

# 2020 Corporate Responsibility Report



**SOUTHERN STAR<sup>®</sup>**

CENTRAL GAS PIPELINE





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## Our Vision

One community working together to be the leading provider of clean, safe and reliable energy for tomorrow.

## Our Mission

Delivering innovative energy solutions through talent, technology and collaboration.

## From the desk of our President & CEO

Our 2020 Corporate Responsibility Report will undoubtedly reflect one of the most unusual and innovative times in history, for Southern Star and the world. COVID-19 abruptly changed the way we do business, train, learn, communicate and connect. Our prepared and problem-solving team rose to the challenges of taking care of business and family from home; adopting masks and social distancing into their daily routines; all while continuing to give back to their communities and develop themselves professionally. I'm coming to you in early 2021 to say we are as focused as ever to promote our safety culture, protect the environment, and address social and economic issues.

The year 2020 was a milestone for our company. We had our safest year ever while completing our most significant Modernization project to date and one of the largest, single pipeline projects in company history, Line DPA, as part of a two-year, \$176 million modernization plan. In addition, the company continues to pave the way for a better future for our environment, taking on an aggressive emissions reduction plan: reducing methane emissions 50% by 2025 with a goal of net zero greenhouse gas emissions by 2050. Thank you to our dedicated team members and innovative partners in supporting our responsible growth and a strengthened future for our business.

We appreciate you taking the time to review this report.

Sincerely,



Jimmy D. Staton  
President & CEO







### Workforce Protection

Safety is the pinnacle core value at Southern Star. Our commitment to safety not only involves the safety and well-being of our team members, partners, and customers, but the prevention of wasteful and inefficient operations. Our pipeline safety management system provides a framework to ensure that all are provided with a safe work environment while maintaining compliance with applicable pipeline safety laws, rules, and regulations.

- Southern Star’s commitment to health and safety focuses on:
- Protecting the welfare of our team members, partners, and the communities where we work
  - Maintaining the integrity of our infrastructure to ensure the safe and reliable delivery of natural gas to our customers
  - Being prepared to effectively address emergencies to avoid social and environmental impacts

The foundation of our safety culture focuses less on restrictive policies and procedures and more towards transferring the ownership of safety to our employees. This concept of safety interdependence is the main contributing factor for the overall success in our safety culture. We are proud to report that 2020 was Southern Star’s safest year on record. This was the fifth consecutive year that the company has been able to improve on its safety numbers by reducing its lost time incidents, OSHA recordables, and motor vehicle crashes. The continued improvements of last year’s safety record were achieved through the hard work of a companywide collaborative effort and the results of what a safety-focused, interdependent workforce can accomplish.

Southern Star has developed tools, policies, and procedures that capture and manage work-related injuries and illnesses. Team member workplace injuries and illnesses are tracked through incident reporting software. Then the affected individual collaborates through open dialogue with leadership to determine how future, avoidable safety risks can be eliminated.

All team members are educated on ergonomics to promote office wellness. This includes learning how to recognize the signs of carpal tunnel syndrome and maintaining proper posture throughout the day while seated, following proper lifting techniques, and engaging in periodic stretching to promote circulation.

Our safety team is always looking for new ways to encourage our workforce to be engaged in safety. One way we accomplished this goal was to challenge our employees to identify safety hazards at home or at work by implementing our Summer Safety Series. This three-month long program was designed to inspire creative thinking towards driving safety, heat safety, and line of fire safety by participating in different fun activities. These activities not only promoted safety through education but also made it exciting and enjoyable for employees and their families.

We rely heavily on our team members for insight on opportunities to improve our business and to identify and address safety risks to people and the environment. If a team member identifies an area of concern, such as a housekeeping issue, they can “Share a Safety Hazard” via our online safety portal. Also, team members can share information on safety incidents from previous projects and/or training they have received. The Safety Awareness

Team (SAT) is an employee-driven safety committee with an emphasis on empowering our workforce to actively participate in our safety program and promote safety ownership. The team meets quarterly with representation from every field location and trade.

### Workforce Health & Wellness

Southern Star employs a multifaceted wellness program. Team members and family are encouraged to enroll in interactive and personalized financial, physical and mental wellness programs that we offer through Real Appeal, Virgin Pulse, Cigna, Omada Mind, T. Rowe Price, and many others. The physical health services allow participants to manage an exercise regimen, maintain a record for doctor visits, take online nutrition classes, and keep tabs on health screenings and dental exams. Team members who smoke or use tobacco have access to nicotine replacement resources to help them quit. Team members who decide to join a local health club or, due to the pandemic, participate in a virtual fitness courses are reimbursed up to \$250 for an individual or family membership.

As a benefit, Southern Star provided access to new free apps in 2020 like Omada Mind, that offers help to team members to ease their stress, get better sleep, and find relief at their convenience and is accessible 24/7. Additional benefits offered to Southern Star team members include paid time off (PTO), a PTO donation program, floating holidays, bereavement, and maternity/paternity leave.

If an individual is looking for retirement or financial planning assistance, they can speak to a certified financial planner through The Well, a financial wellness platform Southern Star began offering as a benefit to team members in 2020.

### Occupational Training

Occupational training at Southern Star uses innovative and competency-modeled methods designed to ensure the quality of support services to all stakeholders. Quality training and well-trained employees yield a safer and more productive asset.

Southern Star’s commitment to quality training was

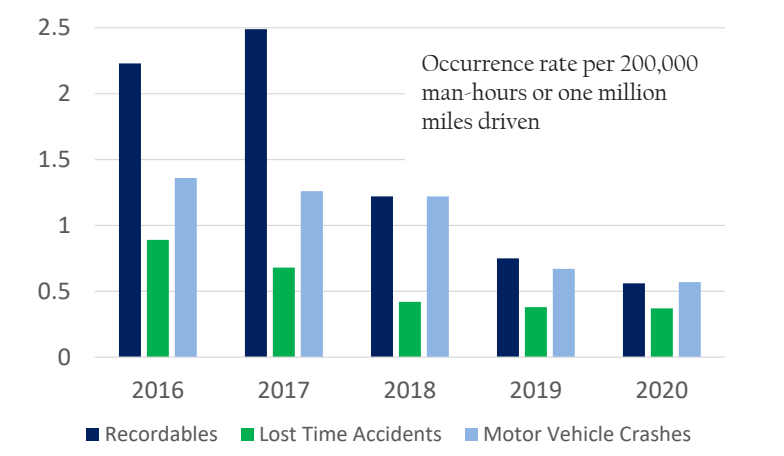
shared with the community during a 2020 open house of the Training Center in Hesston, Kansas. Hands-on improvements to the Training Center included:

- A refurbished GMV engine for hands-on training
- New air compressor that allows for supply air to be added to the pigging training process
- The air compressor also provides more training opportunities for measurement techs on meter runs
- A new course in electrical principal training added to the classroom curriculum

Southern Star also provides “Safety 101” training for all new employees. This half-day course provides a brief introduction to safety at Southern Star and must be taken within the first 15 days of employment. New hires at Southern Star field locations are also required to attend a three-day safety orientation. The purpose of this orientation is to teach best practices for jobsite safety, introduction to laws for the handling and transportation of hazardous material, the prevention of communicable diseases, and CPR.

All field employees are required to take annual refresher courses on OSHA regulations, safe pipeline practices, and company policies related to all pipeline construction, maintenance, and operations. These courses are a mixture of hands-on, computer-based, and instructor-led safety training. These employees also received in-person, specialized team training on a quarterly basis often conducted by the Safety and Training team.

2019 to 2020:  
 3% Improvement in Lost Time Incidents  
 29% Improvement in OSHA Recordables  
 15% Improvement in Motor Vehicle Crashes





# One community

Southern Star is not only committed to the safety of our employees but also the safety of all contractors working on our facilities. This past year we revised and updated our Contractor Safety Handbook in an effort to better communicate our safety standards with contractors. All contractors must meet specific safety criteria in order to bid and be awarded a project. Their past performance on projects is evaluated, including their number of OSHA recordable incidents, violations, and efforts taken to improve. They must also be registered with Veriforce, a third-party system that evaluates contractors compliance with applicable safety requirements related to the tasks they are contracted to perform. Once on site, Southern Star personnel and the contractors have daily safety meetings to discuss and prepare for tasks and perform a jobsite hazard analysis to identify potential safety issues.

Southern Star has also launched the “Go Team-Emergency Response Team”, a mix of leaders, managers and directors who provide leadership, direction, and a systematic approach when responding to a pipeline emergency.





# Ahead of the game



*In 2020, new MCA (Moderate Consequence Area) road polygons were changed as the result of the Integrity Management Rule. Structure points were converted to outlines in order to calculate HCA and Class more spatially accurate.*



## Product Health, Safety, and Environmental Risks

It is Southern Star's belief that accidents can be prevented. However, in the event of an accident we have comprehensive policies and practices in place and have trained our workforce to respond safely and efficiently.

We monitor our pipeline 24 hours a day, 7 days a week. Routine inspections, computer monitoring systems, corrosion protection, maintenance, and regular team member training events are just a few of the ways we ensure the safe and reliable operations of our pipeline and storage facilities. We regularly perform drills in preparation of a "Significant Event", where we coordinate efforts to determine a course of action in the event of a pipeline failure, its potential cause, and beginning steps toward a solution.

## Process Safety and Asset Integrity

Our Integrity Department endeavors to keep our daily operations safe. We regularly inspect our facilities and infrastructure for possible leaks and to ensure that all our equipment is operating efficiently. In 2020, Southern Star conducted 96 well assessments which included 43 casing inspections and 53 pressure tests; inspected two river crossings; and assessed 418.45 miles of pipe, including 38.17 miles in High Consequence Areas (HCAs), areas where pipeline releases could have greater consequences to health and safety or the environment.

Methods used included robotic self-propelled, tethered, and traditional in-line inspections. In-line inspection is a technique used to assess the integrity of the pipeline and gather data on any anomalies for proactive evaluation and repair. Pressure tests and underwater diving inspections were also utilized. Southern Star historically has invested in, and continues to invest in, facilities to allow the use of in-line inspection technology.

Southern Star developed its Integrity Management Program to more effectively perform safety-related activities such as testing and inspections, repairs, and maintenance of the pipeline system. This program is critical in determining the prioritization and timeline of

pipeline integrity work. In addition, it standardizes the manner in which we continually monitor and document the work associated with the integrity of the pipeline, specifically within HCAs. Southern Star maintains a Damage Prevention Program in accordance with state and federal guidelines. The purpose of the program is to prevent damage to our pipelines and facilities from excavation activities, such as digging, trenching, blasting, and boring. Part of this plan provides training to first responders to ensure that emergency response plans are effectively carried out. Through our efforts and shared responsibility with stakeholders, we strive to increase awareness and reduce damages to underground pipelines.

In 2020, a new testing method was implemented by our Integrity group: material verification. Material verification uses technology to sample and verify grade/yield, long seam, and wall thickness of pipe, tees, and ells. This process is required by the Integrity Management Rule that became effective July 1, 2020 under DOT 192. This process increases pipeline safety by updating previously unknown data in our integrity data systems, as well as comparing and verifying the data that was gathered from construction record data gathering efforts. This newly implemented testing method will help ensure more accurate pipeline data is available when making safety and integrity decisions.



Pipeline material verification being performed

For residents who live in HCAs, farmers, and for those in other areas where we operate, our program enhances public safety by creating awareness of our operations, advocating for pipeline safety, and promoting safe digging practices.



# Clean investments

Southern Star takes pride in providing clean, reliable energy to the communities in which we serve and live. Overall Greenhouse Gas emissions decreased by approximately 3.1% from 2019 to 2020; however, there was an incremental increase in methane emissions. Southern Star is in the process of implementing multiple programs across our system to address emission leaks and further work towards decreasing methane emissions in the future. Additionally, Southern Star is one of more than 40 members of ONE Future Coalition, which is a industry-wide initiative to voluntarily reduce methane emissions by 2025.

The year 2020 concluded Southern Star's initial two-year cycle of conducting voluntary leak surveys at all our compressor stations. Completing these voluntary leak surveys delivers a more complete picture of the total methane emissions across our system. If a compressor station does not have site-specific data for the calendar year, a calculated average emission rate is applied to the station. Measured data is only valid for one year; therefore, in order to minimize the use of averaged data to the maximum extent possible, Southern Star anticipates re-surveying every compressor station in the year 2021. New survey results will be compared to data sets from 2019 and 2020 to validate the effectiveness of our reduction strategies. Southern Star's commitment to reducing methane emissions is anticipated to result in further reductions in the future. Utilizing 2020 as our functional baseline, Southern Star has challenged the company as a whole to reduce methane emissions by 50% by the end of year 2025.

The annual percentage of lost and unaccounted for gas in 2020 was -0.17%.

Southern Star remains committed to decreasing our environmental footprint through various methods and projects including:

## Leak Surveys

Leak detection surveys are a critical method in evaluating our emissions and identifying opportunities for emission reductions. In 2020, Southern Star completed leak surveys at 34 compressor stations, seven of which were required by regulation. The additional 27 surveys were voluntary, and the data collected allowed greenhouse gas emission calculations to be performed using site-specific measured data versus utilizing average emission factors blanketed across our system. Southern Star remains focused on utilizing measured data in the coming year as stated above.

## Pipeline & Compressor Unit Replacements

In 2020, Southern Star completed our most significant Modernization project to date and one of the largest, single pipeline projects in company history. The Line DT and DS Replacement Project (DPA Project) was a new 36-inch pipeline installment project that replaced two aging, parallel pipelines that spanned approximately 32 miles within Southern Star's Kansas footprint. This project not only allows Southern Star to manage our system more effectively, it also ensures safe and reliable transportation of natural gas to our customers. Projects of this magnitude highlight Southern Star's dedication to modernizing aging infrastructure. In 2021, Southern Star anticipates continued efforts to improve system efficiency and performance through a multitude of projects.



## Stopples & Bypass

Due to a limited number of projects, the stopple and bypass process was not utilized in the year 2020. The main project for the year was the DPA Project, which is addressed in the Pipeline Replacement section of this report. Southern Star anticipates utilizing the stopple and bypass method as part of our ongoing efforts to provide reliable service to our customers as well as reducing methane emissions.



## Non-discharge to Atmosphere

Flaring was utilized during in-line inspections during 2020. Flaring is a controlled combustion of natural gas, therefore eliminating the direct release of methane to atmosphere. Southern Star took advantage of this technique five times in 2020, which led to significant methane/carbon dioxide equivalent emission avoidances. The amount of greenhouse gas emissions avoided due to flaring equates to approximately the emissions of 3,635,624 miles driven by an average passenger vehicle, or the energy use of 169 homes in one year. Southern Star continues to identify opportunities and techniques to decrease emissions.

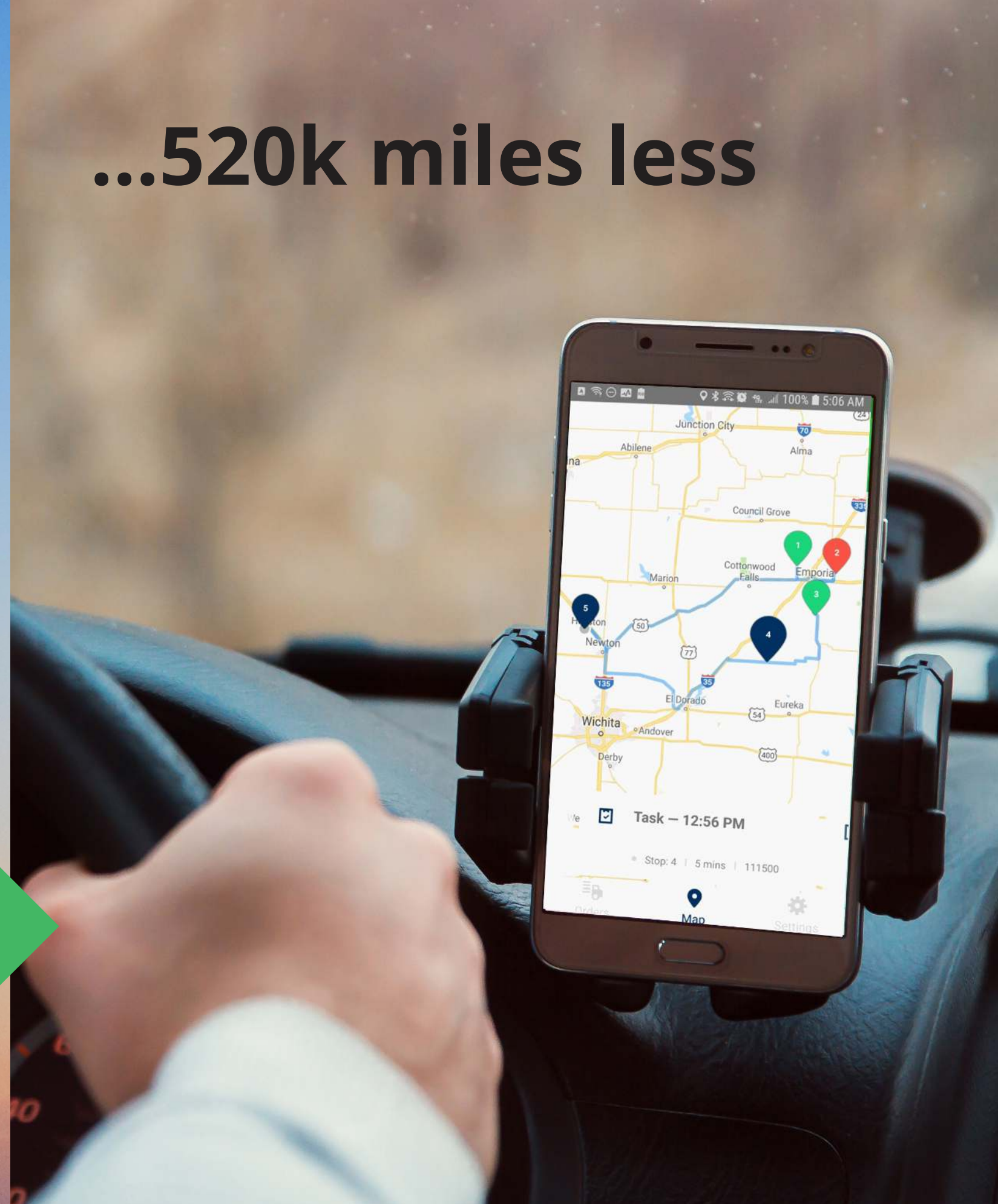
## Storage Fields

Southern Star conducted 96 well assessments in 2020 in order to monitor well integrity throughout our storage facilities. Southern Star continues our effort to replace old wellheads with new American Petroleum Institute (API) specification wellheads. Replacement of these wellheads occurs in conjunction with the installation of new casing or tubing in wells. These replacements reduce the risk and likelihood of leaks at the wellhead. Another improvement in certain storage fields was the implementation of a coupon system which detects bacteria in the pipelines to help reduce or eliminate potential gas leaks.

## Reducing miles driven

In 2019, Southern Star operational vehicles drove a total of 7,515,102 miles and in 2020 the total was 6,994,782. A total mileage decrease of 520,320 miles or a 6.92% decrease was seen from 2019 to 2020. Although COVID-19 was likely a component in the overall reduction of mileage, the company continues to utilize route optimization tools to decrease miles and in turn increases operational efficiency and lessens our carbon footprint.

# ...520k miles less





# A smaller, greener print

## Water Conservation and Reuse

Preserving natural resources remains one of our focal points, as we think through how modernization projects will be handled. One area of focus during the planning phases of a project is to implement techniques that will minimize the use of natural resources, such as water. Hydrotesting is a common pressurization test utilized in the pipeline industry to detect leaks and validate the strength of pipe segments. In order to conserve water during testing, longer segments of pipeline are tested in smaller sections which allows Southern Star to utilize a smaller overall volume of water for the test. This method minimizes the overall amount of water by an estimated 50 to 75% due to total volume requirement and retention between segments. In 2020, the DPA Project used approximately 4.3 million gallons of water to hydrotest the new pipeline. Southern Star applied the aforementioned method of water conservation as opposed to utilizing traditional hydrotesting methods, reducing the total amount of water needed by approximately 4.5 million gallons. Each job is analyzed to determine available techniques to conserve natural resources and pass potential fiscal savings onto our customers.

Decreasing water usage in multiple office locations was accomplished by installed touch-free faucets in bathrooms. These devices also decrease the potential transmission of germs.



Southern Star team members are preparing sections of pipe for hydrotesting.

## Energy Consumed at Our Facilities

Data for Southern Star's Headquarters and Employee Excellence Center (EEC) locations was compiled to compare the energy consumption from 2019 to 2020. The Headquarters building, the main office for over two hundred employees, saw an approximate decrease of 3.49% in kilowatt hours for the year. This was likely due to an increase in remote work as a result of COVID-19. Additionally, the EEC provides a space for employee conferences and trainings throughout the year and saw its electrical consumption decrease from 2019 to 2020 by 6.34%.

The company continues to make strides toward decreasing our energy consumption and is committed to the continued search for additional reduction opportunities. Capacitor banks were installed on the HVAC units in an effort to save on the amount of power that has to be purchased for the headquarters facility. Additionally, small capacitor units were installed at the EEC to further conserve energy. Motion detector light switches were installed in the offices at the headquarters location.



Motion sensors were installed in offices and hallways to reduce energy consumption for lighting at headquarters in 2020.

## Restoration of Areas and Minimization of Land Impacts

Expansion within the natural gas industry has the inevitable potential to affect the environment. Southern Star is focused on ensuring that both our operational and construction project teams work to restore lands impacted by construction and operations to as close to its pre-disturbed state. Some methods of restoration involve de-compacting areas where equipment has traveled, sowing new grass and placing straw over the area, and reestablishing preconstruction contours at any project water crossings. Impact minimization remains achievable through several different methods implemented by Southern Star including but not limited to: strong project planning, the utilization of construction matting to minimize ground disturbance, consultation with the Natural Resources Conservation Service for suggested native seed mixes, Post Construction Monitoring Programs for revegetation, as well as other devices and techniques that help decrease the impacts to the landscape. Maintaining good communication with jurisdictional agencies and affected landowners enables Southern Star to stay abreast of applicable state and federal compliance regulations and collaborate with landowners to effectively address project remediation efforts. Additionally, these relationships aid in the rebuilding and potential expansion of sensitive species habitats when possible.

## Recycling and Reduction Programs

In 2020, Southern Star launched Stars of Sustainability (SOS). The program is a volunteer-based group comprised of team members that want to have a positive impact on their environment and the world around them. The launching of the program involved sending all Southern Star employees a sustainability kit that included multiple eco-friendly items. The group meets on a monthly basis and focuses on various efforts such as education, increasing recycling opportunities and opportunities for sustainability in their daily lives. SOS provides sustainability articles in the weekly company newsletter. In 2020, the SOS team hosted an upcycle competition involving companywide participation. Multiple stations also evaluated recycling opportunities and some were even able to successfully setup their recycling program in 2020. Heading into 2021, the SOS team has more exciting plans including the launch of an education program.



Recycling was expanded to Southern Star's Haysville, Kansas location in 2020, along with others.



# Out of sight...

Our route and impact review process highlights our care for the environment.

## Sensitive Resources

During the project development phase the environmental team conducts a layered environmental review on all potential construction projects. The beginning phase of the review involves determining whether the project will result in an impact to air quality, land, water, species, and the other potential environmental impacts to the immediate area. Completion of the first phase then leads to a determination of whether the project needs to undergo an advanced review. The advanced review requires an environmental permit writer to examine several potential environmental effects such as: cultural resources, soils, water resource impacts, floodplain, view sheds, threatened and endangered species, and any other areas as required by the project or local and/or federal regulations. Southern Star works closely with state and federal agencies to ensure that compliance with applicable regulations is maintained throughout the entirety of the project.

Once the project enters the environmental permitting section of review, the analysis dives deeper into potential impacts that could directly affect sensitive resources. An environmental specialist researches and analyzes the projected scope to predict how resources may be impacted. The permitting specialists work hand-in-hand with engineering and design personnel

to implement a design that minimizes the impacts where feasible. Southern Star makes efforts to utilize existing access points/roads as well as pre-disturbed areas from previous projects, whenever possible, to reduce the number of new impacts necessary. Once project design is completed, all appropriate permits are obtained as required per the applicable regulations. When construction starts, the environmental specialist continues to work with project management personnel to ensure environmental compliance is maintained through the completion of the project. Southern Star strives to minimize its environmental impacts where possible, and the efforts of the permitting team demonstrates this commitment.

## Site Remediations and Removal of Known PCBs (Removal of Rectifiers)

As industry standards change, what was once considered an acceptable practice or construction material may no longer be acceptable. The use of PCB containing material is one example of this. Southern Star no longer uses any materials that contain PCBs. Additionally, Southern Star has eliminated nearly all known PCB containing assets and contamination across our system. In the event legacy PCB contamination is discovered during any facility or pipeline work, Southern Star is committed to performing immediate remediation and proper disposal.

## Spills/Releases

Southern Star strives to prevent all spills throughout our daily operations. In the event a spill occurs, Southern Star implements our reporting and response procedures to quickly identify and remediate the site and minimize any potential environmental impacts. Southern Star had no reportable spills in 2020 and remains committed to the continuous identification and prevention of spills where possible. As an example of this continued effort, Southern Star is currently in the process of upgrading aging secondary containment units to ensure efficacy of the structure in the event of release.

# ...but not out of mind.



Line DPA pre- and post-construction site images



# Powering hearts, minds and souls

Southern Star serves through outreach efforts, community engagement, and partnerships. We help fuel the quality of life within the communities where we work and operate. Team members give their time and talent to local non-profit and youth groups across the eight-state system. While we support a wide variety of organizations, our company focus is on youth, arts, and STEM education.

Southern Star encourages giving back to our communities. In 2020, team members spent over 1,180 volunteer hours and personally donated in excess of \$20,000 to charitable 501c(3) organizations within their communities. The Company will match each team member's personal contributions, up to \$1,000.

Volunteer hours in 2020: 1,180

Individually given in the last three years: \$88,036

Corporately given or matched in the last three years: \$522,903

COVID-19 inspired the Southern Star team to give in unique ways in 2020. We helped restock struggling food banks and supported virtual students by building desks for young distance learners. Even though we were at a *distance*, our communities still felt our support.



Fighting hunger through local schools, food banks and shelters

## Supporting talent of tomorrow and meeting needs where they are.



Building desks for young distance learners



Beautifying local non-profits



Supporting STEM through giving and volunteering



Random acts of kindness for local non-profits and first responders



Donating materials to technical schools



# How we operate.

Southern Star is committed to ensuring the Company operates under appropriate internal controls, and commitments/expenditures made on behalf of the Company must be appropriately authorized.

Our team members are empowered to make financial decisions within their authority to keep Southern Star running day-to-day. Our Delegation of Authority Policy is very specific regarding this empowerment and is used as our primary policy to determine who can authorize purchases and within what limits.

Authorization limits are outlined from Customer Service Representatives to the CEO and every role in-between.

We take the concerns and goals of our team and incorporate them as much as possible into the empowerment process, but it is ultimately the Board of Directors who delegates authority.

Southern Star uses a fair, organized, and competitive bidding and awarding process for our spend over certain dollar and risk thresholds. This ensures we use superior suppliers and contractors with no preferential treatment with a future aim to strategically align ourselves with proven providers to streamline operations.

We are regulated by the Federal Energy Regulatory Commission (FERC), and we encourage all team members to report any compliance issues they encounter. Southern Star also sponsors a FERC hotline which provides an option for team members, agents and contractors to anonymously report suspected FERC compliance violations. All team members are also provided access to our ethics hotline.

*Southern Star is committed to complying with all applicable FERC requirements and regulations and being a trustworthy and transparent business partner with its customers, potential customers, the public and all applicable stakeholders.*

Here are some of the policies that protect the rights of individuals and support our business:

## Code of Business Conduct and Ethics Policy:

This policy details how Southern Star is committed to achieving the highest standards of professionalism and ethical conduct in its operations and activities and expects its employees to conduct their business according to the highest ethical standards of conduct.

## Equal Employment Opportunity Statement and Non-Discrimination Policy:

This policy details how Southern Star is committed to providing equal employment opportunities to employees and applicants and promoting a diversity of thought through diverse recruitment efforts. As such, it complies with the spirit and intent of the laws, regulations, and executive orders pertaining to equal employment opportunity and non-discrimination. It trains its employees and management on equal employment opportunity and non-discrimination.

## Red Flags Rule Program for Identity Theft Prevention:

This policy establishes an identity theft prevention program designed to detect, prevent and mitigate identity theft in connection with the opening of a “covered account” or an existing “covered account” and to provide for continued administration of this program in compliance with Part 681 of the Code of Federal Regulations (commonly known as the Red Flags Rule) implementing Sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA) of 2003.





# In the network

Our resources extend far beyond our state borders. We have experienced advocates and agencies that promote the use and safety of natural gas and state lobbyists who work closely with our legislators to educate them on the value natural gas and Southern Star bring to their state.



INGAA is a trade organization that advocates regulatory and legislative positions of importance to the natural gas pipeline industry in North America. As a member of INGAA, Southern Star is represented when issues reach the national level.



**Our advocates in our primary states of operation (Missouri, Kansas and Oklahoma) keep us on the front lines of upcoming regulatory matters.**

A sample of our advocacy efforts, this brochure was provided to state and local leaders in Kansas. This project was launched in early 2020.

The Common Ground Alliance (CGA) is the leading organization in an effort to reduce damage to underground facilities in North America through shared responsibility among all stakeholders. Education efforts for calling 811 begin with young students in the classroom, and our partnership with CGA keeps us abreast of best practices in our industry to operate safely.



**Know what's below.  
Call before you dig.**

## Franklin/Anderson County Pipeline Modernization Project

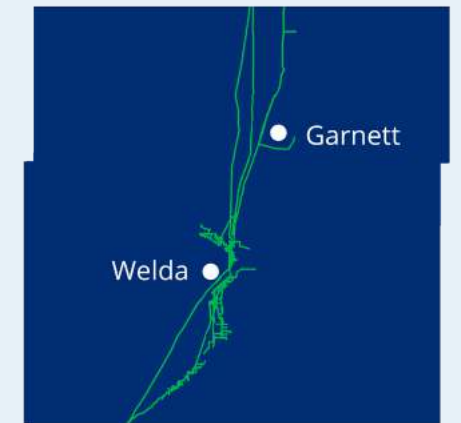


Southern Star is dedicated to modernizing its infrastructure.

The pipelines located between Welda and Ottawa, Kansas are critical for the delivery of natural gas to our major markets. To ensure the integrity of this segment, Southern Star has undertaken a multi-year project to replace two existing and essentially parallel pipelines in Anderson and Franklin counties.

In 2020 and 2021, the two existing pipelines will be replaced with a new 36-inch pipeline. This new pipeline will span approximately 32 miles in Anderson and Franklin counties. In 2021, several smaller lateral connecting pipelines will be installed. This significant modernization project ensures Southern Star can continue providing safe, reliable, and economically priced natural gas to our customers.

### Where is Southern Star in Anderson County?



Green line represents Southern Star's pipeline

**Project Timeline**  
Q1 2020 - Q4 2021

**Project Cost**  
\$145 million

**Projected Sales/Use Tax**  
\$2.2 million

**Total Economic Impact**  
Anderson County - \$5.6 million  
Kansas - \$49.5 million

**Property Taxes - 2018**  
Anderson County - \$1.8 million  
Kansas - \$13 million

**Projected Property Tax Increase**  
Anderson County - \$1 million

**Annual Salaries & Benefits**  
Anderson County - \$2.5 million  
Kansas - \$24 million

### Anderson County - Most Affected Sectors

Lodging	\$2,186,000
Restaurants	\$1,410,000
General Retail	\$185,700
Management Services	\$100,500
Fuel Retail	\$96,500
Hospitals	\$96,200

### Kansas - Most Affected Sectors

Construction	\$41,387,000
Lodging	\$4,485,000
Restaurants	\$3,537,000
Industrial machinery repair	\$1,628,000
Real estate	\$1,202,000
Hospitals	\$892,000
State Government	\$572,000
Retail	\$453,000

Economic impact study prepared by Kleinhenz & Associates.



# People are our fuel.

In 2020, Southern Star team members witnessed several changes that were inspired by their feedback through our first quarter employee engagement survey. In February, we participated in an anonymous and voluntary company-wide engagement survey. A total of 97.7% of our workforce participated, providing critical feedback to move our company forward. We shared the results and action plans with our workforce, including:

- Improving recognition/feedback
- Providing greater transparency on survey feedback actions by posting regular updates on company and department progress
- Formalizing change management using the support of a change advisory team

Team members from across our eight states of operation and administration start off their careers at Southern Star getting to meet leadership and bond with one another. This experience helps new hires understand our commitment to people through our safety culture and how relationships across our organization are what makes the team concept work. Part of the experience is participating in Decision Driving training and conveying our commitment to everyday safety.

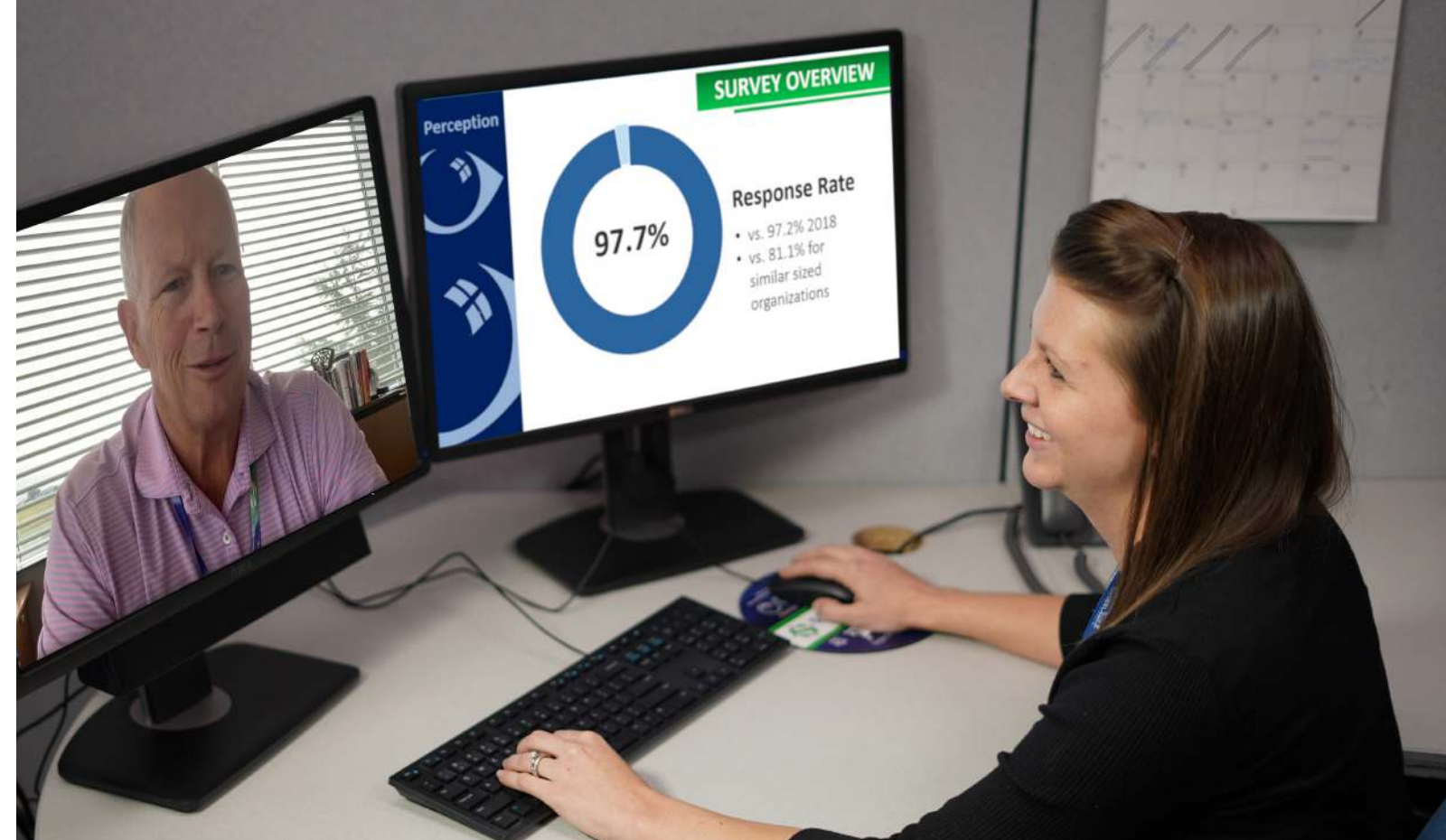
Each new field operation team member participates in NESOP (New Employee Safety Orientation Program). Over the years, video and computer-based delivery were incorporated to make safety training more cost effective. The Southern Star commitment to its people demanded a different approach. The concentration on safe practices is now provided with instructor-led classes covering every aspect of the safety sensitive work that our team encounters. By building relationships with our internal safety professionals who deliver the content, the new team members are more likely to consult them. Southern Star does not believe there is a shortcut to building a successful team and considers every training an investment in its people. Hands-on time with

excavation equipment like skid steers, backhoes, and track hoes is also made available shortly after hiring for those who will use such equipment. All of this serves as reinforcement to new employee orientation.

In 2020, the Technical Training program continued its transformation. Due to the COVID – 19 restrictions, training was temporarily paused. During the interim time, in the true sense of Southern Star collaboration, a standard curriculum was developed for Operators and Technicians. This standard provided the fulcrum for the resumption of training in September with instructor-led classes and new protocols to ensure safety and health of all. Formal classes using the Cooper-Bessemer GMV compressor installed in 2019 realized its first wave of employees. By December of 2020, a 2021 Training calendar was published for the organization that maximized utilization. Southern Star is preparing the next generation of critical infrastructure representatives to safely operate and efficiently deliver, environmentally responsible energy to the communities it serves.

To take education a step further, Southern Star offers an educational reimbursement of up to \$5,250 per year to be applied towards college tuition, textbooks and fees for examinations. These are courses that are beyond the requirements for the job and allow our team members to achieve degrees that can lead to promotion or advancement in pay.

In late 2020, a new initiative was established and communicated to empower the entire Southern Star team to be involved in and understand the business value of inclusion and diversity (I&D). Team members will individually and collectively contribute to the success of this initiative. A diverse group of 12 members of the company make up the I&D Council which has been charged with supporting this initiative, communicating updates and developing effective strategies across the company. Membership in the council includes executive leadership and personnel from across our system.



Our intern program grew in 2020, expanding to eight participants across a range of subject areas, including safety, reliability, IT support, finance, HR, rates, and engineering. This program will continue preparing future professionals for the rewards of a career in the natural gas industry.

Even in light of the global pandemic, we had an incredible year with 60 participants in our formal leadership training programs, Southern Star Academy. Twenty people from our inaugural class for emerging leaders graduated the Academy program. For the first time ever, we also began to manage our “talent pipeline” building succession plans for 97

leader roles and identifying our team members with our highest potential at Southern Star preparing specific experiences in 2021 for this unique pool of talent.

With a corporate goal of ten hours (average) of professional development per team member in 2020, our workforce far exceeded expectations by averaging 21.6 hours. Individuals took advantage of a wide range of offerings though live, recorded, internal and external training that went beyond job requirements. For example, individuals could learn about other departments, how to accelerate change, or how to use popular software.

## Involvement

We encourage our professionals to stay involved with regional and national organizations. Southern Star is heavily involved with SGA (Southern Gas Association), AGA (American Gas Association), INGAA, and NACE (National Association of Corrosion Engineers), just to name a few. We share and learn from our counterparts in the industry because we know development flourishes with collaboration.









Southern Star is a leading transporter of natural gas to America's heartland, with approximately 5,800 miles of natural gas transmission pipeline in the Midwest and Mid-Continent regions of the United States.



Our pipeline system, facilities and team members are located in Missouri, Kansas, Oklahoma, Wyoming, Colorado, Nebraska and Texas, with our headquarters in Owensboro, Kentucky.



#### Primary Field Locations

Kansas City, KS	Concordia, MO
Ottawa, KS	Joplin, MO
Colby, KS	Tonganoxie, KS
Hugoton, KS	Independence, KS
Hesston, KS	Alva, OK
Lyons, KS	Blackwell, OK
Wichita, KS	Edmond, OK
Welda, KS	Rawlins, WY

For any questions regarding this report or to request a previous report, please contact [mediarelations@southernstar.com](mailto:mediarelations@southernstar.com).