



**20  
22** | ESG  
REPORT

**ALYESKA  
PIPELINE  
SERVICE  
COMPANY**

Table of Contents

Governance	4	Environment	12
Compliance	6	Emergency Preparedness	16
Workforce	8	Social	18
Safety/Health/Security	10		

MISSION:

Provide safe, environmentally responsible, reliable and cost-effective oil pipeline transportation from the North Slope of Alaska.

VISION:

Alaska's pipeline to the future:  
Safely delivering oil today – sustaining operations for tomorrow.

TAPS Ownership

A consortium of companies owns the Trans Alaska Pipeline System (TAPS). Alyeska Pipeline Service Company acts as TAPS operator and transportation service on behalf of the three TAPS owner companies. Currently, TAPS ownership and percentages are:



HARVEST  
ALASKA, LLC



CONOCOPHILLIPS  
TRANSPORTATION  
ALASKA, INC.



EXXONMOBIL PIPELINE  
COMPANY, LLC

Letter from Leadership

For more than 45 years, Alyeska Pipeline Service Company has served as caretaker, steward, and operator of the Trans Alaska Pipeline. Our unique connection to the environment and our communities is foundational to our commitment to operating and maintaining the Trans Alaska Pipeline System (TAPS) with a strategy and approach that is safe, responsible, and sustainable. Simply put, TAPS is fundamentally connected to Alaska, and as much as it is a part of our state's history, it remains integral to our future.

We work to minimize environmental impacts and maintain strong relationships with our stakeholders. Together, we are part of our industry's evolution, and every day on TAPS we are undertaking significant work and innovative approaches to ensure we maintain our excellent performance. 2022 saw notable achievements across TAPS, including:

- Addressing snow-related issues at the Valdez Marine Terminal, where we made repairs on crude tanks and enacted a Management Action Plan to prepare for the future.



- Completing 12 integrity inspections and digs, nine of which came out of dialogue with our regulator, PHMSA. This included a challenging dig high on the ridge of Keystone Canyon at Pipeline Milepost 721.
- Completing work on Tank 94 at our ballast water treatment facility at the Valdez Marine Terminal, and nearing completion of our scope of work on Crude Tank 72.
- Coordinating six planned shutdowns, a symphony of work primarily related to updating our critical safety system while performing shutdown-related maintenance.
- Achieving reliability of 99.99 percent while reducing known risks.
- Realizing our capital budget goals, a financial metric we're proud of as stewards of resources entrusted to us by the TAPS owners.

On TAPS, we are always changing, adapting, modifying – but many things will not change. Alyeska employees work here and live here; this is our home. We share commitments and strengthen partnerships with our contractor companies, Alaska Native organizations, and communities across the state. And we remain ready, aware, and responsive to protect Alaska, which is paramount.

Notably, 2022 marked TAPS' 45th year of operations. Together we share in the satisfaction of knowing that the impact of Alyeska Pipeline Service Company on Alaskans, our state, and nation is nearly immeasurable.

With pride, we look back; with optimism, we look forward.

# GOVERNANCE

## Code of Conduct

The TAPS Code of Conduct is more than a document. It's an evolving touchstone that captures employees' values, and how these core ethics and behavior expectations drive how we work – with each other and external partners.

The Code of Conduct is intentionally broad in scope, but concise in expectations and calls to action. In defining the values of TAPS workers, it covers company commitments to diversity and inclusion and, above all, promotes an Open Work Environment (OWE). On TAPS, all workers are free to raise issues and concerns without fear of harassment, intimidation, retaliation, or discrimination.

For workers, the Code of Conduct outlines responsibilities of regulatory compliance, environmental protection, total worker health, and Alyeska's safety culture and safety management system. Because TAPS is highly regulated, and Alyeska is a company of significance to Alaska and its communities, the Code of Conduct also provides guidance on external dealings, including political and social media activities, stakeholder relations, and managing conflicts of interest.

The Code of Conduct is provided to new TAPS workers and shared externally on Alyeska's website. New workers are also required to attend OWE training. The Code of Conduct is often relied on to guide ethics and decision-making when employees encounter conflict. It is also utilized regularly by Alyeska's Employee Concerns Program (ECP), a team with ombudsman-like autonomy and authority to offer a safe space for employees with questions, issues, and other dilemmas.

The Code of Conduct and ECP reinforce Alyeska's culture and commitment that if TAPS workers see something unsafe, they are asked and expected to speak up. They will be listened to and supported, and their safety concerns will be addressed.



Alyeska conducts a regular survey assessing the TAPS Open Work Environment. Results help Alyeska understand the health of the culture and identify opportunities for continuous improvement.

83%

of workers believe Alyeska operates safely.

89%

of workers believe sufficient environmental safeguards are in place.

89%

of workers believe they have the necessary skills and training in place to meet job accountabilities.

76%

of Alyeska employees said they can report concerns without fear of Harassment, Intimidation, Retaliation or Discrimination (HIRD). This is an area of focus for leadership.

51

concerns investigated in 2022, below the five-year average of 79.



Alyeska encourages employees and contractors to bring forward all concerns.

Contributing to the decline in investigations is an ECP focus on actively facilitating conversations with employees and management.



## COMPLIANCE

### MP 781 Integrity Dig

Alyeska completed 12 integrity inspections and digs in 2022 as part of its commitment to ensuring pipeline integrity, safeguarding the environment, and meeting regulatory requirements. No dig proved more complex than the epic effort in the rugged Keystone Canyon at Pipeline Milepost 781.

Inline inspection tool findings alerted Alyeska to an anomaly on this section of pipe. Recognized as the most complicated dig on TAPS in recent history, the plan accounted for conditions to include 42 feet depth of cover, steep terrain, potential subsurface water, weather, and Right of Way access.

Heavy equipment hauled in everything needed to perform the work since the challenging terrain did not allow for traditional tractor trailers. Operators made several hundred trips transporting materials and equipment before excavation began, traveling a narrow road up to 30 minutes one way, communicating via radio.

On a steep hill that averaged a 22% longitudinal grade, a flat work pad was carefully fashioned and heavily reinforced for worker safety. The team fortified the slope above the work pad by excavating and installing a soil nail wall with 100 mesh protected soil nails affixed to a flat working bench. Berms and concrete barriers diverted rockfall from the site.

Then tunneling began. A mini excavator filled a special dirt bucket hoisted by crane to the work pad. As the 28-foot-diameter hole got deeper and deeper, personnel

installed liner plate shoring to stabilize the walls of the dig, requiring more than 6,000 hand-tightened pairs of nuts and bolts.

Ultimately, a multidisciplined team excavated a 42-foot-deep access shaft to the mainline on the side of the steep slope. After assessment and removing more than 14,000 cubic yards of rockslide debris, it was time to survey, and the cause of the inline inspection anomaly was revealed: a 10-feet by 4-feet boulder sat just under the pipeline with less than a foot touching the pipe. The boulder was removed piece by piece, mostly by hand. A stand-off sleeve was welded on to protect the mainline.

As a final step, the liner plate shoring system was incrementally removed. Concrete trucks delivered more than 440 yards of slurry before backfilling and remediating the site.

This remote dig was completed on time without any significant safety or environmental issues, the result of the outstanding teamwork demonstrated by everyone involved.

TAPS is highly regulated, and on a daily basis, Alyeska works closely with local, state, and federal agencies to ensure compliance with applicable laws and regulations.

18

Government agencies  
that oversee TAPS

~176

Number of days in 2022 when agencies  
performed TAPS surveillance/inspections

Alyeska received **106** compliance notices from regulatory agencies in 2022 with some containing needed inspections and/or findings.

76

satisfactory inspections

21

inspections with minor  
unsatisfactory findings or items  
that were corrected on the spot

3

inspections that resulted  
in a notice of violation or  
notice of amendment

# WORKFORCE



## Lisa Booth From Intern to Vice President, CFO

When Lisa Booth began her Alyeska internship during her MBA studies in 1999, she quickly found support and success, and saw a future career with the company. Lisa acknowledges she couldn't envision herself 20-plus years into a well-traveled Alyeska career being named its Chief Financial Officer and the first Alaska Native to serve as a Vice President.

"The responsibility that comes with a role like this isn't lost on me," Lisa said. "And I can't help but be reflective of my Alyeska career. I have had so many opportunities to weave myself around the organization. But most important to me, I was fortunate to make connections with so many great people that make me proud to work for Alyeska."

Even as an intern, prospects and encouragement abound. She joined the new Building Foundations for Excellence Program, which helps Alyeska engage and retain standout Alaska Native employees early in their careers.

Lisa's unique skills regularly moved her to different departments and increasingly important roles. She built her business knowledge base, relationships, and reputation as smart, driven and adaptable. She completed her MBA and obtained an Internal Auditor Certification. She even served as director of the Alaska Native Program, the department that gave her a shot and propelled her to leadership heights.

"And I've stayed because of the people and the challenges," she said. "I often catch myself thinking there is no other group of people I would want to accomplish the mission with, and that was as true as it was 20 years ago, as it is now."

Alyeska fosters an environment of inclusivity so that all TAPS workers experience a workplace where collaboration and cultural intelligence are reinforced and supported. Alyeska strives to make diversity and inclusion a strong part of everything we do - from how we attract and hire talent, to how we commit to working with, and treating each other on TAPS.

% of Workforce	Employment by EEO Categories	Female		Minority	
		Target	Actual	Target	Actual
TOTAL	Category	32%	31%	19%	35%
3%	Executive/Sr. Level	45%	61%	24%	26%
12%	First/Mid Level	29%	41%	22%	32%
46%	Professional	47%	37%	25%	23%
3%	Technician - Lab	54%	36%	0%	25%
7%	Administrative	76%	70%	40%	55%
31%	Craft Workers -Tech	3%	9%	7%	44%

### Local hire

- 94% of Alyeska employees are Alaska residents.
- Remaining 6% of employees live in about 15 other U.S. states; the highest number reside in Texas, Washington, and Idaho.

### Alaska Native Program

Performance: Percent of workforce that is Alaska Native *(includes credits for contributions to workforce development)*

	2020	2021	2022
Alyeska	24.3%	26.5%	27.2%
Contractors	22.1%	19.9%	20.5%
Combined	23.2%	23.2%	23.8%



## SAFETY/HEALTH/SECURITY

### Tank vents repaired with innovation and teamwork

Late season, heavy snow accumulation and precipitation, combined with freeze-thaw cycles and glaciation on tank tops, created unprecedented challenges at Alyeska's Valdez East Tank Farm in the first part of 2022. Following completion of a monumental and safe snow-clearing effort, the Terminal's Mechanical Maintenance team repaired damaged pressure vacuum vents that are attached on top of the 65-foot-tall crude oil tanks. The team worked with urgency, ingenuity and efficiency, and with collaboration and support from Alyeska's Safety, Engineering, Operations and Environment teams, to install plugs and straighten and strengthen tank vent nozzles.

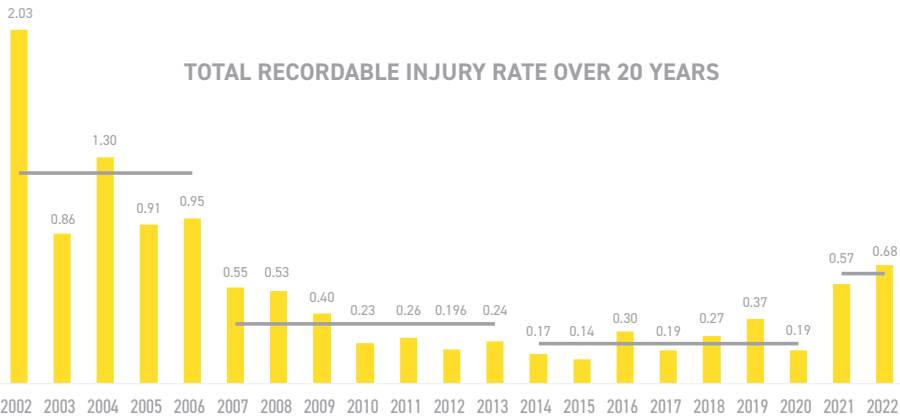
### Safeguards

TAPS workers respect, value, and safeguard the health, safety, and security of co-workers, communities, Alaska's environment, and TAPS assets.

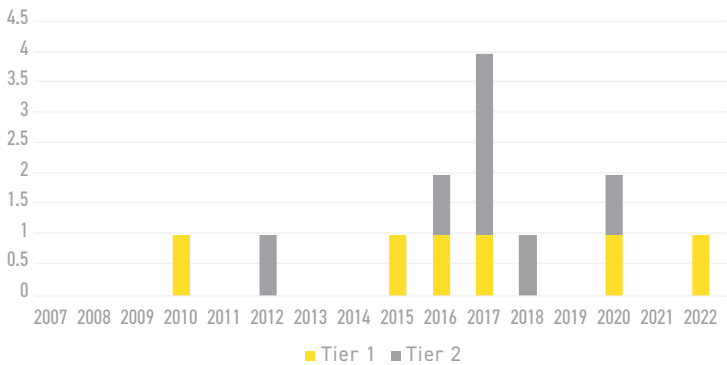
Workers are empowered to speak-up/step-up and stop work if a potentially unsafe condition arises. And procedures are in place to examine and address behaviors and at-risk conditions that can lead to incidents, including personal injuries, process safety events, environmental impacts, and business losses.

A comprehensive Safety Program built on best practices identifies, evaluates, mitigates, and manages risks. The program also ensures compliance with applicable legal and regulatory requirements.

Alyeska's Cybersecurity Program helps the company safely innovate and achieve operational excellence while managing cyber-related risks.



### PROCESS SAFETY EVENTS OVER TIME



ENVIRONMENT

SPOTLIGHT

Evolving heat strategy

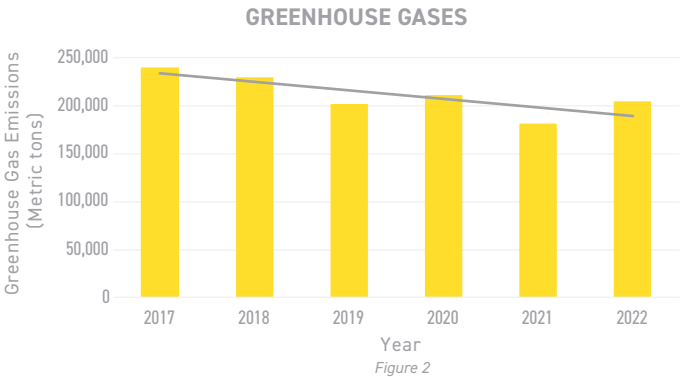
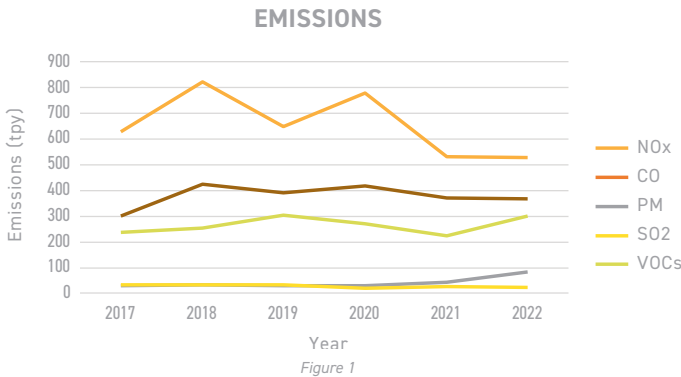
Over the years, Alyeska has modified and improved its heat strategy, ultimately gaining efficiency. By using less energy, Alyeska creates fewer emissions, achieving environmental goals while still ensuring crude oil flowing through TAPS sustains temperatures that support safe and reliable operations and protect pipeline integrity.

One way to add heat to TAPS is recirculation: using system piping to run oil in loops, adding heat to the product. While recirculation was one way to approach heat, Alyeska researched other methods, and through various iterations, landed on point source heat at very specific locations as the best heat solution.

Point source heating allows for TAPS to receive strategic heat precisely where it is needed, when it is needed. This reduces wear and tear on equipment and lowers overall energy use. Further analysis and understanding of the issue also allowed Alyeska to lower the minimum operating temperature for crude oil; this reduces the frequency and duration of point source heating to TAPS. Alyeska continues to look for ways to be more efficient with energy needed to safely operate.

Energy and Emissions

Alyeska annually submits emission estimates to the Alaska Department of Environmental Conservation (ADEC) for specific facilities (see figure 1), calculated using annual operational data and either manufacturer data, source test data or EPA AP-42 emission factors.



Alyeska also reports greenhouse gas emissions to the EPA following 40 CFR Part 98, Subpart C. Pump Station 1, Pump Station 3, Pump Station 4, and the Valdez Marine Terminal meet the reporting threshold requirements. Operational needs can fluctuate greenhouse gas emissions; however, overall emissions have decreased over the last five years.



## ENVIRONMENT

Contractor-Partner of the Year:

### Brice Incorporated

In 2022, a team from Brice Incorporated demonstrated attention and commitment to action for protecting Alaska's environment as part of their work monitoring and responding to the destruction caused by the Sagavanirktok "Sag" River.

TAPS crosses 34 major rivers and streams and some 500 other waterways over its 800-mile journey from Pump Station 1 to Valdez. But the dynamic braided Sag River shifts, floods, and erodes areas around it annually, and demands action on Alyeska's part to protect TAPS integrity.

Brice played a critical role in Alyeska's work along the Sag, working near Milepost 153 and Pump Station 4 to mine and haul rip rap to fortify the riverbanks and protect infrastructure.

During their 2022 work, Brice provided excellent performance and left behind safe and environmentally sound sites while supporting Sag River work and other TAPS projects. Their care for the environment was highlighted in the summer when they stopped work after noting a probable nesting golden eagle. Rather than cause the eagle and its offspring distress, Brice identified a new mining site and still delivered on commitments without harming wildlife or disrupting ongoing work.

Brice's ready willingness to pivot and hatch a new plan out of concern for wildlife illustrates Alyeska's vision for its environment program: to provide high quality service, environmental expertise, and leadership, so Alyeska complies with environmental laws and regulations and actively minimizes environmental impacts from TAPS operations.

The Alyeska Code of Conduct commits all TAPS workers to protect fish and wildlife along TAPS. This commitment includes minimizing environmental impacts to air, water, habitat, fish and wildlife. These responsibilities and expectations extend far beyond Alyeska's Environment Team – a group well-versed in best practices and regulations to deliver on their mission "to achieve and maintain environmental excellence." Every TAPS worker is held to the same standards, acting as environmental caretakers when working. This is true of Alyeska employees and hundreds of TAPS contract workers, like the teams from Brice Incorporated.

### Water and Wildlife

#### Freshwater data

Withdrawn:  
**38 million gallons**

Consumed:  
**37 million gallons**

Returned to same source:  
**1 million gallons**

Withdrawn from  
water-scarce resources:  
**None**

Alyeska complied with its Alaska Pollutant Discharge Elimination System (APDES) permits at the Valdez Marine Terminal and on the pipeline.

Alyeska maintains 100 percent compliance for all wastewater discharges with State of Alaska surface water criteria (10 ppb TAH and 15 ppb TAqH) for hydrocarbons.

#### Fish, wildlife, and vegetation

- There were no fish, wildlife, or vegetation compliance events in 2022.
- Annual surveillances of fish stream drainage structures (i.e., low water crossings, bridges, block point, and culverts) are conducted to ensure adequate fish passage is maintained.
- 411 fish stream drainage structures surveilled in 2022.
- 339 streams provided adequate fish passage.
- A total of 55 drainage structures, or 13 percent, were identified as needing some level of maintenance to meet Alyeska standards. All necessary repairs related to fish passage were completed in 2022.



## EMERGENCY PREPAREDNESS

Alyeska's Emergency Preparedness and Response group works regularly at Alyeska's Yukon Response Base with residents of the nearby communities of Rampart and Stevens Village to ensure TAPS is ready to respond in an incident along the Yukon River and other water crossings. This partnership has existed since 1995, and several team members have celebrated milestones of 20-25 years of exercises, drills and response efforts.

Gary Breen, Alyeska Pipeline Emergency Preparedness & Response Supervisor, called the partnership a win-win. He said, "Both Alyeska crews and our partners along the Yukon have a chance to learn from each other during the drills and trainings we do together annually. Conditions on waterways change every year and season, and we're better prepared when working with these two groups."

Rampart's Margaret Moses recently reflected on the importance of being a member of this response group that protects the area she and so many close to her call home.

"We live along the Yukon River with our families," said Moses. "I want to be a part of this work, to ensure our fishing and hunting areas are protected. The training is fun, too. I enjoy working with the equipment and Alyeska group."

## EMERGENCY PREPAREDNESS

### 154 drills and exercises in 2022

- Three combined resource exercises conducted for the pipeline oil discharge prevention and contingency plan.
- TAPS workers practiced response skills at trainings, including source control, annual pipeline and SERVVS training academies, specialized fast water training, and operational tactics training.

### Ongoing training to protect wildlife

- Wildlife observations
- Oiled wildlife rescue and rehabilitation
- Bear awareness training
- Waste management to reduce negative wildlife interactions
- Mitigations built into the pipeline: mainline refrigeration, buried wildlife crossings, pipe heights, no co-locating of pipe with road

### Methods of habitat protection

- Invasive species monitoring
- Wetlands permits
- Prevention of spread of invasive weeds
- Oil Spill Contingency Plan (OSCP) program
- Avoidance of herbicide/pesticide applications
- Methods of compliance for environmental stipulations in TAPS Grant/Lease

SOCIAL

Community Connection:

Nordic Skiing Association of Anchorage



Anchorage's world-class trail system has inspired, challenged and propelled many of Alaska's greatest athletes to excellence on the world stage. That includes Alyeska's current Interim President and longtime employee Betsy Haines, as well as her niece, Kikkan Randall. Both are Anchorage-raised, passionate outdoor enthusiasts who represented the United States as Olympians in cross-country skiing: Betsy in 1980 and Kikkan five times in the 2000s, including winning America's first cross-country skiing gold medal in the 2018 Winter Olympics.

Today, Betsy and Kikkan give back to the trails that gave them so much. Kikkan is the Executive Director of the Nordic Skiing Association of Anchorage, which hosts events and programs to encourage cross-country skiing and healthy outdoor lifestyles for Alaskans, while providing year-round work on Anchorage's trails: grooming ski trails in the winter, repairing, improving and maintaining trails for all users in the summer.

Meanwhile, Betsy and numerous Alyeska employees are engaged with NSAA as donors, volunteers, event participants and parents of young skiers in the popular Junior Nordic program, where Kikkan found a love for skiing. Alyeska Communications Manager Josh Niva is a longtime NSAA member, volunteer and board member, and editor of the state's Nordic skiing newsletter. Unlike Kikkan and Betsy, he's not an elite skier, but he contributes his time, professional talents and resources, along with leveraging Alyeska's company match, to help NSAA continue to grow and sustain the trails that provide outdoor outlets for so many in the community.

Employee giving in 2022

- A total of 270 matching gift and volunteer match requests were submitted to the Matching Gift/Volunteer Match Program.
- Matching dollar donations from Alyeska totaled \$54,800.
- Matching gifts went to 62 qualifying Alaska nonprofits.

United Way campaign

- Alyeska matched dollar-for-dollar pledges up to \$185,000 for a total campaign result of \$469,842.
- Alyeska employees, retirees, and contractors made 299 separate pledges and donations totaling \$196,870.
- Alyeska staff held 16 fundraising events across Alaska, including e-auctions, bake sales, split the pot, chili cook-off, breakfasts, lunches, desert auctions, etc. which raised \$71,972.
- 4 contractor companies donated a total of \$16,000.
- Alyeska's first known UW campaign was in 1970, seven years before TAPS began operations.

Corporate citizenship

- Through company-directed dollars, Alyeska donated \$358,100 in 2022 to Alaska nonprofits.
- Of those dollars:
  - \$179,000 went to Anchorage and statewide organizations.
  - \$124,050 went to Fairbanks and Interior organizations.
  - \$55,050 went to Valdez and Prince William Sound organizations.



[alyeskapipeline.com](http://alyeskapipeline.com)



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