



## Our Sustainability Strategy

We believe the integration of environmental, social, and governance (“ESG”) factors is foundational to developing a long-term vision and maintaining growth aligned with our ESG priorities. Our strategy includes focusing on the Deepwater Gulf of Mexico, which is one of the most emissions-advantaged producing regions in North America and the world<sup>1</sup>, fostering engagement and equity within our workforce and continuing to be a respected employer and corporate citizen, and maintaining well-established governance and risk management frameworks. The integration of our ESG priorities into our day-to-day operations provides us with a competitive advantage during the energy transition and enhances our link between sustainability and profits.

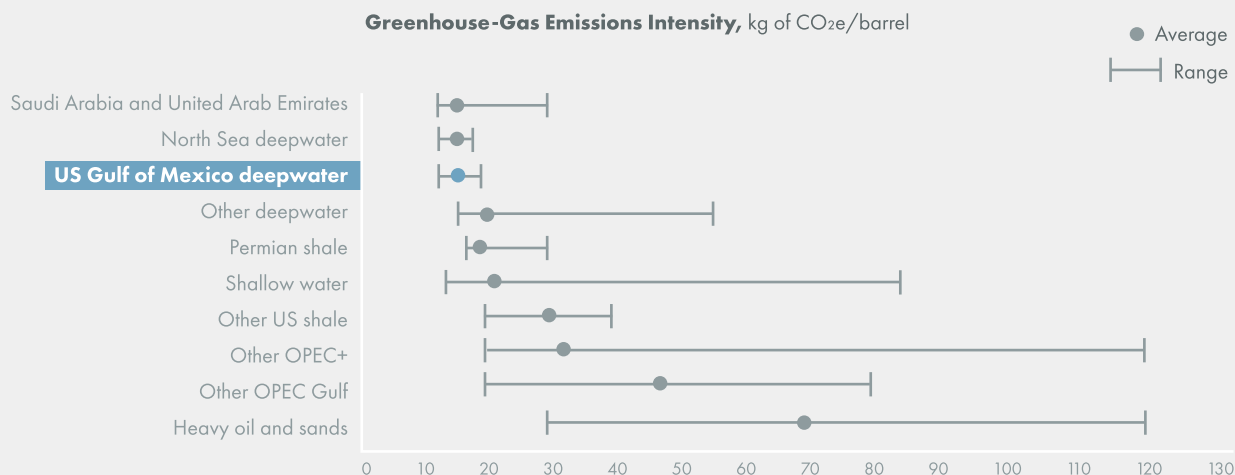


Third Coast is positioned to provide the energy our country and the world needs while seeking to reduce our impact on the environment. We gather, transport, and process natural gas production from the Gulf of Mexico, which has some of the lowest carbon emitting intensity of any producing region in the world.”

–Matt Rowland, President & CEO

**The Gulf of Mexico is a premier basin that has a carbon intensity per barrel nearly one half of other onshore areas. Deepwater is the lowest source of Greenhouse Gas emissions (“GHG”) intensity per barrel of all oil producing regions in North America<sup>1</sup>.**

### How the Gulf of Mexico can further the energy transition



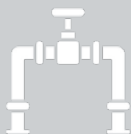
Source: McKinsey & Company; September 2022 publication, *How the Gulf of Mexico can further the energy transition*

<sup>1</sup>Based on Scope 1 and 2 emissions intensity research per McKinsey & Company; September 2022 publication, *How the Gulf of Mexico can further the energy transition*.

## ESG at Third Coast

### WHAT WE DO

**Delivering Energy,  
Reliably & Responsibly**



**GATHERING**



**PLATFORMS**



**PROCESSING**



**TRANSPORT**

### OUR VALUE CREATION EFFORTS

- Promote gathering and transporting of lower carbon emitting Gulf of Mexico production
- Continue to reduce carbon and methane emissions
- Develop and implement emissions reduction programs and industry best practice technologies
- Continue to safely and efficiently operate our assets

- Foster engagement and equity within our workforce and maintain competitive compensation to attract and retain employees
- Proactively monitor and improve our cybersecurity readiness and infrastructure
- Continue to be a respected employer and corporate citizen

- Continue to be a preferred energy transporter and tieback host in the Gulf of Mexico
- Thoughtfully expand our integrated midstream system to provide additional flow assurance to our offshore customers, while increasing throughput and revenues
- Expand upon our diversified customer base
- Continue to ensure the structural integrity of our pipelines to protect our employees and communities

### OUR ESG PRIORITIES

#### ENVIRONMENT

- Greenhouse Gas Emissions (Scope 1 & 2)
- Air Quality
- Ecological Impacts

#### SOCIAL

- Workforce Health & Safety
- Employee Engagement, Diversity & Inclusion
- Community Involvement

#### GOVERNANCE

- Competitive Behavior & Business Ethics
- Operational Safety, Emergency Preparedness & Response
- Corporate Governance
- Risk Management
- Supply Chain Management
- Data Security

## 2022 Environment Highlights

At Third Coast, we recognize the critical role we play in the transition towards a lower-carbon future as oil and natural gas continue to be a source of energy security for the foreseeable future. We also recognize the importance of helping our industry meet energy demand, while continuing to be mindful of our overall environmental impact. We remain committed to deploying programs and strategies to minimize emissions throughout our operations.

We are focusing on practical and cost-efficient programs to help reduce our overall impact:

- ✓ Implemented programs above and beyond regulatory requirements with the aim of effectively monitoring and minimizing Scope 1 and 2 GHG emissions
- ✓ Implemented a waste management plan to aid operations in correctly identifying, labeling, storing, transporting, and recording all operational waste
- ✓ Converted equipment to lower environmental impact solutions
- ✓ Installed flare controls & vapor recovery devices
- ✓ Implemented efforts to focus on water management & obtained a baseline of our water usage

### We are furthering our commitment to environmental stewardship

We continue to assess our operations for environmental impact reductions and have **established a 2023 ESG goal to achieve a 1% reduction in one of three environmental key performance indicators listed below:**

- 1 **Net GHG emissions (Scope 1 & 2)**
- 2 **Energy purchased**
- 3 **Water used**



Our corporate headquarters is located in a Leadership in Energy and Environmental Design certified building.



Zero acres of land were disrupted or disturbed in 2022



Reduced our Scope 1 & 2 GHG emissions intensity by over **18%** from 2021

### Minimizing Methane

As methane is the primary component of natural gas, one of our priorities is to responsibly manage and minimize gas loss. We continue to deploy programs and strategies to combat fugitive methane emissions, such as:

- Optimizing utilization of our existing assets by implementing operational improvements
- Improving our data precision and collection, including use of actual operating data and field verification of our assets
- Investing in technology such as Leak Detection and Repair and Optical Gas Imaging

## 2022 Social Highlights

### Employee Engagement, Diversity & Inclusion:

Third Coast strives to maintain an inclusive, diverse, respectful, and collaborative workplace where new ideas and perspectives can come together to help us grow and prosper. Our commitment is deeply engrained into our company culture and codified in our employment policies.

#### Our 2023 diversity, equity, and inclusion ("DEI") and employee engagement goals:

- 1 Establish a leadership development program
- 2 Update our succession plans
- 3 Improve our employee satisfaction survey response rates and implement action items from the 2022 results
- 4 Update our DEI plan with quantitative targets

**13% & 4%** increase in percentage of females and underrepresented ethnicities in management from 2021 to 2022, respectively

### Workforce Health & Safety

Our commitment to safety is prevalent throughout our organization, starting with the tone set by our leadership and robust Environmental, Health, Safety, Regulatory, & Training procedures and extending throughout our daily operations.



Third Coast tracks the Occupational Safety and Health Administration Lost Time Accidents key performance indicator and total recordable incident rate to measure our safety performance. We are proud of our safe working environment and proactively focus on preventive measures, employee training, and management leadership to drive safety.

**0** Total Recordable Incident Rate

**99.73%**  
Total Driver Safety Scorecard

**0** Lost Time Accidents

**0** Contractor Recordable Incidents

## 2022 Governance Highlights

Our commitment to integrating sustainability across our business rests on a foundation of strong governance. Our well-established governance system serves as an essential framework to our operational excellence and sustainable growth. Sustainability historically has been a fundamental consideration throughout all areas of our operations, and we believe a continued firm focus on ESG will advance the creation of long-term value for all stakeholders.

### In 2022, we achieved certain 2023 governance goals early:



- Documented our Anti-Modern Slavery Policy
- Implemented a Board Conflicts of Interest Policy
- Implemented an ESG Policy

### Supply Chain Management

We have made significant progress in advancing our tools and processes to support our sustainable value chain.

### Data Security

Third Coast takes a proactive approach to our response and management of the evolving information security ecosystem.



data security  
breaches in 2022

100%

of employees received  
cybersecurity training in 2022

### Operational Safety, Emergency Preparedness & Response

We have formed strategic partnerships with leading organizations to ensure prompt and effective emergency response.



### We perform inspection of 100% of our current pipeline asset mileage

through various methods, including direct assessment, in-line inspections using evaluation methods, such as "smart pigs", external or internal corrosion direct assessment, and regular maintenance inspections, such as frequent aerial and foot patrols and onshore surveys.



incidents of non-compliance or significant findings related to asset and facility third-party inspections by regulatory agencies, including the Bureau of Safety and Environmental Enforcement, U.S. Coast Guard, and state regulators in 2022.



## About this Report

The information included in the *2022 ESG Highlights* has been subjected to Third Coast's policies surrounding the disclosure of financial and non-financial data. All non-financial data included in this document was not subject to a third-party audit verification process.

### *Forward-Looking Statements*

Certain information included in the *2022 ESG Highlights* may constitute forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding the company's plans to: incorporate sustainability metrics into its overall strategy, make additional efforts to contribute to local communities, foster programs regarding diversity and inclusion, and implement projects or initiatives to improve performance relative to environmental matters. Readers are cautioned not to place undue reliance on forward-looking statements as they are subject to a number of assumptions and known and unknown risks and uncertainties that may cause the actual results, performance, or achievements of the company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained herein are made as of the date of this document. The company assumes no obligation to update or otherwise revise these forward-looking statements, whether as a result of new information, future events, or otherwise.