



# Environmental - Social - Governance (ESG) Plan

March 2022

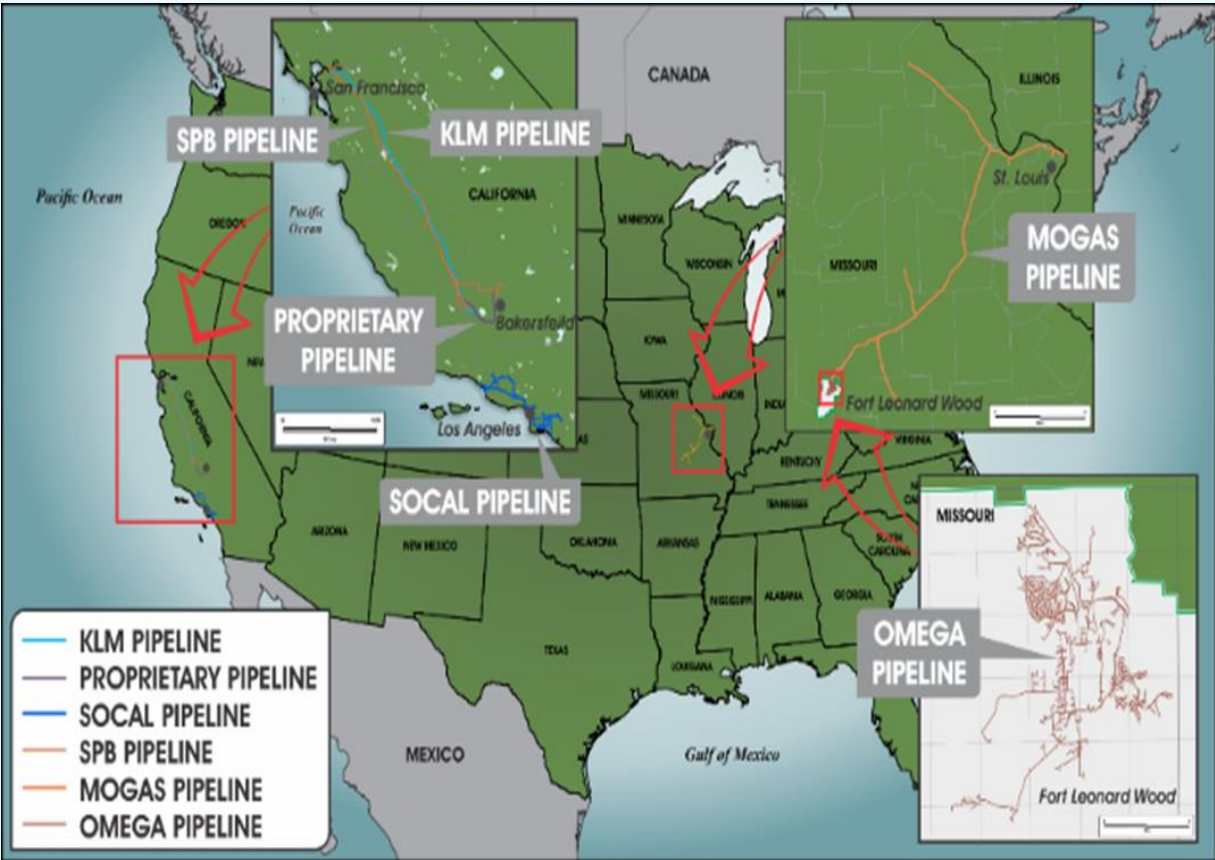


*ESG - Performance With Purpose*



# CorEnergy Operations

ESG - Performance with Purpose



## What We Do

- Aggregate and transport natural gas by pipeline to St. Louis and smaller municipalities throughout east central Missouri
- Aggregate and transport crude oil by pipeline to critical refineries in northern and southern California

## What We Don't Do

- We do not engage in hydraulic fracturing
- Our operations do not result in a significant contribution to the direct production of greenhouse gases, including methane
- We do not transport oil or gas produced outside of North America
- We do not transport oil & gas by rail, ship, barge, or truck

# Sustainability Commitment

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**At CorEnergy, we believe that the delivery of energy transportation solutions to our customers can be done responsibly, safely, and sustainably to improve the quality of life in the communities we serve. Sustainably is the way we manage and operate our business every day to best serve our customers, care for the environment, and drive long term value for stakeholders.**

**We are committed to environmental, social, and community stewardship through three guiding principles –**

- **Environmental Stewardship – Reducing the environmental impact of our operations**
- **Social Responsibility – Engaging openly and transparently on social issues**
- **Corporate Governance – Supporting sustainable development through strong governance**

# Sustainability Commitment – Environmental Stewardship

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## Reducing the environmental impact of our operations

- Safely provide energy transportation services in a manner that minimizes community and environmental impacts
- Reduce health, safety and environmental risk through investment in targeted integrity management
- Optimize operations to improve the environmental impact of our activities
- Minimize our operational footprint
- Actively explore opportunities to increase use of renewable energy in our operations as well as repurpose existing assets in carbon reducing ventures

# Sustainability Commitment – Social Responsibility

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## Engaging openly and transparently on social issues

- Minimize the environmental impact on the communities in which we operate
- Insist on inclusive, equitable employment practices
- Reinforce our focus on employee and stakeholder safety
- Communicate regularly with stakeholders on sustainability issues, goals, and progress
- Deliver superior customer experience through regular communication and innovation

# Sustainability Commitment – Corporate Governance

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## Supporting sustainable development through strong governance

- Board of Directors made up of a majority of Independent Directors, elected by shareholders
- Internally managed in order to more closely align management and shareholder interests
- Implementing ESG initiatives internally with robust oversight from Board of Directors
- Cybersecurity meets or exceeds federal government requirements for pipeline companies
- Reporting data gathered from auditable sources, enabling third party validation and monitoring of CORR ESG progress
- Enhance stakeholder collaboration to ensure sustainable growth that addresses social, economic and environmental impacts of new investments

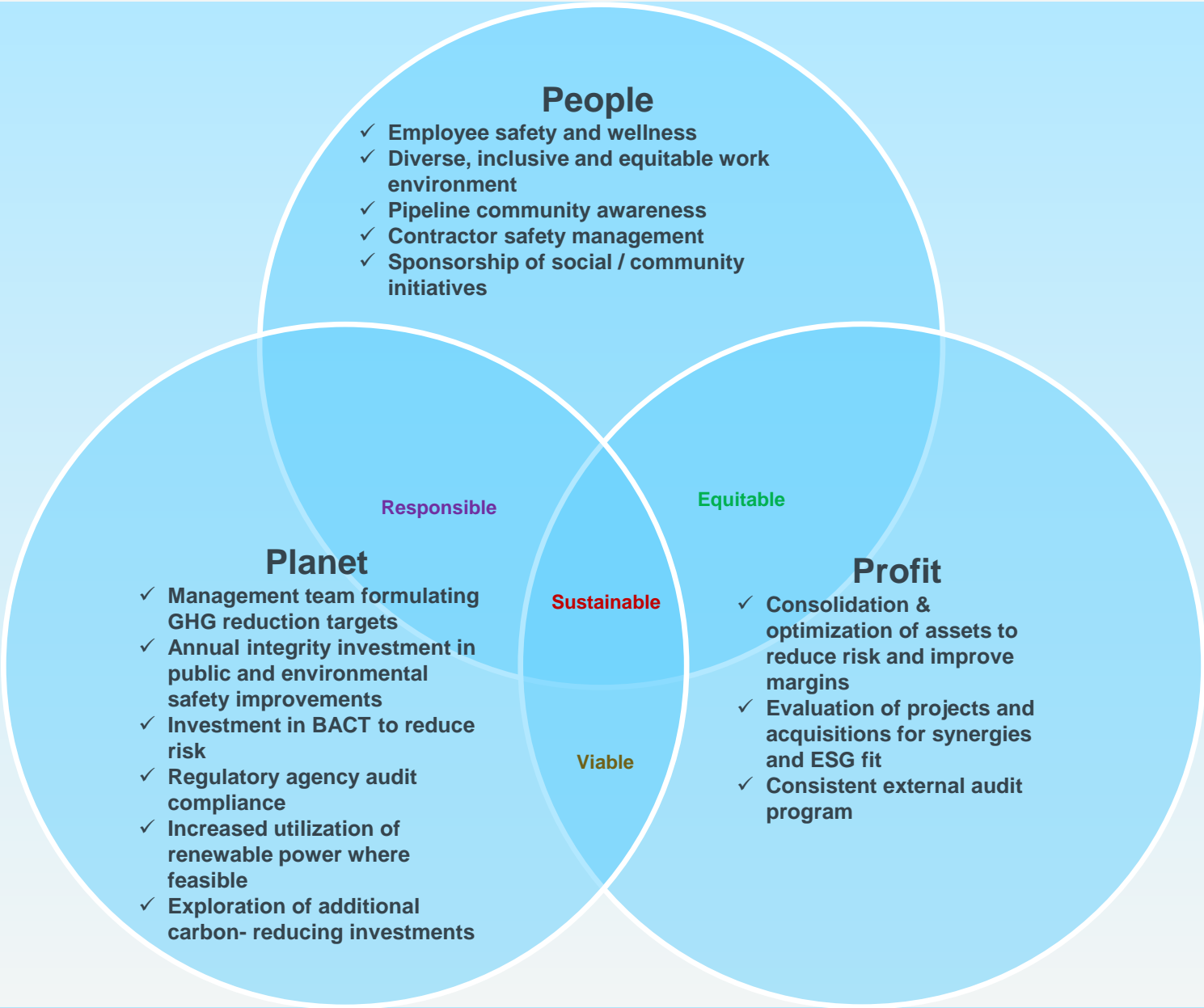
# Leadership Focus Areas

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# “Triple Bottom Line” Focused Programs In Action

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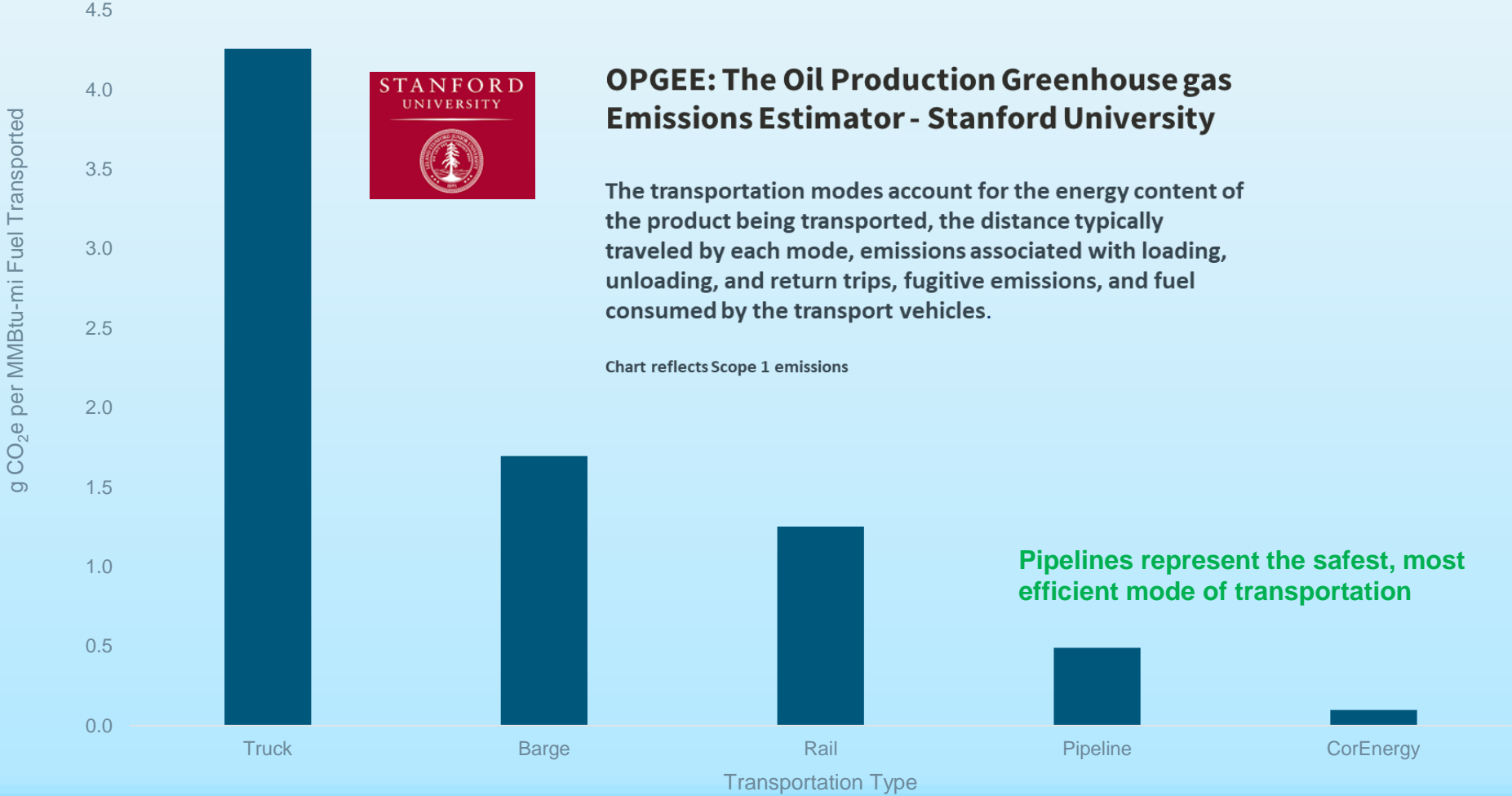
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Environmental Stewardship

# Oil and Gas Transportation Modes and Associated GHG Emissions

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## Carbon Intensity of Oil and Gas Transportation Methods g CO<sub>2</sub>e per MMBtu-mi Fuel Transported



Note: OPGEE transportation CI comparison calculation captures emissions from fuel combustion and loading / unloading operations only

# Greenhouse Gas Emissions Management In Action

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## 2021 Initiatives

- Consolidated 220 miles of KLM Pipeline into San Pablo Bay Pipeline. Reduced CO2e emissions by >1,204 mt annually, equivalent to emissions from 261 vehicles
- Increased use of solar power for pipeline corrosion protection systems
- Modified Harbor Pump Station to reduce tank and pump emissions. Reduced CO2e emissions by >107 mt annually, equivalent to emissions from 23 vehicles annually
- Implemented pipeline crude heater preventative maintenance program to improve reliability and efficiency
- Voluntary participation in air quality district tank seal inspection program (higher frequency of tank seal inspections per year to ensure vapor control)

# Increased Use Of Solar Energy – Pipeline Operations


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- Growing utilization of solar to power rectifiers (pipeline cathodic / corrosion protection)
- Growing utilization of solar to power pipeline isolation valves
- Evaluating potential for solar farm installations within extensive real estate portfolio to drive larger electricity consuming operations and potentially add power to the grid



# Near-Term Opportunities

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- **Initiate the use of solar energy to drive operations where feasible**
  - **Leverage acquisition synergies and opportunities to consolidate assets, improve operational efficiency and reduce environmental footprint**
  - **Conduct a pipeline right-of-way corridor alternative-use study**
  - **Explore CO2 sequestration and other carbon emission-reducing transportation opportunities**
  - **Further invest in best available control technologies (BACT) to minimize potential release volumes**
- 

# Key Performance Indicators - Environmental

Emissions	Metric	2021 CORR Baseline
Scope 1 Methane emissions	MT CH4	409
Scope 1 Total GHG emissions	MT CO2e	48,107
Scope 2 total GHG emissions	MT CO2e	31,140
Scope 3 Total GHG emissions (oil/gas production, refining, consumption of refined products)	MT CO2e	36,837,194
Scope 1 GHG emissions / EBITDA	MT CO2e / \$K	1.12
Scope 2 GHG emissions / EBITDA	MT CO2e / \$K	0.72
Scope 3 GHG emissions / EBITDA	MT CO2e / \$K	857
GHG Intensity Rate	MT CO2e/MMBtu Transported	0.0002
Emissions reduction target	%	Management team formulating GHG reduction targets
Carbon Intensity		
Percent of capex tied to renewable initiatives (5 years)	%	< 1.0%
Percent of EBITDA tied to renewables		0
Percent of EBITDA tied to crude oil / refined products	%	100%
Percent of energy used that is renewable	%	< 1.0%
Hydrocarbon Releases		
Volume of PFMSA reportable releases	Total BBLs #	5.4
Hydrocarbon releases per mile of pipeline (based on 1,769 PHMSA reported miles)	BBL / Mile	.003

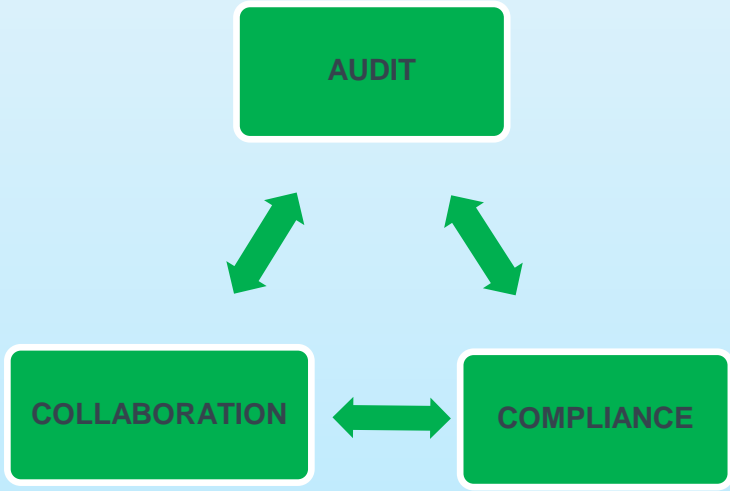
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# Stakeholder Engagement

# Extensive Regulatory Oversight Augments Performance

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**CORR operates in the most rigorous regulatory environment in North America**





# Stakeholder Engagement In Action

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- In-house staff dedicated to fostering regulatory agency relationships
- Participation in over 90 regulatory agency audits per year
- Ensure stakeholder safety and manage risk through community awareness programs
  - Over 59,000 responses to field excavators performing work near CORR assets annually
  - Over 10,000 field meetings with excavators performing work near CORR assets annually
- Perform annual spill drill exercises with external stakeholders and regulatory agencies
- Work closely with franchise / permitting agencies - 36 agency field meetings annually
- Utility coordination (3<sup>rd</sup> parties) - 645 letters submitted to agencies annually



# Stakeholder Engagement In Action – Stewardship

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- Received International ROW / Land Large Employer of the Year Award 2019-2021
- Crimson Executive Leadership member appointed to serve on the Pipeline Safety Advisory Committee (PSAC) sponsored by the lead California pipeline regulatory agency (CSFM)
- CORR CEO is a member of the Advisory Board of Governors of the National Association of Real Estate Investment Trusts (NAREIT)
- Land Manager sits on International Right of Way Association Board as Chapter 1 President
- Land Manager sits on Right of Way Association Board as the Director for International Chapter 1
- Land Manager sits on Right of Way Association Board as the Pipeline Committee Chair
- Member of AAPL (American Association Pipeline Landman)
- Land Manager sits on Community Public Works Board
- Staff and executive participation on numerous American Petroleum Institute (API) committees

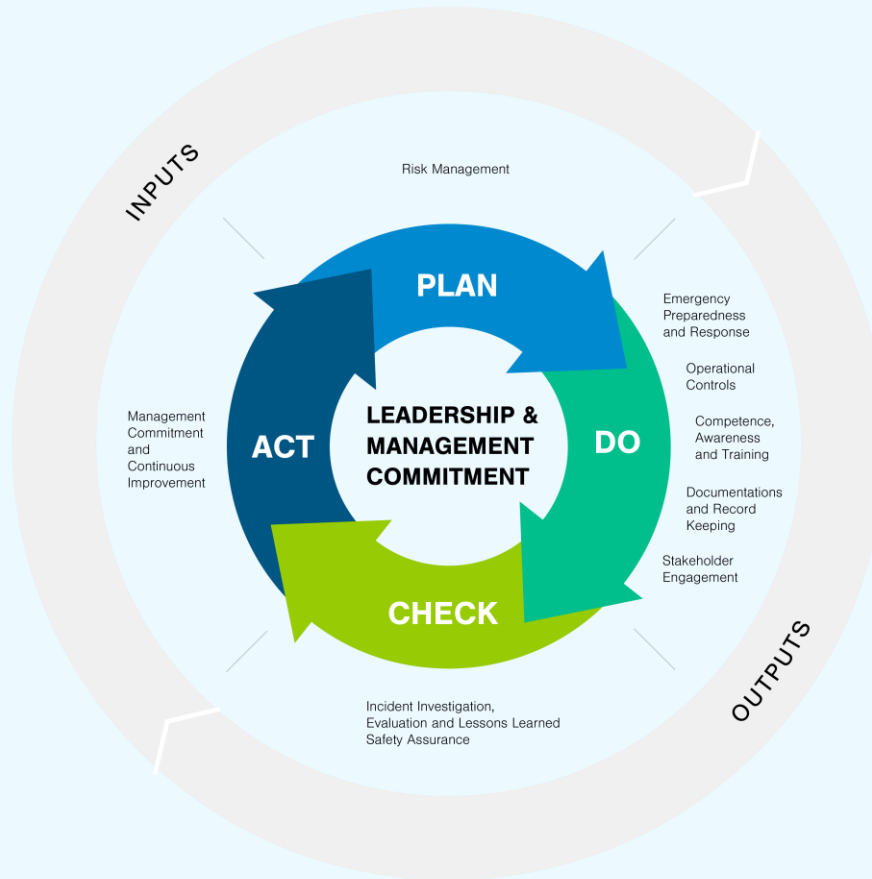
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Social Responsibility - Employee  
& Public Safety

# Safety Management System

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- ✓ Safety Management Systems (SMS) represent an emerging Midstream sector focus area
- ✓ SMS synergizes well with ESG as both are continuous improvement programs
- ✓ Crimson California operations working through full implementation plan





## 10 Elements of Safety Management System Implementation

1. Leadership and management commitment
2. Stakeholder engagement
3. Risk management
4. Operational controls
5. Incident investigations, evaluation and lessons learned
6. Safety assurance
7. Management review and continuous improvement
8. Emergency preparedness and response
9. Competence, awareness and training
10. Documentation and record keeping



# Personal Safety Programs In Action

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- Monthly employee / contractor safety meetings
- Extensive computer-based training curriculum
- Operator qualification – training / testing program
- ARI vehicle maintenance program   
A HOLMAN ENTERPRISE
- Smith System driver training program   
**SMITH SYSTEM.**  
Drive Different. Save Lives.
- American Petroleum Institute “Occupational Safety Award” recipient



# Social Responsibility In Action

## *ESG - Performance With Purpose*

- Employee participation in 8 community blood drives sponsored by the California and Missouri corporate offices
- Employee work from home program (COVID-19 safety)
- Annual employee engagement survey process
- Exemplary environmental, health, safety performance
- Job creation at competitive pay within operational footprint / communities
- Track record of fostering state, federal and local regulatory relationships
- Employee community volunteerism encouraged
- Culture of integrity, respect and inclusivity, internally and externally
- Outreach and community awareness programs
- Sponsor Boys & Girls' clubs and women's shelters
- Sponsor multiple school activities, including sports teams and outings
- Host embedded contractors in company safety meetings

# Key Performance Indicators – Social Responsibility

Social	Metric	2021 CORR Baseline
Total recordable injury rate (TRIR)	#	0.48
Total employee fatalities	#	0
Total employee minority representation	%	35%
Management minority representation (manager / supervisor title)	%	15%
Executive female representation	%	27%
Employee female representation	%	20%
Donations & community investment per employee	\$/emp	\$186.00
Total employees	#	166

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# Corporate Governance



# Corporate Governance In Action

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- CORR is internally managed, ensuring greater alignment with shareholder interests
- All committees comprised entirely of independent directors
- Board committees engage outside advisors at company's expense
- Policies in place to identify and avoid conflicts of interest
- Director share ownership required
- Consistent external audit program
- Risks and mitigant matrixing prior to each investment
- Monitoring and responding to investor relations concerns and complaints
- Employee web link access to the Corporate Secretary for anonymous reporting of ethics concerns

# Key Performance Indicators – Governance

Governance	Metric	2021 CORR Baseline
<b>Diversity</b>		
Percent Directors that are female	%	20%
Percent Directors – minority	%	0%
Is any Director under the age of 50?	Yes / No	No
<b>Board Of Directors</b>		
Majority Independent Directors?	Yes / No	Yes
Can the Board be elected by unit holders / shareholders?	Yes / No	Yes
LP Board members are separate from sponsor Board	Yes / No	N/A
<b>Compensation</b>		
Short term compensation aligned with shareholders?	Yes / No	Yes
Long term compensation aligned with shareholders?	Yes / No	Yes
At risk compensation as a percent of total	%	49%
Does change in control trigger substantial cash payment to mgt?	Yes / No	No
Are stock awards paid in primary company currency?	Yes / No	Yes
Do shareholders have a vote on compensation?	Yes / No	Yes
Is compensation tied to E, S, or G metrics?	Yes / No	No
<b>Ownership</b>		
Common stock ownership by management & insiders	%	47%
Does management own more LP stock than GP (sponsor) stock?	Yes / No	N/A
Company has eliminated IDR's	Yes / No	N/A

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Next Steps

# CorEnergy ESG Plan Next Steps

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- Develop actionable plan to improve reported metrics across the company
- Establish mid and long-term emissions reduction targets
- Institutionalize plan to ensure every member of the CORR team is working toward the same goal
- Evaluate ESG reporting frameworks and move toward adopting most appropriate standard(s) and modify reporting accordingly
- Engage with investors to solicit feedback as program develops

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Supplemental Content



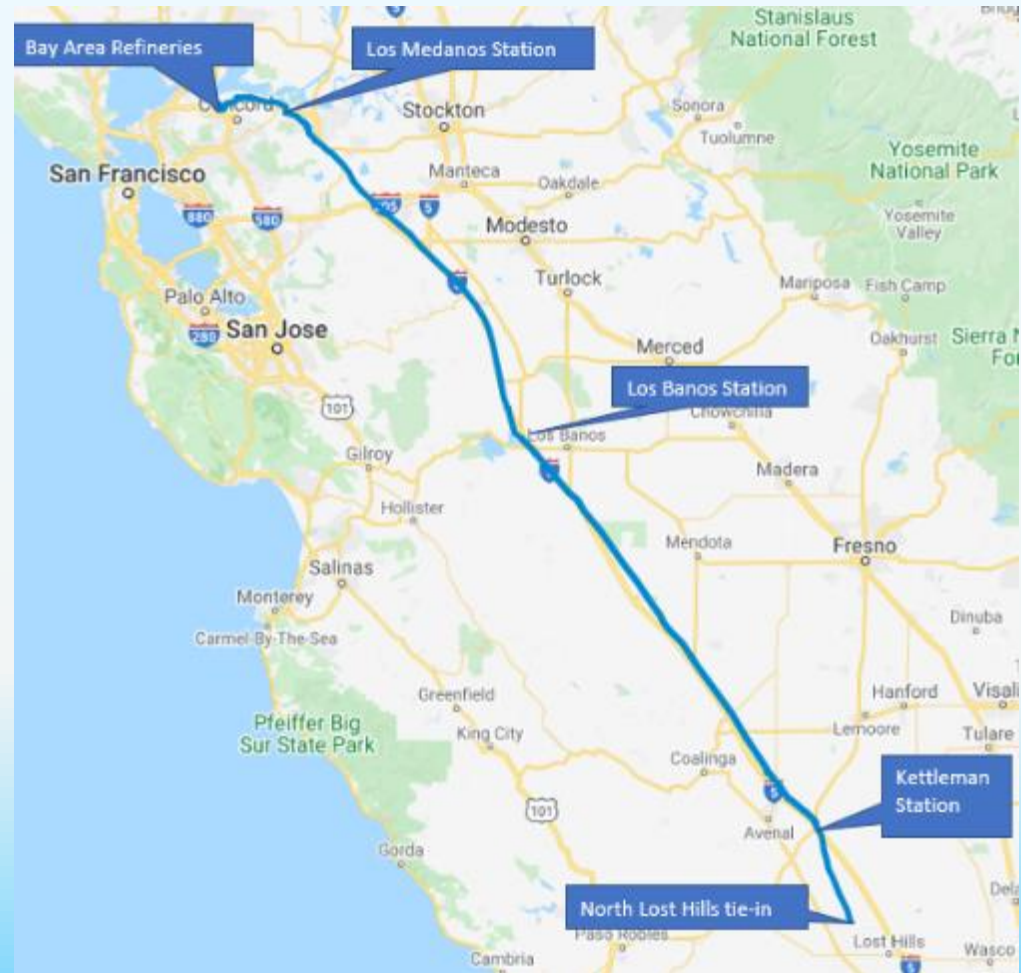
# ESG in action: Pipeline Consolidation - KLM

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## Idled KLM Pipeline Corridor

- Consolidated KLM Pipeline operations into SPB Pipeline system
- Idled 220 miles of active pipeline
- Purged 327,000 bbls of crude oil from the pipeline system
- Realized environmental / community risk reduction along the pipeline corridor
- CO<sub>2</sub>e reduction is equivalent to emissions from 261 vehicles per year\*

\* Net reduction after SPB consolidation



# Harbor Pump Station Improvements

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- Removal of 30MB above-ground storage tank
- Removal of 2 (465 HP) diesel powered pumps
- Removal of 1 (415 HP) natural gas - powered pump
- Completed 4Q of 2021
- CO2e reduction is equivalent to emissions from 23 vehicles per year

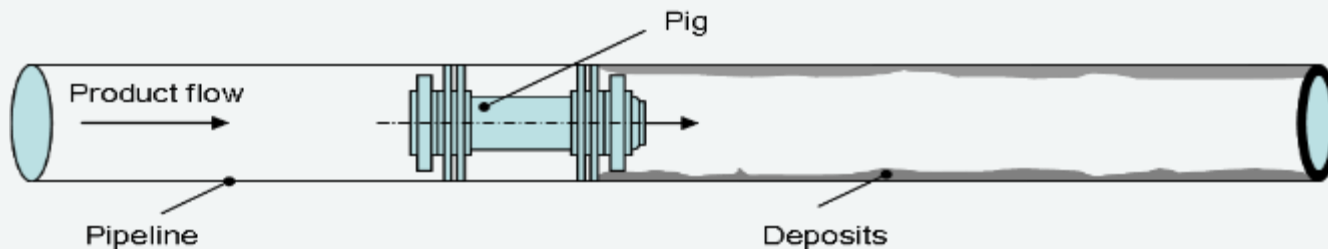




# Pipeline Integrity Testing In Action

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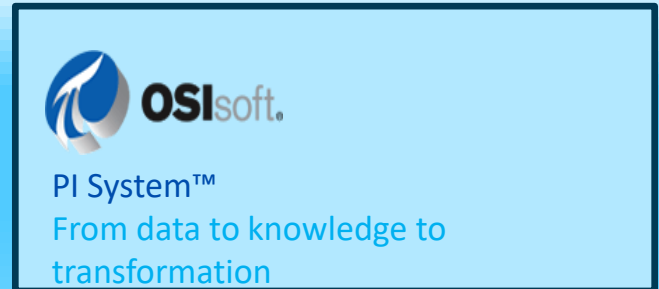
- Pipeline integrity inspection and cleaning program in direct service of stakeholder safety
- Internal pipeline inspections are performed with state-of-the-art equipment capable of detecting corrosion, dents and other integrity concerns throughout the pipeline network
- Results are analyzed and repairs completed as needed
- Inspections are completed every 5 years or sooner, as determined by annual risk evaluation
- Pressure testing, including spike testing, is done when a smart pig run cannot be completed
- Perform long seam susceptibility and corrosion rate analysis
- Continuous improvement goal is to run inline inspection (ILI) tools on all active pipelines



# Control Center - Pipeline Safety Monitoring In Action

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- Continuous (24/7) monitoring and control of pipeline operations in direct service of stakeholder safety
- Deployment of multiple leak detection methodologies using sophisticated analytical algorithms
- Regional back-up control centers for emergency operational assurance
- IT systems security measures that meet or exceed federal government (TSA) directives
- Rigorous regulatory oversight (alarm management, fatigue management, operator qualifications, etc.)



# Safety Inspections and Maintenance In Action

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## Ensuring Reliability of our Systems...

Inspection programs include but are not limited to:

- Waterway crossings
- Depth of cover on the pipeline
- Cathodic protection systems
- Facilities piping inspections
- Breakout tanks
- Atmospheric corrosion of pipelines and fittings
- Valves and underground vaults
- Pressure relief devices

# Corporate Governance - Information Technology & Security

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- Formed a company-wide Cybersecurity Steering Committee which includes all individual company stakeholders that can accept risk related to cybersecurity directives
- Implemented a recurring, time-driven validation of employee access to IT systems
- Transitioned accounts of all operations personnel (business and SCADA) to multifactor authentication
- Established acceptable web usage through a web control policy and content control filter on every endpoint
- Configured the log management and retention application to incorporate the company firewall network traffic, connections, bandwidth, and threats for a more thorough view of the cyber landscape
- **Ensure that our IT compliance measures and controls meet or exceed federal (TSA) requirements for pipeline companies**