

Environmental, Social, and Governance Summary





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# 2021 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE SUMMARY

The following ESG Summary continues Murphy USA's journey on sustainability reporting and builds on the principles that have guided the Company since our spinoff in 2013 and our previous disclosures, including our 2021 "Our Impact" website content. The summary discloses metrics relevant to Murphy USA's business, as well as selected metrics included in the Sustainability Accounting Standards Board (SASB) standards for the Extractives & Minerals Processing sector, Oil & Gas – Refining & Marketing industry and the Consumer Goods sector, Multiline and Specialty Retailers & Distributors industry. As we continue to mature our ESG reporting, we are still in the process of evaluating whether or not certain omitted SASB metrics are relevant and/or material to our operations. Unless otherwise noted, this document covers the full year period January 1, 2021 through December 31, 2021 and unless otherwise noted excludes QuickChek, which was acquired January 29, 2021.







# MESSAGE FROM THE CEO

Murphy USA is proud to publish its initial Environmental, Social and Governance Summary Report. This summary represents the continued evolution of our stakeholder reporting on the sustainability of our business strategy and important ESG topics and will continue to evolve to meet future needs, including regulatory disclosure requirements.

We believe sustainability begins with having a coherent, long-term strategy to grow shareholder value and executing it in a thoughtful and responsible manner that considers the needs of critical stakeholders. As such, we view our ESG reporting as another lens by which stakeholders can understand and evaluate our holistic strategy and the material risks to our business. Moreover, the ultimate sustainability test is how well one's strategy proves resilient to externalities that expose these material risks and present new ones.

Given the challenges we have all faced in the past two years, we are especially proud of how well Murphy USA's business strategy has endured and how our underlying advantage has been strengthened. When our additional ESG reporting metrics are viewed in the context of our financial outcomes and Total Shareholder Returns, the sustainability of Murphy USA's strategy becomes even clearer.

Our sustainability and our ESG Summary Report are framed around five important pillars which are at the heart of our enduring business strategy. Together, they present a virtuous cycle of advantage and provide a deeper view into the sources of our advantage.

We start with being Affordable. If you visit one of our stores, the first thing you will notice is our prices are more affordable than most of the nearby competitors. That's because our customers treat transportation fuel as a non-discretionary purchase to live their daily lives.

With over 50-percent of Americans living paycheck to paycheck, they count on Murphy USA to deliver everyday low prices for the products they are seeking and our EDLP pricing and loyalty programs saved customers over \$500 million in 2021. Our typical customer drives a vehicle that is 10-years old on average, and a large portion of those vehicles were purchased for less than \$15,000 and have racked up 125k miles—accordingly, our customers will be counting on our products and affordable pricing for the foreseeable future.

Being affordable must never compromise the **Responsible** way our products are sold. In fact, being a responsible retailer builds incredible trust with our customers, communities, and partners. This is evidenced through our industry leading commitment to age verification on age-restricted products as well as investments in our secure fuel dispensers and IT systems to mitigate data security risks.

Our strategy and business model depends on **Engaged** team members to provide great customer service and support to our stores. The discretionary effort shown by our team during difficult and challenging times is a direct reflection of Murphy USA's high employee engagement scores. Engagement is supported and strengthened through investments in our employees' overall well-being through a range of initiatives that create an inclusive environment where the voices of our diverse team members are heard and incorporated into key business decisions. Our success also reflects that our team members are highly representative of the communities they serve.

I'm especially proud that the Murphy USA team is big-hearted and **Committed** to the communities where we live and work. From being the anchor sponsor of the United Way of Union County Arkansas to our national sponsorship with the Boys & Girls Clubs of America, we are individually and collectively committed to helping our communities—especially to those who need our help the most. We also build trust in our communities through our commitment and track record on safety and the environment.

Through the virtuous cycle achieved through our business strategy overseen by our Board of Directors, we stay **Aligned** with our investors and key stakeholders. Framed under our five pillars, the additional disclosures in this and subsequent ESG reports seek to build upon our reputation for transparency and the credibility we have established over time.

At Murphy USA, we have successfully demonstrated that when our customers win, all our stakeholders win. While we can't be everything to everybody, we will remain true to who we are, what we do, and how we do it while continuing to listen, invest and focus our efforts on our core stakeholders and their needs. I invite you to learn more about our progress.



# **ABOUT US**

Murphy USA is a leading retailer of motor fuel and convenience merchandise with more than 1,6501 stores located primarily in the Southwest, Southeast, Midwest, and Northeast United States. Our company and our team of nearly 15,0001 employees serve an estimated two million customers each day through our network of retail motor fuel and convenience stores in 27 states1. The majority of Murphy USA stores are located in close proximity to Walmart Supercenters. We also market motor fuel and other products at standalone stores under the Murphy Express and QuickChek brands. In 2022, Murphy USA ranks 240 among Fortune 500 companies.

Murphy USA delivers every day the quickest, most friendly service and a low-price value proposition to our growing customer base for the products and communities we serve. Customers desire our fuel and convenience products, and we want our customers and communities to trust that Murphy USA sells these products in a highly ethical and responsible way. Our goal is to be the most responsible retailer of these products.

# **ACTIVITY METRICS**

Metric	2021	2020	2019
Revenue (\$M) <sup>2</sup>	\$17,360.5	\$11,264.3	\$14,034.6
Employees <sup>2</sup>	14,615	9,900+	9,900+
Refining throughput of crude oil and other feedstocks  SASB: EM-RM-000.A	Not applicable. Murphy USA does not operate refineries.		
Refining operating capacity  SASB: EM-RM-000.B	Not applicable. Murphy USA does not operate refineries.		
Number of: (1) retail locations <sup>2</sup> and (2) distribution centers <sup>3</sup> <b>SASB:</b> CG-MR-000.A	1,679	1,503	1,489
Total area of: (1) retail space and (2) distribution centers <sup>3</sup> <b>SASB:</b> CG-MR-000.B	1,186,518 sq. ft	1,102,481 sq. ft	1,003,533 sq. ft

<sup>&</sup>lt;sup>1</sup> This figure includes QuickChek.

<sup>&</sup>lt;sup>2</sup> 2021 figure includes QuickChek.



<sup>3</sup> Murphy USA does not have distribution centers. Total square footage for retail space is based upon historical store format square footage estimates that are updated on a periodic basis. Exact square footage may vary slightly by store.



# **OUR PRINCIPLES**

Our Principles are at the foundation of how we operate at Murphy USA. In fact, our Principles are the values that shape the character of our company. The strength and stability of our Principles create a proud culture that leads to a fulfilling employee experience. Our employees trust that the decisions we make and the actions we take are filtered through our Principles. Our approach to ESG is also guided by these Principles of Integrity, Respect, Citizenship, and Spirit.

Integrity	Respect	Citizenship	Spirit
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Be persistently ethical and honest to foster trust. We carry ourselves with a quiet confidence because we know that - in the long run – our character will speak for itself. We always do the right thing, even when no one is watching.

Value and appreciate others. We encourage and promote diverse approaches in all our thoughts, ideas, and actions. We understand the importance of the strengths, experiences, and perspectives of others.

Believe in the power of good actions. We are committed to the greater good for our employees, company, customers, suppliers, and other stakeholders. We are responsible and involved in the communities in which we live and work as ambassadors of Murphy USA.

Strive to be the best. We are highly engaged and truly care about what we do and how we are perceived. We have a strong desire to exceed our customers' expectations. We work closely with each other to drive our success through reliable and consistent execution.



# **ESG PILLARS**

Since its 2013 spinoff, Murphy USA has pursued a comprehensive and coherent business strategy consisting of five key strategic objectives: grow organically, diversify merchandise mix, sustain cost leadership, create advantage from market volatility, and invest for the long-term. As we advance on these objectives and focus on long-term shareholder value, we are managing ESG opportunities and risks through a framework tailored to sustaining our advantaged business model in a socially responsible manner. This framework is reflected in our ESG pillars:

# **AFFORDABLE**

Serve customers with everyday low prices in a transparent manner for the fuels, merchandise, and food and beverage products they need

# **RESPONSIBLE**

Build trust with customers, regulators, and partners by exceeding expectations in areas such as data protection, age verification, and safety

### **ENGAGED**

Empower our people through an inclusive and diverse culture, competitive total rewards programs, and fulfilling career opportunities

# COMMITTED

Invest our resources to strengthen the communities we serve and their environment

# **ALIGNED**

Ensure our credibility with investors through strong business ethics, good corporate governance, and effective capital allocation







# **OUR LOW PRICE VALUE PROPOSITION**

Customers trust our value position combined with our unique programs and partnerships to ease their financial pressure by enhancing the affordability of the products they need.

### **Fair and Transparent Pricing**

We are committed to fair and transparent pricing complying with all state and federal guidelines with our prices clearly displayed through multiple physical and digital channels.

### **Fuel Pricing**

To establish and sustain our every-day low price position on fuels, Murphy USA continuously monitors competitive prices allowing us to price fuel based on the most relevant factors for each store.

\$265+ Million
Saved by our customers on their

fuel purchases in 20214

### **Loyalty Program**

Our distinctive loyalty program, Murphy Drive Rewards, allows members to earn additional savings on fuel, snacks, drinks, and more and redeem program points for up to \$1 off per gallon for up to 20 gallons.

In March of 2022 Murphy Drive Rewards was named as one of the top programs in Newsweek's America's Best Loyalty Programs list.

# **Partnerships**

Murphy USA brings select responsible partnerships to our customers allowing them to save even more at our stores on fuel and merchandise. Our partnership with a leading earned wage access vendor, a Certified B Corporation, focuses on holistic financial wellness of our associates and customers by offering on-demand access to earned but unpaid wages and a fuel discount for purchases made with the vendor's branded card.

\$250+ Million

Saved through our loyalty program and partnerships in 2021





Based on RUL and Diesel price per gal differential between Murphy USA and our competitors in each community we serve.



# **AGE-RESTRICTED PRODUCTS AND INSPECTIONS**

In 2021, we passed over 96% of our age-restricted federal inspections. During those inspections, underage individuals attempt to purchase age-restricted products, and our employees successfully implemented our robust age-verification processes over 96% of the time. We also have a zero-tolerance policy for failed inspections and hold our employees accountable for their performance.

We go the extra mile by voluntarily and proactively conducting thousands of age validation audits each year to ensure we keep age-restricted products out of the hands of minors. In 2021 we conducted over 15,000 of these audits. We also have a more stringent "We ID" policy which requires our employees to validate the age of customers who appear age 40 and under, which is over and above the federal guideline of 27 and under.

Employees are required to complete age-restricted product training prior to serving our customers. In fact, employees are locked out of our Point-of-Sale system until training has been completed.





### **DATA SECURITY**

### Metric

Description of approach to identifying and addressing data security risks SASB: CG-MR-230a.1

The Audit Committee of the Board maintains oversight of our cybersecurity risks through routine updates from management, regular reviews of relevant cybersecurity risks, and by monitoring existing controls to mitigate the risk of cybersecurity incidents. Additionally, we maintain a management-level information and operation technology risk management program, which analyzes emerging cybersecurity threats as well as our plans and strategies to address the related risks. Murphy USA annually engages third-party experts to assess compliance with the PCI-DSS standard, for which we most recently received an attestation of compliance in June 2021. We also conduct annual independent security testing.

We have an established security awareness program, which includes mandatory annual training for employees with access to company email as well as periodic testing to help ensure the training is effective. In addition, all employees have access to an array of training materials distributed throughout the company. Monthly simulations also test employee recognition of phishing emails with required remediation training assigned when a failure occurs.

Murphy USA has a defined incident management and event monitoring program to continuously address threats to the environment. We follow a structured plan to report issues of concern, ensure compliance with regulatory requirements, and highlight opportunities for improvement. When a potential cybersecurity or data privacy incident is identified, the incident is assigned a severity level and a reporting process. More severe incidents are reported to executive leadership and the Board.

### **Dispenser Security**

Between 2019-2021, we spent almost \$60 million to roll out our EMV dispenser program ahead of the industry's target deadline. EMV technology is the safest, most secure technology available to protect our customers' data at the fuel pump. We have standards that require each dispenser to have an alarm to prevent tampering and the placement of card skimmers that can compromise customer payment information. These dispensers are visually inspected daily, and additional security measures (both internal and external) are also utilized to protect the integrity of our dispensers.

Since the roll out of our EMV dispenser program, skimmer incidents have decreased dramatically across our store network. In 2019, we located and removed 152 skimmers from our dispensers, and in 2020 this number dropped to one. In 2021, we had no skimmer incidents.

- 1) Number of data breaches
- 2) percentage involving personally identifiable information (PII) 3) number of customers affected

SASB: CG-MR-230a.2

We have no material data breaches to report for 2019, 2020, or 2021.

# **EMPLOYEE HEALTH AND SAFETY**

### Metric

1) Total recordable incident rate (TRIR), 2) fatality rate, and 3) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees

**SASB:** FM-RM-320a.1

Murphy USA tracks the Total Recordable Injury Rate for each sector of our enterprise. We actively engage in initiatives to improve these numbers. In 2021, we had an enterprise-wide TRIR of approximately 2.20.

### **Total Recordable Incident Rate**

	2021	2020	2019
Corporate Headquarters	0.12	0.12	0.67
Field Operations	2.45	2.23	2.49
Fuel Terminals	0.0	0.0	0.0
Weighted Average	2.20	2.00	2.30
Total Fatalities	O <sup>5</sup>	0	0

Discussion of management systems used to integrate a culture of safety

**SASB:** EM-RM-320a.2

We are committed to the health and safety of our workforce and have policies and practices in place to promote safety, including a Health, Safety, Security, and Environmental Commitment. To that end, in 2021 one of our key initiatives was workforce safety. We keep our employees safe by fostering and maintaining a strong safety culture and emphasizing our employees' role in identifying, mitigating, and communicating safety risks.

To facilitate this safety culture, employees in our field operations and wholesale fuel terminals are required to undergo various safety-related trainings, where relevant, shortly after being hired. These include courses such as ladder safety, first aid and CPR, safe lifting and proper storage, customer or employee injury response, preventing exposure to blood borne pathogens, responding to an active assailant, and prevention and response to fuel spills. We have also implemented a rapid response program to ensure safety events (i.e., slip and falls, medical emergencies, and vehicle accidents) are escalated guickly and responded to efficiently. We further operate a number of safety-oriented response teams made up of personnel from across the enterprise. These include:

- Our Safety Coordinator Team, composed of our District Managers, supports the organization by educating our field team about safety standards and expectations, providing recommendations for improving our safety culture, investigating accidents that occur, and assisting our field team with management of safety incidents.
- Our Hurricane Response Team, made up of personnel from our corporate headquarters, field operations, and wholesale fuel terminals, works to ensure personnel, store, and terminal safety during hurricane events that impact our retail locations and fuel terminals.
- Our Crisis Response Team, which includes representatives from across the enterprise, is equipped to respond to any crises or potentially adverse events facing Murphy USA, including the COVID-19 pandemic.



### **EMPOWERING OUR EMPLOYEES**

With nearly 15,0006 employees across the country, we understand the importance of empowering our people to be the best they can be through meaningful work that drives our business, enhances our customer experience, and supports our employees as they do their part to drive our ESG efforts, and sustain our responsible retailer goals through their daily actions. We are Murphy USA!

### **Talent Recruitment**

We have a robust and multi-faceted recruitment strategy that enhances awareness of our employer brand, creates distinct talent pipelines, and directly supports our Inclusion and Diversity efforts including paid internship programs, Analyst Development Programs, and partnerships with educational institutions.

### **Training and Development**

At Murphy USA, we are dedicated to helping our people succeed professionally and personally through training and development. We believe that investing in our employees' training and development is also an investment in our businesses' success. Because of our strong learning and development culture and talent management strategies, we have built a healthy internal talent pipeline which allows us to promote from within. In 2021, Murphy USA granted 3,252 internal promotions to employees.

### **Continuing Education Tuition Reimbursement**

We offer college tuition reimbursement for eligible corporate employees, Store Managers, and Assistant Store Managers. In 2021, we reimbursed college tuition for 26 employees, totaling approximately \$78,000.

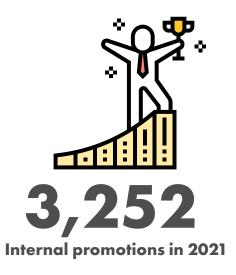
### **GED Sponsorship Program**

Our employees asked for a General Educational Development (GED) program, and we listened. In 2021, we partnered with a best-in-class GED provider to create a Murphy USA employee GED program. In the first year of the program, we sponsored 170 employees seeking to earn their GED, totaling \$22,900. All Murphy USA employees are eligible to participate in our GED program for free with no out-of-pocket costs.

### **Online Learning**

To further support continuing education, in March 2021, we introduced a leading online course provider platform to our corporate employees. Employees have the ability to take courses on personal development and business topics of their choosing, including everything from communication skills to leadership development. In 2021, our employees took advantage of our online learning program by completing 1,780 courses and 34,320 educational videos.





### **Employee Engagement**

At Murphy USA, we want our employees to have a strong sense of belonging. We conduct bi-annual all-employee surveys to gauge employee engagement and highlight potential opportunities to improve our employee experience. After our bi-annual employee engagement surveys are completed, focus areas are developed at an organization level based on overall company and departmental results. Action plans are then developed to address the determined areas of focus. In 2021, our employees demonstrated their high levels of engagement, with 71% completing the bi-annual engagement survey and 70% indicating they were engaged or highly engaged. Further, 84% of employees indicated that they feel accepted by their immediate co-workers and 79% said they are proud to work at Murphy USA.



of our employees indicate that they feel accepted by their immediate co-workers



of our employees say they are proud to work at Murphy USA



of our employees indicate that they were engaged or highly engaged



# **EMPLOYEE BENEFITS, WELL-BEING,** AND COMPENSATION

Because our employees are our greatest assets, we offer comprehensive and competitive employee benefits designed to empower our team to pursue overall well-being for themselves and their families. Our programs include:

### **Financial Health**

Murphy USA established the Murphy Employees Disaster Relief Foundation (MEDRF) in 2010 in response to severe weather events that heavily impacted our employee population. The Foundation has since evolved to support employees by providing short-term financial assistance to those experiencing severe financial hardship due to natural disasters, storms, fires, uninsured medical expenses, and uninsured death. Since the creation of the Foundation, over \$1.5 million dollars in grants have been disbursed to employees during their time of need. In 2021, the Foundation dispersed \$168,324 in financial assistance.

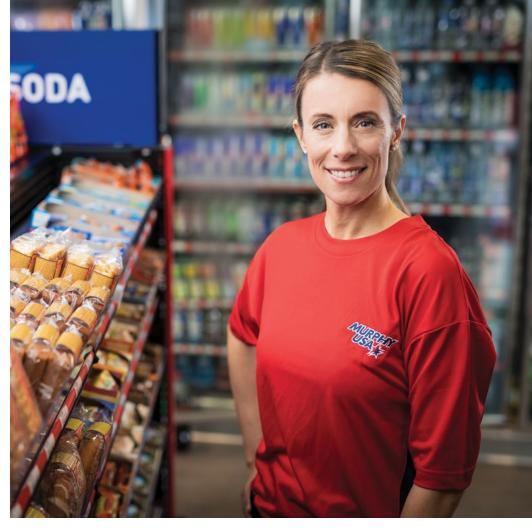
In 2020, during the onset of the COVID-19 pandemic, Murphy USA established an Emergency Sick Pay program for store-level employees who were negatively impacted by COVID-19. In 2021, 695 employees were granted Emergency Sick Pay, totaling \$387,585 in financial support. Over the course of this program, Murphy USA granted \$1,427,696 to over 2,500 employees.7

We utilize financial technology to aid in reducing our employees' financial stresses. In 2020, we partnered with a leading provider of Earned Wage Access services to provide our employees with convenient early access to their earned wages. Since implementing the program, employees have performed 405,248 transactions and received early access to over \$19.5 million in earned wages—with over \$10 million in early-accessed wages in 2021 alone.

We support financial well-being by extending profit sharing in the form of employer contributions to retirement plans for eligible employees, including part-time and full-time team members. Store Manager and corporate level employees are eligible to participate in the 401k Savings Plan, which offers a 6% employer match. In addition to base wages, we offer a commissions program for our Store and District Management and annual bonus opportunities for our corporate employees. Annual bonus payouts are based on performance metrics that are established at the beginning of each calendar year and are aligned with our strategy and business objectives.

### **Physical Health**

We support physical well-being by offering a broad range of affordable health benefits to all employees including full and part-time team members. Our goal is for all our employees to have access to quality healthcare and programs that support their overall health and well-being.



All new parents at the Store Manager and corporate employment level are eligible for 6 weeks of parental leave at full pay, regardless of their path to parenthood, sexuality, or gender identity.

### **Mental Health**

We support emotional well-being by offering a life assistance program that allows employees to utilize free counseling sessions for themselves and members of their household. We also offer virtual mental health support for medical plan members through partnerships established by our medical plan.

We encourage all employees to maintain a healthy work-life balance. To support balance, we offer vacation benefits to all employees across the organization. We provide our employees with flexible scheduling and the ability to trade shifts if needed.



# **INCLUSION AND DIVERSITY**

We are committed to living our Principle of Respect as it relates to inclusion and diversity (I&D), and we are intentional about increasing visible and invisible diversity throughout Murphy USA. We aim to build a representative workforce that reflects the diversity of our customers and the communities where our employees live and serve. We strive to create an environment where all employees feel valued, safe, accepted, and heard. To enhance our companywide I&D culture, we take a holistic approach with a focus on talent acquisition, succession planning, and learning and development.



# **Murphy USA**

was named to <u>Forbes' List of America's Best</u> <u>Employers for Diversity 2022</u>, recognizing our dedication to fostering a diverse workforce.

### **Recruiting Diverse Talent**

Increasing representation in the workplace begins with recruiting from diverse talent pools. In 2021, our Talent Acquisition team centered efforts on creating partnerships with Historically Black Colleges and Universities (HBCU), starting with the largest HBCU in our corporate headquarters home state, the University of Arkansas at Pine Bluff (UAPB). Part of what makes our partnership with UAPB so strong and unique is the engagement of our employee alumni who are actively involved in our efforts. We plan to expand our outreach to additional HBCUs in the future.

### **Incorporating I&D in Succession Planning**

Succession planning ensures a future of success for our business and for our employees and is an important part of our talent development process. By identifying talent for future leadership roles, we are able to sustain and support company growth by assessing employee performance, potential, and readiness, resulting in differentiated development across employees. Succession planning allows us to identify and leverage diverse perspectives, experiences, and backgrounds across the organization. We employ objective strategies in our talent management processes to reduce possible bias and ensure fair and consistent succession planning.

### **I&D Learning and Development**

Everyone at Murphy USA is responsible for creating an inclusive experience, and that begins with our leadership. All leaders are provided the resources and training opportunities they need to be owners of their team's I&D experience. We curated an online learning course for our 'Respect' Principle that includes trainings on unconscious bias, diversity, inclusion, and belonging. In addition, we leverage our culture, existing programs, and communication forums to raise awareness and educate.

### **Pay Equity**

We believe all team members should be paid equitably regardless of gender, race, age, disability, cultural background, sexual orientation, religious beliefs, or ethnicity. Each year, Murphy USA conducts a pay equity analysis to assess whether employees are being paid equitably across the organization. This analysis takes into account several factors such as role, performance, relevant experience, age, gender, and ethnicity. The results of the pay equity analysis are closely reviewed to determine whether adjustments may be needed to ensure fair and equitable pay and remediation plans are quickly put in place to handle any necessary adjustments.





# **Workforce Demographics**

# Metric

Percentage of gender and racial/ethnic group representation for 1) management and 2) all other employees

SASB: CG-MR-330a.1

	2021	2020	2019
Gender - Management			
Male	31.45%	32.52%	33.01%
- Female	68.55%	67.48%	66.99%
Gender - All other employees			
Male	28.75%	27.07%	25.47%
Female	71.25%	72.93%	74.53%
Race/Ethnicity - Management	·		
White	70.60%	71.34%	70.81%
Black	16.07%	15.91%	16.20%
Asian	0.97%	1.19%	1.52%
Hispanic/Latino	9.17%	8.69%	8.10%
Other	3.18%	2.88%	3.37%
Race/Ethnicity - All other emp	loyees		
White	56.38%	56.78%	56.80%
Black	28.16%	27.85%	28.08%
Asian	0.50%	0.62%	0.65%
Hispanic/Latino	9.45%	9.58%	9.22%
Other	5.51%	5.15%	5.25%

<sup>&</sup>quot;Management" includes Executive/Senior Level Officials and Managers and Non-Executive Management, which includes First/ Mid Level Officials and Managers.

2021 EEO-1 | 2020 EEO-1 | 2019 EEO-1





# **Labor Practices**

Metric			
Total amount of monetary losses as a result of legal proceedings associated with labor	2021	2020	2019
law violations <b>SASB:</b> CG-MR-310a.3	\$0	\$58,114	\$44,964
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination <sup>8</sup> <b>SASB:</b> CG-MR-330a.2	\$54,525	\$273,800	\$96,171

Collective Bargaining and Freedom of Association

While no Murphy USA employees are currently covered by collective bargaining agreements, Murphy USA supports the right to freedom of association and does not interfere with employees' rights to collective bargaining.



<sup>&</sup>lt;sup>8</sup> The Company's previous disclosure combined monetary losses related to labor law violations and employment discrimination. In the current disclosure, these losses have been separated and adjusted due to recalculation.



# **COMMUNITY RELATIONS**

# **Philanthropy**

Murphy USA and the Murphy USA Charitable Foundation embody our Citizenship Principle by giving back to the communities where we live and work. We invest our resources to make a difference in our hometown of El Dorado, Arkansas and in the other communities our 1,650 stores serve. In 2021, our Corporate and Foundation charitable financial contributions totaled over \$2.9 million.

### Gift Matching

Murphy USA believes our employees should have the opportunity to support charities and organizations that are important to them, and in doing so, contribute to the vitality and health of communities in which we work and live. To support these efforts, we provide a year-round giving program as well as a gift matching program. We match 1:1 for all donations made by full-time employees to eligible 501c3 non-profit organizations, and 2:1 for donations made to educational institutions and hospitals. We also match 2:1 to charitable nonprofits where our employees serve on an organization's board, further encouraging board level service. In 2021, we donated over \$1.4 million to eligible organizations across the country through employee donations and the company gift matching program.

### **United Way**

We are the anchor supporter of the United Way of Union County, which supports thirteen separate charitable organizations in our hometown of El Dorado. One of the key ways we provide support is through our corporate headquarters' annual weeklong fundraising campaign, in which employees volunteer and make charitable donations. In 2021, 86% of our corporate employees contributed to United Way of Union County for a record total of \$432,954. With the Murphy USA gift match, the company pledged a total donation of \$865,908.

### **Boys & Girls Clubs of America**

We partner with over 4,700 Boys & Girls Clubs of America to provide the resources and support kids need to thrive in school, the workforce, and in life. In 2020, we instituted the annual "Great Futures Fueled Here" campaign, which features an in-store "round-up" program, allowing customers to join us in supporting this impactful organization. Over the last two years, employees and customers raised over \$3 million for the Boys and Girls Club of America through over 6 million separate donations in our stores across the country—and in 2021 alone, we raised over \$1.5 million. All funds raised support the local Boys and Girls Clubs in the communities where we live and work.



### **Employee Volunteering**

We strengthen our communities by empowering our employees to get involved and help others. Corporate employees who volunteer more than 18 hours with one of the agencies associated with the United Way of Union County receive up to nine additional hours of paid time off a year. To further stimulate volunteering, we provide onsite and offsite volunteer opportunities for our corporate employees throughout the year and encourage our field employees to volunteer and be involved with their local Boys & Girls Club.

### **Our Commitment to the Environment**

Murphy USA is committed to conducting business in the communities we serve in a manner that is safe, efficient, and protective of human health and the environment.

Our Health, Safety, Security, and Environmental Commitment outlines our guiding principles for managing potential health, safety, and environmental risks, as well as our expectations for our employees and our business partners to facilitate safe and environmentally responsible operations.



### **GHG** Emissions

### Metric

Gross global Scope 1 emissions, percentage covered under emissions-limiting regulation

**SASB:** EM-RM-110a.1

Scope 2 emissions

We recognize the need to transparently disclose our environmental metrics, including greenhouse gas emissions. As such, we plan to measure and report our Scope 1 and Scope 2 emissions by 2023.

# **Product Specifications & Clean Fuel Blends**

### Metric

Percentage of Renewable Volume Obligation (RVO) met through: (1) production of renewable fuels, (2) purchase of "separated" renewable identification numbers (RIN)

**SASB:** EM-RM-410a.1

Murphy USA's only activities subject to the Renewable Volume Obligation (RVO) concern minimal butane blending into fuels at certain fuel terminals. In light of the negligible direct implications of the RVO on our operations, we do not report on this metric.

We are supportive of Renewable Fuel Standards and provide responsibly priced, renewable fuels our customers value in significant quantities. In 2021, we sold approximately 3.43 billion gallons of ethanol-blended fuel. During 2021, we also sold 202 million RINs.

# **Air Quality**

# Metric

Efforts to improve air quality

At our retail locations, we use equipment that meets the current regulatory standards, including Stage I vapor recovery on all gasoline tanks. In Stage I vapor recovery, when carriers deliver fuel, the vapor recovery connection transfers vapors from the underground storage tank to the truck. In turn, the truck takes the vapors back to the terminal where the vapors are recovered by either a Vapor Combustion Unit and are burned off, or by a Vapor Recovery Unit where they are converted to fuel. Further, Murphy USA operates in areas where vapor attainment via Stage II is no longer necessary so vapor recovery at the dispenser is not needed.

At our terminals, there are parameters to properly manage the weighted average of volatile organic compound emissions over time. If these air emissions exceed a regulatory limit over a period of time, the system is programmed to automatically shut down.

Number of refineries in or near areas of dense population

**SASB:** EM-RM-120a.2

Not applicable. Murphy USA does not own or operate refineries.



# **Waste and Hazardous Materials Management**

### Metric

Amount of hazardous waste generated, percentage recycled

**SASB:** EM-RM-150a.1

Because Murphy USA does not engage in refining activities, we do not generate high amounts of hazardous waste in our daily operations, as defined by U.S. Environmental Protection Agency (EPA) regulation 40 CFR Part 262. We perform laboratory analysis through our environmental consultants on all soil and groundwater samples taken in order to obtain a non-hazardous or hazardous determination for the waste. When hazardous waste is profiled, the environmental consultant identifies an EPAapproved destination facility for the waste. Waste manifests are obtained and appended as supporting documentation to any regulatory report submitted for agency review.

In instances where laboratory analysis confirms samples as hazardous waste at our retail locations, such as petroleum or metals impacted media, the quantities are a "very small amount" and do not require us to have an EPA ID for purposes of reporting or registering the waste generated. Based on quantity generated, Murphy USA is categorized under EPA rules as a Very Small Quantity Generator (VSQG).

Three of our terminal locations manage small amounts of hazardous waste in the form of petroleum impacted media. For the hazardous waste generated at these three terminal locations, Murphy USA utilizes EPA ID numbers to manage the small amounts of waste that are generated while still qualifying for the VSQG classification. The amount of hazardous waste generated and recycled is not currently tracked, but we will capture this data moving forward.

1) Number of underground storage tanks (USTs), 2) number of UST releases requiring cleanup, and 3) percentage in states with UST financial assurance funds

**SASB:** EM-RM-150a.2

1) Number of Underground Storage Tanks (USTs)9

2021	2020	2019
3,758	3,698	3,583

2) In 2021, we had 104 total UST releases where Murphy USA was responsible for cleanup; 98 Retail and 6 Terminal. This includes historical releases and new releases.

In 2021, Murphy USA was made aware of 37 new retail UST incidents where cleanup was required after a release was reported. There were no reportable incidents at our terminals.

3) For 2021, 65% of Murphy USA's UST releases were in states that offer a State Financial Assurance Fund. These state funds were set up by the agency in an effort to assist responsible parties with remediation cleanup efforts.

In 2021, Murphy USA was not made aware of historic releases requiring cleanup in states that do not provide coverage for past events. This would be instances where we were made aware of a historic release that was not remediated to state standards. Further, for new releases in 2021, we were not denied coverage for releases occurring in states with State Financial Assurance Funds.

# **Waste and Hazardous Materials Management**

### Metric

Management of spills and releases

We have various measures in place to identify releases as they occur and maintain compliance with the Federal Underground Storage Tank Program. Examples of preventative measures include:

- Required 3rd party equipment testing certification is performed in accordance with federal, state, and local regulations or industry standards.
- Field personnel is trained in the Class A, Class B, and Class C Operator capacity.
- Monthly walk through inspections are performed by the store personnel and records are kept at the Murphy USA corporate headquarters.
- Accounting performs monthly inventory reconciliation of all tanks and any exceptions are researched by the environmental department.
- All stores are equipped with an Automatic Tank Gauge (ATG), a system of sensors that monitors the UST system for potential leaks or malfunctions. Any compromises in the UST system trigger an audible and visual alarm at the store level.
- Any alarms posted by the ATG are picked up by the environmental monitoring software program, followed up on by the Maintenance Response Team, and escalated to field personnel based on criteria that does not allow for an alarm to go unaddressed within 24 hours.

Murphy USA follows agency directives at all of our remediation projects and has four regional consultants that act on our behalf to address environmental remediation. In 2021, we received regulatory project closure for 37 total projects.

Solid waste reduction efforts

Murphy USA is currently evaluating solid waste reduction strategies and practices that could be implemented across our enterprise. One example of how we reduce waste in our stores is our fountain drink refill program, which incentivizes our customers to bring their own containers to purchase fountain drinks at a discounted price.

# Product Sourcing, Packaging, and Marketing

### Metric

Discussion of strategies to reduce the environmental impact of packaging **SASB:** CG-MR-410a.3

Murphy USA is currently evaluating strategies to reduce the environmental impact of packaging. We utilize suppliers and distributors that actively minimize the environmental impact of their shipment packaging by using reusable product totes and pallets.





# **ESG OVERSIGHT AND ACCOUNTABILITY**

The Nominating and Governance Committee is responsible for reviewing our initiatives, policies, and practices on ESG matters that are significant to Murphy USA, as well as our reporting of ESG performance. The Board's Audit Committee is also involved with the oversight of ESG process and governance.

Understanding that ESG continues to evolve, we continually evaluate our ESG pillars to ensure they properly reflect our priorities and the needs of our stakeholders. As part of our commitment to ESG, we are also focused on transparently reporting on our progress.

Our ESG program is overseen at the functional level by the ESG Steering Committee, a group comprised of our CEO, Senior Executive Team, and select Vice Presidents. This group of senior leaders is responsible for guiding our Company's ESG initiatives and setting priorities that align with our business strategy, our customers' needs, and our core values.

The implementation of our ESG efforts are overseen by a cross-functional ESG working group made up of management-level employees and leaders from our core functions. This ESG working group is co-led by our Senior Vice President, Strategy and Development and our General Counsel and is responsible for driving ESG initiatives throughout the company and monitoring our organizational ESG impacts.





# **BUSINESS ETHICS**

Our Code of Business Conduct and Ethics promotes ethical business across all segments of the company and is the cornerstone of our ethics and compliance program. The Code applies to all full- and part-time Murphy USA employees (including employees of our subsidiaries), members of the Murphy USA Board of Directors, and other contractors or temporary workers that are under Murphy USA's control or supervision. The Code was adopted by our Board of Directors and is reviewed annually by the Audit Committee of the Board. It sets forth the expectations for our collective responsibility to comply with laws, regulations, and our own Company Principles and policies. The Code includes guidance on key risk areas such as conflicts of interest, workplace environment and safety, antidiscrimination and equal employment opportunity, data security and privacy, fraud and bribery, fair dealing and fair competition, zero tolerance for retaliation, and reporting mechanisms for violations.

### Code Certification, Training, and Awareness

Murphy USA employees are required to read and certify their understanding of the Code prior to beginning employment. Additionally, employees are assigned comprehensive Code of Conduct training that must be completed within seven days of commencement of service. This training is reassigned to employees periodically in order to reinforce our awareness of the Code and our obligations. Employees are also required to re-certify their understanding of and compliance with the Code every 24 months.

### **Compliance Training**

All applicable employees, including corporate team members, receive compliance training that adheres to all state and federal compliance training guidelines. Compliance training includes but is not limited to: Age-Restricted Product Training, Class C Training, A/B Operator Training, Food Handler Certification, ServSafe Certification, Preventing Sexual Harassment, Fair Labor Standards Act, Family Medical Leave Act, Employment Law for Supervisors, and the Code of Business Conduct and Ethics. All people leaders have access to their team's training records, allowing leaders to track, monitor, and follow-up on required training.

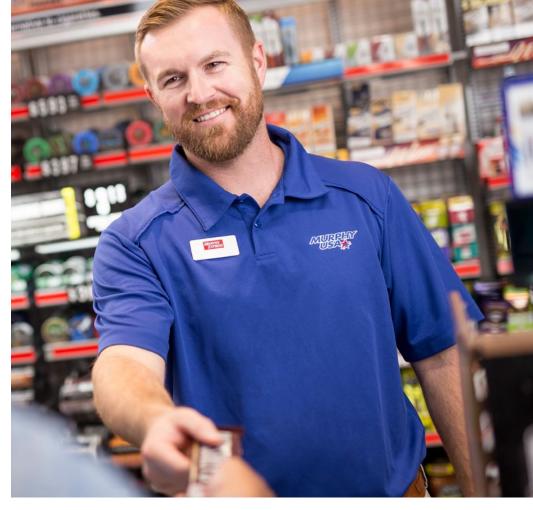
### **Reporting Mechanisms**

Murphy USA encourages employees to report violations of our policies or standards to their supervisors or to the Company's Corporate Compliance Officer. In addition, our reporting channels enable employees to anonymously raise concerns:

**Compliance Hotline** 1-800-566-8257

**Online Reporting** www.murphyusa.ethicspoint.com

**Email** ethics@murphyusa.com



### **How We Investigate Reported Matters**

Our Employee Relations group handles all compliance and ethics investigations with oversight from our Corporate Compliance Officer. Employee Relations keeps reporters informed during the investigation, including when the reporter is anonymous. Our Ethics Committee reviews the status and disposition of reported ethics and compliance concerns on a quarterly basis. The Company's ethics compliance activity is also reviewed by the Audit Committee on at least an annual basis, with any complaints or investigations resulting in significant financial impacts being escalated accordingly.

### No Retaliation

Murphy USA does not tolerate retaliation against anyone who raises a concern or cooperates in an investigation in good faith. Retaliation against an employee for reporting an issue in good faith is itself a violation of our Code of Conduct.





# **COMPLIANCE AND ADVOCACY**

Metric	
Code of business conduct  Our Code of Business Conduct and Ethics is the cornerstone of our ethics and compliance program. Avacode applies to all directors, employees, and contractors or temporary workers that are under Murphy US	
Anti-bribery and corruption policy	The Company's <u>Code of Business Conduct and Ethics</u> , sections 3, 6, 7, 8, and 10 outline the expectations and requirements of all directors, officers, and employees regarding conflicts of interest, gifts, anti-bribery and corruption.
Whistleblower policy	Sections 4 and 5 of our Code of Business Conduct and Ethics outline our Whistleblower Policy and protections. Our whistleblower "Hotline" is communicated to employees through the online store portal and in our employee handbook, and is available by phone or web to report suspected violations: U.S. 800-566-8257; ethics@murphyusa.com; or http://www.murphyusa.ethicspoint.com.





### Metric

Total amount of monetary losses as a result of legal proceedings associated with price fixing or price manipulation

**SASB:** EM-RM-520a.1

2021	2020	2019
\$O	\$O	\$0

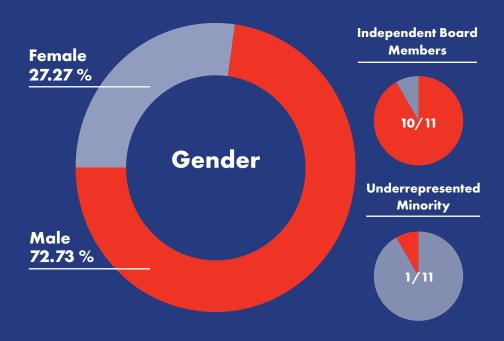
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry

**SASB:** EM-RM-530a.1

Chaired by Murphy USA in-house legal counsel, our internal Legislative Affairs Committee (the "Committee") meets monthly and is tasked with monitoring both state and federal legislative and regulatory developments that could impact the company. The Committee is made up of representatives from key departments within Murphy USA, including fuels, merchandise, marketing, human resources, environmental, accounting, and sales and operations. The Committee is the initial group that reviews and formulates potential Murphy USA positions on relevant issues based on possible impacts and considers whether engagement with lawmakers is warranted. If the Committee believes engagement is appropriate, the issue is escalated to senior leadership for a final determination.

Murphy USA belongs to numerous trade organizations, and members of Murphy USA leadership sit on the boards of key trade organizations including fuels, merchandising, and other areas impacting the convenience retail industry. These trade associations may engage in lobbying activities to support initiatives relevant to our industry, and Murphy USA participates in the government relations efforts of these groups as appropriate. Murphy USA does not have a federal PAC and all engagement on pending legislation and/or regulations that may impact Murphy USA is approved by senior leadership.





Average Age of Directors	66.5 years
Male	8/11
Female	3/11
Average Tenure	6.5 years

### **BOARD COMPOSITION**

The Board recognizes that it is important for Murphy USA directors to possess a diverse array of backgrounds and skills, whether in terms of executive management leadership, public company experience or educational achievement. When considering new candidates, the Nominating and Governance Committee, with input from the Board, will seek to ensure the Board reflects a range of talents, ages, skills, diversity, and expertise. Our Board views every director search as an opportunity to enhance boardroom diversity and to ensure our boardroom reflects an inclusive culture of trust, belonging and respect for all perspectives. To achieve this commitment, we will proactively seek out a representative pool of candidates for each board opening.

### **Governance Highlights**

- Separate CEO and Board Chair
- Independent Board chair
- Standing Board committee membership independence
- Stock ownership guidelines for executive officers and directors
- Annual Board and committee self-evaluation
- Board refreshment program
- Board oversight of ESG
- Executive clawback policy
- One-share, one-vote
- No poison pill
- 2021 Annual Murphy USA "Say-on-Pay" FOR vote percentage: 98% (versus peer group average of 87%)
- Proxy access
- Majority voting

# **INVESTOR ENGAGEMENT**

### Align Leadership Interests with Investors Through Share Ownership

Our leadership owns a total of 2,211,288 million shares (as of March 8, 2022), which is 9.09% of total outstanding MUSA shares.

All of our Board members and Company executives are required to own company shares in an amount determined by their title and compensation level.

Engaged, motivated, and aligned leadership have driven the consistent year-over-year increase in our company share price. Our stock is up 424% (from \$38 to \$199) since our spin-off in 2013 to our 2021 year-end share price.

# Align Executive Compensation with Peer Group and Shareholder Expectations

Our 2021 annual "Say on Pay" vote indicated that 98% of our shareholders that voted on the matter believed our executive compensation was appropriate. This number has been very consistent since our spin off in 2013 with an average vote since then of 98%.

In 2021, our Proxy peer group of eighteen different public companies averaged 87% of their shareholders who believed their executive compensation level was appropriate.

We engage with an industry-leading consultant and their executive compensation team who has opined that our executive compensation aligned with our Company performance over the past three years, including in 2021.

### **Proactively Engage with Investors**

We endeavor to make ourselves available to all actively managed funds and other long-term investors through investor conferences, responding to incoming inquiries, and outreach activities.

Our goal is to remain open and transparent with investors.

We consistently engage investors and analysts through personal interactions including in-person meetings, virtual meetings, and phone calls. In 2021, we received the distinction of Most Honored Company in the Institutional Investor's All-America Executive Team awards for success within the Best Investor Relations, CEO, CFO, and IR Professional category.







This document contains forward-looking statements. These statements, which express management's current views concerning future events or results, are subject to inherent risks and uncertainties. Actual results, including the achievement of any of our targets, goals, or commitments described in this report could differ materially from those expressed or implied in our forward-looking statements as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Some factors that could cause one or more of these future events or results not to occur as expressed or implied include, but are not limited to, the volatility and level of crude oil and gasoline prices, the pace and success of our expansion plan, our relationship with Walmart, political and regulatory uncertainty, our ability to realize projected synergies from the acquisition of QuickChek and successfully expand our food and beverage offerings, uncontrollable natural hazards, and adverse market conditions or tax consequences, among other things. For further discussion of risk factors, see "Risk Factors" in the Murphy USA registration statement on our latest form 10-Q and 10-K. Murphy USA undertakes no duty to publicly update or revise any forward-looking statements, except as require by law. The Murphy USA financial information in this presentation is derived from the audited and unaudited consolidated financial statements of Murphy USA, Inc. for the years ended December 31, 2021, 2020, and 2019. Please reference our most recent 10-K, 10-Q, and 8-K filings for the latest information. If this presentation contains non-GAAP financial measures, we have provided a reconciliation of such non-GAAP financial measures to the most directly comparable measures prepared in accordance with U.S. GAAP in the Appendix to this presentation.

