# Plains Greenhouse Gas Reduction Strategy

While our Scope 1 and Scope 2 emissions are relatively low, particularly in comparison to our peers, there are opportunities to reduce our Greenhouse Gas (GHG) emissions through the thoughtful integration of sustainable practices across our organization. Appreciating that these opportunities must be balanced against our obligation to efficiently use capital resources, our goal is to seek out GHG emissions reduction opportunities while maintaining capital discipline and simultaneously pursuing long-term value creation for our stakeholders, in alignment with our sustainability strategy.

## GHG emission categories:

**Scope 1**
Direct emissions from owned and/or operated sources (includes fuel combustion, venting and fugitive emissions).

**Scope 2**
Indirect emissions from the generation of purchased energy required by operations.

**Scope 3***
All other indirect emissions that occur from value chain activities.

** We are monitoring and plan to participate in the development of consistent Scope 3 GHG emissions estimation guidance for the midstream oil and gas sector.*

## Understanding our emissions profile

To fully understand the sources and nature of our GHG emissions, we developed a robust Scope 1 and Scope 2 GHG emissions estimating and reporting process. Our process is aligned with the GHG Protocol and is reviewed and improved upon annually. Of note:

- Methane comprises less than 2% of our Scope 1 emissions.
- A majority of our GHG emissions are indirect emissions (Scope 2) resulting from electricity consumption.

We further identified the assets that are the largest sources of GHG emissions, allowing us to focus technology and resources on opportunities to achieve reductions where they can have the greatest potential impact.

## Approach to emissions targets

Considerable internal discussions have taken place on the topic of emissions target setting. The discussions have been robust and informative, benefitting from input from third-party stakeholders like our banks, investors and insurers, as well as trade organizations. As a part of these discussions, we have considered the significant cost and uncertainty associated with the pursuit of net-zero or other specific emissions targets. At this time, economically feasible technologies do not exist to eliminate Scope 1 and Scope 2 emissions related to our operations. Furthermore, the long-term availability, costs and benefits of some carbon offsets remain uncertain.

Taking all of these factors into account and considering the relatively low emissions profile of our business and assets, we do not currently believe that setting emissions targets is in the best interests of our stakeholders. Our efforts are focused instead on minimizing emissions and emissions intensity, identifying ways to increase overall energy efficiency and participating in energy evolution opportunities.

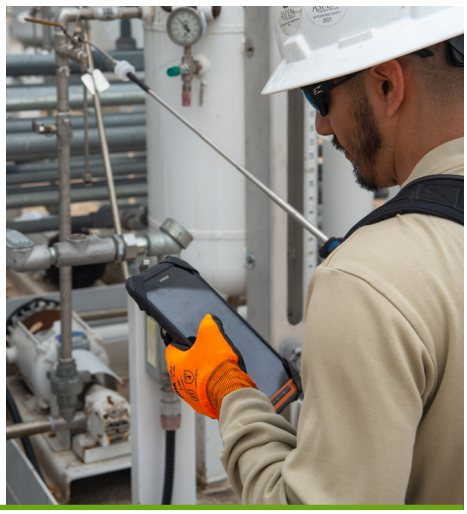
## Our approach to GHG emissions reduction

### Plains is actively identifying and evaluating reduction efforts as outlined below.

- Continuous improvement of data collection and GHG emissions estimation processes.
- Identification and implementation of operating efficiencies that reduce Scope 1 and Scope 2 GHG emissions:
  - efficiency gains in energy use
  - conversion of equipment from fuel-fired to electrical
  - transition from truck transport to pipeline transport where feasible
- Identification and implementation of emerging energy and energy management opportunities that have a direct impact on Scope 1 and Scope 2 GHG emissions:
  - power purchases that favor renewable sources, where available and economically feasible
  - direct investment to improve existing equipment performance
  - direct investment in renewable energy generation projects
- Identification and evaluation of carbon collection and repurposing opportunities that utilize our infrastructure, where available and economically feasible.
- Identification and evaluation of carbon collection and sequestration projects that utilize our infrastructure, where available and economically feasible.
- Monitoring developments in carbon trading and use of offsets, where available and economically feasible.
- Active participation in industry associations that focus on GHG management to collaborate with peers on GHG reduction strategies.
- Seeking opportunities to collaborate or identify joint ventures that would help reduce GHG emissions.
- Identification and implementation of Information Technology efficiency projects that reduce power usage.
- Purchasing products and services with lower GHG emissions, where available and economically feasible.

## Governance

Our Chief Operating Officer is the executive sponsor of our Greenhouse Gas Reduction Strategy, in addition to serving on Plains' Sustainability Leadership Team (SLT). The members of the SLT report to the Plains Chairman and CEO on sustainability matters. The CEO reports to the Plains Board of Directors. The Board's Health, Safety, Environmental and Sustainability Committee has oversight of sustainability matters and provides quarterly updates to the full Board of Directors regarding its activities.



## Prioritizing reduction efforts

The chart below reflects emissions reduction efforts and the level of development in each area. This prioritization remains dynamic based on a number of factors including advancement of technology, economic returns, energy policy/regulation and incentives, availability of capital, etc.

| | Current Engagement | Under Evaluation / Development | Considering for the Future |
|---|---|---|---|
| **Emissions Data** | • Scope 1 and Scope 2 GHG emissions estimation in alignment with established methodologies. | • Continuous improvement of data quality and methodologies for estimation of Scope 1 and Scope 2 GHG emissions. | • Direct measurement of Scope 1 emissions at major emissions sources.<br>• Development of methods to provide emissions estimation and/or measurement data with less lag time. |
| **Energy Management** Projects that Reduce Fuel & Electricity Consumption | • Economic projects that can be implemented quickly.<br>• Internal Information Technology efficiency initiatives. | • Efficiency projects that have moderate lead times. | • Efficiency projects that have long lead times and/or rely upon developing technology. |
| **Emerging Energy** Projects that Reduce GHG Emissions | • Economic projects that reduce Scope 2 GHG emissions and can be implemented relatively quickly. | • Projects that can reduce Scope 2 GHG emissions and have moderate lead times.<br>• Projects that use existing assets to capture carbon dioxide and re-purpose as a replacement for carbon dioxide feedstock for industry.<br>• Carbon dioxide collection and sequestration projects executed in partnership with others.<br>• Projects that have moderate lead times and/or rely on developing technology. | • Projects that have long lead times and/or rely upon developing technology. |
| **Industry Collaboration** | • Participation in industry associations and workgroups that focus on GHG management.<br>• Engagement in regulatory and legislative discussions related to GHG management.<br>• Participation in industry dialogue related to Scope 3 GHG emissions estimation guidance. | • Engagement with industry peers to identify and evaluate potential joint GHG reduction or management projects. | |