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## ABOUT SUNOCO



## A Message from Our CEO

To our stakeholders:

Welcome to Sunoco's 2022 Corporate Responsibility Report. The report provides an overview of our operational excellence as a leading fuel distributor, progress as a strategically growing midstream company, and efforts to manage our business safely and responsibly.

Suncoo is the leading distributor of quality fuel across the nation for countless applications, and in 2022 we distributed approximately 7.7 billion gallons of fuel across 40 U.S. states and territories. Through our geographically diverse and dependable network of wholesale distribution assets and a growing midstream portfolio, we continue to focus on diversification of our offerings and strengthening our current business.

Looking back on 2022, what stands out is Sunoco's stability, both financial and operational despite economic volatility and geopolitical events. Our success is directly attributable to our dedication to managing our balance sheet and our unrelenting focus on the future. Our acquisitions of Peerless Oil and Chemical and Gladieux Capital Partners, further demonstrate our ability to deliver strong results and our continued midstream growth. These acquisitions also support our efforts to expand our fuel distribution presence in new markets.

With these accomplishments as a backdrop, we are poised to continue reliable service to our customers and the public, serving the needs of the communities in which we live and operate, and execute on a future-focused business plan.

Joe Kim

President and Chief Executive Officer

## The Nation's Largest Independent Fuel Distributor with a Growing Energy Infrastructure Platform

Our business is centered around the safe delivery and storage of liquid fuel and petroleum products across the nation – essential products necessary for modern life. As the largest independent fuel distributor in the United States, combined with our growing midstream infrastructure, our 2,300 employees offer unparalleled expertise in the fuel delivery space. In 2022, Sunoco distributed approximately 7.7 billion gallons of fuel across more than 40 U.S. states and territories. Our core operations included the distribution of motor fuel to approximately 10,000 convenience stores, independent dealers, commercial customers and distributors, as well as a quickly growing midstream business which included 27 refined products terminals and four transmix processing facilities. In 2022, we strategically invested \$54 million in maintenance capital to ensure the safe operations of our assets.

Below is an overview of our two core pillars of business: Fuel Distribution & Midstream Services



## Stable Delivery of Quality Fuel

Sunoco opened its first gas station in Ardmore, Pennsylvania, in 1920. Today, over 100 years later, we are the largest independent fuel distributor in the country. In 2022, we distributed approximately 7.7 billion gallons of fuel with 3 billion of those gallons transported by our own expansive company fleet.

We offer more than a dozen high-quality fuel options for our customers. 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 throughout the East Coast, Midwest, South Central and Southeast regions of the United States, as well as Hawaii. In 2022, we distributed fuel to 76 companyowned and operated retail stores, 504 independently operated commission agent locations, 6,897 independently operated retail stores, and approximately 1,800 other commercial customers, including unbranded retail stores, fuel distributors, school districts, municipalities, and industrial customers.

In 2020, we began a multiyear investment to fully upgrade our tractor fleet. The new tractors include upgraded safety features and improved fuel efficiency. On average, the new tractors have a 2.5 percent improvement in fuel efficiency. In 2022 alone, we invested approximately \$10 million in new equipment, including state-ofthe-art technology upgrades such as collision avoidance and roll stability systems. These additional investments demonstrate our commitment to safely delivering fuel throughout the country. IMPROVEMENT IN FUEL EFFICIENCY



#### Peerless Oil and Chemical, Inc.

Our strong financial position allowed us to take advantage of diversified growth opportunities in 2022, including the acquisition of Peerless Oil and Chemical, Inc. for \$70 million. The acquisition strategically expanded our international presence. Peerless is an established terminal operator and fuel distributor in Puerto Rico and the Caribbean. At the time of closing in 2022, the platform included storage capacity of 1.6 million barrels, 97 contracted service stations, and an in-house trucking and logistics team. We look forward to the continued growth in this area and have already expanded the business in 2023.





In December 2022, members of the Sunoco Executive Leadership Team rang the closing bell for the NYSE. The event was held to recognize the recent closing of the Peerless Oil and Chemicals acquisition, and celebrate more than 100 years of delivering fuel across America.



#### **Race Fuels**

Our dedication to high-quality fuel has made us a leader in the motorsports industry. Since 1966, we have provided fuel for motorsports racing and have sponsored and supported the industry in a variety of ways. Today, Sunoco is the world's largest manufacturer of racing fuel. Sunoco supports more than 2,850 events each year, with more than 130 events being onsite service by Sunoco Race Fuels or through its dealer network.

In 2004, we became the official fuel provider for NASCAR, a relationship which we are proud of and continue today. We have dispensed over 8.75 million gallons of Sunoco Racing Fuel over the 19-year span of our relationship with NASCAR, which has included over 2,200 events. In 2022, we supplied 94 NASCAR Top 3 Series events.





Dale Earnhardt Jr., winner of the 2004 Daytona 500, our first race as the official fuel of NASCAR.



As the official fuel of NASCAR, Sunoco team members had the privilege of enjoying the Daytona 500 with many of our partners. Congratulations to Team Penske and Sunoco Rookie Contender, Austin Cindric, on a historic win.

#### **Performance Innovation**

For more than 100 years, Sunoco has been committed to providing high-quality fuel. Our fuel quality equates to a higher performance quality and is just one of the reasons why people continue to choose Sunoco. We are relentless in our commitment to supplying high-quality fuel, whether the fuel is dispensed from the four fuel grades at fuel stations, or it's the race fuel that powers the fastest racing machines in the world.

We continuously adapt to meet consumer demand by introducing new and improved fuel options that perform at a high level. To demonstrate our commitment to innovation and performance, which remains essential to our company, highlighted below are just a few fuels unique to our portfolio.

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#### Sunoco 94 Octane

Our commitment to innovation continues with the reintroduction of our new and improved 94 octane. The 94 octane meets both the demands of high-performance drivers and the specifications of the Top Tier Detergent Gasoline Program. Its enhanced gasoline

detergency helps keep engines clean so they can meet today's strict vehicle emissions requirements. This high octane fuel has the same detergent level as our NASCAR fuel and helps cars run cleaner, longer and more efficiently. It is the highest octane premium fuel blend available on the market, and it can only be found at Sunoco. In 2022, we expanded across new markets in Allentown, Pennsylvania, and prepared for a broader launch in 2023.



#### **Sunoco Green E15**

In 2022, we concluded our 19th season as the Official Fuel of NASCAR. Sunoco Green E15, made exclusively for NASCAR racing vehicles, is a blend using 15 percent ethanol. In 2022, Sunoco provided approximately 270,000 gallons of E15 to NASCAR.



#### Sunoco E85-R

Another ethanol fuel with growing interest is E85-R, a racing fuel containing 85 percent ethanol. Sunoco has provided ethanol-blended fuels since the mid-1990s, and we are proud of how our ethanol-blending business has evolved over time. Our E85-R production was up 50 percent compared to 2021.



#### Sunoco Optima

Sunoco Optima was developed as a highly stable fuel to meet the demands of first responders. It is an unleaded fuel blended from highly refined hydrocarbon blendstocks. It does not contain ethanol or MTBE and is oxygenate-free. Optima has excellent storage characteristics, making it ideal for stored vehicles and gasoline-powered equipment, especially those requiring an exceptionally stable unleaded fuel.

#### **Unbranded Fuels**

Sunoco proudly serves as a single-source commercial distributor for unbranded fuels, gasoline, lubricants and specialty fluids to agricultural, commercial, industrial, retail, aviation and energy customers. Between 2021 and 2022, our unbranded business grew 40 percent in volume.

#### **Retail Services**

For more than a century, we have taken great pride in our commitment to supporting our customers, who are independent operators in the retail fuel space. Because we also own and operate retail outlets, we truly understand and appreciate the needs of independent retail business operators. In 2022, we owned and operated 76 retail convenience store locations in Hawaii and New Jersey. Our non-fuel products and services are 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.





#### Sunoco Go Rewards®

Recognized by Newsweek as one of the Best Fuel Loyalty Programs in 2022, Sunoco Go Rewards is a mobile-based loyalty program that rewards members when they purchase fuel at participating Sunoco locations. Consumers who download the Sunoco App are automatically enrolled into Go Rewards and save money when they use their app to pay for fuel. In 2022, the program almost doubled the number of monthly active members since 2021. Additionally, there was twice the gallon growth between 2021 and 2022.



#### **New Centennial Image**

In celebration of Sunoco's 100th anniversary in 2020, we continued to invest in modernizing and upgrading our iconic brand. Our new Sunoco image builds on our powerful brand identity and incorporates well-lit LED lighting strips around the perimeter of the canopy. We completed approximately 800 new sites by the end of 2022 and experienced more than 10 percent gallon growth at sites with the new image.







#### **Expanding Key Partnerships**

At Sunoco, we strive to be the partner of choice for our customers. As the official preferred fuel redemption partner of Weis Markets, we were happy to enroll 50 new Weis Markets sites, bringing the total site participation to 350 sites. We also expanded our Redner's Markets program to include more Sunocos and doubled the number of sites enrolled in the program. Throughout 2022, we continued to grow our network and expand into new areas, including the western United States.

#### **Aloha Petroleum**

Aloha Petroleum, a subsidiary of Sunoco, is one of the largest gasoline marketers and convenience store operators in Hawaii. Aloha employs more than 500 Hawaii residents and markets through approximately 100 Shell, Aloha, and Mahalo branded fueling stations and more than 50 Aloha Island Marts, four Menehune Food Marts, three Subways, and five Dunkin' Donuts restaurants throughout Hawaii.







## Strategic Growth from Our Integrated Midstream Platform



Terminals are a vital component of our nation's supply chain and provide critical logistics needed to transfer bulk liquids, including crude oil, petrochemicals, and food-grade products, from one mode of transportation to another. Whether from ship to truck, from ship to barge or from pipeline to rail, they are a critical part of the fuel distribution value chain.

Sunoco is one of America's largest and most efficient terminalling and storage providers. In 2022, we operated a total of four transmix processing facilities and 27 refined products terminals (one in Puerto Rico, six in Hawaii and 20 in the continental United States) with approximately 20 million barrels of total storage capacity. Our expansive footprint helps ensure supply and quality standards remain at the highest levels. Together with our fuel distribution business, our synergistic assets prepare Sunoco to support the energy transition and meet growing domestic and international demand.



Linden Terminal, New Jersey



#### **Transmix & Reclamation**

Our strong financial position allowed us to take advantage of a major growth opportunity to expand our transmix business and become the single largest transmix processor in the United States. In 2022, Sunoco successfully acquired Gladieux Capital Partners, a transmix processing and terminal facility in Huntington, Indiana, for \$190 million. The facility is the largest transmix plant in North America with a processing capacity of 23,000 barrels per day with a desulfurization unit capable of processing 5,500 barrels per day of low sulfur diesel. In addition to the processing capabilities, the facility has onsite terminal storage capacity



of approximately 750,000 barrels of raw and finished products with access to the Buckeye Pipeline system. Additionally, the acquisition included a long-term lease to operate a second transmix facility in Indianola, Pennsylvania. The Indianola facility has a processing capacity of 8,000 barrels per day and access to 288,000 barrels of storage. The assets are strategically located at a crossroads of several Midwest pipelines and trucking routes.

In total, our four highly regulated transmix facilities reclaimed a total of 346 million gallons of transmix for its original use in 2022.

#### Integration of NuStar Energy Assets and Cato Inc. Assets

Sunoco completed the acquisition of NuStar Energy assets and Cato Incorporated in 2021. The acquisitions significantly expanded our midstream business and enhanced our fuel distribution platform. Throughout 2022, we integrated nine refined products terminals, adding additional storage capcity of 15.5 million barrels and capitalizing on improved efficiencies of our combined assets.

The integration brought in resources and additional employees with different perspectives on the business. Using those different perspectives to our advantage, has allowed us to create further efficiencies in the business. One example is the reorganization of our Midstream division to better align with Sunoco's growth and safety culture. The business was reorganized into two separate but collaborating units, Transmix and Terminals/Pipelines. The two businesses have similarities but are now managed independently. Another example is the development of an organizational Loss Control policy, which provides better tracking of our product gains and losses and resolution of any gaps in our system with regard to inventory.



#### **Brownsville Terminal**

In 2022, we commenced commercial operations at our terminal in Brownsville, Texas. This greenfield construction project offers 560,000 barrels of storage, provides flexibility to our existing fuel distribution business in South Texas, and strategically positions Sunoco to sell into the growing fuels export market in Mexico. The total investment in the Brownsville Terminal was \$55 million.



- Underground Storage Tank (UST), Product Piping and Tank-Top Equipment Upgrade Program – Replaced single-wall USTs with double-wall USTs at many of its facilities, which included upgrades to the associated UST tank-top and dispensing containment equipment.
- Compliance Monitoring Program Installed enhanced monitoring equipment and associated tracking protocols that exceed Hawaii Department of Health requirements.
- **Facility Refresh Programs** Completed construction refresh projects at many facilities, which included electricity demand reduction initiatives.

#### **Aloha Petroleum Operations**

Aloha Petroleum has a significant fuel distribution business in Hawaii supplying multiple business channels, which include our company-operated facilities, customer-operated facilities, retail dealers, independent multi-facility retailers, commercial, and fuel jobbers. In support of Aloha's significant fuel distribution, a multitude of initiatives are completed on a regular basis to ensure not only the accurate and on-time delivery of fuel to its customers, but also the achievement of these deliveries in a safe, responsible and first-rate manner. Examples of some of these initiatives completed in 2022 include:

 Enhanced Safety and Security Initiatives –
Leveraged Aloha's Parent Companies' safety and security expertise to enhance our training and initiatives, which are reviewed during our monthly safety and security conference calls. These and other initiatives are ongoing and part of our standard operating protocol.
We strive to continually improve and innovate our compliance, energy, safety, and security initiatives to ensure our continued first-rate operations.



#### Aloha Petroleum Midstream Operations and Transportation Divisions

In addition to Aloha Petroleum's extensive wholesale fuel distribution business, Aloha's Midstream Operations Division operates a growing fuel storage terminal business in Hawaii. In 2022, Aloha operated five terminals with a range of fuel products including gasoline, ethanol, jet fuel, and diesel. The total nominal storage was over 713,000 barrels. There were several safety and environmental updates made throughout 2022, many of which are part of a multiyear investment that will be instrumental in enhancing the capacity and reliability of our operations.

Furthermore, Aloha's Transportation Division has a large fleet of ground transportation trucks responsible for the delivery of fuel to each of the business channels. Similar to Aloha's Operations Division, the professional operators and drivers of both the Midstream and Transportation Divisions complete rigorous training to ensure the safe receipt and delivery of fuel. The integration of Aloha's Midstream and Transportation Divisions with its Operations Division provides for a highly efficient and integrated supply business within Hawaii.

## Disciplined & Diversified Growth Strategy

Sunoco (NYSE: SUN) is structured as a master limited partnership (MLP). MLPs have two types of partners: general partners, who manage the MLP and oversee its operations, and limited partners (or common unitholders), who are investors in the MLP. Sunoco's general partner is solely owned by Energy Transfer LP (NYSE: ET).

The durability of our business and history of delivering results helps support a stable and secure distribution for our unitholders, throughout commodity cycles and various macro environments. In 2022, we delivered record EBITDA and distributable cash flow (DCF). We recorded adjusted EBITDA of \$919 million, up 22 percent from 2021. Our DCF, as adjusted, was \$650 million, up 20 percent from 2021. We improved our already strong distribution coverage ratio to 1.9 times, up from 1.6 times in 2021, 1.5 times in 2020 and 1.3 times in 2019, further demonstrating our commitment to a stable future.

In April 2017, Sunoco announced a new strategic direction focusing on fuel distribution and logistics. Since then, we have outperformed the S&P 500 by over 130 percent while delivering an annualized total unitholder return of 23 percent, and outperforming the Alerian MLP index by over 200 percent, becoming a top-performing energy MLP. Additionally, we've deployed over \$800 million of growth and acquisition capital since January 2021 with minimal expense growth.

We believe Sunoco's discipline, strategic growth, solid financial foundation, and focus on sustainability will continue to grow value for unitholders.

### 2022 Financial Highlights:

Stability through economic and geopolitical volatility History of disciplined capital deployment Record year for both EBITDA and DCF

Nearly 8 percent yield Strong distribution coverage ratio of 1.9 times

## Advancing the Fuel of the Future

We are stewards of a trusted American brand with a 130-year-plus history, and we take great pride in being the best-in-class transporter of the essential fuels and products that are foundational to modern life. Looking ahead, we are faced with an extraordinary opportunity to leverage our technical expertise, midstream logistics, and distribution capabilities to enable the transportation sector to continue to evolve and for us to demonstrate our long-term sustainability.

In 2022, we created a commercial business development team dedicated to exploring longtail, low-emission alternative fuels. We continue to build momentum by actively pursuing opportunities that we believe will position us as a future leader in this space. The health and stability of our organization allows us to explore opportunities to diversify our business, and as regulations and consumer demands change, we will continue to adapt – just as we have in our long history of innovation.



## HEALTH, ENVIRONMENTAL & SAFETY MANAGEMENT

## Prioritizing What Matters Most

Our commitment to sound and responsible corporate conduct begins with operating our facilities in a manner that protects our employees, the public and the communities in which we live and work. This operating principle drives our health, environmental and safety (HES) initiatives.

Safety is at the heart of everything we do – it starts at the top and is woven into every aspect of our operations. Our safety culture, combined with robust safety policies and consistent and effective training methods, contributes to our operational success. We strive to consistently meet or exceed our safety goals, which helps us continually improve our performance. Moreover, we are not satisfied simply by improving our year-to-year performance – we benchmark our performance against our peers and establish goals that represent first quartile performance among our industry.

We also work to reduce our emissions and minimize our environmental impact. We employ capable environmental professionals that help us adhere to all applicable federal, state and local environmental regulations and integrate sound environmental practices into our daily operations.

Sunoco's employees actively participate in a range of industry trade associations, including the American Society of Safety Professionals, The International Liquid Terminals Association, as well as community-specific safety and environmental initiatives. This provides our employees opportunities to share information, participate in legislative and regulatory advocacy, and promote industry research and technological advancements.

#### SAFETY IS AT THE HEART OF EVERYTHING WE DO

## The Foundation and Guiding Principles of Our Operations

Supplying energy safely and securely is a top priority. Our comprehensive programs, policies, and systems continually drive us toward best-in-class HES compliance and performance. We believe safe and responsible operations start with effective HES policies. Our safety culture supports continuous improvement, and we continually review and update our standards.

One advancement is the utilization of Benchmark ESG, a digital software solution for managing operational risk and compliance, sustainability, product stewardship and responsible sourcing. As part of a multiyear rollout, eight locations utilized the software in 2022, and we look forward to additional applications in the years ahead.

Our transportation facilities and retail locations maintain operations manuals with comprehensive procedures to ensure our employees conduct activities in a safe and environmentally responsible manner. The manuals cover a wide range of topics from safe lifting techniques to responding to and reporting releases or spills. Our midstream operations are complex, highly regulated and require robust HES policies that address a range of topics and regulatory requirements by federal, state and local jurisdictions. Government regulations cover construction of, storage at, and transportation to and from these facilities, as well as environmental performance, facility safety, worker safety, facility security and emergency preparedness and response. Sunoco strives to comply with all applicable regulations and collaborates with industry leaders and trade associations, including the International Liquid Terminal Association, to learn about industry-leading standards, guidelines and best practices.

All terminals are subject to regulation by the U.S. Environmental Protection Agency (EPA). The EPA regulates air and water quality around facilities under the Clean Air and Clean Water Acts and the proper handling and disposal of waste. Some of these programs are delegated to and enforced at the state level.

Caddo Mills Terminal, Texas

In 2022, eight facilities were also subject to Process Safety Management (PSM), a regulation put into motion by the federal Occupational Safety and Health Administration (OSHA), which is designed as a tool to properly manage hazardous chemicals. All eight facilities were in compliance in 2022 and had zero reportable PSM events. The goal is to prevent or minimize the consequences of the release of such chemicals. PSM is an additional layer of protection and risk assessment and provides several tools that help ensure safe operations. Sunoco maintains a comprehensive and disciplined PSM system at these facilities. Our practices follow all 14 elements required by OSHA.



In 2022, five Sunoco facilities participated in the OSHA Voluntary Protection Program (VPP). The VPP recognizes companies who have implemented effective safety and health management systems and maintain injury and illness rates below National Bureau of Labor Statistics averages for their respective industries. Working cooperatively with OSHA, we strive to proactively prevent fatalities, injuries and illnesses through a system focused on: hazard prevention and control, worksite analysis, training, management commitment, and worker involvement.

Sunoco operates close to 30 miles of intrastate and interstate pipelines and works closely with Energy Transfer, a premier pipeline company and our General Partner, on our Pipeline Safety Management System. We are committed to continuously improving pipeline safety by implementing best management practices for how we design, construct, operate and care for our pipeline assets in a way that ensures safety and reliability.

As a responsible operator, in some cases Sunoco goes above and beyond what is legally required at our facilities. For example, our water permits and spill prevention plans, which are regulated by the government, require us to complete quarterly and monthly inspections of our facilities for potential issues (such as leaks, spills, or releases). However, several Sunoco facilities conduct daily inspections, or even inspections each shift, going above and beyond the applicable requirement.

Another example of Sunoco going above and beyond is our process for installing new underground fuel storage tanks. Each project incorporates enhanced standards including:

- Enhanced vapor recovery components
- Double wall underground storage tanks
- Double wall spill buckets
- Double wall product lines
- Product line leak detection
- Low permeation hoses (when required)
- Drip-less nozzles (when required)
- Containment sumps at dispensers
- Overfill prevention
- Observation/monitoring wells installed at underground storage tank fields
- Fully integrated tank monitoring systems automatic tank gauges
  - Alarms are automatically sent to corporate offices
  - Inventory monitoring and reconciliation control
  - Double wall (annular) underground storage tank monitoring
  - All containment sumps are continuously monitored

#### **Industry Collaboration**

In 2022, select employees in the midstream operations group were invited by the D.C. Department of Energy and the Environment and Homeland Security and Emergency Management Agency, in coordination with DHS CISA and the Metropolitan Washington Council of Governments, to attend a workshop in support of the National Capital Region Fuel Supply Chain Project. The group collaborated on the region's fuel supply infrastructure, how the fuel supply chain and its many components actually operate to deliver fuel, and what this means for emergency management personnel who need to consider how to help the petroleum industry operate during disruptions.



In 2022, the Sunoco Euless Terminal earned an Environmental Excellence Partnership Award from the City of Fort Worth for having four consecutive years of 100% compliance with all local, state and federal pretreatment regulations. During this period, the Euless Terminal had three environmental inspections for stormwater and air permitting compliance, and four compliance inspections for the industrial wastewater pretreatment permit. Inspections included a review of required records (inspections, maintenance, plans, submitted reports, sample results), as well as inspecting the facility and interviewing terminal employees. There were no findings during the inspections.

The group also participated in a tabletop exercise (TTX) in

support of the National Capital Region Fuel Supply Chain Project. The TTX used a specific natural disaster scenario to drive further discussion on subjects raised during the workshop. The TTX focused on the following overarching objectives:



Determine what critical information needs to be shared between State and local agencies and private sector partners during a significant weather event impacting power-and by extension-the petroleum supply chain



Discuss government and petroleum industry procedures for pre-storm, during storm, and post-storm activities in support of community response and recovery efforts



Examine the consequences of the disruption of interdependent electric power and liquid fuel transportation infrastructure

#### **Racing Safety**

We're proud of our relationship with motorsport racing, which dates back to the early 1960s, and even more proud of our automotive events crew who work tirelessly to ensure the safe delivery of fuel at events throughout the year.

#### **Commitment to Event Safety:**

- We utilize an entirely "closed-loop" fueling system which eliminates vapors being released into the atmosphere.
- The Mobile Fueling Facility is fully contained to eliminate potential product releases to the ground.
- All events operate under Automotive Events Safety and Operational Policies and Procedures.
- We maintain and update Spill Prevention Control and Countermeasures Plans and Emergency Action Plans for each track venue.
- We have daily "at-track" product integrity and quality control checks of our Sunoco Racing Fuel.
- Annual Safety and Operational Procedures Trainings are mandatory requirements for all Fuel Crew employees.



Our automotive events staff and fuel crew have over

## 9 YEARS

SUNDED

of safety excellence with no OSHA recordables, injuries or accidents and no agency compliance violations.





## Comprehensive HES Training

#### **The Pursuit of HES Excellence**

Our commitment to safety is at the forefront of everything we do and is evident in our comprehensive HES training methods. There are 17 dedicated Health, Environment and Safety professionals that support Sunoco's operations, as well as numerous others with shared responsibilities.

Our midstream operations require frequent training based on the scope of one's responsibilities and location. We administer 14 mandatory individual training modules that employees complete monthly. Presentations cover a range of topics, including: injury and incident reporting, required personal protective equipment, working safely around chemicals and flammable and combustible liquids, and emergency action plans. Additionally, facility-specific trainings are required for operational personnel. Our transportation and retail teams are also trained on HES topics annually.

Training modules are supplemented with safety refresher discussions – often referred to as safety meetings or tailgates – led by managers and supervisors that take place weekly and monthly. These serve as an opportunity to maintain safety awareness, as well as a venue to openly discuss HES performance metrics and any incidents or "good catches" that may have occurred at our (or our peers') facilities. These meetings help maintain communication and collaboration among various departments.

Our transportation division uses a mentorship program for drivers to observe safe operations and discuss areas of risk, such as measuring speed control or identifying instances where vehicles are stopping quickly. The program includes announced and unannounced ride-along driver observation events, and in 2022 the team performed approximately 1,630 observation events. This proactive approach helps prevent incidents and maintain safe conditions in the communities in which we distribute products.



Our midstream operations have a similar initiative called the HES Observation Program. It serves as an opportunity for midstream employees to learn best practices and receive feedback from one another in a positive manner. In 2022, the total number of HES Observations completed by supervisors, managers, and HES professionals was 134, further solidifying our commitment to continual improvement. Sunoco conducts an in-house Emergency Response School, now in its 26<sup>th</sup> year, based in Stroudsburg, Pennsylvania. Students – ranging from managers, supervisors, and drivers – attend a three-day course consisting of classroom learning, hands-on training, and simulated emergency scenarios. The biennial safety program helps train company employees, as well as our carriers, on all aspects of emergency response. Our goal is to prevent incidents from ever occurring, but our teams remain vigilant and prepared to respond to a wide array of emergency events. Regardless of the size, severity or cause of an event, each facility has access to trained responders and resources.

#### Sunoco strives to partner with community leaders and first responders throughout our areas of operation. A few examples include:

- Our team at the Caddo Mills Terminal partners with the Caddo Mills Fire Department and conducts training drills to remain vigilant in coordinated emergency response procedures.
- In Hawaii, our team members regularly participate with the Kapolei Local Emergency Action Network, an organization focused on preparedness, coordination, and response actions.
- For our Jacksonville Terminal in Florida, Sunoco is represented in the Jacksonville Spillage Control, northeast Florida's first member-owned oil spill prevention, education, and response cooperative, as well as the Northeast Florida Safety Council.
- Sunoco regularly participates in Local Emergency Planning Committees (LEPC), when applicable. The purpose of the meetings are to coordinate emergency response plans and strengthen community preparedness. The four main responsibilities of the LEPC include:
  - Preparing emergency plans to protect the public from chemical accidents
  - Establishing warning and evacuation procedures for the public
  - Collecting information used in the preparation of annual reports about the release of toxic chemicals
  - Providing local governments and the public with information about hazardous chemicals and accidental releases in their communities



## HES Performance Bonus Program

#### **Incentivizing Safe Performance**

To demonstrate our commitment to safety, Sunoco incentivizes HES performance using a Bonus Program. We are proud to report that 95% of the employees who were eligible received the Safety Bonus.

#### Retail Manager & Midstream Operations Bonus Program

Sunoco recognizes 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**

Our more than 550 transportation fleet drivers understand their responsibility to safely deliver fuel across the country. And we recognize our fleet drivers are one of our most

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valuable resources and the foundation of our wholesale distribution business. For that reason, we reward our drivers in the transportation fleet with HES performance bonuses based on their driving record.

### 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

Finally, Sunoco recognizes entire fleets when they obtain one million miles accident-free. In 2022, five fleets were recognized for safe driving.

- Lubbock, TX 4 Million Miles
- Newburgh, NY 4 Million Miles
- New Haven, CT 2 Million Miles
- San Angelo, TX 1 Million Miles
- Unbranded NY 1 Million Miles

## 4000000

Lubbock and Newburgh fleets each reache 4 million miles accident-free

## **HES Incident Rates**

#### **Focused on Continuous Improvement**

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. The management team sets internal safety incident rate goals, setting the stage for continuous improvement year over year.

#### **Total Recordable Incident Rate**

A key metric in examining a company's safety performance is the Total Recordable Incident Rate (TRIR). The TRIR provides a tangible measurement to quantify our safety performance for the year by calculating the number of recordable incidents per 200,000 hours worked. In 2022, our TRIR was 0.66 – a 46 percent reduction from 2018. This impressive rate is below our internal targets and ranked us in the first quartile among peer companies.



#### **Preventable Vehicle Incident Rate**

A metric for measuring vehicle safety is the Preventable Vehicle Incident Rate (PVIR). In 2022, Sunoco's PVIR was 0.34, well below our safety target for the year and a 45 percent reduction since 2018.

#### **Good Catches**

A "good catch" – also referred to as a "near miss" – is when an employee recognizes a hazard or unsafe condition and addresses it before it results in an adverse safety or health outcome. Sunoco employees are highly encouraged to report such incidents. It helps us assess potential hazards and take the appropriate steps to prevent safety and environmental incidents. Information on good catches is collected and shared with employees to discuss lessons learned and encourage employees to be on the lookout for similar situations. In 2022, there were 412 good catches reported internally – a notable 200 percent increase from 2021 due to integration of terminals from NuStar Energy.

#### **Reportable Spills**

Protecting the environment and the communities near our facilities is our top priority, not only because it is the right thing to do, but because it is a prudent business practice. One way we do this is by implementing best practices in areas of spill prevention and response. We're proud to report that 35 Sunoco Transportation facilities recorded no reportable spills in 2022.

## SOCIAL RESPONSIBILITY

## Charitable Giving & Employee Volunteerism

#### Making a Positive Impact Where We Live and Work

Supporting the communities in which we operate is fundamental to who we are as a company. We do this by strategically investing in programs that make a difference in the lives of others by utilizing our robust charitable giving and employee volunteer programs.

#### **Charitable Giving**

In 2022, Sunoco supported over 70 nonprofit organizations and donated over \$3.4 million. Our corporate giving efforts support nonprofit, 501(c)(3) organizations that focus on homelessness and hunger, disaster relief and emergency response, youth services, education, and veteran services. In many instances, we provide support to organizations identified by our customers across our distribution network. They know the unique needs of their communities, and we want to partner with them to help make a difference. Big or small, national or local, every charitable organization that we support has an important role in the communities where our employees and customers live or work.







#### Azmat A. Assur Charitable Foundation

Sunoco contributed \$1 million to support the Azmat A. Assur Charitable Foundation, an organization launched in remembrance of Azmat Assur, the founder of Peerless Oil and Chemical company. Inspired by his indomitable spirit and legacy, the charitable organization aims to empower the next generation of innovators, thinkers, and leaders in the fields of science, technology, engineering and mathematics in Puerto Rico.



#### Aga Khan Foundation

Sunoco donated \$150,000 to the Aga Khan Foundation in 2022, an organization that for over 50 years has partnered with communities in some of the most remote, hard-to-reach parts of Asia and Africa. The donation helps build upon efforts to construct schools, hospitals, and other economic stimulus programs to educate and provide for those most in need. Since 2014, Sunoco has donated over \$950,000 to the organization.



#### Valero Benefit for Children Golf Tournament

Since 2014, Sunoco has been a proud supporter and participant in Valero's annual Texas Open Golf Tournament and has donated more than \$175,000. In 2022, Sunoco contributed \$36,000 which helped generate a record \$22 million in net proceeds for children's charities across the United States.



#### **Autism Awareness**

During Autism Awareness Month, we were excited to support autism advocate and NASCAR enthusiast "NASCAR Sammy" and his efforts to promote acceptance, inclusion and a better understanding for people with autism. Sunoco donated gas cards and prizes to use for his promotions.

#### **Aloha Petroleum**

Through our subsidiary Aloha Petroleum, we donated over \$158,000 to organizations all across Hawaii. Corporate donations, as well as canister collections at Aloha Island Mart convenience stores, helped to support several organizations. A few highlights include:



#### **Ronald McDonald House**

Aloha Petroleum donated over \$16,600 to the Ronald McDonald House to support their mission of providing a "home away from home" for seriously ill children and their families. The funds were collected through the Giving Pump Campaign at select Shell stations across Hawaii. For 35 years, Ronald McDonald House Charities Hawaii has provided programs and partnerships aimed at improving the lives of children in the islands and the Pacific region. Aloha Petroleum has been a longtime supporter of the organization, volunteering to cook breakfast and lunches for patients and their families and donating house supplies on multiple occasions.



#### Make Lemonade Project

Aloha Petroleum pitched in to help raise \$25,000 to financially support families battling cancer. The Make Lemonade Project partners with social workers across Hawaii's cancer centers to provide financial aid grants to cancer patients. During the match challenge campaign, Aloha Petroleum donated \$5,000 and encouraged stakeholders to match their donation, resulting in a total of \$25,000 which will help ease the financial burdens that come along with cancer treatment.



#### **Maunalua Bay Habitat Restoration**

In October 2022, Aloha Petroleum employees joined forces with Malama Maunalua to clean up Maunalua Bay in Honolulu. Malama Maunalua is an organization committed to restoring the health of Maunalua Bay through habitat restoration, science and planning, and education and outreach. Aloha Petroleum employees helped remove 1,300 pounds of invasive algae, which will help restore the marine habitat with healthy native seagrass, algae and coral.



#### **Boy Scouts of America**

Aloha Petroleum donated more than \$53,500 to the Boy Scouts of America. The funds were raised through sales of the World's Finest Chocolate at Aloha Island Mart locations. In addition, Aloha Petroleum donated \$1.12 from every dozen doughnuts sold at Dunkin' Donuts in celebration of the Boy Scouts' 112th anniversary.

#### **Energy Transfer and Sunoco Foundation**

A powerful advantage to our charitable giving efforts is our partnership with Energy Transfer through the Energy Transfer and Sunoco Foundation. The joint effort demonstrates our shared value of corporate stewardship and our belief in the importance of giving back to the communities in which we live and work. In 2022, the Foundation supported 10 organizations by donating \$1,870,000. Highlights include:

MDAnderson Cancer Center Children's Cancer Hospital®

#### **MD Anderson Children's Cancer Hospital**

We were proud to support the MD Anderson Children's Cancer Hospital and help fund critical research to advance pediatric cancer treatments. In 2022, we donated nearly \$500,000 to support this cause.

American Red Cross

#### **American Red Cross**

We proudly support the American Red Cross and its mission to deliver vital services – from disaster relief, emergency assistance, blood donation services and disaster preparedness education. We donated a total of \$750,000 to support these efforts in 2022. We also regularly host blood drives at our corporate offices.



#### **Regional Food Banks**

We donated a total of \$125,000 to the Houston and North Texas Food Banks. Employees in our corporate offices also regularly volunteer to pack food for those in need at their local food banks. Supporting the food security needs in our communities remains one of our top priorities.





#### Philabundance

Our employees in the Philadelphia area have a more than 20-year history of volunteerism at the Philabundance warehouse. The annual \$250,000 fuel grant from the Energy Transfer and Sunoco Foundation helps alleviate transportation costs for Philabundance, enabling them to provide hundreds of thousands of meals to those in need. The donation is part of a long-standing partnership that has resulted in more than \$2.8 million toward Philabundance's mission to drive hunger from our communities.



#### **Employee Volunteerism**

Sunoco employees are encouraged to volunteer their time and talents to assist others in need and build lasting relationships in their communities. In 2022, our employees supported a range of organizations. A few highlights include:

Share the Shoes Partnering with the Dallas Police Department to collect athletic shoes for children in need.

Clash for a Cause





Carry the Load

**Volunteers of America** Adopt-a-family program, providing Christmas gifts to familias in pood

Sleep in

**Heavenly Peace** 



**Stewpot** A safe haven for homeless individuals

Jonathan's Place Services for children who have been victims of abuse, abandonment or neglect. American National Red Cross

National Disaster Relief Partnership and National Fuel/ General Operations Grant.



**Readers 2 Leaders** Equiping students for success through the power of reading.

## Community Impact

#### **Being a Good Neighbor**

Our operations are directly linked to the communities we serve. In addition to the volunteer hours our employees contribute to their local communities and the millions of dollars Sunoco donates to charitable organizations annually, Sunoco provides quality employment opportunities in the communities where we operate within disciplines ranging from operations, engineering, environmental management, and safety. We also look for opportunities to collaborate with local officials and community leaders to improve quality of life, be a good neighbor and help build stronger communities.

#### #MiLC2022



OFFICIAL PRESENTING SPONSOR

#### **Minor League Cricket**

We explore sponsorship opportunities to support the communities where we operate. In 2022, we announced our support for Minor League Cricket, the nation's pathway league for developing cricketers. Our support for Minor League Cricket helps build the sport of cricket, a sport beloved by many of our customers and employees and promotes participation for hundreds of kids nationwide by providing unprecedented youth development opportunities. As the Presenting Partner of the 2022 Minor League Cricket Championship, we were proud to support the 26 minor league teams and the cricket community. We're excited to continue to invest in the sport's exciting growth across the United States.

#### **Drive for Diversity**

Sunoco was one of the first companies to support Drive for Diversity, NASCAR's program



designed to provide training and opportunities for women and minorities within the racing industry. In 2022, Sunoco contributed \$120,000 to support the program. Through our annual marketing sponsorships with NASCAR, we have proudly given more than \$2 million since the program launched in 2004. Highlights from 2022 include:



Rajah Caruth

- Financial support of drivers such as Rajah Caruth, a Drive for Diversity alumni, who raced full time in the ARCA Menards series.
- Primary sponsor of NASCAR's Rise eSports virtual program which supported two cars in the Coca-Cola eNASCAR series.



Providing fuel for the Drive for Diversity Combine, a race dedicated to giving drivers ranging from ages 13-19 the opportunity to be selected for the Drive for Diversity Driver Development program.

#### Taxes

Through the payment of millions of dollars in local, state and federal taxes, Sunoco supports the communities where we operate. Our tax contributions help support local economies, first responders, government services like building and maintaining public roadways, providing resources for hospitals, public schools, and much more.







### Stakeholder Relations

#### **Building Strong Relationships**

We believe our social impact is unique given the amount and variety of stakeholders we are privileged to work alongside. These relationships are guided by a culture of collaboration and mutual respect. As a result, our business is anchored by lasting relationships and a large network of customers and consumers. We strive to become the partner of choice, and we're continuously strengthening and growing our partnerships because we know the thousands of independent operators and customers we partner with are what make our company successful.



#### **Customer Service**

Sunoco has a team of over 20 people fully dedicated to responding to customer service inquiries. We strive to be responsive and dependable in all that we do. In 2022, our customer service team resolved 85 percent of customer requests on the first contact, an average of about 1.5 business days, which helped drive customer satisfaction into the top quintile. Additionally, almost 90 percent of all customer support requests were fully resolved within 24 hours by our customer service team. Our maintenance dispatch team is responsible for coordinating local technicians or contractors when a site has a problem that needs to be addressed. This team is staffed around the clock and every day of the year. Each year they successfully facilitate over 30,000 support requests.





Sunoco provides jet fuel terminal services for the U.S. military. In 2022, three terminals reliably served nearly three million barrels of jet fuel to Andrews Air Force Base, Air Force One and Oceana Naval Air Station



As the official fuel of NASCAR, Sunoco provided approximately 270,000 gallons of free E15 in 2022.



Most of our customers are independent small business operators, with the majority coming from diverse backgrounds and cultures. According to the Fiscal Policy Institute, immigrants make up 61 percent of all gas station owners.

#### **The Partner of Choice**

We strive to be the partner of choice for our customers. Here's what our customers say:

We are not just a site number. We are a business, and we have responsibilities to our families, our staff, the communities where we operate. So, Sunoco truly understands that.

Fazal J. Sirhandi, President Sirhandi Enterprises, National Harbor, MD

> They bring ancillary items to the dealer for their success. Race fuels, loyalty program, they still have a proprietary credit card. They have a lot of things. They help us make the sale just with what they offer.

> > James Koop, Principal Member Triangle Fuel, Kansas City, MO

Sunoco is my partner of choice because, at the end of the day, they were able to offer me the best deals in terms of economics, image, brand, and value.

**Eric Schmitz**, Owner Schmitz Services, Ashburn, VA

## DISCIPLINED CORPORATE GOVERNANCE

## Building a Business Environment Conducive for Long-Term Growth

Sunoco is committed to operating our business in a safe, responsible and ethical manner through sound corporate governance that promotes transparency, accountability and respectful engagement with our stakeholders. We believe that sound corporate governance principles are the bedrock of our company. They will help us achieve operational excellence and are fundamental to generating long-term value for our stakeholders and society.

### The SUN Team

#### A Dedicated Work Team

At Sunoco, we take great pride in what we do and wholeheartedly believe our team members drive the success of our company. In 2022, the "SUN Team" included 2,300 employees from across the country.

We were proud to make the Forbes list of America's Best Midsize Employers in 2022. We go to great lengths to recruit and invest in our employees who share our core values and bring their own unique backgrounds, experiences and perspectives to share in our vision of excellence and growth.In 2022, 56 percent of our employees self-identified as being part of a minority population. We deeply value the military service members who

#### Fun Facts About the SUN Team:

- Named one of America's Best Midsize Employers by Forbes
- Over half of our employees are from minority populations (56%)
- 30% of employees have been with the company over 10 years
- More than one third of supervisors and above are female (34%)
- 40% of supervisors and above are minorities

serve our nation, and we're proud of the 81 veterans and activeduty service members that are part of the SUN Team. We also strive to encourage, support, and empower women within our organization. In 2022, 29 percent of our workforce was female, and they comprised 34 percent of our management team.

**29%** WOMEN EMPLOYEES



56% EMPLOYEES FROM MINORITY POPULATIONS



VETERANS AND ACTIVE-DUTY SERVICE MEMBERS

\*Management includes supervisors

\*Minority is defined as non-white or employees who selected more than one race

We strive to offer competitive wages, provide learning and advancement opportunities, and foster an atmosphere where health, safety, and wellness are significant factors in how we operate our business. Our benefits include:

- 401(k) with an employer match
- Choice of multiple levels of medical, dental, vision and prescription plans
- Paid time off program
- Short-term and long-term disability plans
- Industry-leading total compensation packages

#### **Recognizing Talent**

We pride ourselves on developing our talented staff and promoting from within, and we're proud to share that in 2022 close to 700 people had been with the company for over 10 years – 30% of our workforce. During an HES Observation, truck driver Matt Meier showed an interest in pursuing an opportunity in safety. Today Matt utilizes his 17 years' experience in fuel transportation as a Health and Safety Specialist covering the Northeast region. He conducts safety trainings, regulatory hazardous materials trainings, and incident investigation and reporting. When asked about his experience at Sunoco, he was quick to point out the team culture, which is driven by everyone's passion for their job and others.

" At Sunoco you're treated not just as a number, but as a person. Management does a great job of recognizing and acknowledging everyone so that you feel appreciated. "



- Matthew Meier

# Employee Training & Development

We invest in the growth of our workforce through training and development opportunities to ensure our employees across the country are prepared and empowered to lead. Excellent training and development, combined with a culture of honesty, trust and respect, results in a company with strong values engrained into its foundation and employees. Our required employee compliance trainings are a priority of our senior management and done in conjunction with Energy Transfer. A comprehensive training dashboard allows senior management to actively monitor these training activities. Company-wide, there are 15 annual compliance trainings, in addition to numerous targeted trainings.

#### Required compliance trainings for all employees include:

- Code of Business Conduct and Ethics, including Conflicts of Interest and Gifts and Insider Training
- FCPA/Anti-Corruption
- Sexual Harassment (management only in 2022)

The Compliance Training department keeps open lines of communication with the Office of Ethics and Compliance (OEC), Legal, Human Resources and other departments to determine and adjust training materials. The OEC reviews gifts, conflicts of interest, due diligence and ethics helpline activity, and provides feedback to the Compliance Training department on necessary changes based on compliance incidents. Each training course provides the participant with the contact information of applicable departments if they need guidance or have any questions or concerns.

Employees have access to webinars that expand their knowledge of our business and provide ongoing development of interpersonal and business skills. We also offer a series of leadership development courses designed to educate supervisors on how to lead and motivate employees, along with how to effectively engage in performance and development conversations with direct reports. Additionally, all supervisors are required to complete annual performance reviews for each of their direct reports, helping to identify growth and career development opportunities for our employees.

To promote continuous learning, we offer year-round courses available to all employees in the following areas:

- DiSC Workplace Behavioral Styles
- Time Management
- Listening Skills
- Negotiating Skills
- Decision Making
- Your Conflict Approach and When to Use it
- Personal Skills to Create a Cohesive Team



Sunoco offers a unique internship opportunity for college-aged students. The 12-week program provides real-world experience within various departments and is combined with thoughtful mentorship opportunities. In 2022, Sunoco had 15 interns across the company.

#### **Advanced Leadership Training**

In 2022, select Sunoco employees participated in an Advanced Leadership Program with Southern Methodist University's (SMU's) Executive Education Department. Alongside participants from Energy Transfer, the program included a total of 25 Directors and Senior Directors from crude trucking, HR, IT, engineering and operations. It was held on the campus of SMU and facilitated by the SMU Cox School of Business faculty.



**Topics included:** 

- The Role of Emotional Intelligence in Business
- Authentic and Intentional Leadership
- Creating a High Trust Organization
- Effective Decision Making
- Time Value of Money and Value Creation
- Capital Budgeting and Project Analysis

#### **Sunoco Fleet University**

The United States faces a truck driver shortage. In 2022, the American Trucking Association estimated the truck driver shortage remained near its historical high at nearly 78,000 drivers. Further, the average age of a commercial trucker is 55 years old, meaning most will retire in the next 5 to 10 years.

Sunoco launched a new training program in 2021 designed to attract the next generation of truck drivers. Sunoco Fleet University recruits those with zero experience in commercial trucking. We partner with external local truck driving schools to recruit and train candidates to earn their Commercial Drivers License.



Trainees attend Sunoco Fleet University, a two-week program led by Sunoco's safety department, which focuses on both company and regulatory policies. Once trainees complete a 6-to-10-week training program in their region and have satisfied all training requirements, the driver officially becomes a Sunoco Transportation Driver. In 2022, we were proud to welcome two graduates to the SUN Team through this program.

## Employee Support & Benefits

An integral part of recruiting and retaining a leading workforce is our competitive compensation and benefits programs, which include, but are not limited to:\*

#### **Compensation**

We compensate our employees competitively on a total compensation basis. We have four major compensation cycles that give managers a chance to reward employees for their hard work and outstanding performance – bonuses, merit increases, promotions/salary adjustments and long-term incentive awards. Our professional Compensation Team routinely evaluates market data and trends to determine if changes are needed to stay competitive with the energy and broader labor markets.

#### 401(k)

Employees can participate in our 401(k) program, and we will match 100 percent of the first five percent of all eligible base wage contributions. An additional three percent matching contribution is made by the company for those employees who earn under \$175,000 on an annual basis.

#### Health Coverage

Our employee premiums are below industry average. Employees can choose from multiple levels of medical, dental, vision and prescription plans.

#### Paid Time Off

Eligible employees receive paid vacation, sick time and holidays.

#### Disability Coverage

We offer access to short-term and long-term disability plans.

#### Flexible Work Schedule

We have policies which provide for, with appropriate management approval, work from home, part-time employment, and flexible work schedules, including flextime between the hours of 6 a.m. and 7 p.m. and, at some locations, compressed work schedules.

#### Flexible Spending Account

We provide two great ways to save pre-tax money to pay for health care and day care — Health Care and Dependent Care Flexible Spending Accounts.

#### Health Savings Account

Employees can elect to utilize a Health Savings Account, and we set aside money in a separate bank account in their name.

#### Travel Assistance

We offer Assist America for travel assistance. When you are traveling 100 miles or more away from home, Assist America can help with emergency medical assistance and evacuation, short-term prescription replacement, personal services, passport replacement and more.

#### Educational Assistance Plan

We are committed to providing employees with a competitive educational assistance plan to encourage professional development. The plan is designed to reimburse eligible employees for many of their tuition expenses, provided the expenses are for eligible classes considered by management to better qualify an employee for their present duties, prepare for advancement opportunities, or be part of the employee's individual development plan.

#### Continuing Education

Certain positions are required to do continuing education to maintain various professional licenses, DOT certifications or technical/professional certifications. We will consider payment for courses supporting the maintenance of professional licenses and reimbursement for reasonable expenses associated with professional/technical certification. General training programs, seminars and workshops that maintain or improve knowledge and skills can also be eligible for payment.

#### Employee Assistance Program

All employees are eligible for the Employee Assistance Program that helps find childcare and elder care resources in the employee's community, as well as counseling services that can help with family and parenting challenges.

#### Family Planning

We understand the road to parenthood can be challenging and believe that everyone should have access to the care they need to have the family they deserve. We partner with Progyny to offer comprehensive treatment coverage. We also offer an Adoption Program through Progyny. Once the adoption is finalized, the program will pay a lump-sum reimbursement payment, up to \$10,000, for eligible expenses.

#### Paid Leave Programs

Maintaining a balance between work and family responsibilities is important. To support our employees, we offer paid leave to full-time employees.

- Paid Maternity Leave We provide employees up to eight consecutive weeks for giving birth and 10 consecutive weeks for cesarean birth at 100% of base wages. Additionally, lactation rooms are available at many of our offices.
- Parental Leave Non-birthing parents welcoming a child through birth or adoption can take up to two weeks of paid parental leave anytime within the first twelve months of the child's birth or adoption.
- Elder Care Caring for a parent with a serious illness can be challenging. We support our employees by providing up to one week per calendar year, with a lifetime limit of two weeks, to employees who need to take time away to care for a parent or parent-in-law who needs acute care or has a terminal illness.

## **Cybersecurity**

#### **Maintaining Robust Cybersecurity Protections**

Protecting the nation's energy infrastructure from the real and ever-changing threats from cybercriminals and foreign states is a critical focus for Sunoco. We strive to proactively protect our assets, customers, consumers and employees through a robust cybersecurity program.

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.

Beginning in 2020, we began the deployment of Europay, Mastercard, and Visa (EMV) protections at a variety of our locations for both indoor and outdoor transactions. We're proud that 100 percent of company-owned locations use EMV protections. We also partner closely with our dealer and distributor locations to convert to EMV, helping to safeguard 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 Conexxus communities to be able to share and learn best practices across the industry.

We continued our multiyear security initiative, first started in 2021, to bolster payment security utilizing end-to-end encryption. Encryption brings best-in-class security and will help provide cardholder data protection.

Employees are trained annually on corporate cybersecurity protections. In addition, when accessing our systems remotely, we require all employees, vendors and service providers to use multi-factor authentication.

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







## Board of Directors

#### **Strategic Oversight and Accountability**

Sunoco's business is managed under the direction of our General Partner, solely owned by Energy Transfer, and Board of Directors. Our Board provides strategic guidance and independent oversight, and our diverse management team focuses on operating our business. Together, leadership works closely to monitor risks and opportunities, including those related to sustainability and corporate responsibility.

The Sunoco Board has six members, including four independent directors, and comprises of two committees:

#### Audit Committee

Its primary purpose is to assist the Board in its oversight of the integrity of financial statements, compliance with legal and regulatory requirements and the Code of Business Conduct and Ethics, the independent auditor's qualifications and independence, and performance of the internal audit function and independent auditors.

#### Compensation Committee

Its primary responsibility is to evaluate and recommend to the Board the director and executive officer compensation plans, policies and programs.

### Ethical Governance Practices

#### **Code of Business Conduct and Ethics**

Our Code of Business Conduct and Ethics (Code) reflects our commitment to adhering to the highest ethical standards. It helps foster a culture of honesty, accountability and integrity and helps maintain the confidence of our investors, employees, customers, suppliers and others with whom we do business. Sunoco requires that all business of the company be conducted in a lawful and ethical manner. Sunoco's Code can be found on our website and covers a range of policies, including:

- Compliance with laws, rules and regulations
- Conflict of interest
- Acceptance of gifts and favors or other gratuities
- Payments and gifts to government officials
- Compliance with international trade laws
- Antitrust
- Protection and proper use of assets and proprietary information
- Work environment

- Ethical behavior
- Financial recordkeeping
- Full, fair, accurate and timely disclosure for SEC filing
- Prevention of insider trading
- Tax evasions
- Political contributions
- Concealment of information from auditors
- Reporting suspected violations of the Code
- Prohibited trading transactions



#### **Equal Opportunity and Anti-Discrimination**

Sunoco has a steadfast, unwavering commitment to equal employment and non-discrimination. Our Equal Employment Opportunity and Anti-Discrimination, Anti-Harassment, Non-Retaliation and Disability Accommodation Policies are set forth in our employee handbook as our Governing Principles of Employment (EEO Policies). The EEO Policies prohibit any discrimination, harassment and/or retaliation based on race, color, religion, sex, national origin, age, disability, pregnancy, veteran status, citizenship status, or any other characteristic protected by law. Employees are provided with multiple avenues to report any violations of the policies, including a confidential helpline. Sunoco promotes equal employment and equal opportunity through leadership and developmental trainings, including our Inclusive Leadership training (required for all managers and above), and our affirmative action programs.

#### **Union Relations**

Sunoco respects the right of employees to choose whether to be represented by a union. We strive to build and strengthen our relationship with labor leadership through open and honest communication that promotes a greater understanding of the needs of all parties and fosters opportunities for growth for both.

#### **Risk Management**

At Sunoco we take pride in long-term strategic planning, which includes risk management. We recognize that actively managing risks is a core component of sustainability. Business and operational risks are regularly reviewed as part of our Enterprise Risk Management program. Our risk management procedures are monitored and reviewed for effectiveness through an audit assessment, the results of which are reported to executive management.

#### **Confidential Helpline**

Sunoco's Confidential Helpline is a simple and confidential way to seek assistance and report potential violations regarding financial statement disclosures, accounting, auditing matters, or any issue arising under Sunoco's Code of Ethics, Corporate Governance Guidelines or existing laws, regulations, professional standards or reporting requirements. Any person - an employee, former employee, whistleblower, or concerned citizen - can report instances of possible noncompliance. The helpline is administered by an independent third-party and is available 24-hours a day, 7 days a week. There is an established process for appropriately handling reports. All reports are escalated to the Chief Compliance Officer, the Office of Ethics and Compliance, Human Resources and the Internal Audit Group and then investigated and promptly resolved. Calls are anonymous unless you choose to provide your name and contact information. Sunoco does not allow any form of retaliation based upon the use of the helpline.



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