed a project at our Moose Jaw Facility to construct a natural gas liquids (NGL) plant and switch from a feedstock-based, higher emissions intensity fuel supply to natural gas, while also increasing the production capacity of the facility. The capacity expansion and NGL conversion project (Fuel Switching Project) increased the Moose Jaw Facility's throughput by 1,500 barrels per day (bpd) and added a new saleable product stream by capturing a by-product of the NGL production process that would otherwise be combusted. The project has reduced emissions on both an intensity and absolute basis, furthering Gibson's climate and Net Zero goals. As a result of the project, a significant reduction in flaring is expected at the Moose Jaw Facility, leading to a reduction in NO_x and SO_x emissions. Gibson anticipates a meaningful reduction in absolute Scope 1 emissions by approximately 5,000 tonnes per year.

