



# SOUTHERN STAR<sup>®</sup>

CENTRAL GAS PIPELINE



## 2021 Corporate Responsibility Report



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## The Vision

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

## The Mission

Delivering innovative energy solutions through talent, technology and collaboration.

## From our President & CEO

As our 2021 Corporate Responsibility Report cover symbolizes, there is strength in diversity and partnerships. Growing global energy demands and an evolving workforce provided an ideal opportunity to look at our business model and recruiting methodology more closely in 2021.

Winter Storm Uri woke the nation to the danger of a non-diverse energy supply, and for many, solidified the fact that natural gas is critical for reliable energy and heat. Solar and wind power must continue to grow alongside natural gas and we are focusing our investments in traditional and renewable energy sources, including sustainable natural gas and hydrogen. Our communities require an all-of-the-above energy solution to maintain our quality of life, and the privilege of clean, affordable, and reliable energy must continue spreading across the world.

The pandemic reinforced the importance of pursuing a more diverse workforce. We are becoming stronger, more innovative, and safer as our workforce gradually evolves to more accurately reflect the communities we serve. Our people are now found in more states, beyond the boundaries of our pipeline.

We're excited about the many significant opportunities ahead for our amazing team!

Sincerely,

Shawn Patterson  
President & Chief Executive Officer





## Workforce Protection

Safety is the central core value at Southern Star. The focus in 2021 was keeping safety at the forefront for every team member decision, so a new safety slogan was implemented: “Own it. Share it. Live it.” This slogan embodies the mentality towards the safety culture at Southern Star. The commitment to safety not only involves the safety and well-being of team members, partners, and customers, but also the prevention of wasteful and inefficient operations. Southern Star’s pipeline safety management system provides a framework to ensure everyone is provided with a safe work environment while maintaining compliance with applicable safety laws, rules, and regulations.

Southern Star’s commitment to health and safety focuses on:

- Protecting the welfare of team members, partners, and the communities where team members work
- Maintaining the integrity of infrastructure to ensure the safe and reliable delivery of natural gas to its customers
- Being prepared to effectively address emergencies to avoid social and environmental impacts

The foundation of the safety culture focuses less on restrictive policies and procedures but more towards transferring the ownership of safety to team members. This concept of safety interdependence is the primary

factor for the overall success of the company’s safety culture. In 2021, team members stayed below the company milestone for lost time accidents (LTA) with only one reported LTA. Southern Star also finished in the top quartile among similar companies within the Southern Gas Association in LTA, total recordable injury rate (TRIR), and avoidable motor vehicle crashes. Annual facility safety audits indicated further success with a 17% reduction in identified items of safety-related concern from the previous year. Southern Star is proud of all its safety achievements in 2021. They are a reflection of a companywide collaborative effort focused on growing a safety culture and the results of what an interdependent workforce can accomplish.

Southern Star developed a system for capturing and managing work-related injuries and illnesses through an incident reporting software called Cority. Once an incident is reported, the affected individual collaborates with leadership in a brainstorming process called “Root Cause Analysis” which encourages an open dialogue from both sides to determine the root cause of the incident and how future avoidable safety risks can be eliminated.

All team members are educated on ergonomics to promote wellness at the office and at home. This includes learning how to recognize the signs of carpal tunnel syndrome, other musculoskeletal disorders, maintaining proper

posture throughout the day while seated, following proper lifting techniques, and engaging in periodic stretching to promote circulation.

The safety team is always looking for new ways to encourage the workforce to be engaged in safety. One way this goal was accomplished was to challenge team members to identify safety hazards at home or work by implementing the Summer Safety Series. This three-month long program was designed to inspire creative thinking focused towards ensuring a safe summer at home, at work, and going back to school. These activities promoted safety through education while making it exciting and enjoyable for team members and their families.

The company relies heavily on team members to identify and address safety hazards that may pose a risk to themselves, co-workers, the environment, and communities. This insight is encouraged by starting all company meetings with a safety moment shared by a team member. This not only helps to inform others of a safety concern but also serves as a reminder that safety is at the core of all company business. Another way to “Share a Safety Hazard” is via the online safety portal. Once in the safety portal, the issue is reviewed by the safety department and action is taken to correct it. The results from the shared safety hazards are then shared with the entire company so broader benefit and learning can come from the event. Team members are also encouraged to publish a “Safety Moment” on the company intranet homepage as another avenue to engage in safety ownership.

Southern Star also relies heavily on the Safety Awareness Team (SAT) to grow its safety culture. SAT is a team member-driven safety committee consisting of about 30 team members from all different fields of expertise and levels of management. SAT was created with an emphasis on empowering the workforce to actively participate in safety topics and concerns. The team meets quarterly to discuss any safety issues and to share safety ideas with one another.

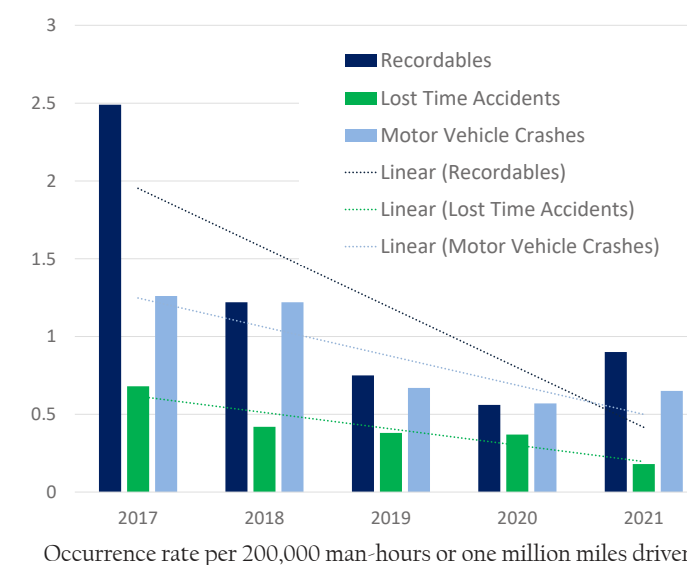
**Safety Incident Chart 2017 to 2021:**  
 64% Improvement in OSHA Recordables  
 74% Improvement in Lost Time Incidents  
 48% Improvement in Motor Vehicle Crashes

## Workforce Health & Wellness

Southern Star employs a multifaceted wellness program. Team members and families are encouraged to enroll in interactive, personalized financial, physical and mental wellness programs that are offered through Real Appeal, Virgin Pulse, Omada, 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 virtual fitness courses are reimbursed up to \$250 annually for an individual or family membership. Southern Star also organizes a weight loss challenge each year to encourage and reward team members who take the time to invest in their personal health through exercise and diet to lose weight.

As a benefit, Southern Star provided access to free apps in 2021 like Omada Mind that offer 24/7 help to team members to ease stress, get better sleep, and find relief at their convenience. Additional benefits offered to Southern Star team members include paid time off (PTO), 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, which is a free financial wellness platform offered by Southern Star.



## Occupational Training

Occupational training at Southern Star uses innovative and competency-modeled methods designed to ensure the best knowledge retention in the safest environment for learning. Effective training programs provide a compliant and confident workforce that is safer and more productive.

Southern Star remained committed to quality training in 2021 by providing team members with over 8,000 hours of training. Despite the challenges of COVID, this achievement was accomplished safely while still adhering to CDC and company guidelines for COVID. To help support training for 2021 and beyond, improvements were made to its training center in Hesston, Kansas. These improvements ensure an atmosphere that is safe and conducive for team member growth and professional development. Some of those improvements include:

- Installed Halo filters to reduce bacteria, viruses, and mold spores in the air and on surfaces
- Installed dehumidifiers in each room to improve air quality and air circulation
- Remodeled and upgraded the bathroom facilities with touchless fixtures
- Improved lighting with new LED lighting in all classrooms and parking lot
- Installed new lab style workstations for technical classrooms

The Training Department has also made a significant change to their learning management system by moving to the Oracle Learning System for learning/safety module courses, in-house training documentation, and reporting. The Oracle Learning System is more user-friendly than its predecessor and allows for better data tracking and reporting. This move also provided an opportunity to update training material and refresh the testing questions to help stimulate growth and learning for all team members. Other upgrades to training include initiating the development of a Drone Program and creating a new Valve Maintenance safety module to enhance the VR (Virtual Realty) Goggle experience for virtual learning.

Southern Star also provides “Safety 101” training for all



**I've got  
your  
back.**

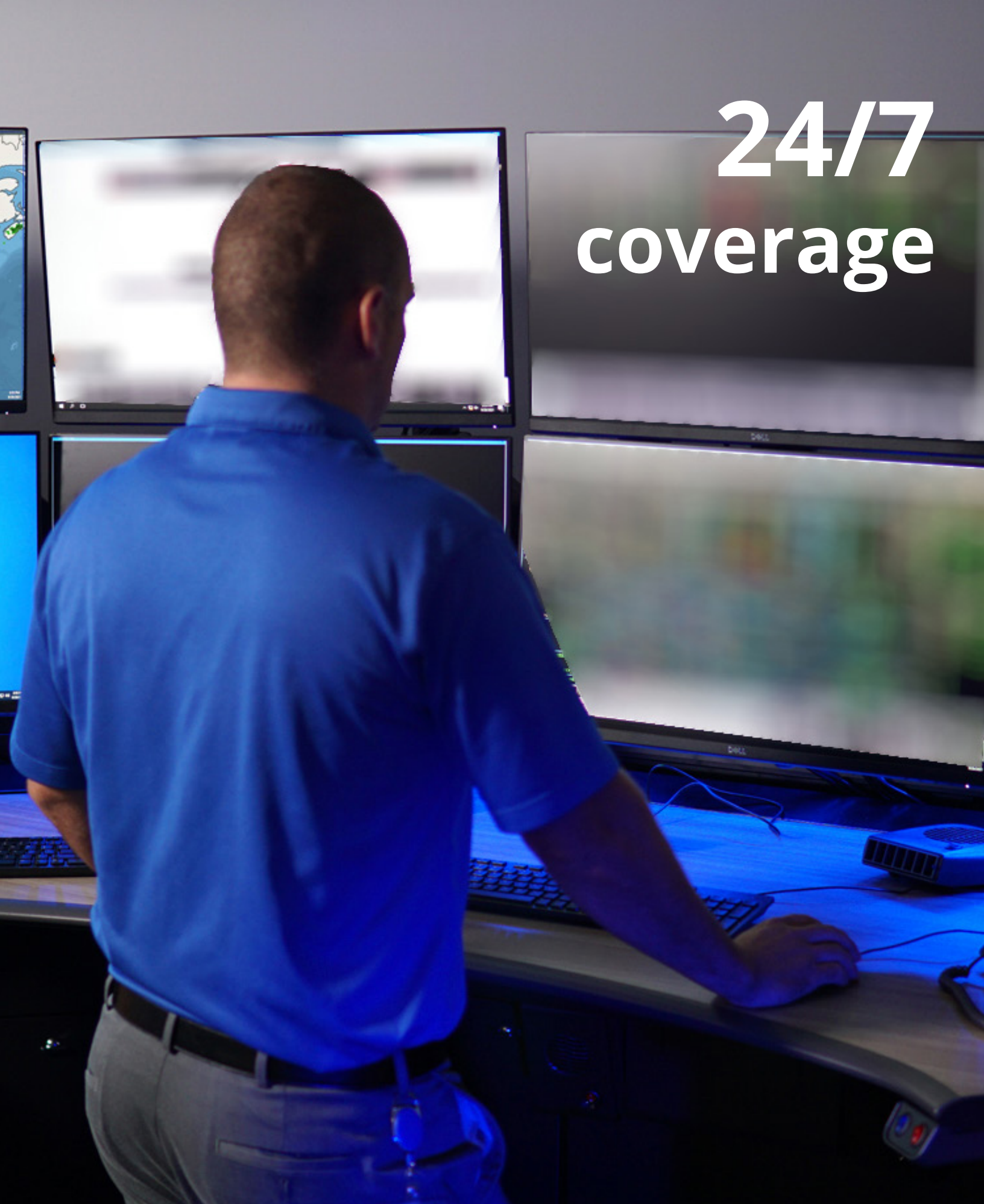
new team members. This half-day course provides a brief introduction to safety at Southern Star and must be taken within the first 15 days of employment. New hires at Southern Star field locations are also required to attend a three-day safety orientation. The purpose of this orientation is to learn 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 team members are required to take annual refresher courses on Occupational Safety and Health Administration (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. The company also has a training initiative each year to provide in-person, specialized team training on a quarterly basis.

## Contractor Safety

Contractors are viewed as an extension of the Southern Star family and that is why the company looks to collaborate only with contractors that share the same core safety values and commitment to team member safety. This past year, Southern Star's Contractor Safety Summit was successfully conducted in a virtual format for the very first time. This summit is key for establishing a safety culture of all parties involved as it provides an opportunity to communicate Southern Star's safety expectations and how to meet them on all its projects.

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.



24/7  
coverage

## Product Health, Safety, and Environmental Risks

It is Southern Star's belief that accidents can be prevented. However, in the event of an accident, comprehensive policies and practices are in place and the workforce is trained to respond safely and efficiently. The pipeline is monitored 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 the safe and reliable operations of Southern Star's pipeline and storage facilities is promoted. Drills in preparation of a "Significant Event" are regularly performed, where coordinated efforts 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

The Integrity Department strives to keep daily operations safe. Facilities and infrastructure are regularly inspected for possible leaks and to ensure that all equipment is operating efficiently. In 2021, Southern Star conducted 165 storage well assessments which included 44 casing inspections, 38 pressure tests, and 83 other mechanical integrity assessments. Additionally, 40 Integrity Assessments were conducted which assessed 585.9 miles of pipe, including 33.4 miles in High Consequence Areas (HCAs) and 38.1 miles in Moderate Consequence Areas (MCAs), where pipeline releases could have greater consequences to community 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, the program standardizes the manner in which the work associated with the integrity of the pipeline is continually monitored and documented, 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 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 its efforts and shared responsibility with stakeholders, Southern Star strives to increase awareness and reduce damages to underground pipelines.

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

In 2021, the Integrity group implemented two new software systems: Geonamic PipelineOffice Studio® and Event Editor. The Geonamic package allows for assimilation of asset data, integrity data, in-line inspection data and more for analysis and decision making. Modules for calculating Maximum Allowable Operating Pressure (MAOP), scheduling integrity assessments, and identifying HCAs and MCAs were included. Event Editor is a web app for adding, selecting, and editing linear referenced event data. Examples of data edited in this tool are MAOP, class, HCA/MCA, pipe segment, coating, integrity events/actions, and more. Notable features include route searching, quality control of events checks, event data queries, creating and saving bookmarks, saving and deleting web maps, and event editing.

# On the hunt

Southern Star takes pride in providing clean, reliable energy to the communities in which team members serve and live. In 2020, the company committed to reduce methane emissions from the 2020 baseline number by 50 percent by the end of 2025. In 2021, greenhouse gas (GHG) and methane emissions decreased by approximately 21.75% and 23.83% from the 2020 baseline, respectively. Southern Star has implemented multiple programs across its system to monitor and address emission leaks and continues to work towards additional reductions in methane emissions. As part of these efforts, Southern Star took the initiative to have a third party consultant validate its 2020 methane emissions baseline data sets and calculations to ensure accuracy in reporting. The third party validation found only minor necessary changes that resulted in a less than 1% difference. Additionally, Southern Star is one of more than 50 members of ONE Future Coalition, which is an industry-wide initiative to voluntarily reduce methane emissions to less than 1% across the natural gas value chain.

2021 was the first year Southern Star completed voluntary leak surveys at all of its 43 compressor stations in a single calendar year. Completing these leak surveys provides a more complete picture of total methane emissions across its system. If a compressor station does not have site-specific data obtained during a leak survey 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 non-site-specific data, Southern Star has committed to performing surveys at every compressor station at least once annually, with the potential for multiple visits in future years. Annual survey results are compared to data sets from previous years, including the established 2020 baseline, to validate the effectiveness of its reduction strategies. Southern Star's commitment to reducing methane emissions is anticipated to result in future reductions.

The annual percentage of lost and unaccounted for gas in 2021 was -0.07%, providing direct benefit to our customers and the environment.

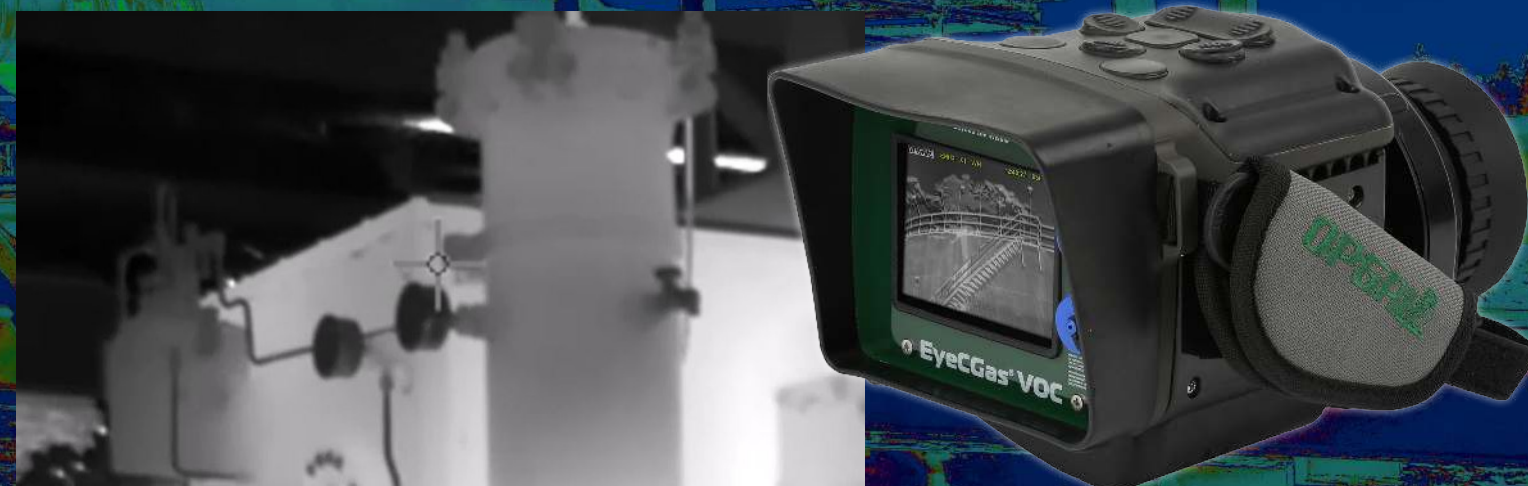
Southern Star remains committed to decreasing its environmental footprint through various methods and projects as detailed on the following pages.

## Pipeline & Compressor Unit Modernization

In 2021, Southern Star completed multiple projects to improve system reliability and performed an extensive overhaul of the Webb Compressor Station to improve system performance. Additionally, Southern Star replaced nearly three miles of aging pipeline across various projects to ensure safe and reliable operation. Projects of this magnitude highlight the company's dedication to modernizing aging infrastructure. In 2022, Southern Star anticipates continued efforts to improve system efficiency and performance through a multitude of projects.

## Leak Surveys

Leak detection surveys are critical in detecting emissions and identifying opportunities for emission reductions. In 2021, Southern Star completed leak surveys at all 43 compressor stations, seven of which were required by regulation with the remaining 36 surveys being voluntary. The data collected during these surveys allowed methane emission calculations to be performed using site-specific measured data versus average emission factors blanketed across its system. Southern Star remains focused on utilizing measured data in the coming years.



An image from a methane leak survey in 2021 at the Ratliff Station using a methane detection camera

# On the hunt - continued

## Pipeline Blowdown Reductions

Flaring and stopple-and-bypass technologies were utilized to reduce and/or avoid pipeline blowdown emissions during 2021 projects. Flaring is a controlled combustion of natural gas, therefore eliminating the direct release of methane to the atmosphere. Southern Star took advantage of this technique multiple times in 2021, which led to significant methane emission avoidances. Additionally, Southern Star utilizes pipeline drawdown techniques to lower the gas line pressure prior to performing maintenance activities to further reduce emissions. As a result of these techniques, Southern Star saw a 35% reduction in pipeline blowdown emissions. The Environmental, Engineering, and Project Management teams continue to look for additional opportunities to reduce pipeline blowdown emissions.

## Storage Fields

Southern Star conducted 151 well assessments in 2021 in order to monitor well integrity throughout its storage facilities. Southern Star continues efforts 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. Southern Star has several storage improvement projects planned for 2022 to help enhance storage reliability.

## Miles Driven

In 2021, Southern Star operational vehicles were driven 7,631,189 miles, a 1.5% increase to 2019. Increased travel restrictions in 2020 caused it to be an atypical year and inappropriate for comparison. Southern Star continues to utilize route optimization tools to minimize necessary miles driven by team members and increase operational efficiency.

# Putting waste to work

As long as humans and animals inhabit the earth, methane will be a part of life. Rather than let it escape into the atmosphere, natural gas producers are partnering with farmers, wastewater treatment plants and landfill management to harvest their methane byproducts and convert it to beneficial, usable renewable natural gas (RNG). Southern Star is growing its connections with these producers to transport their product to market.

Southern Star designed and began installation in 2021 of two new RNG receipt points, Waste Management in Oklahoma City, OK and Oakland Wastewater Treatment Plant in Topeka, KS. These connections will bring an additional 2.8 MMcf of RNG on to its system. With Southern Star spending \$5 million for infrastructure and will be in-service in 2022.

Image of future receipt point with Waste Management in Oklahoma City, OK



# Using less to do more

## Water Conservation and Reuse

Preserving natural resources remains one of the focal points as the execution of modernization projects is evaluated. One area of focus during the planning phase 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 can be tested in smaller sections which allows Southern Star to reduce overall volume of water by an estimated 50 to 75%. Each job is analyzed to determine available techniques to conserve natural resources and pass potential fiscal savings on to customers.

## Hydrogen

As part of the journey to reach net-zero GHG emissions by 2050, Southern Star entered into a Memorandum of Understanding with Cooper Machinery (a leading natural gas compressor engine manufacturer) in 2021 to evaluate the potential of hydrogen blended fuels powering reciprocating compression engines. Cooper Machinery equipment can be found in many of Southern Star's compressor stations. This pilot project is limited to the blend of hydrogen and natural gas fueling of a single compressor engine on Southern Star's system. At this time, the scope of the project will not include blending hydrogen into the natural gas transported to customers.

Southern Star and researchers at DNV, an international accredited registrar and classification society, will be performing a techno-economic feasibility study and gap analysis in 2022 to assess the company's pipeline fitness of service and readiness for transporting hydrogen by focusing on two-line segments in Kansas and Missouri.

## Recycling and Reduction Programs

In 2021, Southern Star continued the great work of the Stars of Sustainability (SOS) program that was launched in 2020. The program is a volunteer-based group comprised of team members that actively participate in conservation efforts to create a positive impact. The group focuses on various efforts such as education, increasing recycling opportunities, and promoting sustainability in the daily lives of Southern Star team members. SOS continues to provide sustainability articles in the weekly company newsletter. SOS utilized Earth Day as an opportunity for company-wide clean-up efforts in team members' local communities and hosted an upcycle competition involving team members and their children. Two more office locations implemented recycling programs in 2021, with the largest location being at headquarters in Owensboro, KY. Additional office locations continue to be evaluated for recycling program implementation, subject to recycling service availability. The SOS team created video programs to reach young students on the topics of renewable energy, sustainability and environmental consciousness.

*Southern Star team members recorded a read-along video series to share with libraries and educators in local communities.*



*Southern Star team members performing roadside clean-up for Earth Day in 2021.*

## 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 all personnel work to restore lands impacted by construction and operations to as close to its pre-disturbed state as possible. Some methods of restoration involve de-compacting areas where equipment has traveled, sowing new grass, placing straw over the area, and re-establishing preconstruction contours at any project water crossings. Impact minimization remains achievable through several 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 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 to collaborate with landowners to effectively address project remediation efforts. Additionally, these relationships aid in rebuilding and potential expansion of sensitive species habitats when possible.

## Energy Consumed at Facilities

Data for Southern Star's Headquarters and Employee Excellence Center (EEC) locations in Owensboro, KY was compiled to compare the energy consumption from 2020 to 2021. The Headquarters building, the main office for over two hundred team members, saw an approximate decrease of 6.68% in kilowatt hours for the year. This was likely due to continued remote work as a result of COVID-19. Additionally, the EEC provides a space for conferences and training throughout the year and saw its electrical consumption increase from 2020 to 2021 by 1.70%. This increase was likely due to the large spaces offered at the building used for safe-distanced gatherings.

The company continues to make strides toward decreasing its energy consumption and is committed to the continued search for additional reduction opportunities. New project teams have been created with the purpose of evaluating alternative fuels and renewable energy opportunities. One opportunity was the installation of a solar field at Headquarters. This system will offset approximately 750 to 1000 tons of CO2 emissions annually, the equivalent amount of CO2 created to power 100 homes. As a result of this project, Southern Star Headquarters is now net-zero for carbon based electric energy. In addition, this pilot project will be used for future renewable developments system-wide.



*The solar field at headquarters installed in 2021*







# Out of sight...

# ...but not out of mind.

## Route and impact review process highlights care for the environment.

### Sensitive Resources

During the project development phase of all potential construction projects, the Environmental team conducts a layered review. The beginning phase involves determining whether the project will result in an adverse impact to air quality, land, water, species, and any other potential environmental impacts to the immediate area. Completion of the first phase leads to a determination of whether the project needs to undergo an advanced environmental review. An advanced review requires an environmental permit specialist to examine several potential environmental effects such as cultural resources, soils, water resource impacts, floodplain, viewsheds, threatened/endangered species, and any other areas as required by the project or local/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 a project enters the environmental permitting review phase, the analysis dives deeper into potential impacts that could directly affect sensitive cultural or natural resources. An Environmental Specialist researches and analyzes the projected scope to predict how resources may be impacted. The Permitting Specialists then work together with Engineering and Design personnel to implement a design that is safe and minimizes environmental 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. Once project design is completed, all appropriate permits are obtained as required per the applicable regulations. When construction commences, 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, and the efforts of the permitting team demonstrates this commitment to implement a design that minimizes the impacts where feasible.

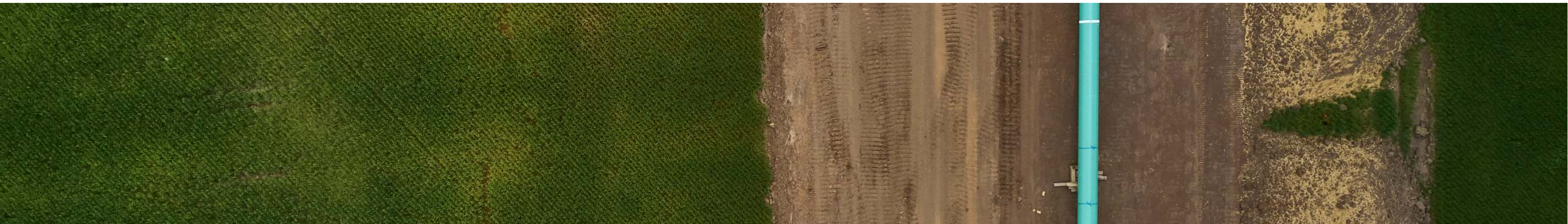
### Site Remediations and Removal of Known PCBs

As industry standards change, what was once considered an acceptable practice or construction material may no longer be acceptable. The use of materials containing polychlorinated biphenyls (PCBs) is one example. Southern Star no longer uses any known materials that contain PCBs. Additionally, Southern Star has eliminated all known assets and contamination containing PCBs across

its 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

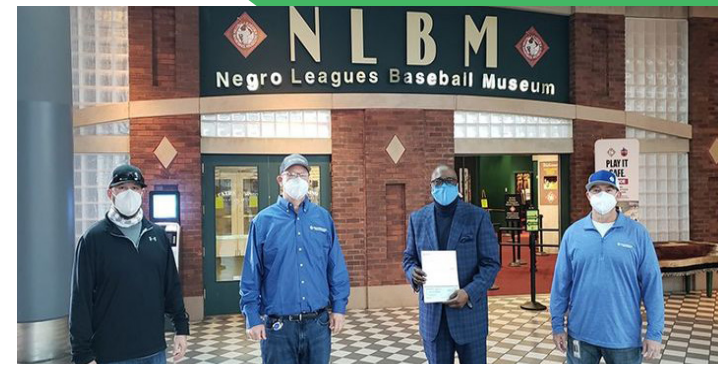
Southern Star strives to prevent all spills throughout daily operations. In the event a spill occurs, Southern Star implements reporting and response procedures to quickly identify the contents, remediate the site, and minimize any potential environmental impacts. Southern Star had no reportable spills in 2021 and remains committed to the continuous identification and prevention of spills where possible. As an example of this continued effort, Southern Star is currently amid a multi-year process of upgrading aging secondary containment units to ensure efficacy of the structures in the event of release from a liquid storage tank.



# One community working together

Southern Star serves through outreach efforts, community engagement, and partnerships to help fuel the quality of life within the communities where team members work and operate. They give their time and talent to local non-profit and youth groups across the eight-state system. While supporting a wide variety of organizations, the company's outreach focus is on youth; arts; science, technology, engineering and math (STEM) education; and non-profits with a focus on inclusion and diversity.

Southern Star encourages giving back to its communities. In 2021, team members fulfilled over 1,520 volunteer hours, 340 hours more than in 2020, and personally donated in excess of \$21,000 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 2021: 1,520

Team member donations in the last three years: \$83,000

Corporately given or matched contribution in the last three years: \$566,700

Contributions to nonprofits with an inclusion and diversity focus accounted for 39% of overall corporate giving.



# How the team operates

Southern Star is committed to ensuring the company operates under appropriate internal controls. Commitments and expenditures made on behalf of the company must be appropriately authorized. Team members are empowered to make financial decisions within their authority to keep Southern Star running day-to-day. The Delegation of Authority Policy is used as its primary policy to determine who can authorize purchases within specific limits.

Authorization limits are outlined for leaders and other specific roles in the company.

Concerns and goals of the team are incorporated 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 its spend over certain dollar and risk thresholds. This ensures superior suppliers and contractors are used with no preferential treatment or favoritism, and the future aim is to strategically align the company with proven providers to streamline operations.

The company is regulated by the Federal Energy Regulatory Commission (FERC), and all team members are encouraged 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 its 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 and programs that protect the rights of individuals and support the company's 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. The company 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 diversity through deliberate sourcing and 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. The company 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

Southern Star's resources extend far beyond its state borders. It has experienced advocates and agencies that promote the use and safety of natural gas and state lobbyists who work closely with legislators to educate them on the value natural gas and Southern Star bring to their state.



The Interstate Natural Gas Association of America (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.



**Advocates in its primary states of operation (Missouri, Kansas, and Oklahoma) keep the company on the front lines of upcoming regulatory matters.**

Samples of advocacy efforts in a working relationship with the Southern Gas Association.

As a member company of the Southern Gas Association (SGA), 2021 was a special year for Southern Star to work with subject matter experts and help SGA build monthly, themed content to promote natural gas, related careers, and innovations in the industry.

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. Educating the public to call 811 and dig safely begins with young students in the classroom, and the partnership with CGA keeps Southern Star abreast of best practices in its industry to operate safely.



Know what's below. Call before you dig.

**Southern Gas Association**  
September 22, 2021 · 🌐

Recycling as we know it today began in the 1970s but it isn't just about paper and plastics — the natural gas industry is doing it too. Natural gas is 97% methane, and increasingly producers are capturing it from sources like farms, sewage plants and landfills. Repurposing emissions from waste as RNG is a historic milestone for our industry, nation, and world.

Join the FREE Chairman's theme webinar at 10 am, CST TODAY: <http://ow.ly/71AA50Ge8y8>



**Southern Gas Association**  
August 5, 2021 · 🌐

Natural gas pipelines can last 50 years or more and we've invested in innovation to make them last even longer, increase safety and increase efficiency. They transport the natural gas that powers our daily lives, without us having to make new, multibillion dollar investments in alternate systems. That's an investment that just makes sense. <https://southerngas.org/2021-chairmans-theme/>



**Southern Gas Association**  
August 26, 2021 · 🌐

Technology improves day-to-day performance, but it also creates opportunities that never existed before. With more real-time data available, we need people to interpret and use the data, while our increased emphasis on safety, reliability, and green technology has created jobs in disciplines that never would have been possible otherwise. <http://ow.ly/Rvw650FY9Hk>



**Southern Gas Association**  
July 27, 2021 · 🌐

The "green path" isn't just one technology, it's the shared principle inspiring all of our technology from solar panels and carbon capture systems to hydrogen blending and much more. Thank you to the educators, policy makers, scientists and energy leaders who help create a greener, cleaner energy future for us all. <http://ow.ly/4iK550FzeBu>



# People: our most important asset

In March 2021, the company participated in an anonymous and voluntary company-wide engagement survey. 95.4% of the workforce participated, providing critical feedback to move the company forward. In the subsequent months, Southern Star team members witnessed several changes inspired by their feedback, and leadership shared the results and action plans, including:

- Providing timely and relevant business updates to the entire team
- Launching Women in Natural Gas (WING), Southern Star's first employee resource group
- Rolling out People Reimagined (a hybrid workplace model)

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

Embracing the differences of team members and appreciating the diversity brought to the table by each person is another commitment of Southern Star. In 2021, Inclusion and Diversity (I&D) training initiatives launched providing instrumental training to all team members. Over 2,400 hours of total training hours were conducted, including unique training for executive leadership and leadership-led, open-forum sessions for the entire company.

WING also took flight in 2021 as the company's first employee resource group (ERG) formed to support female team members with opportunities

for professional development. Multiple meetings and social events provided valuable networking sessions. For 2022, Southern Star is looking forward to launching more ERGs to support its workforce.

Another way Southern Star puts people first is to commit to offering multiple opportunities for professional development. After all, developing people is the best investment the company can make in itself. The Organizational Development Department offers print, in-person and virtual forms of education and development for all team members and leaders.



One of the many professional development libraries available across the system

The accessibility and variety of offerings allows professional development to be tailored to individual needs and enabled its team members to complete 12,217 hours of professional development in 2021.

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 allow team members to achieve degrees that can lead to promotion or advancement in pay.

The intern program in 2021, again hosted eight participants across a range of subject areas, including safety, reliability, operations, communications, IT support, finance, and engineering. This program will continue preparing future professionals for rewarding careers in the natural gas industry.

Southern Star leadership wanted to take what they learned from COVID regarding a partially remote workforce and consider the possibilities. Through study and research, "People Reimagined" was developed, the company's hybrid work environment. Depending upon a team member's job requirements, they have the option to work in the office, fully remote, or a hybrid (a blend of both in office and remote work). In 2021, leadership identified that 46% of the workforce could perform their duties using the hybrid model and 19% could work fully remote. The blended approach and multiple offerings provide an enhanced culture and even more flexibility to work toward work-life harmony. Putting people first is key to maintaining a successful and engaged workforce.

## Involvement

Southern Star professionals are encouraged to be involved with regional and national organizations. Southern Star is heavily involved with SGA, American Gas Association (AGA), INGAA, and NACE (National Association of Corrosion Engineers), just to name a few. Sharing and learning is valued with our counterparts to promote the advancement of our industry.



I&D efforts in 2021 included more inclusion-related posts on social media, online training events hosted by executive leadership, and the launch of an employee resource group, the first of many to come.

Cautionary Note

References to policies and procedures in this report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances. Please see the section entitled “Important Information Regarding Policies, Procedures, Practices, and Forward-Looking Statements”.

**Important Information Regarding Policies, Procedure, Practices, and Forward-Looking Statements**

This report contains forward-looking statements. Any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “believes,” “can,” “could,” “may,” “predicts,” “potential,” “should,” “will,” “estimate,” “plans,” “projects,” “continuing,” “ongoing,” “expects,” “intends” and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Our actual results could differ materially from those anticipated in such forward-looking statements.

Any or all of our forward-looking statements in this report may turn out to be inaccurate. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our predictions, results of operations, business strategy and financial needs. We have provided links to certain other web sites that may or may not provide material that is informative, and any information contained therein should not be considered a representation by the company as to facts or materials contained therein.

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# Notes

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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.



Its pipeline system, facilities and team members are located in Missouri, Kansas, Oklahoma, Wyoming, Colorado, Nebraska and Texas, with its 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).