

# 2020

Corporate Responsibility Report

*SUNOCO LP*





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# 2020: A Year Like No Other

We are pleased to publish our inaugural Corporate Responsibility Report demonstrating our commitment to continuously operate in a manner consistent with our core values. With one of the largest fuel distribution platforms in the nation, Sunoco is a widely recognized brand that has served Americans for more than a century. What makes our brand special is *not* the diamond and arrow that is familiar to so many. Rather, it's the thousands of independent operators that we partner with to fuel our nation. It's the thousands of dedicated Sunoco employees who support our partners so that they remain valuable members of their communities. Put simply, our brand is about *the people* we proudly call our partners and team members. Because of that, we take seriously the responsibility to protect our brand through responsible corporate governance, operational excellence, environmental stewardship, and a vigorous commitment to social responsibility.

2020 was a year like no other. As an essential service provider, we kept our distribution network fully operational throughout the global pandemic. I am particularly proud of our people who faced this unprecedented challenge head on, remaining focused and strong. While others struggled to adjust, we quickly developed solutions and acted swiftly to keep much-needed goods and services flowing to our communities. Our commitment was evident throughout Sunoco. In support of our operating partners,

the entire Sunoco team — our retail store employees, fleet truck drivers, terminal operators, and corporate office employees — remained focused on the safe, efficient, and responsible delivery of essential fuel products across the nation.

The commitment of our team to continue to support families and communities financially and otherwise during this challenging time was equally impressive. Despite the difficulties presented by the pandemic, we remained committed to our charitable endeavors. At a time when many faced personal challenges of their own, our partners and team members provided significant financial and other assistance throughout our communities.

We are grateful to and proud of our independent operating partners, our employees, and all of our stakeholders. On behalf of the senior management team, we are pleased to share this Corporate Responsibility Report highlighting our social, health and safety, and environmental performance and achievements in 2020. We look forward to continuing to serve the communities in which we operate well into the future.



**Joe Kim**  
President and Chief Executive Officer



# Executive Management Team



**Joseph Kim**  
President and Chief Executive Officer



**Dylan Bramhall**  
Chief Financial Officer



**Arnold Dodderer**  
General Counsel



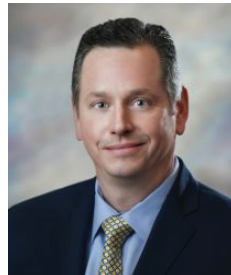
**Karl Fails**  
Chief Operations Officer



**Alison Gladwin**  
Chief Marketing & Administration Officer



**Scott Grischow**  
Vice President of Treasury



**Brian Hand**  
Chief Sales Officer

# Board of Directors

**Matthew S. Ramsey**  
Chairman of the Board

**Christopher R. Curia**  
Director

**Oscar A. Alvarez**  
Director

**Joseph Kim**  
Director

**Imad K. Anboub**  
Director

**Tom Long**  
Director

**James W. Bryant**  
Director



# It Starts at the Top

At Sunoco, we believe in treating all people with respect and dignity throughout every facet of our business. We have held and strived to implement this core belief for well over a century. It starts with our board of directors, flows through our diverse senior leadership team, and provides the foundation for everything we do.

Our core beliefs are captured in our Code of Conduct and Ethics policies, the standard to which all employees are regularly trained and continuously measured against.

To maintain our culture and ensure adherence to our principles, we use many tools, including:



■ **Frequent training on a variety of critical topics, including appropriate workplace behavior, anti-corruption practices, and health, environmental, and safety procedures**

■ **Use of robust financial reporting controls, independent auditors, and senior management compliance review programs**

■ **Use of an anonymous hotline and internet system for reporting compliance or other concerns, with independent investigatory oversight and enforcement through a dedicated, fully staffed, and trained compliance office**

## Governance Committee Boards

Our Board guides and ensures the safe and ethical operation of our business by establishing standards of conduct and expectations throughout every aspect of our business and utilizing specialty committees, such as our fully independent Audit Committee or Compensation Committee, as appropriate.



# What We Do

Sunoco is one of the largest independent fuel distributors in the country. Success in our business requires safe delivery and storage of fuel and petroleum products across the nation. As a provider of essential goods and services, we take very seriously our responsibility to safely deliver the fuel and refined products needed for our modern necessities and conveniences. We offer unparalleled expertise in the fuel delivery space. From storing, delivering, and providing a variety of high-quality fuel options, we continually seek ways to grow and optimize our businesses and support the needs of our customers and the public.



# Fuel

Sunoco offers more than a dozen high-quality fuel options to our customers and retail consumers across 33 states. Beyond just the motoring public, we also provide fuel, lubricants, and specialty services to industrial, transportation, agricultural, and energy customers across the nation. We purchase motor fuel primarily from independent refiners and major oil companies and efficiently distribute it across more than 30 states throughout the East Coast, Midwest, South Central and Southeast regions of the United States, as well as Hawaii. At the end of 2020, our operations included:

- **~6,800 retail stores operated by independent operators, which we refer to as “dealers” or “distributors”**
- **~540 independently operated commission agent locations where we sell motor fuel to retail customers under commission agent arrangements**
- **~80 company-owned and operated retail stores**
- **~2,500 other commercial customers, including unbranded retail stores, other fuel distributors, school districts and municipalities, and other industrial customers**



Additionally, Sunoco is the world’s largest manufacturer of racing fuel, and we distribute race fuel to more than 500 racetracks worldwide. Since 1966, we have provided fuel for motorsports racing and have sponsored and supported the industry in a variety of ways. Our dedication to high-quality fuel has made us leaders in the motorsports industry. In 2004, we became the official fuel provider for NASCAR. Together with our sponsorship of the NHRA and more than 50 other racing series across the country, we take great pride in knowing that many racing industry experts choose our fuel above all others.



**In 2020, Sunoco distributed nearly 8 billion gallons of fuel.**





## Retail Solutions

For more than a century, we have taken great pride in our commitment to supporting our customers, many of whom are independent operators in the retail fuel space. Because we also operate and have operated retail outlets for many decades, we truly understand and appreciate the needs of independent retail business operators. Today, we operate nearly 80 retail convenience store locations in Hawaii and along the New Jersey Turnpike. We also supply fuel and other services to approximately 7,400 dealer, distributor, and commission agent-operated locations. Over the decades, we have learned a great deal about what it takes to safely and efficiently distribute fuel and operate retail fuel stores. Our non-fuel products and services are also designed with the success of our customers in mind, and we are constantly innovating to provide updated food and fuel retail services and help drive customer profits and consumer loyalty.



## Midstream Operations

We began 2020 with an aggressive growth strategy in place, and while the COVID-19 pandemic shifted our immediate growth plans, we actively sought synergistic opportunities that made financial sense. By the end of 2020, we owned and operated 15 products terminals and two transmix facilities located in key geographies across the U.S. Refined products terminals are an expanding component of our business that provide synergies to our distribution portfolio, and we remain committed to capturing financially attractive opportunities as they present themselves.



Transmix facility



# An Iconic American Brand



Joseph Newton Pew

Sunoco can trace its lineage back more than a century. Sunoco was initially formed in Pennsylvania in 1886 by Joseph Pew, Phillip Pisano, and Edward Emerson. “Sun Company Incorporated,” as it was originally known, focused its early years primarily on oil exploration, recovery, and refining. Eventually, the Pew family’s involvement grew, and Joseph Pew acquired the interests of the other founders. Pew’s children and grandchildren worked at the company in various roles and served on its Board of Directors into the 1960s.

While the Pew family is no longer actively involved in the management of Sunoco, the legacy of the company’s early successes and beliefs are woven into the Sunoco corporate fabric, including our commitment to charity and community giving. In 1948, the Pew family established The Pew Charitable Trust, which conducts research and supports cultural, environmental, governmental, and scientific initiatives that positively impact the lives of millions of people globally. Though our company is no longer associated with The Pew Charitable Trust, we have maintained a robust giving program through the Energy Transfer/Sunoco Foundation. The Foundation’s corporate giving efforts

contribute to nonprofit, 501(c)(3) organizations across the U.S. that focus on education, hunger, health, veteran support, children’s causes, environmental stewardship, and combating homelessness.

Throughout the 20th century, Sunoco expanded its strategic focus beyond traditional exploration and refining operations.

Early in its strategic evolution, Sunoco recognized an opportunity to meet a growing demand for fuel

as the popularity of the automobile began to take root in the U.S. Sunoco opened its first gas station in Ardmore, Pennsylvania, in 1920, and for more than 100 years since we have offered fuel and other goods and services at our own convenience stores and those operated independently by our customers. Since its inception, Sunoco has continued to expand its fuel supply and sales operations. Today, through our network of independent distributors, operators, and commercial customers, we supply fuel in more than 30 states.



Our first gas station in Ardmore, Pennsylvania

We offer products to our customers that include more than a dozen branded and unbranded fuel options. In addition, we manufacture race fuels, operate two transmix fractionation facilities, provide terminalling and storage services at 15 refined products terminals, and provide fueling and oil field services to support domestic oil and gas production.

Growth, innovation, and meeting the needs of our customers and the public remain core elements of our corporate strategy and have resulted in benefits to our customers, employees, and stakeholders. These attributes have made Sunoco one of the largest independent fuel distributors in the United States. Proudly, we have done so while remaining true to our culture and values.



### A History of Innovation



Introduction of the plastic credit card gave Sunoco customers a choice of purchasing on credit.

Sunoco revolutionized the oil industry when it introduced the Custom Blending Pump. A model of the pump is currently on display at the Smithsonian.

This novel system allowed consumers to save by dispensing a custom blend of up to five octane grades of fuel.

Sunoco was among the first to introduce the high octane fuel to consumers.

Sunoco Go Rewards in the Sunoco app allows customers to save with each fuel up.



# Timeline



1886

Sunoco founded



1925

Sunoco becomes publicly traded on NYSE (SUN)



1983

Sunoco introduces Ultra 94, the market's highest-octane unleaded gasoline



2012

Energy Transfer acquires Sunoco

1920

First service station opens in Ardmore, PA (still in operation)



1956

Sunoco introduces Custom Blending Pump



2004

Sunoco becomes the Official Fuel of NASCAR



2013

Sunoco acquires Mid-Atlantic Convenience Stores



# Timeline



## 2014

Sunoco acquires Aloha Petroleum, including six terminals in Hawaii



## 2016

Sunoco acquires EmERGE Energy Services



## 2018

Sunoco divests over 1,100 company-owned convenience stores to 7-Eleven and enters a long-term fuel supply contract

## 2014

Sunoco LP is formed by merger with Susser Petroleum Partners LP



## 2015

Sunoco acquires assets from:

- Valentine Stores
- Kolhorst Petroleum
- Denny Oil Company

## 2018

Sunoco acquires equity or assets from:

- Sanford Energy Services
- BRENCO Marketing Corp
- Schmitt Sales Inc.



## 2019

Sunoco enters J.C. Nolan joint-venture with Energy Transfer





# Opportunities for All

At Sunoco, we realize that being our best means having a diverse team comprised individuals with a variety of perspectives and experiences. In 2020, we employed more than 2,000 hardworking, dedicated employees across our businesses, of which more than 40% were minorities in management positions. Our continued commitment to and success in hiring and retaining a diverse workforce is illustrated below.

	2018	2019	2020
<b>Women Employees</b>	<b>33%</b>	<b>34%</b>	<b>32%</b>
<b>Women in Management</b>	<b>33%</b>	<b>35%</b>	<b>36%</b>
<b>Employees from Minority Populations</b>	<b>55%</b>	<b>58%</b>	<b>57%</b>
<b>Management from Minority Populations</b>	<b>36%</b>	<b>38%</b>	<b>41%</b>

The criteria used are:

- “Management” includes supervisors
- Minority is defined as non-white or employees who selected more than one race

Our workplace standards of conduct and the respect and accountability we require provide an environment where individuals from all cultures and backgrounds can thrive and succeed. We believe this fosters an engaged staff that is equipped to provide the best possible experience for the customer base we serve. We also believe strongly in the need to continually develop our talent and offer a variety of developmental and growth programs within our company.

# Partners in Success

While we manufacture race fuel, process transmix, operate convenience stores, and provide storage and terminalling services to upstream and downstream market participants, the heart and soul of our business is providing quality motor fuel to those who, in turn, provide it to the public. As a result, most of our customers are independent small business operators. These business owners are essential to their local communities as they operate convenience stores, gas stations, and auto repair shops. Independent operators in these commercial segments come from diverse backgrounds and cultures and are supporting their local economies by providing jobs and paying taxes in the areas they operate. We are proud to say that our customers represent a diverse group of businessmen and women that are making a positive impact in the communities in which they operate.

We humbly serve hardworking, relentless, and incredibly proficient individuals and families from very diverse backgrounds.



**Fazal Sirhandi**  
Sirhandi Enterprises



**Kristin & Steve Gaetjens**  
Russell One Stop



**Harry Singh**  
Bolla Incorporated



# Ethics & Principles

Our work is driven by our core values. Our values are central to everything we do and are foundational to our mission and vision. We appreciate that we can only achieve our goal of being the partner of choice for our customers when each member of our team is committed to consistently conducting themselves in accordance with our core values.

## Mission, Vision, and Values

### ■ Accessible

We know each other by name, from our executives to our customers and our support teams. It is an important part of our culture, and we believe it sets us apart.

### ■ Innovative

We embrace collaboration, creativity, and focus to invent new and more efficient ways to meet our goals. Our resourcefulness helps us find a way when there isn't one.

### ■ Accountable

We take ownership, expect individual contribution, communicate with candor, and make decisions to push our business forward.

### ■ Caring

We respect each other, act responsibly, and care for the communities where we live and work.

### ■ Driven

We have a bias for action, and we focus on results for our customers and stakeholders.



# Community Support

For more than 130 years, Sunoco has been an avid supporter of the communities in which we operate and live. We show our support by donating to a variety of causes that benefit local nonprofits through our employee volunteer programs and our financial support of the Energy Transfer/Sunoco Foundation. In 2020, our efforts were affected by the COVID-19 pandemic, but we remained committed to supporting those in need.

Our “Sunoco Cares Initiative” was a great example of our employees’ leadership and resourcefulness in responding to the COVID-19 crisis and providing the communities in which we live and work with much-needed assistance. We continually strive to support our communities in a variety of ways at the local level, and 2020 was no different. Just a few such examples include:



Donated \$100,000 to Feeding America, the nation’s largest hunger relief organization. Encouraged our customers to support local food banks in their own communities



Fueling America’s Caregivers – Donated more than \$42,000 in fuel gift cards to first responders in Philadelphia-area hospitals and retirement homes



Provided meals to nursing and support staff at a local Dallas-based assisted living complex that had elderly patients affected by COVID-19



## Employee Volunteerism

Our employees model our culture of giving back in the communities in which we do business and operate. As an organization, we highly prioritize having a positive social impact. While many of our in-person volunteer opportunities were canceled or limited in 2020, our employees still showed up to find a way to be there when called upon to support those less fortunate. Below are just a few of the organizations we helped support through our employee volunteerism programs in 2020.



### Operation Gratitude – Halloween Candy Program

As another way to give back in 2020 and support our deployed troops, veterans, and first responders, Sunoco employees contributed to a candy drive supporting Operation Gratitude. Operation Gratitude's mission is to forge strong bonds between Americans and our military and first responder heroes through volunteer service projects. Candy was delivered to local police and fire departments, military groups, and veteran's organizations and shipped to active military service members around the world.



### Stewpot Dallas

The Stewpot Dallas is the largest sole meal provider at the Bridge Homeless Recovery Center, which is one of the largest homeless recovery centers in Dallas County. Our Dallas offices have been long-time supporters of this organization, and volunteers frequently help serve meals throughout the year. Our employees contributed time and energy until the pandemic forced the cancellation of in-person volunteer opportunities.



### Salvation Army Tree

We have a long history of supporting the Salvation Army's Angel Tree Program, and we knew that 2020 would be especially important for those in our local communities who had been affected by job loss or cutbacks related to the pandemic. Our relationship with the Salvation Army is special because of their commitment to supporting locally where and when it is needed. We are proud that our employees in multiple offices participated by adopting seniors and children to ensure they would not be forgotten during the holidays.



### Wreaths Across America

Our employees were grateful for the opportunity to volunteer at the Wreaths Across America wreath-laying ceremony. Employees in multiple cities across the country participated in honoring fallen service members by contributing to the mission of providing wreaths each December to adorn the graves of our nation's veterans.



### Parents and Children Together Summer Program

Employees in our Aloha Petroleum offices showed their support of the Parents and Children Together (PACT) Summer Food Program by volunteering to pack lunches for children during the summer break. The program feeds children from low-income households who may otherwise not have a hot meal for the day.

# The Energy Transfer/ Sunoco Foundation

The Energy Transfer/Sunoco Foundation focuses on supportive grants that fund projects specific to basic human needs such as homelessness and hunger, disaster relief and emergency response, youth services, and support for veteran causes. In 2020, the foundation donated more than \$1.6 million to worthy and deserving causes to help make a difference in our communities. We are proud that the Foundation supports the communities we serve. Recipients of Foundation grants in 2020 included:



Our 6th annual MD Anderson Children's Cancer Hospital employee campaign was a huge success, resulting in more than \$1.5 million donated. The campaign supported research and treatments focused on pediatric cancers and was a combination of funds donated from Sunoco and Energy Transfer employee donations, corporate matching, and a donation from the Energy Transfer/Sunoco Foundation.





# Corporate Giving

Through our corporate giving program, Sunoco gives to nonprofits and various programs throughout the year. In many instances, we provide support to organizations identified as deserving by our customers across our distribution network. Because our customers live in the communities they serve, we have found them to be uniquely positioned to best know and understand the needs of their communities and how to best help address them. We supported these causes because we believe it is the right thing to do, and helping communities in need is at the core of who we are as a company. A few examples of the sponsorships we were fortunate enough to support in 2020 include:



## Aga Khan Foundation

Sunoco has been supporting the Aga Khan Foundation for several years. Our donation of \$125,000 in 2020 helped to support the foundation's goals of improving the quality of life for those who are impoverished and located in remote regions of Asia and Africa. These donations support their purpose by building schools, hospitals, and other economic stimulus programs to educate and provide for those in need.



AGA KHAN FOUNDATION



## Black Tie Tailgate

Sunoco has supported the Black Tie Tailgate for multiple years. The evening is the premiere event of the Auto Dealers CARing for Kids Foundation whose primary goal is to support Children's Hospital of Philadelphia (CHOP). Our donation of \$5,000 in 2020 helped support CHOP's Department of Nursing and Clinical Care Service.



## Cherokee Creek Music Festival

The festival is an annual event that raises money to support children's charities in the Texas Hill Country. Originating in 2007 as a way to give back to the local community, the festival has now donated more than \$2 million to local children's groups that support medical needs, help address food insecurity, and provide housing assistance to those in need. As an event sponsor in 2020, we contributed \$15,570 to help address these needs.



## Bolla Charity Foundation

Sunoco has supported the efforts of the Bolla Charity Foundation since 2017 and has contributed a total of \$90,000. Our donation of \$15,000 in 2020 directly supported their goal of finding and founding programs that generate meaningful results in the New York City and Long Island communities, including veteran, food insecurity, and homeless causes.



*The Bolla Charity Foundation*



We have a long history of working with the Salvation Army Hawaii and Pacific Islands Division in a variety of programs.

Additionally, through our Aloha subsidiary, we contributed nearly \$90,000 to causes that address food insecurity and support first responders in Hawaii, including the American Red Cross, Make-A-Wish Foundation and many others. Like our employees on the mainland, our team members in Hawaii further demonstrate our continual commitment to give back to the communities we serve. Causes and organizations we supported throughout Hawaii in 2020 include:



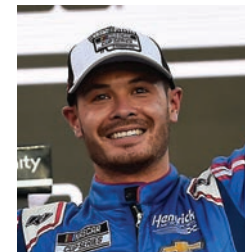


# Fueling Diversity

Sunoco was one of the first companies to support NASCAR's Drive For Diversity program, which strives to create an inclusive environment in all facets of the NASCAR industry. Through our marketing sponsorships with NASCAR, we have proudly given more than \$2 million since 2004 to fund these and other programs that help bring the sport of racing to underrepresented communities in America.



Rajah Caruth



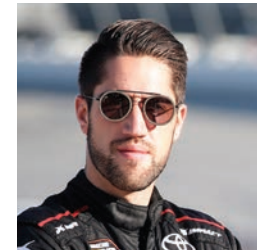
Kyle Larson



Bubba Wallace



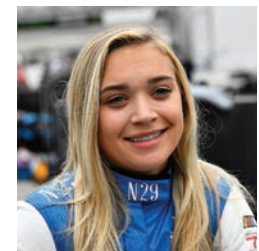
Daniel Suarez



Ruben Garcia Jr.



Ryan Gifford



Natalie Decker



## A Commitment to Health, Safety, and Environmentally Sound Operations: *Our License to Operate*

At Sunoco, we view being environmentally responsible and providing a safe environment for our employees and customers as our “license to operate.” We are committed to ensuring that we operate in a manner that protects our employees, customers, and members of the communities in which we work and live. We recognize that safety is the top priority when processing, storing, and transporting motor fuel throughout the country. We believe safe and responsible operation is cultural – it starts at the top and is woven into practically everything we do at Sunoco. We employ an approach that combines a robust set of operational policies with consistent and effective training methods and communication techniques that ensure our team members remain vigilant and aware. This approach ensures that we consistently meet or exceed our safety and environmental goals, allowing us to continually improve our performance. Each year, we establish annual safety targets that are more ambitious than the previous year. Moreover, we are not satisfied simply by improving our year-over-year performance - we benchmark our performance against our peers and establish goals that represent first quartile performance among our industry.

## The Foundation of HES Success – Our HES Policies

We believe safe and responsible operations start with established processes and procedures that evolve over time with learning and experience. At our transportation facilities and retail locations, we maintain operations manuals that provide specific and comprehensive procedures to ensure that our employees conduct their activities in a safe and environmentally responsible manner. These procedures are comprehensive, covering a wide breadth of topics from safe lifting techniques to appropriate response and reporting of releases and spills.

At our midstream operations, where HES matters are understandably more complex, we maintain a robust

and broad collection of HES policies that address topics in multiple disciplines including protection of the environment, operational safety, industrial hygiene, emergency preparedness and response, and process safety management (PSM). For our facilities subject to PSM, in 2020 we established a PSM Committee that includes not just HES professionals, but also key operations management personnel. The committee helps ensure that our operational and HES compliance experts are working together to implement PSM controls, develop and maintain an appropriate Risk Management Plan (RMP), and ensure HES compliance.





## Effective Training Methods and Maintaining Constant Awareness

Our transportation and retail team members are trained on most HES topics at least annually, while we utilize more frequent formal training in our midstream operations. For example, in 2020 we instituted a new training structure at our midstream operations utilizing adult learning and comprehension techniques to better ensure that our employees understand the HES requirements and retain the knowledge necessary to successfully implement our HES concepts each and every day. Rather than administer a single, comprehensive training process once per year that covered all HES topics, we developed and administered twelve (12) individual modules that key employees must complete each month. In addition, at key operational facilities, we develop and administer facility-specific training that takes into account variables by location.

Our personnel, including managers and supervisors, supplement scheduled formal training by routinely

participating in safety-focused refresher discussions as part of their day-to-day activities. These frequent discussions – often referred to internally as “safety meetings” or “tailgates” - help us maintain vigilance and continually identify potential harms or opportunities to improve our safety performance. They provide a frequent and effective venue to openly discuss any recent incidents or “near misses” that may have occurred at our own facilities or facilities operated by others. By maintaining awareness of HES challenges experienced in our industry, we are better prepared to avoid similar incidents in the future. In addition, these tailgate meetings also provide an opportunity to cover important and recent HES topics (e.g., the latest COVID-19 information) and review and communicate HES performance metrics and any other key HES information. Our weekly and monthly meetings have enhanced communication amongst our various departments,



allowing each to better contribute to our overall HES performance. Moreover, these frequent discussions often form the basis of process or equipment improvements to improve our HES performance. At our midstream and transportation facilities, our team members participate in weekly and monthly meetings, or more frequently should circumstances require. When COVID-19 required social distancing, we used alternate means of communication, such as virtual meetings about HES topics, such as virtual meetings and distributing HES pamphlets.

Finally, in our transportation division, we use a mentorship program where we measure and provide leading indicators of safe operation, such as measuring speed control and identifying instances where vehicles are stopped quickly. Through leading measurements, we can identify areas of risk and encourage individual accountability. We post results for all drivers to see, and they have responded by striving to improve their performance day over day. This proactive approach helps prevent incidents and maintain safe conditions in the communities in which we distribute our products.



## Rewarding Our Team Members for HES Performance

### Retail Manager and Midstream Operations Bonus Programs

We believe strongly in a safe work environment and empower our employees to make decisions that keep our facilities and employees safe. To demonstrate our commitment to safety, we recognize employees who demonstrate a commitment to safety each quarter. Employees must demonstrate the following to qualify:

- *Zero preventable equipment or motor vehicle accidents*
- *Zero preventable environmental releases*
- *Attendance at quarterly safety meetings*
- *Completion of quarterly safety training*
- *Zero significant violations of safety rules, policies, or procedures*



### Transportation Bonus Program

Sunoco is the largest independent wholesale fuel distributor in the country, and we maintain an unwavering focus to operate in a responsible manner for the safety of our employees, the safety of our product assets, and the safety of the communities in which we work. Our more than 750 transportation fleet drivers understand their responsibility to safely deliver fuel across the country. To that end, we reward our drivers in the transportation fleet group by incentivizing them with safety milestones reached.

#### Drivers must maintain the following to receive bonus rewards:

- *A clear record with no preventable vehicle accidents*
- *No reported incidents of damage to property*
- *No fuel release or cross drop of product*

#### We also track:

- *Hard braking or sudden stops*
- *Fuel economy*
- *Observance of speed limits*
- *Time management*
- *Safety meeting attendance*
- *Observation findings, or situational awareness*

Sunoco recognizes our fleet drivers are one of our most valuable resources are the foundation of our wholesale distribution business. We monitor and reward our fleet drivers when they maintain a flawless record for the year. There are also annual bonus awards for each of the milestones for 5-10-15-20-25-30-35 years of safety. Additionally, when an entire fleet has obtained one million miles accident free, they are recognized for their achievement.



## Implementing Effective HES Controls

As of December 31, 2020, we owned and operated a race fuels plant, 15 refined products terminals, and two transmix facilities strategically located across the continental U.S. and Hawaii. These are highly regulated facilities and we utilize and maintain all required HES controls.

In addition, we often go above and beyond regulatory requirements. For example, each new underground storage tank (UST) we install is fitted with the following enhanced standards:

- *Enhanced Vapor Recovery (EVR) components*
- *Double wall underground storage tanks*
- *Double wall spill buckets*
- *Double wall product lines*
- *Product line leak detection*
- *Low permeation hoses (where required)*
- *Drip-less nozzles (where required)*
- *Containment sumps at dispensers*
- *Overfill prevention*
- *Observation/monitoring wells installed at underground storage tank field*
- *Fully integrated tank monitoring systems – Automatic Tank Gauges (ATG)*
  - > *Alarms are automatically sent to Corporate offices*
  - > *Inventory monitoring & reconciliation control*
  - > *Double wall (Annular) underground storage tank monitoring*
  - > *All containment sumps are continuously monitored*

**No reportable incidents in 2020 at the Rochester Terminal.**

**In 2020, we had no reportable spills in our midstream operations.**

## Sunoco is an Industry Leader in Total Recordable Incident Rate (TRIR)

Sunoco's goal is operational excellence, which means an injury- and incident-free workplace. To achieve this, we strive to hire and maintain the most qualified and dedicated workforce in the industry and make safety accountability part of our daily operations. OSHA Total Recordable Incident Rate ("TRIR") is a key performance indicator by which we evaluate the success of our safety programs. Our TRIR provides us a tangible measurement to quantify our safety performance for the year by calculating the number of recordable incidents per 200,000 hours worked.

In 2020, our team worked more than 4.4 million hours and our TRIR was .99, an exceptional rate by any measure, but particularly significant when compared with the industry average of 2.31. This rate was bolstered by our race fuels manufacturing team who, as the largest manufacturer of racing fuel in the U.S., has gone over 20 years without an OSHA recordable incident. Considering the many challenges COVID added to our HES group, we are very proud of this record and how it demonstrates our focus on safety.



## Maintaining Vigilance Across Our Operations

Sunoco is one of the most trusted fuel brands available for vehicle performance and reliability, which is why since the early 1960s Sunoco has been actively involved in the sport of racing cars. In 2004, we became the official fuel of NASCAR, Grand-Am, and ARCA-sanctioned racing. We are proud of our relationship with the motorsports racing arena and even more proud of our automotive events crew who work tirelessly to ensure the safe delivery of fuel at events throughout the year.

**Our Automotive Events Staff and Fuel Crew delivered more than 7.8 million gallons of fuel over a 16-year period with zero defects: no incidents, no OSHA recordables, no loss of primary containment.**



### Commitment to Event Safety

- Each track has Spill Prevention Control Counter Measure Plans and Emergency Action Plans
- All Events Operated under Guidelines of Auto Events Safety and Operational Procedure Policies
- Daily Quality Control and Product Integrity Checks
- Mandatory Annual Safety and Operational Training for All Crew Members
- Annual Certification in Petroleum Distribution, Hazardous Materials, Toxic Substances Act, and Hazard Communication



## Guarding Information and Systems with Advanced Cyber Security

At Sunoco, we take great pride in the efforts we continually make to ensure the security of not just our own internal assets, but those of our customers as well. To that end, our information technology departments and sales managers work closely with our retail customers to ensure we meet and often exceed required protections as it relates to cyber technology.

Our retail network is fully Payment Card Industry Data Security Standard (PCI DSS) compliant. To maintain this standard, we submit to a full third-party PCI assessment on an annual basis which ensures we meet or exceed all areas of PCI DSS. Part of this audit also includes evidence of daily, weekly, monthly, and quarterly internal assessments to ensure we remain compliant between audits.

The Sunoco retail network leverages full segmentation between point of sale, back-office solutions, individual stores, as well as all data center activities. We maintain this segmentation with continuous vulnerability scanning, ongoing patch management, host intrusion prevention detection, and both logical and physical network isolation.

In 2020, we began deployment of Europay, Mastercard, and Visa, or EMV, compliance at a variety of our locations. We ended the year with 89% of all company-owned locations activated with EMV protections, and we expect to reach 100% by the end of 2021. We also offer an incentive program to encourage our dealer



and distributor locations to convert to EMV, helping to assist in safeguarding their assets as well.

Sunoco participates in state-level skimmer monitoring and intelligence sharing networks. We use security seals on all fuel pumps and payment acceptance devices and conduct visual inspections of all payment acceptance equipment. We participate in both the National Petroleum Energy Credit Association and Conexus communities to be able to share best practices across the industry, further protecting from fraud and theft.

In addition, when accessing our systems remotely, we require all vendors and service providers to use

these measures, unlike many others in the industry, are housed and controlled within our own Information Technology department.

With the help of our business partners, our dedicated staff, and customers in the industry, we continue to combat ever-changing cyber security threats to protect our valued customers and businesses.

## Battling a Pandemic

The COVID-19 virus undoubtedly brought our industry additional challenges in 2020. As the largest independent motor fuel company in the U.S., it is essential that we maintain operations and provide the products necessary to fuel our economy and our nation. We are proud of our workforce across all levels - they rose to the occasion and acted swiftly to add protective measures allowing us to continue to supply America's needs, in many cases while coping with their own personal challenges caused by COVID-19. From the employees at our retail locations to the employees working at our terminal sites, corporate offices, and our transportation fleet drivers, the health and safety of our staff and all potential interactions remained top of mind as we continued to serve our customers while implementing protective measures. The relentless dedication of our employees to a clean, safe environment helped prevent additional spread of the virus throughout our organization. We relied heavily on guidance provided by the Centers for Disease Control, the World Health Organization, as well as those issued by states and localities, and in many instances went beyond that guidance to best ensure safe working environments for our team members and customers alike.

### Retail Operations

Our retail locations proved to be a critical, essential business during this challenging time, providing much-needed food, supplies, and services to neighborhood locations with quick access. Particularly during the early days of the pandemic, many consumers preferred obtaining necessities from neighborhood locations

rather than larger, centralized offerings with the potential for more exposure. Throughout the pandemic, the public's need for fuel and goods continued, and Sunoco retail locations provided a solution to meet consumer needs. While serving this need, our team members implemented diligent measures to limit potential exposure at our locations, including daily temperature checks, frequent cleaning of all touch points such as fuel dispenser handles, door handles, restroom touch points, and registers and point of sale systems. Our employees wore masks and practiced social distancing throughout the shift, and we installed plexiglass barriers at checkout locations to provide additional protection to our employees and patrons.







## Corporate Offices

Sunoco's corporate offices across the country were not immune to the threat of COVID-19 and responded purposefully to the requirements needed for our essential business to continue operations. When the virus began to spread across the U.S., our corporate employees transitioned to varying work from home protocols depending on their job location and function in an effort to try to decrease the spread, but also maintain the delivery and service of our business operations. Employees who entered offices were required to incorporate additional, daily precautions such as social distancing and mask wearing. In addition, employees were required to complete training on proper hygiene in the workplace and encouraged to limit or cancel in-person meetings when possible. Employees were also required to conduct a temperature check and complete a daily self-assessment form before the start of each workday to identify symptoms. Those employees who were considered to be at higher risk due to preexisting health conditions were issued remote equipment and worked from home.

## Midstream and Transportation

When the efficient shipment and receipt of goods and supplies was most critical, our team stepped up to continue distributing much-needed fuel. Our dedicated transportation and operations employees understood how much their work meant to consumers and distributors. Without a reliable fuel source, delivery



service companies like Amazon, Fed-Ex and UPS would not have been able to distribute life-saving PPE, deliver groceries, or supply necessary goods while many were sheltering in place or trying to limit their public interactions across the country. We are proud of these employees who stepped forward to provide the most during this challenging time.

# Energy Conservation and Renewable Platform

Sunoco continues to research and deploy the latest in technological advances to reduce energy consumption and lessen our environmental footprint. At our retail locations, for example, where possible we use energy efficient LED lighting inside and out and high efficiency HVAC units. In recent years, we have reduced the operating life for our transportation vehicles. By renewing our vehicles more frequently, we realize greater fuel efficiency across our fleet. In addition, in recent years, we began integrating the use of solar panels in suitable locations to provide a portion of our power needs. Approximately 10 of our Aloha Mart convenience stores located throughout Hawaii are relying on this renewable energy source to support significant energy and cost savings. We continually seek additional opportunities to integrate alternative

energy components into our operations in a manner that supports our goal of being efficient and lessening our environmental impact.

In addition, as one of the largest independent motor fuel distributors in the nation, Sunoco blended and distributed hundreds of millions of gallons of ethanol in 2020. Ethanol is a clean-burning renewable fuel, and when blended with gasoline, it helps to optimize performance while also lowering the greenhouse gas emissions vehicles produce.

Sunoco has been the official fuel of NASCAR since 2004, and in 2011, we began manufacturing Sunoco Green E15 exclusively for NASCAR racing vehicles. This blend using 15% ethanol has performed extremely well, and in 2019, we reached a significant milestone by



successfully completing 15 million miles without issue across all three of their national series. This is just one example of where we have been able to work to create more sustainable fuel options. We even have a dedicated processing unit at the Marcus Hook Terminal used solely to manufacture the Sunoco Green E15 and are proud of the work we continue to do with our Ethanol blending business.

**Sunoco has provided ethanol-blended fuels to the public at our retail locations since the mid-1990s.**

Our geographically diverse, sophisticated distribution network provides the ideal platform from which to provide alternative and sustainable fuels to consumers as demand and development grows. Whether that demand takes the form of biofuels, hydrogen-based fuel solutions, or other technologies yet to be developed, we remain poised and uniquely positioned to distribute those fuels to market.







## Electric Charging Stations

Not all regions and areas where we conduct business have sufficient demand or need for electric vehicle charging stations. However, in areas where such demand exists or is emerging, we operate and/or supply fuel to Sunoco-branded sites that proudly host a variety of different types of charging stations, such as the dedicated fueling stops along the NJ Turnpike. As demand for charging options continues to rise across our commercial footprint, we will evaluate opportunities to host electric solutions at sites we own or control and encourage our independent operator partners to do the same. Leveraging our distribution expertise and platform to meet the evolving needs of the motoring public just makes sense for Sunoco, our stakeholders, and our customers.



## Transmix Operations

When multiple fuel products are distributed through a common pipeline, transportation mixing occurs, resulting in the creation of a mixture of fuel (usually gasoline, diesel, and jet fuel) that no longer meets the specifications of any original fuel product. This material is referred to as “transmix.” Sunoco owns and operates two transmix processing facilities (Birmingham, Alabama, and Euless, Texas) that reprocess and reclaim fuel that would otherwise be waste or consumed in less efficient forms and uses. In 2020, these highly regulated facilities processed approximately 97 million gallons of transmix into more valuable and efficient fuel types.

In addition, our Birmingham location also reclaims petroleum contact water, or petroleum product that has mixed with rainwater or water from cleansing. Without our reclamation, this contact water would be considered and could not be used again. In 2020, we processed more than six million gallons of petroleum contact water and 300,000 gallons of petroleum sludge.



## Diesel Recycling

In March of 2020, Sunoco completed an agreement to co-pilot a program with Neowaste, a start-up company whose primary goal is to reduce plastic waste while also generating a superior fuel product.

The processing unit, termed Polycrack, is strategically located at our Birmingham, Alabama, terminal facility. Birmingham is an advantageous location because of the automobile producers located in the city and the plastic waste associated with their processes. Sunoco is further assisting in the pilot operation by evaluating the fuel quality generated to determine its ability to be refined into useable product. The Polycrack system is not limited to processing plastics. The innovative technology can convert practically any waste into fuel without incineration, however, the plastic feedstocks used in the program have produced the highest yields. We are excited to partner with this innovative company and look forward to similar future partnerships and ventures.

***SUNOCO LP***