



# Energy for Change





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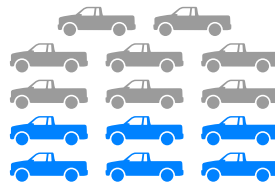
## Letter from the CEO

This marks the first annual sustainability report from Kinetik, the new company created from the merger with Altus, and it details further progress on our overall sustainability journey.

This past year has been filled with big changes in many ways. Across the world, people have dealt with and adjusted to the impacts of the evolving global pandemic, which finally appears to be shifting to an endemic. The energy industry has faced volatile commodity prices and supply chain issues as the world's economies recover and reopen. Closer to home, 2021 was a pivotal year in our company's history as BCP merged with Altus Midstream to form Kinetik, the largest integrated midstream operator in the Delaware Basin.

The merger brought together two organizations with complementary profiles, creating a company that is even more than the sum of its parts. Joining EagleClaw's focus on gas gathering and processing combined with Altus Midstream's four long-haul pipelines has created a full service midstream company that can fulfill a wider range of our customer's needs. The name of the resulting company, Kinetik, is exactly how we see ourselves. We plan to be at the junction of where energy is today and where it will be needed tomorrow.

While a great deal of our attention was on creating this new company, we have maintained our focus on environmental, social, and (ESG) governance priorities. Our safety performance in 2021 was recognized by GPA Midstream with a Perfect Record Award, for members with no lost time incidents.



**Achieved a 55% reduction in preventable motor vehicle accidents**, with just six incidents in 2021, based upon driving 3,553,262 miles vs. 14 incidents in 2020.



**Experienced one recordable incident in 2021** while logging 381,725 hours at work, an 85% reduction in our total recordable incident rate (TRIR) compared to 2020.



**Delivered almost 30 hours of training to 160 field employees** – twice as many hours as in 2020.



We also invested in emissions reductions including implementing new methane monitoring and detection equipment. We have set aggressive long- and short-term goals, and created rules and procedures as we have matured. We have brought in greater automation and improved controls, thereby shifting our approach to being even more proactive about finding leaks. We've also joined with industry groups to tackle challenges in reducing emissions from compression. By following a deliberate, systematic approach to reduce methane emissions, we continue along the path to long-term improvement.

Our Board has also evolved and grown over the past year, with the creation of a new committee focused on sustainability. The Governance Committee, headed by our lead independent director, Laura Sugg, is focused on ensuring we are setting appropriate targets for all greenhouse gas emissions and making the investments necessary to ensure we hit our targets. We have also added Deborah Byers, an energy industry veteran and corporate finance expert, to our Board in 2022.

Our culture also has grown and matured. We've worked hard to keep the best of our small company chemistry, in which everyone depends upon one another, as we transition to a larger team and expand our expertise in critical areas. Like any healthy organization, we're also

focused on continuous improvement and applying lessons learned so that we keep doing things better and faster in the future.

In 2022, we were also excited to announce our sustainability-linked financing. Our financing is tied to achieving goals to reduce our greenhouse gas intensity ratio and our methane emissions intensity, and to increase our female participation rate amongst our company's executives. We are proud to say that 100% of Kinetik's total debt capital and commitments – representing over \$4 billion – is tied to achieving ESG goals, a clear demonstration of our commitment.

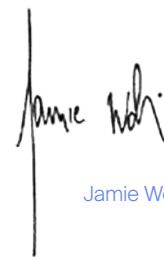
Just as our economic impact has grown with our new larger footprint and scale, we recognize that we have an even bigger role to play in supporting local West Texas counties through our relationships with suppliers and contractors, and also by making a difference as a partner to our communities. We've organized several volunteer events for our employees, taking advantage of the company's new 8-hour paid time for community volunteering policy. This report shares additional examples of how we're getting more involved.

We have heard thought leaders speak about the significant role they see for natural gas and liquefied

natural gas (LNG) in addressing climate change over the longer term—and we agree. We see natural gas as a critical component of the world's energy needs as a transition fuel, and LNG can play an even larger role in displacing other fuels with a higher carbon footprint. We also think over the longer term, working with our trade associations to build support for U.S. energy production will not only bolster our resiliency as a nation, but also reinforce the United States' critical role in providing global leadership to other countries seeking energy security, stability, and supply.

If there is anything that the past two years has shown us, it is that we have to work together to thrive. Kinetik's continued focus on our people, safety, the environment, our customers, and communities will ensure that we continue to be at the junction of where energy is today and where it will be needed tomorrow. We are energy for change.

I welcome your comments and feedback.



Jamie Welch | President and CEO



**Kinetik's commitment to our people, safety, the environment, our customers, and communities** will ensure that we continue to be at the junction of where energy is today and where it will be needed tomorrow.



“ The Board firmly believes that **commitment to an actionable ESG program** makes for a stronger, more resilient company and drives better performance. ”

**David Foley**  
Chairman of the Board

## The Board View

Our Board is actively engaged on ESG matters at Kinetik. Here, they provide their insights on developments at Kinetik and in the industry, and their aspirations for the company.

**Is Kinetik's Board committed to making progress on ESG? Is it engaged in setting ESG goals?**



### **David Foley, Chairman of the Board:**

After setting out years ago to formalize a robust ESG program at EagleClaw, we are proud of the progress made to date and excited to continue to build on this foundation at Kinetik. Kinetik's Board is actively engaged in identifying long-term ESG objectives, establishing targets, evaluating implementation plans—including reviewing the capital required to effectuate improvement—and monitoring advancement against defined metrics. We are aligned with Kinetik's key areas of focus in emissions reduction and workplace diversity and look forward to the company's continued progress. The Board firmly believes that commitment to an actionable ESG program makes for a stronger, more resilient company and drives better performance.

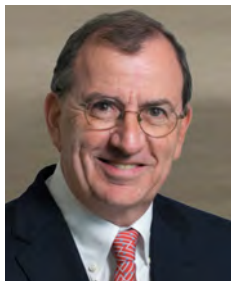
**You are someone who is recognized for operational excellence in the energy sector. In your opinion, where do you think Kinetik has operationalized ESG activities and where can it improve?**



### **Laura Sugg, Lead Independent Director:**

Over the past few years, Kinetik has taken a leadership position in measuring, reducing, and reporting our GHG intensity as evidenced in our inaugural Sustainability report for EagleClaw Midstream. Much like the journey our industry has taken on safety over the past decades to make sure that safety culture is owned by every employee and integral to every decision the company makes, I see Kinetik holding their broader ESG culture to that same standard for our future.

**As someone who has been investing in the energy sector for several decades, what do you see as the headwinds and tailwinds facing the midstream sector?**



**Kevin McCarthy, Director:**

The headwinds for the sector are gaining the confidence back from investors and convincing them that there will be very strong demand for midstream assets through 2050 and beyond. I think there is a misconception that midstream assets have no terminal value because they won't be needed in 2040 or 2050. We need to show them that while renewables will become increasingly important sources of incremental supply, demand for petroleum products—not just gasoline—will extend for as far into the future as we can see. For a company based in the Permian, recent events have illustrated that the tailwinds are that supply is tighter than most people realize, and the Permian is a swing producer for the entire world. As demand grows with the growing global population, and conventional production declines, Permian volumes will need to grow to fill that void.

“ **Kinetik is well-positioned as a low emissions midstream services provider.** We have a strong commitment to ESG and to pursue industry leadership in reducing our environmental footprint. ”

**Ben Rodgers**  
Director

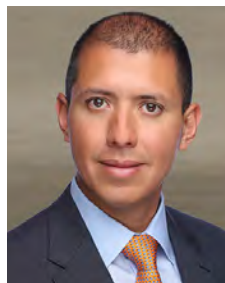
**As a new addition to the Kinetik Board, where do you see the opportunities in ESG going forward?**



**Ben Rodgers, Director:**

Despite the volatility from a financial, political, and regulatory perspective in our sector, Kinetik is well-positioned as a low emissions midstream services provider. We have a strong commitment to ESG and to pursue industry leadership in reducing our environmental footprint. We have modern assets that employ technology to mitigate and/or eliminate the incidences of leaks and environmental hazards. Additionally, the close cooperation we enjoy with our upstream and downstream customers improves productivity, and enhances operational performance and reduces the potential need for operational flaring.

**As someone who has been on the Board since Kinetik was EagleClaw Midstream, what achievements are you most proud of on an ESG front?**



**Joe Payne, Director:**

I am proud of the company for setting the bar for its peers on actions such as sourcing renewable electricity for operations and issuing sustainability-linked bonds. It shows me that Kinetik is not afraid to be a leader when it comes to ESG.



“ Our customers clearly expect solid performance from Kinetik, and that includes **improving safety, reducing emissions, and protecting communities and the environment.** ”

**Anne Psencik**  
Chief Strategy Officer

## About This Report

This 2021 ESG report, published in July 2022, is our first ESG report as Kinetik Holdings but the second related to the operations of the former EagleClaw Midstream, which was published in June 2021.

Data included in the report is for the calendar year that ended December 31, 2021, and it contains some forward-looking information. This report is not externally assured.

On October 21, 2021, Altus Midstream and EagleClaw Midstream (BCP Raptor) announced an all-stock business combination, and on February 22, 2022, the transaction was finalized and Kinetik was created.

Where possible, we have provided historical information on the combined entity of legacy Altus Midstream and EagleClaw Midstream, which in the text we refer to as the pro forma company. We include explanations denoting where the data reflects only EagleClaw Midstream. Some information has also been restated from last year's report to reflect performance of the combined entity.







## About Kinetik

Kinetik, created in February 2022, is the largest and fastest growing vertically integrated midstream services provider in the Delaware Basin.

We are headquartered in Midland, Texas. We provide the gathering, compression, processing, transportation, and water management services required to bring natural gas, natural gas liquids and crude oil to market and are dedicated to providing the best service and netback for our customers. At Kinetik, we live by the following values:

“The name, Kinetik, is exactly how we see ourselves. **We are energy for change.**”

**Jamie Welch**  
President and CEO



**Customer first approach:** We maintain a culture of success that is centered on a “customer first” approach to everything we do. We develop relationships that make a positive difference in the lives of our customers.



**Our people are our greatest asset:** We demonstrate this through rewarding their performance and encouraging their professional growth.



**We have high standards:** We hold our employees to the highest standards of safety, performance, and integrity.



**We believe in open and transparent communications:** We are direct, open, and professional in our communications with all stakeholders.



**We are good stewards of the environment:** We follow applicable regulations and requirements and seek to be a model corporate citizen.



**We are a good neighbor:** We live and work in the communities where we operate, and we strive to be a consistent, positive force in the present and future.



**We believe in great teamwork:** We work together across boundaries to meet the needs of our customers and to help our company succeed.



## Quick Facts

Here are a few facts about Kinetik to provide further context on our business.

### THE LARGEST INTEGRATED MIDSTREAM COMPANY IN THE DELAWARE BASIN

OFFICES IN MIDLAND AND HOUSTON, TX

OPERATES 4 MAJOR COMPLEXES  
& OVER 1,700 MILES OF PIPELINE  
ACROSS FIVE COUNTIES IN TEXAS

SERVES NEARLY  
**850,000**  
DEDICATED ACRES FOR ABOUT 30 CUSTOMERS

MAINTAINS OVER  
**470,000**  
HORSEPOWER OF GAS COMPRESSION CAPACITY

MANAGES OVER  
**500,000+**  
BARRELS/DAY OF WATER INJECTION CAPACITY

HAS A CAPACITY OF  
**90,000**  
BARRELS OF CRUDE STORAGE CAPACITY

**NEARLY 2,000 MILES**  
OF GAS & NGL PIPELINES<sup>(1)</sup>

EQUITY INTERESTS IN  
LONG-HAUL TAKEAWAY:

**53%** **16%**  
OF PHP OF GCX

**33%** **15%**  
OF SHIN OAK OF EPIC CRUDE

POTENTIAL FOR DROPDOWN  
**25% OF GRAND PRIX**

OUR CUSTOMERS INCLUDE  
SUPERMAJORS, LARGE INDEPENDENTS AND  
SMALLER UPSTREAM OIL AND GAS COMPANIES

<sup>(1)</sup> Includes proportionate mileage of joint venture pipelines.

The 400 miles of crude and water pipelines include the proportionate mileage of joint venture pipelines.

PHP is the Permian Highway Pipeline. GCX is the Gulf Coast Express Pipeline. MBPD is thousands of barrels per day. BCFPD is billion cubic feet per day.

EMPLOYS A WORKFORCE OF  
**OVER 260**  
EMPLOYEES

OWNS NEARLY  
**400 MILES<sup>(1)</sup>**  
OF CRUDE & WATER PIPELINES

INTERESTS IN  
**4.7 BCFPD**  
OF RESIDUE GAS TAKEAWAY

INTERESTS IN  
**550 MBPD**  
OF CRUDE

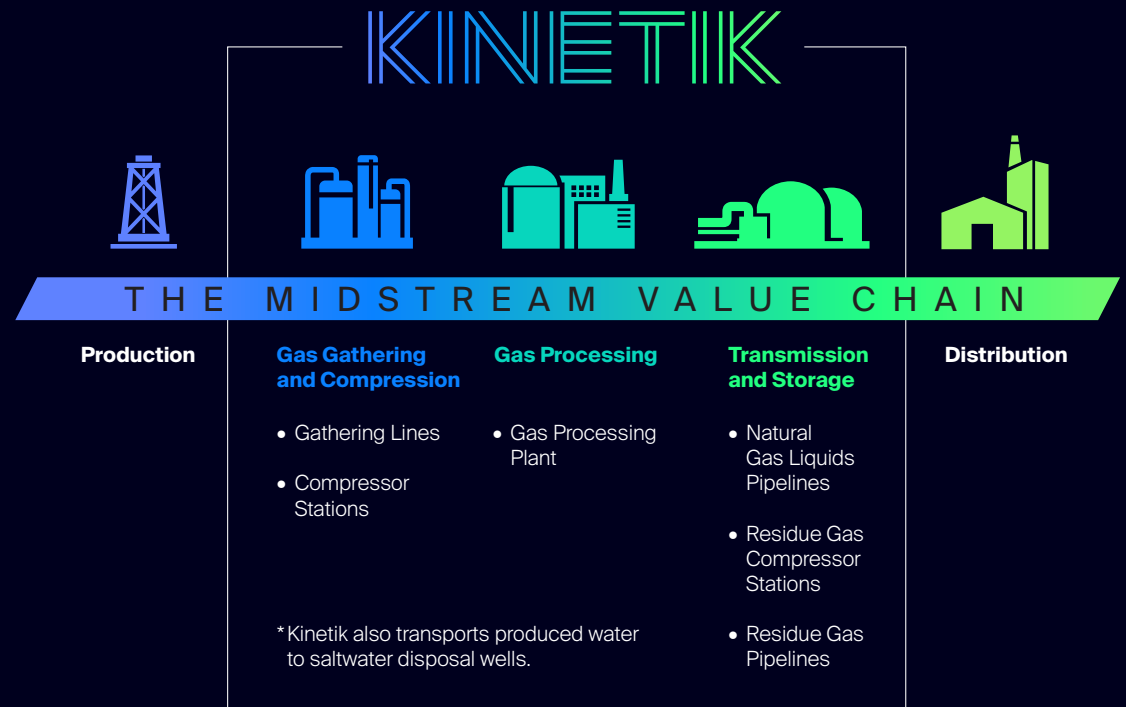
**OVER 2.0 BCFPD**  
OF PROCESSING CAPACITY

Approximately 60% of our business is natural gas gathering and processing, 5% is crude gathering and water disposal, and 35% is pipeline long-haul transportation.

## Our Value Chain

Kinetik delivers the energy that people need to live their lives. We work with our producer customers to gather and process natural gas and oil products and deliver them for a range of uses—powering industrial operations, providing heat and cooling for homes and businesses, and generating electricity to power homes and organizations of all types.

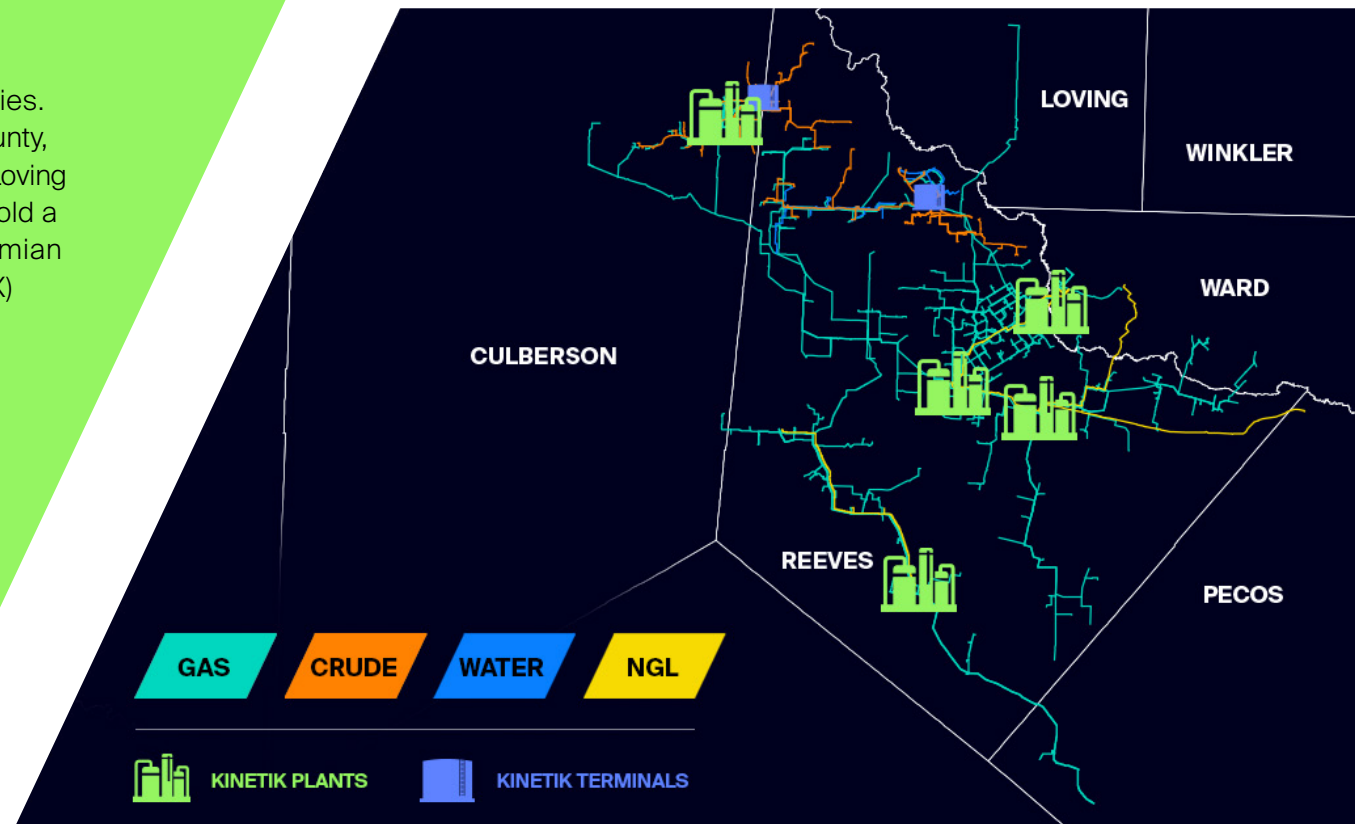
- » Our upstream customers are in the business of exploration and production, which includes drilling and extraction.
- » We are involved with gathering, compressing, and processing gas, as well as transporting natural gas liquids, residue gas, produced water, and crude.
- » We then provide natural gas liquids, residue gas, and crude to the downstream components of the value chain, who are responsible for distribution of these products.





## Our Operations

Kinetik operates in West Texas, across five counties. The majority of our assets are located in Reeves County, and we also have a presence in Culberson County, Loving County, Ward County, and Pecos County. We also hold a stake in several other pipelines, including the Permian Highway Pipeline (PHP), Gulf Coast Express (GCX) Pipeline, Shin Oak Pipeline, and EPIC Crude.





## Materiality Analysis

Kinetik conducted a materiality analysis to define and prioritize key environmental, social, economic, and governance impacts, which are the foundation of our ESG strategy and report.

We conducted desk research, including a media scan, and reviewed internal documentation, industry briefs, nongovernmental organization (NGO) reports, and ESG reports to identify material topics and to benchmark performance against our peers.

We also interviewed almost 30 internal and external stakeholders, including members of our Board of Directors, Executive Steering Committee, ESG Working Committee, and other internal subject matter experts. We also spoke with trade associations and non profits, landowners, suppliers and contractors, customers, and investors to better understand the topics that we should focus our activity on.

“ It is encouraging to see alignment in what our company, stakeholders and the community view as the most material aspects of our business.

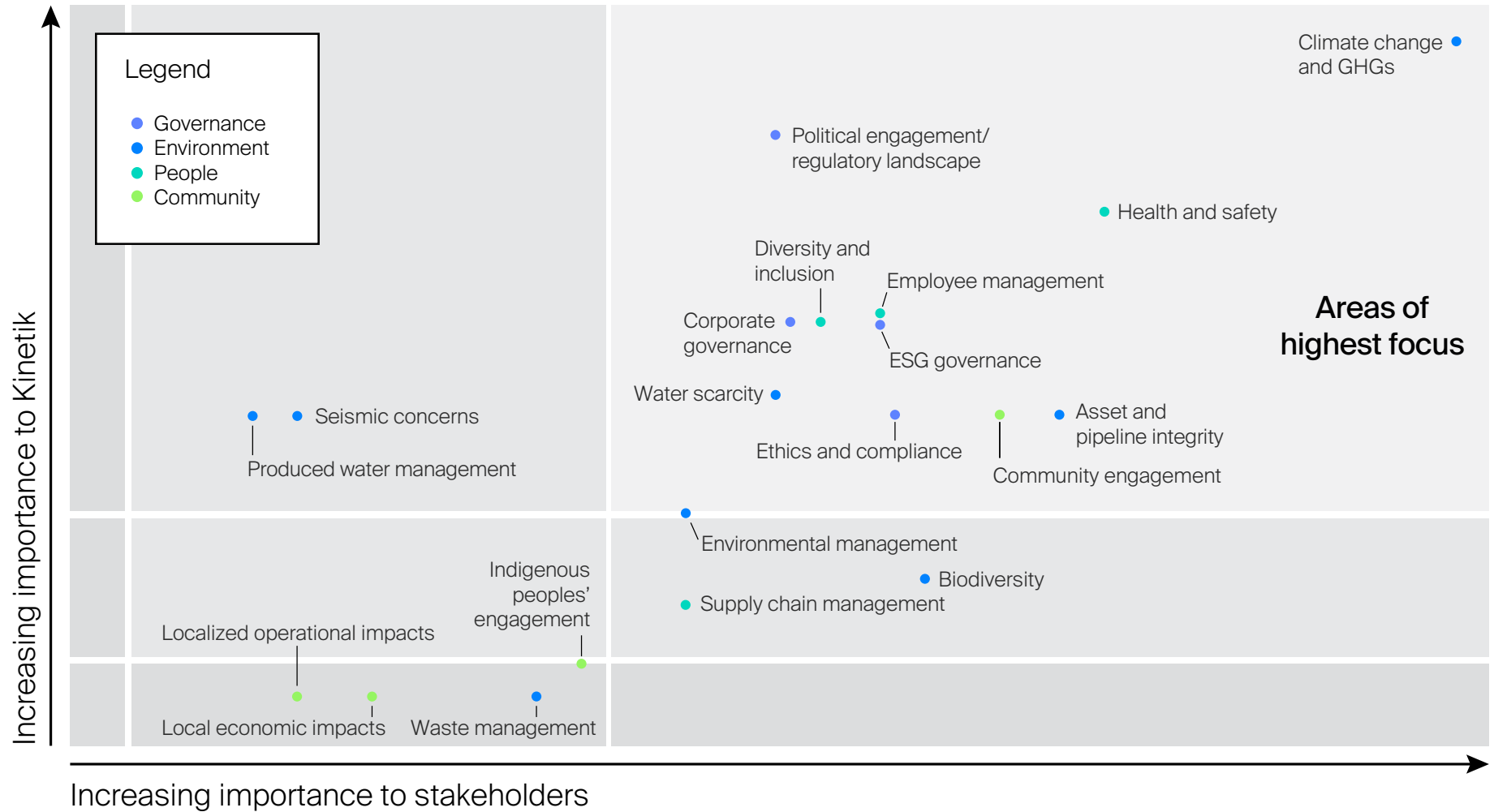
To ensure we deliver solid performance in these areas, it is crucial to have established processes, operating discipline, and adequate funding. Over the last several years, we have worked hard to standardize operational and reporting procedures, and we have invested in staffing levels as well as the training and development of our personnel. We have also significantly increased spend in pipeline integrity management, leak detection and repair, and enhanced emission control devices. To have the full support of our Board and a strong commitment from our Management Team and employees has been critical to our successes so far and will continue to be necessary for our continual improvement.”

**Matt Wall**

Chief Operating Officer







Many of the issues remain consistent to last year's EagleClaw Midstream materiality analysis. There continues to be a strong emphasis on climate change emissions and health and safety. Issues such as diversity and inclusion, water scarcity, and seismic concerns are becoming of greater concern. The materiality analysis was reviewed by the Board of Directors, Executive Steering Committee, and ESG Working Committee to validate the priority of the issues.



# Governance

Ethics, responsibility, and integrity are the foundation of who we are at Kinetik. This section provides further detail on how we govern our company and how we embed our environmental, social, and governance (ESG) strategy.

**Jump To:**

- > [Corporate Governance](#)
- > [Ethics and Compliance](#)
- > [ESG Governance](#)
- > [Stakeholder Engagement](#)
- > [Memberships and Awards](#)





## Corporate Governance

At Kinetik, strong corporate governance is essential to how we achieve our short, and long-term objectives. Our President and Chief Executive Officer, Jamie Welch, along with the Management Team, is responsible for operating the company, with the oversight of our Board of Directors.

We have an Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee, the latter of which has responsibility for ESG at Kinetik.

When shifting from a private to a public company, Kinetik's Board has expanded to include more independent members and greater diversity. Kinetik's Board of Directors is made up of 11 members: 36% are independent, and 27% are women. Currently 9% belong to a minority community.

### Enterprise Risk Management

Kinetik has developed an Enterprise Risk Management program across all functional areas and mechanisms for

identifying, prioritizing, and mitigating risks. We evaluate risks across the enterprise on a regular basis, examining the potential impact to our operating flexibility, along with the financial and reputational impact of such risks. Our leaders rely upon their own teams for input as well as an understanding of the external environment. Based upon this assessment, we prioritize and take action.

Key risks include those related to operations, customers, infrastructure, volume and processing, capital expenditures, financial condition, regulatory risk, emergency events, climate change, human capital, reputational risk, and information technology and cybersecurity. The company has defined tools, teams and

processes to mitigate and manage these risks, informing our business strategy and preparing for events that could interfere with the organization's operations and objectives in the short, medium and long term.

Our Audit Committee at the Board of Directors has ultimate oversight over the Enterprise Risk Management process, providing ongoing assessments of the company's risk management processes and system of internal control. Our Executive Vice President, Chief Administrative Officer, and Chief Accounting Officer has functional oversight of the Enterprise Risk function.

**For more information on corporate governance, please visit the following pages on our website:**



Ethics Hotline



Governance  
Committee Charters  
and Code of Conduct



Committee Composition



SEC Filings



GRI Content Index

### Cybersecurity

As a company that manages critical infrastructure for the energy sector, cybersecurity is of great concern to our organization, and we aim to protect our systems, networks, and programs from digital attacks.

We adhere to external cybersecurity standards, such as National Institute of Standards and Technology (NIST) and ISO frameworks, along with Sarbanes-Oxley (SOX) controls in our accounting system. We have multifactor authentication for all users, a 180-day password change

policy, separation of duties in accounting systems, controlled access to network drives endpoint protection, mobile device management, device encryption, and ongoing monitoring of threats. All of our plant sites have devices that help control third-party access to our plant systems and also provide 24/7 monitoring of our infrastructure.

We also have mandatory training for our employees on Security Awareness twice a year, using a library of cybersecurity training modules. We conduct internal

penetration testing at the user level, which includes sending out a phishing test to all users. We keep all our employees updated on cybersecurity news regularly, since it can affect the company and employees' personal device usage. Lastly, we have ongoing cybersecurity testing. In addition to internal network penetration testing, we will also be conducting cloud environment and external penetration testing, all of which are critical in making sure our hybrid environment is strong enough to mitigate any cyber-attack exposures.

As a company that **manages critical infrastructure for the energy sector**, cybersecurity is of great concern to our organization.





## Ethics and Compliance

Kinetik believes that its employees, officers, directors, and contractors should conduct business with integrity and in compliance with all applicable laws, regulations, and government requirements.

Our [Code of Business Conduct](#) outlines the requirements that all our employees and contractors must follow to conduct business fairly and ethically. Suppliers have a separate Code of Conduct that they must adhere to in order to do business with us. In 2021, all of our Board members and employees signed off on the Code of Business Conduct.

The Audit Committee is responsible for managing business ethics issues, and our General Counsel and Chief Compliance Officer has day-to-day responsibilities for ethics and compliance. We also recognize the importance of receiving, retaining, and addressing concerns from our directors, officers, employees, and other stakeholders of the company seriously and expeditiously. We have a Whistleblower policy that outlines how the company addresses potential noncompliance with prevailing accounting and auditing standards, Insider Trading Policy and other policies. We use a confidential third-party Ethics Hotline and a [web-based message interface](#) to enable anyone to report concerns. In 2021, there were no critical concerns that were communicated to the EagleClaw Midstream Board.

Compliance training is part of a suite of mandatory training for all employees and Board members to take annually, on topics including anti-bribery, discrimination, and sexual assault. In 2021, all of EagleClaw Midstream's Board members and employees took the training. There were no incidents of noncompliance with laws or regulations, no incidents of anti-competitive behavior, and no incidents of corruption where EagleClaw Midstream employees were dismissed or disciplined in 2021.

### Political engagement

With rapidly shifting energy policy at the federal, state, and local levels, it is important that we stay abreast of the latest developments, provide feedback on pending legislation, and provide transparency to stakeholders on our positions.

We engage with local and state political leaders, policymakers, and regulators via our industry associations, where some of our employees serve on technical committees. Please see the [Memberships and Awards](#) section for

more details on our industry association memberships, and [Stakeholder Engagement](#) for details on how and on which topics we engage with industry associations.

In our Stakeholder Engagement policy, we prohibit corporate Political Action Committees, and as a company, we do not make any monetary contributions to political parties or political candidates.







## ESG Governance

Our ESG program is built on the four pillars of People, Priorities, Purpose, and Performance. Underpinning our ESG program is our ESG Policy, which identifies long-term objectives that we use to guide our business operations. This policy includes further details on governance and how we embed ESG within our organization, including in our interactions with employees and stakeholders.

### » PEOPLE

Building strong relationships inside and outside of our company

### » PRIORITIES

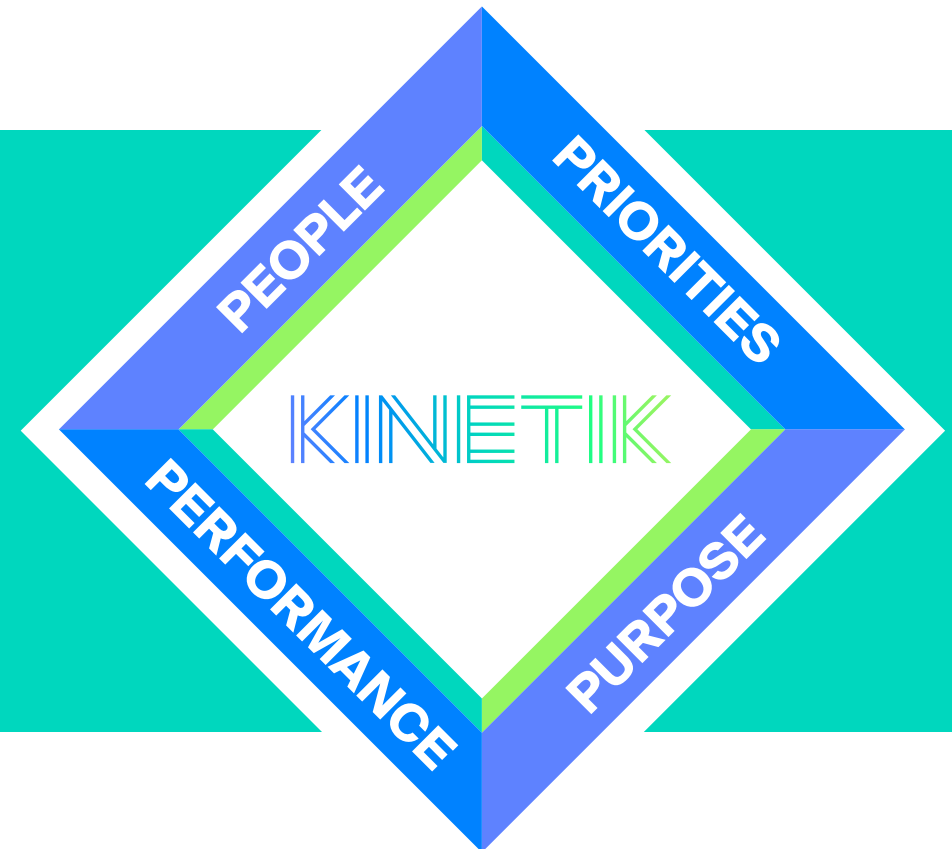
Keeping ourselves focused on improving our environment, safety and results

### » PURPOSE

Playing our role in helping to address and stem the impacts of climate change for generations to come

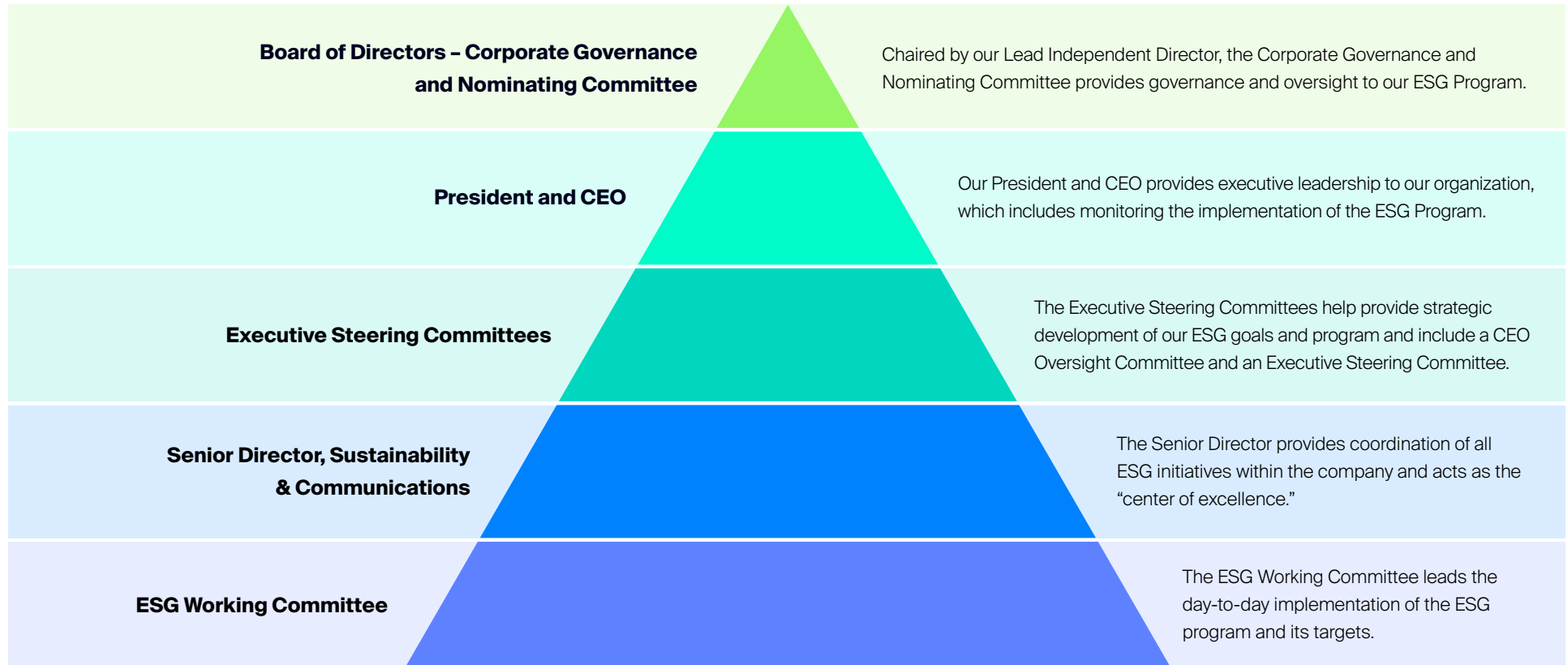
### » PERFORMANCE

Consistently achieving our own objectives as they relate to financial, environmental/safety, and social goals we set and reporting on our performance in alignment with applicable frameworks (GRI, SASB, ONE Future)



## ESG Governance Structure

We embed ESG by ensuring we have ownership and accountability at all levels.



### ESG-linked Remuneration

In 2021, we started to tie bonuses to ESG goals. In 2022, all salaried employees, including executives, have 20% of their at-risk pay tied to the achievement of specific ESG goals related to methane emissions, health and safety, and diversity. The Corporate Governance and Compensation committees determine the specific parameters of the metrics.



## Stakeholder Engagement

Our success is predicated on open dialogue with our stakeholders. We aim to find common ground in pragmatic solutions that are rooted in safety and sustainability.

Stakeholder group	How we engage		Which topics we engage on
<b>Employees</b>	<ul style="list-style-type: none"> <li>&gt; Town hall meetings</li> <li>&gt; Virtual communications</li> <li>&gt; Direct meetings (1:1 and team meetings)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Experience surveys</li> <li>&gt; Training and development</li> <li>&gt; Kinetik Employee Engagement Program (KEEP)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Employee engagement and performance</li> <li>&gt; Environmental, health and safety issues</li> <li>&gt; Business performance</li> </ul>
<b>Local and State government officials and regulators</b>	We engage with local elected officials to provide operational updates and solicit feedback regarding current community issues and priorities and to provide input about regulations relevant to our business. We frequently invite local officials to plant tours and community events.		<ul style="list-style-type: none"> <li>&gt; Permits</li> <li>&gt; Local issues and concerns</li> <li>&gt; Regulations</li> <li>&gt; Road safety</li> <li>&gt; Asset and pipeline integrity</li> <li>&gt; Seismicity</li> </ul>
<b>Industry and trade associations</b>	We actively participate at the board and committee levels of industry groups and trade associations to contribute to the development and deployment of best practices and to learn about and share issues of concern for new regulations.		<ul style="list-style-type: none"> <li>&gt; Occupational health and safety</li> <li>&gt; Climate change</li> <li>&gt; Critical infrastructure</li> <li>&gt; Asset and pipeline integrity</li> <li>&gt; Produced water management</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>&gt; Direct meetings</li> <li>&gt; Virtual communications</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Asset and pipeline integrity</li> <li>&gt; Environmental compliance</li> <li>&gt; Climate change</li> <li>&gt; Status of applicable projects</li> <li>&gt; Operational performance</li> </ul>
<b>Community Leaders, including Nongovernmental Organizations, Charities, and Business Community</b>	<ul style="list-style-type: none"> <li>&gt; Community events</li> <li>&gt; Invitations to new facilities/tours</li> <li>&gt; Donations and Sponsorships</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Partnerships</li> <li>&gt; Employee volunteerism</li> </ul>	Community donations and volunteering towards causes such as food insecurity
<b>Investors</b>	<ul style="list-style-type: none"> <li>&gt; Frequent meetings on performance</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Corporate governance</li> <li>&gt; Financial performance</li> <li>&gt; ESG matters – health and safety, environment, etc.</li> </ul>
<b>Landowners</b>	<ul style="list-style-type: none"> <li>&gt; Hotline calls</li> <li>&gt; In person engagement</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Right of way</li> <li>&gt; Pipeline maintenance</li> <li>&gt; Other land matters</li> </ul>
<b>Emergency responders</b>	<ul style="list-style-type: none"> <li>&gt; Direct engagement</li> <li>&gt; Fundraising</li> </ul>		<ul style="list-style-type: none"> <li>&gt; Health and safety</li> <li>&gt; Driver safety</li> <li>&gt; Community engagement</li> </ul>





## Memberships and Awards

Kinetik is an active member of several organizations and, in 2021, was recognized by ALLY. We are members of a number of national, state, and local initiatives. Please see [our website](#) for more details on these organizations.



In 2021, Jamie Welch, President and CEO of EagleClaw Midstream, received special recognition from ALLY to win an Executive Award for his leadership during the global pandemic, and he won an ALLY Team Award for his role in establishing the company's carbon reduction plan as part of its net zero greenhouse gas emissions by 2050 plan.



Kinetik was recognized by GPA Midstream with a Perfect Record Award. This award acknowledges that we had no lost time incidents in 2021.





## Q&A with Trevor Howard

Vice President, Finance

To both access capital and further emphasize our commitment to our ESG goals, in 2022 we issued a sustainability-linked bond. Our VP of Finance, Trevor Howard, provides more details on the issuance of the bond and on our sustainability-linked financing framework.

### **What is a sustainability-linked bond?**

A sustainability-linked bond (SLB) is a type of debt instrument for which the financial characteristics can vary depending on whether we, the issuer, achieve our predefined ESG objectives. The proceeds of SLBs carry no restrictions and, therefore, can be used for general corporate purposes. An SLB's sustainability performance targets (SPTs), which negatively impact the issuer if not achieved, are designed to be ambitious and promote positive forward-looking ESG outcomes. In the case with our inaugural sustainability-linked bond, our interest expense could increase by \$2.5 million, annually, if our SPTs are not achieved.



As an issuer of an SLB, we are also required to publish a [Sustainability-Linked Financing Framework](#), which outlines our ESG strategy and performance targets. SLBs provide issuers with unique access to ESG-focused pools of capital, thereby improving the reach of potential lenders. Expanding our investor base and increasing the appeal of our debt security incentivizes us to improve on our ESG performance beyond the status quo, devoting the financial and human capital investment required to meet ambitious targets.

**How does the sustainability-linked bond tie to Kinetik's other financings?**

Our SLB applies to our 8-year senior unsecured notes maturing in June 2030. In addition to our SLB, we also have \$3.25 billion of sustainability-linked loans and commitments with our bank lender group.

**100% of Kinetik's total debt capital and commitments are sustainability-linked**, which we're proud to say is the only case in our industry.

**What criteria/outcomes does it include and why were those important?**

We tied our SLB to three key performance indicators and sustainability performance targets. The first two are environmental KPIs: a 35% reduction to Kinetik's greenhouse gas emissions intensity ratio and a 30% reduction to Kinetik's methane emissions intensity ratio from 2021 baseline levels by 2030. The third is a social KPI based on our female participation rate amongst our company's executives. Seven percent of Kinetik's leaders are women, and we aim to increase this figure to 20% by year-end 2026—above our industry peer average of 17%.

**Not many in midstream have implemented any sustainability-linked financing. Why was this important for Kinetik at this time?**

Our Board, management, and employees understand the importance of challenging ourselves and improving the impact of our operations to all stakeholders, including the environment and the communities in which we operate. Our SLB and Framework puts us on the right track for continuous improvement in our ESG performance and objectives, while providing the market with information transparency and management accountability. Today's actions have long-term implications, and as an operator of critical infrastructure within the energy sector, we have the opportunity to make a meaningful difference. By being just the second gas midstream company to execute an SLB, we are trying to lead by example.







# Our Environment

Kinetik is committed to being a good steward of the environment everywhere we operate. Our primary focus is on emissions, air quality, and land use/disturbances in and around our pipelines and processing facilities. We are focused on complying with all regulations, efficiently using natural resources, and reducing our emissions as much as possible, with an ambition to be net zero no later than 2050.

**Jump To:**

- > [Our Approach to Environmental Management](#)
- > [Climate Change](#)
- > [Asset and Pipeline Integrity](#)
- > [Biodiversity](#)
- > [Responsible Water Management](#)
- > [Seismic Activity](#)
- > [Waste](#)



## Our Approach to Environmental Management

As an energy company in an increasingly resource-constrained world, Kinetik aims to be a responsible operator and good neighbor. We continuously seek new and innovative ways to use natural resources efficiently and protect the environment.

### Environmental Management Systems

We have an Environmental, Health and Safety (EHS) management system which focuses on continuous improvement and aligns with API RP 1173 – Pipeline Safety Management Systems and ISO 14001:2015-Environmental Management Systems. At a minimum, we comply with all relevant local, state, and federal regulations, and we proactively review, monitor, and address environmental impacts associated with our operations. We pay close attention to stakeholder issues and expectations and look for ways to embed innovative ways to operate our facilities in an environmentally responsible manner. We keep records of all incidents and determine root causes to implement corrective actions and continuously upgrade our performance.

### Management Structure

Our Vice President of Environmental, Health and Safety leads a team of four full-time employees whose positions are solely dedicated to the support of our environmental programs and performance. We also have third party environmental experts who provide ongoing support and expertise.

Our ongoing environmental goals include:

- > Zero fines – Operate without any fines or similar types of penalties from our regulatory agencies
- > Continuously reduce the number of agency reportable loss of primary containment or releases compared to the prior year
- > Extensively train all operations employees on our EHS management system, with a focus on Leak Detection and Repair (LDAR) and environmental control devices
- > Continuously reduce our methane intensity compared to prior years

We also have specific time-bound targets we have built for climate change (please see [p. 26](#) for further details).

### Environmental Fines

In 2021, we did not incur any environmental fines.



**ZERO  
ENVIRONMENTAL  
FINES IN 2020  
AND 2021**

Note: Data is for the proforma EagleClaw Midstream and Altus Midstream organizations.



## We have undertaken many initiatives to meet our carbon reduction targets.

These include reducing leaks, electrifying our assets, sourcing renewable energy, and industry collaboration.

## Climate Change

Kinetik plays an important role in delivering the energy people need by processing, gathering, and transporting oil and gas products. Yet, we recognize our responsibility to reduce our emissions and have an ambition to achieve net zero emissions from our operations no later than 2050.

### Our Approach

As an operator of pipelines and processing facilities, our direct GHG emissions are primarily generated by combusting natural gas to operate compressor engines and process heaters, by fugitive emissions, as well as from our fleet of over 200 internal combustion engine vehicles. Additionally, we transport molecules for our customers – in many cases, we help them avoid venting and flaring, which can release methane into the atmosphere. We will only vent or flare in unusual circumstances to protect our people and to avoid system damage.

### Our Targets

In 2021, we set targets to meet our ambition of net zero emissions no later than 2050, some of which are tied to our [sustainability-linked](#) bond ([see p. 22](#)). They include:

- > By 2025, achieve single-digit percentage reductions in our absolute carbon emissions level compared to our 2020 base year
- > By 2030, achieve a 35% reduction to our GHG emissions intensity ratio from a 2021 base year
- > By 2030, achieve a 30% reduction to our methane emissions intensity ratio from a 2021 base year
- > Starting in 2021, source 100% of our operational energy from renewable sources on an ongoing basis



### Reducing Leaks

Methane is a potent GHG, with 25 times more heat trapping ability than carbon dioxide in the atmosphere. This is why we focus on ensuring that any natural gas that we transport stays in our system. We use a combination of constant and intermittent monitoring to reduce leaks, including:

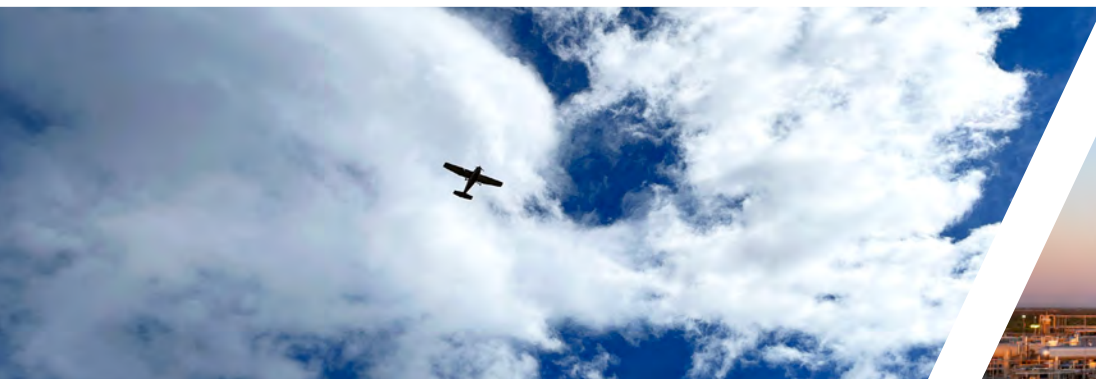
- > Pressurized trucks: We use pressurized tanker trucks to haul plant condensate. These trucks prevent the potential loss of vapors during transit, reducing overall GHG emissions.
- > Storage tank emission control devices: Federal and state air quality permitting regulations require storage tank emission control devices on storage tanks with the potential to emit over 6 tons per year of Volatile Organic Compounds (VOCs) in order to prevent fugitive or unplanned emissions. We have devices deployed on all storage tanks that fit this criteria.
- > Leak Detection and Repair (LDAR): To ensure the integrity and operational efficiency of all our assets, we perform leak detection surveys through a third party on a regular basis. We monitor and repair

leaks, track and investigate incidents to determine root causes, and undertake corrective actions where needed.

- > Optical Gas Imaging (OGI) cameras: We use OGI to detect leaks through infrared energy, and this has allowed us to expand our preventative maintenance program. While we have one mobile camera, in 2021, we deployed a dedicated camera for constant monitoring at our Pecos Bend processing facility and another at one of our compressor stations in Q1 2022.
- > Flyovers: We participate in industry flyovers with an infrared imaging spectrometer to characterize emission sources and determine any areas for remediation and repair. In 2021, we participated in two flyovers and in 2022, with the help of Bridger Photonics, we will continue to conduct these inspections quarterly for our facilities and natural gas liquids (NGL) pipelines. These are in addition to our bi weekly aerial patrols, where we examine our regulated pipelines in order to verify that the pipes are not leaking and that there are no unauthorized excavations near our facilities.

In addition, our operators and field-based employees receive comprehensive environmental training annually to help them understand and reduce emissions sources. In 2021, they received training on updates to our EHS policy, LDAR, gas releases and liquid spill containment, control devices, engine catalysts, the permitting process, and emissions events. In an employee survey conducted in 2021, 97% of employees stated that their supervisor reinforces the importance of avoiding leaks and spills at EagleClaw, 93% state that they know where policies and procedures are located regarding environmental compliance, 91% stated that they had all the tool and resources needed to make sure that EagleClaw doesn't have leaks or spills, and 92% agreed that EagleClaw was committed to reducing flaring and venting.

Lastly, we work with our compression vendors so that they also are accountable for reducing methane leaks.



### Electrification and Renewable Energy

We are electrifying various parts of our operations to reduce our direct emissions.

Instead of using natural gas powered equipment, we have been investing in energy efficient equipment, including electric pumps and electric drive gas and refrigeration compressors.

In the middle of 2021, we were the first major gathering and processing company in the Permian Basin to announce our commitment to source renewable energy for 100% of the electricity used in our operations. In calendar year 2021, 49% of our energy came from renewable energy sources, including wind and solar, from Texas. This number was lower than 100% due to the timing of the announcement and the addition of facilities from the merger with Altus Midstream. We expect that for 2022 we will be able to meet the 100% target.

Lastly, to reduce emissions from our fleet, which is currently made up of 209 vehicles, we have initially ordered 50 Ford F-150 Lightning electric trucks to replace

internal combustion engine vehicles reaching end of life. These should be in service over the next few years, and in the meantime, we are working with local partners to ensure that the infrastructure will be available for electric vehicles. We believe that this demonstrates our commitment to further reductions in our direct emissions.

### Collaboration

We also recognize that we cannot tackle climate change alone. We participate in industry initiatives such as:

- > ONE Future, a group of companies with operations across the natural gas value chain who are working together to voluntarily reduce methane emissions to less than 1% across the natural gas value chain. We report methane emissions as part of the initiative's annual report, and in 2020, members were 99.58% efficient in delivering a molecule of gas from the rig to the burner tip. Through ONE Future, we are also paying close attention to the work of Project Veritas, which aims to create a consistent, credible, verifiable, and transparent methodology for assessing the effectiveness of technologies and practices in

reducing methane emissions. In particular, the Measurement Protocol seeks to improve methane measurement and reduction by comparing a top down measurement and direct measurement on the ground of methane emissions.

- > The Environmental Partnership, where we share information and analyze best practices and technological breakthroughs to help improve our understanding of emissions and how best to reduce them. In 2021, the Partnership also conducted a set of flyovers in which we provided our data to them for industry benchmarks.
- > GPA Midstream Association, where we participate in multiple industry issue committees and also report to the industry's ESG reporting template.

We are also paying close attention to rapid innovations in emissions reduction technologies, including carbon capture and storage, and are considering where we can deploy them to further mitigate our impact.



We are electrifying various parts of our operations to **reduce our direct emissions.**

## Our Performance

Between 2020 and 2021, for the proforma company, we increased our use of renewable energy to 49% of our total direct operations. Additionally, we reduced our Scope 1 and 2 emissions by 16% between 2020 and 2021.

In 2021, we increased our energy usage due to our Diamond Cryo Plant migrating from generator power to grid power. We also experienced a 6% increase in methane emissions for two reasons. One reason was outages at our EagleClaw Midstream gas processing facilities caused by quality issues from gas received from our upstream customers. As part of these outages, we had to de-inventory facilities, which involved flaring gas that we do not typically flare during normal operations. In addition, Altus made a one-time transition related to the fuel source for gathering and boosting compression. They shut-in their decentralized mechanical refrigeration units in the field as they transitioned their field stations to compressor stations.

We have communicated requirements to customers and are implementing best practices from the legacy Altus Midstream for reducing emissions from blowdowns. We are training our team on these techniques.

Total Carbon Dioxide Equivalent (CO <sub>2</sub> e) Emissions								
	Carbon Dioxide		Methane		Nitrous Oxide		Total	
	2020	2021	2020	2021	2020	2021	2020	2021
<b>Scope 1 Totals</b>	2,024,448	1,722,663	83,886	87,706	1,049	935	2,109,383	1,811,304
<b>Scope 2 Totals</b>	146,065	88,901	253	146	23,898	15,248	170,216	104,295
<b>Scope 1 and 2 GHG Emissions</b>	2,170,513	1,811,564	84,139	87,852	24,947	16,183	2,279,599	1,915,599

The amounts given above are for the proforma organization of EagleClaw Midstream and Altus Midstream. Compared to the 2020 EagleClaw report, calculation improvements were made to Scope 2 emissions, and adjustments were made to carbon dioxide and methane carbon dioxide equivalent due to an adjustment in the calculation for Processing – Flare Stacks. Scope 1 and 2 emissions were calculated using EPA GHGRP (Subpart C and Subpart W spreadsheets), ERCOT formula for Scope 2, plus information collected from company vehicles.

Energy Use Megawatt Hours		
	2020	2021
<b>Total Energy Use</b>	353,284	393,070
<b>% Renewable Energy</b>	0%	49%
Facilities Emissions Reported to the EPA (metric tons of CO <sub>2</sub> e)		
<b>Total Carbon dioxide equivalent (CO<sub>2</sub>e) Emissions - Facilities Emissions</b>	2,106,671	1,808,815
<b>Methane CO<sub>2</sub>e Emissions</b>	83,881	87,702
<b>Methane Intensity</b>	0.041%	0.045%
<b>% Methane in Total Greenhouse Gas</b>	4%	5%

The amounts given above are for the proforma organization of EagleClaw Midstream and Altus Midstream. Emissions were calculated using EPA GHGRP (Subpart C and Subpart W spreadsheets). It includes Scope 1 emissions minus vehicular emissions.

Air Emissions		
	2020	2021
<b>Nitrogen Oxides (NO<sub>x</sub>) (excluding nitrous oxide (N<sub>2</sub>O))</b>	4,029	3,896
<b>Sulfur Oxides (SO<sub>x</sub>)</b>	718	718
<b>Volatile Organic Compounds (VOCs)</b>	3,663	3,612
<b>Particulate matter (PM)</b>	220	219

Note: The information we have for air emissions represents the permit limit level of air emissions for NO<sub>x</sub>, SO<sub>x</sub>, VOCs and PM. In 2023, we are implementing a systemwide emissions inventory program with greenhouse gases and a full pollutant emissions inventory. Ozone depleting substances are not relevant to our business.



A portrait of Anne Psencik, Chief Strategy Officer, smiling and sitting at a table. She is wearing a colorful, textured sleeveless top and a watch. The background is blurred, showing an office setting.

## Q&A with Anne Psencik

Chief Strategy Officer

### A View on Climate Risks and Opportunities

Anne Psencik, our Chief Strategy Officer, provides a view on the risks and opportunities that Kinetik sees during the energy transition.

**To start, what do you see as the major climate risks and opportunities facing Kinetik?**

Climate change is an important issue for us. The energy industry is in transition, and we know that we're operating in a carbon-constrained world. Many reports, including the report released by the International Energy Agency last year, allude to the need to achieve net zero emissions by 2050 at the latest.

Yet, we believe that fossil fuels and their derivatives will continue to be an important part of the global energy picture for decades in the energy transition. Over this time frame, we see several transition risks, including:

- > **Policy and legal risks** arising from a shift to a lower carbon energy system, including changing stances on drilling, pipeline construction and operation, methane intensity measurement, climate-related legislation, and a host of other federal and state policies. We stay abreast of new developments, working in close coordination and communication with trade groups, industry associations, and regulators to arrive at reasonable solutions that address issues for emissions reduction.
- > **Technology risks**, including the consumer shift to electrification for vehicles and infrastructure, will have an effect on the demand for products we gather, process, and transport. We are making changes to our own infrastructure, such as increasing acceleration toward electrification in our operations where we have a practical and safe alternative. This started with our compressors and will move to our fleet in the future.
- > **Market risk**, we believe that tying ESG performance and transparency to how we operate will be essential in attracting and maintaining investment. Issuing our own sustainability-linked bond, tied to emissions reductions and increasing diversity in our leadership team, which in turn improves our decision making, is essential for maintaining access to capital.
- > **Reputation risks** will be mitigated through maintaining our license to operate. Open dialogue and education of key stakeholders on our efforts to measure and reduce emissions is a key focus of our company because we strive to protect the environment and improve the safety of our employees and our stakeholders. Our performance will be proof of our commitment.





We also see physical risks from climate change. These include:

- > **Acute risks**, from extreme weather events such as Winter Storm Uri in 2021, means that we will need to continue to ensure that our people and our assets are resilient. As one of the only midstream companies to be operational during the storm, we continue to learn and adapt to maintain a constant state of readiness. Our strategy has been to diversify our downstream deliverability for all commodities to enable better reliability of our assets.
- > **Chronic risks**, such as longer or more intensive heat or cold waves, will mean that we need to adjust our procedures with training, new equipment, or other modifications, should such events become more commonplace.

As the global energy transition continues, we see opportunities for midstream. The U.S. Energy Information Administration (EIA) projects that by 2050, petroleum and other liquids will plateau, natural gas use will increase, driven by increased liquefied natural gas, global natural gas consumption, and pipeline exports to Mexico and Canada. In addition, we believe that that midstream will have a continued role in helping producers reduce the potential for flaring while delivering the energy the world needs to heat homes and run factories.

#### How does Kinetik integrate climate risks at the leadership level, with employees, customers, suppliers, policymakers, and investors?

During the regular meetings of the company's board and management teams, we discuss our financial goals, capital spending plan, merger & acquisition plans, and enterprise risk assessments, including progress

against our climate and other environmental, social and governance (ESG) targets, which we see as intertwined and connected. To mitigate reputational risk, the Board and Management Team have made strides in listening, consulting, and educating key stakeholders on our actions to protect the environment, reduce emissions, and improve safety.

Our customers clearly expect solid performance from Kinetik, and that includes improving safety, reducing emissions, and protecting communities and the environment. We believe that we have a credible and realistic program in place to deliver continuous improvement on these key issues. Feedback from our customers has been positive about our progress, and they tell us they expect to see us continuing to do even better. We align ourselves with joint venture partners who also adhere to strict, top tier emissions, and operating metrics.

We also see that employees expect us to perform well on safety and environmental metrics, since they want to work for a company that is committed to safety and sustainability. We believe it will pay off down the line as we aim to attract new employees.

Our suppliers and partners are doing even more to show us their sustainability commitment—proactively making suggestions in changes to reduce emissions and working lockstep with us and demonstrating that they're on board, as well.

With policymakers, we are staying close to discussions around how methane emissions regulations will be implemented as that has potential to change our investment level and operating approach.

We have sought to work closely with regulators and elected officials to better understand the ultimate objectives of new policy or regulation. We believe such open dialogue is key to ensuring the most effective policy solutions will be pursued, and we communicate what we see as the strong points of new regulation and any downsides.

We also make sure that regulators and legislators who follow Kinetik know about our investments in emissions reduction and monitoring and detection. We aim to make greater investments where we see gaps in our own emissions reduction activities.

While some investors perceive the energy industry to be an archaic or poor investment, we believe that the cycle is changing, since many are realizing the energy transition cannot occur overnight and the oil and gas sector's products are still needed, yet the industry also needs to ensure that it reduces emissions as much as possible. This is why we moved ahead with our sustainable financing initiative to demonstrate our resolve to responding to challenges to further reduce emissions.







## Asset and Pipeline Integrity

From initial construction through commissioning and operation, our assets and pipelines are included as part of an Asset Integrity Management Program, ensuring we construct, operate, and maintain safe and reliable equipment throughout the operational lifecycle.

### Construction

When we make plans to construct new or expand existing assets or facilities, we coordinate closely with regulatory representatives, permitting experts, and landowners. We account for the overall environmental footprint of a project throughout its lifecycle to identify, prioritize, and manage or mitigate potential impacts, including the following:

- > We conduct end-to-end environmental impact assessments (EIAs), paying particular attention to archaeological finds, sensitive habitats, conservation areas for threatened and endangered species, and areas with high biodiversity value through Geographic Information System (GIS) data.
- > We develop restoration and reclamation plans and strategies.
- > We maintain project-specific spill prevention and response procedures.
- > We work with landowners to determine pipeline routing that is optimal for all parties.

Our Operations and Construction Management teams work with our design contractors to ensure that our facility and pipeline assets are built to minimize potentially adverse environmental impacts not only during construction, but also in operations and maintenance. As part of this, construction and operations teams incorporate regulatory and permitting requirements for pipelines, compressor stations, and facilities into our design, construction, and maintenance programs. If an incident occurs during construction, we have our tracking system database to assign actions for immediate remediation efforts and communications.

### Restoration of Rights-of-Way

Following construction of a new project, or the completion of maintenance construction on existing assets, we restore the disturbed area in accordance with regulatory requirements and in coordination with the landowner, wherever possible. We grade rights-of-way to pre-construction elevations; condition soils for planting; stabilize creek banks, drainage ways and steep slopes to provide erosion control; and revegetate with a seed mix appropriate for the area, considering regional conservation and landowner requirements.

### Pipeline and Facility Inspections

Kinetik currently has approximately 1,500 miles of pipe, most of which is under 10 years old. To ensure safe and efficient operations, we monitor our pipeline systems with a risk-based inspection schedule based on the potential for internal or external corrosion, soil erosion, adverse weather conditions, or potential for damage from construction by others in the vicinity of our assets.

Pipelines are patrolled by operations personnel on the ground and monitored through Gas Control data monitoring systems and by air — including biweekly aerial patrols and quarterly flyovers of our regulated pipelines, with optical gas imaging cameras of our facilities and NGL pipelines. We also are accessible to landowners in case they detect any damage or spills (please see the Landowner Engagement section for more details on [p. 49](#)).

We also inspect, test, and monitor our gas processing facilities regularly to ensure all equipment is operated and maintained in accordance with the original design. This includes staffing gas processing plants 24/7, utilizing a Computerized Maintenance Management System (CMMS) to schedule and document planned inspections, repairs, or other preventive maintenance activity. When conducting inspections, we adhere to Original Equipment Manufacturer (OEM) recommendations, as well as Recognized and Generally Accepted Good Engineering Practices (RAGAGEP), or other standard industry procedures.

### Managing Spills

Kinetik handles natural gas liquids, crude oil, and produced water in its pipelines and facilities. It is in everyone's best interest to keep these in the pipe and away from waterways or land. When we build new pipelines or expand current facilities, we assess hazards that could affect pipeline safety and include secondary spill containment features to prevent pollution of soil and water.

When pipelines are in operation, we follow spill prevention controls and response plans. The first step of the spill response is to identify what has been spilled and any related hazards. Depending on whether the spill is a reportable quantity, we contact the necessary authorities, including the U.S. Environmental Protection Agency National Response Center and Texas Railroad Commission, to investigate. We ensure that those managing the spill have the proper protection before stopping and containing the spill. We then clean up the spill and remediate the affected area. All spills are recorded in our computer-based EHS system for tracking performance and record keeping and to support lessons learned.

### Our Performance

While we take a number of measures to test and confirm the performance of pipelines we operate, both regulated and unregulated, spill events may occur. One of our spills was caused by external corrosion, and the other one was due to the mechanical failure of a valve during Winter Storm Uri. The former spill did not result in any fines by the authorities, and environmental testing conducted by Kinetik showed results in conformance with environmental standards set by the regulator. According to the U.S. government, spills occur on gas transmission lines about 17% of the time due to external corrosion. We have increased visual inspection of such lines and have also added our transmission lines to flyovers conducted on a regular basis to ensure that we detect and mitigate any potential incidents in the future. For the second spill, the line segment was isolated and the area was remediated and reseeded promptly afterwards.

	2020	2021
<b>Number of reportable pipeline incidents</b>	2	2
<b>Percentage of reportable incidents significant</b>	50% (1 significant spill)	100% (2 significant spills)
<b>Percentage of natural gas pipelines inspected*</b>	5%	0% ^
<b>Percentage of hazardous liquids pipelines inspected*</b>	14%	0% +
<b>Aggregate volume of spills (barrels)</b>	2,024	11,050
<b>Volume of spills recovered (barrels)</b>	88	2,600

*Note: The percentage of natural gas and hazardous liquid pipelines inspected refers to required inspections. It appears low because the system is relatively new and because only a small percentage of our pipelines are regulated by the Pipeline and Hazardous Materials Safety Administration (PHMSA). The first assessments required by law, also known as In-line Inspection (ILI), are typically not performed until 5 years from the post-construction leak and strength test.*

*\*The figures are for the proforma EagleClaw Midstream and Altus Midstream company, except for the percentage of natural gas pipelines inspected and percentage of hazardous liquids pipelines inspected, which are for EagleClaw Midstream only*

*^In-line inspections were completed for approximately 14% of our regulated gas lines for EagleClaw Midstream only.*

*+We are awaiting inspection results for pipeline for one of the significant spills in 2021, but have, in the meantime, run a new program, Smart Tools, to confirm pipeline integrity. This new effort started early in 2022. In-line inspections were completed for 3% of our regulated liquid lines.*

*PHMSA reports that, historically, corrosion is one of the two most prevalent causes of pipeline failures, most often manifesting as leaks or seeps. For the 5-year period of 2013–2017, approximately 17% of reported incidents on gas transmission, gas gathering, and hazardous liquid pipelines were caused by corrosion.*



## Biodiversity

Biodiversity is essential to our collective existence. A study conducted by the World Economic Forum in 2020 recently estimated that more than half of the world's economic output—US \$44 trillion of economic value generation—is moderately or highly dependent on nature.

With our operations centered in the Trans-Pecos Wildlife District in Reeves, Culberson, Pecos, Ward, and Loving counties, we recognize the importance of operating responsibly and protecting and conserving the native habitat.

We plan our projects and operations in ways that reduce significant impacts they may have on sensitive species, habitats, and ecosystems. We strive to:

- > Integrate biodiversity consideration into our project decision-making and management, for example with GIS mapping with our land and engineering teams. Our teams have built strong familiarity of habitats and species in our basin, and any unfamiliar territory would require a more in-depth study of the land.
- > Consider the interrelationships between our operations, the natural environment, and the functions that ecosystems perform in supporting sustainable development.

- > Recognize that our activities could affect sensitive and valuable biodiversity. We seek to avoid or reduce potential risks to sensitive biological resources and make positive contributions to biodiversity conservation in the areas of Kinetik operations.
- > Meet or exceed applicable regulatory requirements and have processes in place to mitigate our impact to biodiversity.

Where construction or expansion of a project may be adjacent to environmentally sensitive areas, we employ additional mitigation measures to protect them. Examples include sensitive habitats, conservation areas for threatened or endangered species, or areas with high biodiversity value. If any assets are determined to be in an environmentally sensitive area, we subject them to additional integrity inspections.

In 2022, we will begin a partnership with the Wildlife Habitat Council (WHC), an organization that works with companies to advance biodiversity, sustainability, employee engagement, and community relations goals. In 2023, they will help us assess biodiversity priorities

and conduct a conservation assessment looking at conservation and community priorities in West Texas and help us create a biodiversity framework, vision, and roadmap. WHC will also will help us launch a number of biodiversity and education projects.

Our company also undertakes activities to expand education on the importance of biodiversity and conservation and participates in industry associations to share and promote best practices for biodiversity conservation.

**We know that biodiversity is gaining in importance to many stakeholders, and we have many activities underway to assess biodiversity impacts, risks, and opportunities.**

We will continue to monitor developments and are committed to facilitating full and open discussions to understand stakeholder concerns and to identify opportunities to reduce any adverse effects that our operations could have on the environment.





## Responsible Water Management

Water is a precious resource, particularly in West Texas, which is experiencing drought conditions. As a company, Kinetik uses relatively small amounts of water in its direct operations for basic everyday use. This water comes from wells, trucked water, and from local utilities.

We recognize the importance of conserving water in an area of high water stress and are improving our water consumption measurement to ensure that we are using only what we need.

Our primary potential water-related impacts are related to our produced water transportation and disposal services. Produced water is non potable water and is a byproduct of oil and gas production that is produced with the oil and gas as it is extracted. It also contains water put downhole to stimulate oil and gas production. Produced water typically contains increased levels of salt, organic compounds, and trace hydrocarbons, and, therefore, requires careful handling during transport, reuse, and/or disposal. According to industry estimates, on average, every barrel of oil produced in the Permian Basin results in approximately two to five barrels of water, and in certain basins, such as the Delaware Basin, this number is much higher. Industry analysts state that by 2030, oil production in the Permian may account for as much as 32 million barrels of produced water per day. Water stewardship is therefore crucial for the long-term sustainability of the industry.

Many oil and gas producers reuse this water in their operations. However, when it cannot be reused, it must be disposed of, typically by injection underground into saltwater disposal wells, commonly known as SWDs. Less than 5% of Kinetik's business involves transporting and disposing of produced water. Kinetik operates 14 active and permitted SWDs, and our pipes offer a way to transport and dispose of produced water effectively and efficiently.

Kinetik's interconnected produced water gathering and disposal systems consists of approximately 75 miles of produced water gathering lines allowing for greater system reliability and redundancy. Together, these assets enabled Kinetik to transport over 55 million barrels of produced water in 2021, saving more than 455,000 truck trips and preventing the potential for related spills and leaks that could negatively impact adjacent lands and bodies of water.

### Oilfield Water Stewardship Council

In 2021, we joined the Oilfield Water Stewardship Council, as a founding member, to establish best practices for water-related reporting. We work with them as a community of practice to establish and standardize relevant ESG metrics related to water management and

stewardship, which allows for companies and investors to better benchmark and compare specific operator performance. We believe that this will lead to better performance and transparency for this important issue.

### Our Performance

	2020	2021
<b>Water consumption for operations (m³)*</b>	549	549
<b>% of water consumed from areas of water stress</b>	100%	100%
<b>Number of active and permitted saltwater disposal wells</b>	14	14
<b>Water transported (barrels)</b>	Over 50,000,000	Over 55,000,000

*Note: The figures for water include EagleClaw Midstream only.*

*\*Water consumption included above is the upper limit of our water use in operations. We hope to obtain more accurate figures in the coming year.*



## Seismic Activity

Over the past few years, the number of seismic events has been increasing around the Permian Basin, close to areas associated with oil and gas production. While some seismic activity is normal for this region, ongoing and repeated seismic events can affect the quality of life for residents and wildlife, as well as operations for businesses.

Research on this topic is rapidly evolving, and we are committed to being responsive to new developments, acting as a good steward for the environment, and being a good neighbor in the areas where we operate.

We have been involved in ongoing discussions about seismicity through the Oilfield Water Stewardship Council and the Railroad Commission, and we stay apprised of research through the Center for Integrated Seismicity Research (CISR) at the University of Texas and other academic institutions across the United States.

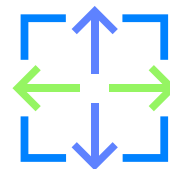
We also believe that seismic activity requires ongoing monitoring, and in order to support these efforts, we have contributed funding towards the purchase of seismic detection devices for Texas' regional seismic networks. In addition, we participate in a research coalition coordinated by the Texas Railroad Commission in the Seismic Response Area of Reeves County, where we agreed to continue operating our three shallow wells below the permitted limit. We are collecting data to help build understanding of this issue.

We operate 12 shallow saltwater disposal wells in West Texas. During the disposal well planning process, we follow a rigorous screening process. We ensure that we avoid areas of subsurface concern and seismic risk.

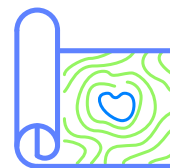
### We consider a number of variables including:



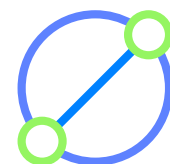
**Current and historical seismic activity data through TexNet**



**Shallow and basement seismic events and the lateral and vertical proximity of the proposed disposal well to the events**



**Fault maps from the US Geological Survey**



**Proximity to sensitive areas, including major population centers or infrastructure**



## Waste

To help reduce waste, we plan proactively so that we have on hand only required materials to avoid creating unnecessary surplus. We also encourage reuse wherever feasible.

Within our day-to-day operations, we have low volumes of hazardous and non hazardous waste that we recycle or dispose of according to applicable regulations through accredited facilities. We do not currently have an aggregate view of our waste generated and diverted, but we endeavor to collect more information in the future as a newly consolidated company.

At our gas processing plants and gas gathering systems, we have waste management plans to help identify, characterize, and track current and projected waste streams during normal facility operations, general office/administrative tasks, facility maintenance, onsite corrective remediation actions, onsite excavation, and construction activities.

### Our Performance

The amount of lead acid batteries recycled decreased in 2021 due to 2020 being an anomaly year of recycling a large stockpile of batteries. We now recycle batteries on a quarterly basis. We recycled less used oil in 2021 due to a reduced need for oil changes, in conjunction with our oil sampling program that informs us when is best to change oil on rotating equipment.

	2020	2021
<b>Lead acid batteries (lbs) recycled</b>	2,000	200
<b>Used oil (gallons) recycled</b>	4,065	1,629 <sup>1</sup>
<b>Natural gas filters (cubic yards) disposed</b>	120	106 <sup>2</sup>

*Note: The waste data is available for EagleClaw Midstream only.*

<sup>1</sup> Figure for used oil recycled is based on actual invoices from June to December 2021, and information was estimated from January to May 2021 using an average monthly volume from actual information.

<sup>2</sup> Figure for natural gas filters (cubic yards) disposed is based on actual invoices from April to December 2021, and information was estimated from January to March 2021 using an average monthly volume from actual information.



Within our day-to-day operations, **we have low volumes of hazardous and non hazardous waste** that we recycle or dispose of according to applicable regulations through accredited facilities.





# People

We recognize that people are our greatest asset—and that their success is our success. We support our employees so they can deliver on our commitment to the highest standards of safety, performance, integrity, and customer service.

**Jump To:**

- > [Our People](#)
- > [Health and Safety](#)
- > [Employee Inclusion and Diversity](#)
- > [Employee Engagement and Development](#)



## Our People

For 2021, our employees maintained focus on operating safely and providing quality service to our customers, in addition to supporting the merger between Altus Midstream and EagleClaw Midstream to form Kinetik.

In 2021, all businesses faced substantial pressures and challenging trends on human capital issues, from the ongoing effects of the pandemic, retirement of older workers in the oil and gas industry, and an unprecedented mass exit from the U.S. working population. Throughout all of this, we managed to maintain our strong culture and also achieved significant improvements in our health and safety performance. Some 2021 highlights and statistics for EagleClaw Midstream are included below:



**Total Recordable  
Incident Rate (TRIR) = 0.52**



**Total Motor Vehicle  
Incident Rate (MVIR) = 1.69**



**100% of Employees Trained on Diversity,  
Equity and Inclusion (DEI) Topics in 2021**



**203 Full-time Employees  
with Full Benefits**



- > 9% voluntary turnover rate with 19 departures
- > 31 new hires in 2021
- > Increased diversity of our Board and senior leadership team
- > Almost 30 hours of training for environmental, health and safety topics for field-based employees
- > 100% of employees received a performance and career development review in 2021



## Health and Safety

At Kinetik, we believe that a safe working environment is non negotiable. It is a top priority for all of us to protect one another.

We believe that a strong health and safety program leads to less workplace accidents and injuries, enhances productivity and morale, and avoids disruption to the business. The bulk of our employees are field-based workers who face potential safety risks associated with driving long distances and working with heavy equipment and flammable and pressurized hydrocarbons. In 2021, we integrated the best practices from legacy EagleClaw Midstream and Altus Midstream into a new safety and health policy and plan for Kinetik. The legacy Altus Midstream side of the business had a strong track record on safety, and legacy EagleClaw Midstream made substantial improvements on health and safety performance in 2021.

### EHS Management Systems

The Kinetik Environmental, Health and Safety (EHS) Management System lays out our requirements, processes, and guidelines for process safety and occupational health and safety.

Our approach to process safety is based on several standards including American Petroleum Institute's RP 1173-Pipeline Safety Management System Requirements

and the Center for Chemical Process Safety's Guidelines for Risk Based Process Safety. These standards build from well-established international safety standards including ISO 45001 and adapt key elements for the specifics of our industry. In addition, we supplement our management systems with computer-based tools to manage asset and pipeline integrity across our gas plants, compressor stations, and crude terminals including tracking our compliance with internal standards and external regulations and monitoring key performance metrics. Occasionally, we have external process safety management audits undertaken as part of our regulatory obligations from Occupational Safety and Health Administration (OSHA), and regular audits and inspections from the Texas Railroad Commission.

We also have computer-based health and safety training, change management and reporting tools to make it easier to identify hazards and manage environmental, health and safety (EHS) issues across our business. We have a standardized, formal joint hazard analysis routine for employees. Our standard approach for any health and safety incident is to conduct an investigation and to find the root cause of the incident. We develop lessons learned for each incident and

share lessons and related corrective action items in our monthly safety meetings.

### Management Structure

In 2020, the legacy EagleClaw Midstream built out a new health and safety team led by a Vice President of EHS. With the completion of the Kinetik transaction in 2022, we have increased the bench strength of the EHS team to include a Director of Pipeline Integrity Management and a Director of Health and Safety. Our new EHS management team regularly communicates health and safety results to management, the Board, and field-based employees.





### Training and Communications

Training is an important part of developing and improving the expertise and abilities of our employees on health and safety issues. In 2021, we exceeded our ongoing target of 20 hours of health and safety training per employee, with all field workers completing nearly 30 hours of EHS-focused training. The training—which was both in-person and computer-based—focused on environmental issues, company EHS policies, mandatory OSHA topics, fire safety, driver safety, and how to use the incident command system.

We continue to communicate regularly with our employees on health and safety issues, including:

- > Monthly employee communications on health and safety topics and incidents.
- > A behavior-based program called KEEP, or Kinetik Employee Engagement Program, which recognizes hazards or areas for improvement and promotes shared learning through individual experiences. The key tenets of KEEP are to KEEP hydrocarbons in the pipe or process, KEEP each other safe, KEEP returning home safely each day, and KEEP engaged.
- > Bi weekly meetings with field leadership and operations teams to regularly review health and safety challenges, key metrics, and lessons learned.
- > Messages on email and intranet to share key learnings on health and safety.
- > Monthly in-person and virtual safety meetings.

### Contractor safety

We are integrating the best of the legacy Altus and EagleClaw Midstream's contractor management systems for health and safety. Moving forward, in addition to screening contractor companies on health and safety through ISNetwork, we will ask contractors to take computer-based training and participate in a site-specific orientation process. We are also improving our ability to track contractor safety metrics.

For any contractors that are deemed to be at higher risk for health and safety incidents, we have begun to conduct on-site audits of compliance with their own and our EHS management systems to help evaluate and improve safety practices in their workforce. Moving forward, we are planning to increase EHS engagement

for higher risk contractors to help identify gaps and make improvements.

### Driver Safety

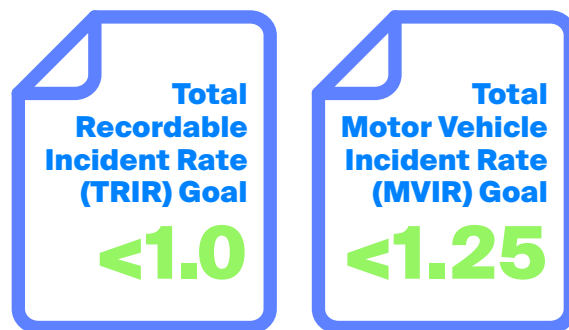
The main highways in the Permian Basin, Texas State Highway 302 and US Route 285, are known as some of the most dangerous highways in the United States. Because our employees and contractors frequently travel on these routes, we focus intensely on driver safety for our employees and contractors. This past year, we continued to implement our Safe Driving Policy, monitor in-vehicle GPS data recorders for safe driving behaviors, and require all field-based staff to complete Smith System classroom and practical training. Kinetik has two certified Smith System instructors, which means that all new drivers can be trained within 30 days.



### Our Performance

In 2021, we achieved significant improvement in our employee TRIR and MVIR metrics. We attribute this largely to the strong safety culture we have created over the past two years by implementing the EHS Management System and increasing our safety training and communications. For 2021, we set two GPA Midstream-aligned safety targets, including one to achieve a TRIR of 1.0 and an MVIR of 1.5. We exceeded the TRIR goal, reaching a rate of 0.52, and we were close to achieving our MVIR goal, with a rate of 1.69. In addition, we had no severe motor vehicle incidents last year. With an eye to continuous improvement, we have since set new safety targets for 2022, including a TRIR of less than 1 and an MVIR of less than 1.25.

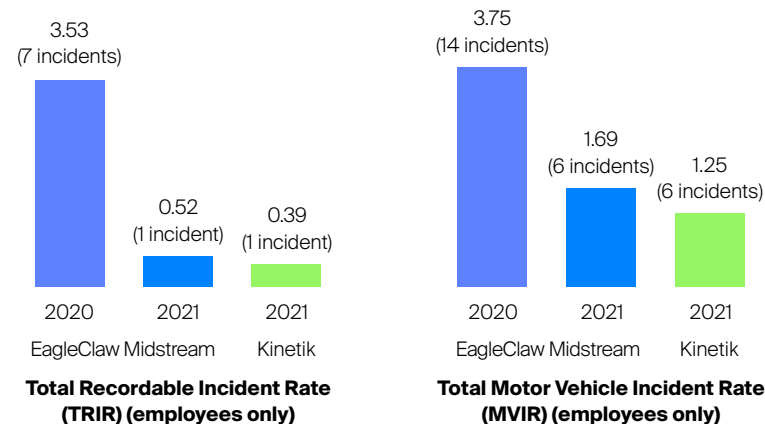
## NEW SAFETY TARGETS FOR 2022



If we combine the metrics for EagleClaw Midstream and Altus Midstream, we have an even stronger level of performance.

### COVID-19

In 2021, we continued our vigilance in protecting the health of our employees from COVID-19. In addition to pre-existing measures, such as enhanced hygiene, cleaning, temperature scans, masks, social distancing, travel restrictions, contact tracing and testing, free on-site antibody testing, and daily screening questionnaires, we also offered incentives for our employees to get vaccinated. For those that could provide proof of full vaccination, we held a random draw for two people per month to win \$5,000 in prize money.



Footnote:

TRIR is calculated with OSHA guidelines, representing the number of injuries and illnesses per 100 full-time workers. MVIR is calculated with the number of vehicle accidents x 1,000,000 vehicle miles, divided by mileage driven.

	EagleClaw Midstream 2020	EagleClaw Midstream 2021	Kinetik 2021
<b>Severe Motor Vehicle Incident Rate</b>	0.80 (3 incidents)	0 (0 incidents)	0 (0 incidents)
<b>Fatalities – Employee and contractors</b>	0	0	0
<b>Average health, safety &amp; emergency response training hours per employee</b>	15	29	N/A
<b>Number of hours worked</b>	396,798	381,725	507,521
<b>Total miles driven</b>	3,736,115	3,553,262	4,788,112



## Employee Inclusion and Diversity

We believe that a workforce that is representative of society and fosters a sense of belonging leads to enhanced decision-making, increased collaboration, and commitment, innovation, retention and profitability. We need all of these attributes as we work towards an energy transition.

In 2021, Kinetik introduced a Diversity, Equity and Inclusion (DEI) Policy as part of our ongoing commitment to build an inclusive workplace, and 100% of employees participated in DEI training, which covered topics such as hiring and unconscious bias.

We also created programming to help employees learn from one another and from community leaders of various cultural groups during “Lunch and Learns” for Diversity Awareness Month in October. The sessions included business and non profit leaders from Asian-American, Hispanic, Indigenous, and African-American communities.

### Improving Gender Balance

The Petroleum Equipment and Services Association estimates that only 15 percent of the current oil and gas workforce in the United States is female, and the percentage of women working at Kinetik reflects this.

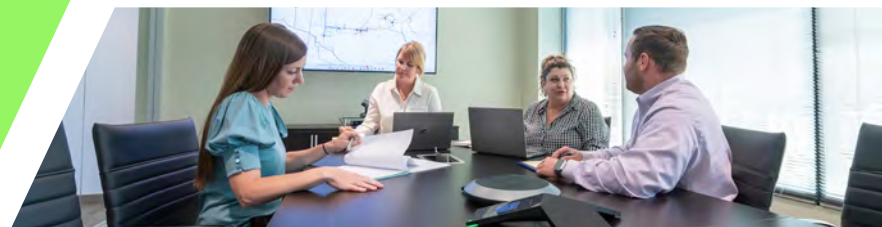
As part of our sustainability-linked bond, we have set a target to increase women on our senior leadership team from the current 7% to 20% by 2026. This is above our industry peer average of 17% female senior leaders.

In addition, as we formed our new company, we expanded the number of women Board members from 20% in 2021 to 30%, starting in 2022. We think that this is not only the right thing to do, but the increased diversity of views

will help us enhance our decision-making and also help attract other women leaders.

We know that the dearth of women in our industry is a systemic issue, and this is an important reason why we are a part of organizations like ALLY, which help to create connections, jobs, and skills to power the energy workforce of the future. We are investigating pilot programs internally to advance high-potential women in our organization, including executive mentorship, broadening assignments, coaching sessions, and building skills through volunteerism. It is important for us to build a pipeline of talent that is representative of diversity at all levels of the organization and to also continue to make sure our company is welcoming to all.

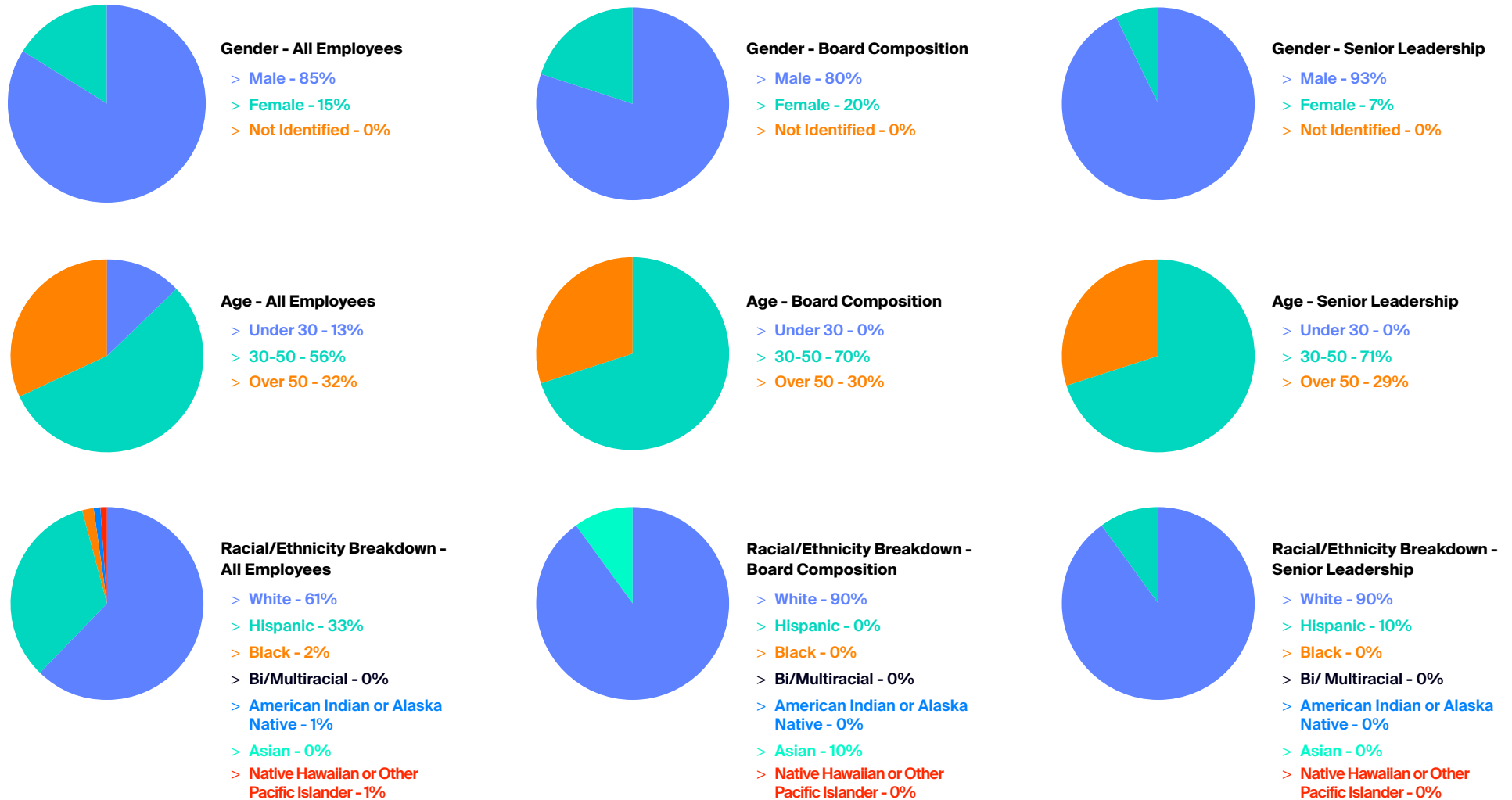
As part of our sustainability-linked bond, we have set a target **to increase women on our senior leadership team** from the current 7% to 20% by 2026.



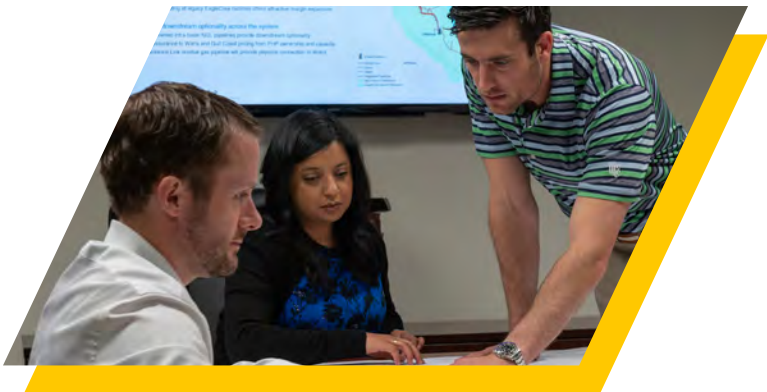


## Our Performance

Below we provide further details on the gender, age, and race/ethnicity of EagleClaw Midstream employees in 2021. Further details on turnover and new hires by gender, age and racial/ethnic breakdown are included in the GRI Content Index.



Note: Senior leadership is defined as employees holding Vice President titles or higher. Information on gender, age, and race/ethnicity is available for historical EagleClaw Midstream employees only—not for Altus Midstream. Next year, we will include consolidated information for the combined entity.



## Employee Engagement and Development

We believe in the importance of supporting our people and see it as a critical driver to Kinetik's business success. We are committed to the well-being and development of our people and view our family-like culture as a key differentiator.

### Recognition

We use a blend of formal and informal employee recognition strategies, including both monetary and non monetary incentives. We recognize employee performance, service milestones, and special occasions. We reward employees for operations-based milestones based on safety and regulatory compliance achievements and also give awards for exceptional performance in safety, landowner engagement, innovative thinking, teamwork, and customer service.

### Pay

When determining remuneration, we look at multiple factors, including the employee's performance, function, role, experience, education, and tenure within the organization, along with external market factors.

In 2022, we commissioned a third-party to conduct benchmarking against sector pay, and we have also begun the process to assess remuneration by gender. We are a relatively small organization and are looking to refine our approach to calculating these ratios, keeping in mind factors such as tenure, experience, and performance, while also being cognizant of unique industry challenges: significant gender imbalance in the industry and at senior leadership levels. We will provide updates on our progress for the 2022 ESG report.

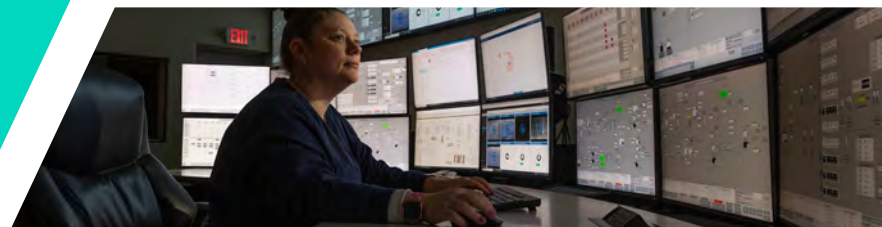
### Benefits

We offer all Kinetik employees a comprehensive suite of benefits, which includes medical insurance, dental insurance, vision insurance, flexible spending accounts and

dependent care flexible spending accounts, health saving accounts, life insurance, short- and long-term disability programs, supplemental insurance for critical illness, hospital indemnity and accident, an employer-funded 401(k), and a bonus plan.

In 2021, we expanded our benefits to include a more robust Employee Assistance Program (EAP). The expanded benefits include access to 10 free counseling sessions per life issue per year for employees and their dependents, along with support on issues as varied as safe rides, assistance with elder care or childcare, financial planning, and professional development.

We reward employees for operations-based milestones **based on safety and regulatory compliance achievements** and also give awards for exceptional performance in safety.



### Training and Development

We are continuously enhancing our training programs. All employees took mandatory Diversity and Inclusion training and Anti-Bribery and Harassment training in 2021. Additionally, in 2021, all of our people managers took part in training to improve their skills. There were four modules offered over 16 hours, on topics including conflict management, effective delegation, giving feedback, communications, and employee behavior styles. All employees also receive regular performance and career development reviews.

From January to April, we also hosted a series of “Lunch and Learns” for our employees featuring environmental, social and community-related topics with guests from The Environmental Partnership, ONE Future, ALLY, GPA Midstream, Oilfield Water Stewardship Council, and Midland Chamber of Commerce.

### Engagement Surveys

In 2021, we deployed an environmental, safety, and employee development survey to EagleClaw Midstream employees to understand their thoughts on these matters. During a time of transition to the new company in 2022, it will be important for us to understand the sentiments of Kinetik employees.

### 2021 EagleClaw Midstream Engagement Survey Highlights

Employee engagement survey results	Environmental, safety, and employee development survey results
<ul style="list-style-type: none"> <li>&gt; 86% stated that EagleClaw Midstream is a great place to work.</li> <li>&gt; 96% stated that they were proud to work for EagleClaw Midstream.</li> <li>&gt; 85% stated that they have confidence and trust in the leaders at EagleClaw Midstream.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 94% stated that they see more attention being paid to safety issues in the company</li> <li>&gt; 94% stated that they have the tools and resources needed to make sure they do their job safely</li> <li>&gt; 84% believe that EagleClaw Midstream senior management is committed to their development and training.</li> </ul> <p>(Please see the Environmental Management section, <a href="#">p. 25</a> for more details on the environmental results.)</p>



**96% of employees** stated that they were proud to work for the company.



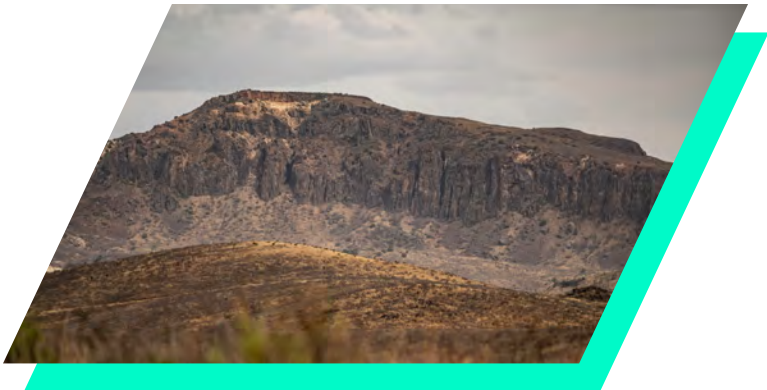


# Community

Kinetik is a proud resident of West Texas, and we are committed to being a good neighbor. We have an intrinsic connection with our communities, and our teams work together to anticipate concerns, contribute to the greater good, and build greater integration with local organizations.

**Jump To:**

- > [Community and Landowner Engagement](#)
- > [Community Investment](#)
- > [Economic Contributions to the Local Community](#)
- > [Contractor and Supply Chain Engagement](#)



## Community and Landowner Engagement

We have assets all over West Texas, and to be a good neighbor, we know that communities rely on us to keep pipelines and plants operating safely, efficiently, and in an environmentally conscious way.

Landowners play an essential role in Kinetik's operations, providing us with the right-of-way to place pipelines, saltwater disposal wells, or other facilities on their property.

What underpins our relationship with landowners and surrounding communities is trust and maintaining strong, long-term relationships through active communication and collaboration. We aim to provide accurate and timely responses to questions, comments, and concerns raised by landowners and community members, and we offer a number of channels for them to reach us, such as community awareness programs and emergency hotlines. We provide transparency about applicable regulations for midstream operators, as well

as information on environmental impacts, emergency preparedness, and public safety. Our direct relationships with landowners ensure that we are accountable to one another over the long term.

### Respecting Indigenous Peoples and Communities

We respect the diversity, culture, and unique history of Indigenous Peoples, recognize that Indigenous Peoples have legal and constitutionally protected rights, and recognize the necessity of communicating and cooperating in good faith with Indigenous communities.

The large majority of Kinetik's assets in West Texas are not on federal or Tribal lands. However, in 2018,

EagleClaw Midstream entered into a joint venture with Kinder Morgan Texas Pipeline to jointly develop the Permian Highway Pipeline, which is partially on the lands of the Comanche Nation. Kinder Morgan led engagement with the Comanche Nation in line with its Indigenous Peoples Policy, focused on meaningful engagement based on mutual respect and in a socially and environmentally responsible manner. In any future engagements involving tribal land and Indigenous Peoples, we will follow all policies and regulations, underpinned by a commitment to long-term relationships based on mutual respect and good faith, while recognizing the social, economic, and cultural rights of Indigenous Peoples.

**Landowners are our partners:** our direct relationships with them ensure that we are accountable to one another over the long term.





## Community Investment

In 2021, we expanded our Community Investment Program to address various needs identified by our employees and our communities. We continued to focus our program on the thematic areas of local public education, environmental activities, business entrepreneurship in the local community, support of authorized emergency responders, support of at-risk individuals, and support of local healthcare providers. In 2021 we completed the first full year of our employee volunteer and matching funds program, and we also launched our EagleNest Foundation.

### Employee Volunteering

We encourage our team to give back to the places where they live and work, providing them with 8 hours of paid volunteer time each year. In 2021, EagleClaw Midstream's employees volunteered 182 hours to local community projects, with approximately 12% of our employees participating.

Initiative	Hours Volunteered
Employees braved chilly temperatures to spend the morning beautifying Houston's 1,500-acre <b>Memorial Park</b> . Eight team members planted flowers and grasses and removed invasive weed species, helping to preserve, restore, and enhance this community landmark.	42
Members of our Houston Team spent the day volunteering at the <b>Houston Food Bank</b> , which provides food for better lives in 18 counties in southeast Texas.	42
Members of our Midland Team lent their helping hands to the <b>West Texas Food Bank</b> , which has been feeding families for more than 35 years.	32
More than one dozen employees assisted the <b>City of Pecos</b> with their ongoing beautification efforts. They planted and moved more than 20 tons of decorative rock and more than 100 durable plants at one of the city's largest cemeteries.	66
<b>Total</b>	<b>182</b>





## Donations and Sponsorships

In 2021, Kinetik provided \$263,883 in funding to local community causes.

Initiative	Financial Contributions
We provided unrestricted funding to the <b>Pecos-Barstow-Toyah Independent School District</b> to help where needs were greatest for children and teaching staff.	\$240,200
As part of the <b>City of Pecos Cemetery Beautification Project</b> , we provided funding for xeriscape plants and rock.	\$5,900
Our Boots & Bolos Soiree raised funds for the <b>I-20 Wildlife Preserve</b> and the <b>Jenna Welch Nature Study Center</b> . The 99-acre urban preserve holds butterfly gardens, teaching platforms, feeding stations, and other features that showcase the playa wetland and allows the community to engage with birding and wildlife viewing opportunities during the wet and dry seasons.	\$5,000
Our local firefighters keep our community safe. When they participated in a 9/11 Memorial Stair Climb, we donated water to the participants and gave the leftovers to the <b>Midland Fire Department</b> .	\$383
For the fourth year running, our employees participated in the <b>Salvation Army Angel Tree</b> program to buy Christmas gifts for underserved local families, with 12 employees participating.	\$2,400
We contributed to a fundraiser at the <b>Hillcrest School</b> , which provides specialized education for students with learning differences.	\$5,000
We sponsored the SMASH Tennis Tournament to raise funds for the <b>Bynum School</b> , a school that provides personalized educational programs for individuals of all ages with special needs.	\$2,500
We provided a donation to the <b>Permian Basin Gives</b> event, which helps area residents create meaningful impact through the nonprofits that serve our local communities. The proceeds went to the <b>Children's Miracle Network</b> .	\$2,500
<b>Total</b>	<b>\$263,883</b>



While Kinetik offers generous benefits that provide insurance coverage for many life events and accidents, we realized some incidents and situations are not fully covered by insurance. In 2021, we launched the EagleNest Foundation to provide a solution for employees impacted by unexpected tragic life events such as natural disasters, human tragedies, medical needs, or a family crisis. The Foundation provides a supplementary way for both the company and our employees to reach into their own pockets and provide support to their colleagues and friends at work who have suffered setbacks in life.

**In 2021, 25% of employees contributed to the Foundation**—which Kinetik matches dollar for dollar — and we provided four different employees with grants, with a total of \$22,000 provided.





## Economic Contributions to the Local Community

Kinetik is part of the oil and gas industry in Texas, which the American Petroleum Institute estimates provides about 13.9% of the jobs and 21.8% of the labor income in the state. In Reeves County, where much of our operations are, the oil and gas sector provides 58.6% of value added, 36.3% of the jobs, and 63.9% of the labor income. We recognize our responsibility as an employer, taxpayer, and community member.

In addition to **employing 203 employees**, we work with approximately 100 suppliers.

### Sourcing Locally

As much as possible, we try to source goods and services for our company locally in Texas or New Mexico, which helps to reduce lead times, shipping and storage, and also helps to build the economic resilience of our communities. In 2020, 72% of EagleClaw Midstream's procurement spend was local, while in 2021, this number increased to 75% of our spend. Kinetik plans to track spending with women and minority-owned suppliers and partners in the future.



In 2020, 72% of EagleClaw Midstream's procurement spend was local, while **in 2021, this number increased to 75% of our spend.**

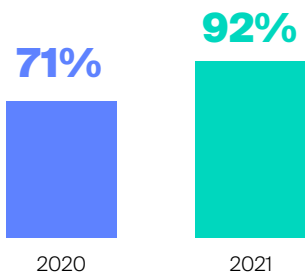


## Contractor and Supply Chain Engagement

As a company, we have a responsibility to ensure that our suppliers and contractors operate with integrity and align with our values. We continue to build our due diligence capabilities and our suppliers' and contractors' capabilities on environmental, social and governance (ESG) topics.

Last year, we launched our pilot with ISNetwork to better understand how our contractor and supplier base performs on ESG criteria. The survey had 22 questions about ethics, environment, health and safety, and human rights.

Of our active suppliers and contractors, we noted a significant improvement in terms of suppliers that met or exceeded expectations on the ESG questionnaire:



*Note: These numbers reflect sourcing figures for EagleClaw Midstream only.*

In 2021, to supplement the ESG questionnaire, we asked new and existing suppliers to sign off on our new Supplier Code of Conduct, which lays out our expectations in terms of values, policies, and procedures related to ethics, compliance, safety, environment, health, and human rights.

When a supplier or contractor does not meet our expectations, we discuss the situation with

appropriate personnel at the company and provide recommendations for compliance. Where necessary, we refer the supplier to internal experts at Kinetik so they can improve their practices. Kinetik plans to track spending with women and minority-owned suppliers and partners in the future.







# Data



## GRI Content Index

Statement of Use		
Kinetik Holdings Inc. has reported the information cited in this GRI content index for the period of January 1, 2021, to December 31, 2021, with reference to the GRI Standards.		
GRI Standard	Disclosure	Location / Explanation
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	> <a href="#">Form 8-K, Kinetik Holdings Inc., pg.1</a>
	2-2 Entities included in the organization's sustainability reporting	> As a new company, the 2021 ESG report includes historical information for the former EagleClaw Midstream Inc. and Altus Midstream, and the information is consolidated where available. Entities included are identified in the footnotes for data within the report.
	2-3 Reporting period, frequency and contact point	> <a href="#">About This Report</a>
	2-4 Restatements of information	> <a href="#">About This Report</a>
	2-5 External assurance	> <a href="#">About This Report</a>
	2-6 Activities, value chain and other business relationships	> <a href="#">About Kinetik</a> > <a href="#">Quick Facts</a> > <a href="#">Our Value Chain</a>
	2-7 Employees	> <a href="#">Our People</a> > <a href="#">Employee Inclusion and Diversity</a>
	2-8 Workers who are not employees	> We have agreements with numerous contracting organizations via ISNetwork, who are each responsible for hundreds of contractors who support our organization.
	2-9 Governance structure and composition	> <a href="#">Governance</a> > <a href="#">Board of Directors</a> > <a href="#">Committee Composition</a>
	2-10 Nomination and selection of the highest governance body	> <a href="#">Charter of the Corporate Governance and Nominating Committee of the Board of Directors of Kinetik Holdings Inc.</a>
	2-11 Chair of the highest governance body	> <a href="#">Board of Directors</a> The chair of the highest governance body is not a senior executive in the organization.
	2-12 Role of the highest governance body in overseeing the management of impacts	> <a href="#">ESG Governance</a> > <a href="#">Charter of the Corporate Governance and Nominating Committee</a>
	2-13 Delegation of responsibility for managing impacts	> <a href="#">ESG Governance</a>

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 2: General Disclosures 2021</b>	2-14 Role of the highest governance body in sustainability reporting	> <a href="#">Materiality Analysis</a>
	2-15 Conflicts of interest	> <a href="#">Proxy Statement, pg. 11</a> > <a href="#">Related Parties, Their Relationships, Transactions, and Outstanding Balances: Form 8-K, note 18, pg. 383-4</a>
	2-16 Communication of critical concerns	> <a href="#">Ethics and Compliance</a> > <a href="#">Ethics Hotline</a> - We do not currently report the total number and nature of critical concerns for confidentiality reasons
	2-17 Collective knowledge of the highest governance body	> <a href="#">ESG Governance</a>
	2-18 Evaluation of the performance of the highest governance body	> <a href="#">ESG Governance</a>
	2-19 Remuneration policies	> This information is confidential as an SEC Emerging company.
	2-20 Process to determine remuneration	> This information is confidential as an SEC Emerging company.
	2-21 Annual total compensation ratio	> This information is confidential as an SEC Emerging company.
	2-22 Statement on sustainable development strategy	> <a href="#">Letter from the CEO</a>
	2-23 Policy commitments	> <a href="#">ESG Policy</a> > <a href="#">Supplier Code of Conduct</a> > <a href="#">Stakeholder Engagement Policy</a>
	2-24 Embedding policy commitments	> <a href="#">Ethics and Compliance</a>
	2-25 Processes to remediate negative impacts	> <a href="#">Corporate Governance</a> > <a href="#">Ethics and Compliance</a>
	2-26 Mechanisms for seeking advice and raising concerns	> <a href="#">Ethics and Compliance</a> > <a href="#">ESG Governance</a> > <a href="#">About This Report</a>
	2-27 Compliance with laws and regulations	> <a href="#">Ethics and Compliance</a>
	2-28 Membership associations	> <a href="#">Memberships and Awards</a>
	2-29 Approach to stakeholder engagement	> <a href="#">Materiality Analysis</a> > <a href="#">Stakeholder Engagement</a>
	2-30 Collective bargaining agreements	> There are zero (0%) of employees covered by collective bargaining agreements.

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	> <a href="#">Materiality Analysis</a>
	3-2 List of material topics	> <a href="#">Materiality Analysis</a>
	3-3 Management of material topics	> <a href="#">Materiality Analysis</a>
<b>GRI 201: Economic Performance 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Form 8-K, Kinetik Holdings</a>
	103-2 The management approach and its components	> <a href="#">Form 8-K, Kinetik Holdings</a>
	103-3 Evaluation of the management approach	> <a href="#">Form 8-K, Kinetik Holdings</a>
	201-1 Direct economic value generated and distributed	> <a href="#">Form 8-K, Kinetik Holdings</a>
	201-2 Financial implications and other risks and opportunities due to climate change	> <a href="#">Q&amp;A with Anne Psencik</a>
	201-3 Defined benefit plan obligations and other retirement plans	> We do not have any defined benefit plan obligations as part of the new company.
	201-4 Financial assistance received from government	> The company does not receive financial assistance from the government.
<b>GRI 203: Indirect Economic Impacts 2016</b>	102-3 The management approach and its components	> <a href="#">Economic Contributions to the Local Community</a>
	203-1 Infrastructure investments and services supported	> <a href="#">Economic Contributions to the Local Community</a>
<b>GRI 204: Procurement Practices 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-2 The management approach and its components	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-3 Evaluation of the management approach	> <a href="#">Contractor and Supply Chain Engagement</a>
	204-1 Proportion of spending on local suppliers	> <a href="#">Contractor and Supply Chain Engagement</a>
<b>GRI 205: Anti-Corruption 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Ethics and Compliance</a>
	103-2 The management approach and its components	> <a href="#">Ethics and Compliance</a>
	103-3 Evaluation of the management approach	> <a href="#">Ethics and Compliance</a>
	205-2 Communication and training about anti-corruption policies and procedures	> <a href="#">Ethics and Compliance</a>
	205-3 Confirmed incidents of corruption and actions taken	> <a href="#">Ethics and Compliance</a>

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 206: Anti-Competitive Behavior 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Ethics and Compliance</a>
	103-2 The management approach and its components	> <a href="#">Ethics and Compliance</a>
	103-3 Evaluation of the management approach	> <a href="#">Ethics and Compliance</a>
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	> <a href="#">Ethics and Compliance</a>
<b>GRI 302: Energy 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Climate Change</a>
	103-2 The management approach and its components	> <a href="#">Climate Change</a>
	103-3 Evaluation of the management approach	> <a href="#">Climate Change</a>
	302-1 Energy consumption within the organization	> <a href="#">Climate Change</a>
	302-4 Reduction of energy consumption	> <a href="#">Climate Change</a>
<b>GRI 303: Water and Effluents 2018</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Responsible Water Management</a>
	103-2 The management approach and its components	> <a href="#">Responsible Water Management</a>
	103-3 Evaluation of the management approach	> <a href="#">Responsible Water Management</a>
	303-1 Interactions with water as a shared resource	> <a href="#">Responsible Water Management</a>
	303-2 Management of water discharge-related impacts	> <a href="#">Responsible Water Management</a>
	303-3 Water withdrawal	> Still developing tools to collect information, since the company uses well water.
	303-5 Water consumption	> <a href="#">Responsible Water Management</a> - still developing tools to collect information.
<b>GRI 304: Biodiversity 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Biodiversity</a>
	103-2 The management approach and its components	> <a href="#">Biodiversity</a>
	103-3 Evaluation of the management approach	> <a href="#">Biodiversity</a>



## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 305: Emissions 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Climate Change</a>
	103-2 The management approach and its components	> <a href="#">Climate Change</a>
	103-3 Evaluation of the management approach	> <a href="#">Climate Change</a>
	305-1 Direct (Scope 1) GHG emissions	> <a href="#">Climate Change</a>
	305-2 Energy indirect (Scope 2) GHG emissions	> <a href="#">Climate Change</a>
	305-5 Reduction of GHG emissions	> <a href="#">Climate Change</a>
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	> <a href="#">Climate Change</a>
<b>GRI 306: Waste 2020</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Waste</a>
	103-2 The management approach and its components	> <a href="#">Waste</a>
	103-3 Evaluation of the management approach	> <a href="#">Waste</a>
	306-1 Waste generation and significant waste-related impacts	> <a href="#">Waste</a>
	306-3 Waste generated	> <a href="#">Waste</a>
	306-4 Waste diverted from disposal	> <a href="#">Waste</a>
	306-5 Waste directed to disposal	> <a href="#">Waste</a>
<b>GRI 307: Environmental Compliance 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Environmental Management</a>
	103-2 The management approach and its components	> <a href="#">Environmental Management</a>
	103-3 Evaluation of the management approach	> <a href="#">Environmental Management</a>
	307-1 Non-compliance with environmental laws and regulations	> <a href="#">Environmental Management</a>
<b>GRI 308: Supplier Environmental Assessment 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-2 The management approach and its components	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-3 Evaluation of the management approach	> <a href="#">Contractor and Supply Chain Engagement</a>
	308-1 New suppliers that were screened using environmental criteria	> <a href="#">Contractor and Supply Chain Engagement</a>

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 401: Employment 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Employee Engagement and Development</a>
	103-2 The management approach and its components	> <a href="#">Employee Engagement and Development</a>
	103-3 Evaluation of the management approach	> <a href="#">Employee Engagement and Development</a>
	401-1 New employee hires and employee turnover - See Chart Below	> <a href="#">Employee Inclusion and Diversity</a> - See Chart Below
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	> Employee Engagement and Development: We provide benefits to all our employees; all our employees are fulltime. Contractors are employed by outside firms, and we do not provide benefits to them.

Employee Turnover Rate		
	2020	2021
<b>Number of departures</b>	14	19
<b>Voluntary turnover rate</b>	7%	9%
<b>Voluntary turnover rate by gender:</b>		
% Female	7%	13%
% Male	7%	9%
% Not identified	0%	0%
<b>Voluntary turnover rate by age:</b>		
<30	3%	15%
30-50	11%	11%
50+	3%	5%
<b>Voluntary turnover rate by race/ethnicity</b>		
White	7%	11%
Hispanic	5%	4%
Black	0%	0%
Bi/Multi-Racial	0%	0%
American Indian or Alaska Native	0%	33%
Asian	50%	0%
Native Hawaiian or Other Pacific Islander	100%	50%

Please note: This information is for EagleClaw Midstream only.

New Employee Hires		
	2020	2021
<b>Number of new hires</b>	45	31
<b>% of new hires by gender:</b>		
% Female	16%	13%
% Male	84%	87%
% Not identified	0%	0%
<b>% of new hires by age:</b>		
<30	24%	16%
30-50	51%	68%
50+	24%	16%
<b>% of new hires by race/ethnicity</b>		
White	67%	55%
Hispanic	24%	39%
Black	0%	0%
Bi/Multi-Racial	0%	0%
American Indian or Alaska Native	0%	3%
Asian	2%	3%
Native Hawaiian or Other Pacific Islander	7%	0%

Please note: This information is for EagleClaw Midstream only.

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 403: Occupational Health and Safety 2018</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Health and Safety</a>
	103-2 The management approach and its components	> <a href="#">Health and Safety</a>
	103-3 Evaluation of the management approach	> <a href="#">Health and Safety</a>
	403-1 Occupational health and safety management system	> <a href="#">Health and Safety</a>
	403-2 Hazard identification, risk assessment, and incident investigation	> <a href="#">Health and Safety</a>
	403-3 Occupational health services	> <a href="#">Employee Engagement and Development</a>
	403-4 Worker participation, consultation, and communication on occupational health and safety	> <a href="#">Health and Safety</a>
	403-5 Worker training on occupational health and safety	> <a href="#">Health and Safety</a>
	403-8 Workers covered by an occupational health and safety management system	> <a href="#">Health and Safety</a>
	403-9 Work-related injuries	> <a href="#">Health and Safety</a>
<b>GRI 404: Training and Education 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Employee Engagement and Development</a>
	103-2 The management approach and its components	> <a href="#">Employee Engagement and Development</a>
	103-3 Evaluation of the management approach	> <a href="#">Employee Engagement and Development</a>
	404-1 Average hours of training per year per employee	> <a href="#">Health and Safety</a> > <a href="#">Employee Engagement and Development</a>
	404-3 Percentage of employees receiving regular performance and career development reviews	> <a href="#">Employee Engagement and Development</a>
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Employee Inclusion and Diversity</a>
	103-2 The management approach and its components	> <a href="#">Employee Inclusion and Diversity</a>
	103-3 Evaluation of the management approach	> <a href="#">Employee Inclusion and Diversity</a>
	405-1 Diversity of governance bodies and employees	> <a href="#">Employee Inclusion and Diversity</a>

## GRI Content Index

GRI Standard	Disclosure	Location / Explanation
<b>GRI 413: Local Communities 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Community and Landowner Engagement</a> > <a href="#">Community Investment</a>
	103-2 The management approach and its components	> <a href="#">Community and Landowner Engagement</a> > <a href="#">Community Investment</a>
	103-3 Evaluation of the management approach	> <a href="#">Community and Landowner Engagement</a> > <a href="#">Community Investment</a>
	413-1 Operations with local community engagement, impact assessments, and development programs	> <a href="#">Community Investment</a>
	413-2 Operations with significant actual and potential negative impacts on local communities	> <a href="#">Seismic Concerns</a>
<b>GRI 414: Supplier Social Assessment 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-2 The management approach and its components	> <a href="#">Contractor and Supply Chain Engagement</a>
	103-3 Evaluation of the management approach	> <a href="#">Contractor and Supply Chain Engagement</a>
	414-1 New suppliers that were screened using social criteria	> <a href="#">Contractor and Supply Chain Engagement</a>
<b>GRI 415: Public Policy 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Stakeholder Engagement</a>
	103-2 The management approach and its components	> <a href="#">Stakeholder Engagement</a>
	103-3 Evaluation of the management approach	> <a href="#">Stakeholder Engagement</a>
	415-1 Political contributions	> <a href="#">Stakeholder Engagement</a>
<b>GRI 419: Socioeconomic Compliance 2016</b>	103-1 Explanation of the material topic and its Boundary	> <a href="#">Ethics and Compliance</a>
	103-2 The management approach and its components	> <a href="#">Ethics and Compliance</a>
	103-3 Evaluation of the management approach	> <a href="#">Ethics and Compliance</a>
	419-1 Non-compliance with laws and regulations in the social and economic area	> <a href="#">Ethics and Compliance</a>



## SASB Index

Code	Accounting Metric	Section Reference	2020 (Pro forma organization)	2021 (Pro forma organization)	Unit of Measure	Notes
<b>EM-MD-110a.1</b>	Gross global Scope 1 emissions		2,109,383	1,811,304	metric tons	
<b>EM-MD-110a.1</b>	Percentage of gross global Scope 1 emissions that are methane		4%	5%		
<b>EM-MD-110a.1</b>	Percentage of Gross global Scope 1 emissions covered under emissions-limiting regulations		99.9%	99.9%		
<b>EM-MD-110a.2</b>	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	<a href="#">&gt; Environment - Our Performance</a> <a href="#">&gt; Climate Change</a>				
<b>EM-MD-120a.1</b>	Air emissions:					
	(1) NO2 (excluding N2O)		4,029	4,029	metric tons	Figures represent permitted limits for 2020 and 2021.
	(2) SO3		718	718	metric tons	Figures represent permitted limits for 2020 and 2021.
	(3) Volatile organic compounds (VOCs)		3,663	3,663	metric tons	Figures represent permitted limits for 2020 and 2021.
	(4) Particulate matter (PM)		220	220	metric tons	Figures represent permitted limits for 2020 and 2021.
<b>EM-MD-160a.1</b>	Description of environmental management policies and practices for active operations	<a href="#">&gt; Environment - Overall Approach</a>				
<b>EM-MD-160a.2</b>	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	<a href="#">&gt; Biodiversity</a>	0%	0%		
<b>EM-MD-160a.3</b>	Terrestrial acreage disturbed, percentage of impacted area restored		N/A	N/A		
<b>EM-MD-160a.4</b>	Number and aggregate volume of hydrocarbon spills		2,024	11,050	barrels	
<b>EM-MD-160a.4</b>	Volume of hydrocarbon spills in Arctic		0, not applicable	0, not applicable		
<b>EM-MD-160a.4</b>	Volume of hydrocarbon spills in Unusually Sensitive Areas (USAs)		0, not applicable	0, not applicable		
<b>EM-MD-160a.4</b>	Volume of hydrocarbon spills recovered		88	2,600	barrels	

## SASB Index

Code	Accounting Metric	Section Reference	2020 (Pro forma organization)	2021 (Pro forma organization)	Unit of Measure	Notes
<b>EM-MD-520a.1</b>	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations		0	0		
<b>EM-MD-540a.1</b>	Number of reportable pipeline incidents		2	2		
<b>EM-MD-540a.1</b>	Percentage of significant reportable pipeline incidents		50%	100%		
<b>EM-MD-540a.2</b>	Percentage of (1) natural gas pipelines inspected		5.00%	0%		> EagleClaw Midstream only for 2020. For 2021 in-line inspections were completed for approximately 14% of our regulated gas lines for EagleClaw Midstream only.
<b>EM-MD-540a.2</b>	Percentage of (2) hazardous liquid pipelines inspected		14.00%	0%		> EagleClaw Midstream only for 2020. For 2021 in-line inspections were completed for 3% of our regulated liquid lines.
<b>EM-MD-540a.3</b>	Number of (1) accident releases from rail transportation		0, not applicable	0, not applicable		
<b>EM-MD-540a.3</b>	Number of (2) non-accident releases (NARs) from rail transportation		0, not applicable	0, not applicable		
<b>EM-MD-540a.4</b>	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	> <a href="#">Health and Safety</a>				
<b>EM-MD-000.A</b>	Total metric ton-kilometers of (1) natural gas transported		39,057,690	32,460,545	bbl/year	> All transported by pipeline
<b>EM-MD-000.A</b>	Total metric ton-kilometers of (2) crude oil transported		27,144,024	29,966,500	bbl/year	> 10.3% was trucked in 2020, and the rest was transported by pipeline. > 14.8% was trucked in 2021, and the rest was transported by pipeline.
<b>EM-MD-000.A</b>	Total metric ton-kilometers of (3) refined petroleum products transported		263,155,098	257,687,080	mcf/year	> All transported by pipeline

## EIC/GPA Midstream Association Index

### Midstream Company ESG Reporting Template

Developed by the Energy Infrastructure Council in collaboration with GPA Midstream

<b>Parent Company:</b>	Kinetik Holdings Inc.
<b>Operating Company:</b>	Pro forma information is presented for both Altus Midstream and EagleClaw Midstream, where available. EagleClaw Midstream information is provided where only that information is available.
<b>Report Date:</b>	May - 22
<b>Contact(s):</b>	Jim Schwartz, Senior Director, Sustainability and Communications
<b>Membership: EIC, GPA Midstream, Both, Neither:</b>	GPA Midstream

	Metric	Unit	Latest Year 2021	Previous Year 2020	Comments, Links, Additional Information, and Notes
	<b>Activity</b>				
<b>1.1</b>	EBITDA	US \$	283,802,000	191,155,000	> Pro forma organization for 2020 and 2021. See the Form 10-K for the fiscal year ended December 31, <a href="#">available here</a> .
<b>1.2</b>	Gross Throughput	BOE	84,958,888	86,083,798	> For the pro forma organization for 2020 and 2021, converted from mscf to BOE with conversion factor - 1 BOE = 6 mscf.
<b>1.3</b>	Miles of Pipeline	mile	1522	1424	
	<b>Environment</b>				
	<b>Hydrocarbon Releases</b>				
<b>2.1</b>	Number of hydrocarbon liquid releases beyond secondary containment > 5 bbl	#	2	3	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.2</b>	Volume of hydrocarbon liquid releases beyond secondary containment > 5 bbl	bbl	11,050	2,088	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.3</b>	Hydrocarbon Liquid Releases Intensity per Mile of Pipeline	bbl/mile	7.26	1.47	> Figures are for the pro forma organization for 2020 and 2021.
	<b>Emissions</b>				
<b>2.4</b>	Total GHG Emissions (Scope 1 + Scope 2) - Total	mt co <sub>2</sub> e	1,915,599	2,279,599	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.1</b>	Scope 1 GHG Emissions - Total	mt co <sub>2</sub> e	1,811,304	2,109,383	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.1.1</b>	Scope 1 CO <sub>2</sub> Emissions - Total	mt	1,722,663	2,024,448	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.1.2</b>	Scope 1 Methane Emissions - Total	mt co <sub>2</sub> e	87,706	83,886	> Figures are for the pro forma organization for 2020 and 2021.

## EIC/GPA Midstream Association Index

	Metric	Unit	Latest Year 2021	Previous Year 2020	Comments, Links, Additional Information, and Notes
	<b>Emissions</b>				
<b>2.4.2</b>	Scope 1 GHG Emissions - EPA	mt co <sub>2</sub> e	1,808,815	2,106,671	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.2.1</b>	Scope 1 CO <sub>2</sub> Emissions - EPA	mt	1,720,190	2,021,753	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.2.2</b>	Scope 1 Methane Emissions - EPA	mt co <sub>2</sub> e	87,702	83,881	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.4.3</b>	Scope 2 GHG Emissions	mt co <sub>2</sub> e	104,296	170,216	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.5</b>	Total GHG Emissions (Scope 1 + Scope 2) Intensity per Billion BOE-Mile - Total	mt co <sub>2</sub> e/Billion BOE-Mile	14,814	18,596	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.6</b>	Total GHG Emissions (Scope 1 + Scope 2) Intensity per EBITDA - Total	mt co <sub>2</sub> e/\$MM	6,750	11,925	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.7</b>	Scope 1 Methane Emissions Intensity per ONE Future Methodology				> Our ONE Future methane intensity will be updated once the ONE Future report is published.
<b>2.8</b>	Does the company have a greenhouse gas emissions reduction target?	Yes/No	Yes	Yes	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.9</b>	NOx Emissions	Metric Tons	3,896	4,029	> Figures represent permitted limits for the pro forma organization for 2020 and 2021.
<b>2.10</b>	SOx Emissions	Metric Tons	718	718	> Figures represent permitted limits for the pro forma organization for 2020 and 2021.
<b>2.11</b>	VOC Emissions	Metric Tons	3,612	3,663	> Figures represent permitted limits for the pro forma organization for 2020 and 2021.
<b>2.12</b>	Does the company participate in an external emissions reduction program? Examples include ONE Future, The Environmental Partnership, Methane Challenge, EPA Natural Gas Star	Yes/No	Yes - ONE Future, The Environmental Partnership	Yes - ONE Future, The Environmental Partnership	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.13</b>	% of energy used (direct and indirect) that is renewable energy	%	49%	0	> Figures are for the pro forma organization for 2020 and 2021.
<b>2.14</b>	Does the company seek third party data verification for any environmental metrics?	Yes/No	Yes - for engine emission tests - emissions stack testing	Yes - for engine emission tests - emissions stack testing	> Figures are for the pro forma organization for 2020 and 2021.
	<b>Asset Diversification and Biodiversity</b>				
<b>2.15</b>	Does the company participate in any efforts to expand the share of alternative/renewable energy sources in the company's portfolio? If yes, please provide links to ESG reports, webpages and other disclosures as support.	Yes/No	Yes	Yes	> <a href="#">See Climate Change section of report</a>
<b>2.16</b>	Does the company have a biodiversity policy or commitment for new and existing assets?	Yes/No	Yes	Yes	> <a href="#">See Biodiversity section</a>



## EIC/GPA Midstream Association Index

	Metric	Unit	Latest Year 2021	Previous Year 2020	Comments, Links, Additional Information, and Notes
<b>Social</b>					
<b>3.1</b>	Total Recordable Incident Rate (TRIR) - employees	#	0.39	2.55	> Figures are for the pro forma organization for 2020 and 2021.
<b>3.2</b>	Total Recordable Incident Rate (TRIR) for major growth projects - contractors	#	N/A	N/A	Not applicable
<b>3.3</b>	Days away, restricted or transferred (DART) - employees	#	35	313	> Figures are for the pro forma organization for 2020 and 2021.
<b>3.4</b>	Days away, restricted or transferred (DART) for major growth projects - contractors	#	N/A	N/A	Not applicable
<b>3.5</b>	Lost Time Incident Rate (LTIR) - employees	#	0.39	2.18	> Figures are for the pro forma organization for 2020 and 2021.
<b>3.6</b>	Lost Time Incident Rate (LTIR) for major growth projects - contractors	#	N/A	N/A	Not applicable
<b>3.7</b>	Fatalities - employees	#	0	0	> Figures are for the pro forma organization for 2020 and 2021.
<b>3.8</b>	Fatalities - contractors	#	0	0	> Figures are for the pro forma organization for 2020 and 2021.
<b>3.9</b>	Does the company have an indigenous engagement policy or commitment for new and existing assets?	Yes/No	No - but use partner's indigenous engagement policy where applicable	No - but use partner's indigenous engagement policy where applicable	
<b>3.10</b>	% workforce that is female	%	15%	15%	> For EagleClaw Midstream only - 2020 and 2021
<b>3.11</b>	% workforce from minority groups (EEOC defined)	%	39%	37%	> For EagleClaw Midstream only - 2020 and 2021
<b>3.12</b>	% workforce covered under collective bargaining agreements	%	0%	0%	> For EagleClaw Midstream only - 2020 and 2021
<b>3.13</b>	Does the company seek third party data verification for any social metrics?	Yes/No	No	No	> For EagleClaw Midstream only - 2020 and 2021
<b>Governance</b>					
<b>Diversity</b>					
<b>4.1</b>	% directors that are female	%	20%	20%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
<b>4.2</b>	% corporate officers (VP and up) that are female	%	7%	7%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
<b>4.3</b>	% directors from minority groups (EEOC defined)	%	10%	0%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
<b>4.4</b>	% corporate officers (VP and up) from minority groups (EEOC defined)	%	0%	0%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
<b>4.5</b>	Is any director under the age of 50?	Yes/No	Yes - 70%	Yes - 70%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021

## EIC/GPA Midstream Association Index

	Metric	Unit	Latest Year 2021	Previous Year 2020	Comments, Links, Additional Information, and Notes
	<b>Directors</b>				
4.6	% independent directors	%	10%	10%	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
4.7	How many directors received less than 80% votes cast in favor when running unopposed in last 5 years?	#	N/A - membership is based on ownership	Confidential	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
4.8	Does the company have directors with risk management experience?	Yes/No	Yes	Yes	> For EagleClaw Midstream only in 2020 and pro forma organization in 2021
	<b>Compensation</b>				
4.9	Has the company received less than 70% support for Say On Pay in any of the last 5 years?	Yes/No	Confidential	Confidential	> 2021 is confidential due to SEC emerging company status. 2020 is confidential due to companies being private.
4.10	What % of CEO target pay is performance-based?	%	Confidential	Confidential	> 2021 is confidential due to SEC emerging company status. 2020 is confidential due to companies being private.
4.11	What % of CEO target pay is equity-based?	%	Confidential	Confidential	> 2021 is confidential due to SEC emerging company status. 2020 is confidential due to companies being private.
4.12	"Are there any shareholder return metrics (total return, return on invested capital, etc.) in any NEO equity compensation plan?"	Yes/No	No	Confidential	> 2020 is confidential due to EagleClaw Midstream being private.
4.13	Is at least 10% of Named Executive Officer (NEO) short-term incentive (STI) or long-term incentive (LTI) linked to E or S metrics?	Yes/No	Yes	Confidential	> 2020 is confidential due to EagleClaw Midstream being private.
4.14	Does the company tie any amount of pay for all employees to ESG objectives?	Yes/No	Yes	Confidential	> 2020 is confidential due to EagleClaw Midstream being private.
	<b>Share Ownership</b>				
4.15	Have any corporate officers or directors made share purchases with personal funds in the last 5 years?	Yes/No	Confidential	Confidential	> 2021 is confidential due to SEC emerging company status. 2020 is confidential due to companies being private.

## EIC/GPA Midstream Association Index

	Metric	Unit	Latest Year 2021	Previous Year 2020	Comments, Links, Additional Information, and Notes
	<b>Board Oversight</b>				
	<b>Which of these data sets are collected and shared with board?</b>				
4.16.1	Voluntary employee turnover company wide and by at least one additional level (e.g. business unit, location, or division)	Yes/No	Yes	Yes	> Only EagleClaw Midstream data in 2020 and 2021
4.16.2	% of employees who participate in company sponsored matching gift programs and/or volunteer for corporate sponsored charitable events	%	25% participate in company sponsored matching gift, 14% participate in volunteer in corporate sponsored charitable events.	37%	> Only EagleClaw Midstream data in 2020 and 2021
4.16.3	Gender Pay Ratio	Yes/No	No	No	The information is being collected in 2022.
4.16.4	Underlying data from an employee satisfaction survey that is anonymous and at least annual	Yes/No	Yes	No	Only EagleClaw Midstream data in 2020 and 2021
	<b>Supply Chain</b>				
4.17	Does the company require suppliers to sign off on the code of conduct or equivalent codes?	Yes/No	Yes	No - but participate in ISN Network	> Only EagleClaw Midstream data in 2020 and 2021
	<b>Cybersecurity</b>				
	<b>Does the company undertake any of the following to manage cybersecurity risk?</b>				
4.18.1	Mandatory employee training	Yes/No	Yes	Yes	> Only EagleClaw Midstream data in 2020 and 2021
4.18.2	Adherence to industry cybersecurity standards	Yes/No	No	No	> Only EagleClaw Midstream data in 2020 and 2021
4.18.3	Ongoing evaluation of the threat landscape	Yes/No	Yes	Yes	> Only EagleClaw Midstream data in 2020 and 2021
4.19	<b>Does the company publish an annual proxy statement?</b>	Yes/No	Yes	No	> Yes - <a href="#">See Here</a>

# KINETIK

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