CLIMATE & GREENHOUSE GAS EMISSIONS

Gibson acknowledges that the energy transition is underway, and we are committed to acting now to secure a more sustainable future for our company

Energy Transition – Responsibilities & Opportunities

We recognize our duty to deliver energy responsibly and enhance the resilience of our company while doing our part to limit the rise of global temperatures. As a liquids infrastructure company, we will continue implementing our strategy of delivering results from our premier liquid infrastructure assets. At the same time, we will leverage our world-class assets and internal capabilities to benefit from the opportunities we anticipate as we move through the energy transition. We view the energy transition as an opportunity to offer enhanced infrastructure and services, such as the production, storage and transportation of low-carbon fuels. Our organizational capabilities and irreplaceable world-class asset base will help support global energy security and help us continue evolving to meet changing energy demands and the needs of our current and future customers.

Targets and Emissions Reductions

Progress in this area is not linear, so while our emissions profile remains substantially lower than industry peers, we know there is much work to do. We remain proactive in pursuing opportunities to reduce our emissions, achieve our targets, and embed climate-related considerations into our business strategy. Our pathway to achieve Net Zero Scope 1 and 2 emissions by 2050 mitigates long-term risks and identifies current and future opportunities, while considering solutions that address the changing needs of our customers. We believe that through the continuous improvement of our operations, strategic investment in technology and innovation, expansion of our low-carbon products and services, and proactive collaboration with government, industry partners, suppliers, and customers, Gibson will be well-positioned to deliver meaningful emissions reductions and remain a strong economic leader in sustainable energy.

We acknowledge that our planned growth projects, aimed at helping to meet global energy demand and reduce our emissions intensity, may increase Gibson's absolute emissions in the short-to-medium term. However, we are confident that over the long-term, we expect to see a decrease in emissions as we progress toward our targets. When bringing new assets into our portfolio, such as our recent acquisition of the STGT, we are committed to ensuring that such assets are operated safely, responsibly and sustainably, while improving asset emissions profiles.

Biofuels Blending Project

The Biofuels Blending Project at our Edmonton Terminal is an important example of our ability to meet changing energy demands. The project was developed throughout 2021 and came into service in 2022 to serve our customer, Suncor. The project involved an expansion of infrastructure to facilitate the storage, blending and transportation of lower-emission renewable diesel.

Climate-Related Scenario Analysis

As a leader in sustainability, Gibson has committed to being transparent about our climate-related risks and opportunities and their potential impact on our business strategy. We conduct climate-related scenario analyses across all areas of our business on an annual basis to a time horizon of 2050. The scenarios we used in 2022 were from the International Energy Agency's (IEA's) World Energy Outlook (WEO) and included:

- Stated Policies Scenario (STEPS) for the base case
- Sustainable Development Scenario (SDS) as 2°C case

We will continue to use climate-related scenario analysis, with a greater emphasis on physical risk, to strengthen our robust governance and strategy framework, while we proactively identify 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 for a lower-carbon future.

Renewable Power Purchase Agreement (PPA)

Gibson has signed a renewable PPA with Capstone Infrastructure Corporation to purchase power and Environmental Attributes from the Buffalo Atlee Phases 2 and 4 wind projects, located near Jenner, AB. Together, the projects have a nameplate capacity of 26 megawatts and are anticipated to produce enough renewable wind power to reduce Gibson's Scope 2 emissions by over 50%. The Buffalo Atlee projects are being built and operated by Capstone in partnership with the Sawridge First Nation, who have an equity interest in the projects.