

■ Section III

Operational Safety

Maintaining the highest safety standards is essential to delivering excellence across our Partnership. We believe in the continual pursuit of excellence and seek to constantly improve what we do and how we do it by going above and beyond the regulations that govern us when possible. We are accountable for our actions and the resulting outcomes that drive us to achieve superior safety and operational results. As such, we invest substantial resources to safeguard our assets—from pipelines, storage facilities and gathering systems, to natural gas processing and treating facilities, fractionators, and marketing terminals. Our comprehensive safety programs, policies, and systems continually drive us toward best-in-class Environment, Health & Safety (EH&S) compliance and performance.

We spent more than
\$460million
in 2020 in maintenance costs to ensure
the integrity of our assets





■ Operational Safety

Culture of Continuous Improvement

Our EH&S and Organizational Excellence (OE) programs are designed to promote a culture of continuous improvement across our engineering, operations, maintenance, and construction activities. These programs incorporate a collective set of attitudes, values, norms, beliefs, and practices that our employees and contractors adhere to with respect to continuous improvement. We foster a positive culture through our focus on collaboration, public and individual safety, and protection of the environment. The OE program highlights five pillars to promote continuous improvement:

- Proactively **identify** and **manage risk**; promote the sharing of lessons learned.
- Safely execute work in an environmentally sound and **regulatory-compliant** manner.
- Regularly evaluate projects, jobs, and tasks to ensure **desired results** and **performance**.
- **Swiftly act** and **take ownership, encouraging leadership** at all levels.
- Continuously improve by **inspiring** and **nurturing change, encouraging conversations**, and **identifying improvements**.



The OE program is based on the American Petroleum Institute's Recommended Practice 1173 and formalizes essential pipeline safety management system elements that have been and will continue to be part of our practices:

Leadership & Management
Commitment • Stakeholder
Engagement • Risk Management
• Operational Controls • Incident
Investigations, Evaluations & Lessons
Learned • Safety Assurance •
Management Review & Continuous
Improvement • Emergency
Preparedness & Response •
Competence, Training & Awareness •
Documentation & Recordkeeping



■ Operational Safety

Employee Qualification & Competency

We implement our pipeline safety protocols by using the most proven technology and employing those who are among the most skilled pipeline workforce in the industry. More than 4,000 operations personnel are trained and qualified in accordance with pipeline safety regulations. Per Federal and State requirements, we have developed 122 Operator Qualification (OQ) Tasks supporting the regulatory aspects of pipeline asset operations and maintenance. Our operations employees collectively sustain over 52,000 individual qualifications, and per our operator qualifications process, all initial and subsequent qualifications are continually tracked in our Career Development Management System (CDMS). Each OQ Task has an identified requalification frequency based

on a Difficulty, Importance, and Frequency Analysis conducted by company Subject Matter Experts.

Additionally, to keep our operations employees informed on OQ, equipment, procedure, and process updates, more than 2,000 computer-based trainings and instructor-led trainings are available for initial and refresher training. As a result of our commitment to our operations personnel to continually keep the OQ Process current with regulatory amendments, there have been no Notices of Violation or negative financial impacts.

4,000+
operations
personnel
trained and qualified

employees sustain
52,000+
individual qualifications

122
OQ tasks
supporting regulatory aspects
of pipeline operations and
maintenance

Risk Reduction

We have an integrated set of programs and policies to effectively manage EH&S compliance, performance, and risk. These programs and policies use advanced data management software systems to manage how we do our business and drive continuous improvement. These programs listed below work in coordination to drive accountability for the outcome of events:

Programs

Overarching programs that support the way we do our business to drive EH&S compliance and performance.

- Asset Management and Reliability
- Community Outreach
- Damage Prevention/One Call
- EH&S Management and Compliance
- Emergency Preparedness
- Internal Audit
- Mechanical Integrity Program
- Organizational Excellence Program
- Pipeline Integrity Risk Management
- Process Safety Management
- Security
- Spill Prevention Program
- Training Programs

Systems

Key EH&S and compliance programs to support and promote continuous improvement.

- Asset Compliance Tracking Software (ACTS)
- Career Development Management System (CDMS)
- Engine Reliability
- Environmental Information Management System (EMIS)
- ET/PSM Management of Change
- GIS Database
- Incident Management System (IMS - Intelex)
- Job Plans
- SAP Preventative Maintenance

Policies

Expectations and requirements to maintain compliance and improve EH&S performance.

- Contractor Safety Manual
- E&C Standard for Procurement, Design, Construction, and Commission
- Environmental Policy and Guidelines Manual
- Organizational Excellence Policy Document
- Pipeline Integrity Management Plans
- Remediation Policy
- Safety Procedures and Forms Manual
- Standard Operating Procedures (SOPs)
- Vehicle Safety Policy

People and Capital

Resource commitment to maintain compliance and improve EH&S performance.

- 400+ individuals support operations safety performance and compliance by providing EH&S, Technical Services and Integrity support
- 20+ individuals dedicated to Public Relations, Government Affairs, and Stakeholder Engagement
- Capital expenditures to maintain our assets were \$460 million
- Security team to plan and manage all security operations
- Dedicated team to communicate and implement One Call Damage Prevention
- Employee Volunteer Program
- Right-of-Way team to work with landowners
- Power Optimization group improving energy efficiency

effectively
managing
EH&S
compliance,
performance,
and risk

advanced
software
systems drive
continuous
improvement

IMS Platform

We continuously pursue a **zero-incident culture** by implementing strategic protocols to mitigate risk and eliminate adverse events. To help achieve this goal, our Incident Management System (IMS) employs a five-step risk reduction cycle to document and report any unwanted events.

Events reported through this system undergo a thorough investigation, followed by corrective actions and then sharing of lessons learned to prevent future similar events. The custom platform offers tracking and trending data on all established metrics and Key Performance Indicators (KPIs).



Draft

All employees are empowered to create an initial incident in IMS and submit to their supervisor for Verification



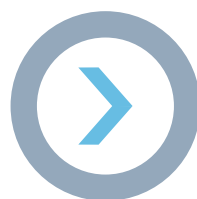
Verification

Supervisors verify the draft incidents and progress them to local Subject Matter Experts for Investigation



Investigation

Subject Matter Experts complete the Investigation portion of incidents and submit for Approval



Approval

Area Director or Discipline Director approves the completed incidents and submits them for Closure



Closed

The risk reduction cycle ends when the incident is closed. Incident data is then evaluated and communicated to Management

Events tracked in the IMS platform include: Abnormal Operations • Contractor Incidents • Damage Prevention Events • Environmental Incidents • Injury/Illness • Mechanical & Tank Integrity Events • Mechanical/Electrical/Controls (MEC) • Pipeline Regulatory Leak/Failure • Pipeline Safety Related Conditions • Property Damage • PSM Incidents • Security Incidents • Vehicle Incidents

2,762
near miss/good catches
reported internally

Near Miss/Good Catch Program

Our Intelex platform provides a robust system for capturing, analyzing, and reporting situations considered “near misses and good catches” which have the potential to lead to an incident, but where the actual incident was prevented. These are significant leading indicators that help us assess potential hazards and prevent safety (and environmental) incidents. Information on near miss/good catches are collected and shared with others so they can be on the lookout for similar situations. In 2020, we had 2,762 near miss/good catches reported internally.

Key Performance Indicators

Our Environmental and Safety KPIs provide a data review of incident types and occurrence rates in real time. Interactive maps provide a platform to pull this data for specific geographic areas and time periods. Incident information and GIS location data is processed directly from the IMS platform to the dashboard. KPIs are based on quantifiable metrics established in accordance with OSHA and PHMSA and are used to identify and track industry safety and environmental trends.

Analytics/Business Intelligence Reports

Using a Power BI analytics tool, we customize real-time reports that provide more information than the typical EH&S incident management system that traditionally focuses on lagging indicators. These interactive reports provide data analytics in a way that can be used to make business decisions that drive continuous improvement. The data analytics provide a more comprehensive way to review data and provide employees with real-time access that assists with developing strategic initiatives that transform our EH&S pipeline safety programs and move them beyond compliance. Power BI reports in place include:

- **EHS Dashboard**

This report provides an overview of environmental, illness/injury incidents, vehicle incidents and near miss incidents. Each report can be filtered by date, department, type and more.

- **Ops Incident Report**

This report provides an overview of all incidents. Master and sub incident count is shown by department and the status of each incident. This report shows details pertaining to each of the following incident

types: injury/illness incidents, vehicle incidents, contractor incidents, property damage, security incidents, PSM incidents, environmental incidents, Pipeline Regulatory leaks/failures, abnormal operations, pipeline safety-related conditions, damage prevention, mechanical and tank integrity, and MEC.

- **MOC Report**

This report provides an overview of all Energy Transfer's Management of Change (MOC) records. The MOC Details Report can be filtered by department, requestor, entry administrator, reason for change, MOC date created, MOC number, change category, type of change, and workflow status. Other reports within the MOC Report include the MOC Approvals and MOC Action Items reports.

- **Underground Storage**

This report shows the working storage of each storage field and can be filtered by location, month, unit and volume.

- **SOP Revision History**

This report provides an overview of all Standard Operating Procedures (SOP) revision requests. Report can be filtered by status, document type and more. Search by SOP, Best Practice or Form Title.

- **OQ Report**

This is a series of reports related to the pipeline OQ program including the following reports: Pipeline Operator Qualifications, Technical Training Summary Report, Company Evaluators and Proctors, Control Room Operator Qualifications, Employee Qualification and Technical Training Overview.

- **GIS Regulatory Metrics**

This report provides an overview of the total number of pipeline miles by state, by asset type, and class type, along with product shipped, and HCA/MCA.

- **Engineering Records**

This report provides an overview of the total number of projects that have been received and are complete. Number of projects is also shown by year, regulated/nonregulated and project type.

- **Engine Reliability Report**

This report provides valuable information for us to use in our maintenance planning and Engine Life-Cycle management. The report includes metrics on Engine Hours Operated, Average Engine Utilization, Average Commercial Availability and Average Mechanical Availability.



KPI Trends & Improved Performance

We determine the success of our safety, regulatory, and environmental management programs by analyzing our year-over-year progress through KPIs. Improvements in our averages in 2020 include:

Natural Gas



26%

decrease in volume of natural gas unintentionally released in a Class 3 location in 2020 vs 3 Year Average (2017-2019).



25%

fewer natural gas incidents in a Class 3 location in 2020 vs 3 Year Average (2017-2019).



Liquids



98%

decrease in volume of hazardous liquids that were released off Energy Transfer property in 2020 vs 5 Year Average (2015-2019).



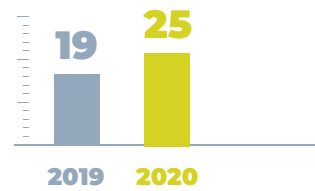
38%

fewer hazardous liquid accidents in an HCA in 2020 vs 5 Year Average (2015-2019).



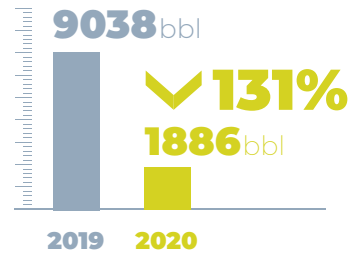
Hydrocarbon Releases*

Number of hydrocarbon liquid releases beyond secondary containment > 5 bbl

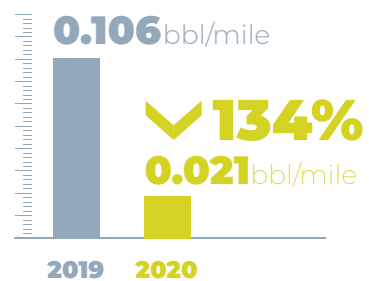


We saw considerable performance improvements in our volume of hydrocarbon liquid releases and in our liquid releases' intensity per mile of pipeline in 2020:

Hydrocarbon liquid releases beyond secondary containment > 5 bbl by volume



Hydrocarbon liquid release intensity per mile of pipeline



*Excludes Crude Trucking



■ Operational Safety

Safely Monitoring Our Assets



Control Centers

Our state-of-the-art control centers are dedicated exclusively to the safe operation of our pipelines and are staffed by highly trained teams who closely analyze a pipeline's pressure, temperature, and flow rate—monitoring our assets 24 hours a day, 7 days a week, 365 days a year. Pipelines can be shut down remotely and, in many cases, in real time.

Pipeline Surveillance Technology Committee

Our Pipeline Surveillance Technology Committee was formed in 2016 to evaluate technologies that are currently used within the pipeline industry and determine if these technologies should be considered for implementation on Energy Transfer assets. The committee also evaluates current testing and new or advancing technologies within the industry through various industry consortiums and state or federal programs such as PRCI, FAA, HSAC, Texas A&M, etc. Additional Committee functions include:

- Recommendations for any pilot study programs to be initiated on Energy Transfer assets.
- Guidance on the use of drone technology by company and contractor personnel relative to company assets i.e. what is allowed and not, what requirements and safety measures need to be met or considered, appropriate and innovative uses, etc.



highly trained teams
closely analyze and monitor
our pipeline systems

24
hours
per day

7
days
per week

365
days
per year

Pipeline Protection Committee

Our Pipeline Protection Committee is an interdepartmental network formed to regulate and provide managerial oversight of strategic programs within our pipeline safety management system, which include:

Aerial Patrol

With 11 aircraft located throughout the U.S., the Aerial Patrol Department provides aerial coverage for much of Energy Transfer's pipeline systems. The Aerial Patrol group includes 10 pilots, two full-time mechanics, one part-time mechanic and one senior manager. Patrol pilots can inspect up to 1,000 miles of pipeline in a day, including patrol areas that are difficult to access from the ground, and send information quickly to field personnel.

In addition to providing surveillance, the department assists with:

- Field personnel ride-along flights for ROW inspections
- FAA airspace restrictions for planned pipeline blowdowns
- Post-natural disaster inspections

The Aerial Patrol Department complements existing pipeline integrity programs and contributes to Energy Transfer's pipeline safety.



11 aircraft

-which can inspect-

1,000 miles
of pipeline per day

Encroachments

When the SOPs and/or Standard Crossing Guidelines cannot be met, or if the operations group needs assistance, the Encroachment Department will determine pipeline easement rights and review plans. All requests are tracked to make sure existing assets stay safely maintained. Encroachments is responsible for the project management of relocation projects, both reimbursable and non-reimbursable.

The Encroachment group also works to issue communication letters on subjects such as:

- No objection: Provides documentation that the company has no objection to construction if the crossing guidelines are followed, and 48-hour notification is given so a field representative can be present.
- First Response: Provides the requester with information of the company's pipelines in relation to the project and requests preliminary plans to avoid conflicts.
- Encroachment agreements stipulate the terms of the encroachment after research is completed to verify easement rights.
- Cease and desist letters: Notifies a violator to cease and desist with any further construction near company facilities.
- Complete load stress calculations: Ensure that third-party entities crossing a company facility do not put undue stress on the pipeline.

One Call/Damage Prevention

This group focuses on two core responsibilities: Damage Prevention and One Call. They track all line hits, near misses and One Call violations that happen on the system and perform Root Cause Analyses to determine how to avoid these events in the future. During this process, they file reports with the proper state agencies and reach out to excavators to ensure they are better informed of the One Call laws going forward. This group is also responsible for loading all new pipelines into the company's GIS mapping system, along with keeping the mapping files current and covered for One Call with the various state One Call agencies. Additionally, they operate our company's One Call ticketing system, Irth UtiliSphere, and are responsible for daytime callouts on all emergency tickets that come into the system as well as running numerous reports for management throughout the company.

The law requires landowners and excavators to contact 811 before digging. This initiates a process where the state One Call agency creates a dig ticket, which is used to notify any utilities in the area that have underground facilities that need to be marked. All states require utility owners to respond to every ticket within a specific time frame, typically two to three business days.

Every buffer file is assigned a unique Call Directing Code (CDC). Each of these codes is associated with a group of linemen who are responsible for marking that area of pipe. When a One Call ticket is submitted, it is automatically assigned to a CDC and put in a folder for the linemen in that specific area of operations.



■ Section IV

Safety First

Energy Transfer's safety-first focus is integrated across all areas of our operations and is central to our core culture. Our rigorous safety performance processes clearly outline the expectations and personal responsibility required of all employees and contractors. Paving the way for continual operational excellence, these processes provide the framework for an injury- and incident-free workplace by addressing risk management, required training, leadership and communication, personal wellness, and properly maintained facilities. Combined, these safety elements helped us decrease our 2020 Total Recordable Incident Rate (TRIR) by 8.5% from the previous year.

8.5%
TRIR incident
rate reduction

-across-

17+ million
total hours
worked



COVID-19 Safety Measures

The safety of our employees and the continued operation of our assets are our top priorities. We implemented several policies and protocols, and provided employees with training to help maintain the health and safety of our workforce. Employees were required to perform temperature and other health screenings, wear face coverings while in elevators and in common areas, and social distance in accordance with the CDC Guidelines. Additionally, we provided employee COVID-19 testing, implemented a Virtual Learning Policy to accommodate parents with school-aged children, and arranged webinars hosted by medical professionals to keep employees apprised of current COVID-19 conditions. We also encouraged employees to get vaccinated. We continue to implement safety measures according to new information and vaccine availability.

■ Safety First

Everything Starts with Safety

Our commitment to safety is at the forefront of everything we do. Organizationally, we have set the standard at zero reportable incidents. This requires embracing a mindset of continuous improvement to ensure our safety procedures and processes are best-in-class. Just as important, however, is the verification that our procedures and processes are clearly understood throughout our operations teams and that they are adhered to by employees and contractors at all times.

Our safety training program for field employees begins upon hiring. Knowing how to safely perform tasks and respond to incidents is crucial to steady performance and to the protection and well-being of our people, our facilities, and the surrounding communities. Annual training addresses standard operating procedures, emergency response procedures, vehicle safety and safe work habits.

Vehicle Safety

In 2020, we achieved 91% compliance with the Department of Transportation (DOT)/Federal Carrier Motor Safety Administration documentation requirements, up from 90% in 2019. Our driver safety training program focuses on compliance with these regulations and provides monthly measurement tracking for management.

The training has had a positive impact on our DOT compliance levels at several facilities:

- DAPL operations in Illinois, Iowa, and South Dakota
- Mid-Valley in Longview and Mississippi
- Montello Big Flats and Greensburg
- South Division operations in Arklatex, Centerville, and Independence

Engagements

We were excited to release “Engagements,” our proprietary mobile application that provides a communication platform for employees and contractors to verify expectations for safety. Employees at all levels document interactions with other employees and contractors through this app in order to validate and track safety oversight. It also provides us with trending data on our safety metrics, identifies opportunities for improvement and provides a mechanism for feedback.

Engagements shows:

- How often we interact with employees and contractors
- How often we conduct job reviews
- How we influence culture through interaction

Since going live in August of 2020, 245 engagements were documented, resulting in 65 instances of safety corrections.

our
continued focus
on the safety
of our people
never wavers



exceeded
driving safety
program goals

for 2020

■ Safety First

EH&S Incident Rates

Our EH&S department has more than 100 environmental and safety professionals who provide environmental and safety training to our field representatives. This group also assists others throughout the organization in identifying consistent training for personnel, including the training that is required by applicable laws, regulations, standards, and permit conditions.

TRIR-Employees

A key metric in looking at a company's safety performance is the Total Recordable Incident Rate (TRIR). We are pleased to report that our TRIR incident rate decreased again in 2020 by 8.5%. In 2019, we reported a TRIR of 0.94 which dropped to 0.86 in 2020. This is based on more than 17 million hours worked, continuing our multi-year trend of improving our safety performance and decreasing injury rates. Our continued focus on the safety of our people and our assets never wavers.

Energy Transfer uses the industry-standard measurement of incidents (injuries) per 200,000 man-hours worked in calculating our total recordable incident rate and lost time incident rate.

100
environmental
and safety
professionals

TRIR incident rates reduction in 2020

Lost time incident rate (LTIR)
for major growth projects

0.0
employees

Lost time incident rate (LTIR)

0.35 employees
0.0 contractors

TRIR for major growth projects

0.53
contractors

Fatalities

1.0 employees
0.0 contractors

Days away, restricted or
transferred (DART)

0.55
employees



■ Safety First

Safety Awards

Working safely is at the core of everything we do. It is with great pride that we acknowledge the 2020 accomplishments of our employees and their commitment to safely operating our assets each and every day.

TOP SAFETY PERFORMER

Aaron Moore, pipeline tech at our Patoka Tank Farm in Illinois, was recognized as the 2020 Top Safety Performer in the Dakotas/Midwest region. The “Director’s Commitment to Safety Award” is given to the top scoring employee of the region’s Safety Recognition Program, which tracks vehicle and personal safety, near miss reporting and safe driving.



Director’s Commitment to Safety Award pictured left to right:
Jason Maxey–Supervisor, Aaron Moore–Pipeline Tech A,
Chase Hyde–Sr. Safety Representative

Trunkline Gas Company – Tuscola, IL

41 YEARS WITH
NO LOST TIME
INJURIES

Transmission Workplace Safety Award

The Texas Gas Association awarded Energy Transfer the Transmission Workplace Safety Award for being the member company with the lowest Days Away, Restricted or Transferred (DART) rate during 2020. DART is an OSHA calculation that determines how safe a business has been in a calendar year.

Trunkline Gas Company – Tuscola, IL

3 Years with no OSHA
Recordable Incidents

Panhandle Eastern Pipe Line – Bartonville, IL

19 Years without a Preventable Vehi-
cle Incident

Joppa – Johnsonville

2020 Champion Eastern Division
Safety Roundtable Challenge

