

2020

Sustainability Report



Moving What Moves America®

LETTER TO STAKEHOLDERS

Without a doubt, 2020 was one of the most challenging years for Magellan, our nation, and the world. I take great pride in the professionalism and positive teamwork displayed by our employees to help ensure we met our mission to safely deliver essential fuels without experiencing a single operational shutdown event due to the pandemic. There was no playbook for this past year, but we managed to perform well due to our resilient business model and prior investment to establish a duplicate control center, which allowed us to quickly prepare for pandemic operations.

During 2020, we commissioned over \$1 billion in new assets, expanding our storage, dock, and throughput capacity. In anticipation of a more moderate infrastructure growth environment, we sharpened our focus on operating efficiently and adhered to our longstanding approach towards capital discipline, including the divestiture of three marine terminals that were outside our strategic footprint.

Many of our stakeholders are understandably curious about Magellan's continued role in our nation's evolving energy landscape. Government and industry forecasts for petroleum products demand remain robust for decades to come. Magellan believes our primary social responsibility is to safely provide the transportation and storage services that will continue to be essential well into the future and in doing so, provide a low emissions, low carbon intensity transportation option. We stand ready to meet this demand amid the growing interest in low carbon fuels and consumer adoption of electric vehicles. While the fundamental features of our business strategy are proven, we are adapting to an evolving market. As a result, we believe our vision statement will help both our employees and other stakeholders to better understand the values we hold.

Upon publishing our inaugural sustainability report in October 2020, we proactively sought stakeholder feedback to assess the usefulness of our environmental, social, and governance (ESG) disclosures. Notable 2020 ESG activities described in this report include: retaining external experts to fully report our Scope I and Scope II greenhouse gas emissions by 2022; formalizing policy enhancements; advancing company culture; establishing a three-year sustainability reporting plan; and adding Sustainability Accounting Standards Board (SASB) midstream disclosures.

On behalf of Magellan, I am pleased to communicate our ESG progress and appreciate your interest in our company.



Michael Mears
Chairman, President and Chief Executive Officer



Vision Statement

"The foundations of our business, to be driven through an engaged and innovative workforce, are safe, reliable, and efficient operations conducted in a responsible manner in combination with superior customer service. Upon these foundations, we will strive to maximize long-term economic value by providing essential fuels and related services to the communities and markets we serve in order to thrive today and in the future."

Introduction

Moving What Moves America® is more than just Magellan's motto; it represents who we are and our mission to safely, reliably, and responsibly provide the essential fuels that are beneficial to our everyday lives.



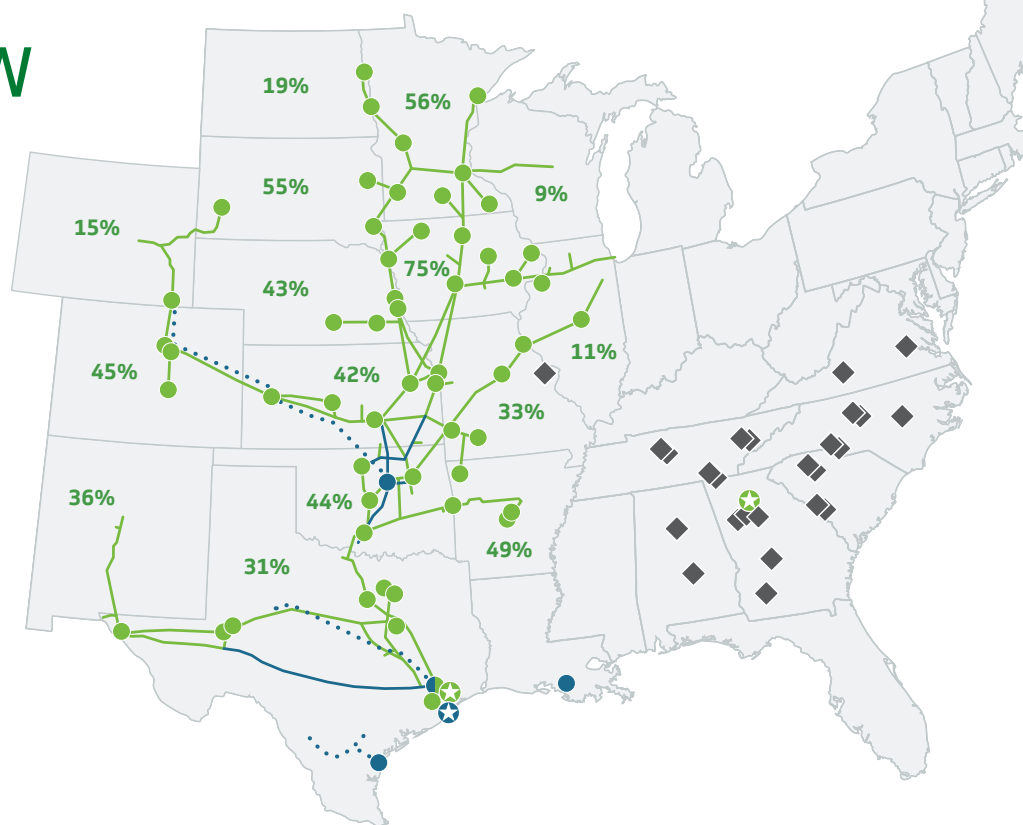
2020 OVERVIEW

REFINED PRODUCTS ASSETS

- Refined Products Pipeline
- Refined Products Terminal
- ☆ Refined Products Joint Venture Terminal
- ◆ Independent Refined Products Terminal (2021 Sale Pending)
- % Percentage Total Refined Products Demand Supplied by Magellan

CRUDE OIL ASSETS

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



12,000 miles of pipeline and over
100 million barrels of storage capacity



Refined products segment

(includes renewable fuels)

66% of operating margin

9,800-mile
pipeline system

54 connected
terminals

25 independent
terminals

2 marine
storage terminals



Crude oil segment

34% of operating margin

2,200 miles
of pipeline

37 million barrels of
aggregate storage

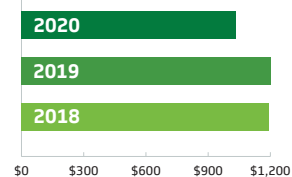
We own and operate
the longest refined
products pipeline
system in the country

Our refined products
pipeline system connects
to nearly 50% of our
nation's refining capacity

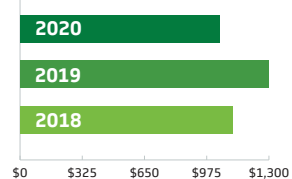
Over 1.2 billion
barrels of total
throughput
during 2020

FINANCIAL HIGHLIGHTS

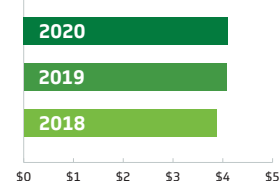
Operating Profit
(\$ in millions)



Distributable Cash Flow
(\$ in millions)



Cash Distributions
(declared per unit)



Magellan Midstream Partners, L.P. (NYSE: MMP)

#EssentialServices

Companies like Magellan, defined by the U.S. Department of Homeland Security and Transportation Security Administration as essential services and critical infrastructure, are extremely important to our nation's economy and to maintain public health and welfare. The global pandemic and the fuel emergency that resulted from the cyberattack on a third-party U.S. pipeline company in May 2021, serve as reminders that our nation, and the world, still depend on an abundance of crude oil and refined petroleum products to function. People expect that gasoline will be readily accessible for daily transportation and that diesel fuel will be available for farmers to harvest crops and transport drivers to move retail goods. In fact, the well-being of our entire economy depends on these essential fuels. Every day, Magellan's employees strive to provide safe, convenient, and reliable access to these essential fuels regardless of holidays, significant weather events, or times of national crisis.

#EssentialWorkers

In May 2020, Magellan was recognized as an essential business during the New York Stock Exchange's (NYSE) #gratitude campaign. Brady Cotton, an operator at our facility in Hearne, Texas, served as the honorary virtual closing bell ringer for the NYSE. Fulfilling our mission to provide essential fuels without interruption, Magellan's employees exercised extra diligence to keep all our facilities staffed and operational throughout the pandemic.

"At the NYSE, we join millions of others who stand in awe and gratitude of the way people around the world have responded to the COVID-19 crisis—from medical professionals, to workers who ensure our food supply, and those who keep our streets safe. We honor some of those people through our #gratitude campaign."

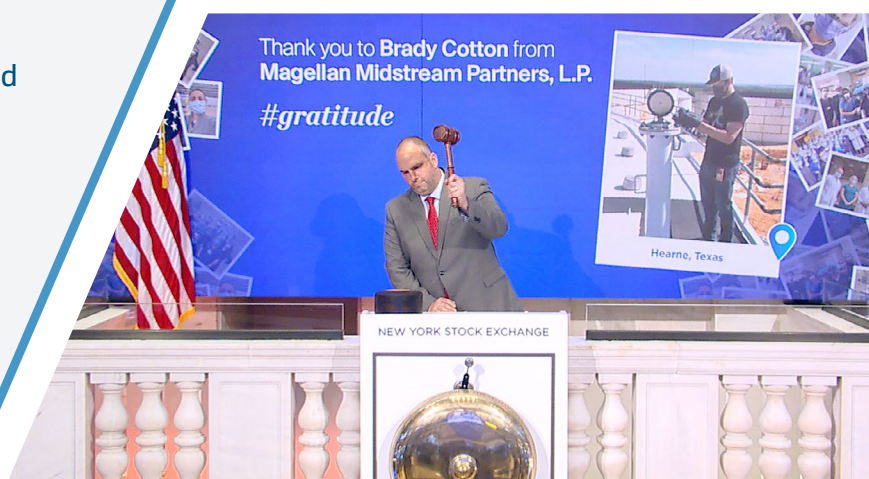


Photo credit: NYSE

MAGELLAN'S ROLE IN ENERGY

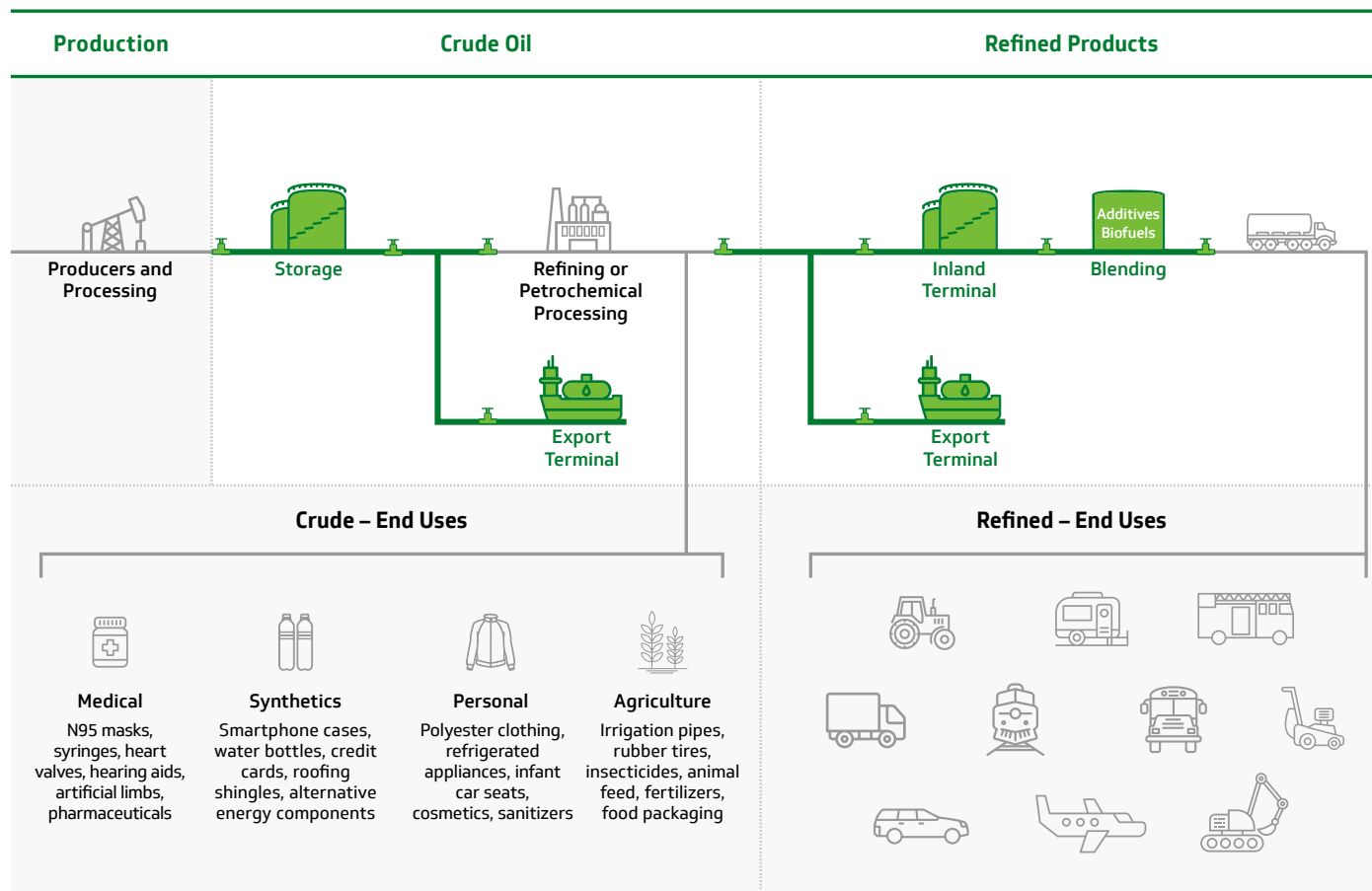
While increased electric vehicle use and additional wind and solar power generation are likely, consumers still depend on reliable access to gasoline, diesel, and jet fuels to power the vast majority of cars, watercraft, airplanes, trucks, tractors, and locomotives. Both government and industry experts forecast continued strong global demand for petroleum products even as plans for the electrification of transportation and technologies for renewable energy progress. We believe our assets will continue to be a vital low emission, low carbon intensity option to transport and distribute essential fuels well into the future.

In addition to transportation fuels, over 6,000 products that contribute to modern human health and quality of life are derived from processed crude oil. Even manufacturing renewable energy components—solar panels, wind turbine blades, and batteries—depends on the availability of crude oil and refined petroleum products. Magellan believes that a responsible energy transition will take time to accomplish, with petroleum products and the pipeline industry continuing to play an important role in our nation's energy and manufacturing future.

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over
6,000
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Magellan's Value Chain



Magellan operations are shown in green.

Moving What Moves America®

RECENT EVENTS

While this report features our ESG activities and outcomes throughout 2020, Magellan's responses to unprecedented weather events in early 2021 highlight our commitment to our local communities. Winter storms Uri and Viola brought freezing temperatures, record snowfall, and damaging ice to parts of the U.S. that are unaccustomed to severe winter conditions. Many states suffered crippling electricity and water outages as their infrastructure was unable to handle the sustained bitter cold.

Magellan's employees demonstrated extraordinary effort and dedication to quickly pivot our operations to address emergency situations during a time of need, without compromising safety or product delivery obligations.

Nebraska

Several electric utilities declared an emergency energy alert after exhausting options to secure the reliability of the eastern regional grid. These utilities were curtailed on natural gas supply while experiencing unprecedented weather-related energy demand. For one electric utility in close proximity to our operations, our employees safely connected our pipeline in subzero temperatures to supply diesel fuel to this utility to help prevent customer power outages.

Texas

An electric utility requested priority access to our truck rack to continue operation of its diesel generators. During a six-day period, nearly 100 unplanned tanker trucks loaded approximately 750,000 gallons of diesel fuel at our terminal to help keep the west Texas electric grid functioning without rolling blackouts.

Prior to the winter storms, we intentionally staged rented generators at key facilities to prepare for potential power loss. When Houston's request for citywide assistance was received, we quickly released an 800-kilowatt generator to the City of Houston for its emergency water plant freeze response when several million residents lost water service. The generator we moved was the first one to arrive at the water plant, enabling over 400,000 residents without water to regain access to drinking water by the end of the day.



Magellan's employees demonstrated extraordinary effort and dedication to quickly pivot our operations to address several emergency situations.

SYSTEM INTEGRITY PLAN

SIP 1 MAGELLAN COMMITMENT

Performance goals and continuous improvement

SIP 2 TRAINING

Requirements for employees

SIP 3 CONTRACTOR MANAGEMENT

Select and monitor third-party contractors

SIP 4 PROJECT MANAGEMENT

Project design and construction

SIP 5 SAFETY MANAGEMENT

Workplace safety

SIP 6 ENVIRONMENTAL PROTECTION

Protection and compliance

SIP 7 ASSET INTEGRITY

Manage risk identification and mitigation

SIP 8 SECURITY

Manage security risks

SIP 9 OPERATIONS

Manage and control operations

SIP 10 COMMUNITY RELATIONS

Public education and third-party damage prevention

SIP 11 CHANGE MANAGEMENT

Manage physical and procedural changes

SIP 12 EMERGENCY RESPONSE AND PREPAREDNESS

Prepare for and manage emergencies

SIP 13 INCIDENT MANAGEMENT

Incident reporting and investigation

SIP 14 COMPLIANCE MANAGEMENT

Compliance monitoring, audits, and inspections

SIP 15 COMMERCIAL OPERATIONS

Manage commercial operations

PIPELINE SAFETY MANAGEMENT SYSTEM

Safe petroleum pipeline and terminal operations require a holistic approach to integrating multiple processes and systems to identify and proactively manage risk while complying with regulations. A pipeline safety management system (SMS) supports this approach with an industry-driven and regulator-endorsed framework designed to manage operations, promote a culture of safety, and safeguard the environment. The American Petroleum Institute's (API) Recommended Practice (RP) 1173 Pipeline Safety Management System provides operators with guidance to strengthen an existing SMS or develop a new SMS.

Magellan elected to align our existing SMS to API's RP 1173 objectives and industry goals of zero safety and pipeline incidents. Our extensive multi-year gap analysis to RP 1173 concluded in 2020, revealing mostly minor enhancements that have been incorporated into our SMS.



Magellan's Safety Management System is known as the System Integrity Plan (SIP)

Known internally as the System Integrity Plan (SIP), our comprehensive SMS defines how we consistently manage and reduce operational risk to people, assets, and the environment, while governing how we design, build, operate, and maintain our assets throughout their lifecycle. Our SIP framework is organized into 15 elements along with their respective written policies, procedures, training requirements, enterprise-wide and site-specific programs, and regulatory requirements. It is scalable to accommodate major capital growth projects and includes our asset integrity, risk management, process safety, change management, and health and safety programs. Compliance with SIP is tracked through our compliance management system and assessed through internal audits, third-party audits, regulatory inspections, incident investigations, and key performance metrics. Magellan's senior leaders are responsible for overseeing the accuracy and applicability of our SIP, which follows a risk-based, continuous improvement model.

Environment

Magellan's operational decisions are guided by an unwavering commitment to compliance with regulatory requirements, proactive environmental protection, and stewardship of resources.



ENVIRONMENTAL PROTECTION SIP 6

Magellan's Board of Directors (Board) and senior management oversee our commitment to environmental stewardship, protection, and compliance with federal, state, and local laws and regulations to preserve the natural environment as we deliver essential fuels to our nation.

Element 6 of our SIP provides standards, processes, and procedures for our environmental management system (EMS). We measure environmental performance, evaluate strategies to protect biodiversity, manage water usage, and strive to minimize waste generation and air emissions to promote a more sustainable future. Other aspects within our EMS include robust inspection schedules; regulatory permitting requirements and standards; checklists and forms for compliance testing, monitoring, and reporting; and remediation management.

Our team of experienced air, environmental, and remediation specialists oversees and maintains EMS processes and procedures. Each specialist has a dedicated geographic area of responsibility and the expertise to analyze data, identify potential hazards, and recommend solutions for protection of our communities, employees, assets, and the surrounding ecosystems.

We expect each employee, contractor, vendor, and supplier to operate safely and embrace the responsibility to identify and mitigate environmental risks and impacts. Our senior management and Board approved Magellan's [Environmental Policy](#) that reinforces environmental awareness and our expectations.

RELEASE PREVENTION SIP 7

Magellan's SIP contains our asset integrity, maintenance, and risk reduction programs within Element 7. These programs were established to prevent petroleum product releases, maintain asset integrity, and comply with regulatory requirements. Embedded within the SIP, our integrity management plan (IMP) details full pipeline lifecycle inspection activities including: in-line inspections to detect wall dents, anomalies, and internal corrosion; testing processes to measure the effectiveness of cathodic protection against external corrosion; and right-of-way surveillance by air and ground patrols. To protect structural integrity from third-party activities, we conduct depth-of-cover surveys to verify that our pipelines are an appropriate distance below ground level, road beds, train tracks, and water crossings.

In 2020, Magellan launched our ArcGIS portal system, a geospatial pipeline data integration platform, to overlay pipeline information, monitor potential threats, and access current weather modeling for greater risk analysis and mitigation.

Guided by our IMP, Magellan conducts annual assessments to validate the physical integrity of our pipeline systems and mitigate potential risks. Comprehensive risk analysis performed after each integrity assessment determines the frequency and priority of the reassessment interval for each pipeline segment, not to exceed five years.

Our SIP also contains our process safety management (PSM) program designed to prevent an operational incident. The program identifies key risks that could



2020 Asset Protection Highlights

- Over \$228 million spent on maintenance capital and asset integrity
 - Includes \$117 million invested in pipeline integrity testing, monitoring, and management
- 283 water crossing inspections
- 1,725 miles of pipeline inspection of corrosion protection effectiveness

impact asset integrity and documents site-specific operating procedures for existing and new assets. The scope of the PSM program includes all Magellan assets regulated by Occupational Safety and Health Administration's (OSHA) Process Safety Management Regulations and the U.S. Environmental Protection Agency's (EPA) Risk Management Plan.

PIPELINE MONITORING SIP 9

Controllers at Magellan's control center actively monitor the safety and performance of our entire pipeline system 24 hours a day. Using supervisory control and data acquisition (SCADA) and other automated systems, our highly trained controllers analyze real-time pressure, flow, and volume data to recognize and act on inconsistencies. Our controllers have the knowledge and authority to immediately isolate and shut down assets in the event of an actual or potential pipeline incident.

To provide better remote operational support for pipeline operations, we completed a multi-year, \$14 million upgrade of our SCADA system in 2020. This new platform offers increased functionality and control with improved trending capabilities, enhanced cybersecurity, and standardized screen and data presentation with color technology to reduce eye fatigue.



Code Red "60 Minute Assault" is Magellan's core tactical response for potential or actual pipeline releases with the goal to locate, contain, and begin product recovery within one hour.

Waterway Protection

Equipment drills allow us to practice deploying emergency resources, such as the containment boom pictured to the right, and to coordinate Incident Command System training with local response agencies.

EMERGENCY PREPAREDNESS AND RESPONSE SIP 12

Our pipelines and facilities are designed, maintained, and operated with a priority placed on safety, compliance, and preventing petroleum product releases. In the unlikely event of an incident, our priority is to minimize the impact to people and the environment. To foster continued improvement, we review every release regardless of product type, size, or regulatory requirement. Our SIP standards and procedures along with our location-specific facility and pipeline response plans promote swift and effective responses to natural disasters, releases, and human-instigated threats. We practice response plan execution by hosting drills and inviting local and state emergency responders. This allows us to critique and improve our preparedness and to help ensure that our response teams maintain the highest level of readiness. In 2020, we conducted 19 in-person tabletop exercises where we invited local emergency responders to participate and we held 140 planned and unplanned containment equipment drills.

To enhance our emergency response speed and efficiency, we purchased and implemented an all-hazard incident management software. Accessible from mobile devices, the scalable application allows us to preload our location-specific response plans and maps with the ability to overlay real-time weather information to accelerate decision making and data sharing. Automated tracking of personnel and equipment helps us to best manage our emergency resources when quick decisions are needed. Using this data, we facilitate post-response evaluations to identify and implement process improvements where needed.



LOW CARBON EMISSION PIPELINES

The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA), in partnership with state pipeline safety agencies, regulates the nation's more than 2.6 million miles of pipelines that play a vital role in our daily lives through transportation of fuels and petrochemical feedstock used for cooking and cleaning, in commuting and traveling, in heating our homes and businesses, and in manufacturing thousands of products we use daily. These pipelines act as an energy highway to safely and efficiently move petroleum products from producing regions to local markets across our country. To move the annual volume of even a modest pipeline transporting approximately 150,000 barrels per day, it would require a constant line of about 750 tanker trucks per day, loading and moving out every two minutes, 24 hours a day, seven days a week. The railroad-equivalent of this single pipeline would be a train of 225 tank cars holding 28,000 gallons each.¹

In addition to surpassing rail and truck capacity, pipelines have the lowest greenhouse gas (GHG) emissions per barrel-mile² transported. Transporting the same volume of energy products by rail increases the associated GHGs by 42% and tanker trucks emit 467% more GHGs according to the Association of Oil Pipe Lines.³ Properly designed and maintained pipelines provide the cleanest and safest method of transporting petroleum products that are essential to the communities we serve.⁴

GREENHOUSE GASES

Magellan is committed to the safe and responsible transportation and storage of refined products, renewable fuels, and crude oil. We recognize our stakeholders' interest in our ongoing measures to quantify and manage Scope I (direct) and Scope II (indirect) emissions associated with our operations and the potential impact on the global climate. As consistency develops around GHG emissions reporting standards, the resulting data will benefit our performance evaluations and risk analyses. We currently provide our emissions data on an absolute basis in our [Performance Data Table](#).

In general, our midstream operations do not result in a significant contribution to the direct production of GHGs, including methane. We own and operate only one facility that requires a GHG permit—amounting to less than 1% of our total number of facilities. Much of our asset base consists of underground pipelines that transport petroleum liquids and produce minimal GHG emissions. The majority of our emissions are Volatile Organic Compounds (VOCs), which are not greenhouse gases per the Greenhouse Gas Protocol. Our VOC emissions occur as a result of operating storage tanks, truck and marine loading facilities, and pump stations.

| Greenhouse Gases (Reported as Metric Tons CO ₂ e) | Air Emissions (Criteria Pollutants) |
|---|---|
| Carbon Dioxide (CO ₂) Methane (CH ₄) Nitrous Oxide (N ₂ O) Fluorinated Gases (HFCs) | Carbon Monoxide (CO) Nitrogen Oxide (NO ₂) Volatile Organic Compounds (VOCs) Sulfur Dioxide (SO ₂) Particulate Matter (PM ₁₀) |

¹Pipeline and Hazardous Materials Safety Administration. <https://www.phmsa.dot.gov/faqs/general-pipeline-faqs>

²Barrel-mile means the total number of barrels transported multiplied by the distance in miles the specific barrels were moved.

³Association of Oil Pipe Lines. Factsheet. Pipelines have the lowest greenhouse gas emissions. <https://aopl.org/page/resources>

⁴Association of Oil Pipe Lines. Factsheet. Pipelines protect the environment. <https://aopl.org/page/resources>

REDUCING EMISSIONS

We will continue managing emissions to protect the environment and the communities we serve. As noted in our inaugural sustainability report published in October 2020, we remain committed to communicate our Scope I and Scope II emissions data in our 2021 sustainability report to be published in 2022. We are working with an external consulting firm to define our reporting boundaries, validate Scope I and II emissions sources, build the framework for reporting emission and carbon intensity, and develop and implement governance processes that will also facilitate third-party data verification. However, we have already implemented meaningful practices that reduce our Scope I and Scope II emissions.

Magellan's Emissions Reduction

| Focus Area | Scope | Emissions Reduction Practices | |
|--------------|----------|---|---|
| Operations | Scope II | Eliminated over 27 million kilowatt hours (KWh) of electricity usage through advanced data analytics and hydraulic technology to further automate drag reducing agent additive injection rates. These efforts allowed us to use fewer pumps, which could run at a lower horsepower, while continuing to safely and efficiently maintain throughput volumes. | |
| | Scope II | When possible, intentionally ceased asset operation during peak energy demand periods, freeing up this capacity for other users. | |
| | Scope I | Used vapor recovery units to recover and recycle accumulated fuel vapors as transport trucks and vessels were loaded, which minimized emissions. | |
| Fleet | Scope I | Reduced our company-owned fleet by over 75 vehicles by optimizing driver schedules and activities, eliminating over 380 metric tons CO ₂ e emissions. | |
| Asset Design | Scope I | Apply design standards when constructing above ground storage tanks that result in fewer emissions under normal operations and when the tanks are required to be emptied. Three construction design elements to minimize emissions are: | |
| | | Drain Dry Tanks | These tanks leave very little residual product in the tank when it is required to be emptied and cleaned for routine inspections. This results in minimal emissions from routine cleaning events. In the last five years, 75% of our newly constructed tanks are drain dry. |
| | | Geodesic Domes | A tank equipped with a geodesic dome reduces the VOC emissions compared to a tank without a dome. Geodesic domes are a significant capital investment and Magellan has domes on 226 floating roof tanks. This includes 31 new tanks built as domed internal floating roof tanks in the past three years to reduce VOC emissions by approximately 67% over a normal internal floating roof tank. |
| | | Seals | Our internal floating roof tanks are constructed with the appropriate rim seals to minimize emissions from the tank operations. We routinely inspect tank seals to verify operability and replace when needed. |

EMISSIONS REDUCTION ON A NATIONAL SCALE

New Infrastructure

Even during the disruption of a global pandemic, we completed and commissioned over \$1 billion in new assets to transport and store petroleum products. A portion of this expenditure included a new terminal and increased pipeline capacity. When combined, these assets should reduce dependence on higher GHG-emitting long-haul, transport trucking with an estimated reduction of 20,000 metric tons of CO₂e in their first year of operation.

- Our new Midland, Texas, terminal will supply diesel to the Midland-Odessa area reducing the use of long-haul transport trucking from the Oklahoma City, Oklahoma, area and from other facilities in the region.
- A connection to a third-party pipeline at our Hearne, Texas, terminal will supply gasoline and diesel to the Austin, Texas, area reducing the use of long-haul transport trucking from the Corpus Christi and Dallas, Texas, markets.

Regulatory Impacts

Through our participation in a leading industry trade association, Magellan joined our peers to work with federal regulators on revisions to an above ground storage tank inspection rule. The revised rule minimizes VOC emissions and allows greater inspection flexibility without impacting tank integrity or safety. Through this new rule, we estimate a 2021 reduction of approximately 30 tons of VOCs with future incremental annual reductions. Together with our peers who conduct in-service tank inspections, we are contributing to reducing emissions across our industry's U.S. operational footprint.

Charlotte, North Carolina Terminals

In August 2020, Mecklenburg County Air Quality presented our Charlotte I and Charlotte II terminals with its annual Air Compliance Excellence (ACE) Award. Since 2014, the ACE program has highlighted industries that achieve exceptional regulatory compliance. To be eligible, facilities must meet all the terms of their air quality permits for an entire year including submitting reports, notifications, and fee payments on time; performing emission testing; passing annual unannounced inspections; and incurring no permit violations. These ACE awards showcase the diligence and dedication of our terminal operators to maintain Magellan's comprehensive SIP processes as they provide the essential fuels that move America.

How Magellan's Pipeline Transportation Minimized CO₂e in 2020



Magellan transported 113 billion barrel-miles of refined products via pipeline, eliminating approximately 910 thousand metric tons* of tanker truck CO₂e.



Magellan transported 130 billion barrel-miles (estimated) of crude oil via pipeline, eliminating approximately 19 thousand metric tons* of rail car CO₂e.

*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 2020 volumes.

BIODIVERSITY AND ECOSYSTEM PROTECTION

We value a healthy ecosystem and continuously monitor our pipeline routes across a range of landforms, waterways, and wildlife habitats. Regardless of physical location, each mile of our in-service pipeline system is inspected as an environmentally regulated, high consequence area (HCA). This requires more stringent environmental and health protection protocols that exceed regulatory requirements. HCAs are identified on the National Pipeline Mapping System and defined as areas that could have greater consequences to health and safety or the environment should a pipeline incident occur.

Magellan engages with federal and state fish and wildlife agencies, landowners, and communities prior to construction or maintenance activities. We evaluate strategies for seasonal restrictions and order wildlife assessments or surveys to avoid disturbing breeding and migration habitats. We design methods and implement procedures that minimize the effects of our activities, and proactively mitigate areas of soil erosion that may occur. Underground pipelines often share the same right-of-way as above ground utilities providing a maintained green space that supports a variety of wildlife and native vegetation species.

Managing Conservation

Magellan contributes to community-based programs to protect and restore the natural resources and habitats of local wildlife within our operational footprint.

- Barton Springs/Edwards Aquifer Conservation District (BSEACD) in Texas: Since 2014, we annually contribute to the BSEACD groundwater monitoring program. Over 60,000 Austin residents and the endangered Barton Springs salamander rely on this vital fresh water resource located in an environmentally sensitive area.
- U.S. Army Corps of Engineers Permittee Responsible Mitigation Area (PRMA), Corpus Christi, Texas: We are responsible for the construction and long-term management of an offsite wetland mitigation area. Within our PRMA, native cordgrass species were successfully transplanted for salt marsh restoration and shoreline protection with a large contiguous wetland area established that we actively monitor along the Corpus Christi waterfront.
- U.S. Army Corps of Engineers Little River Wetland Mitigation, Elk Creek, Iowa: We completed year two of a 10-year monitoring effort to mitigate impacts to forested and emergent wetlands during a pipeline replacement project. The site is now stable and protected from erosion. In 2020, following our approved wetland mitigation plan for the approximate three-quarter acre, we planted 80 trees and 20 shrubs with native species that will be monitored for the remaining eight years to help establish their health and viability.



International Union for Conservation of Nature (IUCN) Red List for Endangered Species. Magellan monitors our activities for any impact on the Houston

toad (endangered), American burying beetle (critically endangered), and the lesser prairie-chicken (vulnerable) whose habitats overlap our operations.



WATER MANAGEMENT

As a midstream energy company, Magellan requires minimal fresh water usage. Our facilities are designed to divert storm water away from operational areas to avoid contact with petroleum products. To manage water that does commingle with petroleum products, known as petroleum contact water (PCW), we have established processes to capture and contain this mixture for treatment. The petroleum products are recovered from the PCW and sold as gasoline and diesel fuel, thereby reducing disposal volumes. Over 90% of Magellan's PCW is recovered and reclaimed by processing at our owned and operated Kansas City, Kansas, reclamation facility or at approved third-party reclamation facilities. In 2020, our reclamation facility received 28,702 barrels of PCW that were processed for fuel recovery. An additional 8,735 barrels of PCW were sent for third-party reclamation.

Reuse

Magellan continues to look for ways to minimize our fresh and municipal water usage. We apply cost-effective and environmentally sound measures to reduce water consumption during pipeline hydrostatic testing—a regulatory procedure used during construction and maintenance activities to verify the integrity and safe operations of our assets.

- At Pasadena and Galena Park, Texas, we tracked the withdrawal of over 642,000 barrels of water from the Houston Ship Channel used for hydrostatic testing. We also used this water to test the fire suppression system. This eliminated withdrawal from municipal water supplies, and the total volume was permitted by the appropriate regulatory agencies to discharge back to the Houston Ship Channel after verifying stringent water quality standards were met.
- When hydrostatic testing our East Houston to Hearne, Texas, pipeline expansion and newly constructed tanks, we reused municipal water, which had been supplemented with rainwater collected onsite. This reduced our consumption of municipal water by more than 200,000 barrels.

WASTE MANAGEMENT

Our waste management program is designed to reduce our overall waste generation and to properly classify and dispose of non-hazardous and hazardous waste while meeting state and federal regulatory requirements. Waste is generated from transporting, storing, and delivering petroleum products, as well as construction projects and general office refuse. Using a reduce-recycle-reuse methodology, our project groups and environmental specialists examined waste workflow processes and procedures for improved data capture and materials management.

To reduce potential waste and the associated disposal of large-scale fire extinguishment materials, we installed additional heat sensing fire protection at our Pasadena, Texas, terminal. This secondary failsafe works in conjunction with traditional infrared sensors on the foam fire suppression system to decrease the chances of false positive discharges.

Reclamation

Tank bottom material (TBM), or accumulated sediment mixed with refined products and crude oil, can be reclaimed once it is removed from system storage tanks as part of our normal inspection and cleaning cycles. Solids are separated from the TBM using 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. Magellan's Kansas City reclamation facility is equipped to process petroleum by-products from TBM received from our nearby facilities and from other operators. In 2020, our reclamation facility processed 7,792 barrels of TBM. Additionally, we sent 40,133 barrels of TBM to third-party reclamation facilities that are geographically closer to our operations. In total, Magellan was able to reclaim over 98% of our TBM.

We encourage our employees and contractors to determine if our waste can be recycled for beneficial reuse that will minimize landfill waste. In 2020, Magellan sent over 4.6 million pounds of sand blast media, soil, and construction debris from our East Houston and Galena Park facilities to Houston Product Processing (HPP), a certified TXDOT Material Producer. HPP is a commercial non-hazardous material processing and recycling center producing reusable, environmentally safe products that can be used as construction aggregate for road base, embankment, and backfill materials and provides much of these materials for Texas highway projects.

Magellan's 2020 Recycling

5,500 pounds of aluminum
and glass containers

993 tons of scrap metal

37,520 pounds of
office paper

8,100 pounds of cardboard
shipping supplies

1,263 gallons of used
motor oil

4,328 electronic devices

378 pounds of paint waste

RENEWABLE FUELS

Biofuels, such as ethanol and biodiesel, play a vital role in America's energy future by providing a renewable fuel alternative. U.S. farmers produce the agricultural feedstock from corn, soybean, and sugarcane to make ethanol, while biodiesel is refined from vegetable oils, animal fats, and recycled cooking grease. These liquid fuels are blended with refined petroleum products to comply with U.S. EPA renewable fuel standards for use in conventional internal combustion engine vehicles.

We offer ethanol blending at all of our gasoline terminals, in the form of E10 (10% ethanol/90% gasoline), E15, and E85. At 12 terminals, we blend biodiesel ranging from B2 (2% biodiesel/98% diesel) to B20, and we are moving 5% biodiesel blends in certain pipeline segments for our customers.

In 2020, Magellan pursued a cost-share grant under the U.S. Department of Agriculture's Higher Blends Infrastructure Incentive Program (HBIIP). The HBIIP supports sustainable economic development of essential fuels in rural communities through the expansion of biofuel-related infrastructure. Once implemented, this grant project will allow us to add biodiesel blending at one facility in Kansas and one in Missouri.

We expect additional biofuels for use in internal combustion engines to emerge over the next several years, and we will continue evaluating the potential to increase transportation and storage of biodiesel blends and ethanol blends along portions of Magellan's pipeline system.

over
742 million
gallons of ethanol blended
into gasoline in 2020

over
58 million
gallons of biodiesel blended
into diesel fuel in 2020

OPTIMIZATION AND EFFICIENCY

Our employees are encouraged to actively identify and suggest better ways to run our business and increase value. In early 2020, Magellan created a business optimization team to facilitate and analyze these ideas and to further examine functional areas of the company for process and organizational improvement opportunities and cost savings. This team will continue to evaluate projects while maintaining focus on safety, asset integrity, compliance, customer service, and our ability to invest in future growth. For example, the team is looking at additional uses for our existing energy infrastructure, enhanced renewables options, and actions to reduce carbon emissions and energy usage.

Peak Energy Reduction

Several of our assets are located within the Electric Reliability Council of Texas (ERCOT) utility district. ERCOT has a Four Coincident Peak (4CP) reduction program in which utility members can voluntarily reduce energy consumption on peak usage days from June to September. By participating in 4CP, Magellan contributes to energy reliability and availability for ERCOT's customers, avoids energy disruption events that would impact the community, and helps to reduce power plant emissions associated with peak demand times, without compromising safety or compliance. During our 2020 4CP participation, our teams were directly responsible for reducing our electrical loads by nearly 21,000 kilowatts during peak intervals.

Social

Magellan's most important social obligation is to safely and reliably deliver the fuels that drive our nation's economy and provide critical access to everyday goods and vital energy.



LIVING BY OUR PRINCIPLES

Safely operating over 12,000 miles of refined products and crude oil pipelines in an environmentally and financially responsible manner, while treating our stakeholders with fairness and transparency, is not a responsibility that we take lightly. Magellan's revised [One Magellan Code of Ethics and Business Conduct](#) (Code) is anticipated to be published fall 2021. Our Code outlines how we execute our daily activities and highlights our core values of safety, respect, integrity, compliance, engagement, and efficiency.

Human Rights

Our commitment to respect and promote human rights is fundamental to the key policies that govern our business endeavors. Our [Human Rights Policy](#) outlines the standards of conduct expected of our employees, suppliers, and contractors and is aligned with many of the principles set forth in the United Nations Universal Declaration of Human Rights.

SUPPLY CHAIN MANAGEMENT

Access to quality goods and services is crucial to Magellan maintaining exceptional customer service, while focusing on the safety of our employees, suppliers, and communities. For our major pipeline construction projects, we continue to procure U.S. steel that is rolled into pipe at domestic production facilities. This allows us to verify the finished pipe quality and supports job growth for manufacturing workers in the U.S.

We seek business relationships for long-term success and require our employees to treat suppliers with honesty, respect, and integrity. Our [Supplier Code of Conduct](#) guides Magellan's suppliers to operate with high ethical standards, comply with all applicable laws and regulations, and conduct their business operations in a way that protects and sustains the environment. We expect suppliers to share our commitment to protect human rights by safeguarding against discrimination, providing a safe and healthy work environment, respecting the right to freely choose employment, and adhering to age-related labor laws.

MANAGING SAFETY

"Mission ZERO" is our intentional commitment to doing the right thing, the right way, every single time with zero incidents. Our safety management system is known internally as our System Integrity Plan (SIP). Magellan's Board and senior management oversee our safety management system and performance related to preventable incidents, including human error events, employee injuries, motor vehicle accidents, product releases, product contaminations, and proactive measures taken to reduce incidents. We strive to maintain an accident-free, incident-free workplace where everyone returns home safely every day. We incorporate safety metrics and improvements into the Annual Incentive Program (AIP) for all employees. As an additional safety precaution, our newly launched Last Minute Risk Assessment (LMRA) applies to all tasks. Designed to prevent human error incidents, the LMRA is based on the premise of asking two questions before beginning a task: "What is the worst thing that could happen?" and "What can be done to mitigate that outcome?"

To further reinforce workplace accountability, we empower employees and contractors to intervene and immediately stop any work they consider to be unsafe. Employees who demonstrate a commitment to safety through their actions may be awarded a One Magellan recognition coin from our leadership team. Together, the LMRA, stop work authority, and recognition promote a strong safety and compliance culture.

One Magellan recognition coin



Safety Management SIP 5

Magellan is committed to protecting the health and safety of our employees, contractors, and communities as we meet our nation's energy needs. Our SIP requires active safety committees and annual facility safety reviews conducted onsite by facility supervisors, safety specialists, and safety committee members to help ensure that proper safety practices are instituted throughout each facility. Element 5 of our SIP includes authorization to work permits, workplace hazard assessment procedures, personal protective equipment specifications, and vehicle safety requirements. It also houses our program descriptions and requirements for respiratory protection, hazard communication, and fall prevention and protection.

Our SIP includes applicable OSHA guidelines and additional industry-specific regulations to facilitate the compliance of our workplace safety programs. To monitor our work-related illness and injury occurrences, we use Total Reportable Incident Rates for employees and contractors and the Lost Time Incident Rate for employees. These metrics provide an overview and annual benchmark to measure the effectiveness of our health and safety programs and our performance.

Safety Training SIP 2

To help ensure workplace safety and pipeline and facility integrity, many of our activities and tasks require specialized skills and knowledge obtained through training for operator qualifications, assigned tasks, equipment inspections, and hazard identification and mitigation. SIP Element 2 contains these training requirements, as well as over 40 additional health and safety position-specific training topics—with their required completion frequency—that field-based employees must complete.

Approximately 38,000 safety training hours completed in 2020

In 2020, we developed supplemental, virtual training tutorials for critical protective and control device identification, inspection, testing, and repair to augment operator and process safety. We also redesigned our regulatory-required Annual Topics refresher courses to an online format. Our field-based employees, representing nearly 60% of our workforce, completed approximately 38,000 technical, risk reduction, and safety training hours in 2020.

Contractor Management SIP 3

As contributors to our successful operations, contractors and subcontractors are expected to be safety leaders. Contractor safety qualifications—including their current operator qualifications, training records, and historical safety and compliance performance—are verified using internal criteria and third-party reviews before contractors are allowed to start work on Magellan-owned property and pipeline easements. Throughout the year, contractor activities are observed and inspected, and stop work action is taken if any contractor is observed performing work in an unsafe manner.

Incident Management SIP 13

SIP Element 13 includes our processes to consistently report incidents and to timely and thoroughly investigate to determine root causes. These processes are crucial to acquire and transfer knowledge, modify our behaviors or equipment, and update procedures based on lessons learned. In 2020, Magellan began a multi-year effort to replace our incident reporting system for greater flexibility, expanded data collection, more efficient root cause analysis, and enhanced incident trending capabilities to help mitigate future incidents.



COVID-19 RESPONSE

As an essential critical infrastructure business, Magellan took swift action to manage the potential impacts of the COVID-19 global health crisis to help ensure the safety of our employees and to remain fully operational to meet our nation's need for essential fuels.

Early in the pandemic, we activated an internal, cross-functional COVID-19 response team that quickly implemented a company-wide pandemic plan. Within days of the World Health Organization's pandemic declaration, this team had established workplace protocols consistent with U.S. Centers for Disease Control (CDC) guidelines for essential critical infrastructure employees to safely allow our front-line field-based employees to continue working onsite.

Portable IT assets were deployed to our office-based employees for temporary remote work through the height of the crisis. Additionally, several years ago Magellan invested in a second, independent, fully-functional, duplicate control center location for business continuity. Our pipeline control room staff were able to divide into two teams reporting to separate locations, accordingly.

Despite the work, travel, economic, and personal disruptions, we experienced no COVID-induced operational shutdown events at our 80+ terminals. By August 2020, our remote employees safely transitioned back into the office following CDC and state of Oklahoma guidelines.

All Employees

- Executed social distancing practices for work station and common area spacing, and posted occupancy limits signage at facilities and in meeting rooms, training facilities, elevators, and lobbies
- Enhanced facility disinfection and cleaning protocols
- Provided COVID-19 pay assistance for quarantined employees who were not able to work remotely
- Provided personal protective equipment to employees—hand sanitizer, face masks, face shields
- Enacted self-screening procedures with touchless temperature scanning stations at entrances
- Limited visitors and suspended business luncheons and company-sponsored events
- Launched a new web-based meeting and video conferencing platform
- Instituted exposure reporting, contact tracing, and quarantine procedures
- Offered free COVID-19 testing, waived employee medical cost-sharing for inpatient treatment, and provided access to online medical consultations
- Allowed CARES Act adjustments to employee 401(k) plan loans and flexible spending account election changes
- In early 2021, coordinated multiple vaccination clinics at our Tulsa headquarters and provided all employees paid time off to receive their vaccination

Office-Based Employees

- Implemented work-from-home procedures and deployed portable IT assets for temporary remote work
- Restricted non-essential travel
- Established CDC consistent return-to-work protocols and created a "Return to Office" training module completed by 100% of our office employees

Field-Based Employees

- Implemented CDC consistent protocols for control room staff and field-based employees to maintain a full onsite work week
- Improved indoor air quality and installed high-efficiency HEPA filters
- Established alternating days, extra shifts, and work group separation to limit total number of employees in same area of facility
- Adjusted shift turnover communications to avoid physical face-to-face engagement
- Instituted contactless delivery driver procedures for additives and loading racks
- Duplicated our hub terminal operations centers using mobile offices

EMPLOYEE ENGAGEMENT

Our culture fosters a rewarding work environment that is safe, healthy, respectful, and fair. Engagement, one of our core values, reinforces the importance of individual contributions and teamwork required to execute our strategic vision. Our leadership maintains transparent and frequent communication through our company intranet, digital signage, and an internal Magellan mobile app to relay timely information. Company leadership also hosts town hall meetings to personally connect with employees across our system and to discuss business priorities, answer questions, and recognize successes.

We value our employees' input and conduct anonymous company-wide surveys for honest, candid feedback. In 2020, we engaged Gallup to conduct a culture survey measuring six focus areas—engagement, ethics, diversity and inclusion, safety, collaboration, and leadership. Employee responses were analyzed against Gallup global and industry benchmarks to help understand our strengths and identify areas of opportunity. Compared to the industry benchmark, Gallup determined that Magellan achieved an above average favorable engagement score. Magellan leaders cascaded results to their teams and developed action plans for 2021 to foster meaningful discussion within each team. Accountability to share results and develop action plans will be driven in part by incorporating a culture assessment metric into our 2021 AIP. Going forward, we anticipate that the culture survey will be conducted annually.

Diversity and Inclusion

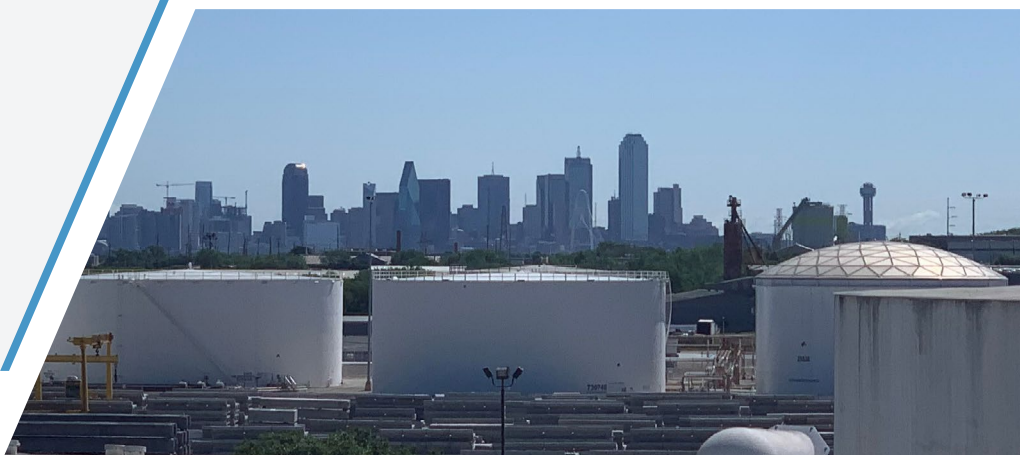
Magellan is committed to promoting an engaged, innovative, and diverse workforce, maintaining fair and impartial processes and programs, and cultivating an environment of belonging and authenticity where we treat each other with dignity and respect. We strive to attract and retain a talented and qualified workforce that brings unique perspectives, experiences, and creative mindsets together to provide a competitive edge and nurture long-term success.

Magellan is an equal opportunity employer. We comply with applicable employment-related laws and regulations, and do not tolerate discrimination against anyone. We routinely analyze the diversity demographics of employees, leadership, internally promoted employees, new hires, and applicants. Data trends are shared with our Board and senior leadership to help us cultivate teams that are inclusive, results-driven, and celebrate each employee's strengths to contribute and drive value.

In 2020, we had the highest percentage (19%) of self-disclosed ethnic minorities in our workforce. Women and ethnically diverse employees in positions of vice president and above represent 27% of our senior leadership—up 4% from 2019.



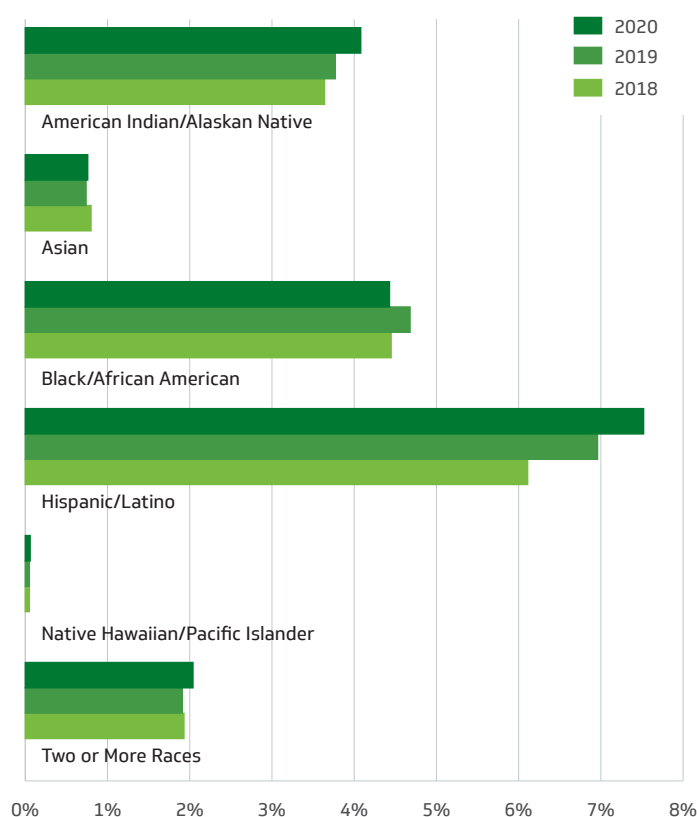
Magellan honored for the
4th consecutive year



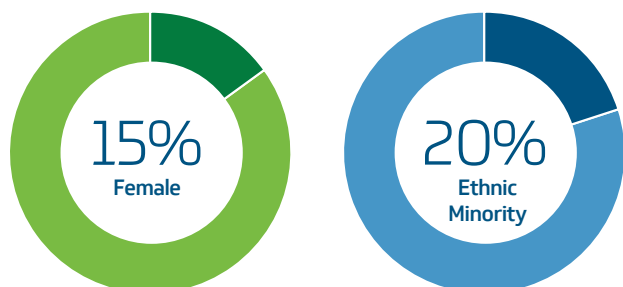
Our 2020 efforts included:

- Developing a new online training module, “Diversity and Inclusion Fundamentals,” to deploy to all employees in 2021.
- Expanding our university and technical school recruiting and campus outreach to attract more female and minority candidates. Examples include Langston University, a historically black university in Oklahoma; San Jacinto College recognized as an “Achieving the Dream Leader” college of distinction in Texas; and the Society of Women Engineers and the Society of Hispanic Engineers on multiple campuses.
- Advertising open positions to over 2,000 diverse professional groups and job boards such as the National Association of Black Accountants, Pink Petro (now ALLY Energy), and Oklahoma Women in Tech.
- Collaborating with equal opportunity employment agencies serving veteran and minority job seekers and vocational support organizations for individuals with disabilities.
- Participating in workshops and conferences, such as the Inclusion and Diversity Summit, to contribute to the ongoing diversity and inclusion conversation.

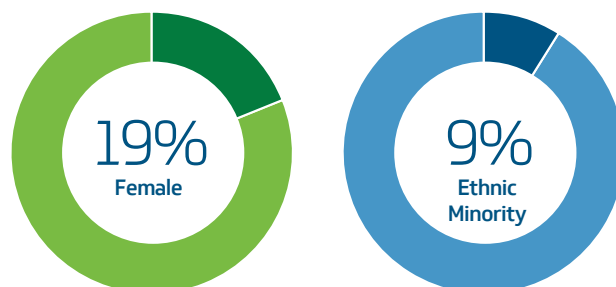
Ethnic Diversity at Magellan
All Employees



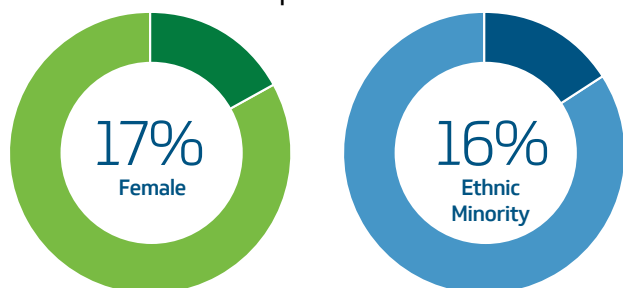
Individual Contributor



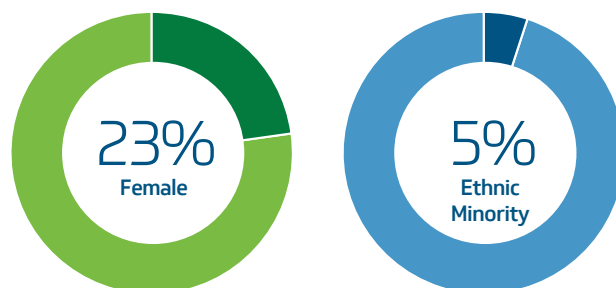
Manager, Director, and Associate Vice President



Supervisor



Vice President and Above



Female Male Ethnic Minority Other

Compensation

Our compensation program includes market-driven competitive pay with excellent benefits and participation in a performance-based AIP. We continually evaluate pay equity as a function of gender, ethnicity, age, position, and external market data with results reviewed at all levels of management during our annual compensation planning process. Individual pay decisions undergo a robust review and approval process with supervisor-led performance reviews conducted to help employees meet their personal career goals. Additionally, Long-Term Incentive Plan (LTIP) performance and retention unit awards may be granted to management and key employees as recognition for advancing our long-term goals. Our performance-based LTIP units use distributable cash flow per unit as a basis for the payout metric.

Benefits and Wellness

Magellan believes that offering competitive benefits supports overall employee satisfaction, retention, health, and well-being. We provide our employees with a comprehensive and robust benefits program, averaging an additional 35% of base salary, including competitive retirement benefits and a health and wellness program.

All-Employee 2020 AIP Metrics

65% EBITDA

(earnings before interest, taxes, depreciation, and amortization)

25%

Environmental, Safety, and annual Focus Areas

10%

Commodities Cash Flow

BENEFITS AND WELLNESS

80% of medical premiums paid by company

company-funded pension plan

over 95% of employees select medical coverage

up to 6% 401(k) match

nearly 50% of employees select family medical coverage

over 92% 401(k) participation

over \$118,000 in employee tuition reimbursement in 2020

nearly 75% participation in Move Magellan annual wellness program

Additional Benefits

- Employee assistance program
- Paid time off (holiday, vacation, personal, family member illness, military, and jury duty)
- Health enhancement subsidy
- Flexible spending account
- 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

Training

We invest in the safety and development of our employees through initial and refresher training, exposing them to new knowledge and providing personal development opportunities. To meet the unique training challenges of 2020, our trainers collaborated with leadership to convert many instructor-led sessions to virtual courses using our Learning Management System and virtual classrooms. As a result, courses were accessible to all employees without compromising the quality of information or training standards.

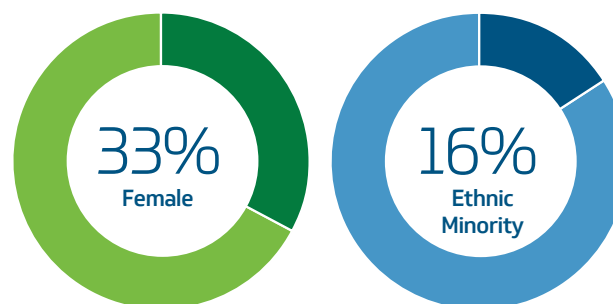
Talent Management

Magellan's own Leaders Developing Leaders (LDL) program is designed to prepare supervisors, managers, and directors to be high performing leaders who are skilled at developing employees and driving engagement, high performance, and retention. LDL sessions are led by our executive leaders. Content is focused on appropriate level capabilities and expectations, aligning outcome statements to our company vision, setting goals with execution planning, and developing one-on-one coaching skills to enhance employee development. During the pandemic, we converted our LDL curriculum to computer-based training for newly promoted leaders.

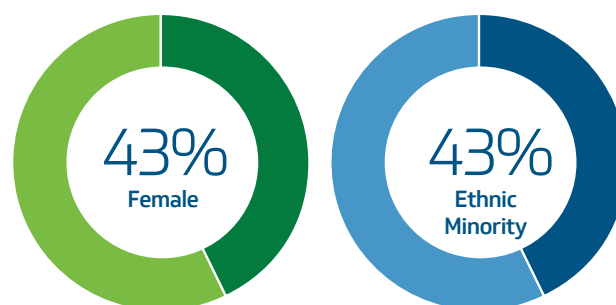
Our highly competitive Professional Development Program (PDP)—with final interviews conducted by our senior vice presidents, COO, and CFO—offers an immersive and accelerated employment experience to recent college graduates pursuing a career in the energy industry. In 2020, six full time PDP participants gained invaluable industry experience and personalized feedback working in business development, internal audit, financial planning and analysis, commercial crude oil, commercial refined products, and business optimization.

During 2020, our paid internship program offered seven students the opportunity for hands-on projects working alongside seasoned mentors in various departments in our corporate office. Additionally, 36 college and trade school students served in our field-based summer work program at locations across our system.

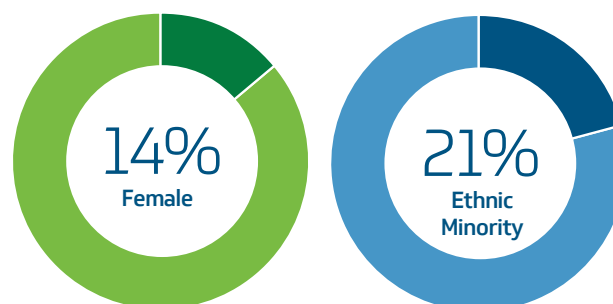
Professional Development Program



Internship Program



Summer Work Program



Female Male Ethnic Minority Other

STAKEHOLDER ENGAGEMENT

Magellan maintains trusted and active engagement with investors, regulators, local officials, emergency responders, businesses, landowners, and citizens in our communities. We seek their feedback, discuss items of interest, and provide updates as we strive to safely and reliably deliver on our commitment of *Moving What Moves America*®. We are proud of the benefits we provide to our communities through excellent career opportunities, economic development, volunteerism, and reliable access to essential fuels.

Native American Engagement

Magellan's relationship with Native American tribes that have a sovereign interest in land where our assets are located is important to productive and mutually beneficial agreements. Our refined products pipeline from El Paso, Texas, to Albuquerque, New

Mexico, traverses the Pueblo of Isleta Tribal Lands. Through right-of-way agreements negotiated with the Isleta Tribal Council, we ensure that our operations do not disturb their archaeological history or encumber their use of their natural resources.

Response Agencies

We routinely interact with our area planning and response agencies, committing significant time and resources to ensure that personnel are trained to respond to a product release (see Emergency Preparedness and Response section). We also provide funding for the agencies' emergency equipment and operating needs. Magellan budgets up to \$100,000 annually that is available to Local Emergency Planning Committees (LEPC) and emergency response agencies.

| Stakeholder Engagement | Investors | Native American Representatives | Community Members and Landowners | Emergency Responders | Government and Regulators |
|--|-----------|---------------------------------|----------------------------------|----------------------|---------------------------|
| Face-to-face meetings, calls, and correspondence | • | • | • | • | • |
| Unitholder meeting, conferences, and presentations | • | | | | |
| Informational publication mailer | | • | • | • | • |
| Company website (www.magellanlp.com) | • | • | • | • | • |
| Anonymous and confidential action line | • | • | • | • | • |
| Social media | • | • | • | • | • |
| Local and regional organizational outreach | | • | • | • | • |
| Community investment programs and events | | • | • | • | |
| Emergency response tabletop exercises | | | | • | • |
| Asset tours | • | | | • | • |

Public Awareness **SIP 10**

Magellan's public safety outreach provides pipeline safety awareness and identification of pipeline facilities and underground assets while sharing the vital ways community members contribute to pipeline safety, hazard recognition, damage prevention, emergency response, and environmental protection.

As a core component of our overall safety program, our Public Awareness Program complies with the standards established in API's Recommended Practices 1162 and 1173 and U.S. EPA regulations. Element 10 of our SIP details program activities, communication guidelines, processes to annually audit program effectiveness, and engagement with local officials.

Our damage prevention professionals promote the national "Call 811 Before You Dig" program established to identify and mark underground assets prior to excavation at no cost to the public. To increase awareness in 2020, we strategically placed "Call 811" billboard advertisements, reaching over 6.2 million drivers during the duration of the campaign.

During 2020, Magellan's One Call center processed more than 218,000 work orders to mark our asset locations prior to excavation projects and mailed excavation safety guides to nearly 500,000 excavators during National Safe Digging Month in April.

827,796

bilingual pipeline safety brochures mailed to:

763,259

community members

55,992

excavators

5,974

emergency responders

2,571

public officials



Magellan's "Call 811" billboard campaign reached over

6.2 million

drivers during 2020

In addition, we mailed over 827,000 English and Spanish pipeline safety brochures with our contact information to residents, property owners, businesses, excavators, farmers, emergency responders, public officials, and One Call centers located along our pipelines. Outreach materials often target adults, but we also proactively engage students to foster pipeline safety champions. In Texas, we sponsored the science-based Safe at Home pipeline safety curriculum for educators teaching over 400 students at four Houston schools and sent our Magellan “Pipelines All Around You” presentation to an additional 25 teachers at 21 schools in the Austin area.

As a responsible pipeline operator, we routinely meet with public officials and LEPCs in each county that our pipelines traverse and held virtual meetings in 2020. We also conduct training exercises with first response agencies and prepare joint emergency response plans for use in the event of a pipeline or terminal incident.

Emergency and Public Official Engagement

860
LEPC planning meetings

11,373
officials invited

9,831
informational emails sent

Magellan's Dupont, Colorado Terminal

The South Adams County Fire Department presented Magellan's Dupont terminal with a Community Partner Award recognizing our continued support to enhance emergency response capabilities. Our Dupont terminal employees hosted site tours and held multiple days of fire and hazardous material training to strengthen working relationships and increase the operational effectiveness and safety of both Magellan employees and the South Adams County firefighters.



COMMUNITY GIVING

Magellan proudly supports programs and charitable organizations that align with our values and enhance life throughout the communities where we operate and live. Our community giving model encompasses four main areas for involvement: United Way annual fundraising campaign; company-level strategic giving with an emphasis on organizations that address the needs of underserved populations; civic and economic development initiatives; and employee-requested company giving. Even during the global pandemic, we provided for others to enhance their quality of life. Examples of our support in 2020 include:

United Way

Since our founding in 2003, our employees have volunteered in United Way Day of Caring annual events, and our total financial contributions have exceeded \$5 million, with an increase in the number of employee contribution pledges in 2020.

Tulsa's Gathering Place

We continued our annual installment of \$500,000 for a total \$5 million, 10-year commitment to Tulsa's premier 100-acre park. The Gathering Place is committed to sustainable ecological practices, habitat revitalization, and art exhibits that celebrate the beauty of ethnic diversity and cultural differences.

Tulsa Children's Museum

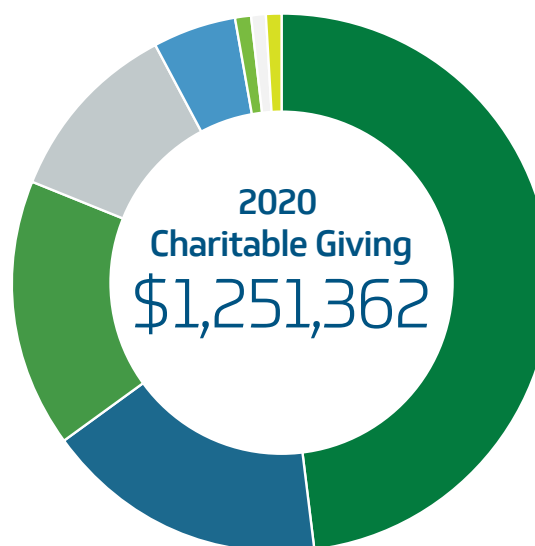
We provided ongoing building fund sponsorship of this new regional, state-of-the-art interactive learning center focused on STEM (science, technology, engineering, and math) education for elementary age students, which is planned to open in late 2021.

Employee Match Program

Company funds were provided to charitable organizations where our employees personally volunteer their own time or resources. Our employees who participate in the Political Action Committee (PAC) are able to direct additional company funds, matching their PAC donation amount, to eligible non-profit organizations of their choice.

Underserved Populations

In addition to our United Way and civic contributions, our 2020 company strategic giving and employee-requested funding totaled \$263,810, with nearly 80% of the receiving agencies reaching underserved and vulnerable populations. Two programs were added in 2020: the Indian Health Care Resource Center of Tulsa, which has a mission to provide quality Tribal healthcare in a culturally sensitive manner; and Purple Heart Homes, dedicated to finding housing solutions for service-connected disabled and aging U.S. Veterans.



- 48%** Civic (e.g., Tulsa's Gathering Place)
- 17%** Basic Needs (e.g., Housing & Food)
- 16%** Education (e.g., Youth & Early Childhood)
- 11%** Health & Safety
- 5%** Disease & Research
- 1%** Arts, Culture, & Humanities
- 1%** Special Needs Organizations
- 1%** Veterans

DELIVERING COMMUNITY VALUE IN 2020

1,720 employees
at year end

\$286 million in
total annual payroll

>\$87 million paid
to local utilities

>\$350 million spent on
contractors for maintenance
and growth capital projects

\$102 million paid
in payroll and
property taxes

>\$1 million
contributed to
community programs

MAGELLAN IN THE COMMUNITY

Few contributions meet such an immediate and direct need as providing a meal. During the pandemic, many people experienced new hardships accessing food, and local food banks and pantries saw an extraordinary increase in clients using their services. Magellan and our employees provided financial assistance, prepared sack lunches, and held food collection events directly impacting the communities served by the Helping Hand of Warren County, Iowa; The Salvation Army Food Pantry of Big Spring, Texas, serving four counties; Saint Mary's Outreach in Morgan City, Louisiana; The Carpenter's Table of Spartanburg County, South Carolina; Filling the Void and the Community Food Bank of Eastern Oklahoma (both located in Tulsa, Oklahoma); and numerous other food pantries in the communities where we live and serve.



Governance

Responsible governance and unitholder alignment underscore Magellan's disciplined business approach as we continue to provide our nation with essential fuels.



GOVERNANCE

Magellan's Board and executive leaders actively maintain high ethical standards, responsible governance policies and practices, and comprehensive financial controls. Together, our employees, leaders, and Board make daily decisions guided by our [One Magellan Code of Ethics and Business Conduct](#) (Code) and the shared core values of safety, respect, integrity, compliance, engagement, and efficiency. We believe that effective Board engagement, a resilient business model, and disciplined operations management are fundamental to safeguarding Magellan's mission to safely and reliably provide the essential fuels our nation needs.

BOARD LEADERSHIP

Magellan's Board and its committees serve as our highest level of oversight to maintain a clear strategic and operational focus, evaluate and mitigate risks, and consider economic circumstances along with regulatory and legal requirements.

In compliance with our [Governance Guidelines](#), our Board annually assesses their oversight performance, effectiveness, and efficiency. The Board has three standing committees—the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee. Each committee is made up entirely of independent directors, as defined by the New York Stock Exchange (NYSE), with responsibilities set forth in written [committee charters](#). Committee meetings are held in tandem with quarterly Board meetings but may be conducted as often as necessary. Throughout 2020, our Board held a total of 27 meetings: 12 board meetings, eight Audit Committee meetings, five Compensation Committee meetings, and two Nominating and Governance Committee meetings. No director attended fewer than 75% of the regularly scheduled meetings, with 100% director attendance at our 2020 virtual annual meeting of limited partners.

Governance at a glance

Investment grade master limited partnership with no incentive distribution rights

Unitholder election of Board members

8 of Magellan's 9 directors qualify as independent under NYSE standards and SEC regulations

Performance-based compensation

Independent, anonymous, and confidential action line



Magellan's Core Values

- Safety
- Respect
- Integrity
- Compliance
- Engagement
- Efficiency

Director Overview

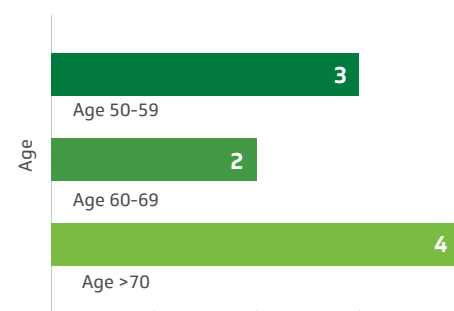
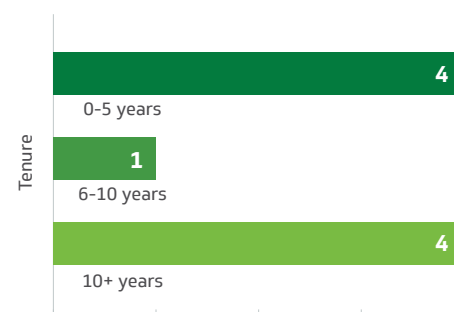
Each of our directors meets the qualification standards of our Governance Guidelines and represents diverse experiences, knowledge, and perspectives that are highly relevant for Magellan's business. To enhance this board-level experience, Magellan encourages our directors to pursue continuous learning opportunities; notably, our directors have attended or are currently enrolled in executive training programs accredited by internationally recognized universities.

Mr. Barry R. Pearl serves as Magellan's Lead Director with responsibilities to preside at non-management board meetings; coordinate the activities of the independent directors and liaise with the Chairman; deliver the CEO annual performance appraisal; and receive all action line reports requesting Board notification. Additional detailed information about our Board, committee charters, director data, and Governance Guidelines is available in our [2021 Proxy Statement](#) or on our [website](#).

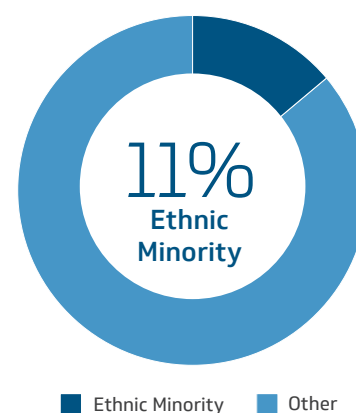
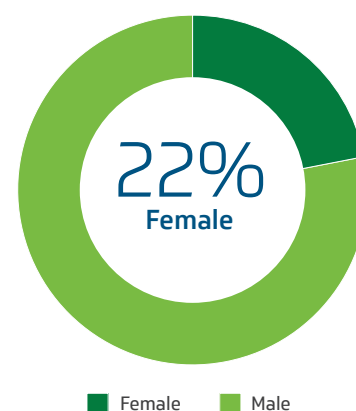
ESG GOVERNANCE

Sustainability is not new to Magellan. For two decades, we have focused on long-term, safe, environmentally responsible, and disciplined operations with appropriate Board involvement and oversight. We continue to provide transparent accountability to our stakeholders regarding how we manage and measure our enterprise-level ESG and business performance.

Our entire Board participated in our 2020 materiality assessment to evaluate financially material metrics together with topics that are both environmentally and socially important. In 2020, our Board reviewed and approved the publication of our inaugural sustainability report. Furthermore, the Board works closely with our executive leaders to review our ESG reporting framework and plan, and to ensure that our ongoing sustainability objectives align with our business model and strategies. In October 2020, to formalize this ESG commitment, the Nominating and Governance Committee updated its charter to include oversight responsibility for additional human capital management practices and workplace culture initiatives.



Boardroom Diversity



EXECUTIVE COMPENSATION

Compensation of our named executive officers (NEOs) is publicly disclosed in Magellan's [2021 Proxy Statement](#). Our executive compensation program is linked to business performance, uses both annual and long-term incentives, aligns with unitholder interest, and seeks to retain and motivate highly talented executives, while recognizing their individual contributions. Our compensation philosophy leverages competitive market data and peer company benchmarking analysis to achieve financially relevant and attractive executive compensation. NEOs serve without an employment agreement and have no role in determining their own compensation. The Board's Compensation Committee engages an independent executive compensation consulting firm to assist in annual compensation evaluations and to provide regulatory guidance. Other compensation metrics that were reviewed and approved by our independent Board members during 2020 included:

- Similar to previous years, the annual internal pay equity analysis concluded that our CEO's total target compensation compared to all-employee compensation remained below our peer average.
- Approximately 60% of our senior leadership's targeted compensation is tied to our company performance and paid in equity.
- Our Long-Term Incentive Plan is based on distributable cash flow performance per unit for long-term value creation and best aligns the interests of executives with our unitholders.
- Our Annual Incentive Program performance payout uses the same metrics for all executives and employees.
 - 65% EBITDA (earnings before interest, taxes, depreciation, and amortization)
 - 25% Environmental, Safety, and annual Focus Areas
 - 10% Commodities Cash Flow

RISK MANAGEMENT

Magellan's enterprise-wide risk management (ERM) processes support an environment of continuous improvement that encompasses an annual company-wide risk assessment, Board oversight, extensive policies and procedures, and our safety management system known internally as the System Integrity Plan. Our ERM processes systematically apply a well-defined and multifaceted methodology to identify, analyze, prioritize, and mitigate the principal and emerging risks to our business. These processes encompass extensive policies and procedures aimed to meet or exceed applicable laws and regulations governing our storage and pipeline transportation; safety, environmental, and employment practices; and financial reporting.

Our Board and its committees provide collaborative, high-level oversight of current, potential, internal, and external risk exposure. Magellan's senior leadership is responsible for monitoring and managing daily risks, including those that could potentially compromise our safe operations or negatively impact our reputation. The Board's Audit Committee receives regular updates on specific risks and determines the effectiveness of our ERM processes.

In 2020, 100% of Magellan's management and selected subject-matter experts individually completed the annual comprehensive risk assessment survey to identify enterprise-wide risks and associated potential negative impacts. As part of our annual risk assessment, our internal audit team aggregates responses in a formal risk report ranking high-priority issues and provides them to the Audit Committee and senior leadership for use in facilitating opportunities for innovation, process and control improvement, business strategy adaptation, and for increasing engagement. The 2021 risk assessment will add ESG-related matters for evaluation, and we expect that an internal audit will be conducted in 2022 to assess controls governing our ESG reporting process.

For detailed information about material risks to an investment in Magellan, see Risk Factors in our 2020 Annual Report on [Form 10-K](#).

CYBERSECURITY

Global cybersecurity threats are increasingly sophisticated and demand vigilance coupled with robust intelligence to assess the threat landscape to mitigate evolving risks, such as ransomware attacks. Protection of our information technology (IT) and operational technology infrastructure is accomplished through our comprehensive cybersecurity and data protection program in alignment with the U.S. Department of Commerce NIST Cybersecurity Framework. Our program includes strict access controls, multi-factor authentication, a defense-in-depth strategy, IT policies, employee training, in-house and third-party penetration testing, advanced monitoring and filtering technologies, and secure IT asset disposal. We regularly measure key cybersecurity and data protection program metrics and provide quarterly performance briefs to the Audit Committee of our Board.

Continuous assessment safeguards the security, integrity, and availability of our data, networks, and fixed or mobile IT assets. Magellan uses a specialized third party to develop and execute comprehensive cybersecurity awareness training, with annual refresher training modules required for all employees. In 2020, employees completed multiple cybersecurity awareness training modules in conjunction with targeted monthly email phishing attempts to keep our employees alert. More targeted training is delivered to employees who fall into a higher risk classification.

We responsibly dispose of our IT assets through a contractor that adheres to U.S. Department of Defense security protocols and provides auditable verification of destruction, recycling, or repurposing of our electronic assets. In 2020, the contractor's certified report indicated that the recycling and repurposing of our assets led to reduced manufacturing hours for new equipment thereby avoiding an estimated 151 tons of CO₂e greenhouse gas emissions per U.S. EPA calculations.

INVESTOR RELATIONS

The events of 2020 amplified the importance of effective, timely stakeholder communication. The timing of our scheduled biennial analyst day coincided with the onset of pandemic-related lockdowns. As a result, we quickly pivoted to a virtual platform which allowed us to update the investment community and address key topics of interest such as the potential impacts and sensitivities to Magellan's business, extent of take-or-pay customer agreements, counterparty risk, and liquidity position. Throughout the year, investor relations and executive leaders participated in additional opportunities to reinforce the resiliency of Magellan's business during a year of unparalleled uncertainty and market volatility. For additional dialogue, we invited our investors and research analysts to complete our ESG materiality assessment and used those results to guide our inaugural sustainability report. After publication, we again reached out and have incorporated their feedback into this year's sustainability report. Magellan's investor relations team continues to be recognized as one of the best within our industry.

PUBLIC POLICY AND ADVOCACY

Our 2020 political engagement focused on growth projects for pipeline and storage expansion, renewable energy development opportunities, enhanced pipeline safety legislation aimed to protect the public and the environment, and advancing state and federal tax policies to promote the sustainability of the publicly traded partnership structure.

Guided by our Code, we participate in the political process in a transparent and ethical manner by:

- Engaging with legislators, regulators, industry associations, and other stakeholders at the local, state, and federal level to support responsible, reasonable, and balanced laws and regulations for a secure energy future.
- Identifying regional and national issues that are vital to developing informed energy policies and continued access to essential fuels through critical infrastructure.

- Providing information and data to our elected officials and regulators about the benefits of various liquid fuels including the extensive use of processed crude oil in everyday products.
- Educating elected officials, regulators, and consumers about the safety and reliability of underground pipelines, and the fact that pipelines result in significantly lower greenhouse gas emissions than other modes of transportation.
- Empowering our employees to serve as passionate and effective energy advocates within their communities.

Magellan does not fund political causes at the company level; rather, our employees may exercise their right to participate in civic engagement by voluntarily donating to the Magellan employee Political Action Committee (PAC). The PAC contributes to bipartisan candidates for U.S. federal and state elected offices and to officials who are generally supportive of our long-term policy objectives and located in states within our operational footprint. 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.

Magellan generally aligns our operations to follow API Recommended Practices where applicable. We are a member of several industry associations and may collaborate on special projects or during efforts to communicate the petroleum industry's fundamental role in our nation's economy and security. For example, we recently served on the Energy Infrastructure Council (EIC) ESG Working Group to develop the inaugural midstream industry ESG reporting template, providing the investment community a useful tool to better compare midstream energy companies. For more information, see our [EIC ESG template](#).



COMPLIANCE AND ETHICS PROGRAM

Magellan's employees and the Board are committed to maintaining high ethical standards with a diligent focus on compliance with all applicable laws and regulations. To reinforce this commitment, we have adopted a compliance and ethics program led by our General Counsel who serves as the Compliance and Ethics Officer. Our program is focused on establishing and communicating standards of conduct to our directors, officers, and employees, and monitoring to determine whether the established standards are being followed. Standards include our One Magellan Code of Ethics and Business Conduct (Code), Code of Ethics for Senior Officers, policies and procedures, and the Federal Energy Regulatory Commission (FERC) Compliance Program. Our Code is foundational to our compliance and ethics program and is at the heart of our decision-making and actions. It focuses on our core values of safety, respect, integrity, compliance, engagement, and efficiency.

In 2020, employees completed over 4,500 hours of our online "Know the Code" refresher course, featuring senior leadership highlighting our ethical expectations and culture. Each employee—from the CEO to the individual contributor—is expected to abide by our Code at all times and must annually affirm that they have read and understand the Code. We also provided company-wide FERC awareness training and testing in 2020.

Reporting Concerns

Reporting suspected wrongdoing or unethical behavior is expected of all Magellan employees and is encouraged among our contractors, customers, and stakeholders, without fear of retaliation. Magellan's confidential 24-hour Action Line is operated by an independent service, and concerns may be reported anonymously. To maintain stakeholder trust and accountability, we investigate all Action Line reports of alleged improper conduct and provide quarterly briefings to our Board's Audit Committee. As additional reporting channels, employees may contact their supervisors, as well as our Human Resources or Legal departments.



action line

(888) 475-9501

REPORTING GUIDELINES

Contact

Paula Farrell
Associate Vice President, Investor Relations
(918) 574-7650, paula.farrell@magellanlp.com

Reporting Boundaries and Standards

This report covers all Magellan operations, unless otherwise noted. Report disclosures are for the period January 1, 2020, to December 31, 2020, except as noted. This report includes voluntary ESG reporting that has been informed by the Global Reporting Initiative and Sustainability Accounting Standards Board for Oil & Gas Midstream.

U.S. Regulation of Pipeline Industry and Disclaimer

The petroleum pipeline industry is heavily regulated by multiple state and federal agencies. Accordingly, some of the activities disclosed in this report, including the associated performance data table (collectively the “report”), are legally required. There are inherent limitations to the accuracy of some kinds of environmental, safety, and social performance data. The accuracy of this kind of information may be lower than that of data obtained through our financial reporting systems and process. As this report contains many data points of complex subject matter, it may inadvertently contain inaccurate, misleading, and incomplete statements despite our good faith efforts. Magellan expressly disclaims and makes no representation or warranty as to the accuracy or completeness of the data contained in this report. Magellan has no obligation to update or correct any information in this report and undertakes no obligation to provide additional information or to continue to provide similar information in the future. Investment decisions should not be based on an isolated statement or data point or on forward-looking statements. Further, the data provided in this report is not applicable to and has not been prepared in accordance with generally accepted accounting principles (GAAP) and has not been audited. This report is expressly excluded from and not incorporated by reference into any filing, report, application, or other statement made by Magellan to the U.S. Securities and Exchange Commission or any other governmental authority.

Non-GAAP Financial Measures

Adjusted EBITDA and Distributable Cash Flow are non-GAAP metrics. Please see our 2020 Annual Report on [Form 10-K](#) for the reconciliation of both of these metrics to net income, which is the nearest comparable GAAP financial measure.

Forward-Looking Statement Disclaimer

Except for statements of historical fact, this report constitutes forward-looking statements as defined by federal law. Forward-looking statements include, without limitation, those identified by words and phrases like: ensure, resilient, plan, anticipation, forecasts, growing, commitment, mission, expect, continue, believe, future, guidance, potential, maintain, intend, estimate, reduce, protect, reuse, sustain, focus, strive, continuous, emerging, ongoing, to come, trends, change, target, remain, long-term, may, will, should, 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. Among the key risk factors that may have a direct impact on Magellan’s results are: ongoing impacts from pandemics; impacts of the oversupply of crude oil and petroleum products; changes in price or demand for refined petroleum products, crude oil, and natural gas liquids, or for transportation, storage, blending, or processing of those commodities through our facilities; changes in laws applicable to Magellan, our vendors, or our customers; changes in Magellan’s tariff rates or other terms as required by regulatory authorities; shut-downs or cutbacks at refineries of hydrocarbon production or at other businesses that use or supply Magellan’s services; changes in the throughput or interruption in service on pipelines or other facilities owned and operated by third parties and connected to Magellan’s terminals, pipelines, or other facilities; the occurrence of operational hazards or unforeseen interruptions; the treatment of Magellan as a corporation for federal or state income tax purposes or Magellan becoming subject to significant forms of other taxation; changes in Magellan’s capital needs, cash flows, and availability of cash to fund unit repurchases or distributions; and failure of customers to meet or continue contractual obligations to Magellan. Additional factors that could lead to material changes in performance are described in the partnership’s filings with the Securities and Exchange Commission, including Magellan’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 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 in this report are based only on information currently known, and Magellan undertakes no obligation to revise our forward-looking statements to reflect future events or circumstances.

Magellan is focused on safe and efficient operations combined with transparent environmental, social, and governance disclosure. Data reported below is as of December 31, 2020.

Performance Data Table

| Economic Impact | | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------------|--|---------|---------|---------|---------|---------|
| Financial | Adjusted EBITDA ¹ , million US\$ | \$1,213 | \$1,303 | \$1,396 | \$1,581 | \$1,349 |
| | Total Assets, million US\$ | \$6,772 | \$7,394 | \$7,748 | \$8,438 | \$8,197 |
| | Distributable Cash Flow ¹ , million US\$ | \$947 | \$1,021 | \$1,110 | \$1,297 | \$1,044 |
| | Cash Distribution Declared, per unit US\$ | \$3.32 | \$3.59 | \$3.87 | \$4.07 | \$4.11 |
| | Property Taxes ² , million US\$ | \$67 | \$65 | \$74 | \$78 | \$85 |
| | FICA Taxes, million US\$ | \$14 | \$15 | \$16 | \$17 | \$17 |
| Operational | Total Throughput, million bbls | 1,054 | 1,148 | 1,258 | 1,440 | 1,283 |
| | Miles of Pipeline | 12,927 | 13,000 | 12,981 | 12,743 | 12,301 |
| | Barrels of Storage Capacity, million bbls | 100 | 104 | 111 | 118 | 109 |
| | Number of States Where We Operate ³ | 24 | 24 | 24 | 24 | 22 |
| Governance | | 2016 | 2017 | 2018 | 2019 | 2020 |
| Board and Diversity | Number of Board Members | 8 | 8 | 8 | 9 | 9 |
| | Independent Board Members, # (%) | 7 (88%) | 7 (88%) | 7 (88%) | 8 (89%) | 8 (89%) |
| | Women Board Members, # (%) | 2 (25%) | 2 (25%) | 2 (25%) | 2 (22%) | 2 (22%) |
| | Number of Ethnic Minority Board Members, # (%) | 0 | 0 | 0 | 1 (11%) | 1 (11%) |
| Risk Management | Comprehensive Annual Audit Plan Approved by Board of Directors | Yes | Yes | Yes | Yes | Yes |
| | Employee Hours Dedicated to Internal Audits | 22,193 | 25,050 | 28,009 | 30,469 | 30,357 |
| Action Line | Number of Action Line Calls Received | 14 | 16 | 21 | 21 | 24 |
| Supply Chain | Number of Suppliers and Contractors Screened for Health and Safety Criteria | 1,375 | 1,500 | 1,625 | 1,650 | 1,459 |
| Environmental | | 2016 | 2017 | 2018 | 2019 | 2020 |
| Compliance Management | Number of Notices of Violation ⁴ (NOV) | 8 | 3 | 18 | 12 | 11 |
| | Total Fines and Penalties ⁵ , thousand US\$ | \$70 | \$29 | \$9 | \$171 | \$182 |
| Controlling Emissions | Number of Vapor Combustion Units ⁶ (VCUs) | 70 | 70 | 70 | 72 | 72 |
| | Number of Vapor Recovery Units (VRUs) | 21 | 30 | 33 | 38 | 40 |
| | Nitrogen Oxides (NOx), metric tons ⁷ | 495 | 423 | 460 | 411 | 403 |
| | Carbon Monoxide (CO), metric tons ⁷ | 491 | 415 | 402 | 364 | 308 |
| | Volatile Organic Compounds (VOCs), metric tons ⁷ | 4,212 | 5,468 | 4,416 | 4,309 | 3,957 |
| Greenhouse Gas Emissions ⁸ | Percentage of Total Number of Facilities Required to Obtain GHG Permits ⁸ | <1% | <1% | <1% | <1% | <1% |
| | Total CO ₂ e Reported, thousand metric tons ⁹ | 0.2 | 54 | 79 | 72 | 65 |
| | Carbon Dioxide, thousand metric tons ⁹ | 0.1 | 53 | 78 | 71 | 64 |
| | Methane, metric tons ⁹ | 152 | 641 | 635 | 626 | 547 |
| | Nitrous Oxide, metric tons ⁹ | 3 | 159 | 231 | 211 | 189 |
| Releases and Emergency Responses | Number of PHMSA ¹⁰ Reportable Releases | 27 | 19 | 36 | 23 | 23 |
| | Number of PHMSA Reportable Releases >1 bbl | 21 | 17 | 23 | 12 | 16 |
| | Total Volume of PHMSA Reportable Releases, bbls ⁷ | 4,722 | 14,320 | 3,342 | 260 | 1,173 |
| | Number of Emergency Response Drills and Equipment Deployments | 139 | 141 | 144 | 144 | 159 |
| Waste Management | Contact Water Processed for Reclamation at Magellan's Kansas City Reclamation Facility, bbls | 40,408 | 41,096 | 33,792 | 39,259 | 28,702 |
| | Tank Bottoms Processed for Reclamation at Magellan's Kansas City Reclamation Facility, bbls | 8,810 | 7,865 | 9,905 | 7,206 | 7,792 |
| | Hazardous Waste Disposal, lbs | 180,529 | 318,093 | 269,695 | 172,586 | 65,214 |

| Social | | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|--|-----------|-----------|-----------|-----------|-----------|
| Workforce | Number of Employees ¹¹ | 1,747 | 1,802 | 1,868 | 1,884 | 1,720 |
| | Percentage of Women in the Workforce | 14% | 15% | 15% | 15% | 16% |
| | Percentage of Ethnic Minorities in the Workforce | 15% | 15% | 17% | 18% | 19% |
| | Percentage of Veterans in the Workforce | 11% | 11% | 10% | 9% | 9% |
| | Percentage of Women and Minorities in Management (Manager and above) | 21% | 20% | 23% | 23% | 25% |
| | Percentage of Employees Under Collective Bargaining Agreement | 15% | 14% | 14% | 14% | 13% |
| Employee Retention | Number of New Employee Hires | 172 | 165 | 203 | 171 | 91 |
| | Voluntary Turnover Rate Including Retirements | 3.3% | 5.3% | 5.7% | 7.0% | 5.6% |
| | Employee Average Tenure, years | 11.2 | 11.0 | 10.5 | 10.3 | 10.0 |
| Safety | Number of Employee Fatalities ¹² | 0 | 0 | 0 | 0 | 1 |
| | Total Employee OSHA Recordable Injury and Illness Incident Rate per 200,000 Hours Worked | 0.35 | 0.56 | 0.49 | 0.48 | 0.48 |
| | Employee Days Away, Restricted, Transferred Incident Rate per 200,000 Hours Worked | 0.35 | 0.45 | 0.32 | 0.32 | 0.32 |
| | Employee Lost Time Incident Rate per 200,000 Hours Worked | 0.29 | 0.39 | 0.27 | 0.32 | 0.16 |
| | Number of Contractor Fatalities | 0 | 0 | 1 | 0 | 1 |
| | Total Contractor OSHA Recordable Injury and Illness Incident Rate per 200,000 Hours Worked ¹³ | 0.39 | 0.14 | 0.14 | 0.24 | 0.42 |
| | Preventable Motor Vehicle Accident Rate ¹⁴ | 1.50 | 0.95 | 1.03 | 1.07 | 0.90 |
| | Number of Process Safety Events - Tier 1 ¹⁵ | 1 | 0 | 0 | 1 | 1 |
| | Number of Process Safety Events - Tier 2 ¹⁵ | 0 | 2 | 0 | 0 | 0 |
| | Tank Integrity Spend, million US\$ | \$47 | \$52 | \$62 | \$47 | \$46 |
| | Depth of Cover (DOC) Survey, miles ¹⁶ | 1,494 | 1,454 | 1,130 | 1,125 | 120 |
| | Pipeline Integrity Assessments ¹⁷ , # (million US\$) | 59 (\$54) | 49 (\$57) | 62 (\$70) | 45 (\$63) | 80 (\$63) |
| | Pipeline Integrity Assessments, miles ¹⁷ | 2,737 | 2,120 | 3,441 | 2,302 | 3,354 |
| Community | Total Community Relations Giving, thousand US\$ | \$1,324 | \$1,395 | \$1,295 | \$1,508 | \$1,251 |
| | Number of One Call Tickets Processed | 208,126 | 187,233 | 201,698 | 231,275 | 218,206 |
| | Number of Public Awareness Materials Distributed | 576,514 | 795,421 | 819,890 | 889,884 | 827,796 |

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 2020 Annual Report on [Form 10-K](#).

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

³ March 2020, asset divestiture is reflected in the 22 states.

⁴ Environmental and non-environmental NOV's received from regulatory agencies.

⁵ Represents settled penalty and fine amounts which may lag behind the year the NOV was received.

⁶ Some VCU's have been replaced with VRU's; however, VCU's are operationally maintained to serve as emergency backup.

⁷ Emissions data obtained from submitted emission inventories as required by each applicable regulatory agency. Increase in VOC's and PHMSA reportable release volume in 2017 due to Hurricane Harvey release.

⁸ First operational in late 2016, our condensate splitter is the only facility requiring a GHG permit.

⁹ Scope I GHG emissions from our system are reported as required under the Mandatory Greenhouse Gas Reporting Rule.

¹⁰ PHMSA is the acronym for Pipeline and Hazardous Materials Safety Administration.

¹¹ Includes regular full-time and temporary limited scope employees.

¹² External investigation determined that the motor vehicle accident resulting in this tragic loss of life occurred as a result of the fault of a third party.

¹³ Contractor hours worked estimated per API 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 API Recommended Practice 754.

¹⁶ Shifted resources from DOC surveys in 2020 to mitigating shallow and exposed pipe and conducting pipeline water crossing inspections.

¹⁷ Totals do not include Magellan's newly commissioned pipeline integrity assessments.

DISCLAIMER: This performance data table and the data provided therein, is voluntarily provided for informational purposes only. Magellan disclaims any representation or warranty as to the accuracy or completeness of the data which may inadvertently contain inaccurate, misleading, and incomplete statements despite our good faith efforts. Magellan has no obligation or duty to modify, change, correct, delete, or update this table and data disclosures, but reserves the right to do so at its sole discretion without notice. There are inherent limitations to the accuracy of some kinds of environmental, safety, and social performance data. The accuracy of this kind of information may be lower than that of data obtained through our financial reporting systems and process. This data is expressly excluded from and not incorporated by reference into any filing, report, application, or other statement made by Magellan to the U.S. Securities and Exchange Commission or any other governmental authority. The data may not be interpreted as any form of guaranty or assurance of future results or trends.

Reporting Standards Index

The topics covered in Magellan's 2020 Sustainability Report (SR) are informed by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for Oil & Gas Midstream which have been mapped below. In some instances, we may also refer to our Performance Data Table (PDT), 2020 Annual Report on [Form 10-K](#), [Form 8-K](#), [2021 Proxy Statement](#), or [website](#) [referenced below in blue text].

| SASB Code | GRI | Description | Disclosure |
|-----------|--------------------------------------|---|---|
| | GRI 102 – GENERAL DISCLOSURES | | Response, SR Page #, or Other |
| | 102-1 | Name of the organization | Magellan Midstream Partners, L.P. |
| | 102-2 | Activities, brands, products, and services | SR pp. 4-6 |
| | 102-3 | Location of headquarters | Tulsa, Oklahoma |
| | 102-4 | Location of operations | SR p. 4; Form 10-K pp. 3-12 What We Do/Refined Products What We Do/Crude Products |
| | 102-5 | Ownership and legal form | Form 10-K p. 3 |
| | 102-6 | Markets served | SR pp. 4, 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. 23-26; PDT; Form 10-K p. 17 |
| | 102-9 | Supply chain | SR p. 20 |
| | 102-10 | Significant changes to organization or its supply chain | Form 8-K |
| | 102-13 | Membership of associations | SR p. 37 |
| | 102-14 | Statement from senior decision-maker | SR p. 2 |
| | 102-15 | Key impacts, risks, and opportunities | Throughout the SR; Form 10-K pp. 17-35, 55; Proxy pp. 19-20 |
| | 102-16 | Values, principles, standards, and norms of behavior | SR pp. 20, 33, 37; Proxy p. 23 |
| | 102-17 | Mechanism for ethics advice and concerns | SR p. 37; Proxy p. 23; About Us/Action Line |
| | GOVERNANCE | | |
| | 102-18 | Governance structure | SR pp. 33-34; Proxy pp. 5, 19-23, 55 |
| | 102-19 | Delegating authority | Proxy pp. 4, 13, 20, 54 |
| | 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 | Throughout the SR |
| | 102-22 | Composition of highest governance body and its committees | SR pp. 33-34; Proxy pp. 5-10, 19-23 |
| | 102-23 | Chair of the highest governance body | Proxy pp. 5-10 |
| | 102-24 | Nominating and selecting the highest governance body | SR pp. 33-34; Proxy pp. 5, 22-23 |
| | 102-25 | Conflicts of interest | Proxy p. 54 |
| | 102-26 | Role of highest governance body in setting purpose, values, and strategy | SR pp. 33-34; Proxy pp. 20-22, 26, 29 |
| | 102-27 | Collective knowledge of highest governance body | SR p. 34; Proxy pp. 5-10 |
| | 102-28 | Evaluating highest governance body's performance | SR p. 33; Proxy pp. 26-27, 29; About Us/Governance Guidelines |

| SASB Code | GRI | Description | Disclosure |
|-----------|--------------------------------------|--|---|
| | GOVERNANCE (continued) | | |
| | 102-29 | Identifying and managing economic, environmental, and social impacts | SR pp. 34-35; Proxy pp. 35-36; About Us/Governance Guidelines |
| | 102-30 | Effectiveness of risk management processes | SR p. 35; Proxy pp. 19-20 |
| | 102-31 | Review of economic, environmental, and social topics | Throughout the SR |
| | 102-32 | Highest governance body's role in sustainability reporting | SR p. 34; About Us/Governance Guidelines |
| | 102-33 | Communicating critical concerns | SR p. 37; Proxy pp. 5, 23; About Us/Action Line |
| | 102-35 | Remuneration policies | SR p. 35 |
| | 102-36 | Process for determining remuneration | SR p. 35 |
| | 102-38 | Annual total compensation ratio | SR p. 35; Proxy p. 48 |
| | 102-40 | List of stakeholder groups | Throughout the SR |
| | 102-41 | Collective bargaining agreements | PDT; Form 10-K pp. 17, 35, 105 |
| | 102-42 | Identifying and selecting stakeholders | SR p. 27 |
| | 102-43 | Approach to stakeholder engagement | SR pp. 27-31, 36-37 |
| | 102-44 | Key topics and concerns raised | SR p. 37 |
| | 102-45 | Entities included in the consolidated financial statements | Form 10-K Exhibit 21 p. 114 |
| | 102-46 | Defining report content and topic boundaries | SR p. 38 |
| | 102-47 | List of material topics | Throughout the SR |
| | 102-49 | Changes in reporting | Form 8-K |
| | 102-50 | Reporting period | January 1, 2020 – December 31, 2020 |
| | 102-51 | Date of most recent previous report | 10/30/2020 |
| | 102-52 | Reporting cycle | Annual |
| | 102-53 | Contact point for questions regarding this report | SR p. 38 |
| | 102-54 | Claims of reporting in accordance with GRI Standards | SR p. 38 |
| | 102-55 | GRI content index | SR pp. 41-44 |
| | GRI 103 – MANAGEMENT APPROACH | | |
| | 103-1 | Explanation of the material topic and its Boundary | Throughout the SR |
| | 103-2 | Management approach and its components | Throughout the SR |
| | GRI 200 – ECONOMIC | | |
| | 201-1 | Direct economic value generated and distributed | SR pp. 4, 31; PDT; Form 10-K p. 107 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | Form 10-K pp. 15, 19, 30 |
| | 201-3 | Defined benefit plan obligations and other retirement plans | SR p. 25; Form 10-K pp. 34, 88-94 |
| | 201-4 | Financial assistance received from government | SR p. 18 |
| | 203-1 | Public infrastructure investments and services supported | PDT; Form 10-K pp. 3-12 |
| | 203-2 | Significant indirect economic impacts | SR pp. 4, 30-31; PDT |
| | 205-1 | Operations assessed for risks related to corruption | Proxy pp. 19-20, 54 |

| SASB Code | GRI | Description | Disclosure |
|--|---------------------------------------|---|---|
| | GRI 200 – ECONOMIC (continued) | | |
| | 205-2 | Communication and training about anti-corruption policies and procedures | SR p. 37; About Us/Governance |
| EM-MD-520a.1 | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | None |
| | 207-1 | Approach to tax | PDT; Form 10-K pp. 13, 19-20, 30-34 |
| | 207-2 | Tax governance, control, and risk management | Form 10-K pp. 31-34 |
| | 207-3 | Stakeholder engagement and management of concerns related to tax | Form 10-K pp. 31-34 |
| | 207-4 | Tax payments to local, state, and federal governments | SR p. 31; PDT |
| | GRI 300 – ENVIRONMENTAL | | |
| | 302-4 | Reduction of energy consumption | SR p. 18 |
| | 302-5 | Reductions in energy requirements of products and services | SR p. 18 |
| | 303-1 | Interactions with water as a shared resource | SR p. 16 |
| | 303-2 | Management of water discharge-related impacts | SR p. 16; Form 10-K pp. 13-14 |
| EM-MD-160a.2 | 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | SR p. 15 |
| EM-MD-160a.2 | 304-2 | Significant impacts of activities, products, and services on biodiversity | SR p. 15 |
| EM-MD-160a.2 | 304-3 | Habitats protected or restored | SR p. 15 |
| EM-MD-160a.2 | 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | SR p. 15 |
| EM-MD-110a.1 EM-MD-110a.2 | 305-5 | Reduction of GHG emissions | SR pp. 12-14; PDT; Form 10-K pp. 14-15 |
| EM-MD-120a.1 | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), other significant air emissions | PDT; Form 10-K pp. 14-15 |
| | 306-2 | Waste by type and disposal method | SR pp. 16-17; PDT; Form 10-K pp. 13-14 |
| EM-MD-160a.4 EM-MD-540a.1 EM-MD-540a.2 EM-MD-540a.4 | 306-3 | Significant spills | SR pp. 10-11; PDT |
| EM-MD-160a.1 | 307-1 | Non-compliance with environmental laws and regulations | PDT; Form 10-K p. 35 |
| | 308-1 | New suppliers screened using environmental criteria | PDT |
| | GRI 400 – SOCIAL | | |
| | 401-1 | New employee hires and employee turnover | PDT |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | SR p. 25; Form 10-K pp. 17, 89-94 |
| EM-MD-540a.4 | 403-1 | Occupational health and safety management system | SR pp. 20-21; PDT |
| EM-MD-540a.4 | 403-2 | Hazard identification, risk assessment, and incident investigation | SR pp. 20-21; Proxy pp. 19-20 |
| | 403-3 | Occupational health services | SR pp. 20-22; PDT |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | SR pp. 20-22 |
| EM-MD-540a.4 | 403-5 | Worker training on occupational health and safety | SR p. 21 |

| SASB Code | GRI | Description | Disclosure |
|--------------|-------------------------------------|--|---|
| | GRI 400 – SOCIAL (continued) | | |
| | 403-6 | Promotion of worker health | SR pp. 22, 25 |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | SR pp. 20-22 |
| | 403-8 | Workers covered by an occupational health and safety management system | SR pp. 20-22; PDT |
| EM-MD-540a.1 | 403-9 | Work-related injuries | PDT |
| EM-MD-540a.1 | 403-10 | Work-related ill health | PDT |
| | 404-1 | Average hours of training per year per employee | SR pp. 21, 37 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | SR pp. 25-26 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | SR pp. 25-26 |
| | 405-1 | Diversity of governance bodies and employees | SR pp. 24, 26, 34; PDT; Proxy pp. 20, 22-23 |
| | 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | PDT; Form 10-K pp. 17, 35, 105 |
| | 408-1 | Child labor | SR p. 20 |
| | 409-1 | Forced or compulsory labor | SR p. 20 |
| | 411-1 | Incidents of violations involving rights of indigenous peoples | No violations; SR p. 27 |
| | 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 | Throughout the SR |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | SR pp. 10-11 |
| | 414-1 | New suppliers that were screened using social criteria | PDT |
| | 414-2 | Negative social impacts in the supply chain and actions taken | None |
| | 415-1 | Political contributions | SR pp. 30, 37 |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | None |