

Moving What Moves America[®]

LETTER TO STAKEHOLDERS

Our inaugural Sustainability Report demonstrates that *Moving What Moves America*® is more than just our motto. It represents who we are and our commitment to safely and reliably deliver petroleum products that are essential and beneficial to everyday life. To assure consumers can count on reliable energy supplies, Magellan moves the crude oil that is refined and processed into thousands of products and delivers the resulting gasoline for daily commutes, diesel fuel used to harvest our food, transport goods, and respond to emergencies, and jet fuel to travel for work or relaxation with loved ones.

For nearly two decades as a public company, we have held firm to the values of health and safety, environmental stewardship, regulatory compliance, personal and professional integrity, and accountable governance practices. Our focus on long-term, sustainable operations and disciplined management allows us to adapt our investments to meet changing consumer needs while we continuously provide exceptional customer service and a sustainable return to our investors.



Sustainability is not new to Magellan; however, we do recognize the growing stakeholder interest in how we incorporate these principles into our daily operations. Our approach to sustainability is fourfold and encompasses the tenets of environmental, social, and governance (ESG): diligently exercising capital discipline as we grow our infrastructure and services; maintaining the integrity of our assets; operating safely and compliantly to protect people and the environment; and supporting the communities where we live and work.

With the publication of our inaugural Sustainability Report, our commitment is to provide transparency around how we manage and measure our ESG performance. We are grateful for the level of engagement and dedication from each employee and our Board of Directors to drive sustainability. As we continue enhancing our ESG reporting, the data metrics presented in our [Performance Data Table](#) will continue to evolve.

During 2019, we executed a number of initiatives that continued to advance our sustainability efforts including analyzing and integrating lessons learned from our recent safety culture survey and launching Mission ZERO, our new safety initiative. We maintained focus on our foundational OneMagellan tenets, which represent how our employees interact with each other and our stakeholders, enabling us to sustain a positive company culture. We strengthened our proactive measures to recognize our employees, build teams that are inclusive and results-driven, encourage responsible energy development, reduce our emissions, and minimize wastes from our operations. As a midstream energy company, we do not drill wells for crude oil production or engage in hydraulic fracturing; therefore, our direct midstream operations contribute minimally to greenhouse gas emissions and fresh water consumption. Further detail about each of these topics can be found in their respective sections in this report.

We hope you find this report informative and welcome your feedback as we responsibly provide the essential energy infrastructure and services to continue *Moving What Moves America*®.

On behalf of Magellan, thank you for your interest in our company.

A handwritten signature in black ink that reads "Michael Mears". The signature is fluid and cursive, written in a professional style.

Michael Mears
Chairman, President and Chief Executive Officer



Introduction

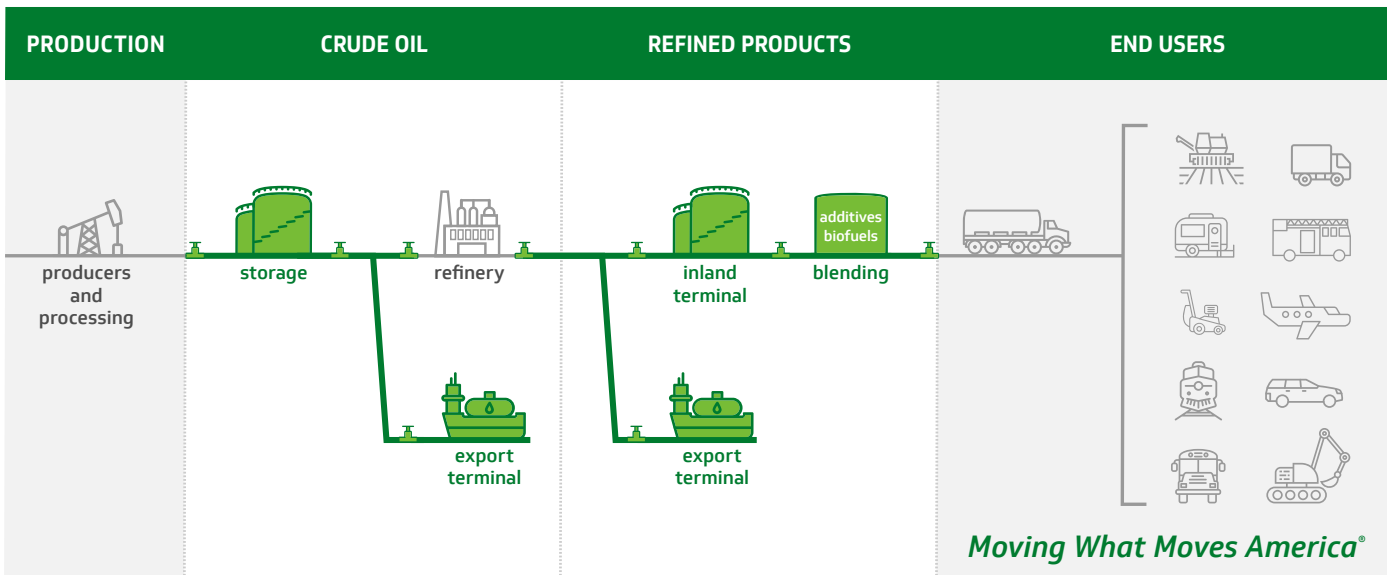
Magellan is focused on providing a reliable fuel supply through safe operations, exceptional customer service, and disciplined management.

ABOUT US

Magellan Midstream Partners, L.P. (NYSE: MMP), headquartered in Tulsa, Oklahoma, is a publicly traded partnership that safely and responsibly moves what moves America by transporting, storing, and distributing refined petroleum products and crude oil. We own and operate the longest refined petroleum products pipeline system in the United States (U.S.) with connectivity to nearly 50% of our nation's refining capacity. We also transport crude oil via pipelines from production areas to refineries and coastal export terminals. Our Gulf Coast marine facilities store and distribute crude oil and refined petroleum products for global market trade. With operations spanning 22 states, our diverse asset base provides a cost-effective, reliable supply of gasoline, diesel, and jet fuel to support the communities we serve every day of the year.

We safely and responsibly move what moves America by transporting, storing, and distributing refined petroleum products and crude oil.

Value Chain



Magellan operations are shown in green.

we provide connectivity to
nearly 50%
 of our nation's refining capacity

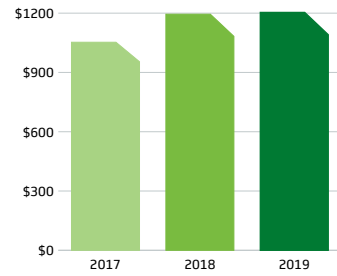
our operations span
22 states

Our asset portfolio includes:

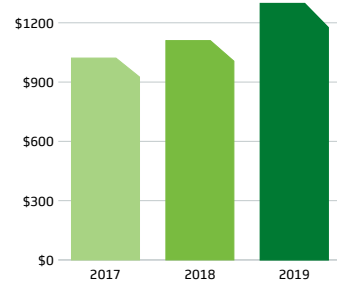
- Our refined petroleum products segment includes a 9,800-mile pipeline with 54 connected terminals, 25 independent terminals not connected to our pipeline system, and two marine storage terminals—one of which is owned through a joint venture.
- Our crude oil segment consists of 2,200 miles of crude oil pipelines, a condensate splitter, and 37 million barrels of aggregate storage capacity, of which 25 million barrels are used for contract storage. Over 1,000 miles of these pipelines, the condensate splitter, and 30 million barrels of this storage capacity—including 22 million barrels used for contract storage—are wholly owned, with the remainder owned through joint ventures.

FINANCIAL HIGHLIGHTS

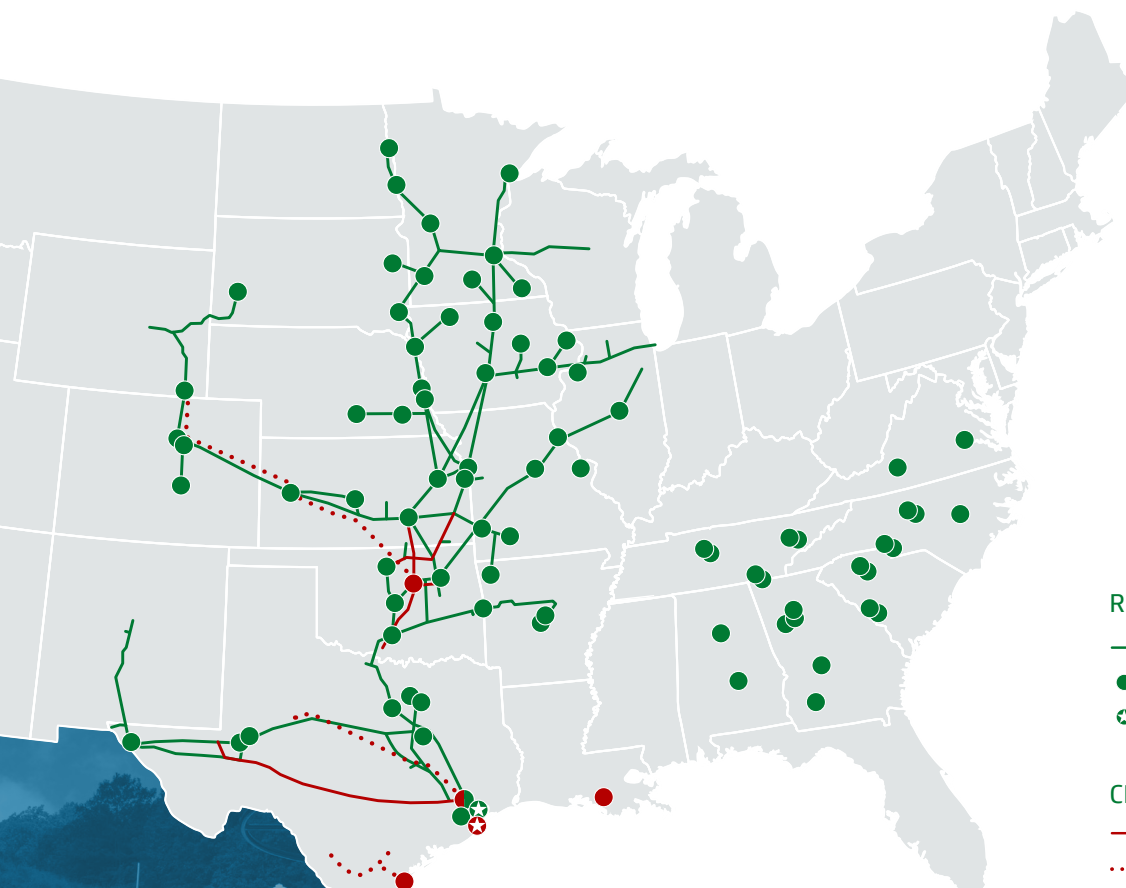
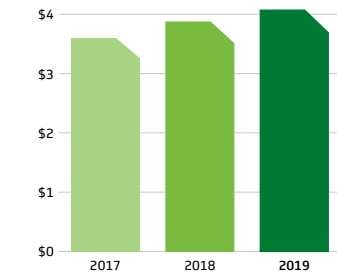
Operating Profit (\$ in millions)



Distributable Cash Flow (\$ in millions)



Cash Distributions Declared (per unit)



REFINED PRODUCTS ASSETS

- Refined Products Pipeline
- Refined Products Terminal
- ☆ Refined Products Joint Venture Terminal

CRUDE OIL ASSETS

- Crude Oil Pipeline
- ... Crude Oil Joint Venture Pipeline
- Crude Oil Terminal
- ☆ Crude Oil Joint Venture Terminal



Company Strategy

Our business strategy is founded on safe and efficient operations combined with superior customer service and fiscal discipline. Integral to our success, this strategy provides transparency to our stakeholders and serves as the basis for our annual performance goals ensuring strategic alignment across all functional areas of our company.



Magellan is consistently recognized for our financial discipline. 2020 marked our third consecutive year to receive Alerian’s “Most Fiscally Responsible” award. Alerian is a leading global energy index provider.

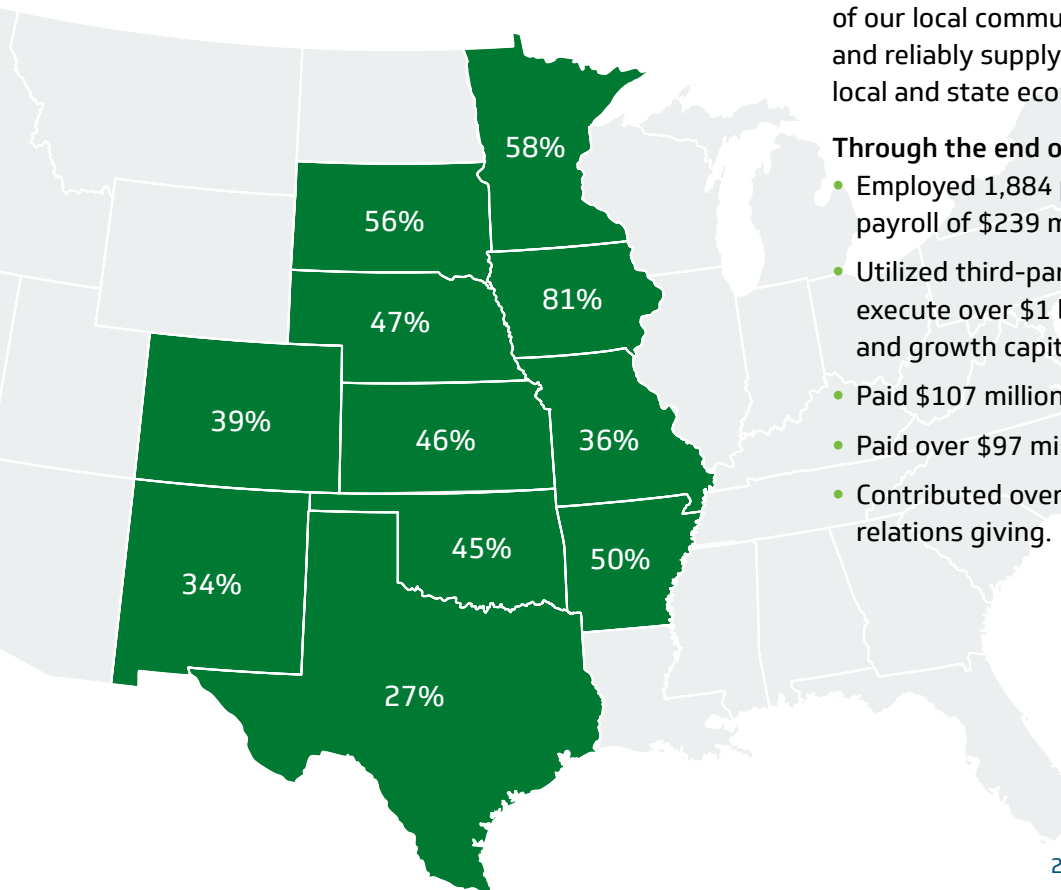
Focus on Safety

Successfully executing our business strategy depends on prioritizing safe practices and working diligently to protect our employees, contractors, communities, and the environment. Our enterprise-wide safety management system (SMS) is integrated into every process, investment decision, policy, and maintenance activity as highlighted throughout our report.

Providing Essential Services

Our refined products pipeline system delivers petroleum products throughout the middle part of the U.S. As evidenced by the percentage of fuel we directly supply to these states, we provide essential services to these communities and are proud to be an integral part of our country’s economy. As essential workers in critical energy infrastructure, as defined by the U.S. Department of Homeland Security, our employees ensure the continued and safe operation of our assets and access to fuels every day, even during significant weather events, holidays, and times of national crisis.

Percentage Total Refined Products Demand Supplied by Magellan (2019)



Positive Community Impact

We contribute significantly to the economic stability of our local communities. Our commitment to safely and reliably supply their fuel needs helps to support local and state economic vitality and job creation.

Through the end of 2019, Magellan:

- Employed 1,884 people with a total annual payroll of \$239 million.
- Utilized third-party contractors to safely execute over \$1 billion of maintenance and growth capital projects.
- Paid \$107 million to local utilities.
- Paid over \$97 million in payroll and property taxes.
- Contributed over \$1 million for community relations giving.



Environment

We protect the diverse ecosystems within the footprint of our operations, manage the use of our shared natural resources, and minimize our waste generation and air emissions for a sustainable future.

At Magellan, environmental stewardship is fundamental to our business. We strive to minimize our environmental impact through safe operations, capital investments, rigorous new asset construction standards, and compliance with all applicable laws and regulations. Oversight occurs through centralized subject matter expertise, field-based specialists, industry and community group participation, and Board of Directors (Board) engagement. To further reduce our environmental footprint, we regularly collect, manage, and analyze performance data for our key environmental metrics, including air emissions, water and energy consumption, and solid and hazardous waste generation. Properly designed and managed pipelines are the most environmentally friendly method of transporting the petroleum products that are essential to the communities we serve.

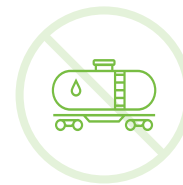


3.9 million
barrels of petroleum
products moved per day

HOW PIPELINE TRANSPORTATION MINIMIZED CO2 EMISSIONS



Magellan transported 126 billion barrel miles (actual) of refined products via pipeline. This eliminated ~1 million metric tons* of tanker truck CO2 emissions.



Magellan transported 172 billion barrel miles (estimated) of crude oil products via pipeline. This eliminated ~25 thousand metric tons* of rail car CO2 emissions.

*Emissions calculations based on American Petroleum Institute Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry (August 2009) and Magellan's 2019 volumes.

RELEASE PREVENTION

Magellan's comprehensive safety management system (SMS) combines consistent, specific procedures with risk identification and mitigation practices for modifying, constructing, maintaining, and operating our assets based upon sound technical principles and industry standards. Our SMS is intended to prevent petroleum product releases, mitigate the consequences of an accidental release, outline emergency response procedures, comply with regulatory requirements, and maintain the integrity of our assets. The SMS framework includes our integrity management plan (IMP). The IMP details pipeline surveillance monitoring programs that include utilizing inspection tools and corrosion inhibitors, periodic replacement of water crossings, monitoring and tracking depth-of-cover surveys, and extensive pipeline damage prevention programs.

Additionally, we assess each mile of our in-service pipeline system as if it were in a high consequence area (HCA), often exceeding regulatory requirements. HCAs are defined by regulation as sensitive locations requiring extra safety precautions to protect human health and the environment. Guided by our IMP, we conduct pipeline integrity assessments each year ensuring that all pipeline segments are assessed at least every five years to further protect the unique local environments within our operational footprint.

2019 Maintenance and Asset Protection Highlights:

- \$228 million spent on maintenance capital and asset integrity.
- Includes \$115 million invested in pipeline integrity testing, monitoring, and management.
- 132 water crossing inspections.
- 2,263 miles of pipeline with close interval inspections conducted.

PIPELINE MONITORING

Our pipeline control center, staffed 24 hours a day, continuously monitors the safety and performance of our pipeline system. Our controllers are trained in Magellan's rupture recognition and response program and log significant hours in simulators to assure their proficiency at recognizing and responding to a variety of pipeline conditions. As our first line of defense for a pipeline incident, our controllers have the knowledge and authority to remotely shut down and isolate pipeline segments, thereby accelerating our response effort. Our entire system has active leak detection monitoring and is enhanced with computational pipeline monitoring technology across the majority of our operations. This highly complex volume balance-based system uses artificial intelligence to detect pipeline releases. For additional safety measures, operators in the field can physically close valves, and our pipeline routes are regularly patrolled by air and on ground to identify and proactively address potential hazards.

EMERGENCY PREPAREDNESS AND RESPONSE

Magellan is committed to preventing petroleum product releases and their resulting impacts. Knowing that timely response is critical, we have developed and maintain a comprehensive system of emergency preparedness response plans, standards, and procedures within the SMS.

A vital aspect of our preparedness involves training to these plans. In 2019, we conducted 14 facilitated tabletop exercises to discuss various emergency response scenarios and 130 equipment deployment drills, many of which were attended by community stakeholders and representatives from local, state, and federal emergency response agencies. These collaborative exercises and drills continuously improve our response capabilities as we review best practices, discuss lessons learned from pipeline incidents across the industry, and understand the capabilities of our shared resources.

In the unlikely event of a release, our priority is to minimize the impact to people, the community, and the environment. At the core of our pipeline release response is Magellan's unique Code Red



"60 Minute Assault." Established to create an immediate and overwhelming assault on potential or actual releases, its goal is to locate, contain, and begin product recovery within 60 minutes of a pipeline release. Our 24-hour monitored control center initiates the emergency notifications while simultaneously shutting down the pipeline.

A specialized Spill Management Team (SMT) is deployed to the release area and local emergency response agencies are quickly advised of the event to further coordinate the response. We have over 250 highly trained employees from across our geographic footprint who make up our SMTs.

Every release is thoroughly investigated to assess the root cause and to evaluate its severity and the resulting environmental impact, with the lessons learned shared across our operations.

AIR EMISSIONS CONTROL AND REDUCTION

As a midstream operator, our primary sources of emissions are from storage tanks, truck and marine loading facilities, and pump stations. Continuous improvement in emissions reduction technology has resulted in upgrades to several of our facilities. For instance, using geodesic domes on compatible storage tanks and repainting tanks and piping white to deflect heat have both contributed to lowering emissions over the last several years. We have also invested over \$35 million to install 17 additional vapor recovery units (VRUs) to replace vapor combustion units (VCUs) at our refined products loading terminals. VCU technology burns the accumulated fuel vapors as transport trucks are loaded, whereas VRUs capture and recycle these emissions. In 2019, our 35 total VRUs recovered approximately 17 million gallons of refined petroleum product, avoiding over 550 tons of emissions.

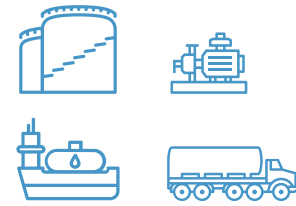
Each of the new VRUs has continuous emission monitoring systems that provide real-time confirmation of compliance with our air permits and prevent operation of the loading rack above these permitted levels. Further enhancing 28 VRUs with energy efficient monitoring technology resulted in an estimated savings of 4.2 million kilowatt hours of electricity this past year.

Our facility designs, routine maintenance operations, and increased use of VRUs have contributed to our overall reductions in volatile organic compounds (VOCs), nitrogen oxides (NOx), and carbon monoxide (CO), even with the continued growth of our asset base. Other recent initiatives to reduce emissions include:

- Installed catalytic converters on 100% of our operational mainline diesel engines at our pump stations resulting in a greater than 80% overall reduction in engine generated emissions of CO (an average 268 tons per year).
- Spent over \$1.4 million on low NOx burners at our MVP joint venture marine terminal in Pasadena, Texas, to achieve an anticipated 60% reduction in NOx emissions.
- Improved flare-gas combustion efficiency at our Corpus Christi, Texas, splitter.

GREENHOUSE GAS (GHG)

Magellan plans to report our Scope I and Scope II air emissions in our 2021 Sustainability Report to be published in 2022. In general, our midstream operations do not result in a significant contribution to the direct production of GHG, including methane, and only one location (less than 1% of our total number of facilities) requires a GHG permit.



emissions reductions

↓ **2% VOCs**
from 2018

↓ **22% NOx**
from 2015

↓ **36% CO**
from 2015

BIODIVERSITY AND ECOSYSTEM PROTECTION

Preservation of biodiversity within and around our operating footprint requires an ongoing focused commitment. We intentionally design and implement methods and procedures that reduce the effects of our maintenance and construction activities. An example of this commitment occurred during multiple pipeline construction projects, resulting in 1,500 miles of new pipeline across six states, as we collaborated with key stakeholders to minimize any impact to sensitive habitats. We proactively delayed construction to avoid wildlife breeding and migration seasons, rerouted our pipeline to avoid sensitive areas despite incurring additional costs, and restored sites to their preconstruction condition.

To minimize surface disturbance in sensitive areas while constructing new pipelines or replacing legacy pipeline segments, we often utilize horizontal directional drilling instead of potentially more destructive open cut methods. We plan our pipeline maintenance activities with the appropriate environmental assessments and seasonal restrictions for habitat protection. By conducting ground patrols through sensitive forest and wetland habitats and engaging local and state fish and wildlife agencies, we ensure that we protect the habitats around our pipelines across the country. Our preconstruction surveys and closely monitored construction activities have successfully protected the Houston Toad and American Burying Beetle, two species listed on the International Union for Conservation of Nature (IUCN) Red List for endangered species.

PROTECTING ECOSYSTEMS



We specifically scheduled the timing of several pipeline construction clearing activities to minimize potential impacts to the Bald Eagle, Burrowing Owl, and Long Eared Bat based on their migratory and hibernation patterns.



During our south Texas pipeline construction, we hired a Houston Toad specialist from Texas State University. Teams daily monitored our construction site activities to protect against direct harm. We spent over \$2 million in oversight to protect and preserve the Houston Toad during construction, provided supplemental funding to Texas State University for species recovery research, and spent millions more to modify our construction methods to further support the protection of this species.



In Oklahoma, we conducted preconstruction surveys to identify potential impacts to the American Burying Beetle. Using horizontal drilling technology costing over \$2 million, we successfully rerouted pipelines to avoid any negative impact to the surface habitat.

Photograph by Doug Backlund



We have spent over \$10 million identifying potential impacts and mitigation efforts to natural wetland habitats over the past several years on multiple projects. For example, to preserve wetland ecosystems within watershed areas impacted by our construction of the Fort Smith to Little Rock, Arkansas, pipeline expansion project, we contributed to the development of over 150 acres of forested wetland.

WATER MANAGEMENT

Minimizing water consumption and properly disposing of water generated from our operations enables Magellan to conserve water resources. As a midstream energy company, we do not drill wells for crude oil production or engage in hydraulic fracturing. We manage our low volume of fresh water usage through three primary practices—reclamation, reduction, and reuse.

Reclamation

Water becomes commingled with petroleum products in several ways during normal terminal and transportation operations. It can mix with our product when it rains, when snow and ice melt, or when it is introduced to perform routine maintenance activities. We design our facilities and processes to capture this mixture, known as petroleum contact water (PCW), and to contain it within storage tanks. Once contained, the PCW naturally separates due to density allowing us to process and recover the petroleum products via oil water separators. This greatly reduces the volume of PCW requiring other treatment or disposal and minimizes the potential for any environmental impact.

Over 90% of Magellan's PCW is recovered and reclaimed by processing at the reclamation facility we own and operate in Kansas City, Kansas, or at approved third-party reclamation facilities. The remaining volumes are treated and tested to meet water quality permit standards before discharge. In 2019, our Kansas City facility reclaimed nearly 40,000 barrels of petroleum products, which were ultimately sold as gasoline and diesel fuel.

Reduction

We continuously evaluate our operations to determine if further investments can reduce water generation, treatment, and disposal. In 2019, we completed an approximately \$1 million project to extend a truck loading rack canopy to divert precipitation, resulting in 57,000 fewer gallons per year of PCW generation and disposal. Additionally, we designed and constructed our splitter in Corpus Christi, Texas, as a dry system capable of processing 50,000 barrels per day of

petroleum condensate without using water. This facility relies on recycled natural gas, instead of steam from fresh water, to split condensate into its merchantable components.

Reuse

To ensure the safe operation and integrity of our assets during construction and maintenance, we perform hydrostatic testing that involves filling empty pipelines or tanks with water in order to verify integrity and identify any potential anomalies. Where possible, we reuse the same water for multiple tests; for example, we can isolate a section of pipeline requiring a smaller volume of water to test, then repeatedly isolate another section and reuse that water down the entire pipeline span. In some instances, we are permitted by the appropriate regulatory agencies to source the required water from local rivers or other water bodies. When withdrawing from local water sources, our preference is to return the water back to its original source after testing and verifying stringent water quality standards are met.

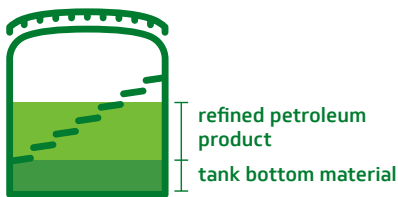
At our Crane Terminal in Texas, the origination point of our Longhorn Pipeline, we regularly use our onsite pond water to hydrostatic test tanks and piping. The water is used, sampled to meet Texas Railroad Commission discharge permits, then discharged back into our pond. From 2015 through 2019, we reused over 1 million barrels of fresh water. For further conservation, we lease our Crane pond water to our peers in water-scarce West Texas to perform their own hydrostatic tests. Magellan verifies these third parties have the required permits and we validate their sample results before discharging back into our pond. This resulted in reusing nearly 500,000 additional barrels of water, saving time, manpower, and transportation costs over the same period while meeting or exceeding environmental regulations.

WASTE MANAGEMENT

Transporting, storing, and delivering petroleum products generates both non-hazardous and hazardous wastes. Annually, our volume of waste generated can vary based on scheduled routine tasks, major maintenance projects for our splitter and fractionators, and remediation activities. As waste reduction efforts benefit us from both an environmental and financial perspective, we continually seek alternatives for reclamation, recycling, or reuse of our waste streams.

Reclamation

Our Kansas City reclamation facility is also equipped to process petroleum by-products from our operations. Tank bottom material (TBM), or accumulated sediment, is removed from system storage tanks as part of our normal inspection and cleaning cycles. Solids are separated from the TBM using our specialized filter press equipment, dried, rendered into non-hazardous waste, and approved by regulators for disposal to area landfills. The remaining liquid is recovered, fractionated, and blended into usable refined petroleum products.



Recycle and Reuse

We choose to recycle and reuse materials and have engaged in a number of initiatives to better manage our resources and minimize landfill waste. We coordinated with state regulatory agency personnel to relocate 7,400 cubic yards of petroleum-impacted soil for use as fill dirt, and sent sand blast media used to prepare the outside of our assets for painting maintenance for reuse as road base material. We also secured state regulatory agency approval to move our ship channel dredge materials to areas that promote future wetland habitats.

recycling by the numbers (2019)

5,400 lbs
of aluminum and
glass containers

8,500 lbs
of shipping supplies

982 tons
of scrap metal

23,600 lbs
of filters

2,565 gallons
of used motor oil

1,020 gallons
of paint waste

52,680 lbs
of office paper waste

MINIMIZING ENERGY CONSUMPTION

Effectively managing our consumption of electricity, diesel, and natural gas provides opportunities to innovate, improve efficiency, and reduce costs required to operate and maintain our assets. Assessing opportunities for additional efficiencies remains a focus of our business optimization initiative launched in 2019. We have successfully minimized our overall power consumption in the following ways:

- Routinely utilizing Drag Reducing Agent (DRA), a common additive used to increase flow capacity by decreasing the friction between the petroleum product and the internal wall of the pipeline. In 2019, our use of DRA prevented the consumption of approximately 1.9 billion kilowatt hours of electricity without impacting safety or product quality.
- Employing comprehensive hydraulic modeling and programming to optimize our pipeline operations while minimizing the horsepower required.
- Replacing standard commercial grade halide light bulbs with long-lasting, energy-efficient LED bulbs with a total spend that exceeded \$825,000.

RENEWABLE FUELS

Biofuels, such as ethanol and biodiesel, are alternative fuels which are typically derived from agricultural resources and blended with other refined products to meet government fuel requirements. Magellan offers ethanol blending at each of our gasoline terminals giving customers the option of E10 (10% ethanol/90% gasoline), E15, and E85, which are EPA approved for all flex-fuel capable passenger vehicles. We have 12 terminals with biodiesel blending infrastructure capable of blending B2 (2% biodiesel/98% diesel) to B20. Across our system, we blended over 775 million gallons of ethanol into gasoline and 54 million gallons of biodiesel into diesel fuel in 2019. We continue to evaluate our capabilities for additional facilities and inline pipeline blending opportunities to expand our renewable fuel offerings in order to meet the needs of our customers and the communities where we operate.

minimizing energy consumption



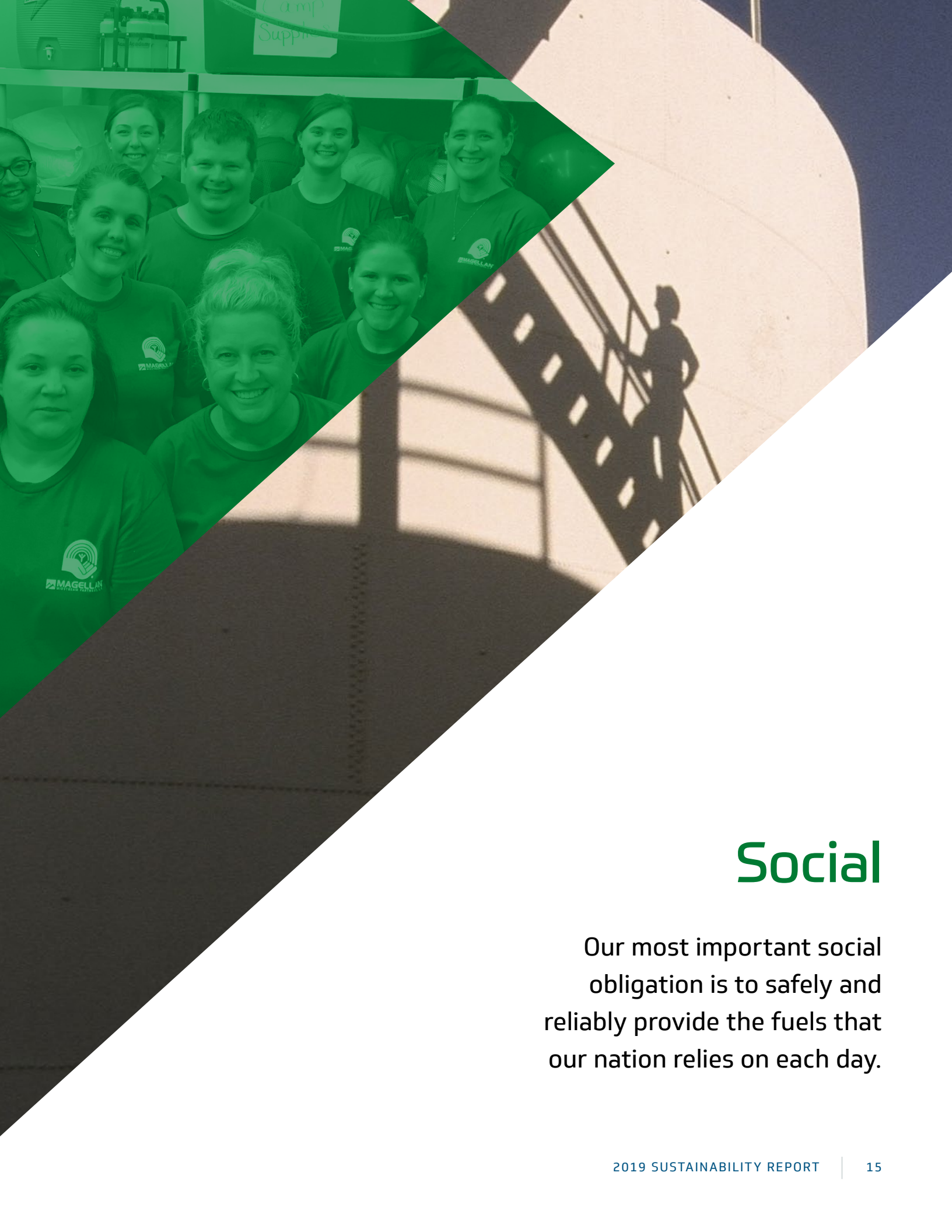
1.9 billion

kilowatt hours saved using Drag Reducing Agent in our pipelines



\$825,000

spent to install LED bulbs



Social

Our most important social obligation is to safely and reliably provide the fuels that our nation relies on each day.

LIVING BY OUR PRINCIPLES

Magellan conducts our business and operations in a safe, sustainable, and compliant manner, expecting and requiring the highest level of ethical conduct from our employees. As such, our [Code of Business Conduct](#) (Code) is at the heart of our decision-making and actions. It focuses on our core values of respect, honesty, safety, efficiency, compliance, and stewardship of company resources. Each employee, from the CEO to the individual contributor, is expected to abide by our Code at all times. To integrate this expectation into our daily interactions, we require each employee to sign an agreement to comply with our Code and attend recurring Code awareness training.

As the Code directs what we do, our OneMagellan tenets define how we do it. OneMagellan connects our employees across our operations and serves as a key driver in generating strong financial stability and safety results year-over-year.

OneMagellan represents the way in which all employees are expected to act. Each tenet is chosen to reflect our commitment to each other and to our external stakeholders as we work together to achieve Magellan's business strategy.

OneMagellan Tenets



Safety & Compliance

Safety and compliance are paramount in everything we do—an integral part of every decision we make. No shortcut or efficiency is worth risking the life or health of another person or compromising the environment. Each of us is empowered and expected to stop an unsafe or non-compliant act.



Teamwork

We're all on the same team, working toward a common goal, and collectively own the successful, or not so successful, outcomes of the organization. We have various roles and bring diverse perspectives to the table, but we are always respectful of each other. We work together as a team to resolve issues, pursue opportunities and find the best solution for Magellan.



Customer Service

We're in the service business and wouldn't be here if it weren't for our customers. We have to earn their business every day. We want to make our service so reliable, flexible, and valuable that our customers become our advocates and Magellan is always their preferred choice.



Growth

We deliver reliable profitability and disciplined growth, while striving to exceed our performance targets. We display a sense of urgency and vigorously pursue opportunities that add value to the company. We are not complacent and are not satisfied with the status-quo.



Engagement

Our careers are challenging and rewarding and we strive to personally contribute to Magellan's success. We make decisions like we own the company. We represent the company well, realizing that the actions of each of us impact Magellan's collective reputation.



Efficiency

We agree that it's our collective responsibility to be good stewards of the company's assets and resources. We are disciplined in the use of our human and financial resources and diligent in how we construct, protect, and maintain our assets.

MANAGING SAFETY

The safety of our employees, contractors, and communities in which we operate is deeply embedded in our culture and fundamental to our sustainable success. Each day, our number one priority is to have an accident-free, incident-free workplace where everyone returns home safely—we call this “Mission ZERO.” We expect and empower every employee and contractor to stop any unsafe work immediately. We believe a strong safety culture promotes a learning environment when combined with operational discipline and employee engagement. An intentional commitment to doing the right thing, the right way, every single time, while diligently maintaining our assets reduces the risk of incidents.

**MISSION
ZERO**

Safety Management System (SMS)

All employees have electronic access to our SMS as continuous improvement of safety is the responsibility of each of us, wherever we work or live. Magellan’s SMS aligns with the American Petroleum Institute’s Recommended Practice 1173 for Pipeline Safety Management Systems and is an integrated and comprehensive framework to achieve safe, compliant, and efficient operational performance.

Our SMS is an integrated and comprehensive framework to achieve safe, compliant, and efficient operational performance.

Our SMS consists of 15 elements that define how we consistently manage and reduce operational risk to people, assets, and the environment. It is overseen by a team of senior leaders who have accountability for the accuracy, applicability, and continuous improvement of the SMS.

SMS procedures and standards are regularly evaluated for alignment with regulatory requirements and industry best practices. They are enforced through comprehensive training incorporating lessons learned, audits, and collaborative engagement with our leadership team. Key aspects of risk management and process safety within our SMS include pipeline integrity, facility integrity, management of change, safety and integrity assessments, and operating procedures. We assess and track compliance with the SMS requirements through our compliance management system, internal audits, third-party audits, incident investigations, and routine performance measurement of a wide range of key performance indicators.

MAGELLAN’S SAFETY MANAGEMENT SYSTEM FRAMEWORK

Magellan’s Commitment

Training and Qualifications

Contractor Management

Project Management

Safety Management

Environmental Protection

Asset Integrity

Security

Operations and Operations Control

Community Relations

Change Management

Emergency Management

Incident Management

Compliance Management

Commercial Operations

Safety Goals

Magellan promotes a culture of continuous improvement and employee engagement. Specific safety and environmental performance metrics are established annually by our senior leadership team with oversight by our Board of Directors (Board). These metrics are used to gauge our year-over-year performance related to preventable incidents, including human error events, employee injuries, motor vehicle accidents, product releases, and product contaminations. Metrics are communicated quarterly to our Board and all employees. Additionally, management develops safety and environmental goals with the intent of improving our safety and environmental performance over time. While our goal is to eliminate all preventable incidents, those that do occur are evaluated by our Board in determining the payout of the safety and environmental portion of our company-wide annual incentive program.

Contractor Safety

As critical contributors to our successful operations, contractors and subcontractors are expected to be safety leaders. Magellan communicates this expectation, reviews contractor activity, and conducts documented onsite contractor inspections each year. Before work begins on any Magellan-owned property or pipeline easement, all contractor qualifications are assessed based on our established standards for training criteria, safety performance, and environmental compliance.

Incident Reporting and Investigation

Fueled by a commitment to guard against complacency and to continuously improve, Magellan maintains a robust system of incident reporting and investigation. Magellan's senior leadership team manages our incident reporting and investigations with a specific emphasis on root cause analysis and developing changes to processes, procedures, and training. To best mitigate future incidents, we communicate the lessons learned to all employees to reinforce that intentional focus on the task at hand will achieve safe operational practices.

Employee Recognition

We believe it is essential to our safety culture to not only learn from our near misses and incidents, but also to recognize those employees who exemplify behaviors and actions that promote safety and compliance. Each quarter, our leadership team awards OneMagellan recognition coins to employees who go above and beyond in a variety of ways, including exercising stop work authority and recognizing and removing potential hazards.





EMPLOYEE RELATIONS

An inclusive and engaging company culture is paramount to attracting and retaining top talent and recognizing the needs and values of our employees. We focus on building teamwork, maintaining relationships, developing leaders, and acknowledging our employees' contributions. We encourage our employees to make decisions as if they own the company and are directly responsible for our reputation in the industry and the communities in which we operate.

Diversity and Inclusion

We cultivate teams that are inclusive and results-driven, and celebrate each employee's strengths as they are empowered to contribute and drive value. Discrimination or harassment against any employee or job applicant on the basis of ethnicity, gender, or any other protected category or status is not tolerated.

Diversity and inclusion as a mindset is about more than workforce demographics—it also includes a desire to accept differing education, experiences, ideas, and perspectives to provide a competitive edge. With operations spanning close to half of the U.S., we are an Equal Opportunity Employer serving a diverse set of communities. We believe the most meaningful and holistic way to ensure inclusion is through leadership, training, and ongoing assessment. From our Board to our front line leaders, there is a clear expectation for a diverse and inclusive workplace.

In 2019, to further promote inclusion within Magellan, we began a relationship with the Native American Community Committee and continued our existing membership in the Women's Energy Network. We also sponsored and participated in Tulsa's Racism Stinks walk, and attended the Service Academy Career Conference of active military and veterans to discuss career opportunities.

Compensation

Our employees receive market-driven competitive pay with excellent benefits and participate in an annual incentive program (AIP). Our performance-based AIP is intended to encourage all employees to make decisions that align with our OneMagellan tenets and our company strategy. Every employee, from the CEO to the newest hire, has the same company performance bonus formula. We believe this sends a powerful message to each employee that their individual decisions and quality of work directly impact all of us. Annual company performance is assessed by the Compensation Committee of our Board based on several weighted factors including EBITDA (earnings before interest, taxes, depreciation, and amortization) at 65%, environmental and safety performance metrics at 25%, and commodities at 10%.

We also provide a Long-Term Incentive Plan (LTIP) for our management team and key employees, which consists of both performance-based and time-based unit awards. Our Compensation Committee believes combining these two forms of awards is an effective way to focus attention on unitholder return. To further align with this philosophy, the LTIP utilizes distributable cash flow per unit as the performance metric, which is foundational to measuring the company's long-term performance.

25% AIP

metric for environmental and safety performance

Benefits and Wellness

Magellan invests in the health and wellness of our employees through a robust benefits program averaging an additional 35% of base salary and wages. Monthly medical insurance premiums are 80% company-paid for employees and their eligible dependents with 94% of our 1,884 employees electing coverage in 2019. Approximately 90% of our employees participate in our 401(k) retirement savings plan, which offers a 6% employer match, and we also provide a company-funded pension plan.

In 2019, over 70% of our employees participated in our Move Magellan annual wellness program intended to encourage healthy habits in a team-supported setting. Teams walked a total of 1.15 million miles—roughly 100 times the equivalent length of our pipeline system—and received both individual and team recognition.

Training and Development

Investing in employee training and growth is crucial to retaining top talent and developing our employees into subject matter experts and leaders who will fuel innovation and move our business strategy forward for years to come.

All employees have access to a company-wide training platform, the Learning Management System (LMS). Through the LMS, our employees take online courses covering technical development, leadership, safety, regulatory compliance, and company policy curriculum, such as “Know the Code,” our Code of Business Conduct training. We provide comprehensive on-the-job training programs for facility operations and site specific requirements. In 2019, Magellan employees completed over 98,000 hours of health, safety, cybersecurity, emergency response, and other training.

We support our employees’ ongoing career goals and unique professional development through training programs designed to maximize their potential and develop the skills needed to succeed.

A few training examples include:

- New Employee Orientation
- Leadership Essentials for New Supervisors
- Leaders Developing Leaders
- Operations Supervisor Development Program
- Leadership Compliance
- Diversity and Anti-Discrimination

employee benefits

80% medical premiums paid

up to **6%** 401(k) match

pension plan

Additional Benefits

- Employee assistance program
- Paid time off (holiday, vacation, personal, family member illness, military, and jury duty)
- Tuition reimbursement program
- Health enhancement subsidy
- Wellness programs
- Employee term life insurance
- Employee accidental death & dismemberment (AD&D) insurance
- Voluntary dependent life and AD&D insurance
- Disability insurance (short and long-term)
- Business travel insurance

EMPLOYEE ENGAGEMENT

We actively engage with employees across the country through a wide range of methods: senior leaders travel throughout the year to conduct town hall meetings with employees for face-to-face dialogue; company news and announcements shared via our employee intranet; informational “Did You Know” posters displayed in common areas; an LED display system highlighting safety and key communications; and employee-submitted optimization and efficiency ideas.

Periodically, Magellan initiates company-wide surveys to assess our employees’ perceptions of our compliance measures, safety processes, and workplace culture. In 2018, over 90% of employees participated in a company-wide compliance and safety survey conducted by a third party. Of those respondents, greater than 94% rated our performance in safety culture and engagement favorably. In 2020, we engaged a third party to administer an all-employee culture assessment to identify areas of strength and any potential opportunities for improvements.

COMMUNITY ENGAGEMENT

As an essential service provider, we ensure our communities have environmentally responsible and reliable access to the petroleum products necessary to keep America moving. This delivery commitment

allows us to quickly initiate adjustments during times of regional or national crises—such as reversing pipeline directional flow to meet fuel demand during times of severe weather events, and implementing additional health and safety guidelines to sustain uninterrupted service during the COVID-19 pandemic.

The U.S. Department of Transportation reports that the safest, least costly, and most efficient way to move the immense volume of petroleum products needed across the U.S. is via underground pipeline systems. Our pipelines traverse privately-owned and public lands as well as those with cultural and historical significance to Indigenous Peoples and other communities. During project planning, we collaborate with Native American tribal representatives to conduct archaeological investigations on any sovereign lands, and actively engage with our landowners to build long-term relationships. Our positive community engagement allows us to effectively communicate our construction and maintenance activities with the area residents to ensure their protection.

The U.S. Department of Transportation reports that the safest, least costly, and most efficient way to move the large volume of petroleum products needed across the U.S. is via underground pipeline systems.

Community Engagement Methods	Tribal Representatives and Landowners	Community Members	Emergency Responders	Government and Regulators
Face-to-face meetings	●	●	●	●
Informational publication mailers	●	●	●	●
Company website (www.magellanlp.com)	●	●	●	●
Social media	●	●	●	●
Local and regional organizations		●	●	
Investment in community programs		●	●	
Emergency response tabletop exercises		●	●	●
Asset tours		●	●	●

Community Giving

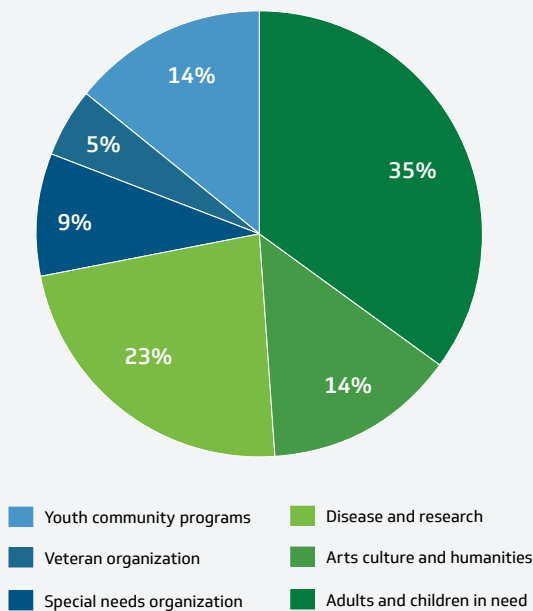
Magellan invests in programs and charitable organizations that align with our values and enhance the quality of life of residents in our communities.

Over 700 of our employees reside near our headquarters in Tulsa. When city officials announced plans to build the Gathering Place, a nearly 100-acre park to complement the public walking and biking trails along the Arkansas River, Magellan committed a \$5 million sponsorship. [Tulsa's Gathering Place](#) has already received international recognition for its demonstrated mission of inclusivity to bring our community together through a world class space that engages, educates, and excites.

Each year, Magellan identifies strategic non-profit organizations to financially support. In 2019, we contributed over \$120,000 to these charitable agencies and additionally donated close to \$95,000 to organizations where our employees actively volunteer their own time and resources.

During construction of our joint venture Seabrook crude oil facility in Texas, we donated funds to the City of Shoreacres' Circle Park playground expansion. We also contributed \$100,000 to create a scholarship endowment for the San Jacinto College Foundation Maritime program, a United States Coast Guard-approved and internationally recognized standards, training, and certification program for professional mariners.

2019 Charitable Giving



Magellan and our employees have been long-term supporters of the United Way, contributing more than \$4 million to 36 local chapters across the U.S. Annually, our employees volunteer over 500 hours for the Tulsa Area United Way Day of Caring to help with cleaning, painting, and building maintenance projects designed to assist vulnerable populations within our city.

Supply Chain Management

Exceptional customer service with a focus on safely delivering petroleum products to our communities takes collaboration and teamwork. Magellan manages an active nationwide and local vendor database to help maintain our existing assets and construct new infrastructure. Our contractors and vendors are expected to meet Magellan's safety, environmental, labor, and ethical commitments and to comply with all applicable laws and regulations. Further requirements associated with contractor qualifications, agreements, approvals, and inspections are incorporated in our SMS, Code of Business Conduct, and Delegation of Authority policies.

We have intentionally purchased U.S. steel for major pipeline construction projects and required the steel to be rolled into pipe at U.S. production and manufacturing facilities. While not the least expensive option, this has allowed us to verify the quality of the finished pipe while providing jobs for American workers.

Public Awareness

Our commitment to public safety and pipeline awareness is a critical component of our overall community relations and safety program as detailed in our SMS. As a participant in the national 811 program, we respond to thousands of inquiries each year and promote pipeline safety awareness of underground assets, hazard recognition, and damage prevention measures. In 2019, Magellan's One Call Center processed 231,275 work orders to mark our asset locations prior to excavation activities. Additionally, we meet with public officials and local emergency planning commissions (LEPCs), conduct training exercises with first response agencies, and prepare efficient joint emergency response plans in the event of a pipeline or terminal incident.

Magellan's English and Spanish public awareness program enhances public safety and environmental protection through education. In 2019, we mailed 889,884 bilingual pipeline educational materials with our contact information to residents, property owners, businesses, excavators, farmers, emergency responders, public officials, and community members. Our damage prevention professionals further promote the national "Call 811 Before You Dig" program through local billboard sponsorships, social media campaigns, and public outreach using informational door hangers, school programs, brochure kiosks at equipment rental locations, and promotional giveaways.



**Know what's below.
Call before you dig.**



Governance

As a public company, we are accountable for our reputation, performance, and practices and strive to maintain public confidence and trust as we meet the energy demands of our country.

BOARD LEADERSHIP

Ethical governance policies and practices provide a critical foundation for the sustainable success of Magellan. The members of our Board of Directors (Board) are publicly elected by our unitholders and provide strategic oversight of our business activities, promoting transparency, responsibility, high standards of conduct, and a safe environment for our employees, stakeholders, customers, and communities. Our three standing Board committees' responsibilities are summarized below and are set forth in written [Committee Charters](#) adopted by our Board.

- **Audit Committee:** Reviews our external financial reporting; retains our independent registered public accounting firm, approves and pre-approves their services, and participates in the selection of their lead partner of our account; reviews procedures for internal auditing and the adequacy of our internal accounting controls; provides oversight of our enterprise risk management policies and procedures; and reviews our annual risk assessment to identify and mitigate risks.
- **Compensation Committee:** Designs and recommends appropriate compensation plans and policies for executive officers and key employees; reviews the allocation between cash and equity compensation; establishes and verifies achievement of incentive performance measures and goals; and reviews the results of the advisory vote of our unitholders approving the executive compensation program.
- **Nominating and Governance Committee:** Provides oversight of our [Governance Guidelines](#) to include director nominations, qualifications and independence; directors' participation in continuing education programs; evaluations of our Board and its standing committees; and the succession planning for our CEO and executive officer positions.

Consistent with best practices, our Board members are elected by our unitholders and consist of eight independent directors and one member of management. Our Board meets the independence and financial literacy requirements of the New York Stock Exchange and the U.S. Securities and Exchange Commission, and each member complies with our Governance Guidelines. Our Board members bring extensive finance, strategic planning, project management, operational, and legal expertise, and most have direct petroleum and energy industry experience.

WomenInc.

Recognized as
**2019 Most Influential
Corporate Directors**

Magellan Midstream Partners

Board of Directors:

Lori A. Gobillot

Stacy P. Methvin

governance at a glance

Unitholder election of Board of Directors

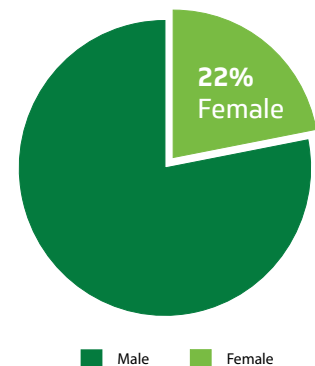
**8 of 9 directors are
independent**

Independent Audit, Compensation, and Nominating and Governance Committees

Management aligned with unitholders:

- **Eliminated incentive
distribution rights in 2009**
- **Performance-based
compensation**

Board Diversity:



GOVERNANCE

Magellan's Board and our employees are dedicated to maintaining high ethical standards with a diligent focus on financial, environmental, safety, labor, and governance compliance to provide transparency for our employees, contractors, customers, investors, and community stakeholders.

Recognizing the potential for conflict between the interests of our limited partners and general partner, we were one of the first publicly traded partnerships to eliminate the incentive distribution rights of our general partner. This eliminated potential conflicts of interest among our owners and ensured alignment between our Board, management, and unitholders. Other best practices include:

- Approximately 60% of our senior leadership's compensation is tied to our company performance and is paid in equity.
- Our LTIP is based on cash flow performance per unit, which we feel aligns management most closely with unitholder interest.
- AIP includes 25% weight on environmental and safety performance including Occupational Safety and Health Administration incident rates, release avoidance, and compliance metrics.
- Annually conducting an internal pay equity ratio analysis of our CEO's total target compensation compared to a review of all-employee compensation. In 2019, the resulting pay ratio was below our MLP peer average.

RISK MANAGEMENT

Magellan's Board oversees our enterprise risk management practices through active engagement with management. Our risk management practices are driven by a comprehensive framework that includes an annual company-wide risk assessment, Board oversight, and extensive policies and procedures. The annual assessment is completed by all company managers and above, with results reviewed by our Board to reinforce the active management of risk exposures. In addition, annual performance metrics and focus areas are developed each year with

oversight from our Board to ensure appropriate integration of environmental, economic, social, and governance opportunities. By design, compliance with our safety management system (SMS) and our company policies and procedures mitigates organizational risk, including regulatory risk. One of our core objectives is to meet or exceed applicable federal, state, and local laws and regulations governing crude oil and refined petroleum products pipelines and storage; safety, environmental and employment practices; and financial reporting.

In order to validate the ongoing effectiveness of our risk management framework, it is important that we regularly assess our performance and incorporate regulatory changes into our programs. As such, our internal audit team and other internal subject matter experts regularly assess adherence to our standards, while management provides timely resolution of gaps identified and communicates lessons learned that have company-wide implications. Additionally, regulatory changes are continuously monitored for applicability and incorporated as needed in the SMS and company policies and procedures. This continuous improvement model is a critical aspect of managing risks associated with our business.

CYBERSECURITY

Recognizing the criticality of securing our organizational systems, data, and networks, Magellan has established a robust cybersecurity and data protection program and provides quarterly performance reports to our Board's Audit Committee. We routinely deploy employee awareness and threat recognition training. Continuous assessment and enhancement of our information technology (IT) environment ensures the confidentiality, integrity, and availability of our IT assets. We maintain strict access controls, a multi-layered defense strategy, and advanced monitoring and filtering technologies. Our threat intelligence activities provide an informed view of the changing risks and threat landscape. We engage third-party advisors to conduct penetration tests and validate the effectiveness of our infrastructure, policy, and training protocols.

PUBLIC POLICY AND ADVOCACY

Magellan encourages responsible energy development and advocates for reasonable and balanced laws and regulations through engagement with elected officials, regulators, industry associations, and other stakeholder groups. We participate in legislative and regulatory policy development in a responsible and ethical manner to best serve the interests of our investors, employees, and other stakeholders.

We approach advocacy through:

- Educating our elected officials and regulators on issues affecting the company and our industry.
- Providing policymakers the data and other information to enable informed decision-making on the benefits of traditional petroleum fuels and how pipelines can safely, reliably, and cost-effectively meet the needs of the public.
- Engaging with legislators, regulators, and other stakeholders to support responsible and reasonable laws and regulations.

Magellan offers employees the opportunity to participate in the political process by voluntarily contributing to Magellan's Political Action Committee (PAC). The PAC makes contributions to candidates for U.S. federal and state elected offices. The PAC authorizes and provides contributions to support elected officials in both political parties who are typically located in states where we have operations and are generally supportive of our long-term policy objectives. The Magellan PAC is registered with the U.S. Federal Election Commission (FEC) and complies with all FEC, state, and local rules and reporting requirements.

Our 2019 political engagement focused on energy infrastructure growth projects for pipeline and storage expansions, pipeline project permitting for maintenance and expansion projects, pipeline safety legislation to protect the public and the environment, and state and federal tax policies to promote the sustainability of the publicly traded partnership structure.

We know the decisions made today will shape the laws and regulations under which we operate tomorrow. As such, we believe it is a necessity to be actively engaged with our federal, state, and local governments.

INVESTOR RELATIONS

Our governance policies and activities are designed to provide investors with company information that is accurate, timely, and meaningful. Our investor relations team regularly engages with investors and research analysts to answer their questions about Magellan and educate them on our company. Throughout 2019, members of our executive management team held in-person meetings with more than 300 current and potential equity and debt investors and hosted quarterly earnings calls to review our financial results and address other topics of interest with the investment community. Magellan's investor relations team has consistently been recognized as one of the best within our industry.

REPORTING CONCERNS

All employees must adhere to the Code of Business Conduct at all times. Suspected wrongdoing or unethical behavior should be reported to the company directly or through Magellan's confidential 24-hour [Action Line](#) that is operated by an independent service. Anyone can report an anonymous concern—including Magellan employees, contractors, customers, or the general public—without fear of retaliation. Employees may also contact our Human Resources or Legal departments for an additional confidential reporting channel. To maintain stakeholder trust and accountability, we investigate all Action Line reports of suspected violations and provide quarterly briefings to our Board's Audit Committee.



action line
(888) 475-9501



About this Report

This report has been informed by the Global Reporting Initiative Standards. It covers the period January 1, 2019, to December 31, 2019, except as noted, and will be updated annually.

MATERIALITY ASSESSMENT

As a first step in developing our inaugural Sustainability Report, we conducted a materiality assessment to better understand the topics that are most critical to Magellan and our stakeholders. Our process included a review of sustainability reporting frameworks, peer company sustainability reports, and industry association guidance. We customized a multidisciplinary, midstream energy-focused survey and deployed it to our Board, internal leaders, and key external stakeholders to rank specific environmental, social, economic, and governance topics according to their likelihood or ability to impact our business objectives. Our materiality assessment, guided by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) energy industry-specific standards for the midstream sector, identified the 14 highest-ranking topics for inclusion in our Sustainability Report. These topics listed below are referenced throughout this report but may not have dedicated sections.

REPORTING GUIDELINES

Contact

Paula Farrell
Associate Vice President, Investor Relations
918.574.7650, paula.farrell@magellanlp.com

Global Reporting Initiative (GRI)

This report has been informed by the [GRI Standards](#).

Non-GAAP Financial Measures

Adjusted EBITDA and Distributable Cash Flow are non-GAAP metrics. Please see the reconciliation of both of these metrics to net income, the nearest comparable GAAP financial measure, included in our 2019 Annual Report on [Form 10-K](#).

Forward-Looking Statements

Except for statements of historical fact, this report constitutes forward-looking statements as defined by federal law. Forward-looking statements can be identified by words such as: intend, potential, plan, target, guidance, believe, estimate, expect, continue, commitment, future, term, may, will, and similar references to future periods. Although management believes such statements are based on reasonable assumptions, such statements necessarily involve known and unknown risks and uncertainties that may cause actual outcomes to be materially different. A list of factors that could lead to material changes in performance is included in our filings with the Securities and Exchange Commission, including Magellan's Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2019, and subsequent reports on Forms 8-K and 10-Q. You are urged to carefully review and consider the cautionary statements and other disclosures made in those filings, especially under the headings "Risk Factors" and "Forward-Looking Statements." Forward-looking statements made by Magellan in this report are based only on information currently known, and we undertake no obligation to revise our forward-looking statements to reflect future events or circumstances.

MATERIALITY ASSESSMENT TOPICS

ENVIRONMENTAL	SOCIAL	ECONOMIC	GOVERNANCE
Spill Management	Community Health & Safety	Disciplined Business Strategy	Regulatory Compliance
Air Emissions Control & Reduction	Incident Management & Emergency Response	Asset Integrity Plan	Code Of Business Conduct
Waste Generation & Disposal	Safety Management System	Investor Relations	Risk Management
	Customer Satisfaction		Board Composition & Selection

Magellan is focused on safe and efficient operations combined with transparent environmental, social, and governance disclosure. Data reported below is accurate as of December 31, 2019.

PERFORMANCE DATA TABLE						
ECONOMIC IMPACT		2015	2016	2017	2018	2019
Financial	Adjusted EBITDA, million US\$ ¹	\$1,172	\$1,213	\$1,303	\$1,396	\$1,581
	Total Assets, million US\$	\$6,042	\$6,772	\$7,394	\$7,748	\$8,438
	Distributable Cash Flow, million US\$ ¹	\$943	\$947	\$1,021	\$1,110	\$1,297
	Cash Distribution Declared, per unit US\$	\$3.01	\$3.32	\$3.59	\$3.87	\$4.07
	Property Taxes, million US\$ ²	\$62	\$67	\$66	\$74	\$80
	FICA Taxes, million US\$	\$13	\$14	\$15	\$16	\$17
Operational	Total Throughput, million barrels (bbls)	1,038	1,054	1,148	1,257	1,440
	Miles of Pipeline	12,300	13,000	13,000	13,000	12,000
	Barrels of Storage Capacity, million bbls	96	100	104	111	118
	Number of States Where We Operate ³	24	24	24	24	24
GOVERNANCE		2015	2016	2017	2018	2019
Board and Diversity	Number of Board Members	7	8	8	8	9
	Independent Board Members (excluding CEO)	100%	100%	100%	100%	100%
	Number of Women Board Members	1	2	2	2	2
Risk Management	Comprehensive Annual Audit Plan Approved by Board of Directors	Yes	Yes	Yes	Yes	Yes
	Employee Hours Dedicated to Internal Audits	21,273	22,193	25,050	28,009	30,469
Action Line	Number of Calls Received for Reporting Concerns	12	14	16	21	21
Supply Chain	Number of Suppliers and Contractors Screened for Health and Safety Criteria ⁴	1,200	1,375	1,500	1,625	1,650
ENVIRONMENTAL		2015	2016	2017	2018	2019
Compliance Management	Number of Notices of Violation (NOV) ⁵	12	8	3	18	12
	Total Fines and Penalties, thousand US\$ ⁶	\$2,065	\$40.3	\$28.6	\$8.6	\$102.8
Controlling Emissions	Number of Vapor Combustion Units (VCUs) ⁷	68	68	68	68	70
	Number of Vapor Recovery Units (VRUs)	12	18	27	30	35
	Nitrogen Oxides (NOx), tons ⁸	577	538	467	501	451
	Carbon Monoxide (CO), tons ⁸	601	534	446	434	383
	Volatile Organic Compounds (VOCs), tons ⁸	4,376	4,440	5,839	4,678	4,569
Greenhouse Gas Emissions ⁹	Percentage of Total Number of Facilities Required to Obtain GHG Permits ⁹	0%	<1%	<1%	<1%	<1%
	Total CO2e Reported, thousand metric tons ¹⁰	N/A	0.2	54	79	71
	Carbon Dioxide (CO2e), thousand metric tons ¹⁰	N/A	0.1	53	78	70
	Methane (CO2e), metric tons ¹⁰	N/A	152	641	635	626
	Nitrous Oxide (CO2e), metric tons ¹⁰	N/A	3	159	231	211

¹ Adjusted EBITDA and Distributable Cash Flow are non-GAAP metrics. Please see the reconciliation of both of these metrics to net income, the nearest comparable GAAP financial measure, included in our 2019 Annual Report on Form 10-K.

² Includes Magellan's share of joint venture property taxes paid.

³ 2019 number does not include first quarter 2020 asset divestiture as reflected in the "22" states referenced throughout this report.

⁴ All services performed at Magellan-owned and operated assets must comply with applicable requirements of Magellan's safety management system.

⁵ Environmental and non-environmental NOV's received from all regulatory agencies.

⁶ Represents settled penalty and fine amounts.

⁷ Some VCUs have been replaced with VRUs; however, VCUs are operationally maintained to serve as emergency backup.

⁸ Emissions data obtained from submitted emission inventories as required by each applicable regulatory agency. Increase in VOCs in 2017 due to Hurricane Harvey release.

⁹ First operational in late 2016, our condensate splitter is the only facility requiring a GHG permit. GHG emissions from our system are reported as required under the Mandatory Greenhouse Gas Reporting Rule and other applicable state reporting requirements.

¹⁰ Excludes the CO2e emissions data reported to the state of Texas for the use of the products produced by the condensate splitter (Scope 3).

PERFORMANCE DATA TABLE

ENVIRONMENTAL (continued)		2015	2016	2017	2018	2019
Spills and Emergency Responses	Number of PHMSA Reportable Spills and Releases ¹¹	24	27	19	36	23
	Number of PHMSA Reportable Spills and Releases >1 bbl ¹¹	19	21	17	23	12
	Total Volume of PHMSA Reportable Spills and Releases, bbls ¹¹	3,669	2,922	16,120	3,342	260
	Number of Emergency Response Drills and Equipment Deployments	140	139	141	144	144
Waste Management	Contact Water Processed for Reclamation at Magellan's Kansas City Reclamation Facility, bbls	28,919	40,408	41,096	33,792	39,259
	Tank Bottoms Processed for Reclamation at Magellan's Kansas City Reclamation Facility, bbls	10,566	8,810	7,865	9,905	7,206
	Hazardous Waste Disposal, pounds	358,229	180,529	318,093	269,695	172,586
SOCIAL		2015	2016	2017	2018	2019
Workforce	Number of Employees	1,640	1,747	1,802	1,868	1,884
	Percentage of Women in the Workforce	13%	14%	15%	15%	15%
	Percentage of Minorities in the Workforce	13%	15%	15%	17%	18%
	Percentage of Veterans in the Workforce	11%	11%	11%	10%	9%
	Percentage of Women and Minorities in Management	24%	26%	26%	25%	25%
	Percentage of Employees Under Collective Bargaining Agreement	15%	15%	14%	14%	14%
Employee Retention	Number of New Employee Hires	158	190	177	210	183
	Voluntary Turnover Rate Including Retirements	4.8%	3.3%	5.3%	5.7%	7.0%
	Employee Average Tenure, years	11.6	11.2	11.0	10.5	10.3
Safety	Number of Employee Fatalities	0	0	0	0	0
	Total Employee OSHA Recordable Injury and Illness Incident Rate per 200,000 Hours Worked ¹²	0.99	0.35	0.56	0.49	0.48
	Employee Days Away, Restricted, Transferred Incident Rate per 200,000 Hours Worked	0.31	0.29	0.39	0.27	0.32
	Total Contractor OSHA Recordable Injury and Illness Incident Rate per 200,000 Hours Worked ¹³	0.25	0.39	0.14	0.14	0.24
	Preventable Motor Vehicle Accident Rate ¹⁴	0.97	1.50	0.95	1.03	1.07
	Number of Process Safety Events - Tier 1 ¹⁵	0	1	0	0	1
	Number of Process Safety Events - Tier 2 ¹⁵	2	0	2	0	0
	Tank Integrity Spend, million US\$	\$53	\$47	\$52	\$62	\$47
	Depth-of-Cover Survey, miles	437	1,494	1,454	1,130	1,125
	Number of Pipeline Integrity Assessments ¹⁶	87	86	59	71	59
	Pipeline Integrity Assessments, miles ¹⁶	3,239	3,146	2,520	3,462	2,631
Community	Total Community Relations Giving, US\$	\$857,500	\$947,500	\$967,500	\$939,200	\$1,030,900
	Number of One Call Tickets Processed	206,211	208,126	187,233	201,698	231,275
	Number of Public Awareness Materials Distributed	567,335	576,514	795,421	819,890	889,884

¹¹ PHMSA is the acronym for Pipeline and Hazardous Materials Safety Administration.

¹² Incident Rate = (Number of OSHA Recordable Injuries x 200,000) / Employee total hours worked.

¹³ Incident Rate = (Number of OSHA Recordable Injuries x 200,000) / Contractor total hours worked. Contractor hours worked are estimated following American Petroleum Institute Guidance [Total Contractor Spend (capital and outside services) / \$80 = Hours Worked].

¹⁴ Per 1,000,000 employee miles driven of Magellan-owned or leased, rented, or personal vehicles conducting company business.

¹⁵ Process Safety Management / Risk Management Program as per American Petroleum Institute Recommended Practice 754 (API RP 754) Guidance.

¹⁶ Totals do not include Magellan's pipeline integrity assessments conducted on joint venture facilities.

GLOBAL REPORTING INITIATIVE INDEX

The topics covered in Magellan's 2019 Sustainability Report (SR) are the results of our Materiality Assessment and are informed by the GRI Standards which have been mapped below. In some instances, we may also refer to our Performance Data Table (PDT), 2019 Annual Report on [Form 10-K](#), [2020 Proxy Statement](#), or our website (www.magellanlp.com).

GRI	DESCRIPTION	DISCLOSURE
GRI 102 – GENERAL DISCLOSURES		Report pages or external sites
102-1	Name of the organization	Magellan Midstream Partners, L.P.
102-2	Activities, brands, products and services	SR p. 4-5
102-3	Location of headquarters	Tulsa, Oklahoma
102-4	Location of operations	SR p. 5; Form 10-K pp. 3-13; What We Do/Refined Assets What We Do/Crude Assets
102-5	Ownership and legal form	Form 10-K p. 3
102-6	Markets served	SR pp. 5-6; Form 10-K pp. 3-13
102-7	Scale of organization	Form 10-K pp. 3-13
102-8	Employee and other worker information	SR pp. 6, 19-21; PDT; Form 10-K p. 18
102-9	Supply Chain	SR p. 22
102-10	Significant changes to organization or its supply chain	Form 10-K pp. 47-48
102-14	Statement from senior decision-maker	SR p. 2
102-15	Key impacts, risks and opportunities	Throughout the SR; Form 10-K pp. 19-39, 59; Proxy pp. 14-15
102-16	Values, principles, standards, and norms of behavior	SR p. 16; Proxy p. 18
102-17	Mechanism for ethics advice and concerns	SR p. 27; Proxy p. 18; About Us/Action Line
GOVERNANCE		
102-18	Governance structure	SR pp. 25-26; Form 10-K p. 114, Proxy pp. 5, 14-18
102-19	Delegating authority	SR pp. 9, 18, 22; Proxy p. 15
102-20	Executive-level responsibility for economic, environmental and social topics	Michael Mears, Chairman of the Board, President and CEO
102-21	Consulting stakeholders on economic, environmental and social topics	SR pp. 21, 23, 29
102-22	Composition of highest governance body and its committees	SR p. 25; Proxy pp. 5-10, 14-18
102-23	Chair of the highest governance body	Proxy pp. 5-6
102-24	Nominating and selecting the highest governance body	SR p. 25; Proxy pp. 5, 17-18
102-25	Conflicts of interest	SR p. 26; Proxy p. 49
102-26	Role of highest governance body in setting purpose, values and strategy	SR pp. 25-26; Proxy pp. 15, 21, 24
102-27	Collective knowledge of highest governance body	SR p. 25; Proxy pp. 5-10
102-28	Evaluating highest governance body's performance	Proxy p. 17; About Us/Guidelines
102-29	Identifying and managing economic, environmental and social impacts	SR p. 26; Proxy pp. 30-31; About Us/Guidelines
102-30	Effectiveness of risk management processes	SR p. 26; Proxy pp. 14-15
102-31	Review of economic, environmental and social topics	SR p. 29;
102-32	Highest governance body's role in sustainability reporting	About Us/Guidelines
102-33	Communicating critical concerns	SR p. 27; Proxy p. 18; About Us/Action Line
102-35	Remuneration policies	SR p. 19
102-36	Process for determining remuneration	SR p. 19
102-38	Annual total compensation ratio	SR p. 26; Proxy p. 43

GRI	DESCRIPTION	DISCLOSURE
GRI 102 – GENERAL DISCLOSURES (continued)		Report pages or external sites
102-40	List of stakeholder groups	Throughout the SR
102-41	Collective bargaining agreements	PDT; Form 10-K p. 18
102-42	Identifying and selecting stakeholders	SR p. 29
102-43	Approach to stakeholder engagement	SR pp. 21, 27, 29
102-44	Key topics and concerns raised	SR p. 29
102-45	Entities included in the consolidated financial statements	Form 10-K Exhibit 21 p. 117
102-46	Defining report content and topic boundaries	SR p. 29
102-47	List of material topics	SR p. 29
102-49	Changes in reporting	This is our inaugural SR
102-50	Reporting period	January 1, 2019 – December 31, 2019
102-51	Date of most recent report	10/30/2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding this report	SR p. 29
102-54	Claims of reporting in accordance with GRI Standards	SR pp. 28, 29, 32
102-55	GRI content index	SR p. 32
GRI 103 – MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	Throughout the SR
103-2	The management approach and its components	Throughout the SR
GRI 200 – ECONOMIC		
201-1	Direct economic value generated and distributed	SR pp. 6, 22; PDT; Form 10-K p. 111
201-2	Financial implications and other risks and opportunities due to climate change	Form 10-K pp. 16-17, 32-33
201-3	Defined benefit plan obligations and other retirement plans	SR p. 20; Form 10-K pp. 92-97
203-1	Public infrastructure investments and services supported	PDT; Form 10-K pp. 3-12
203-2	Significant indirect economic impacts	SR pp. 6, 22; PDT
205-1	Operations assessed for risks related to corruption	Proxy pp. 14-15, 18
205-2	Communication and training about anti-corruption policies and procedures	SR pp. 16, 20; About Us/Governance/Code
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	None
207-1	Approach to tax	SR p. 6; PDT; Form 10-K pp. 36-39
207-2	Tax governance, control, and risk management	Form 10-K pp. 36-39
207-3	Stakeholder engagement and management of concerns related to tax	Form 10-K pp. 36-39
207-4	Tax payments to local, state and federal governments	SR p. 6; PDT
GRI 300 – ENVIRONMENTAL		
302-4	Reduction of energy consumption	SR pp. 10, 14
302-5	Reductions in energy requirements of products and services	SR pp. 10, 14
303-1	Interactions with water as a shared resource	SR p. 12
303-2	Management of water discharge-related impacts	SR p. 12; Form 10-K pp. 15-16
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR pp. 8, 11
304-2	Significant impacts of activities, products, and services on biodiversity	SR p. 11
304-3	Habitats protected or restored	SR p. 11
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	SR p. 11

GRI	DESCRIPTION	DISCLOSURE
GRI 300 – ENVIRONMENTAL (continued)		Report pages or external sites
305-5	Reduction of GHG emissions	SR p. 10; PDT
305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), other significant air emissions	SR p. 10; PDT; Form 10-K pp. 15-16
306-2	Waste by type and disposal method	SR p. 13; PDT; Form 10-K pp. 15-16
306-3	Significant spills	SR pp. 8-9; PDT
307-1	Non-compliance with environmental laws and regulations	SR pp. 8-13; PDT; Form 10-K pp. 39-40
308-1	New suppliers screened using environmental criteria	SR p. 22; PDT
GRI 400 – SOCIAL		
401-1	New employee hires and employee turnovers	PDT
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR p. 20; Form 10-K pp. 92-97
403-1	Occupational health and safety management system	SR pp. 6, 9, 17; PDT
403-2	Hazard identification, risk assessment, and incident investigation	SR pp. 9, 18; Proxy pp. 14-15
403-3	Occupational health services	SR pp. 17-18
403-4	Worker participation, consultation, and communication on occupational health and safety	SR pp. 17-18
403-5	Worker training on occupational health and safety	SR pp. 17, 20
403-6	Promotion of worker health	SR p. 20
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR p. 17
403-8	Workers covered by an occupational health and safety management system	SR pp. 17-18
403-9	Work-related injuries	PDT
403-10	Work-related ill health	PDT
404-1	Average hours of training per year per employee	SR p. 20
404-2	Programs for upgrading employee skills and transition assistance programs	SR p. 20
404-3	Percentage of employees receiving regular performance and career development reviews	SR p. 19
405-1	Diversity of governance bodies and employees	SR. pp. 19, 25; PDT; Proxy pp. 5, 18
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	PDT; Form 10-K p. 18
411-1	Incidents of violations involving rights of indigenous peoples	No violations; SR p. 21
412-2	Employee training on human rights policies or procedures	SR p. 20
413-1	Operations with local community engagement, impact assessments, and development programs	SR pp. 6, 9, 11, 21-22; PDT
413-2	Operations with significant actual and potential negative impacts on local communities	SR pp. 9, 21, 23
414-1	New suppliers that were screened using social criteria	SR p. 22; PDT
414-2	Negative social impacts in the supply chain and actions taken	None
415-1	Political contributions	SR p. 27
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR p. 26