



# THIRD COAST

Sustainability Report | 2021

DELIVERING ENERGY,  
RELIABLY & RESPONSIBLY





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# Introduction

**Matt Rowland**  
President & CEO



## MESSAGE FROM THE PRESIDENT & CEO

At Third Coast Infrastructure, LLC (“Third Coast”), we continue to be excited about our opportunities in the evolving energy sector. Many people in the world lack access to affordable energy, even as the demand for energy continues to grow to improve the quality of life globally. The challenge we face today is to meet this growing demand while maintaining focus on our core mission: ***Delivering Energy Reliably and Responsibly.***

We will meet this challenge by ensuring strong corporate governance, minimizing the overall environmental impact of our operations, enriching the lives of the people who work for us, and serving the communities in which we operate.

We remain committed to the continued integration of environmental, social, and governance (“ESG”) considerations throughout our business operations. We acknowledge that climate change is a challenge facing society and that there is an urgent need to accelerate the transition towards cleaner energy sources to ensure the future of our global community. We believe it will take time to fully develop and deploy technologies needed to transition from traditional sources of energy, and that the world will continue to use oil and gas for many more years. Natural gas, which is a cleaner fuel, especially as compared to oil and coal, is a plentiful and valuable resource that serves as a bridge in this process and offers resilience and security of supply. The role of natural gas as a bridge fuel is particularly important given current geopolitical conditions, and Third Coast fully supports the development of the infrastructure needed to export U.S. natural gas production to meet global needs.

As a midstream company focused on transporting natural gas that is produced from one of the lowest impact areas, Third Coast plays an important role in the energy transition. Third Coast continues to consider sustainability risks and opportunities as part of our strategic planning, and as such, we have identified areas for both lower costs and improved carbon emissions performance in our portfolio of assets within and extending from the Gulf of Mexico. Production in the Gulf of Mexico has proven lower carbon emissions intensity as compared to production elsewhere in the United States and the world for a number of reasons, including the existence of legacy infrastructure, and more stringent federal regulations, including the prohibition of most flaring.

We are dedicated to our role in delivering affordable energy and the further integration and evaluation of environmental, social and governance considerations throughout our operations. In 2021, we published our first Sustainability Report covering 2020 to increase transparency around our sustainability initiatives. Over the last year, we continued to make progress in environmental areas by implementing methods to accurately reflect the inventory, measurement, and management of our emissions sources. We are also pleased to show progress in social areas through our hurricane relief efforts and active engagement with organizations that support and empower students from underserved communities. We also have further strengthened our governance with the establishment of a formal Board of Managers that includes several independent Managers.

Third Coast remains committed to providing reliable and stable returns on our owners’ invested capital. We also seek to create growth opportunities by thoughtfully assessing risks and impact to the public and the environment. Our sustainability efforts are key to meeting these goals. We are proud to present this 2021 Sustainability Report highlighting our ESG performance throughout the year and look forward to sharing our progress.





## Third Coast at a Glance

Third Coast Infrastructure, LLC ("Third Coast" or "the Company") is an offshore focused midstream company headquartered in Houston, Texas. Our operations are primarily located along the Gulf Coast and deep water producing regions in the Gulf of Mexico. As a midstream operator, essentially a conduit between upstream exploration and production companies and downstream entities, including long haul gas transmission pipelines, gas utilities, and industrial users, Third Coast plays a vital role in providing access to energy that improves the quality of life and economic development in the regions in which we operate and beyond. Third Coast gathers and transports some of the lowest-impact production to market, and our operations in the Gulf Coast result in far fewer carbon emissions than many other onshore midstream operators. We strive to fulfill our obligation to deliver energy while being cognizant of our social and environmental impacts on our stakeholders and providing efficient, safe, and reliable midstream services to our customers.

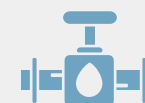
Our assets include natural gas transmission and gathering pipelines, crude oil pipelines, natural gas processing plants, and natural gas liquids ("NGL") pipelines. Our infrastructure services some of the largest producing Gulf of Mexico Deepwater fields. Our core assets as of December 31, 2021 include the following:

- >1,900 Miles of Interstate and Intrastate Pipelines<sup>1</sup>
- 1 Processing Plant<sup>2</sup>
- 6 Gas Gathering Systems
- 3 Oil Gathering Systems
- 3 NGL Pipelines<sup>2</sup>
- 3 FERC-Regulated Gas Transmission Pipelines
- 1 Floating Production System<sup>2</sup>

<sup>1</sup> Includes both operated and non-operated assets as of December 31, 2021

<sup>2</sup> Non-operated assets

*We provide our customers with dependable transport through durable pipelines in a manner that is safe for everyone involved as well as the environment.*



GATHERING



PLATFORMS



PROCESSING



TRANSPORT





**During June 2021, we completed the sale of our final non-Gulf Coast related asset, and met our goal of becoming a Gulf of Mexico and Gulf Coast-focused midstream company that operates in one of the lowest carbon emitting basins throughout the globe.**



# ESG at Third Coast

## ESG INTEGRATION

Our commitment to integrating sustainability across our business rests on a foundation of strong governance. Sustainability historically has been a significant consideration in all areas of our operations, and we believe a firm focus on ESG is important to creating value for all our stakeholders. We have worked hard to develop a culture of integrity and of being a good steward of the resources we utilize. During 2020, we began the process of tracking and reporting sustainability initiatives and developed and issued our inaugural Sustainability Report in 2021. During 2021, we took steps to enhance the monitoring of our overall ESG performance by expanding upon the reporting requirements in several areas. We also further integrated the guidance provided by the Task Force on Climate-Related Financial Disclosures ("TCFD") to better articulate how the considerations of climate-related risks and opportunities are integrated into our overall business strategy.

## ESG FOCUS AREAS

The following table sets out the specific topics that we believe are significant to our sustainability approach and to our overall strategy focused on *Delivering Energy, Reliably and Responsibly*:

THIRD COAST BUSINESS STRATEGY		OUR ESG FOCUS AREAS
 <b>GOVERNANCE</b>	<ul style="list-style-type: none"> <li>• Thoughtfully expand our integrated midstream system footprint to provide additional flow assurance to our offshore customers while increasing throughput and revenues</li> <li>• Expand upon our diversified customer base with additional upstream producers, midstream operators, and natural gas marketers</li> </ul>	COMPETITIVE BEHAVIOR
	<ul style="list-style-type: none"> <li>• Continue to ensure the structural integrity of all of our pipelines to protect the public, our employees, contractors, and the environment</li> </ul>	OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS & RESPONSE
 <b>SOCIAL</b>	<ul style="list-style-type: none"> <li>• Continue to safely and efficiently operate our assets to maintain service for our customers</li> <li>• Ensure fairness and equity across gender, racial, and ethnic groups within our workforce</li> <li>• Proactively monitor and improve our cybersecurity readiness and infrastructure</li> </ul>	<b>WORKFORCE HEALTH &amp; SAFETY</b> <b>EMPLOYEE DIVERSITY &amp; INCLUSION</b> <b>DATA SECURITY</b>
 <b>ENVIRONMENTAL</b>	<ul style="list-style-type: none"> <li>• Promote gathering and transporting of lower carbon emitting Gulf of Mexico production</li> <li>• Assess and identify our climate-related risks and opportunities and implement risk mitigation strategies</li> </ul>	<b>GREENHOUSE GAS EMISSIONS</b> <b>AIR QUALITY</b> <b>ECOLOGICAL IMPACTS</b>



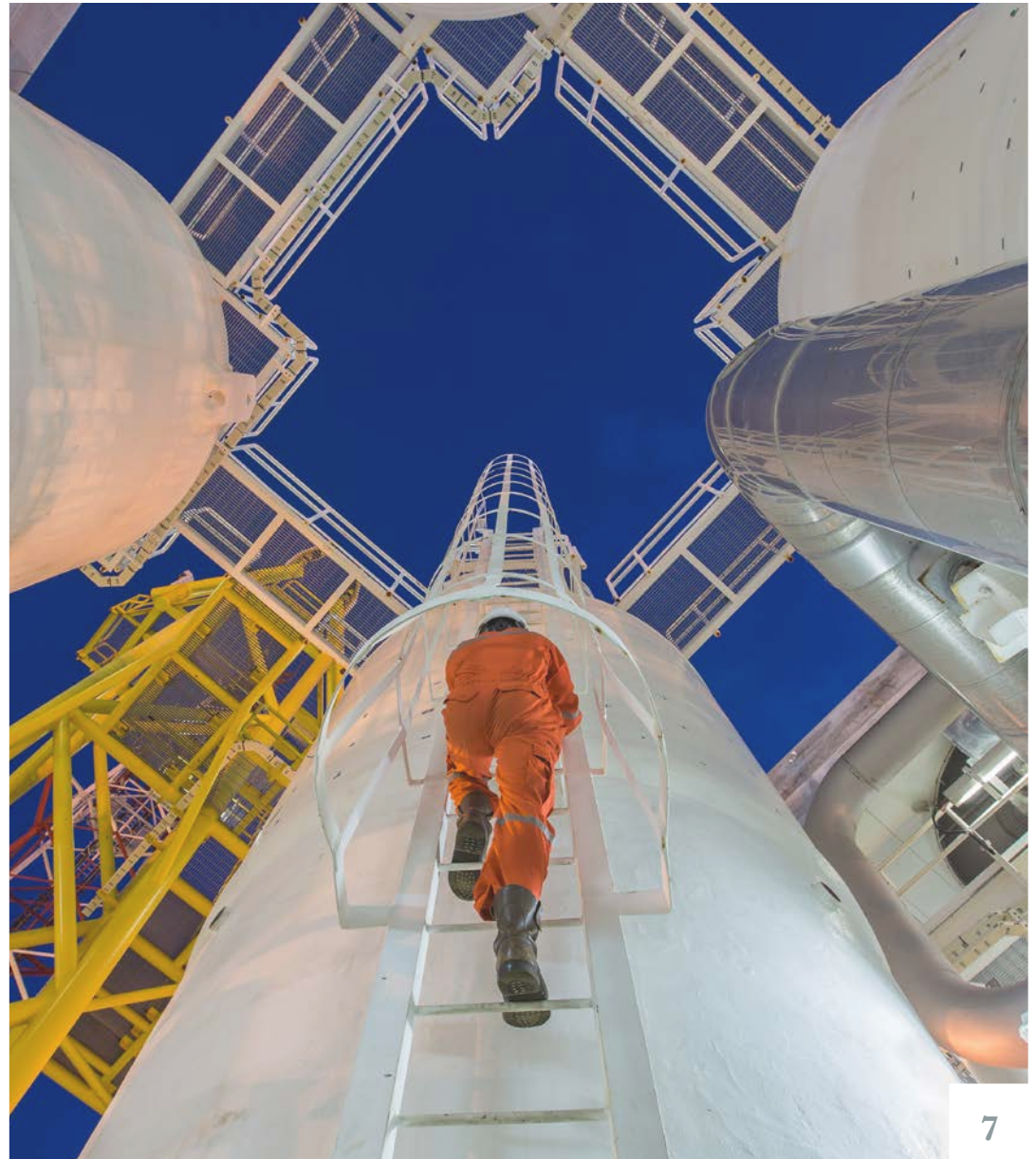


## ESG MEASUREMENT

Third Coast is focused on understanding and mitigating our climate-related risks and has integrated and adopted a majority of the recommendations from the TCFD to effectively guide and measure our progress. Beginning with governance, followed by strategy, risk management, and specific metrics, we will continue to consider the impact of climate change on our business. Our assessment related to the TCFD elements is found on page 27 of this report.

The specific metrics included in our 2021 Sustainability Report were determined by assessing the most relevant and impactful performance areas for Third Coast, our investors, and other key stakeholders. This report follows the guidance of the Sustainability Accounting Standards Board ("SASB") standards of the Value Reporting Foundation and the recommended disclosure topics for the Oil & Gas Midstream industry. The SASB standards provide a standardized, common reporting approach that yields decision-useful metrics, help us track progress, and enable comparability for our investors and other stakeholders. In addition to the disclosures recommended by SASB for our industry, we have also chosen additional priority topics for our business operations, which may be decision-useful to our investors, such as those related to workforce diversity, health, and safety.

When evaluating our disclosures in relation to the SASB standards, users in some cases will need to normalize the data to make meaningful comparisons. As such, we have included certain activity metrics to aid users in their evaluation. Refer to our SASB index on page 25 which highlights our responses to the suggested SASB accounting metrics and includes the appropriate activity metrics to assess our disclosed data in a meaningful context.





## Governance

We believe that strong governance is essential for sustainable and ethical business operations. Third Coast's parent, Third Coast Super Holdings, LLC is jointly owned by an affiliate of Arclight Capital Partners, LLC ("Arclight"), a leading infrastructure private equity firm focused on North American energy assets, and by an affiliate of Infrastructure Investment Funds ("IIF"), a leading fund investing in a broad range of infrastructure assets that acquired a significant minority interest in Third Coast's parent in the second quarter of 2021. Arclight has consistently provided strong oversight and ensured that Third Coast has strong governance practices and policies in place. Following IIF's acquisition of equity in Third Coast's parent company, that governance was further formalized and continues to foster our long-term success and provides a strong foundation for our operations. Third Coast's owners have appointed a full Board of Managers and established Board committees in early 2022. In addition,

Third Coast's owners have approved an updated and expanded Anti-Corruption and Business Ethics Policy and Delegation of Authority Policy. These initiatives will ensure appropriate oversight of our business strategy objectives, execution, and the integration of our ESG initiatives, and ensure that our management, employees, contractors, and other stakeholders comply with our high business ethics and related policies.

Throughout 2021, Arclight's team performed periodic ESG oversight of all of its portfolio companies through semi-annual ESG surveys, review of certain KPI's, consideration of specific ESG risks, and the evaluation of best practices. Representatives from Third Coast's executive team (legal, human resources, information technology, and operations – including environmental, health, safety & regulatory ("EHS&R")) work together to track ESG-related performance and metrics which are reported to Arclight.

IIF also has a strong ESG program in place. Beginning in June 2021, following IIF's investment in Third Coast's parent company, Third Coast began integrating the reporting of certain metrics and initiatives as required by IIF, including GHG emissions and other performance metrics. We anticipate additional oversight, goal setting, and reporting required by both of our owners for the coming year.

*To further our commitment to ESG initiatives, during 2021, Third Coast redesigned our short-term incentive plans to include ESG metrics in determining the short-term incentive awards. Linking ESG performance to our employee compensation drives increased transparency and accountability from our entire team, and in particular, executive team members.*







## BUSINESS ETHICS

Third Coast believes in conducting all actions with the utmost honesty, integrity, and respect. Our company culture is pervasive and clear such that all employees and contractors know that they must be in compliance with applicable legal and regulatory requirements, and in alignment with our Anti-Corruption and Business Ethics Policy. We have a zero-tolerance policy for engaging in, or appearing to engage in, bribery or any form of corruption.

### **Our Policy applies to all directors, officers, employees, and temporary workers and is provided to all employees upon hire and includes guidance regarding:**

- Compliance with laws, rules, and regulations of the United States and other countries
- Giving or receiving anything of value
- Relationships with third party intermediaries
- Corruption risk in transactions
- Conflicts of interest
- Related party transactions
- Ownership of business opportunities
- Confidentiality of company information
- Fair dealings with customers, suppliers, competitors, officers, and employees
- Protection and proper use of company assets
- Accounting complaints
- Sanctions enforced by the U.S. Treasury, Office of Foreign Assets Control
- Maintenance of company books and records
- Raising questions and reporting any illegal or unethical behavior, including the company's anonymous ethics hotline
- Whistleblower protections

Employees are also provided an employee handbook which includes No Harassment, No Retaliation, Non-discrimination, Open Door, and Safe Workplace policies. Third Coast is committed to an environment where open and honest communications are the expectation. A component of fostering a positive work environment is ensuring multiple means by which employees can raise concerns both informally (by fostering a culture of respect, openness, and collaboration), and formally (through an ethics hotline to which employees and third parties may submit complaints and permits anonymous reporting to a third party). Our Whistleblowing Program encourages employees to raise concerns as soon as possible, while feeling safe in doing so.

Management annually reviews the Anti-Corruption and Business Ethics Policy and Ethics and the Employee Handbook and considers any necessary changes in the company's standards and practices.





## SUSTAINABILITY STRATEGY

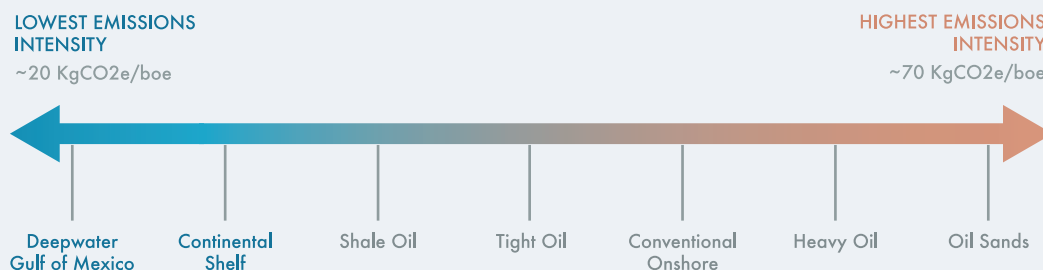
Over the years we have built a sustainability strategy that is thoughtfully interwoven into our overall business strategy objectives and that is integrated throughout our day-to-day operations. We believe that the consideration of ESG factors is essential to developing a long-term vision for our company and to create value for our investors. We are committed to being stewards of the environment and strive to design and operate our assets and facilities in accordance with the highest industry standards and best practices. We are proud of our commitment to excellence in this area. We take very seriously not only our obligations to our people, but also the communities and natural environments in which we operate.

Our role in the oil and gas value chain is to be a responsible partner for our customers, our investors, and our employees while maintaining our critical role in the energy transition. Our strategy includes a focus on the Deepwater Gulf of Mexico, which is one of the most emissions advantaged producing regions in North America and the world, giving it a competitive advantage, solidifying our link between sustainability and profits.

The Gulf of Mexico is a premier low carbon basin that has a carbon intensity nearly one half of other onshore areas. Deepwater is the lowest source of GHG emissions of all oil producing regions in North America.



### CARBON INTENSITY PER BARREL BY OIL PRODUCING REGIONS AVERAGE SCOPE 1 & 2 EMISSIONS



Source: National Ocean Industries Association (NOIA): Fighting Against Climate Change



## RISK MANAGEMENT

Third Coast proactively identifies existing and potential or emerging risks to our company, including financial, regulatory, operational, reputational, as well as those related to climate, such as the evaluation of severe weather events. Our risk management approach incorporates the consideration of our sustainability risks and opportunities as part of our decision-making process. We manage these risks in a number of ways. First and foremost, we minimize the possibility of releases and other environmental incidents through our emergency preparedness programs, our employee health and safety programs, and our pipeline integrity program. In addition, we maintain an insurance program to protect against certain unforeseen risks. We ensure that active management of all material financial and operational risks, including ESG risks, are reflected in our risk management assessments and are actively and appropriately monitored as part of our overall risk management profile.

## OPERATIONAL SAFETY, EMERGENCY PREPAREDNESS & RESPONSE

Third Coast proactively works to prevent and prepare to respond to any emergency that may occur onsite, in the water, along our pipelines, or within our facilities. We follow the Federal Emergency Management Agency's ("FEMA") National Incident Management System that enables cooperation among community agencies in managing the response to an emergency with a focus on protecting workers, first responders, the public, and the environment. To help ensure prompt and appropriate response, we work with third-party vendors on a regular basis to ensure the materials and personnel are readily available. We maintain a Bureau of Safety and Environmental Enforcement Oil Spill Response Plan to protect the waters in which we operate, and work closely with the U.S. Coast Guard in following its Emergency Evacuation Plans, as well as with the Pipeline Hazardous Materials and Safety Administration's ("PHMSA") Facility Response Plans. Third Coast also conducts an annual tabletop drill per Worst Case Discharge, which is facilitated by our Incident Management Team.

We considered the strategic divestment of our non-core onshore assets to be an integral part of the risk management of our business. Onshore systems have increased exposure in terms of health and safety to our employees, the public, and the environment as compared to offshore systems. In addition, many onshore operations are subject to the financial risks related to efforts needed to drill additional wells to recover the investment in infrastructure. By completing the divestitures of our onshore non-core assets in 2021, we fulfilled this mitigation strategy. We believe a focus on our existing offshore assets not only minimizes our operational risks, but also maximizes our financial returns.

Our operations are also affected by environmental, safety, and employment laws, as well as changes in related administrative regulations or enforcement priorities. It is possible that these laws and regulations in the future may add to our customers' capital and operating costs or otherwise directly or indirectly affect our operations. We proactively monitor all laws and regulations (Federal and State) to ensure we remain compliant while evaluating the overall impact to our operations.







## Pipeline Emergency Response

Pipeline integrity plays a key role in emergency preparedness at Third Coast. We maintain a comprehensive Gas Integrity Management Plan and a comprehensive Liquid Integrity Management Plan to ensure the structural integrity of our pipelines in an effort to meet and exceed safety, environmental and integrity expectations. The purpose of our integrity management plan is to protect the environment, the public, and our employees and contractors, while ensuring the safe and reliable operation of our assets through adherence to a set of safety management, analytical, operating, and maintenance processes.

Third Coast has been proactive in responding to the PHMSA Gas Mega Rule that went into effect in July 2020, and we have enhanced our existing Gas and Liquid Integrity Management Plan, as necessary, to adhere to these additional regulations. We have established appropriate preventative and mitigative actions to protect both Moderate Consequence Areas, as well as High Consequence Areas, and have also established a baseline and re-assessment schedule whereby each of our pipelines are reassessed annually by Integrity Management.

We inspect 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 patrol and onshore surveys.

## Field Emergency Response

Third Coast has established safety policies, procedures and manuals and we are dedicated to seeking continuous improvement in all aspects of our daily activities, especially with the safety of the environment, the public, and our employees and contractors. Employee training, engagement and participation is critical to ensure the safety of all workers and to prepare for a response in the event of an emergency. Our employees and contractors have the ability to provide feedback on our policy and procedure documents, pose questions or ask for revisions.

We have also implemented electronic work processes for preventative maintenance/work orders, regulatory/compliance task tracking, and environmental health and safety incident notification. We believe that these processes will enable us to expand our preparations for unplanned events.





## Enhanced Management Systems

To further enable the expansion of preparations for unplanned events, we are focused on the enhancement of our existing programs through the implementation of a software-based management system ("Ecesis").

### THE ECESIS SYSTEM FOCUSES ON:

- **Management of Change** – Providing a consistent change management process that involves the necessary review criteria and organizational approvals prior to changes being allowed to minimize the potential for adverse impacts on system integrity, security, stability, and reliability.
- **Incident Management** – Providing a system where employees can efficiently report any and all incidents, near misses and unsafe conditions, which automates the timely notification of Management, so quick and decisive corrective actions may be taken. After immediate actions are taken, the system also tracks the completion of root cause investigations and tracks associated corrective actions to completion. This process helps us minimize the immediate impacts that an incident may have and continually improve to prevent the recurrence of similar incidents.
- **Preventive Maintenance** – Developing a centralized inventory of the equipment and associated proactive and corrective maintenance activities. This system provides improved management awareness and accountability which in turn reduces risk and improves environmental and safety performance.
- **Compliance Management** – Centralizing and tracking the completion of the environmental, health, and safety tasks throughout our organization. This system helps maintain compliance with regulatory deadlines and proactive internal requirements that are designed to protect our employees, keep our communities safe, and minimize environmental impacts.
- **Land Management** – Maintaining a centralized register of our land-related obligations (leases, permits, rights-of-way, etc.) and associated tasks in a manner that helps us ensure that our operations stay within allowable boundaries and that we comply the commitments we have made to land holders.



## Social

Third Coast strives to maintain an inclusive, diverse, respectful, and collaborative workplace. We have a strong commitment to innovation, teamwork, and integrity. We strive to maintain a culture of open and honest communication and collaboration. We hold quarterly townhall meetings which are initiated and hosted by our CEO, who is available to answer questions from any employee – even on an anonymous basis – to seek feedback on employee engagement and desired initiatives.

### DIVERSITY & INCLUSION

Diversity is vital to our organization as we believe a diverse workforce facilitates the introduction of new ideas and perspectives to help us grow and prosper. It allows us to identify key success factors and share best practices for promoting recruitment, retention, and the advancement of underrepresented groups. In addition to diversity, Third Coast is committed to inclusion and equity in hiring, promotion, and compensation. Our company endeavors to support fairness and equity across gender, religious affiliation, sexual orientation, racial and ethnic groups, and through our stated policies, the company is committed to its Equal Employment Opportunity, No Harassment, No Retaliation, Open Door, and Complaint Procedure Policies.

As part of our diversity and inclusion-focused programs, the company provides employees with two floating holidays per year for their own personal needs, such as the observance of religious holidays. The company also offers opportunities for employees assigned to work at the Corporate Office to work at an alternate work location for part of their workweek. During 2021, we began evaluating our pay equity and are working towards establishing goals for 2022.

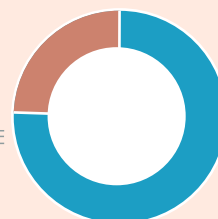
Third Coast partners with Genesys Works and EMERGE, which are organizations focused on supporting students in underserved communities. We work with these entities to provide internship opportunities to actively expand career pathways for the students served to help them achieve their dreams. Throughout the past several years, we have supported similar efforts and a number of interns have joined our company where we provide mentorship and opportunities to help them develop and fulfill their career aspirations.

**EMERGE****GENESYSWORKS.** 20 YEARS

- **EMERGE Mission:** To empower and prepare high-performing students from underserved communities to attend and graduate from selective colleges and universities across the nation.
- **Genesys Works Mission:** To provide pathways to career success for high school students in underserved communities through skills training, meaningful work experiences, and impactful relationships.

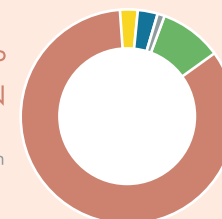
#### GENDER DIVERSITY

23% FEMALE  
77% MALE



#### RACIAL/ETHNIC GROUP REPRESENTATION

1% Native American  
4% Black or African American  
4% Asian or Pacific Islander  
11% Hispanic  
80% White







## TRAINING & DEVELOPMENT

Third Coast believes that training and development increases the potential of employees, leads to higher operational efficiency, and helps mitigate risk. We take a strategic approach to ensure our employees are properly trained, are in compliance with regulatory requirements, and are prepared for their current roles, as well as for career advancement. We offer courses in safety, environmental compliance, and technical knowledge to help employees build upon their knowledge and skills.

## WORKFORCE HEALTH & SAFETY

Safety in the oil and gas industry is paramount to successful operations. Third Coast believes that excellence in environmental, health, and safety performance is not just good for the communities in which we operate, it is good for business. We remain committed to the safety of the people in the communities in which we operate, including all of our employees and contractor personnel. Safety is a primary responsibility for all levels of our organization, including our senior leadership, directors, managers, supervisors, employees not in management, and contractors. Every Third Coast employee is responsible and accountable for their own safety and that of their fellow workers.

Our safety culture is driven by our EHS&R procedures and documented in our comprehensive manuals. For new employees, training begins with onboarding orientation and training. For existing employees, thorough continuous training is provided via the classroom, through computer-based as well as hands-on, on-the-job training opportunities to ensure effectiveness and efficiency. Training is assigned to all employees upon hire and is tracked in the company's learning management system.

*Third Coast routinely includes leadership safety moments in our monthly safety presentations. The following are examples of themes incorporated during 2021:*

MONTHLY THEME	DIRECTION SUPPORTING THE MONTHLY THEME
Safety Makes Good Business Sense	Reducing Injury and Illness Costs Incident Investigation – An Indirect Cost Even Minor Incidents Have an Impact
Valuing Safety	Visible Management, Learning to Choose, Personalize the Message, Expecting Action
3C CORE Safety Principles	CORE Safety Principles and Their Purpose

Our steadfast commitment to safe operations can only be achieved by empowering all personnel to make accident prevention and safe work practices their top priority. Therefore, it is important that each employee understands that no job is so important or urgent that we cannot take the time to do it safely and without incident. It is also vital that every Third Coast employee has the right to stop any job if unsafe conditions exist or potentially exist. Our leadership actively promotes and encourages excellence in our environmental, health, and safety programs by committing both financial resources and the appropriate personnel.

The company's strong safety leadership is highly correlated to measurable, quantifiable results, such as our zero near miss, low first aid, and reductions in recordable injuries. Third Coast constantly monitors industry, as well as federal and state regulatory agency safety alerts for compliance. The safety alerts are distributed to field employees and contractors to be reviewed during daily and monthly safety meetings. Safety leaders are assigned throughout the organization and have direct and measurable impacts on our injury rates and overall safety performance. They are responsible for leading monthly safety meetings and distributing Safety Leadership Moment messages. All field employees are required to attend a safety meeting every month, and each month, the company sponsors a specific safety leadership theme followed by a statement or directive in support of that month's theme.



Third Coast tracks and reports safety performance using comprehensive metrics including near miss reporting and driver behavior scorecards. Contractors that work on Third Coast assets or facilities must provide evidence of their own Safety Standards and Procedures and confirm their employees have been trained in accordance with the plan approved by Third Coast through the Contractor Management Program ("CMP"). The company utilizes a CMP database to grade each contractor to ensure they are approved for work. As part of the CMP, contractors are required to complete an EHS&R Standardized Safety Questionnaire, upload employment documents to their account, and enter their Third Coast man hours. Any recordable cases related to work performed at a Third Coast location or facility are also uploaded on a quarterly basis, along with safety logs and workers training records. The uploaded collection of documentation is digitally verified and provides the company with monthly contractor compliance data.

## LOST TIME ACCIDENTS

2021	LTA=1/0 Fatality Rate
2020	LTA=1/0 Fatality Rate
2019	LTA=7/0 Fatality Rate
2018	LTA=7/0 Fatality Rate
2017	LTA=10/0 Fatality Rate

*Our dedication to safety is confirmed when comparing key statistics against our industrial counterparts. Third Coast tracks the Occupational Safety and Health Administration Lost Time Accidents ("LTA") KPI as a measure of 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.*

## CONTRACTOR COMPLIANCE

To exercise continuous improvement in Third Coast's safety and environmental records, we implemented a digital application to assign specific work groups and job types and align with necessary Third Coast and industry recognized training protocols. The software platform that Third Coast utilizes for training and compliance tracks and verifies all contractor required trainings as per the Third Coast Contractor Training Matrix prior to doing any work at any Third Coast location or facility. We will continue to ensure all Third Coast and regulatory required inspections and tests are completed as required.



## RESPONSE TO COVID

In 2021, the COVID-19 pandemic continued to adversely affect the global economy, disrupt global supply chains, and create significant volatility in the financial markets. The safety of our employees and contractors, their families, our customers, and our communities continues to be of utmost importance to Third Coast. We recognize the potential risks to employee health and safety as well as the potential business interruptions and the possibility of negative impacts on financial performance that COVID-19 could cause.

During this time, the company has been closely engaged with all employees, ensuring that they are aware of the continuity of company health benefit offerings, as well as providing them with the equipment necessary to work safely and effectively from their remote home offices through the implementation of various computer-based collaboration tools. All employees who have been able to perform their job functions from home have been permitted and encouraged to work from home since the start of the pandemic.

Third Coast monitors and adheres to the COVID-19 guidance recommended by the Center for Disease Control ("CDC") and implements such guidance if employees or contractors must be physically present to perform their work functions. Such directives include the use of daily health self-assessments along with contact tracing and testing requirements. The company works on a case-by-case basis to implement current CDC guidelines with employees who may have been infected or exposed on return to work and quarantine procedures. Third Coast began formally tracking employees' vaccination status in July of 2021 and has consistently encouraged, not mandated, employees to get vaccinated. For example, starting in late July 2021, unvaccinated employees who have been in close contact with someone who is COVID-19 positive, or who have traveled out of state, must use their PTO or unpaid leave, in lieu of receiving administrative pay, during the CDC recommended quarantine period following such exposure or travel.

### **Field personnel have been trained on all protocols to minimize the spread of COVID-19 and to report incidents of contact or illness immediately. Field area managers have implemented measures to minimize risk and exposure by:**

- Following Company guidelines and directives, including social distancing, maintaining personal hygiene and workplace cleanliness, and staying home if feeling sick or suspect exposure.
- Implementing work plans to limit employee interactions and implementing two-man crews to limit exposures.
- Requiring on site employees to wear masks and other protective PPE as deemed necessary.
- Conducting meetings and required training via video conferencing.
- Holding safety meetings to reinforce protocols.
- Urging non-essential personnel to work from home and advising field personnel to limit trips to field offices and facilities.
- Partnering with all vendors to implement additional screenings and protocols in cases where people are working in proximity and adding additional contractor screening questions.
- Implementing screening protocol for visitors and contractors.
- Intensifying cleaning during and between shifts.
- Implementing business continuity plans in the event that key operational personnel are exposed or become ill.





## COMMUNITY RELATIONS

Third Coast is committed to building a strong bond with the communities in which we operate. We believe that by being an active and integral partner at the local level, we can assist in taking a lead on community engagement and show our dedication to employees' communities and what matters most locally. We are actively involved in fundraising and volunteer activities to support organizations within our local communities and encourage employee participation through our Public Awareness Program.

*Third Coast's Public Awareness Program was developed with stakeholder communication outreach efforts in mind and meets the regulatory requirements and industry standards for public awareness communication. The four key stakeholder groups addressed through this program include: the affected public, emergency responders, excavators, and public officials. Our main objectives through these communication efforts are for increased awareness of pipeline safety and the industry, decreased damage to pipelines by all parties, improved safety and environmental protection, enhanced coordination with local emergency responders, and to encourage better relations with communities in which our pipelines operate. Management is committed to the performance of this public awareness program. The program's effectiveness is evaluated annually, and management provides guidance, oversight, and necessary financial resources to ensure its continued implementation.*

Our company and our employees regularly donate time and their talents throughout the year to various local causes. We believe it is important for employees to feel engaged and empowered to give back, and as such, the company provides employees one paid day per calendar year to volunteer in their community through company-sponsored volunteer events. Some of the non-profit organizations that we have supported in the past include the Houston Food Bank, Salvation Army, and Wreaths Across America.

Although volunteer efforts remained challenging in 2021 due to the ongoing pandemic, many of our Third Coast employees were able to play a key role in the rebuilding initiatives that followed the devastation of Hurricane Ida in August 2021 by using their company paid Community Service Day to help affected co-workers clean up their houses and regain normalcy after the storm. Third Coast also helps to support high-performing students from underserved areas through our work with Genesys Works and EMERGE. During October 2021, we were a title sponsor for EMERGE's second annual sporting clays tournament and our CEO, Matt Rowland, was a planning committee member for the event that brought in over \$300,000 to help support EMERGE's mission.



### THANK YOU!

Third Coast congratulates and thanks  
The United States Coast Guard  
for protecting our Harbors, Ports, and  
Waterways for 230 years!



**Third Coast proudly supports the U.S. Coast Guard Association by sponsoring ongoing advertising in their alumni magazine bulletin.**



## DATA SECURITY

Third Coast manages over 1,900 miles of interstate and intrastate pipelines, oil and gas gathering systems, a processing plant, a floating production system, and a vast array of hardware, software, and data management and communication tools. Each of the connection points between people, technology, and equipment represent a potential point of entry for cyberattacks. In addition, the spike in remote-work arrangements due to the global pandemic has brought with it an increased reliance on autonomous systems to manage our pipeline operations.

Third Coast has implemented a variety of measures to monitor and improve our cybersecurity readiness and infrastructure. We retain straightforward tactics such as monitoring and prevention, cybersecurity training, and the acquisition of cyber-breach insurance to prevent, sustain, and recover from a cyber attack. During 2021, we formalized our strategies through leveraging industry leading monitoring software tools. To aid in prevention efforts, we leverage multi-factor authentication while also performing user access checks monthly to ensure principles of least privilege access to the data needed to perform the users' jobs. We also subscribe to industry publications to stay informed about emerging threats and to review best practices for techniques and strategies for increasing our cybersecurity. We had no instances of data security breaches during 2021.





## Environmental

### CLIMATE CHANGE CONSIDERATIONS

At Third Coast, we recognize that climate change is a significant issue central to our daily business that exposes us to both risks and opportunities as we transition to a lower-carbon future. As the world's energy mix evolves away from more carbon-intensive options such as coal, we believe oil and natural gas will continue to be a source of energy security. We are a midstream company focused on transporting the lowest impact production, and we must continue to deploy programs and strategies to combat and minimize emissions throughout our operations.

We follow a majority of the recommendations of the Task Force on Climate-Related Financial Disclosures, which were created by the Financial Stability Board in response to a growing demand for more thorough private sector climate disclosures that provide decision-useful information for investors, lenders, and other stakeholders. We are committed to integrating TCFD's voluntary disclosures on climate-related financial risks to align and elevate our climate-related risk management strategy and activities, as well as communicate the most relevant and impactful information to our stakeholders.

The TCFD core elements include climate-related governance, strategy, risk identification and management, and metrics and targets as illustrated to the right. The specific metrics used to assess and manage relevant climate-related risks and opportunities are outlined on page 22 of this report.

### CORE ELEMENTS OF RECOMMENDED CLIMATE-RELATED FINANCIAL DISCLOSURES



#### GOVERNANCE

The organization's governance around climate-related risks and opportunities

#### STRATEGY

The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

#### RISK MANAGEMENT

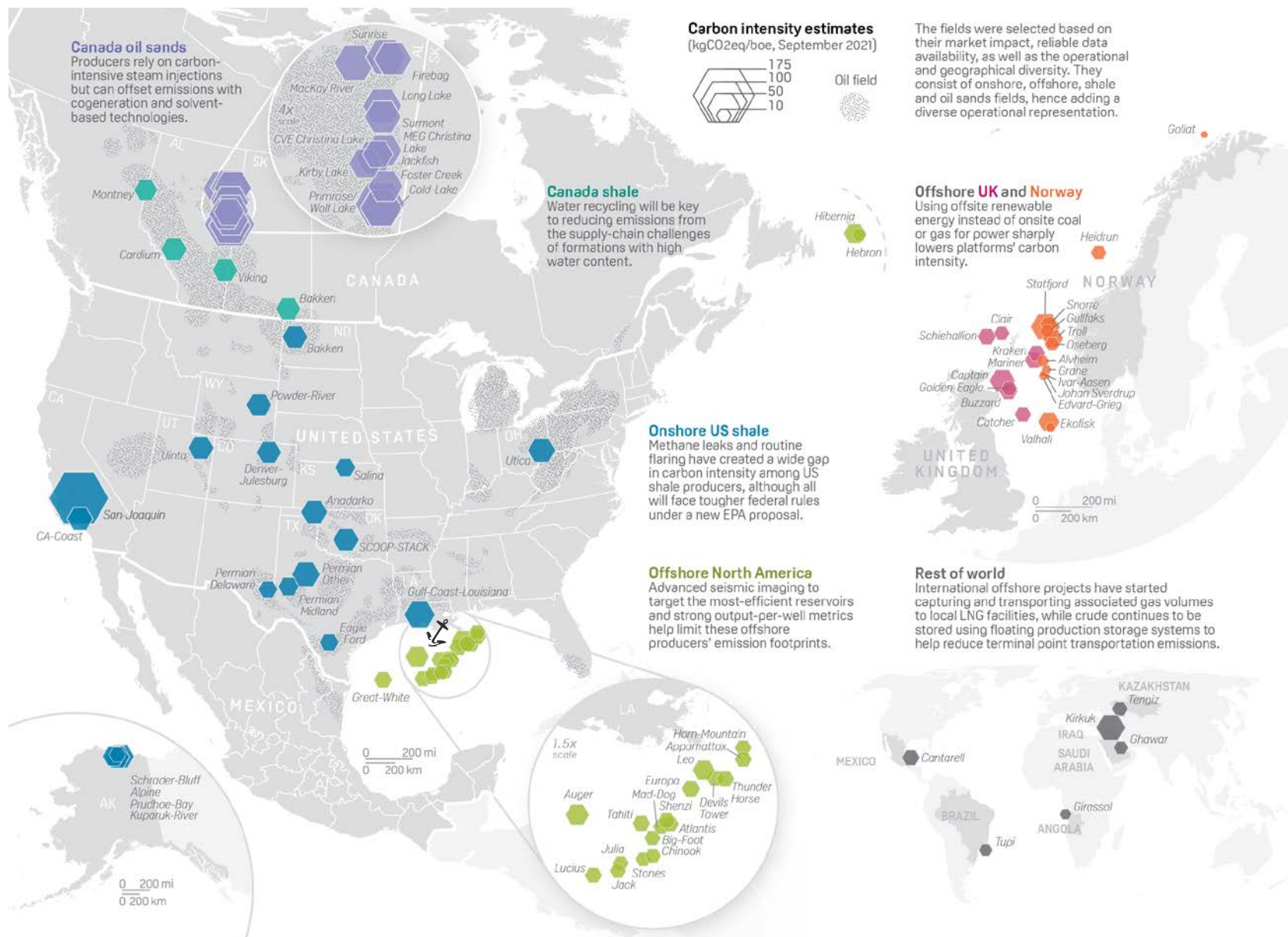
The processes used by the organization to identify, assess, and manage climate-related risks

#### METRICS & TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

### GREENHOUSE GAS (GHG) EMISSIONS

As part of our commitment to *Delivering Energy Reliably and Responsibly*, we have an obligation to understand and monitor the impact our operations have on the environment. We recognize that the management of GHG emissions is a significant operational, reputational, and regulatory focus area for our industry. We also recognize the important role we play in delivering affordable energy during the transition to a lower-carbon economy. Third Coast is executing on this role by aligning our governance practices, business strategy, and risk management process with climate change considerations as we continue to focus on the development of our core assets. Our operations in the U.S. Deepwater Gulf of Mexico represent one of the lowest carbon emitting regions in the world and has an advantage of being closest to the market with the least emission intensive transport available, as shown in the diagram on the following page.



Source: S&amp;P Global Platts Analytics



Indicates areas of Third Coast operations





We follow the guidance established by the Greenhouse Gas Protocol to track and gather substantially all of our Scope 1 and Scope 2 GHG emissions. In our operations, Scope 1 GHG emissions generally result from the release of natural gas or combustion of petroleum products during our processing, gathering, and transportation processes. Our Scope 2 emissions are primarily related to electricity for lighting, office equipment, natural gas for heating, and fuels for company vehicles. We are actively working to transition from estimating our Scope 1 emissions to collecting and verifying actual emission sources and field data. An accurate account of our direct Scope 1 emissions, along with our collected Scope 2 data will allow us to establish an appropriate baseline for our overall emissions intensity, which will enable us to set appropriate climate-related goals and targets for the future.

We are dedicated to meeting the needs of our customers while continuing our commitment to responsible growth and sustainable operations. We routinely track and monitor emissions data, and our operations and controls are designed to minimize these emissions to the extent possible. During 2020, we began reporting on our Scope 1 GHG emissions and in 2021,

*“Scope 1” emissions are defined as direct GHG emissions from sources that are owned or controlled by a company. Indirect GHG emissions from consumption of purchased electricity, heat or steam are referred to as “Scope 2” emissions. Indirect GHG emissions are a consequence of the operations of a company but occur at sources owned or controlled by another company.*

## 2021 GHG EMISSIONS

The table to the right summarizes substantially all of our total direct and indirect GHG emissions per the GHG Protocol for the year ended December 31, 2021:

Scope 1 GHG Emissions	77,647	Metric Tons CO <sub>2</sub> e
Scope 1 CO <sub>2</sub> Emissions	54,027	Metric Tons
Scope 1 Methane Emissions	23,419	Metric Tons CO <sub>2</sub> e
Scope 2 GHG Emissions	716	Metric Tons CO <sub>2</sub> e
<b>TOTAL GHG EMISSIONS</b> (Scope 1 + 2) Intensity per Billion BOE-Mile <sup>1</sup>	44.5	Metric Tons CO <sub>2</sub> e per Billion BOE-Mile

we continued to identify emitting equipment efficiencies and evaluated the lifespan of our equipment to identify opportunities to upgrade or replace equipment where necessary. We also implemented additional measures to ensure the accuracy of our reported emissions, including the use of actual operating data in our measurements and estimates, field verification of our assets, and the development and implementation of optical gas imaging to detect fugitive emissions. We remain dedicated to our progress and will work toward establishing emission reduction strategies and goals to identify opportunities to reduce GHG emissions and other air pollutants from our operations in the future.

### LOWER CARBON EMISSION DRIVERS

- ✓ No routine flaring due to established pipeline infrastructure
- ✓ Existing infrastructure minimizes incremental emissions
- ✓ Conventional production
- ✓ Drilling & completion activity concentrated to fewer wells (fewer holes in the ground)

### THIRD COAST INFRASTRUCTURE'S ROLE

- ✓ Third Coast's infrastructure provides reliable gas transportation out of GoM as flaring is largely prohibited
- ✓ Third Coast's established infrastructure generally requires no additional construction for gas takeaway
- ✓ Third Coast supports fracking-free oil and gas production
- ✓ Existing infrastructure means Third Coast does not need to chase well completions like onshore systems

As methane is the primary component of natural gas, our priority 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
- Investing in technology such as Optical Gas Imaging (OGI) and Leak Detection and Repair (LDAR)
- Installing pneumatic pumps and controllers

<sup>1</sup> The denominator of this metric is the mixed units of BOE throughput times miles of all operated and in-service pipelines (BOE\*Miles). The GHG emissions intensity is calculated in accordance with the guidance of the EIC/GPA Midstream ESG Reporting Template (<https://eic.energy/esg/>).



## AIR QUALITY

To minimize environmental risks and impact to human health, we regularly assess opportunities to control and reduce emissions from air pollutants from our operations. In addition to a focus on reducing GHGs such as carbon dioxide and methane, we also work to reduce other air emissions, including nitrogen oxide, sulfur dioxide, volatile organic compounds, and particulate matter.

Although we have historically monitored emissions in accordance with federal and state regulations, we are working towards implementing specific strategies to minimize our emissions and the environmental impact of our operations. During 2020, we began to track these emissions by source category to appropriately establish a baseline measurement to effectively plan for emissions-reduction targets in future years. Through innovative design, investment in the latest equipment, and deployment of well-trained employees and contractors, we plan to carry out our emissions-reduction programs to demonstrate our commitment to continuous improvement. We also have a compliance process to ensure our facilities meet the requirements of our air permits in our areas of operation. We aspire to expand our use of emissions-reduction technologies over the next few years and work to achieve compliance above and beyond regulatory requirements. *Delivering Energy Reliably and Responsibly* includes measures to improve air quality, which reduces regulatory, market, and reputational risks, ultimately helping us enhance returns to our investors.

### 2021 AIR QUALITY

oxides of nitrogen (NO, NO <sub>2</sub> ); not N <sub>2</sub> O	174	Metric Tons (t)
sulfur oxide (SOx), includes SO <sub>2</sub> and SO <sub>3</sub>	311	Metric Tons (t)
(non-methane) volatile organic compounds (VOCs)	174	Metric Tons (t)
particulate matter (PM <sub>10</sub> )	4	Metric Tons (t)

## ECOLOGICAL IMPACTS

Third Coast takes seriously our responsibility to minimize impacts to the lands on which we operate and around our operations, and to species and habitats on those lands. We meet that responsibility regarding ecological impacts through compliance with company-driven and regulatory policies.

During project planning, construction, and operations, we seek to protect natural resources and to maintain biodiversity. All new projects undergo intensive assessments for the presence of natural resources that could be affected by our operations. We prioritize avoiding any impact to the environment rather than focusing on mitigating impacts to sensitive species. During 2021, only 1.7% of our total leased, owned, and operated land was operated within areas of protected conservation status or endangered species habitat. During 2020, a total of .57 acres was considered disturbed, and this acreage was in a marsh area. Throughout 2021, we worked towards restoring this marsh area to its natural state and installed coir logs to prevent additional erosion. This area is now considered to be fully restored. In addition to fully restoring previously disturbed acreage, we disturbed zero acres in 2021.

We follow strict standards and routinely assess operating equipment to ensure compliance with recognized industry practices. We also have a robust monitoring program in which we routinely verify the mechanical integrity of our assets (see further discussion in the Operational Safety, Emergency Preparedness and Response section of this report). Preventing and minimizing spills throughout the lifecycle of our operations is a top priority that allows for prompt remediation, including source control and spill cleanup procedures, in the event a spill occurs. During the last three years, we did not have any reportable hydrocarbon spills<sup>1</sup>.



<sup>1</sup> Reportable hydrocarbon spills are defined as greater than 1 barrel (42 U.S. gallons).



## About this Report

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

### FORWARD LOOKING STATEMENTS

Certain information included in this Sustainability Report 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 in 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.





# SASB Index

## OIL & GAS MIDSTREAM STANDARD

The Sustainability Accounting Standards Board (SASB) framework aims to provide a standard for companies to disclose financially-material and decision-useful ESG information to investors and other stakeholders. The index below maps our performance under each of the suggested disclosure topics for the Oil & Gas – Midstream sustainability accounting standard according to SASB’s Sustainable Industry Classification System (SICS®), as this industry most accurately reflects our business operations. Other topics disclosed throughout this report beyond the scope of this standard are not reflected in this index.

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

SASB Code	Accounting Metric	Unit of Measure	Response
<b>Greenhouse Gas Emissions</b>			
EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tons (t) CO <sub>2</sub> e, Percentage (%)	77,647 Metric tons CO <sub>2</sub> e 30% methane 0% covered under emissions-limiting regulations
EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	Reference Page 20 <i>Greenhouse Gas Emissions</i>
<b>Air Quality</b>			
EM-MD-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	Metric tons	(1) 174 Metric tons NO <sub>x</sub> (2) 311 Metric tons SO <sub>x</sub> (3) 174 Metric tons VOCs (4) 4 Metric tons PM <sub>10</sub>
<b>Ecological Impacts</b>			
EM-MD-160a.1	Description of environmental management policies and practices for active operations	n/a	Reference Page 23 <i>Ecological Impacts</i>
EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Percentage (%) by acreage	1.7% acres
EM-MD-160a.3	Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	0 acres disturbed
EM-MD-160a.4	Number and aggregate volume of hydrocarbon spills, volume in Artic, volume in unusually Sensitive Areas (USAs), and volume recovered	Number, Barrels (bbls)	0 hydrocarbon spills





TABLE 1. continued

SASB Code	Accounting Metric	Unit of Measure	Response
<b>Competitive Behavior</b>			
EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Reporting Currency	\$0
<b>Emergency Preparedness &amp; Response</b>			
EM-MD-540a.1	Number of reportable pipeline incidents, percentage significant	Number, Percentage (%)	0 reportable incidents
EM-MD-540a.2	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	Percentage (%)	100%
EM-MD-540a.3	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	Number	Not applicable <sup>1</sup>
EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	n/a	Reference Page 11, <i>Operational Safety, Emergency Preparedness &amp; Response</i>

TABLE 2. ACTIVITY METRICS

SASB Code	Activity Metric	Unit of Measure	Response
EM-MD-000.A	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products <sup>2</sup> transported, by mode of transport	Metric ton (t) kilometers	(1) 47,358 Dth/d <sup>3</sup> natural gas, pipeline (2) 1,001,840 Bpd <sup>3</sup> crude oil, pipeline (3) 1,283,709 Bpd <sup>3</sup> natural gas liquids, pipeline

<sup>1</sup> Disclosure is not applicable as Third Coast does not currently have any rail operations.<sup>2</sup> Amount for refined petroleum products represents Natural Gas Liquids.<sup>3</sup> Units disclosed above are consistent with units of measurement used internally by Third Coast to measure performance.



## TCFD Alignment

TCFD Element	Third Coast Alignment
<b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities	Third Coast's owners have taken steps to appoint a full Board of Managers to provide leadership and expectations on environmental performance. Our executive management team plays a key role in assessing and managing our climate-related risks and opportunities and adequate oversight is performed by the management teams of our investment partners.
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material	We are working to incorporate the actual and potential impacts of climate change into our short-, mid- and long-term planning. We gather and transport some of the lowest-impact production to market, and our operations in the Gulf Coast result in far fewer carbon emissions than many other midstream operators.
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks	We recognize that the management of GHG emissions is a significant operational, reputational, and regulatory focus area for our industry. We evaluate climate-related risks and opportunities in the context of our business. For example, to mitigate our emissions risks, we routinely track and monitor emissions data, and our operations and controls are designed to minimize these emissions.
<b>Metrics &amp; Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	We measure and track our GHG emissions using the suggested disclosures issued by SASB for the Oil & Gas Midstream industry and by following the guidance of the GHG Protocol. Our short-term incentive plans include ESG metrics, which align to our company strategy.