2020

Environmental, Social, and Governance Report

A Sustainability Accounting Standards Board and
Task Force on Climate-related Financial Disclosures Report

Posted October 21, 2021
Revised December 21, 2021

A Message from Our CEO

As a major energy transportation and storage company, dedicated to providing safe and reliable natural gas, liquid products, and bulk commodity transportation and storage services, we remain committed to serving our investors, colleagues, customers, and neighbors to improve lives and create a better world.

The serious and sobering events of 2020 compelled us to sharpen our focus while maintaining our values of integrity, accountability, safety, and excellence. The severe winter storm in February 2021, and the resulting soaring energy demands in Texas and elsewhere, reminded us of the importance of being prepared and operating our critical energy infrastructure responsibly and reliably, now and in the future.

Disaster Preparedness

We worked differently during the pandemic, successfully shifting much of our culture and relationships to a virtual platform and making adjustments to in-person work. We were able to leverage our well-established business continuity plans, Pandemic Preparedness Committee, and Pandemic Preparedness Plan to anticipate and mitigate risk while also minimizing impacts to our employees and critical business functions. Throughout the pandemic, our President, Kim Dang, and I sent frequent recorded audio updates and company-wide emails on key topics of interest, including protocols for keeping employees safe, new business initiatives, and progress against goals. This adaptability, planning, and good communication both demonstrated and strengthened our resilience.

We have been conservative in our return to the office plans, bringing back a select group of office employees, including senior management, with plans to bring back additional employees in phases. Our central priorities remain the health and safety of our employees, their families, and our contractors, as well as the safe and reliable physical and commercial operation of our assets.

Reducing Emissions

Natural gas plays a significant role in providing cleaner, reliable, and dispatchable energy to the world. We believe that natural gas will continue to be part of the solution to reduce the world's GHG emissions.

For more than 25 years, we have been finding ways to reduce methane emissions from our natural gas transportation and storage assets. In 2016, we set a goal of achieving an intensity target of 0.31% of methane emissions per unit of throughput by 2025 for our natural gas transmission and storage assets and have surpassed this target every year since 2017. In 2020, we had a methane emission intensity rate for these operations of 0.04%.

While we are proud of our accomplishments to date, we know that there is much more work to be done. We continue to increase our focus on reducing GHG emissions from our operations by identifying and implementing emission reduction initiatives.

As promised in our first ESG Report, this Report includes our company-wide GHG Scope 1 and Scope 2 emissions. Developing a process to gather and report our Scope 1 and Scope 2 emissions helped us to gain a deeper understanding of our emissions, emission sources, and the means by and extent to which we may be able to reduce those emissions. We believe this is the first step toward establishing achievable longer term GHG reduction targets.

Protecting the Environment

Land and habitat preservation is a key component of our construction plans, both when designing a new route for a pipeline project and when performing maintenance on facilities that have been in service for many years.

In 2020, during the construction of the Permian Highway Pipeline (PHP), our PHP joint venture facilitated the donation of over 1,300 acres of land in Travis County, Texas, to the Balcones Canyonlands National Wildlife Refuge, expanding the current refuge for the endangered Golden-Cheeked Warbler. Altogether, PHP spent over $10 million on land purchases and biodiversity offsets to help protect this endangered species.

Projects like this one, and our ESG performance and initiatives, contributed to our inclusion in America's Most Responsible Companies 2021, an annual list produced by Statista and Newsweek magazine.

Making a Difference for the Future

We are pursuing opportunities that contribute to the global effort to address climate change. In 2021, we joined three pilot projects that bring together players across the energy value chain to transport responsibly sourced natural gas to communities in Colorado and the Northeast U.S. We believe industry-led projects like these will help expand the responsible delivery of lower carbon energy.

We are also investing in a low carbon future through our newly formed energy transition ventures group, whose mission is to identify, analyze and pursue commercial opportunities emerging from the transition to low carbon energy. We are also expanding our natural gas transmission, RNG and LNG businesses, and investing in biodiesel, ethanol, and renewable diesel projects. Our TCFD report describes some of these initiatives.

It has become clearer than ever that the most efficient companies will be the ones who thrive. In 2020, we reviewed our operations for organizational effectiveness and efficiency, resulting in the consolidation and centralization of many of our cross-business segment functions – bringing our experts together to institute best practices across the organization. Although this process led to the difficult decision to reduce our workforce by 5%, we are stronger and ready for the opportunities and challenges ahead.

Investing in our People

We are committed to maintaining a positive and productive work environment - where employees can feel safe, respected, included and heard, and where our diverse, multi-generational workforce has the tools available to further career and development goals.

In 2021, we spent significant time considering what worked during the pandemic that might benefit us in the future. We have decided to test a hybrid, remote work model for some office-based employees for the remainder of 2021. We believe this model could make us more effective and efficient as a company.

The percentage of our workforce represented by minority employees and the representation of females in management has increased in each of the last three years. In addition, 42% of our executive leadership is female or a minority. In July 2020, we formalized an expectation for our leadership team to establish a plan to enhance diversity and equality of opportunity in hiring, development, and promotion decisions. We discuss and reinforce these expectations in regularly scheduled meetings throughout the year and plan to make them a key focus in our annual performance reviews.

Expanding Opportunities

In addition to our plans to enhance diversity and equality of opportunity among our employees, we are working to further diversify our supplier and contractor network. To that end, we recently joined the Houston Minority Supplier Development Council, whose mission is to bring together major corporations and certified Minority Business Enterprises.

We are proud of our performance during this difficult period and we understand that our ability to adapt may become ever more important as we face new challenges in the future. We plan to continue applying what we have learned to make us even stronger and more resilient.

Steven J. Kean

Steve Kean, Chief Executive Officer

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT
TABLE OF CONTENTS

Cautionary Note and Forward-Looking Statements

References to policies and procedures in our Report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances, factors, or considerations that may cause implementation of other measures or exceptions in specific instances. This report includes forward-looking statements within the meaning of applicable securities laws, including the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act of 1934. Please see "*Important Information about Policies, Procedures, Practices, and Forward-Looking Statements*" for additional information.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

Glossary

Company Abbreviations

KMI	=	Kinder Morgan, Inc., its operated subsidiaries, and its operated investees	PHP	=	Permian Highway Pipeline
KML	=	Kinder Morgan Canada Limited, and its operated subsidiaries, and its operated investees	TMPL	=	Trans Mountain pipeline system

Unless the context otherwise requires, references to "KMI," "Kinder Morgan," "we," "us," "our," or "the Company" are intended to mean Kinder Morgan, Inc., and its operated subsidiaries, including its consolidated subsidiary, KML, and operated investees. All dollar amounts in U.S. dollars. Where applicable, values have been rounded to the nearest whole number. Unless stated otherwise, our reporting boundary for the data in this report is for the assets where we have operational control. For this Report, we do not consider the Jones-Act-qualified product tankers operated by Intrepid Ship Management to be under our operational control.

Common Industry and Other Terms

°C	=	degrees Celsius	CDC	=	Centers for Disease Control and Prevention
/d	=	per day	CEO	=	Chief Executive Officer
/yr	=	per year	CER	=	Canadian Energy Regulator
ACC	=	American Chemistry Council	CFO	=	Chief Financial Officer
AOPL	=	Association of Oil Pipe Lines	CFR	=	Code of Federal Regulations
API	=	American Petroleum Institute	CGA	=	Common Ground Alliance
AR5	=	IPCC Fifth Assessment Report, 2014	CH_4	=	methane
ARPA-E	=	U.S. Advanced Research Projects Agency-Energy	CO_2	=	carbon dioxide
ASEA	=	National Agency for Safety, Energy and Environment of Mexico	CO_2e	=	carbon dioxide equivalent
BBbl	=	billion barrels	COO	=	Chief Operating Officer
bbl	=	barrels	COVID-19	=	Coronavirus Disease 2019, a widespread contagious disease, or the related pandemic declared and resulting worldwide economic downturn
Bcf	=	billion cubic feet	DOE	=	U.S. Department of Energy
BLS	=	U.S. Bureau of Labor Statistics	DOT	=	U.S. Department of Transportation
BOE	=	barrel of oil equivalent	DRA	=	drag reducing agent
Bscf	=	billion standard cubic feet	EBDA	=	earnings before depreciation, depletion, and amortization expenses, including amortization of excess cost of equity investments
CAO	=	Chief Administrative Officer	EBITDA	=	earnings before interest, income taxes, depreciation, depletion and amortization expenses, including amortization of excess cost of equity investments
CCATF	=	Climate Change Adaption Task Force	EDGAR	=	Electronic Data Gathering, Analysis, and Retrieval
CCUS	=	carbon capture, utilization, and storage	EHS	=	environmental, health, and safety

Common Industry and Other Terms (continued)

EIA	=	U.S. Energy Information Administration	LNG	=	liquefied natural gas
EOR	=	enhanced oil recovery	LTIR	=	lost time incident rate
EPA	=	U.S. Environmental Protection Agency	MMBbl	=	million barrels
ESG	=	environmental, social, and governance	MMBtu	=	million British thermal units
EV	=	electric vehicle	MMcf	=	million cubic feet
ft^3	=	cubic feet	MMscf	=	million standard cubic feet
FERC	=	U.S. Federal Energy Regulatory Commission	MWh	=	megawatt-hours
FRA	=	U.S. Federal Railroad Association	N_2O	=	nitrous oxide
GAAP	=	generally accepted accounting principles	NETL	=	U.S. National Energy Technology Laboratory
GDP	=	gross domestic product	NGA	=	U.S. Natural Gas Act
GHG	=	greenhouse gas	NGL	=	natural gas liquids
GHGRP	=	Greenhouse Gas Reporting Program	NGOs	=	non-government organizations
GIS	=	geographical information system	NO_x	=	nitrogen oxides
GRI	=	Global Reporting Initiative	NREL	=	National Renewable Energy Laboratory
GWh	=	gigawatt-hours	OGI	=	optical gas imaging
GWP	=	global warming potential	OMS	=	Operations Management System
HFC	=	hydrofluorocarbon	ONE	=	Our Nation's Energy
HR	=	Human Resources	OSG	=	Operations Support Group
IAB	=	Industrial Advisory Board	OSHA	=	U.S. Occupational Safety & Health Administration
ICA	=	U.S. Interstate Commerce Act	PHMSA	=	U.S. Pipeline and Hazardous Materials Safety Administration
IEA	=	International Energy Agency	PM_{10}	=	particulate matter 10 micrometers or less in diameter
ILI	=	in-line inspection	PPE	=	personal protective equipment
IMP	=	integrity management program	PPP	=	purchasing power parity
INGAA	=	Interstate Natural Gas Association of America	PRCI	=	Pipeline Research Council International, Inc.
IPCC	=	United Nations Intergovernmental Panel on Climate Change	PTO	=	paid time off
ISAE	=	International Standard of Assurance Engagements	PV	=	photovoltaic
ISO	=	International Organization for Standardization	PwC		PricewaterhouseCoopers LLP
IT	=	Information Technology	RCP	=	Representative Concentration Pathway
kg	=	kilogram	RNG	=	renewable natural gas
KMAP™	=	Kinder Morgan Assessment Protocol™	SASB	=	Sustainability Accounting Standards Board
LDAR	=	leak detection and repair	SCADA	=	supervisory control and data acquisition
LED	=	light-emitting diode	Scf	=	standard cubic feet
LEED	=	Leadership in Energy and Environmental Design	SDGs	=	United Nations Sustainable Development Goals
LMS	=	Learning Management System	SDS	=	Sustainable Development Scenario

Common Industry and Other Terms (continued)

SEC	=	U.S. Securities and Exchange Commission	U.S.	=	United States of America
SIM®	=	Safety In Motion®	USCG	=	U.S. Coast Guard
SO_x	=	sulfur oxides	USFWS	=	U.S. Fish and Wildlife Service
STEM	=	Science, Technology, Engineering, and Math	VOCs	=	volatile organic compounds
TCFD	=	Task Force on Climate-related Financial Disclosures	VP	=	Vice President
TRIR	=	total recordable incident rate	WDPA	=	World Database on Protected Areas

Part 1 - Sustainability Report

1.0 Introduction

(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, SASB Rail Transportation TR-RA-110a.2, SASB Marine Transportation TR-MT-110a.2, GRI 102-18, GRI 102-20, GRI 102-32, GRI 102-46, GRI 102-50, GRI 102-52, CDP C1.1b, CDP C1.2, CDP C1.2a)

Our ESG Strategy

Our vision is to deliver energy to improve lives and create a better world. We do this by pursuing our mission to provide energy transportation and storage services in a safe, efficient, and environmentally responsible manner for the benefit of people, communities, and businesses. Our ESG strategy is consistent with our vision and mission.

Environmental

While delivering the secure and reliable energy the world needs, we also pursue opportunities that contribute to the global effort to address climate change. We continue to support a low carbon future through:

- expansion of our natural gas transmission, responsibly sourced natural gas, RNG, and LNG businesses;
- investments in biodiesel, ethanol, renewable diesel, and sustainable aviation fuel projects;
- the formation of our energy transition ventures group, tasked with pursuing low carbon commercial opportunities; and
- evaluation of CCUS opportunities.

We focus on minimizing our environmental impacts by:

- reducing methane and other GHG emissions from our operations; and
- employing a variety of strategies to minimize our impact on areas such as:
    - sensitive habitats and conservation areas for threatened or endangered species;
    - water bodies; and
    - wetlands.

Social

It is important to us to build and maintain healthy relationships with our employees, contractors, suppliers, and other stakeholders throughout the communities where we operate and have expansion projects. We work to attract, develop, and retain a diverse, inclusive, and respectful workforce. We support our employees' career development goals through workforce training, tuition reimbursement, and other development programs. We actively look for opportunities for our employees to get involved in community programs and strengthen their relationships with our stakeholders. We expect our consultants, contractors, suppliers, vendors, and business partners to adhere to standards of conduct consistent with our Code of Business Conduct and Ethics and our Supplier Code of Conduct when conducting company-related business activities. We recognize that it is important to identify project stakeholders, determine their needs and expectations, and then monitor and work with them to meet those needs and expectations as appropriate before, during, and after project completion.

Governance

Our Board of Directors (Board) oversees our risks and opportunities through recurring meetings of the Board and its committees. Likewise, our management team convenes a series of regularly

scheduled meetings to engage our CEO, President, COO, business segment presidents and COOs, corporate function heads, and subject matter personnel on day-to-day issues related to our business. We use these meetings to continually monitor our progress and performance and to identify, evaluate, and address risks and opportunities, including, where appropriate, climate-related risks and opportunities.

Oversight of ESG Reporting
We regularly report our performance against ESG-related environmental and safety metrics to our Board and investors. These metrics are reviewed and discussed in our regularly scheduled meetings with senior management. Certain ESG metrics are included in performance criteria used to determine incentive compensation for our employees, including executives. The environmental metrics include an incentive to minimize natural gas and CO_2 releases from our operations, which helps us meet our Natural Gas business segment GHG targets. Our GHG targets and performance against those targets are described in *Section 3.4.3 GHG Targets* of the *Sustainability Report*.

Our EHS leadership includes a standing EHS Committee of our Board. The EHS Committee's charter is available on our website at https://www.kindermorgan.com/WWWKM/media/Documents/Governance/KMI_EHS_COMMITTEE-CHARTER.pdf. This committee assists our Board in overseeing management's establishment and administration of our EHS policies, programs, procedures, and initiatives. Each of these items helps promote the health and safety of our employees, contractors, customers, the public, and the environment.

Our Board has delegated the review and approval of our Report to its EHS Committee. Our Report has been reviewed by and received input from each business segment and our ESG Disclosure Committee, which consists of our:

- CEO,
- President,
- COO,
- CFO,
- CAO,
- General Counsel,
- Corporate Secretary,
- Treasurer,
- business segment presidents, and
- other corporate officers.

Our Report
We refer to the SASB portion of our Report as our "*Sustainability Repor*t" and the TCFD portion as our "*TCFD Report*". We refer to our Sustainability Report together with our TCFD Report as our "Report". We have posted additional ESG disclosures, including case studies and policies. These additional disclosures are not part of our Report and are not incorporated by reference herein.

We also post a summary spreadsheet of our sustainability policies and metrics. This summary spreadsheet also includes the Energy Infrastructure Council/GPA Midstream ESG Reporting template. These disclosures can be found on our ESG/Sustainability webpage at https://www.kindermorgan.com/Safety-Environment/ESG.

In this Report, we use SASB's October 2018 final standards and primarily include metrics from the SASB Extractives & Minerals Processing Sector Oil & Gas - Midstream Standard (EM-MD, Version 2018-10) as

well as the TCFD recommendations. In 2020, there were no pronouncements of changes to the SASB standards used in this Report.

We chose the SASB framework and standards based on investor and lender feedback and because SASB focuses on disclosure of sustainability issues that are likely to affect the financial condition or operating performance of companies within an industry. Our Sustainability Report also includes metrics from other SASB standards, including:

- Extractives & Minerals Processing Sector Oil & Gas - Exploration & Production Standard (EM-EP, Version 2018-10),
- Transportation Sector - Marine Transportation Standard (TR-MT, Version 2018-10), and
- Transportation Sector - Rail Transportation Standard (TR-RA, Version 2018-10).

We incorporate metrics from CDP, GRI, and other SASB sectors applicable to our business. We also use third-party guidance in developing our Report including:

- *The Ceres Roadmap for Sustainability,* and
- Investor-published guidance on engagement priorities.

We reference the activities where our business contributes to SDGs. The United Nations General Assembly has adopted 17 SDGs to set a global agenda for equitable, socially inclusive, and environmentally sustainable economic development. Our mission aligns with the Assembly's goals of:

- Goal 3: ensure healthy lives and promote well-being for all at all ages; and
- Goal 7: ensure access to affordable, reliable, sustainable, and modern energy for all.

In addition, many of our business and community investment activities support other SDGs such as those relating to:

- Goal 8: decent work and economic growth;
- Goal 9: industry, infrastructure, and innovation;
- Goal 14: life below water; and
- Goal 15: life on land.

New to our Report

We have added several new metrics to our Report, including our company-wide GHG emission intensity and gross global Scope 1 and Scope 2 GHG emissions for both operational control and equity share reporting boundaries. Operational control includes 100% of emissions from assets we operate and equity share includes our share of emissions from assets in which we own an interest. We have added our diverse supplier spend, an additional contractor safety metric, environmental fines and penalties, and have expanded our disclosures on water usage and employee training time. Additionally, we have updated our TCFD report to describe new initiatives and additional investments in low carbon and responsibly sourced products.

Description of Appendices

In *Appendix A.1 – ESG Disclosure Topics & Accounting Metrics*, we summarize the ESG metrics included throughout the Report. *Appendix A.2 – GHG Accounting Metrics* summarizes our GHG metrics.

In *Appendix B – Activity Metrics*, we include a set of metrics that quantify the scale of our business. These activity metrics are intended to allow users of our Report to normalize data and facilitate comparisons in conjunction with our ESG accounting metrics.

In *Appendix C – ESG Content Index*, we include a cross-reference table of ESG topics covered in our Report and other Kinder Morgan-published documents, including our Annual Report on Form 10-K for the year ended December 31, 2020 (2020 Form 10-K) and 2021 Proxy Statement Pursuant to Section 14(a) of the Securities and Exchange Act of 1934, to the corresponding SASB Sustainable Industry Classification System™ code, GRI disclosure code, CDP question number, and SDGs target. This cross-reference table also includes the relevant page number of the Report and other Kinder Morgan published documents.

In *Appendix D – Third-Party Assurance Statement*, we include the Report of Independent Accountants for our Report provided by PricewaterhouseCoopers LLP (PwC), an independent registered public accounting firm. PwC performed a limited assurance engagement on specific metrics included in our Report for 2020. The review engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements, and standards established by the International Auditing and Assurance Standards Board in ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The majority of the 2020 company-wide quantitative metrics disclosed throughout this Report have either undergone third-party assurance by PwC or were tested by our Internal Audit department. The testing process by our Internal Audit department includes reviewing and re-performing the processes and procedures for compiling and calculating the metric and performing sample testing of supporting documentation to check accuracy.

Appendix A.1 – ESG Disclosure Topics & Accounting Metrics, *Appendix A.2 – GHG Accounting Metrics*, and *Appendix B – Activity Metrics* include tick marks that indicate which metrics were assured by a third-party or by our Internal Audit department.

1.1 COVID-19 Pandemic Response

When COVID-19 emerged in the United States in early 2020, we had to adjust our operations to keep our colleagues safe and our business running. For some, that meant transitioning to remote work, and for others, it meant innovating and adhering to new protocols in the field. We didn't just let the pandemic happen to us; rather, we navigated through it by implementing health screenings, social distancing, mask requirements, and contact tracing each time an employee tested positive for COVID-19, as applicable. We minimized person-to-person contact as much as possible and deployed Plexiglass shields to limit exposure and protect our employees on the front lines. Through the hard work and dedication of our employees, we were able to prioritize the health and safety of our co-workers and their families while maintaining safe and reliable operations of our assets.

To better communicate with our employees, our CEO and our President regularly provide recorded audio updates and company-wide emails to employees on relevant topics such as COVID-related safety protocols, new business initiatives, and progress against goals. Our CEO and our President also hold periodic virtual meetings with randomly selected managers and directors to answer questions about topics of interest such as company operations, energy transition, workforce planning, and diversity to name a few.

Below is more information about some of the actions we have taken to keep our employees and their families safe, our businesses running, and our plans for bringing our employees back to the office.

Pandemic Preparedness Plans
We leveraged our well-established and long-standing business continuity plans, Pandemic Preparedness Committee, and Pandemic Preparedness Plan to reduce and mitigate risk while also minimizing impacts to workers and critical business functions during the pandemic. The Pandemic Preparedness Committee actively monitors diseases that could impact our employees and regularly adapts response plans to consider guidance from the CDC and other health organizations. Read more about our Pandemic Preparedness Plan in *Section 12.3 Business Continuity Planning and Emergency Preparedness* of our *Sustainability Repor*t.

Workplace Mitigation Efforts
To protect our colleagues and their families, we implemented several initiatives at our offices and facilities including:

- implementing telecommuting for most of our office-based employees;
- for the work that required a physical presence, modifying tasks or making alternate arrangements to maintain adequate social distance;
- securing the necessary PPE for our employees;
- enhancing our cleaning protocols;
- limiting access to certain facilities;
- implementing screening procedures; and
- following established protocols for notifying employees who had direct contact with someone who tested positive for COVID-19 to begin mitigation efforts.

More information about our telecommuting strategy and return to work plans is described in *Section 12.3 Business Continuity Planning and Emergency Preparedness* of the *Sustainability Repor*t.

Employee and Contractor Safety
Our mitigation efforts included distributing masks and other PPE for tasks where social distancing or alternatives were not possible, including critical roles in field operations, control centers, IT, and network operations. In 2020, we spent an incremental $15 million on safety costs associated with our COVID-19 mitigation efforts, primarily for PPE, enhanced cleaning protocols, temperature screening, and other measures adopted to protect our employees. These initiatives are described in *Section 7.1 Discussion of Safety Management Systems to Integrate Culture of Safety and Emergency Preparedness* of the *Sustainability Repor*t.

Auditing
We remain committed to auditing both our internal facilities and service suppliers through the COVID-19 pandemic. Our Internal Audit department, which normally visits facilities to perform location audits, successfully performed these audits remotely in 2020. Our Contractor Safety department audited a greater percentage of our service suppliers' environmental and safety performance using remote audits as described in *Section 8.0 Supply Chain Management* of the *Sustainability Repor*t.

Giving Back
As part of our focus on giving back to our communities during this time, we donated $250,000 to COVID-19 response and recovery programs in 2020 through the Kinder Morgan Foundation's disaster relief program, described in *Section 16.2 Social Investment Programs* of the *Sustainability Repor*t.

Return to Office and Hybrid Work Model
Throughout the pandemic, we monitored our employees' COVID-19 positive infection rates, data from medical professionals, local and national protocol guidelines, our peers' responses, and our employees'

vaccination rates. After factoring in information from these sources, some of our vice presidents as well as directors and managers with direct reports, returned to our offices in June 2021. We plan to reintegrate our remaining employees into the workplace in phases. We have encouraged our employees to get vaccinated and provide proof of vaccination, hosted vaccination clinics at our Houston office, and held virtual seminars to educate our employees about the benefits of the COVID-19 vaccines.

Developing plans for bringing our employees back to the office and determining how we will work going forward is important for the future performance of our company. Our goal is to leverage what we have learned during the pandemic to strengthen the culture and effectiveness of our company to benefit our stakeholders and help us perform in this highly competitive marketplace. In making this important decision, a team of business segment and HR leaders:

- researched information on telecommuting and remote work;
- spoke to peer companies;
- reviewed surveys and white papers from major consulting firms; and
- evaluated data related to our employees, such as the commute time of our Houston-based employees.

We then pulled together a cross-functional team of leaders from across our organization to discuss ideas and opinions. We believe that a flexible hybrid model can work for certain functions and may make us more effective and efficient as a company, while also increasing employee retention and enhancing talent recruitment. The proposed hybrid work model consists of three core workdays, with the option to work from home up to two days a week. We are implementing this hybrid work model for the majority of our office-based employees on a trial basis.

2.0 Overview of Business

(GRI 102-2, GRI 102-4, GRI 102-5, GRI 102-6, GRI 203-1)

We are committed to doing business the right way, every day. To meet this commitment, our employees and representatives must act in accordance with our core values of:

- integrity,
- accountability,
- safety, and
- excellence.

We are one of the largest energy infrastructure companies in North America. Our four business segments are:

- Natural Gas Pipelines,
- Products Pipelines,
- Terminals, and
- CO_2.

We own an interest in or operate approximately 83,000 miles of pipelines and 144 terminals. We also have 23 natural gas storage facilities with a working capacity of 659 Bcf.[1]

Our pipelines transport:

- natural gas,
- refined petroleum products,

[1] Assets as of December 31, 2020.

- crude oil,
- condensate,
- CO_2,
- biofuels, and
- other products.

Pipelines are the safest, most efficient, and least costly method of transporting natural gas and petroleum products compared to other modes of transportation such as rail, barge, and truck.[2,3,4,5] The industry's safety performance in recent years has experienced continuous improvement and the total number of incidents and incidents impacting people or the environment continues to decline.[6]

Our terminals store and handle various commodities including:

- gasoline,
- diesel fuel,
- jet fuel,
- chemicals,
- ethanol,
- metals,
- petroleum coke, and
- other products.

We are also the largest transporter of CO_2 in North America for use by us and others in EOR projects, primarily in the Permian Basin.

Our common stock is listed on the New York Stock Exchange under the ticker symbol "KMI." For more information about us, please see our 2020 Form 10-K, which can be found at https://s24.q4cdn.com/126708163/files/doc_financials/2020/ar/KMI-2020-10K-Final-as-Filed.pdf.

2.1 Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics establishes the high standard of ethical conduct that our employees and representatives are expected to meet and outlines how everyday behavior should align with our core values.

Our Board's Audit Committee has responsibility for the:

- oversight of the implementation and administration of the Code of Business Conduct and Ethics;

---

[2] DOT-PHMSA. "General Pipeline FAQs." DOT-PHMSA, 23 Aug. 2019. 2021. <https://www.phmsa.dot.gov/about-phmsa/phmsa-faqs>.

[3] Furchtgott-Roth, Diana. "Pipelines are Safest for Transportation of Oil and Gas." Manhattan Institute for Policy Research, June 2013. 2021. <https://www.manhattan-institute.org/pdf/ib_23.pdf>.

[4] Hughes, Charles. "The Energy Bottleneck: Why America needs more pipelines." Manhattan Institute for Policy Research, July 2017: 9-12. 2021. <https://www.manhattan-institute.org/download/10472/article.pdf>.

[5] INGAA. "Pipeline Safety & Reliability: Safety and Reliability Metrics." INGAA. 2021. <https://www.ingaa.org/File.aspx?id=28478&v=6dac677e>.

[6] API-AOPL. "2020 Pipeline Safety Excellence Performance Report & 2020-2022 Strategic Plan." API-AOPL, 17 June 2021: 12-13. 2021. <https://www.api.org/-/media/APIWebsite/oil-and-natural-gas/primers/2020-API-AOPL-Pipeline-Safety-Excellence-Performance-Report-and-20202022-Strategic-Plan.pdf?la=en&hash=3F9DB3F7D2FFA2FAD78E14E6146FC89BA3C1CDDD>.

- review and assessment, at least annually, of the effectiveness of the Code of Business Conduct and Ethics; and
- recommendations to the Board of suggested changes to the Code of Business Conduct and Ethics.

We maintain programs to prevent and detect potential violations. Annually, each of our employees, including management, is required to demonstrate an understanding of or undergo additional training on our Code of Business Conduct and Ethics, including sections on anti-corruption and human rights. The training explicitly promotes an open feedback culture. Our Internal Audit department distributes an annual Code of Business Conduct and Ethics questionnaire, to both employees and contractors, which provides an opportunity to report violations. The questionnaire responses received are evaluated by our Internal Audit department. Responses requiring follow-up are overseen by the Internal Audit department or delegated to the appropriate company personnel.

We encourage employees to speak up, seek guidance, and report issues or concerns through appropriate channels and grievance mechanisms. In the event anyone witnesses or learns of an incident that may involve an ethics, compliance, or human rights violation, they can report it through several channels including the Kinder Morgan Ethics Hotline, a third-party platform. Our ethics hotline allows reports to be made confidentially and anonymously. Reported concerns and grievances are evaluated and investigated, as appropriate, by our Internal Audit, HR, EHS, or Legal Departments. For more information, see our Code of Business Conduct and Ethics at https://www.kindermorgan.com/WWWKM/media/Documents/Governance/KM_Code_of_Business_Conduct_and_Ethics.pdf.

2.2 Management System

Management System Overview
We value the safety of our workforce and integrate a culture of safety, emergency preparedness, and environmental responsibility through our OMS. Our OMS conforms to *API Recommended Practice 1173* for *Pipeline Safety Management Systems* and establishes a framework that helps us:

- provide employees and contractors with a safe work environment;
- comply with laws, rules, regulations, policies, and procedures; and
- identify opportunities to improve.

Specifically, our OMS provides a detailed road map to build and sustain a robust culture focused on safety and environmental sustainability including:

- leadership and management commitment;
- risk and opportunity management;
- operational controls;
- incident investigation, evaluation, and lessons learned;
- safety assurance;
- emergency management;
- stakeholder engagement;
- management review; and
- continuous improvement.

The main components of our OMS include:

- setting forth goals and policies for our physical operations;
- describing our approach to sound operations;
- setting forth the roles and responsibilities for conducting sound operations;
- establishing a set of processes to be followed in our operations;

- incorporating our EHS requirements; and
- providing for audits, assessment, and periodic changes to improve and maintain compliance with our OMS.

Employees receive annual training on the OMS, and we routinely evaluate and drive improvements in each business segment's implementation of the OMS.

We are constantly looking for opportunities to improve our business. Our employees are expected to help us meet our goals and expectations by:

- following our policies and procedures,
- complying with laws and regulations,
- operating our assets safely,
- identifying and addressing risks to people and the environment, and
- identifying opportunities for improvement.

We strive to be a good neighbor and contribute to sustainable development through our systematic approach to EHS management. This approach supports our ability to:

- comply with laws and regulations;
- train employees to be aware of and meet their responsibilities for protection of the environment, health, and safety; and
- strive for environmental performance improvement.

As part of our OMS, our employees are encouraged to improve and build upon our established safety culture by sharing information on incidents, completing training, and participating in periodic safety culture surveys. Our employees are empowered to perform their work in a safe and effective manner, taking into account the safety-related components of each job. Our employees and contractors have the power to stop work if an activity is not well understood or could lead to potential harm, and we regularly communicate that they have that authority.

Management of Change

We review, approve, and implement policy and procedural changes through our management of change process or similar established processes. Through this process our ESG disclosure committee or select senior management reviews or approves ESG-related policies, including but not limited to our:

- Code of Business Conduct and Ethics,
- Human Rights Statement,
- EHS Policy Statement,
- Biodiversity Policy,
- Supplier Code of Conduct,
- Indigenous Peoples Policy, and
- Community Relations Policy.

Audit Program

We maintain an operations audit program that monitors, among other things, our environmental and safety practices. Our operating facilities with site-specific requirements, permits, or plans are audited every three to five years, depending upon the nature of the facility. Management system audits are conducted at least once every three years for each business segment. Audits are performed by qualified third parties or internal personnel not involved in the operations being audited. The audit results are used to develop and implement corrective measures where warranted.

Incident Management

Our policies and procedures require the internal reporting of incidents and investigation of significant incidents, including work-related injuries and illnesses. Our employees and contractors are required to report and document workplace incidents, including illnesses and injuries. Our incident management system provides us with the capability to:

- gather incident data,
- analyze causes,
- track actions and deadlines,
- identify trends, and
- identify and share preventive actions.

Incident reporting and investigation includes identifying incident details, impacts, causes, and corrective actions. We use the incident investigation process to identify immediate and/or root causes that contributed to the incident, determine corrective actions where necessary, and verify that corrective actions have been completed.

Our senior management plays a vital role in establishing a strong safety culture and values the insights gained from our safety performance metrics relative to our targets and incident investigations. Weekly senior management meetings, chaired by our CEO, include reports and discussions of notable workplace incidents and near misses that may have occurred during the previous week. Our senior management has established detailed safety performance metrics at the business segment level and with our COOs to focus performance on factors related to both safety and operational reliability. These metrics are reviewed during each business segment's quarterly business review.

Incidents, including injuries, are continually reviewed by our business segments to identify potential trends. These trends are communicated to appropriate persons within the company, who meet regularly to share information about incidents and related improvements. Insights and lessons learned are shared across our business segment operations, as appropriate. Trends are included in discussions at weekly safety meetings, monthly operations meetings, and other regular operations meetings. Periodically, our management has discussions with worker representatives about health and safety.

Lessons Learned

Sharing lessons learned is an integral part of our OMS and reinforces our commitment to performance improvement. Our emphasis on timely incident assessment, information sharing and tracking corrections reinforces our employees' understanding that risk management is a top priority. Sharing lessons learned not only helps our employees understand the importance of continuous learning and improvement, it also helps protect against complacency. Equally important is that everyone understands that sharing and voicing concerns is not only encouraged but is considered a responsibility. Our lessons learned processes contribute to an environment in which employees and contractors are comfortable identifying and speaking up about risks and help emphasize the urgency of communicating risk information up, down, and across the organization.

Asset Integrity Management

For most of our pipelines, we use an IMP that incorporates integrity assessment measures to:

- identify, analyze, and prioritize potential threats to our pipelines, including incorporating actual and potential precursor events that can result in pipeline incidents;
- use a comprehensive and integrated means for examining, prioritizing, and comparing the spectrum of risks and risk reduction activities available;

- implement structured and easily communicated means for selecting and implementing risk reduction activities, including integrity assessments, remediation, and preventive measures;
- track system performance with the goal of improving performance; and
- communicate emerging needs and new technology application opportunities to top management to provide timely resource allocation.

We conduct pipeline inspections using various methods including:

- ILIs,
- non-destructive testing,
- above-ground surveys,
- hydrostatic pressure tests, and
- direct assessments.

These inspection methods help us determine the physical condition of most of our pipelines and gather information to assist us in keeping our pipelines operational and safe. Most of our inspections utilize ILI technology referred to as smart pigs, which provides more detailed data about corrosion and other material defects.

In our ongoing pursuit of operational excellence, we developed KMAP™, a patented, innovative pipeline integrity solution designed to search for flaws in longitudinal welds. KMAP™ is a unique analytical process that we employ to provide additional analysis beyond traditional ILI analytical methods. We developed KMAP™ as a proactive solution for conducting more thorough inspections of our pipelines. We have been successfully using this technology since 2011.

Health, Safety and Emergency Response Training

We use an LMS to provide and track training for our employees. Through the LMS, our employees can take online courses covering technical development, leadership, safety, environmental, and corporate policies, including our OMS and Code of Business Conduct and Ethics.

In 2020, our employees completed over 133,500 hours of health, safety, and emergency response training through our LMS, with each employee taking an average of 13 hours of training. This is described in *Section 7.2 Employee and Contractor Safety Statistics and Average Hours of Health, Safety, and Emergency Response Training* of the *Sustainability Report.* This is equivalent to a roughly $7.5 million annual investment in training for health, safety, and emergency response.[7]

Our operations employees receive initial health, safety, and emergency response training and subsequent recurring training, appropriate for their positions, at regular intervals. Training assignments are determined by training matrices developed by internal training and safety specialists and are specific to each job category. Training can be individually tailored by an employee's supervisor or the employee, who can self-register for any course in our LMS.

Our training target is to have 100% of training courses assigned to employees in our LMS completed by the end of each year. We have processes in place to help employees meet this target.

We provide emergency management training consistent with USCG, EPA, DOT, CER, and ASEA requirements. We also have an extensive pipeline safety operator qualification program.

[7] This is calculated by multiplying our total training hours by our employees' hourly median salary, calculated from the annual employee median salary disclosed in our 2021 Proxy Statement.

Environmental Training
Through our OMS, employees across the organization are required to take environmental training at regular intervals to meet position-specific needs.

Environmental training is delivered through a combination of:
- computer-based training through our LMS,
- instructor-led classroom training, and
- hands-on training.

Employees receive position-relevant training on environmental topics including:
- environmental awareness;
- waste management procedures;
- spill control procedures;
- environmental sampling procedures; and
- stormwater runoff handling procedures, such as water treatment.

Our health, safety, emergency response, and environmental training program promotes performance improvement and helps us meet our objectives for an informed and knowledgeable workforce.

For more information, see our OMS webpage at https://www.kindermorgan.com/About-Us/OMS.

2.2.1 Third-Party Certifications

ACC's Responsible Care® Program
Fifteen of our liquids terminals, including our largest, participate in the ACC's Responsible Care® Program. Responsible Care® is an EHS and security performance initiative that includes a management system framework that drives improvement in key EHS and security operational areas. The program elements include monitoring and reporting our measures for environmental, energy, safety, and accountability performance. As part of the Responsible Care® program, we undergo third-party audits of our headquarters and each of the participating facilities once every three years to certify our performance.

In recognition of our team's response during COVID-19, the ACC awarded 11 of our terminals the "Outstanding COVID-19 Response Efforts Award" for 2020.

3.0 Greenhouse Gas Emissions

3.1 Gross Global Scope 1 and 2 Emissions, Percentage Methane, Percentage Covered under Emissions-Limiting Regulations
(SASB Midstream EM-MD-110a.1, SASB Exploration & Production EM-EP-110a.1, GRI 305-1, CDP C6.1, CDP C6.3, CDP C7.3, CDP C7.6, CDP C7.9, CDP C8.1-8.2f)

Our GHG emissions, including methane, are calculated using the methodologies outlined in the *World Resources Institute Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*.[8]

[8] World Resources Institute and World Business Council for Sustainable Development. "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard." World Resources Institute and World Business Council for Sustainable Development, Mar. 2004. 2021. <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>.

The Scope 1 GHG emissions reported below include:

- GHG emission sources applicable to the EPA's GHGRP;
- facilities that are exempt from the EPA's GHGRP because they emit less than 25,000 metric tons CO_2e per year; and
- sources that are exempt from the EPA's GHGRP, such as mobile equipment and refrigerants.

Examples of our Scope 1 GHG emission sources by emission type include:

- flared hydrocarbons - flares;
- other combustion - engines and turbines that drive compressors, boilers and heaters, vapor combustion devices, and stationary and fleet vehicle engines;
- process emissions - dehydration and gas sweetening processes;
- other vented emissions - blowdowns and compressor starts; and
- fugitive emissions - equipment component leaks, refrigerants, and vapor handling systems.

Our gross global operational control Scope 1 and Scope 2 GHG emissions and GHG emission intensity from our continuing operations are provided below and include 100% of the emissions from assets we operate, even for those assets we do not own 100%. Our gross global equity share Scope 1 and Scope 2 GHG emissions, which include our share of emissions from assets in which we own an interest, from our continuing operations were 17.1 million metric tons CO_2e in 2020 and are included in *Appendix A.2 – GHG Accounting Metrics.*

	Year Ended December 31		
	2018	**2019**	**2020**
	(In million metric tons of CO_2e, except percentages and emission intensity)		
Scope 1 GHG emissions			
Gross global Scope 1 emissions(a)(b)(c)	14.1	16.3	15.6
Percentage of gross global Scope 1 emissions from continuing operations by emission type(a)(b)			
Flared hydrocarbons	4 %	2 %	2 %
Other combustion	72 %	69 %	66 %
Process emissions	6 %	6 %	5 %
Other vented emissions	12 %	15 %	18 %
Fugitive emissions from operations	6 %	8 %	9 %
Percentage covered under emissions-limiting regulations	0 %	0 %	0 %
Percentage methane	18 %	23 %	27 %
Scope 2 GHG emissions			
Gross global market-based Scope 2 emissions(a)(c)(d)	3.4	3.4	3.1
Total Scope 1 & 2 GHG emissions			
Total gross global Scope 1 and 2 emissions	17.5	19.7	18.7
GHG emission intensity			
Company-wide BOE throughput (BBbl/yr)(e)	5.0	5.6	5.1
Scope 1 and 2 emission intensity (metric tons CO_2e per BOE throughput)(e)	0.004	0.004	0.004

(a) GHG emissions were quantified per the SASB Midstream Standard and the ISO 14064-1:2006, *Greenhouse gases - Part 1: Specification with guidance at the organization level for the quantification and reporting of greenhouse gas emissions and removals*. Emissions are reported for CO_2, CH_4, N_2O, and HFCs from direct and indirect sources. The IPCC AR5 GWPs were used to convert CH_4 (28) and N_2O (265) emissions to CO_2e. The following GWPs were used for HFCs: R-410A: 1725, HFC-134a: 1200, HCFC-22: 1760, R-404A: 3260, R-407C: 1526, R1234yf: 4, R-600A: 5, R-407C: 1526, HFC-32: 677, HFC-23: 12,400, CFC-12: 10,200, R-422d: 2,625, R-600: 5. Gross emissions are GHGs emitted to the atmosphere before accounting for offsets, credits, or other similar mechanisms that have reduced or compensated for emissions. Scope

1 and 2 GHG emissions for our continuing operations in Canada and Mexico are less than 500 thousand metric tons.

(b) Excludes emissions from construction activities, wastewater treatment, fire suppression activities, enclosed circuit breakers operated by the Natural Gas Pipelines business segment, refrigerants from mobile equipment not tracked in our fleet database, fugitive emissions from natural gas supply lines for the Terminals and Products Pipelines business segments, and insignificant emissions from small combustion activities.

(c) Discontinued operations include emissions from divestitures that are greater than 5% of the Scope 1 and Scope 2 total emissions for the applicable business segments. If emissions from divestitures are less than or equal to 5%, the emissions are included in continuing operations. In 2018 and 2019, discontinued operations include emissions from TMPL, Puget Sound pipeline system, and Kinder Morgan Canada Inc. up to the sale date of August 31, 2018 and KML and the U.S. portion of the Cochin Pipeline up to the sale date of December 16, 2019. There were no discontinued operations that met the greater than 5% threshold in 2020. In 2018 and 2019, Scope 1 emissions from discontinued operations were less than 50,000 metric tons CO_2e and Scope 2 emissions from discontinued operations were 0.2 and 0.1 million metric tons CO_2e, respectively.

(d) Scope 2 GHG emissions include indirect emissions from purchased electricity that were calculated using the market-based method. Location-based emissions are included in *Appendix A.2 – GHG Accounting Metrics*.

(e) Annual throughput information was obtained using published definitions from ONE Future and, where no definitions were available, throughput is generally defined as "product receipt." Throughput was converted to MMBtu using product-specific heat content, obtained from the EIA, EPA, or business segment data. This is then converted to BOE by dividing by 5.8 MMBtu per barrel of crude oil.

"Other combustion" is our largest emission type and includes fuel combustion emissions from engines and turbines that drive our compressors, boilers and steam generators, and other stationary combustion equipment. The largest source of emissions within this type are our natural gas fired compressor drivers comprising approximately 50% of our total Scope 1 emissions. "Other vented emissions" is our second largest emission type and includes emissions from blowdowns for maintenance, integrity testing, and emergency activities at our pipelines, compressors, and compressor stations.

The increase in our Scope 1 GHG emissions from 2018 to 2019 was primarily driven by our Natural Gas Pipelines business segment's expansion projects being placed into service. Other increases from 2018 to 2019 include increased utilization of existing assets and additional pipeline blowdowns. The decrease in our Scope 1 and 2 GHG emissions from 2019 to 2020 was primarily due to lower activity on our assets driven by economy-wide effects from the COVID-19 pandemic. Our strategies to manage our methane and GHG emissions are described in *Section 3.2 Strategy to Manage Gross Global Scope 1 and 2 Emissions* of the *Sustainability Report*.

PwC, a third party, provided limited assurance of our 2020 emissions inventory. The assurance statement for 2020 is included in *Appendix D – Third-Party Assurance Statement*. Scope 1 GHG emissions submitted to EPA's GHGRP undergo additional electronic validation and verification checks. If potential errors are identified, the EPA notifies the reporter, who can resolve the issue either by providing an acceptable response describing why the flagged issue is not an error or by correcting the flagged issue and resubmitting the annual GHG report.

3.2 Strategy to Manage Gross Global Scope 1 and 2 Emissions

(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, GRI 102-26, GRI 305-2, GRI 305-5, CDP C1.1b, CDP C3.1)

We operate or own an interest in approximately 70,000 miles of natural gas pipelines that transport approximately 40% of the natural gas consumed domestically or exported as LNG. Accordingly, we have been an important part of the transition from coal-fired to natural gas-fired electricity generation; a transition that has benefited the global environment. Compared to coal, burning natural gas emits:

- virtually no SO_x, particulate matter, or mercury;
- approximately half as much CO_2; and

- one-fifth as much carbon monoxide and NO_x.[9,10]

These lowered emissions from natural gas-fired plants have contributed to the recent significant drop in U.S. CO_2 emissions. Lower SO_x emissions also significantly reduce acid rain formation.

Natural gas-fired power plants are also an important component of the continued expansion of renewable energy. They provide a reliable source of electricity to back up intermittent renewable sources such as solar and wind. This interconnected electricity generation network helps to further reduce CO_2 emissions.

A 2018 Environmental Defense Fund report recognized both the long-term climate advantages of using natural gas in electricity generation and the feasibility of achieving significant emission reductions by addressing fugitive emissions.[11] The report further recognized that significant fugitive emission reductions are possible through broader adoption of emission measurement and reduction best practices and technologies. We have been focused on and committed to methane emission reductions in our operations for several decades. Our commitment and the actions we have taken are described in *Section 3.2.1 GHG Emission Reduction Efforts* of the *Sustainability Report*.

3.2.1 GHG Emission Reduction Efforts
(GRI 102-12)

We support domestic and international efforts to mitigate climate change. Some of our efforts to reduce methane and other GHG emissions are described in the sections below.

3.2.1.1 Methane Emission Reduction Commitment
(GRI 102-13)

We recognize that methane emissions associated with the production, transportation, storage, and distribution of natural gas should be minimized so that those emissions do not diminish the climate advantage of natural gas over other fuels. We have an economic incentive to minimize methane emissions because pipeline quality natural gas has a methane content of approximately 95%. Minimizing our methane emissions maximizes the amount of natural gas kept in our pipelines and delivered to our customers. We support performance-based federal regulations and have minimized methane emissions in our operations for more than 25 years.

We continue to apply methane emission reduction strategies and report voluntary methane emission reductions, which include emissions mitigated or avoided that would otherwise have been emitted, as part of EPA's Natural Gas STAR and Methane Challenge programs and through the ONE Future Coalition. Through these programs, we have implemented initiatives that have resulted in over 126 Bcf of methane reductions since 1993. Our reductions have contributed to the overall U.S. methane emission reductions from natural gas systems of approximately 16% from 1990 to 2019, while natural gas production has increased 91% over the same period.[12,13] These results reflect both the environmental benefit of

[9] EIA. "How much carbon dioxide is produced when different fuels are burned?" EIA, 17 June 2020. 2021. <https://www.eia.gov/tools/faqs/faq.php?id=73&t=11>.
[10] EIA. "Natural Gas Issues and Trends: Table 2." EIA. 1998: 58.
[11] R. A. Alvarez et al. "Assessment of methane emissions from the U.S. oil and gas supply chain." Science. 361 (2018): 186-188.
[12] EPA. "Inventory of U.S. Greenhouse Gas Emissions and Sinks, 1990-2019." EPA, 14 Apr. 2021: ES-16, 3-89. 2021. <https://www.epa.gov/sites/production/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf>.
[13] EIA. "U.S. Dry Natural Gas Production." EIA, 26 Feb. 2021. 2021. <https://www.eia.gov/dnav/ng/hist/n9070us2A.htm>.

minimizing and preventing methane emissions, and the economic incentive to keep natural gas in our pipelines and storage facilities.

EPA's Natural Gas STAR and Methane Challenge Programs
For over a quarter of a century, we have voluntarily participated in the EPA's Natural Gas STAR Program, implementing initiatives to reduce our methane emissions. In 2016, we became a partner in the EPA Natural Gas STAR Methane Challenge Program that provides us a flexible way to make specific and transparent commitments to implement methane emission reductions from our operations. We are participating in the Methane Challenge Program under the ONE Future Emission Intensity Commitment Option for our natural gas transmission and storage assets.

ONE Future - Founding Member
ONE Future is a coalition of members across the natural gas value chain focused on identifying policy and technical solutions for reducing methane emissions associated with the delivery of natural gas. ONE Future's members include some of the largest natural gas production, gathering and boosting, processing, transmission and storage, and distribution companies in the U.S. In 2019, these ONE Future companies accounted for approximately 16% of total natural gas production, 57% of natural gas transmission pipeline miles, and 18% of the total U.S. natural gas delivered by local distribution companies.[14]

ONE Future members aspire to enhance the energy delivery efficiency of natural gas by:
- limiting energy waste, and
- achieving a cumulative methane emission intensity target, the "leakage" rate, for member companies of 1% or less of total natural gas production across the natural gas value chain by 2025.

To put the current ONE Future target of 1% methane emission intensity into context, the natural gas supply chain's methane emission intensity, based on the EPA's 2012 National Greenhouse Gas Inventory, was 1.44% of total natural gas production. In order to meet the ONE Future 1% target, the natural gas industry required an additional 30% improvement in methane intensity across the natural gas supply chain. The ONE Future 2019 Methane Emission Intensities Report shows a methane intensity rate of 0.334% for member companies, outperforming the 2025 target by 67%.

The ONE Future Emission Intensity Commitment is intended to drive actions to achieve segment-specific methane emission reduction targets established by the ONE Future Coalition. To meet these targets, we have committed to reducing methane emissions, while maintaining pipeline integrity and safety and minimizing customer impacts. Our targets and performance are described in greater detail in *Section 3.4.3 GHG Targets* of the *Sustainability Report.*

INGAA Climate Change Statement
We support INGAA's 2021 Climate Change Statement regarding climate change and building a cleaner energy future for natural gas transmission and storage operations.[15] For INGAA members, these commitments include:
- reducing GHG emissions throughout member operations;
- continuing to implement long-term strategies to lower emissions while working as an industry to reach net zero GHG emissions by 2050, supported by necessary technology advancements and

[14] ONE Future Coalition. "ONE Future 2020 Methane Emission Intensities Report." ONE Future Coalition, 19 Nov. 2020. 2021. <https://onefuture.us/2020-methane-emissions-intensity-report/>.
[15] INGAA. "2021 Vision Forward: Addressing Climate Change Together." INGAA, Jan. 2021. 2021. <https://https://www.ingaa.org/File.aspx?id=38523&v=6553c6c8>.

sound public policy initiatives;
- reducing both carbon intensity and net global GHG emissions throughout member operations by adopting and investing in innovative technologies; and
- working with customers, government agencies, NGOs, and other stakeholders to adopt innovative solutions.

Our own *Statement on Climate Change* can be found at https://www.kindermorgan.com/WWWKM/media/Documents/Climate_Change_KM_Statement.pdf.

Methane Reduction Strategies
We have implemented the following methane reduction strategies at one or more of our facilities:
- performing maintenance and repairs on component leaks including those identified through annual methane leak surveys;
- providing training to our operations personnel;
- communicating policies and procedures detailing program requirements to improve methane management;
- minimizing methane emissions from transmission pipeline blowdowns by:
    - pumping down pipelines when gas evacuation is needed for repair or testing;
    - repairing pipelines using sleeves and composite wraps; and
    - performing hot taps to make new connections, eliminating the need for pipeline blowdowns.
- conducting performance-based monitoring and replacement for reciprocating compressor rod packing;
- using dry seals for new centrifugal compressor installations;
- converting our reciprocating engine and turbine gas starters to electric or air operated starters;
- cathodically protecting our pipelines which helps prevent pipeline degradation and leaks;
- installing electrically operated glycol pumps to replace natural gas-operated pumps;
- testing advanced methane emission reduction technologies and work practices such as satellite and aerial methane detection as well as laser absorption monitoring;
- installing low- or zero-bleed natural gas pneumatic devices on new facilities;
- collaborating with customers, peers, and regulators on best practices and new technologies; and
- looking for new ways to reduce emissions.

For more examples of how we implement our methane reduction strategies, see *Our Commitment to Reducing Methane Emissions* case study video and fact sheet at https://www.kindermorgan.com/Safety-Environment/ESG#tabs-case_studies.

Methane Detection Technologies
We engage with peer companies and customers to share experiences and strategies concerning methane detection technologies and best practices, both of which are evolving rapidly. We are using innovative technologies and are evaluating emerging technologies or approaches in many ways, including:
- testing different configurations of infrared and laser absorption sensors;
- contracting multiple service providers who use sensors mounted on helicopters and fixed-wing aircraft to conduct aerial methane detection surveys. Since 2016, we have conducted such surveys on over 2,000 miles of our natural gas pipelines;
- evaluating satellite-based and continuous methane detection;
- using OGI cameras or other EPA-approved technologies to verify suspected leaks.

In addition, since the inception of the EPA's GHGRP, our annual methane leak surveys have included natural gas processing plants and transmission and storage compressor stations subject to the EPA's GHGRP. At these facilities, we conduct methane leak surveys using OGI cameras or other EPA-approved technologies. We use EPA-approved methods, such as direct flow measurement, to estimate methane leak rates from compressors and other components. For compressor leaks, we use direct flow measurements to develop entity-specific emission factors. For these facilities we conduct direct measurements at least annually for the following sources, when applicable:

- compressor unit rod packing vents,
- compressor unit blowdown and isolation valve vents,
- compressor wet seal oil degassing vents,
- atmospheric storage tanks, and
- equipment/pipeline components.

Our operations personnel are informed when a leak is detected and are provided with quarterly reminders to review the identified leaks and perform repairs. Repairs are made either upon discovery, during the next scheduled maintenance at the facility, or when feasible.

We anticipate evaluating and potentially implementing other methane emission reduction technologies or methane reduction work practices at our natural gas operations on a case-by-case basis. We report our use of specific technologies and work practices annually to the EPA.

3.2.1.2 Other GHG Emissions Reduction Efforts

In addition to methane emission reductions, we have implemented one or more of the following Scope 1 emission reduction strategies:

- developed procedures to shut down our equipment to reduce idle time;
- optimized temperature controls and preventative maintenance to reduce fuel consumption;
- shut in oil production wells during routine maintenance;
- reduced flaring by:
    - improving compressor reliability,
    - re-injecting unprocessed gas when processing equipment is down for maintenance activities,
    - automating gas control,
    - improving flaring metering, and
    - optimizing downtime.

Efficient equipment uses less energy to maintain equivalent output. We continue to evaluate new ways to reduce our emissions by increasing the efficiency of our equipment. For example, we have projects in place to evaluate the operational possibilities of:

- dispatching the most efficient compressors first,
- replacing lower efficiency valves, and
- performing life-cycle cost analysis on equipment.

To reduce the GHG emissions related to individual personal vehicles, we offer employees in our corporate Houston office a 100% transportation subsidy to encourage the use of local public transportation. Our current flexible work schedules and the hybrid work schedule we are evaluating are also expected to reduce GHG emissions from employees' commutes.

3.2.2 Research and Development

Emission Reduction Industry Initiatives and Studies
We participate in several industry initiatives to implement methane emission reduction strategies. Below are a few examples of how we actively engage with various trade associations and regulatory entities to share data, our experience with methane monitoring and management, and best practices for achieving methane emission reductions.

- *IAB for DOE's ARPA-E Project*
  As a participant in the IAB for DOE's ARPA-E Project, we advised ARPA-E and Colorado State University on the development of a methane emission test site. This test site simulated actual natural gas leaks that might occur at production and gathering facilities and underground pipelines. This test site project is part of the ARPA-E Methane Observation Networks with Innovative Technology to Obtain Reduction program. The goal of the program is to develop innovative and cost-effective methane leak detection technologies to more precisely and efficiently locate and measure methane emissions associated with natural gas operations and oil production wells with associated gas production. The next generation leak detection technologies are expected to drive enhanced leak detection and repairs to further reduce methane emissions. We were actively engaged in multiple aspects of the project including:
    - development of the test site,
    - evaluation of the various leak detection technologies being developed, and
    - providing guidance to the test site developers on industry expectations and steps for regulatory approval of these technologies.

  The results of the ARPA-E Project show that several leak detection technologies can detect leaks and locate the leak to within two meters of its location. Some technologies are able to differentiate between large and small leaks and minimize false positive detections. Further development and testing of the technologies in the field are needed to enhance their successful deployment. The testing site is still used for research involving methane emission detection, safety, and other field measurement projects. It is also used as the location for OGI training courses where operators receive hands-on experience to improve their ability to detect methane leaks.

- *New York State's Emission Measurement Project*
  We are participating in a research study, conducted by Harrisburg University and funded by the New York State Energy Research and Development Authority, to characterize methane emissions from midstream oil and gas facilities in New York State. The aim of the study is to improve the State's understanding of spatial and temporal variations of methane emissions from midstream assets and refine available methane emission factors.

- *DOE National Methane Emission Estimates and Methane Emission Factors Studies*
  We collaborated with the DOE on three additional DOE-funded studies to develop improved national methane emission estimates and methane emission factors; two studies for natural gas gathering compressor stations and one study for underground natural gas storage wells and

fields.[16,17] The current methane emission factors used for gathering compressor stations are more than 20 years old and are based on a limited dataset. In October 2018 and April 2019, the DOE issued the final reports for the natural gas gathering compressor station studies, and in May 2019, the DOE completed the study for underground natural gas storage wells and fields.[18] These studies establish recommendations for improved and more representative methane emission factors. Our employees participated on the Steering Committee and Technical Review Committee for each study. We also permitted academic institutions and consultants to perform testing at more than 30 of our natural gas gathering compressor stations.

- *DOE NETL Methane Emission Life Cycle Analysis*
  We collaborated with DOE's NETL on a methane emission life cycle analysis. This analysis, performed by NETL, included input from ONE Future members representing each sector of the natural gas industry value chain. The study evaluated specific emission reduction opportunities in each part of the value chain. The study, which was updated in 2020, indicated that the average life cycle methane emission rate for ONE Future members was below the methane emission rate for the U.S., at 0.76% and 1.06% respectively.[19] Results from the study have helped inform ONE Future members and others interested in the impact of ONE Future members' emission reduction activities on overall methane life cycle emissions.

- *PRCI GHGRP Methane Emission Factors Study*
  We worked with PRCI on a study of the EPA's GHGRP methane emission data, resulting in two reports with recommendations for more up-to-date and accurate emission factors. The first report evaluated emissions from compressor seals, isolation valves, and blowdown valves based on direct measurements as required by GHGRP. The second report evaluated other facility leaks, pneumatic controller venting, condensate tank dump valve leakage, and station blowdown emissions. The project evaluated and analyzed the dataset and compared methane emission estimates from these sources to historical data used by the EPA in its annual GHG inventory report. The annual GHG inventory report uses historical emission factors from the June 1996 EPA and Gas Research Institute Report, *Methane Emissions from the Natural Gas Industry.*[20]

  The results of both these studies can be used to provide more current emission factors, estimate the relative contribution of different methane emission sources, and support more efficient methane emission reduction activities for natural gas transmission and storage operations.

- *NREL Electric Power Grid and Natural Gas Network Operations and Coordination*
  As part of a consortium of industry partners, we worked with NREL on a study to explore the

[16] Zimmerle, Daniel, et al. "Characterization of Methane Emissions from Gathering Compressor Stations: Final Report October 2019 Revision." Energy Institute Colorado State University, Oct. 2019. 2021. <https://mountainscholar.org/bitstream/handle/10217/194544/Final%20Report.pdf?sequence=5&isAllowed=y>.

[17] GSI Environmental Inc. "Integrated Component-Specific Measurements to Develop Emission Factors for Compressors and Gas Gathering Lines." GSI Environmental Inc, 1 Oct. 2018. 2021. <https://www.netl.doe.gov/sites/default/files/2019-01/FE0029084_Final.pdf>.

[18] GSI Environmental Inc. "Long-Term Methane Emissions Rate Quantification and Alert System for Natural Gas Storage Wells and Fields." GSI Environmental Inc, 29 Jan. 2020. 2021. <https://netl.doe.gov/sites/default/files/2020-01/FE0029085-Final-Report.pdf>.

[19] NETL. "Industry Partnerships and Their Role in Reducing Natural Gas Supply Chain Greenhouse Gas Emissions- Phase 2." DOE NETL, 12 Feb. 2021: 1-2. 2021. <https://netl.doe.gov/projects/files/NETL-Industry-Partnerships-and-their-Role-in-Reducing-Natural-Gas-Supply-Chain-Greenhouse-Gas-Emissions-Phase-2-12FEB2021.pdf>.

[20] EPA. "Inventory of U.S. Greenhouse Gas Emissions and Sinks, 1990-2019." EPA, 11 Apr. 2021: 3-74. 2021. <https://www.epa.gov/sites/production/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf>.

benefits of coordinating power systems and natural gas networks.[21] The study used actual power- and gas-system data from the participants, including our Colorado Interstate Gas system. Study results show that coordination reduced costs and emissions and alleviated fragmented, inefficient, and potentially costly, market operator interventions. The results also show that greater flexibility in the gas nominations process could cut down on gas curtailments. This could be particularly important in the future as increased use of renewables is expected to require greater flexibility from gas fired generators.

- *NREL Renewable Energy Opportunities at Oil and Gas Operations*
  We also partnered with NREL to use an analytical software platform, called REopt, to evaluate the technological and economic potential of various clean energy technologies to support our oil and gas operations. The platform allows us to run and compare multiple scenarios to determine the most economic use of grid electricity and renewable energy technologies at one of our gas plants and some of our electric compressor stations.

- *Stanford Natural Gas Initiative*
  We are an affiliate member of the Stanford Natural Gas Initiative which is a collaboration of more than 40 research groups at Stanford University drawn from engineering, science, policy, geopolitical, and business disciplines. This initiative works with a consortium of industry partners and other external stakeholders to generate the knowledge needed to use natural gas to its greatest social, economic, and environmental benefit. As an affiliate member, we have access to informed research and the ability to interact with Stanford faculty and industrial colleagues for issues related to natural gas.

The dollar amount we have invested in research and development projects related to GHG emissions and climate change are provided below. For 2020, these amounts include contributions for GHG-related projects through PRCI, ONE Future, the INGAA Foundation, and the Stanford Natural Gas Initiative.

	Year Ended December 31		
	2018	2019	2020
		(In thousands)	
Research and development investments in GHG emissions and other climate change-related projects(a)	$ 257	$ 226	$ 251

(a) The amount invested includes the work hours our employees spent on DOE GHG-related projects.

CCUS

We participate with other organizations to advance CCUS policy and technology. In 2019, we participated in the National Petroleum Council study to define potential pathways for integrating CCUS into the energy and industrial marketplace. We participated on the CCUS Technology Task Group and one of our employees co-authored the CO_2 transportation chapter.

[21] NREL. "Electric Power Grid and Natural Gas Network Operations and Coordination." NREL, Sept. 2020: 1-63. 2021. <https://www.nrel.gov/docs/fy20osti/77096.pdf>.

The draft National Petroleum Council report, *Meeting the Dual Challenge: A Roadmap to At-Scale Deployment of Carbon Capture, Use, and Storage*, was published in December 2019.[22] The report concludes that at-scale deployment requires:

- strong collaboration between industry and government;
- improved policies, financial incentives, and regulations;
- broad-based innovation and technology development; and
- increased understanding and confidence in CCUS.

In 2020, we participated in the Baker Institute for Public Policy's working group to explore the deployment of CCUS technologies in the state of Texas. The working group consisted of corporations, industry associations, special interest groups, academic institutions, and NGOs. The paper, *Expanding Carbon Capture in Texas,* was developed from working group discussions, and summarizes that Texas has a comparative advantage when it comes to implementing CCUS technologies, and that lawmakers and regulators can help assist the development of a CCUS industry in Texas by addressing existing legal and regulatory uncertainties and by carefully considering pathways that can establish Texas as a leader in a low carbon energy future.[23]

In 2021, we joined the Colorado Energy Office CCUS Task Force along with representatives from industry, government, academia, and nonprofits. The task force is evaluating Colorado's opportunities for carbon capture, transport, utilization, and storage resources to:

- reduce Colorado's GHG emissions to help achieve emission reduction targets;
- complement other emission reduction technologies like zero-carbon electricity production;
- improve environmental and air quality in disproportionately impacted communities; and
- create economic opportunities, such as retrofit job creation, and other regional economic impacts.

3.2.3 Industry and Agency Participation

Our employees have undertaken leadership roles in the INGAA GHG Task Force, serving as co-chairs from late 2008 to 2011, and from 2013 through 2020. Our employees have also served as co-chairs for the INGAA EHS Air Strategies Task Force.

We collaborate with the EPA and DOE on methane emission reductions. We exchange data with the EPA and engage in discussions about potential emissions management strategies. This joint effort aims to identify the most effective means of implementing methane emission reductions at natural gas transmission and storage operations.

We participate in collaborative meetings with various NGOs to improve their understanding of natural gas storage facilities, operations, emissions, and safety technologies. Our work is ongoing in numerous federal, state, and industry venues.

We participate in the New York City Mayor's Office of Resiliency CCATF. The CCATF was established in January 2008 and helped with New York City's Hurricane Sandy recovery efforts. The CCATF's objectives are to:

- identify critical infrastructure in New York City that could be at risk from the effects of climate

[22] National Petroleum Council. "Meeting the Dual Challenge A Roadmap to At-Scale Deployment of Carbon Capture, Use, and Storage." National Petroleum Council, Dec. 2019. 2021. <https://dualchallenge.npc.org/downloads.php>.

[23] Baker Institute for Public Policy. "Expanding Carbon Capture in Texas." Baker Institute for Public Policy, Rice University, Jan. 2021. 2021. <https://www.bakerinstitute.org/media/files/files/8e661418/expanding-ccus-in-texas.pdf>.

change,
- facilitate knowledge sharing and develop coordinated adaption strategies to secure these assets, and
- develop findings and recommendations.

We also support Arizona's Climate Change Action Plan through our participation in an afforestation program called Trees for Tucson in Tucson, Arizona. The Trees for Tucson program was temporarily suspended due to the COVID-19 pandemic in 2020; however, since 2017, we have contributed to planting approximately 950 trees in the Tucson metropolitan area. These trees sequester CO_2, helping to offset CO_2 in the atmosphere.

3.2.4 Compliance Reporting and Regulation

Facilities in each of our business segments are subject to greenhouse gas reporting programs with the EPA or ASEA, as applicable, and to federal and state leak detection and repair regulations. We measure, monitor, and quantify GHG emissions to satisfy the requirements of these rules using our extensive emissions monitoring equipment and measurement programs. We use these tools to conduct leak surveys for both regulatory and voluntary programs. In 2020, we reported emissions to the EPA, ASEA, and 14 state or local agencies.

The EPA's GHGRP requires annual leak detection surveys at subject facilities. LDAR inspections to identity and fix equipment leaks are required by the EPA's New Source Performance Standards for natural gas processing plants and oil and gas production, transmission, and distribution facilities and several state-specific regulations. Monitoring frequency and methods vary depending on facility type, and surveys may be conducted monthly, quarterly, or annually. We conduct LDAR inspections and identify leaks using OGI, flame ionization detectors, and other technologies. If we identify a leak during our LDAR surveys, we repair it and then resurvey to confirm that the repair addressed the leak. As described in *Section 3.4.3 GHG Targets* of the *Sustainability Repor*t, we committed to conduct leak surveys at each of our natural gas transmission and storage compressor stations by the end 2021.

3.2.5 Energy Management
(GRI 102-5, GRI 302-1, GRI 302-4, CDP C8.2, CDP C8.2a)

One of the most impactful ways we reduce our overall emissions is by managing our energy consumption. Per our OMS, which is described in greater detail in *Section 2.2 Management System* of the *Sustainability Report*, we strive for continuous improvement in our energy efficiency and have implemented several energy management initiatives.

We employ energy management personnel who oversee multiple programs and strategies to both minimize energy costs and monetize our reductions in energy usage.

Demand Response
We participate in curtailment and demand response programs. By analyzing our operations and energy consumption at a detailed level, we are able to reduce the amount of energy we pull from local electric grids when requested by local electric grid operators. Some of the largest demand response, load management, and utility reliability programs we participate in include the Base Interruptible Program in California and the Electric Reliability Council of Texas Emergency Response Service program. We also participate in the 4 Coincident Peak program in Texas, which relies on incentives to reduce load when available capacity is low.

Engineering Design

We also have reduced energy consumption by optimizing our pipeline and facility design to utilize devices that use less energy while maximizing output. For example, we use variable frequency drives on many of our pumps to improve pipeline flow control and increase energy efficiency. Variable frequency drives also allow us to monitor the efficiency of our pumps, control pump speed, and reduce surges to nearby power suppliers.

DRA

One of the methods we use to reduce energy consumption in our Products Pipelines and CO_2 business segments is the use of DRA. DRA is a long-chain polymer chemical that disrupts the molecular activity at the fluid boundary layer near the inside pipe wall, thereby reducing friction. DRA decreases the amount of energy lost due to turbulence formation and allows us to move more product through our pipelines using less energy.

Our deployment of DRA in key locations has reduced the electricity needed to move products within our Products Pipelines and CO_2 business segments. The use of DRA has also allowed us to reduce the use of, or completely shut down unneeded pump stations, and avoid construction of new pump station infrastructure.

In 2020, the deployment of DRA, in our Products Pipelines business segment, helped reduce the energy needed to operate and avoided approximately 364 GWh of electricity consumption.[24] This energy savings is roughly equivalent to 257,000 metric tons of CO_2e emissions avoided, which is comparable to the energy used by approximately 31,000 homes for one year or the carbon sequestered by 316,000 acres of U.S. forests in one year.[25]

Offices and Buildings

We continue to seek ways to improve our energy efficiency in the office buildings we own. Our Houston headquarters building is LEED Gold certified. To reduce electricity usage, the lights in our Houston headquarters building are on automated timers that turn off lights when not in use. At many of our other facilities, we have ongoing initiatives to replace compact florescent light bulbs with LED lighting to reduce energy consumption.

Electricity Consumption

We continue to evaluate opportunities to purchase green power. In 2021, we entered into a two-year retail power agreement in Texas to purchase 4.3 GWh/yr of wind power beginning in 2022.

[24] To calculate the avoided energy consumption in each pipeline, actual hourly operational performance data is compared to estimated energy usage with untreated friction loss.

[25] The equivalent number of homes and tree acreage is calculated using EPA's Greenhouse Gas Equivalencies Calculator. EPA. "Greenhouse Gas Equivalencies Calculator." EPA, 15 Oct. 2018. 2021. <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

Our electricity consumption for our continuing operations is provided below.

	Year End December 31		
	2018	2019	2020
		(In GWh)	
Total electricity consumption from continuing operations(a)(b)			
Natural Gas Pipelines	2,570	2,684	3,072
Products Pipelines	1,149	1,153	945
Terminals	190	187	172
CO_2	3,330	3,421	2,770
Corporate	24	25	25
Total	7,263	7,470	6,984

(a) Total electricity consumption is from purchased power for the assets we operate.

(b) Discontinued operations include emissions from TMPL, Puget Sound pipeline system, and Kinder Morgan Canada Inc. up to the sale date of August 31, 2018, and KML and the U.S. portion of the Cochin Pipeline up to the sale date of December 16, 2019. In 2018 and 2019, total electricity consumed from discontinued operations were 492 and 222 GWh, respectively. There were no significant discontinued operations in 2020.

Renewable Energy

We have programs to make energy efficiency improvements in our operations and explore new low carbon technologies where and when it is economically feasible. In some cases, we have found renewable energy optimal for powering our operations. For example, some of the equipment at our facilities is powered through solar panels installed on-site. As these locations are often very remote and far from an existing electric grid, these installations have been successful from both an energy-efficiency perspective and cost-saving perspective. In 2020, we consumed approximately 1,053 MWh of renewable energy from the solar panels we operate, equivalent to approximately 748 metric tons of CO_2 avoided.[26]

The amount of renewable energy consumed from the solar panels we operate are provided below.

	2019	2020
	(In MWh)	
Renewable energy consumed from the solar panels we operate(a)		
Natural Gas Pipelines	742	742
Products Pipelines	80	87
Terminals	7	10
CO_2	189	214
Total	1,018	1,053

(a) The renewable energy we consumed from the solar panels we operate is estimated using the National Renewable Energy Laboratory's PVWatts® Calculator. The renewable energy we consumed from solar panels prior to January 1, 2019 is not included in this table.

The increase in renewable energy consumed by the CO_2 business segment was due to the installation of additional solar panels.

[26] Estimated renewable energy consumed is equal to the amount generated. Solar panel energy generation is calculated using the National Renewable Energy Laboratory's PVWatts® Calculator. Dobos, Aron P. "PVWatts® Calculator." PVWatts® Calculator. National Renewable Energy Laboratory, 2020. 2021. <https://pvwatts.nrel.gov/index.php>.

Vehicle Fleet

We aim to operate our company vehicles in an environmentally sound manner and have policies in place that establish guidelines for safely and efficiently operating our vehicles. When practical, we replace the vehicles in our fleet with those that are more fuel efficient. In 2020, we began purchasing hybrid vehicles for our fleet.

3.3 Scope 3 Emissions

(GRI 305-3, CDP C6.5)

Scope 3 emissions are other indirect GHG emissions from sources upstream and downstream of our value chain that are not owned or controlled by us and are not included in our Scope 1 and Scope 2 emissions. Calculating and reporting Scope 3 emissions is complex as these emissions come from a wide range of sources, some of which are difficult to measure or estimate. Emissions reported as our Scope 3 emissions may be reported by other companies as Scope 1 or 2 emissions. For example, our Scope 3 emissions from employee business air travel may be reported by an airline as their Scope 1 emissions. We are reporting our Scope 1 and Scope 2 emissions for the first time in this report and are currently evaluating the feasibility of reporting our Scope 3 emissions in the future.

3.4 GHG Offsetting, Reductions, and Targets

3.4.1 GHG Offsetting

(CDP C4.3, CDP C11.2, CDP C11.3)

Our Natural Gas Pipelines business segment owns a 50% interest in and operates Ruby Pipeline, L.L.C. (Ruby). Ruby owns a 685-mile 42-inch natural gas transmission pipeline that crosses four states: Wyoming, Utah, Nevada, and Oregon. Prior to the construction of the pipeline, Ruby committed to make the pipeline carbon-neutral. Since 2011, we have accomplished this by using emission reduction credits or renewable energy credits to offset Scope 1 and 2 GHG emissions from construction and ongoing operations.

The credits we purchase are verified through a third-party, and in most cases, the purchase takes place within one year from the date emissions have been reviewed and are considered final. Credit purchases can span multiple years and are not necessarily created during the same year the emission offset is applied. Emissions are typically offset using credits that were purchased during a different calendar year. Over-purchases of credits, if any, are held and applied to offset future emissions.

The GHG emission credits we purchased to offset our emissions, and the average, minimum, and maximum price per metric ton paid for each credit, are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
GHG emission credits purchased(a)(b)			
Purchased credits (metric tons CO_2e)	40,923	95,799	113,188
Average price per metric ton CO_2e	$ 1.15	$ 1.75	$ 3.75
Maximum price paid per metric ton of CO_2e	$ 1.15	$ 1.75	$ 3.75
Minimum price paid per metric ton of CO_2e	$ 1.15	$ 1.75	$ 3.75

(a) Actual emissions that were offset, or will be offset by future credit purchases, for 2018, 2019, and 2020 are 66 thousand, 89 thousand, and 146 thousand metric tons of CO_2e, respectively.

(b) Represents the credits purchased during the calendar year.

These credits establish an internal price of carbon to offset Scope 1 and 2 emissions from our Ruby Pipeline. The price is determined by the North American carbon market, which is an external source of pricing.

3.4.2 GHG Reductions
(GRI 305-5, CDP C4.3)

Our voluntary GHG emission reductions, volume of voluntary methane emission reductions, and estimated value of natural gas saved are provided below. Methane emission reductions are methane emissions mitigated or avoided that would otherwise have been emitted.

	Year Ended December 31		
	2018	**2019**	**2020**
Voluntary GHG emission reductions (million metric tons CO_2e)(a)	1.9	2.0	2.8
Volume of voluntary methane emission reductions (Bcf)(b)(c)	4.0	4.3	5.9
Estimated value of natural gas saved (millions)(d)	$ 12	$ 13	$ 21

(a) Emission reductions are emissions mitigated or avoided that would otherwise have been emitted. The reported CO_2e is based on a GWP of 25 if the methane were directly emitted to the atmosphere (GHGRP Subpart W, IPCC 2007). Calculation is from 40 CFR Part 98.233, Equation W-36: methane (scf) multiplied by 0.0192 kg/ft^3 (methane density) multiplied by 0.001 metrics tons/kg (kg to metric tons conversion) multiplied by 25 metric ton CO_2e/metric ton methane (GWP).
(b) Methane content of pipeline quality natural gas is estimated at 95% per Methane Challenge Program guidance.
(c) Methane emission reductions include reductions from compressor station leak repairs, pipeline drawdowns, gas turbine installations, electric motor installations, and alternative pipeline maintenance technologies that reduce the need for pipeline blowdowns.
(d) The estimated value of natural gas saved for 2018 and 2019 is based on an assumed price of $3.00 per thousand cubic feet, as provided in EPA's Natural Gas STAR Report for the periods presented. For calendar year 2020, we used EIA's 2020 U.S. natural gas annual average Citygate price of $3.55.[27]

We had additional methane emission reductions in 2020 because we completed more leak repairs and installed additional gas-fired turbines and electric motor driven compressors at our compressor stations. Gas-fired turbines and electric motor driven compressors release less methane in their exhaust compared to natural gas-fired reciprocating engines. EPA's Natural Gas STAR program guidance allows taking credit for methane reductions from turbines for 20 years after the installation date.

3.4.3 GHG Targets
(CDP C4.1)

Methane Emission Intensity Target
Through ONE Future, we have committed to achieving a methane emission intensity target of 0.31% for our natural gas transmission and storage operations by 2025 compared to a baseline year of 2012. Methane emission intensity is a measure of methane emissions as a percentage of total volumes of throughput. The transmission and storage industry allocation of the ONE Future target of 0.31% represents an approximate 31% reduction from the 2012 transmission and storage industry segment intensity of 0.45%.[28]

[27] U.S. Energy Information Administration. "U.S. Natural Gas Citygate Price (Dollars per Thousand Cubic Feet)" Jun. 2021. U.S. Energy Information Administration. 2021. <https://www.eia.gov/dnav/ng/hist/n3050us3m.htm>.
[28] ONE Future Coalition. "Methane Emission Estimation Protocol v.3." ONE Future Coalition, Aug. 2020. 2021. <https://onefuture.us/wp-content/uploads/2020/09/ONE-Future-Methane-Intensity-Protocol_V3_3Aug2020.pdf.

Our methane emission intensity targets and progress toward achieving those targets are provided below.

	Year Ended December 31		
	2018	2019	2020
Methane emission intensity rate target(a)	0.31 %	0.31 %	0.31 %
Methane emission intensity rate(a)(b)	0.03 %	0.03 %	0.04 %

(a) The emission intensity rate is calculated by dividing our natural gas transmission and storage total methane emissions by our natural gas transmission and storage throughput. Methane emissions are calculated using the procedures in 40 CFR 98 Subpart W.

(b) We have updated the methane intensity rate for 2018 from our 2018 and 2019 reports to include additional methane emissions from blowdowns that were identified through better data collection methods.

In 2018, 2019, and 2020 we performed better than our transmission and storage methane emission intensity target of 0.31%. In 2020, our methane emission intensity rate represented an 87% reduction from our target and a 91% reduction from the 2012 transmission and storage industry segment rate.

Compressor Station Leak Survey Target

In 2017, we set a target to voluntarily conduct 35 additional leak surveys each year from 2017 through 2021 at our natural gas transmission and storage compressor stations that were not subject to the EPA's GHGRP. By the end of 2021, we expect to have conducted annual leak surveys at each of our natural gas transmission and storage compressor stations. We committed to these additional leak surveys as part of our implementation plan to meet the ONE Future emission intensity commitment under EPA's Natural Gas STAR Methane Challenge Program.

In 2021, we set an additional leak survey target to conduct annual leak surveys at each of our approximate 110 natural gas gathering and boosting compressor stations by the end of 2025.

The number of leak surveys conducted at our natural gas transmission and storage compressor stations and our leak survey targets are provided below.

	Year Ended December 31		
	2018	2019	2020
Targeted number of natural gas transmission and storage compressor stations to survey(a)	217	252	287
Actual number of natural gas transmission and storage compressor stations surveyed	279	306	319

(a) Targets were established by adding an incremental 20% of the transmission and storage facilities that were not required to perform a leak survey under the EPA's GHGRP to the baseline 147 facilities required to conduct a leak survey in 2016.

In each of the past three years, we exceeded our leak survey target. In 2020, we surveyed over 90% of our total transmission and storage facilities. In addition, we completed annual leak surveys at 16 of our natural gas processing plants in 2020.

GHG Reduction Targets

We exceeded our GHG reduction targets, which are targets for methane emissions mitigated or avoided that would otherwise have been emitted, of 2 Bcf and 2.25 Bcf of methane for 2019 and 2020, respectively. For 2021, we have increased our GHG reduction target to 2.35 Bcf of methane and have set a GHG reduction target for 2022 of 2.5 Bcf of methane.

Our GHG reduction target and our progress toward achieving that target are provided below.

	Year Ended December 31	
	2019	2020
	(In million metric tons of CO_2e)	
Target - GHG reductions(a)	1.1	1.2
Actual GHG reductions(a)(b)	2.3	3.2

(a) Reductions are emissions mitigated or avoided that would otherwise have been emitted.
(b) The CO_2e is based on a GWP of 28 if the methane were directly emitted to the atmosphere (IPCC AR5). Calculation is from 40 CFR Part 98.233, Equation W-36: methane (scf) multiplied by 0.0192 kg/ft^3 (methane density) multiplied by 0.001 metrics tons/kg (kg to metric tons conversion) multiplied by 28 metric ton CO_2e/metric ton methane (GWP).

Additional Medium and Long-Term GHG Targets

Before exploring additional targets, including medium-term or long-term GHG reduction targets, we believe it is necessary to have a deeper understanding of our emissions, emission sources, and the means by and extent to which we may be able to reduce those emissions. Our efforts to create an assurance-ready GHG emissions inventory, included in this Report, have provided us with a baseline from which to evaluate future GHG reduction targets. We have begun assessing our future GHG emissions and potential reduction opportunities. We expect this process will help us understand reduction opportunities that could provide value to our shareholders, while reducing our emission footprint.

4.0 Air Quality

4.1 Air Emissions

We are committed to minimizing our emissions by operating our facilities in a manner consistent with good air quality control standards. To manage our air permitting and compliance program in each of our business segments, we conduct the following activities:

- monitor, record, report, and pay emission and permit fees;
- identify, record, and maintain a list of stationary air emission sources;
- quantify facility annual emissions per federal, state, provincial, or local requirements and document the basis of the quantification and estimation;
- quantify emissions when changes or modifications occur at a facility to determine if the facility permitting status is affected;
- deconstruct and manage permit requirements in our compliance tracking system along with required actions, deadlines, and designated responsible persons; and
- provide regular training to increase our operations, engineering and maintenance employees' understanding of permit requirements.

We also have initiatives in place to reduce our NO_X, SO_X, VOCs, PM_{10}, and other relevant air emissions by enhancing processes that improve efficiency, reduce leaks, and reduce fuel usage. We reduce our air emissions by implementing the following practices on a case-by-case basis:

- implementing procedures to shut down our equipment and reduce idle time;
- optimizing temperature controls to reduce fuel consumption;
- replacing existing engines with newer, more efficient equipment; and
- reducing flaring by:
    - improving compressor reliability,
    - automating gas control,

- improving flaring metering, and
- optimizing downtime.

4.2 Air Emissions for the Following Pollutants: NO_x (excluding N_2O), SO_x, VOCs, and PM_{10}
(SASB Midstream EM-MD-120a.1, SASB Exploration & Production EM-EP-120a.1, GRI 305-7)

Our criteria air pollutant emissions that we reported to a regulatory agency are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
	(In thousand metric tons)		
Air emissions(a)(b)(c)(d)			
NO_x (excluding N_2O)			
Natural Gas Pipelines	57.7	56.9	51.2
Products Pipelines	0.1	0.1	0.1
Terminals	0.1	0.1	0.1
CO_2	0.8	0.8	0.8
Total	58.7	57.9	52.2
SO_x			
Natural Gas Pipelines	0.2	0.3	0.2
Products Pipelines	0.0	0.0	0.0
Terminals	0.0	0.0	0.0
CO_2	0.1	0.1	0.1
Total	0.3	0.4	0.3
VOCs			
Natural Gas Pipelines	7.5	8.4	7.0
Products Pipelines	3.9	3.6	3.4
Terminals(e)	2.2	2.3	2.2
CO_2	0.1	0.1	0.1
Total	13.7	14.4	12.7
PM_{10}			
Natural Gas Pipelines	1.1	1.2	1.2
Products Pipelines	0.0	0.0	0.0
Terminals(e)	0.1	0.1	0.1
CO_2	0.1	0.1	0.1
Total	1.3	1.4	1.4

(a) Emissions reported to a regulatory agency as of August 9, 2021. Includes emissions reported for facilities where we have operational control.
(b) For locations that report emissions less frequently than annually, emissions are included from emission fee estimates or from the most recent agency submittal.
(c) Emission values displayed as 0.0 are less than 50 metric tons.
(d) There were no significant discontinued operations in 2020. In 2018 and 2019, SO_x, NO_x, and PM_{10} emissions from discontinued operations were less than 50 metric tons. In each of the years, 2018 and 2019, VOC emissions from discontinued operations were 0.1 thousand metric tons.
(e) Previously reported numbers have been adjusted to deduct discontinued operations for KML and the U.S. portion of Cochin pipeline.

The decrease in our company-wide NO_x and VOC emissions from 2019 to 2020 was primarily driven by declines in product throughput and facility divestment. The NO_x emissions in the Terminals and Products Pipelines business segments decreased due to increased use of vapor recovery units.

5.0 Water Management

(GRI 303-1, GRI 303-2, CDP W1.1, CDP W1.2, CDP W6.1)

Water resources are important to the ecosystems and communities in which we operate. Our commitment to efficient operations includes responsibly managing our water consumption, our wastewater effluent, and disposal of the water we use. We have policies and procedures to meet or exceed water and wastewater effluent monitoring, measurement, recordkeeping, and reporting requirements. While certain sectors of the energy industry can be relatively water intensive, our primary business is in the energy infrastructure sector where water usage is less intensive. Because of this, we can readily build and operate pipelines and terminals without creating an undue burden on the environment, even in water-stressed areas. Although our operations' water-related risks are low, we are nevertheless committed to responsibly managing the consumption and disposal of the water we do use.

Our water uses are primarily for:

- hydrostatic testing of the integrity of new and existing pipelines and related equipment prior to operation,
- dust control,
- cooling for our CO_2 business segment power plant,
- processing in natural gas processing facilities, and
- cleaning our equipment.

Produced water is a by-product of CO_2 EOR projects and produced water management is important for our CO_2 business segment. Produced water is either re-injected into an oil-producing formation or disposed of by injecting it into a non-oil-producing formation.

One of the ways we reduce our water usage and wastewater effluent is when performing hydrostatic testing on large segments of pipe, we often test in smaller sections and reuse the same water from one section to the next. This approach minimizes the amount of wastewater effluent from hydrostatic testing and the amount requiring subsequent disposal. This approach also minimizes risk associated with storing and transporting larger volumes of water. As another example, we collect condensation from the air conditioning units at our corporate headquarters in Houston, Texas, and reuse it to irrigate the flowerbeds around our building.

We monitor our stormwater and wastewater discharges, where warranted, to determine whether water treatment is necessary before the water is safely released into the environment or publicly owned treatment works. Some of our facilities require on-site treatment systems to process stormwater and wastewater discharges to meet water quality standards that protect human and aquatic life. In addition, our operations follow procedures to minimize the risk of accidental discharges. If we do experience a non-permitted wastewater discharge, we have detailed response and incident management procedures and reporting processes. Significant discharge incidents are investigated, and corrective actions are implemented, if necessary, to address incident causes.

5.1 Water Usage

(SASB Exploration & Production EM-EP-140a.1, GRI 303-3, GRI 303-5, CDP W1.1, CDP W1.2, CDP W6)

Hydrostatic Integrity Testing

As part of our asset integrity management program, described in *Section 12.1 Asset Integrity Management* of the *Sustainability Report*, we conduct regular testing of new and existing pipelines and tanks. For some of these tests, we use hydrostatic integrity testing, a process where water is injected into a pipeline or tank and is pressurized to a certain level to test the integrity of the pipeline or tank. Often a portion of the hydrostatic integrity test water used is returned to the source and is available to be used again. In some hydrostatic integrity tests, we use alternative sources of water from non-fresh water sources.

The volume of water we used for hydrostatic integrity testing in 2018, 2019, and 2020 of our in-service PHMSA-regulated pipelines is provided below. For 2020, this volume also includes water used for hydrostatic integrity testing of our tanks. We are developing the processes to report the water we use for hydrostatic integrity testing of pipelines not regulated by PHMSA and newly constructed pipelines as they are placed in service.

	Year Ended December 31		
	2018	**2019**	**2020**
	(In thousand cubic meters)		
Water use for hydrostatic integrity testing(a)(b)(c)(d)			
Natural Gas Pipelines	72	22	38
Products Pipelines	1	1	0
Terminals	1	1	19
CO_2	0	0	0
Total	74	24	57

(a) For pipelines, water volumes are calculated using the dimensions of the pipeline tested. Volumes may not account for water reuse or water loss. Water volumes from pipeline segments tested off-site are excluded.

(b) For tanks, water volumes are calculated using the tank diameter and test water height. Tanks using non-fresh water for testing are excluded.

(c) Volumes for tank hydrostatic testing are excluded for 2018 and 2019. In 2020, we developed procedures and controls for tracking water usage volumes from tank hydrostatic integrity testing.

(d) The 2020 water use for hydrostatic integrity testing for the Products Pipelines business segment was less than 500 cubic meters.

Water usage can vary year-over-year depending on the pipeline and tank reassessment intervals in the integrity program. Our Natural Gas Pipelines business segment has reduced its water usage since 2018 by utilizing ILI technology in lieu of hydrostatic integrity tests. Our water volumes from hydrostatic integrity testing are likely to increase with the implementation of PHMSA's "Maximum Allowable Operating Pressure Reconfirmation Rule," which began in 2020 and expands the use of hydrostatic integrity tests.

Water Usage from our CO_2 Business Segment

Our CO_2 business segment operates multiple gas processing plants and a power plant that powers equipment in the SACROC oil field. The power plant and gas processing plants consume fresh water for cooling and steam. Our fresh water supplies come from local water utilities and groundwater sources. Less frequently, fresh water is trucked to our operations located in remote areas. The amount of fresh water used during the EOR process is relatively insignificant compared to the amount used at the gas processing plants and power plant. We assume fresh water withdrawn is equal to fresh water consumed since the majority of fresh water used in our CO_2 business segment operations evaporates.

The amount of fresh water withdrawn, fresh water consumed, and fresh water withdrawn intensity for our CO_2 business segment are provided below.

	Year Ended December 31		
	2018	2019	2020
	(In thousand cubic meters, except water withdrawn intensity)		
Fresh water withdrawn(a)	1,487	1,489	1,208
Fresh water consumed(a)	1,487	1,489	1,208
Fresh water withdrawn intensity (thousand cubic meters of fresh water consumed per BOE throughput)(b)	0.04	0.04	0.04

(a) Water usage volumes from certain facilities or processes may be excluded if the volumes are insignificant to the overall volumes presented above.

(b) Calculated using the total fresh water withdrawn divided by our CO_2 business segment's BOE throughput.

6.0 Ecological Impacts

6.1 Environmental Management Policies and Practices for Active Operations

(SASB Midstream EM-MD-160a.1, SASB Exploration & Production EM-EP-160a.1, GRI 102-12, GRI 102-43, GRI 304-2, GRI 304-3)

We continually evaluate the regulatory landscape for our operations and new projects. To manage environmental matters across our assets, we maintain corporate policies and business segment-specific procedures. Through our internal monthly regulatory update and verification program, we identify, assess, and manage compliance with changing regulatory requirements.

Our Biodiversity Policy outlines the approaches we use to address impacts on biodiversity in areas where we operate. We assess the environmental risk and impact from many of our new or existing project sites and where warranted, make adjustments to the location, scope, and/or timing of a new project in an effort to minimize or avoid impacts to critical habitats with high biodiversity value, including vulnerable species or sensitive ecosystems.

Project Development

Prior to beginning new construction or an expansion project, we develop plans and procedures that consider a number of important factors that help:

- maintain operational efficiency,
- minimize our impact on biodiversity, and
- take into consideration our stakeholders' concerns.

Our project development plans look at the overall impact of the project and may include:

- surveying,
- environmental and cultural impact avoidance,
- monitoring,
- mitigation,
- construction,
- revegetation, and
- operation.

Pre-construction and Construction

To evaluate a proposed route for a new pipeline project, we conduct the following surveys:

- civil surveys that provide information on soil, topography, and land use;
- cultural surveys that provide cultural significance and archaeological information; and
- environmental surveys that provide information about water, vegetation, wildlife, and other important biodiversity considerations.

In addition to the information collected in these surveys, our teams also consult with local stakeholders during development and pre-construction about project-specific considerations, including environmental issues. We consider and use this information to help develop a pipeline route that avoids or minimizes impacts on people, critical habitats, and land.

We may employ the following construction and mitigative procedures to take into account biodiversity issues:

- measures to minimize erosion and enhance revegetation;
- plans to maintain existing drainage and water flow near our projects, including installing drain tiles;
- horizontal directional drilling technology to install pipelines beneath sensitive areas;
- project-specific spill prevention and response procedures; and
- traffic plans to keep affected roadway crossings safe and accessible.

We work to minimize impacts on biodiversity in the areas where we work and operate. Land and habitat preservation is a key component of our construction efforts, both when designing a new route for a pipeline project and when performing maintenance on facilities that have been in service for many years.

We coordinate with regulatory agencies and landowners, as appropriate, to minimize our impacts to the local environment by developing plans to:

- prevent the introduction or spread of invasive species during construction or restoration, and
- allow for the movement and protection of wildlife and livestock during construction.

Mitigation in High Conservation Value Areas

We employ a variety of strategies to minimize our operating assets' impact on high value conservation or biodiversity areas, such as sensitive habitats and conservation areas with threatened or endangered species, water bodies, and wetlands.[29] Business segment integrity management teams assess whether our pipelines and facilities could affect commercially navigable waterways, populated areas, or environmentally sensitive areas.[30] We work to meet or exceed the regulatory standards that protect these important areas.

When our internal analysis determines that our asset is located within an environmentally sensitive area, the asset is subjected to more stringent and frequent integrity management measures to improve the asset's resilience and help protect the surrounding environment. Read more about our integrity management program described in *Section 12.1 Asset Integrity Management* of the *Sustainability Report.*

Based on the nature of the project and project area, our project framework requirements may include some or all of the following:

- designating an environmental inspector with wetlands or waterbody knowledge to verify that environmental conditions are met during construction,

[29] Threatened or endangered species defined by federal, state, provincial, and local regulatory agencies.

[30] Environmentally sensitive areas in the U.S. are defined by the 49 CFR 195.6 designation of unusually sensitive areas. Canada's CER rules define environmentally sensitive areas in the GeoGratis database published by Natural Resources Canada.

- establishing baseline characteristics for high conservation areas to help develop mitigation measures during a project,
- routing to avoid construction through or minimize disturbances to wetlands and water body crossings,
- establishing spill prevention and response procedures that provide for prompt and effective cleanup in the event of a spill,
- delineating wetlands and waterbodies, and
- developing detailed mitigation and avoidance plans for project areas identified as habitat for threatened or endangered species and fisheries.

Restoration

When impacts to the environment cannot be completely avoided or minimized, we can employ measures to restore an ecosystem's composition, structure, and function. Post-construction actions for new projects include restoring the right-of-way, including landowner agreed-upon specifications, and restoring the land within our facility fence lines where appropriate. In some instances, our restoration improves a habitat compared to the condition in which we found it. For example, for some pipeline replacement projects we plant indigenous vegetation seed mixes to promote a healthy ecosystem that is expected to quickly adapt to local conditions and then monitor its progress. In tandem with these efforts, we also use weed control to prevent encroachment of invasive species and mitigate erosion. In other projects, we have constructed new habitats; preserved, restored, enhanced, or created wetlands; and improved existing conservation or reservation areas.

Our restoration, revegetation, and reclamation efforts include:

- grading construction right-of-way to restore pre-construction contours and leave the soil in the proper condition for planting;
- stabilizing streambeds and banks, natural drainage ways, and steep grades to meet permit requirements;
- establishing successful revegetation of soils disturbed by project-related activities;
- working with affected landowners to restore structures, fences, hedges, buildings, and/or other property displaced or damaged during construction; and
- implementing spray programs for noxious weeds and ongoing environmental monitoring to identify and repair post-construction areas of concern.

After completing construction on a new or existing project, we strive to meet the biodiversity targets and deadlines established in our project plans.

Biodiversity Enhancement Initiatives

We are actively involved in a number of projects designed to enhance biodiversity within our operating areas. We have made long-term commitments to managing biodiversity and participate in conservation education and community outreach initiatives as described below.

- *Permian Highway Pipeline Project Initiatives*
    - *Golden-Cheeked Warbler Habitat*

      In April 2019, our PHP joint venture committed to purchase over 1,300 acres of land in Travis County, Texas, with the intention of donating it to the Balcones Canyonlands National Wildlife Refuge. In 2020, with assistance from The Conservation Fund, the donation was finalized and the land was transferred to the refuge. This donation of land expands the current refuge for the Golden-Cheeked Warbler, an endangered species of bird that breeds in central Texas.

PHP also purchased mitigation credits from two mitigation banks located in the project area to offset any future impacts that may be caused by oak wilt, a fungal disease that can impact the Golden-Cheeked Warbler habitat. Monitors were deployed to oversee these habitats during construction. PHP expects to continue monitoring for oak wilt in this habitat through the third quarter of 2021.

In total, PHP has contributed to protecting approximately 1,530 acres of Golden-Cheeked Warbler habitat in perpetuity and has spent over $10.3 million to help with the protection of this endangered species.

- *Houston Toad Research*
  In 2020, PHP made a donation of approximately $1 million to a state university for Houston Toad research. A portion of that money is designated for the USFWS San Marcos Aquatic Research Center.

  During construction of our Crossover 2 Pipeline, in April 2020, we donated $250,000 to the Texas State University Development Foundation to fund research focused on the conservation and recovery of the endangered Houston Toad.

  In addition to the monetary support provided, field research and monitoring oversight was conducted in the Houston Toad habitat during construction and acoustical equipment was deployed in the vicinity of these projects to detect Houston Toad choruses. People were stationed along the construction rights-of-way to assist with relocating Houston Toads, or other amphibians and reptiles, outside the limits of disturbance. For Houston Toads that might venture into the rights-of-way, artificial habitats were created within each project's right-of-way to serve as shelter.

- *Eastern Worm Snake and Eastern Box Turtle Conservation and Wetland Mitigation in Agawam, Massachusetts*
  In 2020, we contributed nearly $1.5 million for tree planting, wetland mitigation, and purchasing protective habitats in Agawam, Massachusetts. To help preserve the habitat of the Massachusetts-protected Eastern Worm Snake and Eastern Box Turtle, we purchased and transferred a 7.6 acre parcel of land to the Town of Agawam, identified a private Land Trust, and funded an endowment for the Land Trust to administer the Conservation Restrictions governing the conservation areas.

  We also rehabilitated and then established Conservation Restrictions on over 11 acres of degraded wetland and riparian areas, which had been historically used as a turf farm. Rehabilitation in these areas consisted of planting trees and shrubs at strategic locations to facilitate the return of woody scrub-shrub and forests.

For more information, see our EHS Policy Statement, our Biodiversity Policy, and for examples of how we operationalize our Biodiversity Policy, see our case studies, on our ESG/Sustainability webpage at https://www.kindermorgan.com/Safety-Environment/ESG.

6.2 Percentage of Land Owned, Leased, and/or Operated within Areas of Protected Conservation Status or Endangered Species Habitat

(SASB Midstream EM-MD-160a.2, GRI 304-1)

Areas of Protected Conservation Status or Endangered Species Habitats

The percentage of land we operate within or near areas of protected conservation status or endangered species habitat is provided below.

	2018	2019	2020
Percentage of land operated within or near areas of protected conservation status or endangered species habitat(a)			
Near designated areas(b)			
Natural Gas Pipelines	28 %	26 %	26 %
Products Pipelines	33 %	33 %	32 %
Terminals(c)	84 %	80 %	49 %
CO_2	8 %	7 %	6 %
Total	29 %	27 %	27 %
Inside designated areas(d)			
Natural Gas Pipelines	4 %	4 %	3 %
Products Pipelines	8 %	2 %	1 %
Terminals(c)	0 %	1 %	1 %
CO_2	0 %	0 %	0 %
Total	4 %	3 %	3 %
Inside or near designated areas			
Natural Gas Pipelines	32 %	30 %	29 %
Products Pipelines	41 %	35 %	33 %
Terminals(c)	84 %	81 %	50 %
CO_2	8 %	7 %	6 %
Total	33 %	30 %	30 %

(a) The acreage of land used in this analysis is based on acreage where we have active operations. We may own or lease, but do not operate, additional land that is not included in this analysis. This calculation assumes that the acreage operated for pipelines includes land within the 50-foot corridor of a pipeline's centerline and excludes production facilities and non-PHMSA jurisdictional gathering lines in the CO_2 business segment. Acreage operated for a facility includes land within the facility's security fence line for the Natural Gas Pipelines, Terminals, and CO_2 business segments and acreage we own, within and outside the security fence line, for the Products Pipelines business segment. We use WDPA determinations for the areas characterized as protected conservation areas. For our Mexico operations, the areas characterized as endangered species habitats are determined by the International Union for Conservation of Nature endangered or critically endangered designations. For our U.S. operations, we used the USFWS designated areas for endangered species instead of the International Union for Conservation of Nature designations, recommended by SASB, because we believe the USFWS dataset better reflects the biodiversity risk for our operations. For the 2020 reporting year, we downloaded the USFWS dataset in the first quarter of 2021, the WDPA dataset in the second quarter of 2021, and completed the analysis using our GIS datasets as of the second quarter of 2021.

(b) Defined as operated land within five kilometers of the boundary of a protected conservation area or endangered species habitat.

(c) Our Terminals business segment assets are often located in coastal areas for marine transportation access; these coastal areas have a higher concentration of conservation areas. Our Terminals business segment's "near designated areas" decrease in 2020 was driven by changes to the WDPA database and increased accuracy of facility boundaries within our GIS system.

(d) Defined as operated land within the boundary of protected conservation area or endangered species habitat.

Acreage Disturbed and Restored

In 2020, a large portion of the acreage disturbed by our operations was due to the PHP project. During the project, PHP used approximately 7,600 acres for permanent right-of-way, temporary construction right-of-way, facility sites, and road access. The temporary construction right-of-way acreage and permanent right-of-way totaled approximately 7,000 acres, which has been restored or is in the process of being restored. A relatively small amount of land is not expected to be restored, specifically the long-term use surface sites, facility sites, and access roads. In order to minimize our impact during our projects, we use existing access roads whenever possible rather than building new ones. Our restoration includes replacing topsoil that was conserved during construction and seeding the appropriate plant species for the area. For the PHP project, approximately 93% of the total acreage disturbed has been restored or is in the process of being restored. Restoration is expected to continue through the middle of 2022.

6.3 Hydrocarbon Spills

(SASB Midstream EM-MD-160a.4, SASB Exploration & Production EM-EP-160a.2)

According to data from PHMSA and FERC, 99.999% of crude oil, petroleum products, and natural gas transported by pipelines reach their destinations safely and uneventfully.[31]

We strive to prevent hydrocarbon releases from our operations, but sometimes such releases do occur. They usually are:

- minimal,
- below reportable quantities,
- contained in secondary containment facilities, and
- promptly remediated.

Our emergency response procedures are designed to promptly limit the impact to the environment if a release occurs or migrates outside of containment. Although measures are in place to prevent environmental contact, there are infrequent cases where some volume of hydrocarbon migrates outside containment.

The number, volume, volume in Unusually Sensitive Areas, and recovered volume of hydrocarbon spills are provided below.

	Year Ended December 31		
	2018	2019	2020
	(In barrels, except percentages and number of spills)		
Number of hydrocarbon spills(a)(b)			
Natural Gas Pipelines	9	17	21
Products Pipelines	7	7	8
Terminals	9	10	8
CO_2	11	9	4
Kinder Morgan Canada(c)	1	—	—
Total	37	43	41

[31] API-AOPL. "2020 Pipeline Safety Excellence Performance Report & 2020-2022 Strategic Plan." API-AOPL, 17 June 2021: 45. 2021. <https://www.api.org/-/media/APIWebsite/oil-and-natural-gas/primers/2020-API-AOPL-Pipeline-Safety-Excellence-Performance-Report-and-20202022-Strategic-Plan.pdf?la=en&hash=3F9DB3F7D2FFA2FAD78E14E6146FC89BA3C1CDDD>.

	Year Ended December 31		
	2018	2019	2020
	(In barrels, except percentages and number of spills)		
Aggregate volume of hydrocarbon spills(a)			
Natural Gas Pipelines	23	407	818
Products Pipelines	11,180	423	1,093
Terminals	70	46	132
CO_2	229	99	337
Kinder Morgan Canada(c)	28	—	—
Total	11,530	975	2,380
Aggregate volume of hydrocarbon spills in Unusually Sensitive Areas(a)(d)			
Natural Gas Pipelines	1	—	273
Products Pipelines	162	32	1,012
Terminals	17	20	113
CO_2	0	0	0
Kinder Morgan Canada(c)	0	—	—
Total	180	52	1,398
Volume recovered(e)			
Natural Gas Pipelines	23	329	806
Products Pipelines	7,047	402	502
Terminals	32	33	129
CO_2(f)	211	97	332
Kinder Morgan Canada(c)	19	—	—
Total	7,332	861	1,769
Percentage recovered			
Total	64 %	88 %	74 %

(a) A spill is defined as greater than one barrel released to surface water, soil, or groundwater, excluding spills contained within impermeable secondary containment.

(b) We do not operate in the Arctic and therefore have nothing to report for SASB EM-MD160a.4.

(c) On August 31, 2018, the assets comprising the Kinder Morgan Canada business segment were sold, so this segment does not have results of operations on a prospective basis.

(d) Includes spills, as defined in note (a), in Unusually Sensitive Areas in the U.S. as identified in the National Pipeline Mapping System by PHMSA. Unusually Sensitive Areas in Canada are identified by the Canadian Council on Ecological Areas Conservation Areas Reporting and Tracking System; the National Hydro Network - 2016, Government of Canada; Natural Resources Canada; Earth Sciences Sector; and Canada Centre for Mapping and Earth Observation. If the National Pipeline Mapping System data was unavailable for a spill location, we used the protected conservation areas by the WDPA and the areas characterized as endangered species habitats by the USFWS, as the basis for whether the spill occurred in an Unusually Sensitive Area.

(e) The volume of spills recovered is the amount of spilled hydrocarbons (in bbl) removed from the environment through short-term spill response activities, excluding amounts that were recovered during longer-term remediation at spill sites and amounts that evaporated, burned, or were dispersed. The volume recovered is reported for the year the associated spill occurred.

(f) After applying a more consistent definition of short-term spill response activities, we found that additional volumes were recovered in 2019. We have updated our 2019 CO_2 business segment's volume recovered from our 2019 Report.

The data for 2018 includes a 10,910 barrel release from our Products Pipelines business segment, 6,779 barrels of which have been recovered. As of June 2021, our installation of a system to remediate the remainder is pending, awaiting regulatory agency approval.

The increase in the volume of hydrocarbon spills in 2020 was driven by an estimated 1,000 barrel release of gasoline from our Products Pipelines business segment. Spill cleanup efforts are ongoing, and as of

July 2021, approximately half of the volume spilled has been recovered. We are continuing our assessment of the incident and its impact, after which any potential longer-term remedial actions will be evaluated.

6.4 Marine Spills and Releases to the Environment

(SASB Marine Transportation TR-MT-160a.3)

We own a fleet of 16 medium-range Jones Act-qualified product tankers, each with 330,000 barrels of cargo capacity. The fleet is the largest and most modern in the industry and transports crude oil, condensate, and refined products under long-term contracts.[32] Our vessels are operated by Intrepid Ship Management, a subsidiary of Crowley Maritime Corporation, a leading operator and technical manager in the U.S. maritime industry.

Intrepid's management system is designed to fulfill the requirements of:

- International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention,
- ISO 9001:2008 Quality management system, and
- ISO 14001:2004 Environmental management systems.

Consistent with our own philosophy, one of Intrepid's goals is to continually operate with no harm to people, property, or the environment.

The number and aggregate volume of marine spills and releases are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Number of marine spills and releases to the environment	1	0	1
Aggregate volume of marine spills and releases to the environment (cubic meters)(a)	0	0	0

(a) The 2018 and 2020 aggregate volume of marine spills and releases to the environment are less than half of a cubic meter.

6.5 Environmental Fines and Penalties

In line with our OMS, we strive to comply with applicable environmental regulations. Notwithstanding our efforts, we occasionally receive environmental fines and penalties for alleged releases, permit violations and similar events. Payments for environmental fines and penalties may be remitted one or several years after an incident occurs.

[32] Based on average ship age and number of latest generation vessels operated. Fleet age assessment based on Appendix A of the Wilson Gillette December 2020 report of operational Jones Act product tankers and large oceangoing barges.

Our environmental fines and penalties paid are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In thousands)	
Environmental fines and penalties paid(a)	$ 648	$ 215	$ 70

(a) Environmental fines and penalties paid include monetary fines, penalties, and settlements greater than $5,000 paid to environmental regulatory agencies and excludes the costs of supplementary environmental projects, any work we were mandated to complete as part of the enforcement action, and the amounts paid to non-environmental regulatory agencies. Environmental fines and penalties are reported based on the year the payment was made. The year when the payment was made may differ from the year the incident took place.

7.0 Employee and Contractor Health and Safety

7.1 Discussion of Safety Management Systems to Integrate Culture of Safety and Emergency Preparedness

(SASB Midstream EM-MD-540a.4, SASB Exploration & Production EM-EP-320a.2, GRI 403-1, GRI 403-4, GRI 403-6, GRI 403-8, GRI 403-9)

Our employee and contractor safety management systems are integrated into our OMS. An overview of our OMS, including our health and safety training, are described in *Section 2.2 Management System* of the *Sustainability Report.* Additional details about our contractor safety policies are also provided in *Section 8.0 Supply Chain Management* of the *Sustainability Report*.

Safety Initiatives

Our safety initiatives are managed at the business segment level and safety programs are tailored to specific operations.

- *COVID-19 Mitigation Efforts*
  During 2020, we spent an incremental $15 million on employee safety costs associated with our COVID-19 mitigation efforts, primarily for PPE, enhanced cleaning protocols, temperature screening and other measures we adopted to protect our employees. Our business segments traced each positive COVID-19 case and discussed emerging trends with senior management.

- *Safety In Motion®*
  In 2020, our Natural Gas Pipelines business segment continued implementation of the SIM® program which offers a multifaceted approach to eliminating sprain and strain injuries. The SIM® process uses an action and education process that has a track record of preventing, reducing or managing strain, pain, and musculoskeletal injuries. The process includes a training program that, through physical demonstrations during training, allows employees to experience how small changes in physical techniques significantly reduce the risk factors that lead to unnecessary stress and strain. The SIM® system encompasses:
    - ergonomics;
    - body mechanics;
    - fitness; and
    - auditing, observation, coaching, and medical management.

- *Hazard Recognition Training*
  The ability to recognize and mitigate hazards in the workplace prior to and during work reduces the likelihood of an employee injury. Our business segments have developed training programs designed to provide employees with real world scenarios to help improve their hazard identification skills.

- *Incident Investigation Training*
  This training module is designed to help employees, who conduct incident investigations, understand the importance of evaluating the processes and systems linked to the work or task being conducted at the time of the incident. By identifying where there may be opportunities for improvement within our processes and systems, we are better able to provide our employees with the training and knowledge that they need to perform their jobs safely and successfully.

- *Safety Culture Surveys*
  Periodically, our full-time business segment employees participate in confidential safety culture surveys. These surveys are designed to engage with our employees and collect information about our safety culture. The results of these surveys are communicated to employees and used to develop safety action plans.

- *Safety Meeting Packets*
  Our business segments distribute safety meeting packets periodically with the goal of fostering a culture of continuous improvement and providing consistent safety messaging. The packets include lessons learned from internal and external incidents.

- *2020 Contractor Safety Culture Survey and Initiatives*
  We invited over 16,000 of our contract workers and 2,000 of our employees to participate in a confidential safety culture survey. The survey results provided us insight into ways to better communicate our safety values to our contractors and employees and understand areas where we may be able to improve our safety culture.

  Additional contractor safety initiatives are described in *Section 8.0 Supply Chain Management* of the *Sustainability Report*.

7.2 Employee and Contractor Safety Statistics and Average Hours of Health, Safety, and Emergency Response Training

(SASB Exploration & Production EM-EP-320a.1, SASB Marine Transportation TR-MT-320.a.1, GRI 403-2, GRI 403-5, GRI 403-7, GRI 403-9)

We strive for continuous improvement in our safety performance. Although our ultimate target is zero incidents, we also have non-zero employee safety performance targets that we establish at the beginning of each year. The first is to outperform the annual industry average TRIR and the second is to outperform our own three-year TRIR average. Our 2021 company-wide TRIR target is 0.9, which is the average of the baseline years 2018, 2019, and 2020.

In 2020, we established a longer term company-wide employee TRIR target to improve our TRIR to 0.7 by 2024 compared to the baseline of 1.0 in 2019. This target was established to drive improvement in our safety performance and represents a TRIR reduction of 30% over a five-year period.

Our performance against our previous targets are specified in the table below.

Employee Safety Metrics

Employee incident rates, employee incident rate targets, and the number of employee work-related fatalities are provided below. These incident rates and employee work-related fatalities exclude self-reported COVID-19 cases classified as recordable incidents per OSHA guidance. Incident rates including work-related, self-reported COVID-19 cases can be found in *Appendix A.1 – ESG Disclosure Topics & Accounting Metrics*.

	Year Ended December 31		
	2018	**2019**	**2020**
	(In number of recordable incidents per 100 full-time workers, except fatalities)		
Employee total recordable incident rate(a)(b)(c)			
Natural Gas Pipelines	1.2	1.2	0.7
Products Pipelines	0.8	0.8	0.7
Terminals	1.1	1.0	1.0
CO_2	0.9	0.6	0.1
Kinder Morgan Canada(d)	0.4	—	—
Corporate	0.1	0.4	0.1
Company-wide	1.0	1.0	0.7
Target - employee TRIR industry three-year average(e)	2.3	2.0	2.0
Target - employee TRIR three-year average(f)	1.2	1.1	1.0
Short-service employee total recordable incident rate(a)(c)(g)			
Natural Gas Pipelines	2.2	1.6	0.4
Products Pipelines	3.0	1.3	1.4
Terminals	0.3	1.4	1.4
CO_2	0.0	0.0	0.0
Corporate	0.0	0.0	0.0
Company-wide	1.1	1.2	0.9
Number of employee fatalities(c)	0	0	0

(a) TRIR calculation: total number of incidents multiplied by 200,000 divided by the number of employee hours actually worked. The 200,000 represents the hours 100 employees worked per year. 100 employees working 40 hours per week, 50 weeks per year is a standard base for calculating incident rates.

(b) Employee TRIR includes regular full-time, regular part-time, and temporary employees. It also includes Natural Gas Pipelines and Terminals business segment contractors we supervise on a day-to-day basis.

(c) 2018, 2019, and 2020 rates and fatalities are calculated using incident classifications as of February 27, 2019, January 15, 2020, and January 15, 2021, respectively. Injuries or illnesses may later be reclassified.

(d) On August 31, 2018, the assets comprising the Kinder Morgan Canada business segment were sold, so this segment does not have results of operations on a prospective basis.

(e) The BLS typically publishes incident rate data for a given year in the fourth quarter of the following calendar year. We use the most recent BLS data available at the beginning of each year. We calculate the industry average using the weighted average of BLS industry rates based on codes from the North American Industry Classification System. For 2020, these include 4862-pipeline transportation of natural gas, 49319-other warehousing and storage, 4883-support activities for water transportation, and others. The 2018 and 2019 target industry rates are annual rates and the 2020 target industry rate is an average of the most recent three-year period. For example, to calculate our 2019 target industry TRIR, we weighted the 2017 BLS industry rates using our 2018 employee hours. To calculate our 2020 target industry TRIR, we averaged the annual industry TRIR values that were calculated for 2018, 2019, and 2020.

(f) The three-year target is based on the average TRIR for previous three-year period. The 2018 and 2019 Kinder Morgan three-year averages exclude the Kinder Morgan Canada business segment.

(g) Short-service employees include full-time, part-time, or temporary employees that have been in their position for six months or less from their hire or rehire date. 2019 rates exclude Canadian employees.

Health, Safety, and Emergency Response Training Hours

Our health, safety, and emergency response training programs are described in *Section 2.2 Management System* of the *Sustainability Report.*

The average number of employee hours spent on health, safety, emergency response, and other safety training topics not required under OSHA 1910, are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Average hours per employee of health, safety, and emergency response training(a)(b)(c)			
Natural Gas Pipelines	21	19	17
Products Pipelines	22	26	18
Terminals	11	13	11
CO_2	27	24	17
Kinder Morgan Canada(d)	12	—	—
Corporate	4	4	3
Company-wide	17	17	13

(a) Training time is assigned to the business segment the employee was active under at the end of the calendar year.
(b) Includes the U.S. portion of the Cochin Pipeline and KML data up to the sale date on December 16, 2019.
(c) Our health, safety, and emergency response training covers topics required under the U.S. 29 CFR Part 1910 OSHA standards; Canada Labour Code; and Mexican, state, and provincial equivalent programs, including training on: confined spaces, crane safety, electrical safety, emergency response, fall protection, fire protection, hazard communication, lockout/tagout, PPE, process safety management, and respiratory protection. This metric also includes position-relevant training on other safety topics that are not explicitly required under OSHA 1910, such as: safe driving, which addresses hazards such as distractions while driving and adverse weather conditions; back safety, which explores the factors that lead to back injuries such as physical activity, posture, and load positioning; and ergonomics, which explains how various postures and movements affect the body and how to mitigate ergonomic hazards.
(d) Represents Kinder Morgan Canada employee average training time up to the date of the TMPL sale on August 31, 2018.

Contractor Safety Metrics

Our annual contractor incident rates and the number of contractor fatalities are provided below. These incident rates and contractor work-related fatalities exclude self-reported COVID-19 cases classified as recordable incidents per OSHA guidance. Incident rates including work-related, self-reported COVID-19 cases can be found in *Appendix A.1 – ESG Disclosure Topics & Accounting Metrics*.

	Year Ended December 31		
	2018	**2019**	**2020**
	(In number of recordable incidents per 100 full-time workers, except fatalities)		
Contractor total recordable incident rate(a)			
Natural Gas Pipelines	0.7	0.7	0.4
Products Pipelines	0.9	0.9	0.0
Terminals	0.4	0.0	0.7
CO_2	0.9	0.4	0.0
Kinder Morgan Canada(b)	0.4	—	—
Corporate	0.0	0.0	0.0
Company-wide	0.7	0.6	0.4
Number of contractor fatalities	0	0	0

(a) Contractor rates are based on incidents contractors incurred while doing work for us on a defined major project. Major projects are capital expansion projects that meet a minimum total estimated project cost. If hours for a major project were

not available, hours were estimated based on major project spend. Incidents for the contractor's employees operating our marine tankers are not included but are included in the marine LTIR in *Section 7.3 Marine Lost Time Incident Rate* of the *Sustainability Report*.

(b) On August 31, 2018, the assets comprising the Kinder Morgan Canada business segment were sold, so this segment does not have results of operations on a prospective basis.

7.3 Marine Lost Time Incident Rate

(SASB Marine Transportation TR-MT-320a.1, GRI 403-9)

As described in *Section 6.4 Marine Spills and Releases to the Environment* of the *Sustainability Report,* Intrepid Ship Management operates our Jones Act marine transportation vessels. Intrepid's management is actively engaged in monitoring each case of injury or illness related to our Jones Act marine transportation vessels. Intrepid maintains processes and procedures for reporting, investigating, and recordkeeping and determines the classification for each case. In the event of a marine injury or illness, Intrepid engages contracted medical services, including:

- physician advice at sea,
- maritime telemedicine,
- physician and nurse case management, and
- arrangement and management of shore side medical services.

Intrepid has initiatives and programs for fleet safety officers and quality training focused on the following topics:

- safety leadership,
- sharing best practices, and
- increasing crew training on
    - job safety,
    - work permits, and
    - housekeeping.

Intrepid has also initiated job safety training programs to improve hazard recognition and incident prevention, and to prevent common musculoskeletal injuries.

We do not include Intrepid's incidents or hours worked in our contractor TRIR in *Section 7.2 Employee and Contractor Safety Statistics and Average Hours of Health, Safety, and Emergency Response Training* of the *Sustainability Report*.

Intrepid's LTIR on our marine transportation vessels are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
	(In number of lost time incidents per 1,000,000 hours worked)		
Marine lost time incident rate(a)	0.6	0.3	0.6

(a) Marine lost time incident rate calculation: total number of lost time injuries multiplied by 1,000,000 divided by number of employee hours on-board per Oil Companies International Marine Forum Marine Injury Reporting Guidelines.

8.0 Supply Chain Management

(GRI 407-1)

We developed a Supplier Code of Conduct that outlines our expectations for our consultants, contractors, suppliers, vendors, and business partners. Our Supplier Code of Conduct specifies that the third parties we work with are expected to adhere to these requirements and our core values. We detail our expectations for the following topics:

- environmental, health, and safety;
- freedom of association and collective bargaining;
- forced labor;
- living wages and remuneration;
- working conditions;
- transacting business; and
- anti-corruption.

In addition to adhering to our Supplier Code of Conduct, we encourage our suppliers to communicate these expectations, or those set forth by a similar standard or policy, throughout their own business operations and supply chains.

Please see our Supplier Code of Conduct for more details on the expectations we have for our consultants, contractors, suppliers, vendors, and business partners located at https://www.kindermorgan.com/Safety-Environment/ESG#tabs-social.

Supplier Due Diligence

We conduct due diligence on potential new suppliers and regularly check our existing suppliers to monitor their compliance with our Code of Business Conduct and Ethics, including steps to prevent corruption, and other social standards. Potential and existing suppliers are checked to verify whether they are excluded from receiving federal contracts, certain subcontracts, and certain types of federal financial and non-financial assistance and benefits. Suppliers can be excluded for the following reasons:

- fraud,
- bribery,
- corruption,
- failure to pay minimum wage,
- violating federal criminal laws, and
- unfair trade practices.

This list of exclusions is maintained in the U.S. Government's System for Award Management. We do not issue new contracts with suppliers that have an active company-wide exclusion in the System for Award Management. If we identify an active exclusion for an existing supplier, we contact the supplier to inquire about the nature of the exclusion and to initiate reductions in our business with them. We find that our inquiry is sometimes the first notification a supplier has of its active exclusion. In response to our inquiries, a supplier can often resolve its active exclusion with the U.S. Government and may then continue to serve as our supplier.

We screen service suppliers during our selection process using ISNetworld, a nationally recognized contractor management firm. We require service suppliers to provide documentation including:

- safety performance,
- environmental performance,

- operator qualifications,
- insurance,
- drug and alcohol tests results, and
- a management system questionnaire.

In 2020, we added our subcontractors to the ISNetworld screening process. We require certain subcontractors to provide documentation including:

- safety performance,
- environmental performance, and
- operator qualifications.

We manage service supplier and subcontractor compliance with our requirements using a risk-ranking scorecard to grade each supplier as recommended, acceptable, or at-risk. Suppliers considered at-risk must go through a variance process and improve their grade, or the suppliers are not approved for work.

Supplier Demographics

We strive to build relationships with diverse suppliers including Indigenous Peoples, minority-owned, women-owned, veteran-owned, service-disabled veteran-owned, and small businesses. We promote economic inclusion by meeting or exceeding requirements of the Small Business Act.

We review the diversity status of our suppliers and encourage diverse suppliers to bid on our projects. We are working to further diversify our supplier and contractor network and recently joined the Houston Minority Supplier Development Council, whose mission is to bring together major corporations and certified Minority Business Enterprises.

The percentage and equivalent dollars of our small business, diverse, and veteran-owned supplier procurement spend is provided below.

	Year End December 31	
	2019	**2020**
Percentage of small business, diverse, and veteran-owned supplier procurement spend vs. total supplier procurement spend(a)(b)	31 %	41 %
Small business, diverse, and veteran-owned supplier spend (millions)	$ 1,593	$ 1,675

(a) Small businesses are defined as businesses that meet the numerical size standards as defined in the Small Business Size Regulations 13 CFR Part 121. Diverse suppliers are defined as minority-owned business, woman-owned business, and indigenous-owned business. Veteran-owned suppliers are business that are at least 51% owned by one or more veterans, who control and operate the business. Based on supplier diversity status as of March 31, 2021, as classified by Dun & Bradstreet.

(b) Procurement spend is expenditures related to the purchase of goods and services under the purview of our Procurement department. This excludes legal costs, benefit costs, payments to JV partners and intercompany payments, payments to customers, and other expenditures outside the scope of our Procurement department e.g., royalties, tax assessments, and permit fees.

Contractor Safety

We use a multi-faceted approach to foster a culture of safety among our service suppliers. Our approach begins with our due diligence processes, described above. Additional actions we undertake to integrate a culture of safety with our service suppliers include:

- facility safety orientations;
- field, project, and desktop audits;
- job evaluations;

- training;
- benchmarking and safety statistical analysis; and
- safety inspector placement and training.

Our contractor safety statistics are shown in *Section 7.2 Employee and Contractor Safety Statistics and Average Hours of Health, Safety, and Emergency Response Training* of the *Sustainability Report*.

For more information, see our Contractor Environmental/Safety Manual at https://www.kindermorgan.com/WWWKM/media/Documents/Contractor%20Safety%20Manual/KMContractorSafetyManual.pdf.

Supplier Audits

We monitor our service suppliers' environmental and safety performance through multiple audit programs. We conduct both random and prioritized audits based on a supplier's past performance and the amount of risk the project presents. Our field audits follow our Field Audit Network process, which describes the steps for preparing for the audit, conducting the audit, and uploading the findings and recommendations to our internal tracking systems. Audits are completed by our internal auditors or by third-party auditors.

In addition to our regular service supplier audits, we maintain other risk-specific supplier audits such as audits for asbestos remediation contractors and waste treatment, storage, disposal, and recycling facilities.

Our supplier monitoring statistics are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Service supplier monitoring(a)			
Percentage of service suppliers subject to performance audits	100 %	100 %	100 %
Number of service suppliers audited(b)	172	248	569
Percentage of service suppliers audited(b)	5 %	7 %	17 %

(a) Includes field and desktop audits.

(b) Includes active medium and high-risk service suppliers. Audits are generally not performed for inactive, low-risk, or minimal-risk service suppliers.

The increase in service supplier audits from 2019 to 2020 is due to an increased number of desktop audits as a result of COVID-19 protocols limiting the number of in-person field audits. We anticipate the overall number of service supplier audits to remain steady in the future, with desktop audits continuing to make up the greatest percentage of our audits due to efficiency.

9.0 Waste Management

(SASB Refining & Marketing EM-RM-150a.1, GRI 306-2, GRI 306-3)

We are committed to managing our hazardous and non-hazardous waste through multiple strategies for both environmental and economic benefits. Our routine business operations generate various types of waste including:

- municipal waste,
- non-hazardous industrial waste,
- construction and demolition debris,
- exempt oil and gas exploration and production waste, and
- hazardous liquid and solid waste.

Our employees receive position-relevant training about:

- products we handle and use;
- safe practices for working with hazardous waste;
- site-specific emergency plans;
- spill prevention, control, and countermeasure plans; and
- documentation methods.

We seek to reduce the amount of waste generated throughout our operations by:

- reducing sources of waste,
- substituting less-hazardous or non-hazardous products, and
- reusing materials.

Hazardous Materials Management

Hazardous waste that cannot be reduced or reused is shipped to permitted facilities for recycling, energy recovery, treatment to remove the hazardous constituents, or disposal. We profile, manage, and track our hazardous waste. By tracking hazardous waste from generation to disposal, we reduce the likelihood of environmental impacts and potential long-term liabilities. We use software to track and internally report the amount of hazardous waste generated and recycled as well as third-party transportation, treatment, and disposal details.

The amount of hazardous waste generated and the percentage recycled are provided below.

	Year Ended December 31		
	2018	2019	2020
	(In metric tons, except percentages)		
Amount of hazardous waste generated(a)			
Natural Gas Pipelines	123	461	77
CO_2(b)	0	0	0
Terminals	2,324	4,334	3,671
Products Pipelines	2,742	5,047	2,908
Corporate	14	46	6
Total	5,203	9,888	6,662

Percentage recycled(c)			
Natural Gas Pipelines	3 %	29 %	35 %
CO_2	—	0 %	—
Terminals	37 %	45 %	37 %
Products Pipelines	77 %	67 %	79 %
Corporate	87 %	36 %	73 %
Total	57 %	55 %	55 %

(a) These values are as of July 2021 for 2020 data and as of September 2020 for 2018 and 2019 data. They exclude universal hazardous waste and hazardous waste generated within Canada and Mexico. Hazardous waste weights are reported in the year the waste was shipped.

(b) The hazardous waste generated for the CO_2 business segment was less than half of a metric ton in 2019 and zero in 2018 and 2020.

(c) Hazardous waste recycled from U.S. operations includes shipments with the reclamation and recovery handling type and the handling codes H010, H020, H039, H050, and H061.

Due to the uneven nature of hazardous waste generation in our operations, there can be large changes in the amount of hazardous waste generated and recycled year-over-year. The primary factors that can affect waste generation during a given year include the number of construction, remediation, and maintenance activities.

Non-Hazardous Waste Management - Business Waste Recycling

Our efforts to reduce non-hazardous waste include business waste recycling programs in our Houston headquarters building and educating our employees about recycling opportunities. The recycling program at our Houston headquarters is a single-stream program that includes office paper, cardboard, glass, plastic, and aluminum. We also send our retired or unused IT equipment, company-wide, to third-party companies who break down the equipment into materials that can be recycled.

The amount of recycled business waste from our Houston headquarters is provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
		(In tons)	
Recycled aluminum, cardboard, glass, paper, and plastic	155	119	46

The decrease in recycled business waste from our Houston headquarters from 2019 to 2020 resulted from a decrease in waste produced and recycled due to reduced office occupancy resulting from COVID-19-related work-from-home protocols.

Chemical Management

As part of Emergency Planning and Community Right-to-Know Act Tier II reporting, we maintain an inventory of hazardous chemicals stored at our facilities. Our facilities that exceed reporting thresholds submit annual reports documenting the quantity and type of hazardous material on site. These reports help agencies such as local fire departments, local emergency planning committees, and state emergency response commissions prepare for chemical emergencies. More information about how we work with first responders to prepare for emergencies is detailed in *Section 12.3 Business Continuity Planning and Emergency Preparedness* of the *Sustainability Report*.

10.0 Competitive Behavior

(SASB Midstream EM-MD-520a.1)

Our policies prohibit improper conduct that is intended to impede competition, eliminate a competitor, or control prices or services in a market. We strive to compete fairly and honestly in each phase of our business and to conduct our operations in compliance with applicable federal, state, provincial, and foreign antitrust laws.

Some of our U.S. natural gas, refined petroleum products, and crude oil transmission pipelines are subject to regulation by the FERC under the NGA or ICA. Both the NGA and ICA require that we maintain tariffs on file with the FERC. Those tariffs set forth the rates we charge for providing transportation and storage services on our FERC-regulated pipelines, as well as the rules and regulations governing these services.

Our Mexico assets are regulated by various Mexican regulatory agencies and operate under a permit that establishes certain conditions and specifications, including for maintenance, safety, and economics.

For more information, see our Code of Business Conduct and Ethics at https://www.kindermorgan.com/WWWKM/media/Documents/Governance/KM_Code_of_Business_Conduct_and_Ethics.pdf.

Our monetary losses as a result of legal proceedings associated with federal pipeline and storage, rate, access, and pricing regulations are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In millions)	
Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage, rate, access, and pricing regulations(a)			
Natural Gas Pipelines	$ 0	$ 19.5	$ 1.3
Products Pipelines	0	0	0
Terminals	0	0	0
CO_2	0	0	0
Kinder Morgan Canada(b)	0	—	—
Total	$ 0	$ 19.5	$ 1.3

(a) Excludes legal fees, includes the amount of fines or settlements associated with the enforcement of federal pipeline and storage regulations, including those related to rates, pipeline access, price gouging, or price fixing, enacted by the FERC, U.S. Commodity Futures Trading Commission, U.S. Federal Trade Commission, CER, Mexico Energy Regulatory Commission, or civil actions (e.g., civil judgment, settlements, or regulatory penalties), or criminal actions (e.g., criminal judgment, penalties, or restitutions) asserted by an entity, whether a regulatory agency, business, or individual. Excludes FERC rate settlements.

(b) On August 31, 2018, the assets comprising the Kinder Morgan Canada business segment were sold, so this segment does not have results of operations on a prospective basis.

The settlements paid in 2019 and 2020 were for matters that were alleged to have occurred more than a decade prior to our ownership and control of El Paso Corporation and El Paso Marketing L.P. Beginning in 2003, several lawsuits were filed by purchasers of natural gas against El Paso Corporation, El Paso Marketing L.P., and numerous other energy companies. The purchasers claimed the energy companies conspired to manipulate the price of natural gas by providing false price information to industry trade publications that published gas indices. These cases have been settled or dismissed. The payment made

in 2020 was for a contractual true-up claim arising from the previous El Paso Corporation and El Paso Marketing L.P. settlement.

11.0 Prevention of Corruption and Bribery throughout the Value Chain

(SASB Exploration & Production EM-EP-510a.2, GRI 205-2, GRI 206-1)

Our policies prohibit us and our employees from engaging in corrupt practices and provide guidelines on acceptable behavior. Our employees, directors, agents, contractors, business partners, and third-party representatives are prohibited from giving or accepting bribes, kickbacks, or other improper payments in conjunction with our business. While the U.S. Foreign Corrupt Practices Act contains a narrow exception that allows for small-dollar facilitation payments to be made to a foreign official in order to expedite routine governmental actions that are non-discretionary in nature, our policies do not allow facilitation payments of any kind.

As part of our management system for preventing corruption and bribery, our internal controls require that transactions be:

- accurately described with an explanation of the purpose of the transaction;
- sufficiently supported by documentation; and
- appropriately approved by the required level of management, based on the dollar value of the transaction, prior to entering into a commitment and again before processing for payment.

Additionally, we have internal controls for adding payees to our accounting system and for approving payments to vendors. Our controls require review and approval by one or more individual(s) a level higher in our accounting system reporting chain than the person requesting the new payee or payment.

The amount of legal or regulatory fines, settlements, or penalties associated with bribery and corruption is provided below.

	Year Ended December 31		
	2018	2019	2020
Legal or regulatory fines, settlements, or penalties associated with bribery and corruption	$ 0	$ 0	$ 0

For more information, see our Code of Business Conduct and Ethics at https://www.kindermorgan.com/WWWKM/media/Documents/Governance/KM_Code_of_Business_Conduct_and_Ethics.pdf.

12.0 Operational Safety

12.1 Asset Integrity Management

We work to provide safe, reliable, and efficient system operations. Through our OMS, our employees comprehensively assess operational risks related to our assets. We develop programs, policies, and procedures to address those risks. Our primary tools for maintaining safe operations include our asset integrity management programs.

Pipelines and Liquids Terminals

We use state-of-the-art technology for maintenance and integrity testing at our transmission pipelines and facilities and liquids terminals facilities. We conduct activities to monitor the integrity of our transmission pipelines and facilities and liquids terminals, including:

- monitoring transmission pipelines and liquids terminals 24 hours a day, seven days a week by trained personnel using SCADA computer systems;
- visually inspecting pipeline rights-of-way by air and/or ground on a regular basis;
- performing internal transmission pipeline inspections periodically using smart pigs;
- using cathodic protection to protect our pipelines, storage tanks, and storage wells from external corrosion;
- using our public awareness program, described in *Section 16.1.1.1 Public Awareness Program* of the *Sustainability Report*, to communicate with stakeholders in an effort to prevent third-party damage to our pipelines;
- participating in the Pipeline Safety Management Systems Group to share best practices for safe operations;
- working to develop and improve our business processes, operations procedures, and risk and opportunity assessments;
- maintaining well-defined roles and responsibilities;
- providing employee training; and
- executing quality assurance programs such as third-party audits and application of performance metrics.

More information on how we use smart pigs as part of our integrity management program can be found on our *Maintaining our pipelines' integrity through in-line inspections* case study video and fact sheet at https://www.kindermorgan.com/Safety-Environment/ESG#tabs-case_studies.

Underground Natural Gas Storage Facilities

We maintain risk management programs and monitoring systems for well and reservoir integrity and deliverability at each of our underground natural gas storage facilities. Our operations and maintenance procedures are subject to periodic inspections and audits by regulators and our own internal auditors that are independent of the business segments. We have procedures in place to meet or exceed regulations to maintain the safety and reliability of our underground natural gas storage facilities over the long term.

12.2 Damage Prevention

Because one of our greatest operational risks is third-party line strikes, we actively support organizations whose mission is to promote safe digging, including:

- *CGA* - we are a platinum-level sponsor and regularly promote CGA's message to "call 811 before you dig" on our website and social media channels;
- *Pipeline Ag Safety Alliance* - a member-driven organization whose mission is to prevent damage to buried pipelines through education and improved communication with agricultural communities;
- *Gold Shovel Standard* - a nonprofit organization committed to improving workplace safety, public safety, and buried infrastructure integrity through greater transparency among buried-asset operators, locators, and excavators to drive continuous improvement in damage prevention;
- *Drain Tile Safety Coalition* - a nonprofit coalition sponsored by pipeline and utility operators and One Call Centers committed to improving drain tile safety and preventing accidents involving underground infrastructure; and
- Area Damage Prevention Councils, State One Call Centers, and One Call Boards in the states where we operate.

12.3 Business Continuity Planning and Emergency Preparedness

Our ability to respond quickly in an emergency is part of our commitment to the safety of the communities in which we operate and our commercial obligations to customers. Our business continuity plans cover the preparation for and the recovery of functions to address potential business or supply chain disruptions. To manage the associated risk, we work to continuously improve:

- our planning prior to events;
- procedures for safely responding to, and managing disruptions;
- our ability to quickly recover and assume normal operations; and
- engineering controls to prevent or limit business interruptions.

We maintain site-specific emergency response plans and protocols for communicating with external stakeholders that include notifications to regulatory agencies and actions to respond quickly and efficiently in an emergency. Our corporate Crisis Support Team augments our business segments' existing emergency response procedures and capabilities with additional resources as needed. We monitor events that present risks to our assets by utilizing GIS platforms and other tools to identify potential operational disruptions. We provide certain employees and contractors with emergency response training. Our emergency response personnel are trained to use the National Incident Management System Incident Command System and to respond to emergencies by:

- securing the safety of the public, our employees, and the environment;
- promptly notifying governmental response organizations and agencies;
- engaging with the local utility provider;
- managing the emergency;
- coordinating response activities; and
- restoring service.

Pandemic Preparedness

Since 2006, we have had a Pandemic Preparedness Committee and Pandemic Preparedness Plan to plan, reduce risk, and mitigate impacts to employees and critical business functions. Our Pandemic Preparedness Committee, which consists of leaders across our business segments and corporate functions, is charged with determining the appropriate planning and response measures should a pandemic occur. The Pandemic Preparedness Committee has regularly scheduled meetings to evaluate conditions and potential events presenting risk to our operations. During a pandemic, our priorities are to protect our employees and their families, and to keep our critical infrastructure businesses running.

Pandemic planning assumptions and recommendations are included as part of our business continuity and business segment asset planning and preparedness. Our Pandemic Preparedness Plan follows guidance set forth by the following organizations:

- World Health Organization,
- Centers for Disease Control and Prevention,
- U.S. Food and Drug Administration,
- OSHA,
- API,
- state and local health agencies, and
- other governmental regulatory agencies.

Our Pandemic Preparedness Plan has been designed to enhance existing business continuity planning and to be scalable with various phases of a pandemic event. At each phase of a pandemic we review and

incorporate applicable lessons learned. Using the corporate plan as a baseline, each business segment develops and maintains plans addressing operational risk associated with their specific assets during a pandemic.

Based on the size and scope of an event, our Crisis Support Team works with our business segments and corporate functions to implement a standardized pandemic tracking process. Functional areas report back to the Crisis Support Team, giving us the ability to detect abnormal clusters of pandemic-like illness to better identify potential risk areas and take corrective actions.

In order to prevent the spread of disease during a pandemic, certain non-medical interventions are implemented, such as:

- monitoring federal, state, and local pandemic-related guidelines;
- educating our employees with the latest CDC guidance;
- having our office-based employees work remotely;
- providing return to the office safety guidelines and protocols to remote employees prior to their return;
- communicating proper hygiene etiquette, such as hand washing;
- enhancing our workplace cleaning procedures and protocols;
- establishing a secure supply chain to provide the necessary PPE to our workforce;
- complying with international testing requirements for employees that travel internationally to maintain our assets;
- establishing testing programs for early detection, contact tracing, and mitigation;
- hosting on-site vaccine distribution clinics;
- promoting social distancing and workforce modifications;
- isolating employees that perform critical work tasks and job functions; and
- raising employee awareness through communications prepared by our Crisis Support Team and approved by our Pandemic Preparedness Committee.

During the COVID-19 pandemic, our Pandemic Preparedness Plan allowed us to adapt to the changing circumstances of the pandemic. The Plan was used to help limit our employees' exposure to the virus while continuing to provide uninterrupted operations of our assets. We engaged with peer companies and other organizations to consider their pandemic preparedness activities and to share best practices. We protected the compensation of our employees who were required to quarantine until vaccines became widely available. We implemented a testing program for our essential workers at our strategic operational assets and conducted over 11,000 COVID-19 tests for our employees. Many of our office-based employees successfully worked from home during the pandemic, and during that time, we were able to achieve many company-related accomplishments, such as a company reorganization and the start-up of the PHP.

First Responder Joint Exercises

To better prepare personnel and practice our emergency response, we regularly conduct joint mock emergency exercises with first responders. By conducting these exercises, employees and emergency responders are not only able to test their equipment, personnel, and procedures, but also to meet and work together face-to-face prior to an actual emergency.

Example drill scenarios include, among others, the following:

- pipeline releases;
- line strikes;
- tank failures;

- well blowouts;
- loss of communications;
- severe weather events,.e.g., hurricanes, floods, tornadoes, and blizzards;
- wildfires;
- security incidents, including physical or cyber-attacks;
- pipeline explosions;
- third-party train derailments; and
- events that test our ability to maintain business continuity within our corporate functions.

Natural Disaster Preparedness and Response
As part of our commitment to emergency preparedness, we plan for and have established procedures for responding to a wide variety of natural disasters. We maintain hazard identification and risk assessments for our transmission pipelines. The purpose of these risk assessments is to identify potential risks and natural disaster scenarios and develop response plans. This planning involves local response officials, other operators and their facilities, and land and right-of-way personnel.

We use a variety of tools to forecast and monitor weather-related events, including:
- weather event and tide level monitoring through:
    - third-party meteorological services,
    - local and national weather and news feeds, and
    - internal and external situational reports specific to impacted areas;
- GIS mapping of real-time situational data overlaid on our asset maps;
- internal communication processes to provide situational updates to affected personnel, management, and executives as events unfold;
- annual testing of backup work locations that support critical business functions in the event of natural disasters by checking:
    - day-to-day communications capabilities,
    - infrastructure readiness,
    - awareness of the potential for natural events and risks,
    - accuracy of the disaster response and business continuity plans, and
    - training completions.

When our assets are threatened by a potential hazard, such as a hurricane, we monitor the event and location based on the threat level and forecasted storm paths in relation to our assets. Situation-specific communications are sent to key personnel at potentially affected facilities and in related corporate functions. These communications provide daily event updates for assets that may be impacted and include notifications tied to our disaster preparedness and response procedures. Using GIS technology, we monitor forecasted paths and impact areas. Our internal GIS platform also allows us to analyze location-specific data, including local supply chain resources that are useful in supporting effective responses.

Emergency Response
We maintain an emergency response notification system to inform internal support personnel and enable efficient communication and decision-making in responding to emergency events. Our process is designed to facilitate real-time communication of emergency events to our personnel with incident response or reporting responsibilities. Our process allows for more timely, effective, and efficient responses in emergency situations and reporting to regulatory agencies.

During an emergency, we seek to respond effectively, contain the situation, and restore customer services as soon as possible. We seek to provide for the well-being and safety of our employees, first responders,

the public, and the environment. We practice a disciplined, competent, and proactive approach when an event occurs. We maintain backup control centers in different parts of the country so we can relocate our critical control room personnel and maintain operations during emergencies.

Once the event has passed, a final notification is sent to the distribution list of personnel notifying them to begin the demobilization process and gather information for the lessons learned phase. We have procedures to determine and document lessons learned so that risk assessments are updated and performance improvements are tracked and completed.

Emergency Response Support
To support our ability to operate under various conditions, we have developed and maintain a reliable supply chain. For planning prior to an emergency, we maintain response and support capabilities to provide additional resources to supplement those of our potentially affected local operations. Our supply chain management personnel maintain lists of emergency response contractors, materials and supplies vendors, and transportation and fuel sources. We also maintain a database of our emergency response equipment. We have procedures in place to raise spending limits for affected personnel, to assist affected employees, and to increase security resources.

12.4 Reportable Pipeline Incidents
(SASB Midstream EM-MD-540a.1)

One of our primary goals is to prevent pipeline incidents. Should an incident occur, we investigate the causes and contributing factors in an effort to prevent similar incidents going forward. Despite our prevention efforts, incidents occurred in the reporting period.

The number of reportable pipeline incidents, number of significant reportable pipeline incidents, and percentage of reportable pipeline incidents that are significant are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Number of reportable pipeline incidents(a)(b)(c)			
Natural Gas Pipelines	22	27	18
Products Pipelines	13	12	16
Terminals	13	16	16
CO_2	5	5	5
Kinder Morgan Canada(d)	0	—	—
Total	53	60	55
Number of significant reportable pipeline incidents(c)(e)			
Natural Gas Pipelines	9	14	15
Products Pipelines	7	4	5
Terminals	5	5	3
CO_2	2	1	2
Kinder Morgan Canada(d)	0	—	—
Total	23	24	25

	Year Ended December 31		
	2018	2019	2020
Percentage of reportable pipeline incidents that are significant			
Natural Gas Pipelines	41 %	52 %	83 %
Products Pipelines	54 %	33 %	31 %
Terminals	38 %	31 %	19 %
CO_2	40 %	20 %	40 %
Kinder Morgan Canada(d)	0 %	—	—
Total	43 %	40 %	45 %

(a) Reportable hazardous liquid pipeline incidents include explosions or fires not intentionally set by the operator, releases of five gallons or more (excluding releases of less than five bbl associated with pipeline maintenance activities), a fatality, an injury necessitating hospitalization, or estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000.

(b) Reportable gas gathering, transmission, storage, and distribution incidents include: i) an event that involves a release of gas from a pipeline, liquified natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences: death or personal injury necessitating in-patient hospitalization; estimated property damage of $50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost; or unintentional estimated gas loss of three million ft^3 or more; ii) an event that results in an emergency shutdown of an LNG facility. Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an incident; iii) an event that is significant in the judgment of the operator, even though it did not meet the criteria of the above paragraphs of this definition.

(c) The number of pipeline incidents and significant incidents reported for 2018, 2019, and 2020 uses data as of July 2019, February 2020, and March 2021, respectively.

(d) On August 31, 2018, the assets comprising the Kinder Morgan Canada business segment were sold, so this segment does not have results of operations on a prospective basis.

(e) Significant reportable pipeline incidents are defined as an incident that includes one of the following conditions: a liquid release volume greater than or equal to 50 bbl, a highly volatile liquid release greater than five bbl, a fatality, an injury necessitating hospitalization, liquid releases resulting in a fire or explosion, or total cost that exceeds $50,000 in 1984 dollars. For 2018, 2019, and 2020, the thresholds in 1984 dollars are $104,659, $106,762, and $108,926, respectively. For highly volatile liquid and CO_2 releases, PHMSA combines the unintentional and intentional release volumes to determine if the incident meets the significant liquid release threshold.

In each year presented above, the most frequent reason that reported incidents were categorized as significant was due to total incident costs exceeding the monetary threshold of $50,000 in 1984 dollars, or $108,926 for 2020.

12.5 Natural Gas and Hazardous Liquid Pipelines Inspection

(SASB Midstream EM-MD-540a.2)

We aim for safe operations and zero pipeline incidents. As described in *Sections 2.2 Management System* and *12.1 Asset Integrity Management* of the *Sustainability Report*, we use risk management programs and state-of-the-art technology for maintenance and integrity testing at our transmission pipelines and facilities and liquids terminals facilities. We work to meet or exceed the regulatory requirements for testing and inspecting our pipelines, find opportunities to improve, and apply sound integrity management principles and technologies.

The number of inspections we make varies from year to year depending on our annual integrity program requirements.

The percentage of natural gas pipelines and hazardous liquid pipelines inspected through ILIs, pressure tests, direct assessments, or other technologies are provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Percentage of natural gas pipelines inspected(a)(b)	14 %	19 %	20 %
Percentage of hazardous liquid pipelines inspected(a)(b)(c)	18 %	27 %	28 %

(a) For segments of pipe that are inspected more than once for the same types of anomalies during the same calendar year, the mileage inspected used in this calculation is counted once. In some limited instances where multiple inspections for different types of anomalies are conducted on the same segment in the same year, the mileage for each inspection is counted separately.

(b) The GIS pipeline mileage used to calculate the percentage of natural gas and hazardous liquid pipelines inspected is as of the first quarter of 2021.

(c) Includes pipeline inspection data from TMPL, Puget Sound pipeline system, and Kinder Morgan Canada Inc. up to the sale date of August 31, 2018 and the U.S portion of the Cochin Pipeline and KML up to the sale date of December 16, 2019.

From 2018 through 2020, over 32,500 miles of our natural gas pipelines and 8,900 miles of hazardous liquid pipelines were assessed using ILIs, pressure testing, or direct assessments.

12.6 Rail Transportation Operational Safety - Accident and Non-Accident Releases and FRA Recommended Violation Defects

(SASB Midstream EM-MD-540a.3, SASB Rail Transportation TR-RA-540a.2, SASB Rail Transportation TR-RA-540a.3)

We operate liquids and bulk products rail loading and unloading facilities across our Natural Gas Pipelines, Products Pipelines, and Terminals business segments. We maintain business segment and site-specific procedures for the safe, efficient, and compliant operation of the facilities and loading and/or unloading of rail cars.

Release events from rail cars can fall into two categories. Accident releases are those that result from derailment, collision, or other rail-related accidents. Non-accident releases are those that occur when there is no derailment, collision, or other rail-related accidents.

Accident and non-accident releases and alleged FRA recommended violation defects usually occur at rail yards not owned or operated by us, many of which are several hundred miles from our facility where a rail car was loaded or unloaded. We may be listed as the shipper or carrier on the required reporting form, depending on our involvement in the shipping process. In most cases, we do not own or transport the rail car, nor do we own the product contained within the rail cars.

Unintentional releases of hazardous material from rail cars can occur for many reasons, such as defective equipment, tampering, or human error. If there is a release while we are in possession of the rail car, we employ the emergency response procedures that are described in *Section 6.3 Hydrocarbon Spills* of the *Sustainability Report.*

FRA recommended violation defects include matters such as loose bolts, valves, or plugs, defective safety equipment, such as gaskets or pins, and in some cases, vapor releases from loose equipment. If a vapor release occurs at one of our facilities, it is promptly mitigated by personnel at our rail yards. Any defective or loose equipment identified at our facilities is promptly corrected.

The number of accident releases and non-accident releases from rail transportation, where we were listed as the shipper or carrier on the required reporting form, and the number of FRA recommended violation defects are provided below.

	Year Ended December 31		
	2018	2019	2020
Number of accident releases from rail transportation(a)(b)			
Natural Gas Pipelines	0	0	0
Products Pipelines	0	0	0
Terminals	0	0	0
Total	0	0	0
Number of non-accident releases from rail transportation(a)(b)			
Natural Gas Pipelines	0	0	0
Products Pipelines	0	0	0
Terminals	1	1	3
Total	1	1	3
Number of FRA recommended violation defects			
Natural Gas Pipelines	0	0	0
Products Pipelines	0	0	3
Terminals	5	32	11
Total	5	32	14

(a) Non-accident and accident releases are defined using the reporting criteria in U.S. 49 CFR 171.16.
(b) Includes releases where a Kinder Morgan entity is listed as a Shipper or Carrier on the DOT PHMSA Incident Report Form 5800.1.

As shown in *Appendix B – Activity Metrics*, we loaded and unloaded approximately 1.3 million rail cars over the past three years. The number of non-accident releases and FRA recommended violation defects reported during that time period involved less than 0.0004% and 0.004% of the rail cars processed, respectively.

13.0 Management of Changes to the Legal and Regulatory Environment

(*SASB Exploration & Production EM-EP-530a.1)*

Our businesses are regulated by multiple government agencies, including the EPA, PHMSA, CER, ASEA, OSHA, USCG, and other federal, state, provincial, and local agencies. To identify, assess, and manage new ESG regulatory risks and opportunities, we maintain a process for identifying, communicating, and verifying compliance with changes in applicable regulatory requirements. Dedicated internal regulatory personnel work with internal and third-party subject matter specialists, industry trade groups, and agency personnel to identify changes in the following topics that may affect our operations:

- environmental, personal safety, process safety, and pipeline safety regulatory requirements, interpretations, and guidance;
- industry codes and standards; and
- external incident reports, including:
    - U.S. National Transportation Safety Board and Chemical Safety Board incident investigations,
    - CER and PHMSA advisory bulletins and failure reports, and
    - ASEA reports.

We distribute a monthly regulatory update to internal personnel with compliance roles and responsibilities. This update includes both proposed and final published rules. Our compliance personnel assess the potential impact of proposed rules across our business segments. Personnel from our business segments discuss and coordinate potential compliance approaches and evaluate which proposed requirements warrant providing our feedback to a proposing agency.

In the U.S., we engage with policy makers from both major political parties at the federal, state, and local levels. We generally advocate for fair and transparent policies that are practical, economical, and have a positive benefit to our stakeholders and customers. The focus of our engagement is on policy that impacts our business including, but not limited to, pipeline safety policies, environmental and safety regulations, methane regulation, cybersecurity policies, and corporate taxation. We also engage in and support incentives that could help advance the use of CCUS, RNG, renewable diesel, and hydrogen.

We comment on the formulation of legislative and regulatory policies at the federal, state, provincial, and local levels at times as an individual company but, more often, through trade associations. These trade associations primarily include INGAA, AOPL, and the International Liquids Terminals Association. We prefer that the trade associations and other business organizations with which we work take positions, such as those related to climate change, that are consistent with our own. We recognize that this may not always be possible due to the variety of companies and other stakeholders that work with these organizations. However, we continue to work with these groups to develop solutions and find common ground on issues that are relevant to our industry.

In 2020, our trade associations with dues in excess of $50,000 included:

- American Gas Association,
- Association of Oil Pipe Lines,
- Common Ground Alliance,
- GPA Midstream,
- Independent Fuel Terminals Operators Association,
- Interstate Natural Gas Association of America,
- Pipeline Research Council International,
- Texas Oil and Gas Association, and
- Texas Pipeline Association.

In 2020, our employees served on the board of directors for the following trade associations:

- Common Ground Alliance,
- Drain Tile Safety Coalition,
- Energy Infrastructure Council,
- GPA Midstream,
- International Liquid Terminals Association,
- Interstate Natural Gas Association of America,
- Southern Gas Association, and
- Texas Oil and Gas Association.

Our Board oversees our participation in national trade associations through periodic reports by our COO to our Board's EHS Committee.

We generally find that it is most effective to take a collaborative approach in identifying and addressing proposed regulatory changes related to our assets and operations. We often share data with industry groups and regulatory agencies and engage in discussions with both about potential regulatory changes

and compliance strategies. When we have confidence in the likely final form of a proposed regulation and determine that our compliance with the proposed regulation may require substantial upfront work, we may start making preparations for compliance prior to a regulation being finalized.

We track applicable final regulations, interpretations, and guidance in our internal database. Using the database, business segment and corporate compliance professionals verify that they have reviewed the updated regulations, interpretations, and guidance that may impact their business and completed the necessary compliance activities. The COO and business segment COOs review progress quarterly. The COO briefs our Board's EHS Committee on the most significant proposed and final regulatory changes, any comments we have provided on proposed regulations, and any resulting compliance activities.

The number of new regulations, interpretations, and guidance for proposed and final regulations impacting our business segments is provided below.

	Year Ended December 31		
	2018	**2019**	**2020**
Number of new regulations, interpretations, and guidance			
Proposed	1,301	1,296	1,646
Final	501	505	518
Total	1,802	1,801	2,164

13.1 Political Contributions and Lobbying Expenses

(GRI 415-1)

As outlined in our Code of Business Conduct and Ethics, it is our policy to not sponsor employee-funded political action committees nor make contributions to political parties or candidates for public office. This policy extends to 527 groups, 501(c)(4) groups, and independent political spending.

Contributions we make toward ballot measures, lobbying or lobbying groups, and trade associations are intended to promote the interests of our company and its shareholders and are made without regard to the private political preferences of our executives. Any lobbying expenditures, including by trade associations, are limited to expenses related to advocating on matters of public policy and are not made to political campaigns, candidates, or political parties. Our CEO, President or General Counsel signs off on and oversees any contributions made toward ballot measures, lobbying, or lobbying groups.

We encourage employees, contractors, and others affiliated with us to vote and keep informed on political matters and to support, with their own funds and on their own time, the candidates, or parties of their choice. Employees may not use Company funds to contribute to political parties or candidates for public office. We also encourage and support employees who take a role in community affairs in accordance with our Code of Business Conduct and Ethics.

While we made no contributions to political campaigns, candidates, or parties, the payments we made to lobbyists or lobbying organizations, our trade associations dues, the portion of our trade association dues attributed to lobbying, and payments made in relation to ballot measures are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In thousands)	
Contributions to political campaigns, candidates, and parties	$ 0	$ 0	$ 0
Payments to lobbying organizations(a)	575	265	197
Trade association dues(b)	2,502	2,523	2,680
Non-deductible portion of trade association dues attributed to lobbying and political expenditures	180	225	212
Payments made in relation to ballot measures(c)	$ 10	$ 0	$ 0

(a) Exclude payments to lobbying groups made through TMPL, Puget Sound pipeline system, and Kinder Morgan Canada business segment sold on August 31, 2018. These are not payments for political expenditures.
(b) Includes trade associations where our dues were greater than $25,000 for the calendar year. Excludes Canadian trade associations related to our divested assets.
(c) The 2018 payment was made to a 501(c)(4) organization, Protect Colorado.

13.2 Tax Transparency

(GRI 201-1, GRI 201-4, GRI 207-1)

We are committed to complying with tax laws, as well as following the spirit of those laws, in the countries in which we operate. In line with our core values of integrity and accountability and our Code of Business Conduct and Ethics, we are committed to managing our tax affairs by applying responsible tax practices and acting transparently. Driven by large depreciation expenses, partially created by bonus depreciation for capital expenditures, we have generated taxable losses for the past several years. Given the large investments we made in prior years, we now have a large federal net operating loss balance, which can be used to offset taxable income. Additionally, we monetized certain minimum tax credits on our 2016 and 2017 tax returns, related to a previous overpayment of federal income taxes, that resulted in refunds received in 2018 and 2020.

Income taxes paid by country and royalties and duties paid are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In millions)	
Income taxes paid(a)(b)			
U.S. Federal	$ (149)	$ (1)	$ (20)
U.S. State	26	4	6
Canada	11	360	236
Mexico	3	8	5
Brazil	0	1	0
Total income taxes paid, net	(109)	372	227
Royalties and duties paid(c)			
Natural Gas Pipelines	1	0	1
Products Pipelines	0	0	0
Terminals	0	0	0
CO_2	71	70	46
Total	$ 72	$ 70	$ 47

(a) We do not have current operations in Brazil, the Cayman Islands, Scotland, or the Netherlands. There were no taxes paid in the Cayman Islands, Scotland, or the Netherlands in 2018, 2019, or 2020. The entities in Brazil and the Cayman Islands are from legacy acquisitions and we are working to close these entities.
(b) Negative amounts indicate a refund was received.
(c) Royalties and duties paid do not include property taxes paid to government agencies.

The Canada tax payments in 2019 and 2020 represent the income tax impact of gains recognized on the sales of our Canadian pipelines and terminals. Post-sale, we have minimal active operations in Canada and expect to have no material tax liability in future years.

We do not have a presence in countries that are considered as partially compliant or non-compliant with the exchange of information request standard according to the Organisation for Economic Co-operation and Development tax transparency report. Additionally, the countries to which we pay taxes are members of the Global Forum on Transparency and Exchange of Information for Tax Purposes.

We also provide extensive tax information in our 2020 Form 10-K, which can be found at https://s24.q4cdn.com/126708163/files/doc_financials/2020/ar/KMI-2020-10K-Final-as-Filed.pdf.

14.0 Data Security
(SASB Services SV-PS-230a.1)

We employ a comprehensive strategy for identifying and addressing data security risks that is aligned with the U.S. Commerce Department's National Institute of Standards and Technology *Framework for Improving Critical Infrastructure Cybersecurity*. This framework outlines standards and practices to promote the protection of critical infrastructure. The framework is overseen by third-party experts who provide guidelines on how to manage supply chain cybersecurity. Our strategy includes both short- and long-term initiatives to increase the security surrounding our assets and is supplemented using third-party threat monitoring, rigorous security protocols, and government partnerships.

We are committed to protecting sensitive information and have a dedicated cybersecurity group within our IT department. This group:

- reports quarterly to senior management including the CEO, President, CFO, COO, Chief Administrative Officer, Chief Information Officer, General Counsel, business segment Presidents, and Corporate Security;
- prepares management briefings that include company-wide cybersecurity status and initiatives; and
- provides a forum for discussing data security risk solutions and formulating action plans.

We have a Cyber Incident Response Plan designed to identify, contain, and eradicate threats. If needed, the plan includes recovery steps to bring our systems back online. Additionally, the plan requires that the appropriate level of our management be made aware of incidents and be updated as the situation warrants.

Our Board's Audit Committee is briefed quarterly on cybersecurity risk and our cybersecurity management program and initiatives.

We have made investments to address data security risks through:

- continuous third-party security monitoring of our network perimeters,
- advanced persistent threat group monitoring to keep informed of emerging serious threats,
- standardization of network security architecture which separates business and SCADA networks, and

- Security Information and Event Management software systems.

Our critical business systems are fully redundant and are backed-up at separate locations. Separate business and SCADA networks allow for isolation of potential threats and enhances the security of these systems. The Security Information and Event Management software systems correlate security events and aggregate security-related incident data, such as malware activity and other possible malicious activities. This program sends alerts if the data analysis shows that an activity could be a potential security issue.

On an annual basis, we hire an independent third party to perform penetration testing. The third-party checks for vulnerabilities on our external and internal network perimeters, such as our website and our internal network and sites. If vulnerabilities are found, corrective actions are implemented to prioritize and remediate any issues.

We engage with a wide variety of government and industry groups to enable cross-sharing and to identify opportunities to improve our security, including:

- active participation in IT Sector Coordinating Councils; and
- attendance at classified briefings hosted by the:
    - DOE,
    - Federal Bureau of Investigation, and
    - Department of Homeland Security.

Partnership with these security agencies provides us with intelligence on a wide range of critical infrastructure protection and cybersecurity activities and issues.

Security functionality is continuously monitored by our network operations center, which:

- monitors critical SCADA systems and telecommunications circuits,
- communicates directly with control centers,
- assigns support staff and management, and
- monitors environmental systems.

We maintain a dedicated SCADA group within our IT department to evaluate and respond to significant events and incidents that may impact our operations and deploy anti-virus solutions on SCADA devices. The SCADA systems and workstations within our data centers and control centers have anti-virus coverage.

Employees are required to take annual cyber and physical security training. This training is designed to help employees guard our cyber and physical data. The key objectives of the training are to teach employees how to:

- recognize the difference between phishing and spear phishing,
- spot the common types of phishing emails,
- understand the key concepts for safely browsing the internet,
- identify physical risks to the security of our data, and
- report suspicious emails to the proper channels.

We also employ a program to test our employees' ability to identify phishing emails. As part of this program, our IT department sends mock phishing emails to employees. Employees who click the links in these emails are required to re-complete cyber and physical security training within 30 days. If the employee repeatedly clicks on links within these emails, the matter may be escalated as a performance concern and may affect compensation. Cybersecurity performance is also considered in annual employee

performance reviews. As positive reinforcement, our business segments compete against one another each quarter for the fewest clicks on links within phishing campaign emails. An employee from the winning business segment is selected for a prize.

In the event that data and network defenses were to be bypassed, we have the ability to sever communication between business networks and the internet and between SCADA and business networks.

15.0 Employee Relations

15.1 Employees

(SASB Investment Banking & Brokerage FN-IB-330a.1, Professional & Commercial Services SV-PS-330a.2, GRI 401-1, GRI 405-1)

We use a strategic approach to building a diverse, inclusive, and respectful workplace. Our HR department provides expertise and tools to attract, develop, and retain diverse talent and support our employees' career and development goals. We value our employees' opinions and encourage them to engage with management and ask questions on topics such as our goals, challenges, and employee concerns. Employees are encouraged to submit questions to our CEO and our President during our semi-annual employee meetings, either before or during the meeting. Although the semi-annual employee meetings have been suspended during the pandemic, our CEO and our President have maintained communication with our employees through regular emails and audio messages. They also hold periodic video meetings with randomly selected manager- and director-level employees.

Employee Compensation

We link total compensation to our financial performance and to the attainment of our short-term and long-term strategic, operational, and financial objectives. We believe that an effective compensation program should reward employees for:

- advancing our business strategies;
- advancing the interests of our investors and other stakeholders;
- upholding and complying with our policies, including contributing to a discrimination-free workplace;
- incentivizing compliance with our ESG policies, including our Code of Business Conduct and Ethics and our EHS policies; and
- meeting our environmental, safety, and compliance targets.

We are committed to paying a fair wage to our employees and our pay policies help establish a living wage. Pay is based on a thorough analysis of the market, salaries of employees in similar jobs, and applicable laws. We establish competitive pay rates with the external market and facilitate equitable pay internally for similar jobs. Employee compensation includes competitive base salaries in the markets in which we operate and competitive benefits, including retirement plans, opportunities for annual bonuses, and, for eligible employees, long-term incentives, and an employee stock purchase plan. In 2020, over 95% of our employees were eligible for the employee stock purchase plan.

Annual Incentive Plan

Our Annual Incentive Plan is designed to foster our executive officers' and employees' personal stake in our continued success through the possible payment of annual cash bonuses that are dependent on a combination of individual and company performance. Under the Annual Incentive Plan, a pool of bonus dollars is budgeted at the beginning of each year for annual cash bonuses that may be paid to our

executive officers and other employees, depending on the extent to which we meet certain financial performance objectives set at the beginning of the year by our Board's Compensation Committee. The Compensation Committee then establishes the final bonus pool based primarily on the extent to which the financial performance objectives are met. The Compensation Committee may also adjust the budgeted pool of bonus dollars upward or downward based on our overall performance in other areas, including targets for safety and environmental incident rates, regulatory compliance, and other financial measures.

Employee Benefits

We offer a variety of benefits to eligible employees, their children, spouses, domestic partners, and the children of domestic partners. These programs are described in more detail below:

- PTO: Our PTO program offers employees flexibility to schedule time away from work to handle personal and family commitments. PTO hours may be used for various reasons, including but not limited to: short-term illnesses, vacations, bonding with a newborn or newly adopted or fostered child, or attending school functions.
- Parental leave: Short-term disability coverage is available to new mothers for the birth of a child. Eligible employees receive up to 100% pay based on years of service for six or eight weeks.
- Flexible work schedules: Flexible starting and ending work times, and reduced schedules are options to help manage work/life balance.
- Variable work schedules: The 9/80 work schedule gives employees the opportunity to have every other Friday off by adding an additional hour to eight of the nine workdays in the pay period. Half-day off workweeks provide the option to work nine hours each day Monday through Thursday and four hours on Friday of each week.
- Hybrid work schedule: On a trial basis, eligible employees have the ability to participate in a work-from-home pilot up to two days a week on non-core office days.
- Bereavement leave: Three days paid time off for the death of an immediate family member.
- Military leave: Actively serving employees are paid the difference between their KMI pay and their active military pay for up to two years.
- Disability leave: Sick or injured employees who are unable to work for more than seven consecutive days may be eligible for short-term disability leave. Employees on an approved leave can receive up to 100% of pay for up to 26 weeks based on years of service.
- Tuition reimbursement: Up to $5,250 per calendar year.
- Financial support: Employees may apply for disaster relief grants if they suffer an emergency hardship as a result of certain natural disasters and live in a state or county with a major disaster declaration.

Wellness Initiatives

Our Wellness 360° program provides a holistic approach to wellness for our employees and their eligible dependents, focusing not only on physical well-being, but emotional and financial health as well. Participants are able to access helpful resources designed to support a healthy lifestyle such as a behavioral science-based weight loss program, a flexible fitness program membership, and monthly webinars related to physical, mental, and financial health among many others.

Positive Employee Relations Program

In 2012, our Tax department created the Positive Employee Relations program. This program has been active over the past nine years and through various initiatives has fostered a culture of inclusivity and promoted professional and personal growth within the Tax Department. An important part of the program is volunteering in the community, for example, fundraising for the Houston Food Bank and Hurricane Harvey recovery. In 2020, the program was maintained virtually through weekly social hours with team

building activities and milestone celebrations. Employees also continued to independently contribute to their local communities.

Employee and Board of Directors Composition

The number of full-time, part-time, and temporary employees; voluntary and involuntary turnover rates; and composition of our workforce by age, gender, disability status, and minority representation are provided below. The gender and minority representation of our Board of Directors is also provided below.

	2018	2019	2020
Full-time employees(a)	11,165	11,086	10,525
Part-time employees(a)	9	6	7
Temporary employees(a)	6	5	2
Employee age representation(b)			
Average age	46	45	45
Percentage under 18 years old	0 %	0 %	0 %
Percentage from 18 through 29 years old	11 %	11 %	10 %
Percentage from 30 through 50 years old	51 %	52 %	53 %
Percentage over 50 years old	39 %	38 %	37 %
Female employee representation(b)(c)			
Percentage of workforce(d)	16 %	16 %	16 %
Percentage of management	18 %	19 %	20 %
Percentage of executive officers(e)	27 %	27 %	25 %
Percentage of Board of Directors(f)	13 %	13 %	13 %
Minority employee representation(b)(g)			
Percentage of workforce(d)	28 %	29 %	30 %
Percentage of management	19 %	19 %	20 %
Percentage of executive officers(e)	18 %	18 %	17 %
Percentage of Board of Directors(f)	6 %	6 %	7 %
Percent of workforce with disabilities(d)(h)	4 %	4 %	4 %
Employee turnover			
Involuntary employee turnover(i)(j)	2 %	4 %	6 %
Voluntary employee turnover(j)(k)	7 %	6 %	4 %
Total	9 %	10 %	10 %

(a) 2018, 2019, and 2020 employee counts are as of December 2018, December 2019, and December 2020, respectively.

(b) 2018 U.S. data was queried in November 2018. 2018 Canadian and Mexico data were queried in December 2018. 2019 U.S. data was queried in November 2019. 2019 Mexico data was queried in December 2019. 2019 employee data for KML was not included. 2020 U.S and Mexico data were queried in November 2020. The total number of employees used to calculate these percentages for 2018, 2019 and 2020 were 11,171, 11,115, and 10,592, respectively. Both full-time and part-time employees are included.

(c) In 2018, 2019, and 2020 0.5%, 0.7%, and 0.9% of employees, respectively, selected "I prefer not to answer" for gender.

(d) Workforce includes positions in management, professional positions, and remaining positions.

(e) Executive officers are as defined by Rule 3b-7 under the Securities Exchange Act of 1934.

(f) For 2020, minority representation for the Board of Directors is confirmed by board members and gender representation is consistent with the pronouns used in the 2021 Proxy Statement. Both are reported as of April 2021.

(g) U.S. and Canada diversity data are categorized per the Equal Employment Opportunity Commission's Employer Information Report EEO-1 and the Employment Equity Workforce Survey, respectively. Mexico is excluded, as there is no requirement to collect diversity data. Minority includes the number of U.S. employees who classify themselves as Asian, Black, or African American, Hispanic, or Latino, Native American, or Alaska Native, Native Hawaiian, or Pacific Islander, and "Two or more races" and the Canada employees who identified themselves as a visible minority, other than Aboriginal peoples, who are non-white in color or non-Caucasian in race, regardless of their place of birth or citizenship.

(h) Data is captured by using an Office of Federal Contract Compliance voluntary self-identification survey.

(i) Includes count of involuntary terminations from full-time and part-time positions. Excludes divestitures. Approximately one-third of the 6% involuntary turnover percentage for 2020 includes employees who voluntarily requested and were given severance packages as part of the organizational effectiveness and efficiency program.
(j) Percentage based on count of terminations divided by average number of full and part-time employees. Excludes employees in Mexico.
(k) Includes count of employee-initiated voluntary terminations from full and part-time employment. Excludes retirees.

Our company underwent an organizational effectiveness and efficiency program in 2020, which resulted in the consolidation and centralization of many of our cross-business segment functions, including Environmental, Project Management, Integrity Management, and Engineering Services. In addition to seeking cost efficiencies, the aim of the program was to achieve greater organizational effectiveness by bringing our experts together and instituting best practices across the organization. As part of the program, we made the decision to offer some of our employees the opportunity to express a preference for voluntary separation from our company. This allowed us to minimize involuntary reductions in our workforce by considering employee preference and providing greater clarity on the path forward for our new organizational structure. Employees opting to partake in the voluntary separation program were offered outplacement services if requested, full and immediate vesting of any outstanding long-term equity grants, as well as severance pay not received in a normal voluntary departure or retirement. These same benefits were also offered to employees that were involuntarily separated due to this program.

15.2 Diversity and Inclusion

We consider employee diversity an asset and support equal opportunity employment. We take affirmative action to employ and advance in employment all persons without regard to their race/ethnicity; sex; sexual orientation; gender, including gender identity and expression; veteran status; disability; or other protected categories, and base employment decisions solely on valid job requirements.

We prohibit discrimination or harassment against any employee or applicant on the basis of race, gender, or other protected categories listed in our Code of Business Conduct and Ethics. We are committed to a harassment free workplace, supported with online and face-to-face workplace harassment and discrimination prevention training for our employees. Employees and supervisors review our Harassment and Discrimination Prevention policy every two years as part of our HR Policy Renewal training.

Diversity Initiatives
We seek to engage with a broad range of candidates for open positions and undertake initiatives such as active participation in veteran and other jobs fairs aimed at increasing diversity representation in our workplace. Additionally, we partner with organizations whose focus is providing employment opportunities, including apprenticeships and internships, for minority candidates.

- *Board Oversight*
  As part of our annual succession planning process, we identify minority and female candidates to include in the plan for senior positions. We review our succession plan, including a discussion on development opportunities for potential successors, with the Nominating and Governance Committee of our Board of Directors.

- *Board Diversity*
  The Nominating and Governance Committee is responsible for advising our Board on matters of diversity. Over time, our Board's intention is to decrease the size and enhance the gender and racial diversity of our Board.

- *Executive Leadership*
  In July 2020, our CEO added a leadership expectation for our President, COO, business segment presidents, General Counsel, CFO, VP of Government Relations and Communications, CAO, and VP of Corporate Development to establish a plan for enhancing diversity and equality of opportunity in hiring, development, and promotion decisions. These expectations are discussed and reinforced during the annual performance review process. Currently, 42% of our executive leadership is female or a minority.

- *Seeking Diverse Applicants*
  We use the services of a major job posting board with over 1,000 diversity partners including companies and organizations that specifically target and attract women, minorities, veterans, and individuals with disabilities.

  We also partner with a job-delivery company as part of our commitment to post job openings with local employment offices and community-based organizations that focus on women, minorities, veterans, and individuals with disabilities. Some of the websites for these organizations include:
    - Hire a Hero,
    - Job Opportunities for Disabled American Veterans,
    - RecruitABILITY, and
    - U.S. Diversity.

  To increase our opportunities to recruit minority and female job candidates, we have identified contingency search firms and job-posting sites for broadening and diversifying our job applicant pool, such as:
    - Women in Technology,
    - Society of Women Engineers,
    - National Society of Black Engineers, and
    - Society of Hispanic Professional Engineers.

  Military veterans have tools and skills that translate into what we do every day. We value the leadership, drive, discipline, and strong work ethic that is developed in the military. We are committed to providing opportunities to veterans and do so by building partnerships with military-focused recruiting companies and attending job fairs that focus on placing veterans. In 2020, that included the Warrior for Life Luncheon, NextOps, and Military and Veteran Success Center 3rd Annual Veteran and Community Job Fair.

- *Hiring Process*
  In order to promote a more diverse workforce, we have enacted certain practices that we believe makes our hiring process more inclusive and helps promote the hiring of talent regardless of an applicant's gender, ethnicity, or other status. We strive to have a diverse candidate pool for consideration for our job openings. To help eliminate bias during interviews, we aim to select interview panels that have diversity representation.

- *Employing Locally*
  We recognize the importance of hiring locally and benefiting the economies of those communities in which we operate. We post our job openings to a variety of organizations' job boards including local employment offices, veteran's offices, colleges and universities, and vocational rehabilitation centers. In addition to job postings, we also attend local job fairs to hire talent from the communities in which we operate.

  We are one of the major employers in many smaller communities and we provide local talent with rewarding, well-paying jobs that allow employees to build a career within the energy industry.

- *Internship and Work Study Programs*
  We are a partner with the Genesys Works program in Houston, Texas. Genesys Works is a non-profit organization that provides meaningful corporate internships to local high school students from underserved communities, primarily serving minority students. In 2020, we had six motivated, high-potential students from the Genesys Works program engaged in an internship with us. During their internships, students are able to develop business skills, gain professional work experience, and create a plan for a successful future.

  We are a partner with the Cristo Rey Jesuit Work-Study Program. Cristo Rey Jesuit is a private high school offering a rigorous college preparatory education to young people of limited economic resources who live in Houston. Approximately 95% of Cristo Rey students are racial minorities. The program places students in Houston businesses where they earn up to 50% of the cost of their education and develop and hone social and technical skills in the workplace. In 2020, we had eight students participating in this work-study program.

  Building Opportunities and Learning Together is a successful paid internship program for college students. This 11- to 12-week program provides our interns with an opportunity to use their newly gained skills on a challenging project. Each student is assigned a mentor and supervisor who guides them throughout their internship. Supervisors are responsible for determining project scope and conducting periodic evaluations of their intern's progress. At the end of the program, interns make presentations on their project, that includes recommendations, to their business segment management, peers, and HR.

  For our 2021 summer internship program we partnered with INROADS to increase minority and female representation in the program. We also partnered with San Jacinto College on an apprenticeship program that focuses on IT-related roles and the Energy Education Center to educate diverse high school students about our industry. We expect to draw from such Energy Education Center students for future internship opportunities at our company once they have completed their freshman year of college.

- *Leadership Training*
  We have updated our internal leadership training programs, described in *Section 15.3 Human Capital Development Programs* of our *Sustainability Report*, to incorporate more diversity and inclusion content.

15.3 Human Capital Development Programs
(GRI 102-12, GRI 401-2, GRI 404-1, GRI 404-2)

Our employees are an integral part of our success, and we value their career development. We encourage and support professional development and learning for our employees by offering workforce training, tuition reimbursement, and other development programs. These programs help improve recruitment, development, and retention.

In an effort to promote an open feedback culture, we engage with our employees through cross business segment teams, focus groups, and a third-party administered confidential survey. In 2020, 65% of our Houston based employees participated in a third-party administered survey that helped gauge workplace satisfaction and engagement.

Results from our employee engagement activities provide us insight into employee satisfaction and help us develop strategies to more effectively engage with our team members. As an example, the results led us to develop updated vision and mission statements in 2019 to reaffirm our direction as a company, what we want to accomplish, and why what we do matters.

We support our employees' ongoing career goals and development through several programs. These programs help maximize our employees' potential and give them the skills they need to further enhance their careers.

New Employee On-boarding Orientation Program
We understand that developing our employees' skills starts from day one. New employees participate in an orientation program designed to help them:

- learn more about our company,
- understand processes and goals for their new positions, and
- locate the internal resources available to help them succeed.

Performance Review Program
Employee performance reviews are conducted to maximize employee productivity and provide development feedback. Our performance review program allows employees to receive a timely and objective review of their job performance at least once a year.

New Supervisor Training - CORE Leadership
Our CORE Leadership Training program is for newly promoted or hired leaders to successfully make the transition from an individual contributor to a first-time leader. In 2020, 82 leaders successfully completed the program. This leadership development course takes a blended approach to learning, including:

- online learning activities,
- monthly virtual conference call roundtables to reinforce desired behaviors, and
- follow-up by participants' leaders.

The program focuses on the knowledge and skills we believe are core to being an effective leader and takes approximately six months to complete, with a time commitment of two to four hours per month.

High-Potential Employee Training - Emerging Leaders Institute
Our Emerging Leaders Institute is an internal two-year leadership-development training program designed to develop leadership bench strength. Employees who are nominated to participate in this program

develop leadership skills, business acumen, and advanced presentation skills. Due to COVID-19, the program was paused in 2020 and 2021.

The Next Level Training Program
Our Next Level program is based on the concept of leaders developing leaders and is provided to employees transitioning from director-level roles to vice presidents. This program focuses on the skills needed to transition between these roles and its content includes:

- discussions with senior leadership,
- self-assessments, and
- development planning.

Total Employee Training Hours
In addition to health, safety, emergency response, and other safety topics, we provide employee development training on topics including:

- corporate policies,
- environmental protection,
- leadership and management,
- on the job skills, and
- software and IT systems.

The total hours spent on employee development training are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In thousands)	
Total hours of employee development training(a)(b)(c)			
Natural Gas Pipelines	95	101	214
Products Pipelines	26	26	69
Terminals	55	83	47
CO_2	9	9	4
Kinder Morgan Canada(d)	15	—	—
Corporate	11	9	17
Total	211	228	351

(a) Training time is assigned to the business segment the employee was active under at the end of the calendar year.
(b) Includes the U.S. portion of the Cochin Pipeline and KML data up to the sale date on December 16, 2019.
(c) Excludes operator qualification for years 2018 and 2019.
(d) Represents Kinder Morgan Canada employee average training time up to the date of the TMPL sale on August 31, 2018.

In addition to our investments in health, safety, and emergency response training, we invested roughly $20 million in other employee development training in 2020, or about $1,900 per full time employee. Together with health, safety, and emergency response training we have invested approximately $27 million, or about $2,600 per employee.[33]

Tuition Reimbursement
We offer our full-time employees a tuition reimbursement program that gives employees the opportunity to complete college level courses that encourage and support career growth.

[33] This is calculated by multiplying our total training hours by our employees' hourly median salary, calculated from the annual employee median salary disclosed in our 2021 Proxy Statement.

Relocation Assistance
We provide relocation assistance to eligible employees to provide career development opportunities that may become available at our other locations.

16.0 Community Relations

16.1 Processes to Manage Risks and Opportunities Associated with Community Rights and Interests
(SASB Exploration & Production EM-EP-210b.1, GRI 413-1)

Our neighbors, communities, and local governments play an important role in how we conduct our business. We live, work, and play in these communities. Our policies are designed to facilitate our building trust and fostering collaboration within the communities in which we operate, including our commitment to:

- community engagement,
- respect,
- transparency and responsiveness,
- negotiate in good faith,
- training,
- fairness, and
- responsible construction.

We engage our leadership and deploy resources to help us fulfill these requirements. Our internal Corporate Communications and Public Affairs department helps develop and implement our community relations strategies to reach a variety of stakeholders identified through stakeholder mapping. Our internal community consultation guidelines recognize that it is important to identify project stakeholders, determine and monitor their needs and expectations, and then work with them on meeting those needs and expectations as appropriate. In addition, project-specific team members help fulfill our commitment to communicate and work with communities in an effort to build trust and foster collaboration. Our Public Affairs team provides insights, guidance, and resources to operations and project-specific employees.

As described in *Section 6.1 Environmental Management Policies and Practices for Active Operations* of the *Sustainability Report*, we take our local stakeholders' concerns and feedback into consideration during the development of our growth projects and follow our construction and mitigative procedures that take into account plans to minimize impacts to nearby residents. This process helps address potential issues prior to the start of construction. During construction we also consult with stakeholders directly affected by our operations. This dialogue is intended to help us resolve issues as they arise or, better still, prevent issues from arising in the first place. Information about the additional ways we engage with stakeholders is described in *Section 16.1.1 Stakeholder Engagement and Consultation Mechanisms* of the *Sustainability Report.*

We participate in industry trade associations to further communicate the benefits of our customers' products and our services. We serve on communications committees where we assist in the development of communication materials that address topics such as:

- safety,
- construction,
- restoration activities,
- environmental considerations, and
- the social and economic benefits of the industry.

For more information, see our Community Relations Policy at https://www.kindermorgan.com/WWWKM/media/Documents/Community_Relations_Policy.pdf.

16.1.1 Stakeholder Engagement and Consultation Mechanisms
(GRI 102-21, GRI 102-43)

We strive to build and maintain healthy relationships throughout the areas where we operate. Many of our Community Relations Policy commitments are accomplished through ongoing stakeholder engagement and consultation.

We have helped develop, establish, and promote industry best practices for stakeholder engagement. We are committed to making stakeholder engagement a priority on our projects.

For certain new projects, our Corporate Communications and Public Affairs department develops a project-specific outreach and stakeholder engagement plan and timeline to notify stakeholders early about the project and to open and establish lines of communication. We respond to stakeholder feedback on each project and incorporate that feedback into the project planning process, including community engagement and community development planning.

We offer stakeholders a variety of ways to contact us about major growth projects, such as project specific:

- toll-free phone numbers,
- email addresses,
- websites,
- public meetings, and
- in-person meetings.

Throughout a project's timeline, our personnel may interact with a wide array of stakeholders, including:

- elected officials,
- media outlets,
- landowners,
- local citizens groups,
- indigenous peoples,
- protesters, and
- other members of the public.

We have systems in place for communicating with these different interest groups and training in place for project employees and contractors to prepare them for interactions with varying audiences. Initial project briefings and training sessions educate employees and contractors on communication procedures and resources. This training also provides:

- an overview of our company,
- an overview of the project, and
- the project's purpose and benefits.

The training reiterates the importance of being a good neighbor in the communities where the project is located. We also provide instructions for accessing relevant project personnel when needed to respond to specific stakeholder questions.

A summary of the ways we regularly engage and consult with stakeholders is provided below, including in the stages before, during, and after the construction of projects.

Landowners	Community Members	Emergency Responders	Government and Regulators
Town halls and open houses	Town halls and open houses	In-person meetings	Regulatory filings
In-person meetings	In-person meetings	On-line emergency responder training	Public policy and legislative issue engagement
Home and site visits	Project websites	Facility tours	Industry group involvement
Project websites	Social media	Emergency response tabletops and exercises	Facility tours
Social media	Community investment programs	The Responder E-newsletter	In-person meetings
Public awareness communications	Employee volunteer projects	Emergency Response Plans	
	Partnerships with local and regional organizations	Public awareness communications	

For our larger projects, we often also create project-specific websites. We provide contact information on our webpage where stakeholders can obtain further information if they have a question or concern about a projects' development or operation.

16.1.1.1 Public Awareness Program

Keeping our communities safe is of utmost importance and we use our Public Awareness Program to keep local stakeholders informed about pipeline safety.

Our Public Awareness Program is designed to:

- create public awareness about pipelines in the areas where we operate,
- provide important safety information to people living and working near our pipelines,
- increase knowledge of the regulations for working around pipelines,
- prevent damage to our pipelines,
- educate first responders and the public on our emergency preparedness response activities, and
- enhance public safety.

Our program was developed under federal pipeline safety regulation consultation guidelines.[34] Our program is an example of our ongoing stakeholder consultations in which we engage with, provide information to, and receive feedback from our stakeholders.

As part of our outreach plans, we target communications to the following stakeholder groups:

- residents,
- business owners,
- farmers and ranchers,
- schools,
- contractors, and
- government officials.

[34] DOT-PHMSA. "Public Awareness Programs: API RP 1162." DOT-PHMSA, Dec. 2003. 2021. <https://primis.phmsa.dot.gov/comm/PublicAwareness/PARPI1162.htm>.

Our program advocates pipeline safety and safe digging practices to the public through multiple avenues, including:

- brochures;
- newsletters;
- newspaper, magazine, radio, and television advertisements;
- direct mail;
- social media;
- direct contact; and
- our website at https://www.kindermorgan.com/Safety-Environment/Public-Awareness/Index.

We tailor the type, language, and formatting of our communications to the target audience, message to be delivered, and best practices for the selected medium.

To manage our program's engagement strategy, we maintain a Public Awareness Program evaluation plan that includes measures for evaluating effectiveness. For example, we track our stakeholder engagement interactions and our responses to requests for information. On average, we receive over 300 requests for information about our assets each year. We also receive requests for training and safety information from emergency responders.

To assess the effectiveness of our program, we conduct public awareness surveys. We evaluate whether our public awareness actions are achieving the following intended goals and objectives:

- information is reaching the intended stakeholder audiences;
- recipient audiences understand the messages being delivered;
- recipients are motivated to respond appropriately in alignment with the information provided; and
- the program is impacting the underlying intended results, such as reduction in the number of incidents caused by third-party damage.

We also conduct audits to assess the program and identify program improvements and changes.

We place a high value on public safety and seek to educate the public to increase their:

- awareness of pipeline locations,
- understanding of potential hazards from an unintentional release, and
- ability to identify and respond to a potential release.

In addition to our Public Awareness Program, our project-specific emergency response plans detail how to communicate with external stakeholders to more effectively resolve potential concerns quickly and safely.

For more information about our Public Awareness Program, see our website at https://www.kindermorgan.com/Safety-Environment/Public-Awareness/Index.

For more information about our Responder E-newsletter, see our website at https://www.kindermorgan.com/Safety-Environment/Public-Awareness/The-Responder.

16.2 Social Investment Programs

(GRI 102-12, GRI 201-1, GRI 203-1, GRI 203-2)

We are committed to giving back to the communities in which we operate. We actively look for opportunities for our employees to get involved in community programs and strengthen their relationships with our stakeholders.

Connect.Inspire.Give
In 2018 we launched a redesigned volunteer program that includes additional volunteer opportunities in the local community, including collection drives for school supplies, toys, pet food, and other community needs.

Our volunteer program schedule includes many diverse events such as:

- fun runs benefiting non-profits,
- repairing homes for the elderly and disadvantaged,
- working at a food pantry,
- restoring parks and trails,
- feeding the homeless community, and
- working with Special Olympics athletes.

The goal of our program is to enable employees to connect with each other across various departments, learn more about their communities, improve morale, and develop new skills while working toward the common goal of improving peoples' lives. For example, in 2020, we were part of a multi-organizational effort to host the Charlton-Pollard Trash Bash, where our employees contributed to the removal of nearly 1,500 pounds of trash in a Beaumont, Texas neighborhood. We hope that the organizations we support through these efforts inspire employees to give their time, talent, and donations.

Community Investments
We are committed to investing in the communities in which we operate. We budget funds annually to distribute to community organizations and initiatives across our business segments and operating regions. The community organizations receiving these contributions typically fit into one of the following categories:

- public safety and emergency response,
- children's educational or athletic programs, or
- environmental sustainability and education.

We also have made contributions to local organizations supporting recovery efforts from natural disasters.

In addition to the community investments made on behalf of the business segments, we also make community investments in areas where major growth projects are proposed or under construction. Recipient organizations are identified in coordination with local stakeholders in the project area including elected officials and local NGOs.

Below are some of the organizations to which we contributed in 2020:

- Blanco County Services - donated funds to county road repairs and maintenance and to the Peyton Colony School Trust
- Fredericksburg School District and Fire Department - donated a learning lab and renovations at Stonewall Elementary School
- Girl Scouts of Greater Chicago - supported local Girl Scout Troops

Kinder Morgan Foundation
The Kinder Morgan Foundation's mission is to provide today's youth with opportunities to learn and grow in order to become tomorrow's leaders. The Foundation's primary goal is to help today's science, math and music students become the engineers, educators, and musicians who could support our diverse

communities for many years to come. The Foundation provides donations through four types of programs, including:

- Kinder Morgan Foundation grants,
- Employee gift matching,
- Disaster relief assistance, and
- United Way employee gift matching.

These programs are described in more detail below.

Kinder Morgan Foundation Grant Program
The Kinder Morgan Foundation grant program focuses exclusively on academic education and the arts. These grants support programs that benefit under-served youth, with a focus on minorities and girls, and a majority of the contributions are directed to STEM programs. The Kinder Morgan Foundation's target is to donate more than $1 million to qualifying 501(c)(3) organizations in the U.S. each year.

In 2019, the grant program was updated to target communities in select locations across the U.S. that are densely populated, include high concentrations of our employees and customers, and were in close proximity to our main offices. In 2020, the Kinder Morgan Foundation issued grants to 97 organizations that provide educational, arts, and cultural programs. These organizations originally estimated that they could collectively serve approximately 2.1 million students, although the actual number of students served may have been less due to the pandemic. The contributions provided by the Kinder Morgan Foundation are typically used to provide direct support to a specified number of students or as general funding for the organization to support activities throughout the donation year. The grants ranged from $5,000 to $20,000 per qualifying organization.

Employee Gift Matching Program
The Kinder Morgan Foundation also funds our Employee Matching Gift Program. This program matches gifts made to university foundations, kindergarten through 12th grade education foundations, non-profits that support arts and culture, and STEM education programs benefiting underserved youth, such as minorities and females, in primary and secondary schools. Our full-time employees are eligible to designate up to three employee matching grants to be donated to qualifying organizations, totaling a maximum of $2,000 per calendar year.

Disaster Relief Program
The Kinder Morgan Foundation provides disaster relief assistance to organizations when natural disasters significantly impacts our operations or employees. These funds are awarded based on the size and scale of the disaster and the needs assessed by local operations. In 2018, 2019, and 2020, the Foundation donated to the Greater Houston Community Foundation for recovery efforts related to Hurricane Florence, Tropical Storm Imelda, and Hurricane Laura, respectively. Additionally, in 2020, we contributed $250,000 to COVID-19 response and recovery programs across the U.S.

United Way Employee Gift Matching Program
The Kinder Morgan Foundation matches 50% of each employee's donation made during the company's annual United Way campaigns.

The Kinder Morgan Foundation donations, employee donations, and corporate and project-related community investments are provided below.

	Year Ended December 31		
	2018	2019	2020
		(In thousands)	
Kinder Morgan Foundation donations			
Grants	$ 1,030	$ 1,084	$ 782
Employee Matching(a)	105	103	114
Disaster Relief	87	83	326
United Way(a)	135	111	224
Subtotal	1,357	1,381	1,446
Employee donations(b)	374	326	562
Community investments			
Donations made to Native American tribes(c)	255	262	266
Other community investments	337	254	1,696
Subtotal	592	516	1,962
Total	$ 1,949	$ 1,897	$ 3,408

(a) These are donations made by the Kinder Morgan Foundation and do not include employee contributions.
(b) Employee donations include donations made through the employee matching program and to the United Way.
(c) Scholarships made to Native American tribes are for the calendar year applicable, per the grant agreement.

17.0 Human Rights and Rights of Indigenous Peoples

17.1 Human Rights

(SASB Exploration & Production EM-EP-210a.3, GRI 408-1, GRI 409-1)

We conduct our business consistent with the human rights philosophy expressed in the International Labor Organization Declaration on Fundamental Principles. We believe supporting fundamental human rights to be a basic responsibility in conducting our business. We support the United Nations Global Compact Human Rights Principles, derived from the United Nations Universal Declaration of Human Rights, which are:

- Principle 1: businesses should support and respect the protection of internationally proclaimed human rights, and
- Principle 2: businesses should make sure they are not complicit in human rights abuses.

We prohibit the use of child labor or forced labor in our operations in the U.S., Canada, and Mexico. Our employees and contractors, with the exception of some interns, must be at least 18 years of age.

We also recognize and respect our employees' and suppliers' rights to join associations for the purpose of collective bargaining in a manner that is consistent with laws, rules, regulations, and customs.

Our employees, consultants, contractors, suppliers, vendors, and business partners are expected to:

- treat people with dignity,
- respect human rights,
- adhere to standards of conduct consistent with our Code of Business Conduct and Ethics when conducting company-related business activities, and
- adhere to our Human Rights Statement.

Within the areas of our activity and influence, we are committed to:

- being attentive to concerns raised by stakeholders,
- working with stakeholders to support human rights, and
- providing remedies to correct negative human rights impacts.

For more information, see our Human Rights Statement at https://www.kindermorgan.com/WWWKM/media/Documents/Human_Rights_Statement.pdf.

17.2 Rights of Indigenous Peoples

(SASB Exploration & Production EM-EP-210a.3)

We respect the diversity of culture and unique history of Indigenous Peoples. We strive to build long-term relationships and commercial partnerships with Indigenous Peoples through meaningful engagement based on mutual respect. In the course of our projects and operations, we conduct business with Indigenous Peoples consistent with our Code of Business Conduct and Ethics and our Indigenous Peoples Policy. We recognize the legal and constitutional protected rights of Indigenous Peoples. We engage in good faith with community members while communicating and cooperating with affected Indigenous Peoples. We are committed to:

- participating in good faith engagement;
- continuing to partner with community members in suitable employment opportunities, as well as education, commercial, and community development opportunities;
- identifying opportunities to support youth, education, culture, and the environment; and
- negotiating in good faith with indigenous and government entities.

Listening & Responding

We strive to operate and grow in a socially and environmentally responsible way. We work to establish positive interactive relationships with Indigenous Peoples who have, or claim to have, an ancestral interest in lands affected by our operations or projects. We communicate early and often with these affected Indigenous groups and National tribal experts. We listen to and engage with Indigenous Peoples through one-on-one, group, and public meetings.

In 2020, we worked with a federally recognized tribe on a portion of our PHP project right-of-way that crossed ancestral tribal lands. After listening to the concerns of the tribe, we invited tribal members to serve as Monitors during the construction process and to help oversee the protection of the tribe's ancestral land.

Right-of-way Renewals

We have a long history of working with Indigenous groups when renewing right-of-way grants. These renewals occur approximately every 20 years. We understand that the needs of Indigenous members and organizations change over time, so we begin our renegotiations for right-of-way renewals approximately 18 to 24 months in advance of expiration. During negotiations, we engage with:

- current Tribal leaders,
- Tribal heads of Operations,
- Tribal Engineering,
- Tribal Finance,
- Tribal Legal,
- Bureau of Indian Affairs liaison, and
- other Tribal representatives the Tribe deems appropriate.

Open Houses
One of the primary ways we meet with and listen to communities, including Indigenous Peoples, that may be impacted by one of our projects, is by holding project open houses. Open houses are publicized locally, and we encourage individuals or groups with an interest in our projects to attend these meetings.

Walk the Route
During planning for certain projects, we invite the members of Indigenous groups, with interests in a specific project, to walk the project site or route with us to identify anything of special interest to their specific Indigenous group. For the interests identified, we have meaningful consultation with the affected Indigenous group to listen to the history and importance of the matters identified and agree on the best path forward. These matters may include:

- insects, birds, and animals;
- plants;
- sacred sites, including stone formations, and;
- historical and cultural resources.

Employment and Community Development
For our projects, we work to meet or exceed compliance with the respective Tribal Employment Rights Ordinances and Native American Preference law in offering Indigenous community members employment opportunities as available. We also meet with Tribal leaders to discuss other possible educational, commercial, and community development opportunities.

Over the past three years, we have donated over $783,000 to Native American tribes with whom we do business. These contributions include scholarships and donations to local fire departments. Our donation amounts to these tribes are included in *Section 16.2 Social Investment Programs* of the *Sustainability Report.*

Maintaining Relationships
We maintain positive, long-term relationships even after a project is in service or right-of-way renewals have been finalized. We achieve this by:

- holding public awareness and first responder meetings in Indigenous communities,
- having Tribal representatives meet with our executives and visit our facilities,
- making presentations to Tribal classrooms on our energy business,
- participating in Tribal Feast Day events, and
- awarding scholarships as provided in right-of-way agreements.

Public Participation in Indigenous Matters
Our employees are participants in industry conferences, Bureau of Indian Affairs conferences, and Tribal Organization conferences. We not only attend these events, but also participate as speakers and panel members. We also consult regularly on matters affecting National Tribal law and practices.

For more information on how we build long-term relationships and commercial partnerships with Indigenous Peoples, see our Indigenous Peoples Policy. For an example of how we operationalize our Indigenous Peoples Policy, see our *Respecting Indigenous Peoples and Communities* case study video and fact sheet at https://www.kindermorgan.com/Safety-Environment/ESG. This policy and case study demonstrate our commitment to the social, economic, and cultural rights of Indigenous Peoples, reflecting the spirit of the ILO Convention 169 and the United Nations Declaration on the Rights of Indigenous Peoples.

Part 2 – TCFD Report

Our disclosure follows the Financial Stability Board's TCFD recommended climate-related financial disclosures, which are structured around the four thematic areas shown below.

Core Elements of TCFD's Recommended Climate-Related Financial Disclosures[35]

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

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

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

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

In our fourth TCFD Report, we have updated our disclosure after considering the feedback we received from investors and other stakeholders, additional published guidance, and TCFD reports issued by our customers and other energy infrastructure companies. We have updated our transition risk scenario assessment of our business strategy under the IEA's 2020 World Energy Outlook SDS.[36] The SDS limits the temperature rise to 1.65 °C and is fully aligned with the Paris Agreement to hold the rise in global average temperature to well below 2 °C and pursuing efforts to limit it to 1.5 °C. In 2020, we completed a physical risk scenario assessment for our assets under the 4 °C scenario of the IPCC RCP 8.5.[37] To further expand our disclosure, we reported our company-wide Scope 1 and 2 greenhouse gas emissions in this year's Report.

Although we regularly identify, assess, and manage the risks, opportunities, and financial information that the TCFD identifies as "climate-related," we do not regularly use the term "climate-related" in our internal discussions. Consequently, when this report refers to climate discussions or considerations in connection with our review, reporting, planning, and decision making, we are using the broader TCFD meaning.

[35] Task Force on Climate-related Financial Disclosures. "Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures." Task Force on Climate-related Financial Disclosures, 15 June 2017: 27. 2021. <https://www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf>.

[36] International Energy Agency. "World Energy Outlook 2020." International Energy Agency. October 2020. 2021. <https://www.iea.org/reports/world-energy-outlook-2020>.

[37] Intergovernmental Panel on Climate Change. "Climate Change 2014: Synthesis Report. Contributions of Working Group I, II, and III to the Fifth Assessment Report." Intergovernmental Panel on Climate Change, 2014. 2021. <https://ar5-syr.ipcc.ch/ipcc/ipcc/resources/pdf/IPCC_SynthesisReport.pdf>.

1.0 Governance

1.1 Board Oversight

(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, SASB Rail Transportation TR-RA-110a.2, SASB Marine Transportation TR-MT-110a.2, GRI 102-18, GRI 102-19, GRI 102-20, GRI 102-26, GRI 102-27, GRI 102-29, GRI 102-31, GRI 102-32, CDP C1.1b, CDP CC1.1)

Our Board is responsible to our stockholders for the oversight of the Company. We recognize that effective governance is critical to achieving our performance goals and maintaining the trust and confidence of our various stakeholders, including our:

- investors,
- lenders,
- customers,
- employees,
- business partners,
- regulatory agencies,
- underwriters, and
- other stakeholders.

As part of its responsibilities, our Board oversees the assessment of our major business risks and opportunities, and the measures we take to mitigate and address such risks and opportunities. Our Board is briefed regularly by our CEO, President, CFO, COO, and General Counsel, and periodically by each business segment president, on:

- business strategies,
- business risks and opportunities,
- major plans of action,
- annual budgets,
- business plans,
- capital expenditures for major expansions, and
- acquisitions and divestitures.

In reviewing and providing guidance in each of these areas, our Board assesses our assets and long-term business strategy for resilience and adaptability to various risks and opportunities. We believe our Board's collective skill set is well-suited to identifying the key risks and opportunities we face during the next decade, as our Board has members with significant experience in risk management and capital planning, both of which are essential to meeting our industry's potential disruptors. Our Board members' backgrounds allow them to engage in healthy debate on climate-related topics, challenge management assumptions, and make thoughtful and informed decisions about these risks and opportunities.

While our Board is ultimately responsible for risk and opportunity oversight, various Board committees assist our Board in fulfilling its responsibilities by considering the risks and opportunities within their respective areas of expertise. Our EHS Committee assists our Board with oversight of EHS risk and opportunity management, which may include climate-related risks and opportunities. The EHS Committee consists of independent directors appointed by the Board. Board members with experience in EHS and regulatory matters assist in confirming that we are operating consistent with prudent industry practices and that environmental and safety matters are properly considered in Board decisions. The EHS Committee meets at least semi-annually and reviews reports from our COO on ESG and EHS issues. Any Board member may elect to attend EHS Committee meetings. Our CEO, President, and other Board

members, with few exceptions, attend and participate in the regularly scheduled EHS Committee meetings.

Through our EHS Committee, our Board also provides direction to management about ESG disclosures in conjunction with our ESG Disclosure Committee described in *Section 1.0 Introduction* of the *Sustainability Report*. The ESG Committee's oversight includes the review of the progress and results of the scenario analysis we conduct to test the resilience of our business strategy. Through the EHS Committee, our Board provides direction to our COO on ESG, sustainability, and climate-related issues. Our Board and EHS Committee also establish performance expectations with our CEO, President, and COO for the management of these issues.

1.2 Management's Role

(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, SASB Rail Transportation TR-RA-110a.2, SASB Marine Transportation TR-MT-110a.2, GRI 102-19, GRI 102-29, GRI 102-31, GRI 102-32, CDP C1.1b, CDP C1.2, CDP C1.2a)

Our business segment presidents, corporate function heads, and subject matter personnel are responsible for assessing and managing actual and potential risks and opportunities, including those related to climate. These individuals use various management systems to assist them with their responsibilities. In 2020, we created a Kinder Morgan COO position and re-organized our corporate structure under the COO to centralize our engineering, project management, and environmental teams. We expect that this re-organization will enhance our ability to prioritize emission reductions.

Our COO is responsible for engaging with investors, regulators, employees, lenders, and customers on ESG-related matters, including our risks and opportunities. Our COO provides strategic leadership for EHS matters, including matters related to climate. Our COO is also responsible for implementing procedures and controls to track the data necessary for the preparation of our Report, and for sharing our results with other senior management and our Board's EHS Committee.

Our CEO and our President hold a series of regularly scheduled meetings to engage with our business segment presidents, corporate function heads, and subject matter personnel on issues related to our business. We use those meetings to monitor progress and performance and to discuss risks and opportunities, including, where appropriate, climate-related risks and opportunities and plans to address such risks and opportunities. The frequency of these meetings creates a cycle of ongoing assessment and improvement, as action plans are initiated and adjusted based on new information and past experience. The regular cadence and varied length of these meetings, from a few hours to most of a business day, permit extended discussion and regular follow-up on a wide range of action items. The meetings are typically scheduled one year in advance and are described in *Section 3.0 Risk and Opportunity Management* of the *TCFD Report.*

A wide range of professionals in our organization typically attend these recurring meetings. Participants include employees with subject matter knowledge applicable to managing risks and opportunities, including:

- business administration;
- business continuity planning;
- energy markets and marketing;
- engineering and earth sciences;
- environmental and energy policy, law, and compliance;
- finance, tax, and accounting;

- insurance;
- legal;
- public relations;
- strategic management; and
- technology development.

These meetings focus senior management's attention on near-, medium-, and long-term business risks and opportunities with substantial input from subject matter personnel. In addition, our senior management engages in ad hoc meetings on an as-needed basis to:

- review and approve new projects and acquisitions;
- review with industry consultants and other experts long-term trends, e.g., demand and supply, for the products we transport and handle; and
- identify and understand disruptive technologies or emerging policies.

The knowledge and information our senior management gains from these meetings are presented to our Board regularly. Our Board, in turn, uses the work done at the management level to inform its decisions about the Company's future direction.

2.0 Strategy

The fundamental principles of our business strategy are to:

- focus on stable, fee-based energy transportation and storage assets that are central to the energy infrastructure and energy transition of growing markets within North America or served by U.S. exports;
- increase utilization of our existing assets while controlling costs, operating safely, and employing environmentally sound operating practices;
- exercise discipline in capital allocation and in evaluating expansion projects and acquisition opportunities;
- leverage economies of scale from incremental acquisitions and expansions of assets that fit within our strategy; and
- maintain a healthy financial profile and enhance and return value to our stockholders.

Our forward-looking strategies and financial decisions are driven primarily by market opportunities and corporate objectives and responsibilities. We make long-term strategic decisions with the intention of creating sustainable competitive advantages. To sustain and improve our market position, we project and plan for reasonably foreseeable changes, including changes to governmental regulations, which could potentially impact our business and the markets in which we operate. We respond to such changes as they occur. Market and policy responses to climate change have been and can be a factor in our forward-looking strategic and financial decision-making.

We modify our strategy as necessary to reflect changing economic conditions and other circumstances, including, among other factors, those related to identified or reasonably anticipated impacts of climate change. We invest in our assets to operate them safely and to protect our employees, the environment, and the communities in which we operate. We work collaboratively within our industry and with governments, environmental groups, Indigenous Peoples, and communities to build our understanding of the issues around climate change and seek potential solutions.

In the U.S., we engage with policy makers from both major political parties at the federal, state, and local levels. We generally advocate for fair and transparent policies that are practical, economical, and have a positive benefit to our stakeholders and customers. The focus of our engagement is on policy that impacts our business including, but not limited to, pipeline safety policies, environmental and safety regulations, methane regulation, cybersecurity policies, and corporate taxation. We also engage in and support incentives that could help advance the use of CCUS, RNG, renewable diesel, and hydrogen.

2.1 Potential Climate-Related Risks, Opportunities, and Impacts
(SASB Exploration & Production EM-EP-420a.4, GRI 102-15, GRI 201-2, GRI 203-1, CDP C2.1, CDP C2.3, CDP C2.3a, CDP C2.4, CDP C2.4a)

Our customers include major oil and natural gas companies, energy producers and shippers, local distribution companies, and businesses across many industries. In most of our business segments, we operate like a giant toll road and receive a fee for our services, generally avoiding commodity price risk. In our CO_2 business, where we are exposed to commodity price risk, we employ a hedging strategy to partially mitigate that risk. Because our customers generally own the commodities we transport, the impact of climate-related risks and opportunities on us are often derivative of the impact on our customers.

Our management system integrates the identification, assessment, and management of risks and opportunities across various time horizons, including climate-related risks and opportunities where appropriate. As discussed in *Section 1.2 Management's Role* of the *TCFD Report*, we use a series of meetings to monitor the performance of our businesses and to identify and address opportunities and risks over a variety of time horizons. Some examples include:

Timeframe	Management Process	Examples of Climate-related Risks	Examples of Climate-related Opportunities
Short-term - immediately to one year	– Weekly, monthly, and quarterly financial and operational reviews – Annual budget reviews	– Legislative and regulatory proposals and changes that are likely to affect our business or that of our customers – Extreme weather events – Emission controls – Compliance costs	– Energy efficiency and alternative sources of energy – Responsibly sourced natural gas – Renewable natural gas – Renewable diesel – Additional renewable power generation at our locations
Medium-term - one to five years	– Quarterly business reviews – Long-range outlook – Project approval meetings	– Changes in demand for our services or in customer preferences – Changes in our ability to obtain permits or other regulatory approval – Public opposition due to climate concerns	– Potential increases in the use of our existing assets and efficiency gains – CCUS – Hydrogen blending in our existing natural gas infrastructure and for customers
Long-term - five to thirty or more years	– Quarterly business reviews – Ad hoc meetings with experts	– Changes in long-term demand for the products we transport and store – Changes in public policy that may affect growth opportunities in our traditional lines of business	– Dedicated hydrogen infrastructure – Potential lower emission product options or product replacements

The TCFD divides climate-related risks into two categories: transitional and physical. Transitional risks are those risks related to the transition to a lower-carbon economy, such as policy constraints on emissions, carbon taxes, and shifts in market demand and supply. The TCFD groups transitional risks into four categories:

- policy and legal risk,
- technological risk,
- market risk, and
- reputational risk.

Physical risks are those associated with physical impacts from climate change that could affect assets and operations. Physical risks include the disruption of operations and/or destruction of property. The TCFD divides physical risk into acute and chronic risks. Acute risks include physical damage from variations in weather patterns, such as severe storms, wildfires, floods, and drought. Chronic risks include sea-level rise and desertification.

Both transitional and physical climate-related risks may affect our business. As such, we seek to include reasonably anticipated regulations and policy decisions in our business models and project planning.

Expanding our existing assets and constructing new assets is part of our strategy. A variety of factors outside of our control can cause delays in our construction projects. Some examples of these factors include difficulties in obtaining rights-of-way, permits, other regulatory approvals, and public opposition. Inclement weather and natural disasters can increase costs or cause construction delays. Significant cost overruns or lengthy delays can have a material adverse effect on our return on investment, results of operations, and cash flows. These factors can result in project cancellations or limit our ability to pursue other growth opportunities.

Some of our assets are located in areas susceptible to natural disasters such as:

- hurricanes,
- earthquakes,
- wildfires,
- tornadoes,
- flooding,
- extreme snow and ice, and
- other natural disasters.

Our shipping vessels operate in areas exposed to some of these risks.

Natural disasters can damage or destroy our assets or disrupt the supply of the products we transport or store. In the third quarter of 2017, Hurricane Harvey caused disruptions in our operations near the Texas Gulf Coast requiring approximately $45 million in repair costs, approximately $10 million of which was not recoverable through insurance. Natural disasters can similarly affect our customers' facilities. Circumstances could arise in which our losses could so exceed our insurance coverage that those losses result in a material adverse impact to our assets, financial condition, and operating results.

The two tables below contain a list of potential transitional and physical risks, as well as the following:

- potential financial impacts related to such risks,
- available strategy and mitigation measures for such risks, and
- page numbers where the topics are discussed in our Report.

Potential Transitional Risks

Potential Climate-Related Risk	Potential Financial Impact	Available Strategy and Mitigation Measures	Page
Policy & Legal			
– Increased climate change-related regulation and policies resulting in: ◦ higher emission fees and carbon taxes ◦ higher fuel prices ◦ additional emission reporting obligations ◦ mandates on and regulation of customers' products or our services ◦ mandated transition to renewables ◦ delays or rejection of FERC certificates	– Increased compliance costs – Increased fuel costs – Reduced demand for our traditional services – Increased project expansion costs	– Engaging with regulators, industry organizations, and NGOs – Systematic monitoring of regulatory proposals and implementation of compliance programs – Offsetting, reducing, and managing emissions – Managing energy use and improving efficiency – Developing new services	– p 22 – p 96 – p 26 – p 23 – p 96
Technology			
– Substitution of customers' existing products with lower emission options – Lower potential demand for existing products due to greater energy efficiencies	– Reduced demand for our traditional services – Increased write-offs and earlier retirement of existing assets – Increased customer credit risk, including bankruptcies	– Negotiating contracts with longer terms, higher per-unit pricing, and for a greater percentage of our available capacity – Adjusting investment evaluation assumptions to assume lower uncontracted cash flows and terminal values – Continued discipline in accounts receivable management and customer credit protections – Developing new services – Expanding and developing lower carbon business activities	– p 94 – p 94 – p 94 – p 95 – p 95

Potential Transitional Risks

Potential Climate-Related Risk	Potential Financial Impact	Available Strategy and Mitigation Measures	Page
Market			
– Changing consumer behavior reducing demand for customers' products – Uncertainty in market signals – Increased cost of raw materials	– Reduced demand for our traditional services – Increased production costs due to higher energy prices – Abrupt and unexpected shifts in energy prices and costs – Repricing of oil field reserves	– Adjusting investment evaluation assumptions – Negotiating contracts with longer terms, higher per-unit pricing and for a greater percentage of our available capacity – Managing energy use and improving efficiency – Risk management and hedging programs – Expanding and developing lower carbon business activities	– p 94 – p 94 – p 23 – p 94 – p 95
Reputation			
– Stigmatization of sector – Increased stakeholder concern or negative stakeholder feedback	– Increased cost of capital – Decreased access to public capital markets – Increased cost of public relations – Decreased ability to attract and retain employees	– Expanding and developing lower carbon business activities – Working to reduce our carbon footprint – Adjusting ESG disclosure to be responsive to the financial sector by reporting per SASB, TCFD, and other reporting frameworks – Increased internal funding reduces need to access capital markets	– p 96 – p 14 – p 1 – p 94

Potential Physical Risks

Potential Climate-Related Risk	Potential Financial Impact	Available Strategy and Mitigation Measures	Page
Acute			
– More frequent and severe weather events, including floods, droughts, extreme heat, extreme cold, extreme snow and ice, hurricanes, and tornadoes, leading to business interruption and damage across operations and supply chain – Larger and more frequent wildfires	– Reduced revenue as a result of business and supply chain interruptions – Increased write-offs and costs for damaged property – Increased insurance costs	– Business continuity planning – Maintaining the necessary insurance – Engineering controls – Environmental assessments and management plans – Operational procedures and plans to identify areas prone to severe weather events and wildfires – Drill severe weather event and wildfire scenarios – Monitoring weather patterns, storms, and wildfire events – Emergency shutdown procedures, followed by damage inspection and restart protocols – Right-of-way maintenance	– p 52 – p 94 – p 33 – p 52 – p 8 – p 54 – p 33 – p 52
Chronic			
– Long-term shifts in climate patterns, possibly resulting in new storm patterns, coastal flooding, and chronic heat waves – Rising sea levels and tidal fluctuations	– Reduced revenue as a result of business interruption or facility shutdown – Increased costs for damaged property and facility improvements	– Business continuity planning – Developing engineering controls – Pre-construction planning incorporating enhanced engineering standards – Improving facilities to accommodate storm surge – Monitoring tide levels	– p 52 – p 8 – p 52

The TCFD recognizes that an organization's efforts to mitigate and adapt to climate change may also produce opportunities for the organization. The TCFD groups those opportunities into five categories:

- resource efficiency,
- energy source,
- products and services,
- markets, and
- resilience.

As an energy infrastructure company, we recognize and expect that future energy demand will continue to be met in part by a growing proportion of renewable energy sources. Today, the world still relies on traditional fuels for most of its energy needs. While delivering access to the secure energy the world requires, we pursue opportunities that also benefit the global effort to address climate change. Specifically, we are:

- expanding our natural gas transmission and storage business to maintain energy reliability while facilitating greater renewable penetration in the power sector and supporting our LNG customers;
- pursuing opportunities internally and within the industry to reduce emissions by increasing efficiency along our and our customers' value chains; and
- exploring new low carbon technologies and business models.

In February 2021, we established our energy transition ventures group to identify, analyze and pursue commercial opportunities emerging from the transition to low carbon energy. The group focuses on customer outreach and business development activities in pursuit of those new ventures, including services like carbon capture and sequestration, RNG capture, blue and green hydrogen production, renewable power generation, electric transmission, and renewable diesel production. As always, we will remain disciplined and focused on appropriate returns when evaluating investment opportunities in these new ventures. Our energy transition venture group's first acquisition was Kinetrex Energy, discussed in *Section 2.3.1 Transition Risk Analysis* of the *TCFD Report*.

The following table contains a brief listing of:

- potential opportunities,
- potential financial impacts,
- our strategy and enhancement measures, and
- page numbers where the topics are discussed in our Report.

Potential Opportunities

Climate-related Opportunities	Potential Financial Impact	Available Strategy and Enhancement Measures	Page
Resource Efficiency			
– Using more efficient equipment – Using more efficient production and distribution processes	– Reduced operating costs through efficiency gains and cost reductions – Increased production capacity, resulting in increased revenues	– Increasing use of our existing assets – Leveraging economies of scale from incremental acquisitions and expansions of assets	– p 86
Energy Source			
– Using lower-emission sources of energy – Using supportive policy incentives – Using new technologies – Participating in the carbon markets – Shifting toward decentralized energy generation	– Attractive returns on investment in lower-carbon natural gas infrastructure – Increased capital availability as more investors favor lower-emission products – Reputational benefits resulting in increased demand for services – Increased value of fixed assets	– Allocating the largest portion of our capital to lower-carbon natural gas infrastructure – Developing new services including storage / transportation of lower-emission energy sources – Expanding and developing lower carbon business activities	– p 94 – p 95

Potential Opportunities

Climate-related Opportunities	Potential Financial Impact	Available Strategy and Enhancement Measures	Page
Products and Services			
– Developing and/or expanding low emission goods and services – Diversifying business activities – Responding to shifting consumer preferences	– Increased revenue through demand for lower emission products and services – Increased revenue from our competitive position and asset flexibility to respond to shifting consumer preferences	– Allocating the largest portion of our capital to lower-carbon natural gas infrastructure – Developing new services – Expanding and developing lower carbon business activities	– p 93 – p 95
Markets			
– Increased demand for natural gas services – Increased demand for natural gas storage and pipeline services to backstop intermittent renewable power supply – Using public-sector incentives for carbon sequestration – Increased demand for reliable fuel for power generation	– Increased revenue from increased demand for natural gas gathering, processing, transportation, storage, and distribution – Increased revenue through access to new and emerging carbon sequestration markets	– Allocating the largest portion of our capital to lower-carbon natural gas infrastructure – Pursuing carbon sequestration opportunities – Developing new services focused on deliverability	– p 93
Resilience			
– Responding quickly to market changes resulting from natural disasters – Participating in renewable energy programs and adoption of energy efficiency measures	– Increased market valuation through resilience planning – Increased reliability of supply chain and ability to operate under various conditions	– Business continuity planning – Continuing to innovate and improve our energy management programs – Evaluating new ways to reduce our emissions by increasing equipment efficiency	– p 52 – p 23 – p 18

2.2 Financial Planning Considerations

(CDP C2.1, CDP C2.2d, CDP C2.3a, CDP C3.1, CDP C3.1c, CDP C3.1d, CDP C2.4a, CDP C2.5)

We identify and develop plans for managing a variety of risks and opportunities when allocating capital to our assets, establishing budgets for operating and capital projects, and developing our long-range outlook. Climate-related risks and opportunities typically manifest themselves indirectly through fundamental financial considerations. For example, embedded in the supply and demand projections we use are the expected effects of climate-related factors such as changing consumer behavior, increased energy efficiencies, and competing products and services. Operating and capital project budgets include expected costs for climate-related expenses, such as environmental permitting, emission monitoring, emission reporting, emission fees, emission offsets, business continuity planning, and insurance, as applicable. When we anticipate increased opposition to our capital projects, including climate-related opposition, we adjust our project schedules and budgets for enhanced community relations activities.

We prioritize risks and opportunities based upon likelihood and significance. We typically give highest priority to potential risks and opportunities we consider more probable and most significant. When we assess capital allocation decisions, we may adjust our required levels and thresholds of the following criteria:

- rates of return on capital;
- payback periods;
- market demand projections;
- projected operating costs, including compliance costs;
- terminal value projections;
- customer contract durations;
- customer and equity partner creditworthiness and protections;
- customer and equity partner concentration;
- per-unit pricing;
- percentage of contracted capacity; and/or
- level of equity participation and partnership.

When potential climate-related risks are more likely, such as reduced demand for our customers' products as a result of changing consumer behavior, we may reduce estimated or projected revenue after initial contract expiration and/or adjust terminal value. For example, when evaluating expansion projects on our refined product pipelines, in some instances we have reduced estimated or projected revenue after expiration of the initial contract term and/or used a zero terminal value at the end of the period over which our customers have contracted for the additional services provided by the expansion. We also seek to re-purpose our existing underutilized assets to provide solutions for our customers at attractive returns with reduced risk and less investment.

When we are less certain of a project's risks or opportunities, we adjust our financial model to, for example, increase the hurdle rate for investment in the project and reduce the terminal value expectations. In addition to higher returns, our preference is for higher quality cash flow, meaning stable, more certain cash flows backstopped by long-term contracts from credit-worthy customers. We prioritize our expansion capital investments to projects where we have contracts with credit-worthy customers that allow us to recover our capital within the length of the contracts' terms. This approach reduces our exposure to medium- and long-term market risks, including climate-related risks. We accept that our disciplined focus on these types of opportunities sometimes restrains our pursuit of higher-risk projects.

We have a systematic, disciplined approach to managing counterparty credit risk through a weekly review of non-investment grade accounts receivable, customer creditworthiness, and required credit protections. We also review any past due accounts receivable monthly. We have developed and continue to improve our culture of thoughtful cost control.

2.3 Resilience of Our Strategy

(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, SASB Rail Transportation TR-RA-110a.2, SASB Marine Transportation TR-MT-110a.2, GRI 203-1, CDP C3.1a, CDP C3.1d)

To better assess the resilience of our business strategy and understand the impact that climate change could have on our business, we performed a high-level assessment of the impact of 1.5-2 °C and 4 °C global warming scenarios. The 1.5-2 °C and 4 °C scenarios were developed assuming the average global temperatures will have increased by either 1.5-2 °C or 4 °C by the year 2100.

To update our transition risk analysis, we used the scenarios contemplated in the IEA's 2020 World Energy Outlook, and we considered these scenarios relative to our existing asset base. The IEA's scenarios consider the future projected energy demand and supply mix from a variety of perspectives, including:

- electricity generation sources and availability,
- transportation fuels,
- GHG emissions, and
- required investment.

For our physical risk analysis, we used scenarios consistent with the RCP 8.5 4 °C Scenario presented in the IPCC's 2014 Fifth Assessment Report (AR5) which assumes that emissions continue to rise throughout the 21st century. In the 4 °C Scenario, the IPCC assumes that climate policy is less ambitious and GHG emissions remain high, which could lead to more severe physical risks, compared to a 1.5-2 °C Scenario.

We considered our potential exposures, mitigation measures, and vulnerabilities to the outcomes for the following variables:

- temperature,
- precipitation,
- drought,
- storm surges,
- wildfires,
- hurricanes,
- floods,
- sea level rise, and
- landslides.

We performed our resiliency assessments by considering the scenarios relative to our existing asset base. If the scenarios were to become reality, we could undertake strategies that result in changes to our asset base; for example, by entering into new lines of business. Shifts in our asset base may occur incrementally, as we adapt to changes in circumstances, or the shifts could occur quickly through acquisitions and divestitures. An acquisition or sale of material businesses or assets may be significant in size relative to our existing assets or operations.

Our operations were tested by extreme weather events like Hurricane Harvey and winter storm Uri and because of our prior planning and preparedness have proven resilient. When winter storm Uri triggered widespread rolling blackouts across Texas and several other states, we were able to continue delivering energy to the market when many oil and gas producers and natural gas and electric utilities were shut down. We also used our storage reserves to bring natural gas into the market as quickly as possible, regardless of price trend. Uri seriously impacted our state and our industry, and we are committed to working within the industry to support an emphasis on preparedness to prevent future widespread power outages.

The IEA's and IPCC's scenarios are not a prediction of the future, but rather provide a common framework for analyzing the potential future global energy mix and impacts of climate change. The assumptions underpinning the IEA's and IPCC's scenarios may change over time as new information becomes available. Some of the primary underlying assumptions and indicators currently in the IEA's and IPCC's scenarios are included in *Appendix E – Summary of Scenarios and their Underlying Assumptions and Indicators*. There can be no assurance that any of the scenario assessments we perform for our businesses and assets are a reliable indicator of any actual impact of climate change on our businesses and assets.

It bears repeating that a variety of factors could cause actual results to differ significantly from those expressed in or implied by our forward-looking statements. Please see *Important Information about Policies, Procedures, Practices, and Forward-Looking Statements* for additional information. It is impossible to predict with certainty the timing, magnitude, and direction of climate-related risks and opportunities. As a result, it is impossible to predict how resilient we will be to climate-related changes.

2.3.1 Transition Risk Analysis

The IEA's 2020 World Energy Outlook detailed two primary scenarios, both of which assumed COVID-19 would be gradually brought under control in 2021, allowing for a steady recovery in economic activity:

- Stated Policies Scenario – based on stated energy and environmental ambitions, including the energy components of announced stimulus or recovery packages, as of mid-2020, to the extent they are backed up by specific policies, funding, and measures; as well as progress with the implementation of corporate sustainability commitments; and
- Sustainable Development Scenario or SDS – based on the United Nations' energy-related Sustainable Development Goals including universal access to affordable, reliable, and modern energy services by 2030, a substantial reduction in air pollution and effective action to combat climate change; as well as meeting the Paris Agreement to hold the rise in global average temperature to well below 2.0 °C and pursuing efforts to limit it to 1.5 °C above pre-industrial levels.

Under the IEA's Stated Policies Scenario, global demand for crude oil, NGL, and natural gas is projected to grow through 2040.

For our 1.5-2.0 °C scenario analysis, we used the IEA's SDS. Under the IEA's SDS:

- crude oil, NGL, and natural gas remain a significant portion of the energy mix, meeting 46% of global primary demand in 2040, but down from 55% in 2019;
- net crude oil and NGL exports from North America more than quadruple from 2019 to 2040, reaching nearly 9 MMBbl/d, even as global demand for those products declines by 34% during the same period; and
- net natural gas exports from North America increase by more than 50% from 2019 to 2040, surpassing 10 Bcf/d, even as global demand ultimately declines by 12% over the same period.

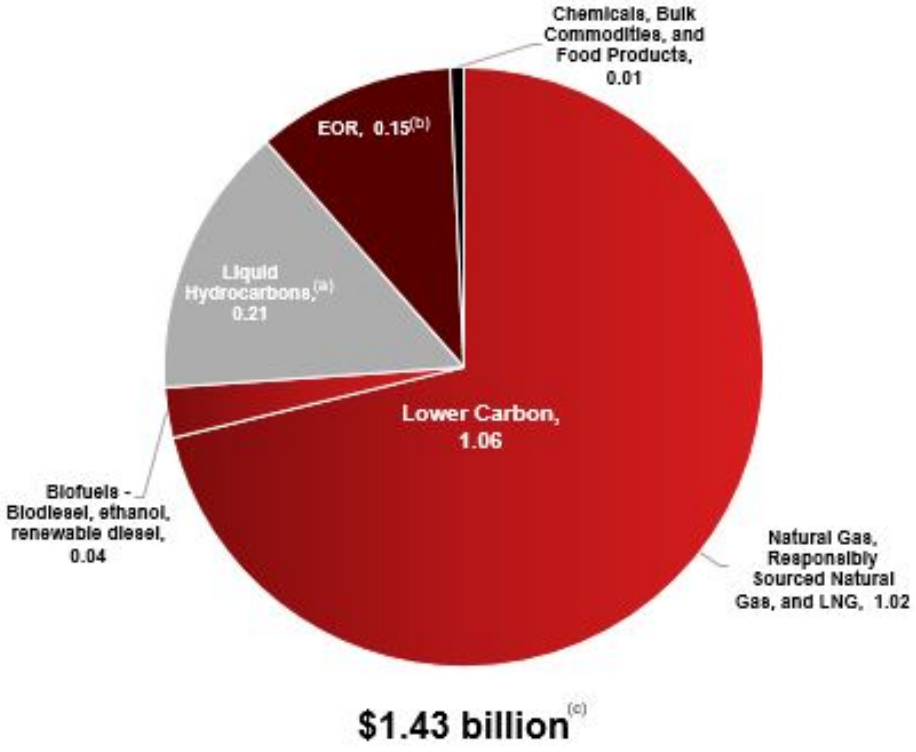
Some key assumptions and indicators of the IEA's SDS include:

- global population grows by nearly 1.5 billion people or 19% from 2019 to 2040;
- global primary energy demand declines by 10% from 2019 to 2040, while energy intensity, the ratio of primary energy demand to gross domestic product, is cut in half over the same period;
- electric cars account for nearly 40% of total passenger car sales in 2030 versus 2.5% in 2019;
- solar photovoltaics and wind contribute 45% of global electricity generation by 2040 versus 8% in 2019;
- global biofuels demand more than triples from 2019 to 2040 to comprise 10% of the liquid fuels market by 2040 versus 2% in 2019;
- global investment in energy efficiency exceeds $800 billion per year on average from 2031 to 2040, more than three times the average annual investment made between 2015 and 2019; and
- global investment in electricity networks and battery storage reaches $885 billion per year on average from 2031 to 2040, approximately three times the average annual investment made between 2015 and 2019.

Transition Risk Analysis Results

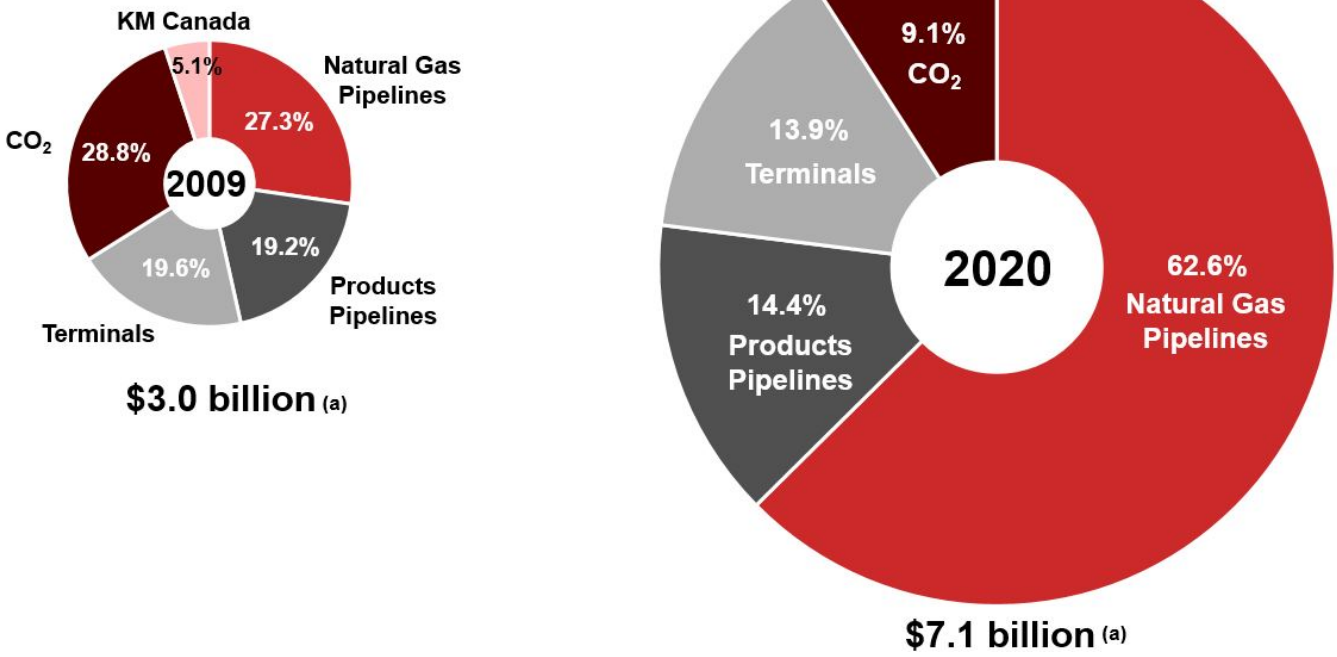
As noted above, our business strategy is to focus on stable fee-based energy transportation and storage assets and to operate them safely and in an environmentally sound manner. We allocate capital to our assets in a disciplined manner and typically operate under multi-year contracts with our customers. We seek to be proactive in adapting to changing circumstances. Thus far, our business strategy is proving effective in adapting to climate-related risks and opportunities.

The majority of our growth capital expenditures have been and are expected to continue to be allocated to assets that serve lower carbon fuels, such as conventional natural gas, responsibly sourced natural gas, RNG, LNG, renewable diesel, other biofuels, and biofuel feedstocks. As reflected in the following chart, we allocated approximately 74% of our 2020 expansion capital to lower carbon fuels.



(a) Liquid hydrocarbons include expansion capital allocated to crude oil, refined products, and NGL projects.
(b) EOR includes the expansion capital allocated to our CO_2 business segment for CO_2 and crude oil exploration, production, and transportation.
(c) Does not include non-expansion joint venture contributions and overhead.

As a result of expansion projects, organic growth and acquisitions, our Natural Gas Pipelines business segment has grown significantly since 2009 and now comprises approximately 62% of Adjusted Segment EBDA, up from approximately 27% in 2009. Contributions by each of our business segments to Adjusted Segment EBDA are presented in the following chart.



(a) For additional information about our use of and calculation for Adjusted Segment EBDA, a non-GAAP financial measure, see Part II, Item 7 included in our 2020 Form 10-K annual report, which is available through the SEC's EDGAR system at *https://www.sec.gov* and on our website at *https://ir.kindermorgan.com/financials/annual-reports/default.aspx*.

Natural gas in North America is plentiful, inexpensive, and clean-burning relative to other fossil fuels.

Partly due to the increased number of cleaner burning natural gas-fired power plants, CO_2 emissions from U.S. electricity generation in 2020 were at their lowest levels since 1978, and 40% below 2007 levels, while the U.S. population increased 48% from 223 million in 1978 to 329 million in 2020.[38,39,40,41,42]

As the rate of renewables penetration increases, reliable and dispatchable natural gas plants will continue to provide peaking and balancing power to meet the variable load demand requirements of electric generation.[43] This need becomes even more acute during the early part of the energy transition because baseload electricity generation from coal and natural gas is being removed faster than intermittent renewable generation from wind and solar is being added. The IEA's SDS projects that this situation could be further exacerbated by inadequate energy storage as capacity additions of renewables accelerate to meet the goals of the Paris Climate Agreement.

[38] EIA. "May 2021 Month Energy Review: Table 11.6." EIA, May 2021: 203. 2021. <https://www.eia.gov/totalenergy/data/monthly/archive/00352105.pdf>.
[39] EIA. "Annual Energy Review 2011: Table 11.2e." EIA, Sept. 2012: 309. 2021. <https://www.eia.gov/totalenergy/data/annual/pdf/aer.pdf>.
[40] EIA. "March 2021 Monthly Energy Review: Table 11.6." EIA, Mar. 2021: 203. 2021. <https://www.eia.gov/totalenergy/data/monthly/archive/00352103.pdf>.
[41] U.S. Census Bureau. "Historical National Population Estimates: July 1, 1900 to July 1, 1999." U.S. Census Bureau, Feb. 2000. 2021. <https://www2.census.gov/programs-surveys/popest/tables/1900-1980/national/totals/popclockest.txt>.
[42] U.S. Census Bureau. "Annual Estimates of the Resident Population for the United States, Regions, States, and the District of Columbia: April 1, 2010 to July 1, 2020 (NST-EST2020)" U.S. Census Bureau. 2021. <https://www2.census.gov/programs-surveys/popest/tables/2010-2020/state/totals/nst-est2020.xlsx>.
[43] Black & Veatch Management Consulting, LLC. "The Role of Natural Gas in the Transition to a Lower-Carbon Economy." INGAA, 7 May 2019: 2-4. 2021. <https://www.ingaa.org/File.aspx?id=36501>.

Because of the foregoing, and the fact that the majority of our assets and growth projects are dedicated to natural gas, we expect to maintain a sustainable economic position even in a carbon-constrained economy. Growth in renewable-firming pipeline services and infrastructure, such as market-area gas storage, is increasingly needed to supplement the variable power supply from renewable generation.[44] We therefore expect our expansive natural gas pipeline and storage footprint to provide continuing opportunities to competitively deliver customer-driven solutions in a lower carbon world. Greater natural gas pipeline deliverability, properly contracted and nominated, is proving critical to improving the reliability of electricity generated from renewable energy sources like wind and solar. We are expanding our service offerings to address these market needs by marketing the deliverability and reliability of natural gas from our transportation and storage network as a complement to renewable energy. As part of that strategy, we increased our natural gas storage assets with the acquisition of Stagecoach Gas Services in July 2021. These storage assets will help to backstop the expected growing renewable power generation in the Northeast.

Under the IEA's SDS, global trade in LNG is expected to increase by over 40% by 2030 and 80% by 2040 relative to 2019. Over the same period, North American natural gas production is expected to outstrip domestic demand by approximately 7 to 15 Bcf/d, making excess supply available for export to overseas markets. Our substantial natural gas transportation and storage infrastructure is connected to most major supply basins and demand markets in the U.S., including multiple LNG export facilities. As such, we believe there should be continued opportunities to use our assets to support this trade. In the fourth quarter of 2020, we delivered 46% of the feedgas to U.S. LNG export facilities.

While natural gas has many advantages, other hydrocarbon fuels are generally affordable, dependable, plentiful, and, as a result of advancements in technology, increasingly more efficient. Hydrocarbon fuels are supported by an enormous, sophisticated, worldwide network of infrastructure. Hydrocarbons are inputs to products society uses every day, not only for fuel, but also as raw materials for the production of synthetic fabrics, fertilizers, solvents, and industrial chemicals. We believe it will take decades and a substantial investment of resources for other technologies to supplant the existing hydrocarbon network. We anticipate the transition to lower demand for fossil fuels, even under the IEA's SDS, would occur gradually over the next decade. Accordingly, we plan to continue to operate, develop, and/or acquire diversified energy infrastructure assets in each of our business segments, consistent with our commitment to deliver energy to improve lives and create a better world. While demand for the current services of some of our assets may decline as a result of a transition, many of our assets are well-positioned to transport, store, or handle lower-carbon or transition-driven products, such as renewable fuels, hydrogen, and bulk mineral concentrates.

Our Products Pipelines and Terminals business segments are major transporters or handlers of gasoline, jet fuel, and other distillate products. If, as a result of the increased efficiency of gasoline powered vehicles and continued EV penetration as contemplated in IEA's SDS, there is less domestic demand for gasoline, we would expect our liquids pipelines and many of our liquids terminals to transition to handling lower-carbon renewable fuels and a higher percentage of diesel for long-haul vehicles and jet fuel for aircraft.

To the extent the developing world transitions away from traditional transportation fuels at a slower pace than the U.S., we anticipate our blue water terminals on the U.S. Gulf Coast, many of which are pipeline-connected to some of the most complex and cost-competitive refineries in the world, could benefit from

[44] Black & Veatch Management Consulting, LLC. "The Role of Natural Gas in the Transition to a Lower-Carbon Economy." INGAA, 7 May 2019: 2-4. 2021. <https://www.ingaa.org/File.aspx?id=36501>.

increased exports of those products. We would also expect our natural gas pipeline and storage assets to benefit from the incremental electricity production required for EVs.

The timeframe to transition our assets from handling one material to another varies from immediately to roughly three years. For example, volumes of renewable diesel or RNG can be accommodated immediately with existing liquid and natural gas assets. Converting a transmission asset from higher carbon liquids to lower carbon natural gas could take two to three years.

Lower Carbon Fuels and CCUS

The IEA's Stated Policies Scenario shows that the world is not yet on a path consistent with remaining at less than 2.0 °C above pre-industrial levels. Low carbon fuels, such as RNG, responsibly sourced natural gas, renewable diesel, and hydrogen, and CCUS are emerging as a few of the many potential solutions that could accelerate the world's progress along a path to limit the rise in global temperatures to less than 1.5 °C.

- *RNG*

  RNG is a pipeline-quality gas that is interchangeable with conventional natural gas and thus can be transported, stored, and used in the same applications as natural gas. RNG is essentially biogas, the gaseous product of the decomposition of organic matter that has been processed to purity standards. In addition to serving as a way to produce a low carbon fuel, the RNG production process captures greenhouse gases that would otherwise be emitted to the atmosphere. While the market for RNG has increased over time, it still represents a fraction of total natural gas consumption. In the U.S., approximately 98 MMscf/d of RNG was produced in 2020, which accounts for approximately 0.1% of the 2020 U.S. natural gas supply. Between landfills, dairy farms, swine farms, and other RNG sources, IEA's SDS estimates North American RNG demand to increase to 3.5 Bcf/d by 2040.[45]

  Since 2018, we have connected five RNG sites to our pipeline systems that have a takeaway capacity of approximately 20 MMcf/d of RNG, which could have accounted for nearly 25% of the RNG market share in 2019. The methane emissions from one of these sites, which manages over 64 thousand cattle, is equivalent to approximately 1.4 MMcf/d of avoided methane emissions.

  We expanded our RNG footprint with our acquisition of Indianapolis-based Kinetrex Energy (Kinetrex), on August 20, 2021. Kinetrex is the leading supplier of liquefied natural gas in the Midwest and a rapidly growing player in producing and supplying RNG under long-term contracts to transportation service providers. Kinetrex has a 50% interest in the largest RNG facility in Indiana as well as signed commercial agreements to begin construction on three additional landfill based RNG facilities. When these additional facilities become operational next year, the total annual RNG production from the four sites is estimated to be over 4 Bcf.

  In April 2021, we became a member of the Coalition for Renewable Natural Gas (RNG Coalition) that serves as the public policy advocate and education platform for the Renewable Natural Gas industry in North America.

[45] IEA. "Outlook for biogas and biomethane: Prospects for organic growth." IEA, Mar. 2020. 2021. <https://www.iea.org/reports/outlook-for-biogas-and-biomethane-prospects-for-organic-growth>.

- *Responsibly Sourced Natural Gas*
  Responsibly sourced natural gas is conventional natural gas that has been produced by companies whose operations meet certain ESG standards. These standards typically focus on management practices for methane emissions, water usage, and community relations. As of July 2021, there are 14 natural gas producers who are members of ONE Future that have committed to responsibly produce natural gas and have a target methane emission intensity rate of 0.28% of production by 2025. Total responsibly produced natural gas across the 14 member companies in 2020 averaged approximately 17.3 Bcf/d in the U.S., which represents about 19% of the current U.S. dry natural gas production. Given consumers' growing climate-related concerns, the market for responsibly sourced natural gas is expected to grow as natural gas consumers demand that their natural gas be responsibly produced and transported.

  In 2021 we entered into two first-of-their-kind pilot projects to transport responsibly sourced natural gas to Colorado utilities. We signed another agreement to transport responsibly sourced natural gas to a large utility in the Northeast U.S during the second quarter of 2021.

- *Renewable Diesel, Sustainable Aviation Fuel, and Renewable Fuel Feedstocks*
  Renewable diesel, also known as hydrotreated vegetable oil, is a high-quality, non-petroleum, renewable fuel made from animal fats, plant oils, and used cooking oil. It is often referred to as an advanced biofuel or second-generation biofuel. Renewable diesel is often confused with traditional biodiesel, also known as Fatty Acid Methyl Ester, or FAME. While both are made from organic biomasses, they are different products with different production processes, cleanliness, and quality. Unlike biodiesel, which is subject to more stringent blending limitations, renewable diesel is chemically the same as petroleum diesel and can be handled by the vast network of existing liquids storage and transportation infrastructure.

  The greenhouse gas emissions of renewable diesel and traditional biodiesel are typically 50-80% lower than conventional diesel. This makes both options attractive in a decarbonizing world as we work to meet environmental standards like the Low Carbon Fuel Standard (LCFS) in California and the U.S. Federal Renewable Fuel Standard.

  Our Products Pipelines business segment is constructing new renewable diesel hubs in both northern and southern California to serve the California diesel market. Our Terminals business segment handles renewable diesel and sustainable aviation fuel (SAF) at our facilities along the Houston Ship Channel and the lower Mississippi River. The Terminals business segment also stores and transloads renewable diesel feedstocks, including used cooking oil, animal fats, and vegetable oils, at several locations across our network.

  Our Terminals business segment is expanding our biofuels feedstock operations to create a potential feedstocks storage and logistics hub at one of our facilities on the lower Mississippi River. The project is underpinned by a long-term commercial agreement and will enhance existing infrastructure to support our customer's growing production of renewable diesel, sustainable aviation fuel, and renewable plastics.

- *Hydrogen*
  Hydrogen is well suited for long-distance transportation. In fact, hydrogen energy can be transported 10 to 20 times cheaper through pipelines than the equivalent energy through

transmission lines.[46] In addition, the U.S. has in place an extensive network of natural gas pipelines that could be upgraded to accept hydrogen blends which could reduce the level of necessary investment in hydrogen infrastructure.[47]

Transitioning to hydrogen fuel could potentially integrate well with our natural gas business. In general, hydrogen could be shipped on natural gas pipelines in low concentrations, possibly up to 5% to 10%, with potentially little or no modification, depending on pipeline metallurgy, age, and various other operating parameters.

As the demand for hydrogen grows and the hydrogen energy market develops further, we expect to continue to evaluate the ability and opportunity for our pipelines to transport hydrogen, as we believe pipelines will ultimately be the safest and most efficient mode of transportation for this fuel.

Current estimates among many analysts suggests that hydrogen energy opportunities will start to develop around 2030, making modest inroads between now and then. The U.S. currently produces approximately 10 million metric tons per year of hydrogen, with an energy equivalent of 3.35 Bcf/d of natural gas, which goes primarily into petroleum refining and ammonia production.[48] Current estimates project that the hydrogen market will grow by eight times by 2050 due to demand for low carbon hydrogen fuel.[49]

Today's hydrogen production in the U.S. is mainly from the conversion of natural gas into what is referred to as gray hydrogen due to the associated CO_2 emissions from the process. As the market for low carbon hydrogen grows, it is thought that CCUS will be used to abate the emissions from hydrogen production from natural gas, thereby making blue hydrogen. In the near term, blue hydrogen could potentially be a cheaper form of low carbon hydrogen than green hydrogen, which is made by the electrolysis of water using renewable power. Blue hydrogen relies on existing and proven at scale technologies, while electrolysis technology needs further development in order for green hydrogen to compete on a cost basis with blue hydrogen.

- *CCUS*
  We also believe the increased need for CCUS technologies could be a future opportunity for us. Our CO_2 business segment's extensive CO_2 assets and expertise in processing, transporting, injecting, and managing CO_2 should make us an attractive partner for CCUS initiatives and future developments. Rising demand for carbon capture and geologic sequestration may provide both incremental CO_2 transportation revenues and downstream EOR and sequestration opportunities. Our Snyder Gas Plant captures CO_2 from produced gas streams and re-injects it into producing reservoirs for enhanced oil recovery. Processing the produced gas and capturing CO_2 helps to avoid gas flaring and vented emissions.

[46] Becker, Meike. "All hydrogen roads lead to renewables (and through Rome?)" Sanford C. Bernstein & Co., LLC, 3 Sept. 2020: 3..
[47] Becker, Meike. "All hydrogen roads lead to renewables (and through Rome?)" Sanford C. Bernstein & Co., LLC, 3 Sept. 2020: 3.
[48] Office of Energy Efficiency & Renewable Energy. "Hydrogen Production." Office of Energy Efficiency & Renewable Energy. 2021.<https://www.energy.gov/eere/fuelcells/hydrogen-production>.
[49] Hydrogen Council. "Hydrogen scaling up: A sustainable pathway for the global energy transition." Hydrogen Council, Nov. 2017: 20. 2021. <https://hydrogencouncil.com/wp-content/uploads/2017/11/Hydrogen-Scaling-up_Hydrogen-Council_2017.compressed.pdf>.

Anticipating a lower-carbon economy, in addition to directing more of our capital investment toward our Natural Gas Pipelines business segment and biofuels, we are continually working to monitor and improve our processes and our perspectives on policies, activities, and trends related to the transition to a lower-carbon economy and on the long-term supply and demand for the products we handle.

We believe our capital allocation philosophy will help guide our participation in a lower-carbon economy. That philosophy is to fund our expansion capital needs internally, maintain a healthy balance sheet, and return excess cash to our shareholders through dividend increases and/or share repurchases.

As a result of our 1.5-2.0 °C scenario analysis and our ESG reporting initiative, where appropriate, we:

- evaluate our longer-term views in light of the IEA's SDS;
- coordinate energy market analysis across our business segments;
- monitor key climate-related market indicators, such as:
    - climate-related policy proposals and regulatory changes;
    - natural gas and renewable penetration into the power markets;
    - EV adoption rates, vehicle efficiency standards, and average miles driven;
    - biofuel and hydrogen markets; and
    - technological advancements and price signals for CCUS;
- expand our evaluation of the economics of emission reduction technologies over a range of potential carbon tax prices; and
- discuss these topics with our Board and its EHS Committee.

Further, in anticipation of a transition to a lower-carbon economy, we also seek opportunities to:

- reduce our emissions,
- enhance our expertise in CCUS,
- store and transport biofuels,
- repurpose our assets,
- modify existing assets or develop assets for LNG export opportunities, and
- expand our natural gas deliverability.

We present and discuss these opportunities with our Board.

2.3.2 Physical Risk Analysis Results

Given the diversity and size of our asset footprint and the criticality of the infrastructure we operate, we maintain a forward-looking approach to potential impacts of climate change and incorporate fiscally responsible risk mitigation into our operations. In our 2019 Report, we reported on the results of our physical risk analysis and completed the following:

- expanded the table of potential physical risks and our mitigation measures in *Section 2.1 Potential Climate-Related Risks, Opportunities, and Impacts* of the *TCFD Report* to reflect the results of our 4 °C Scenario analysis;
- evaluated our physical risk assessments and our mitigative measures and determined that acute risks such as hurricanes, wildfires, flooding, and heat waves are adequately addressed; and
- identified opportunities for improvement in our mitigative measures for some chronic risks, projected by the 4 °C Scenario analysis, including rising sea levels and changes in tidal patterns.

As described in *Sections 2.2 Management System and 12.3 Business Continuity Planning and Emergency Preparedness* of the *Sustainability Report*, we work to continuously improve our processes and procedures for mitigating acute physical climate change risks. We routinely drill scenarios that include these acute risks. To further address chronic risks identified through the 4 °C Scenario analysis, we evaluated which of our assets could likely be affected by the rising sea levels projected in a 4 °C Scenario. As a result of this analysis, we reviewed our engineering standards and made adjustments, where warranted, to address potential future risk due to rising sea levels, changes in tidal patterns, wildfires, hurricanes, and other extreme weather events.

3.0 Risk and Opportunity Management
(SASB Midstream EM-MD-110a.2, SASB Exploration & Production EM-EP-110a.3, SASB Rail Transportation TR-RA-110a.2, Marine Transportation SASB TR-MT-110a.2, GRI 102-30, GRI 102-32, GRI 201-2, CDP C2.2, CDP C4.2, CDP C9.1)

Our management system is designed to help us monitor and assess various types of risks and opportunities, including those related to climate. We identify and evaluate risks and opportunities based on both actual and potential likelihood and significance. Depending on the nature of the risk or opportunity being considered, we evaluate consequences based on a variety of attributes such as:

- health and safety,
- financial,
- operational, and
- environmental.

Our management system promotes continuous improvement and adjustment to changing conditions, including actual and potential risks and opportunities in the near-, medium-, and long-term. This integrated and comprehensive approach helps facilitate resiliency in our assets and business strategy.

Our management system establishes intentional, routine risk and opportunity management activities that are designed to achieve the following objectives:

- maintain financial and operational discipline;
- reveal and manage risks and opportunities, increasingly including climate-related risks and opportunities; and
- continually improve our performance and culture.

Our management system processes and procedures are performed through regular meetings, processes, and reports that establish a rhythm for our business as outlined in the following table.

Meeting and Topics Covered Each topic is covered as warranted and is not covered at every meeting. Other topics, not listed below, are also periodically covered. There are also additional regular meetings not listed below.	Personnel Involved in Process
Weekly	
Monday Management Meeting *CEO, President, COO, business segment presidents and corporate function heads meet two hours each week for financial and operational review.* – Actual and forecasted financial performance vs. budget for the week, month, quarter, and year, which includes costs of compliance, fuel, energy, production, and public relations – Demand for our services – Near-term business development opportunities and risks – General business risks and opportunities – EHS and pipeline encroachment incidents – Customer credit risk changes and accounts receivable activity for non-investment grade customers – Impacts on business from weather, natural disasters, and other incidents – Capital project progress	– CEO, President, COO, Business Segment and Operating Company Presidents, CFO, CAO, General Counsel, Corporate Department Management

Meeting and Topics Covered Each topic is covered as warranted and is not covered at every meeting. Other topics, not listed below, are also periodically covered. There are also additional regular meetings not listed below.	Personnel Involved in Process
Monthly	
Business Segment Operations Meeting – Progress toward reducing risk of high consequence assets and operations – Internal and external incidents, near misses, and lessons learned – Process improvements, efficiency, and productivity improvements – Progress on expanding systems to more assets and operations, more operations goals, and more regulatory and other requirements – Leading indicators and their meaning – Significant results of internal and external audits, evaluations, and assessments, including status of corrective actions – Stakeholder feedback – Other key performance indicators	– Business Segment and Operating Company Presidents, Business Segment COOs, Operations and EHS Vice Presidents and Directors
Earnings Meetings *Review actual financial results for the month and the quarter.*	– CEO, President, COO, Business Segment and Operating Company Presidents, CFO, General Counsel, Corporate and Business Segment Financial Planning
Accounts Receivable Review Meeting *Discuss collection status for past due accounts receivable balances.*	– CFO, Controller, Corporate and Business Segment Accounting

Meeting and Topics Covered Each topic is covered as warranted and is not covered at every meeting. Other topics, not listed below, are also periodically covered. There are also additional regular meetings not listed below.	Personnel Involved in Process
Quarterly	

<u>*Quarterly Business Review for each business segment*</u>
Respective business segment presidents, COOs, and function heads provide the CEO and President with a "state of the business" presentation.
– Financial performance
– Near-, medium-, and long-term
  – strategies
  – market dynamics and trends
  – risks and opportunities
– Commercial discussions
– Progress and plans for reducing risk to potential high consequence assets and operations
– Operational performance
– Expansion project updates
  – risks and opportunities
  – environmental and other permits and related compliance activities
  – financial performance vs. forecast and budget
  – forecasted project capital expenditures
  – forecasted project EBITDA
  – estimated in-service date
  – milestone completion dates and projected in service date
  – safety
  – quality
  – regulation
  – project opposition
  – impacts from weather, natural disasters, and other incidents
  – supply chains
– The status and effectiveness of corrective actions resulting from previous management reviews
– Regulatory and litigation updates
– These reviews may also include a long-range outlook financial projection and a less comprehensive review on other subjects
	– CEO, President, COO, Business Segment and Operating Company Presidents, CFO, CAO, General Counsel, Corporate Department Management, Business Segment COOs, Department Vice Presidents and Directors

<u>*Operations Group Meeting*</u> *COO and Business segment COOs share knowledge and best practices across business segments and review progress on actions taken to improve safety and performance.* – Proposed best practices across business segments – Conflicts in interpretations of regulatory requirements identified by the EHS or legal departments – Proposed modifications to the OMS – Updates from operations working groups – Internal and external incident and near miss trends and lessons learned	– COO, Business Segment COOs, Working Group Leads

<u>*Operations Working Group Meetings*</u>
– Operational considerations and regulatory risks
  – Incident Review
  – OMS adjustments
  – Security
  – Disaster Preparation, Response and Recovery
  – Regulatory Compliance
  – Compliance Systems
  – Process Safety Management/Risk Management Plans
	– Subject Matter Professionals

Meeting and Topics Covered Each topic is covered as warranted and is not covered at every meeting. Other topics, not listed below, are also periodically covered. There are also additional regular meetings not listed below.	Personnel Involved in Process
Periodically	
<u>*Long-Range Outlook Update*</u> – Five-year projections of: – Revenue – Capital expenditures – Operating expenses – Distributable cash flow, EBITDA, and segment EBDA – Adjust budget for projects, contract changes, etc. – Translate to an annual plan	– CEO, President, COO, Business Segment and Operating Company Presidents, Business Segment COOs, CFO, General Counsel, Corporate and Business Segment Financial Planning
Annually	
<u>*Budget Review*</u> *CEO, President, business segment presidents and corporate function heads review annual budgets and establish financial targets and operational metrics against which to evaluate performance in the coming year.* – Staffing, assets, systems, and other resources needed for business segments to operate in a safe, environmentally sound, and efficient manner – revenue impacts – compliance costs – fuel costs – insurance costs – public relations costs – production costs – Capital expenditures, operating expenditures, and margins – Commercial developments, such as contract rate and volumetric changes – Translated to a monthly plan	– Manager level and above

In addition to our management system, to address certain risks we maintain other risk management programs and processes, such as:

- Energy commodity price risk management and mitigation program,
- Process Safety Management/Risk Management Plans,
- IMP,
- Responsible Care®,
- Cyber Threat Response Plan, and
- Critical Facility Security Plans.

4.0 Metrics and Targets

4.1 Climate-Related Metrics

(SASB Midstream EM-MD-110a.1, SASB Exploration & Production EM-EP-110a.1, SASB Rail Transportation TR-RA-110a.1, SASB Marine Transportation TR-MT-110a.1, GRI 102-29, GRI 102-30, GRI 201-2, CDP C6.1, CDP C6.2, CDP C6.3, CDP C6.5)

See *Section 3.0 Greenhouse Gas Emissions* of our *Sustainability Report* for our metrics to measure climate-related risk and opportunities.

4.2 Scope 1, Scope 2, and Scope 3 GHG Emissions

(SASB Midstream EM-MD-110a.1, SASB Exploration & Production EM-EP-110a.1, GRI 305-1, GRI 305-2, GRI 305-3, CDP C6.1, CDP C6.3, CDP C6.5, CDP C7.3, CDP C7.6, CDP C7.9)

See *Section 3.1 Gross Global Scope 1 and 2 Emissions, Percentage Methane, Percentage Covered under Emissions-Limiting Regulations* of our *Sustainability Report* for our gross global Scope 1 and 2 GHG emissions.

4.3 Climate-Related Targets

(CDP C4.1, CDP C4.1a, CDP C4.1b, CDP C4.2)

See *Section 3.4.3 GHG Targets* of our *Sustainability Report* for our climate-related targets.

Appendix A.1 – ESG Disclosure Topics & Accounting Metrics

		Year Ended December 31		
	Unit	2018	2019	2020
Air emissions for the following pollutants:				
NO_x (excluding N_2O)†	Thousand metric tons	58.7	57.9	52.2
SO_x†	Thousand metric tons	0.3	0.4	0.3
VOCs†	Thousand metric tons	13.7	14.4	12.7
PM_{10}†	Thousand metric tons	1.3	1.4	1.4
Water management				
CO_2 business segment - fresh water withdrawn†	Thousand cubic meters	1,487	1,489	1,208
CO_2 business segment - fresh water consumed†	Thousand cubic meters	1,487	1,489	1,208
CO_2 business segment - fresh water withdrawn intensity†	Thousand cubic meters of fresh water consumed per BOE throughput	0.04	0.04	0.04
Water use for hydrostatic integrity testing↟	Thousand cubic meters	74	24	57
Ecological impacts				
Percentage of land operated within or near areas of protected conservation status or endangered species habitat(a)†	%	33 %	30 %	30 %
Spills				
Hydrocarbon spills				
Number of hydrocarbon spills†	#	37	43	41
Aggregate volume of hydrocarbon spills†	bbl	11,530	975	2,380
Aggregate volume of hydrocarbon spills in Unusually Sensitive Areas↟	bbl	180	52	1,398
Hydrocarbon spill volume recovered†	bbl	7,332	861	1,769
Marine spills and releases to the environment				
Number of marine spills and releases to the environment↟	#	1	0	1
Aggregate volume of marine spills and releases to the environment↟	Cubic meters	0	0	0
Environmental fines and penalties paid↟	Thousands	$ 648	$ 215	$ 70
Employee and contractor health and safety - excluding self-reported COVID-19 cases				
Total recordable incident rate				
Employees↟	# Recordable incidents/ 100 full-time workers	1.0	1.0	0.7
Target - employee TRIR industry average↟	# Recordable incidents/ 100 full-time workers	2.3	2.0	2.0

	Year Ended December 31			
	Unit	2018	2019	2020
Target - employee TRIR three-year average↟	# Recordable incidents/ 100 full-time workers	1.2	1.1	1.0
Contractors↟	# Recordable incidents/ 100 full-time workers	0.7	0.6	0.4
Short-service total recordable incident rate				
Employees↟	# Recordable incidents/ 100 full-time workers	1.1	1.2	0.9
Lost time incident rate				
Employees↟	# Recordable lost time incidents/ 100 full-time workers	0.5	0.5	0.4
Contractors↟	# Recordable lost time incidents/ 100 full-time workers	—	—	0.1
Fatalities				
Employees↟	#	0	0	0
Contractors↟	#	0	0	0
Marine lost time incident rate↟	# Lost time incidents/ 1,000,000 hours worked	0.6	0.3	0.6
OSHA recordable incidents				
Number of recordable employee injuries/ illnesses↟	#	121	116	81
Number of recordable short-service injuries/illnesses↟	#	8	9	7
Number of recordable contractor injuries/ illnesses↟	#	40	36	19
Number of recordable employee lost time cases↟	#	63	54	41
Number of recordable contractor lost time cases↟	#	—	—	3
Number of recordable marine lost time cases↟	#	2	1	2
Employee and contractor health and safety - including self-reported COVID-19 cases				
Total recordable incident rate				
Employees†	# Recordable incidents/ 100 full-time workers	1.0	1.0	1.4
Contractors†	# Recordable incidents/ 100 full-time workers	0.7	0.6	0.4

	Year Ended December 31			
	Unit	2018	2019	2020
Short-service total recordable incident rate				
Short-service employees†	# Recordable incidents/ 100 full-time workers	1.1	1.2	1.9
Lost time incident rate				
Employees↟	# Recordable lost time incidents/ 100 full-time workers	0.5	0.5	1.0
Contractors†	# Recordable lost time incidents/ 100 full-time workers	—	—	0.1
Fatalities				
Employees†	#	0	0	2
Contractors†	#	0	0	0
Marine lost time incident rate↟	# Recordable lost time incidents/ 1,000,000 hours worked	0.6	0.3	0.6
OSHA recordable incidents				
Number of recordable employee injuries/ illnesses†	#	121	116	164
Number of recordable short-service injuries/illnesses†	#	8	9	13
Number of recordable contractor injuries/ illnesses†	#	40	36	19
Number of recordable employee lost time cases↟	#	63	54	116
Number of recordable contractor lost time cases†	#	—	—	3
Number of recordable marine lost time cases↟	#	2	1	2
Average hours of employee health, safety, and emergency response training↟	Hours/ employee	17	17	13
Supply chain management				
Supplier demographics				
Percentage of small business, diverse, and veteran-owned supplier procurement spend vs. total supplier procurement spend↟	%	—	31 %	41 %
Total small business, diverse, and veteran-owned supplier procurement spend↟	Millions	—	$ 1,593	$ 1,675
Service supplier monitoring				
Percentage of service suppliers subject to performance audits↟	%	100 %	100 %	100 %
Number of service suppliers audited↟	#	172	248	569
Percentage of service suppliers audited↟	%	5 %	7 %	17 %

	Unit	Year Ended December 31 2018	2019	2020
Waste management				
Hazardous waste				
Amount generated†	Metric tons	5,203	9,888	6,662
Percent recycled†	%	57 %	55 %	55 %
Recycled business waste				
Recycled aluminum, cardboard, glass, paper, and plastic↟	Tons	155	119	46
Competitive behavior and pricing integrity and transparency				
Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage rate, access, and pricing regulations↟	Millions	$ 0	$ 19.5	$ 1.3
Legal or regulatory fines, settlements, or penalties associated with bribery and corruption↟	Dollars	$ 0	$ 0	$ 0
Operational safety				
Reportable pipeline incidents				
Number of reportable pipeline incidents↟	#	53	60	55
Percentage of reportable pipeline incidents that are significant↟	%	43 %	40 %	45 %
Natural gas and hazardous liquid pipelines inspection				
Percentage of natural gas pipelines inspected†	%	14 %	19 %	20 %
Percentage of hazardous liquid pipelines inspected†	%	18 %	27 %	28 %
Rail transportation operational safety				
Number of accident releases from rail transportation↟	#	0	0	0
Number of non-accident releases from rail transportation↟	#	1	1	3
Number of FRA recommended violation defects↟	#	5	32	14
Political contributions				
Contributions to political campaigns, candidates, and parties↟	Thousands	$ 0	$ 0	$ 0
Payments to lobbying organizations↟	Thousands	$ 575	$ 265	$ 197
Trade association dues↟	Thousands	$ 2,502	$ 2,523	$ 2,680
Non-deductible portion of trade association dues attributed to lobbying and political expenditures↟	Thousands	$ 180	$ 225	$ 212
Payments made in relation to ballot measures↟	Thousands	$ 10	$ 0	$ 0
Income taxes paid				
U.S. Federal↟	Millions	$ (149)	$ (1)	$ (20)
U.S. State↟	Millions	$ 26	$ 4	$ 6
Canada↟	Millions	$ 11	$ 360	$ 236
Mexico↟	Millions	$ 3	$ 8	$ 5
Brazil↟	Millions	$ 0	$ 1	$ 0
Total income taxes paid, net↟	Millions	$ (109)	$ 372	$ 227
Royalties and duties paid↟	Millions	$ 72	$ 70	$ 47

		Year Ended December 31		
	Unit	2018	2019	2020
Employee demographics				
Part-time employees↟	#	9	6	7
Temporary employees↟	#	6	5	2
Employee age representation(b)				
Average age†	#	46	45	45
Percentage under 18 years old†	%	0 %	0 %	0 %
Percentage from 18 through 29 years old†	%	11 %	11 %	10 %
Percentage from 30 through 50 years old†	%	51 %	52 %	53 %
Percentage over 50 years old†	%	39 %	38 %	37 %
Female employee representation				
Percentage of workforce(b)†	%	16 %	16 %	16 %
Percentage of management(b)†	%	18 %	19 %	20 %
Percentage of executive officers(c)↟	%	27 %	27 %	25 %
Percentage of Board of Directors(c)†	%	13 %	13 %	13 %
Minority employee representation				
Percentage of workforce(b)†	%	28 %	29 %	30 %
Percentage of management(b)†	%	19 %	19 %	20 %
Percentage of executive officers(c)↟	%	18 %	18 %	17 %
Percentage of Board of Directors(c)†	%	6 %	6 %	7 %
Percent of workforce with disabilities↟	%	4 %	4 %	4 %
Employee turnover				
Involuntary employee turnover↟	%	2 %	4 %	6 %
Voluntary employee turnover↟	%	7 %	6 %	4 %
Total↟	%	9 %	10 %	10 %
Hours of employee development training↟	Thousand hours	211	228	351
Total investment in employee training↟	Millions	—	—	$27
Kinder Morgan Foundation donations, employee donations, and corporate and project-related community investments↟	Thousands	$ 1,949	$ 1,897	$ 3,408

(a) For the 2020 reporting year, we downloaded the USFWS dataset in the first quarter of 2021, the WDPA dataset in the second quarter of 2021, and completed the analysis using our GIS datasets as of the second quarter of 2021.
(b) 2020 data is as of November 21, 2020.
(c) 2020 data is reported as of April 2021.

---

† An external third party performed limited assurance procedures for the 2020 values of these metrics. See their report in *Appendix D – Third-Party Assurance Statement.*
↟ Our Internal Audit group performed assurance procedures for the 2020 values of these metrics.

Appendix A.2 – GHG Accounting Metrics

Operational Control - Continuing Operations(a)	Unit	Year Ended December 31 2018	2019	2020
Total gross global Scope 1 emissions†	Million metric tons CO_2e	14.1	16.3	15.6
Percentage covered under emissions-limiting regulations†	%	0 %	0 %	0 %
Percentage methane†	%	18 %	23 %	27 %
Total gross global market-based Scope 2 emissions†	Million metric tons CO_2e	3.4	3.4	3.1
Total gross global Scope 1 and market-based Scope 2 emissions†	Million metric tons CO_2e	17.5	19.7	18.7
Scope 1 and 2 emission intensity†	Metric tons CO_2e per BOE throughput	0.004	0.004	0.004
Total gross global Scope 1 emissions by constituent†				
CO_2†	Million metric tons	11.5	12.5	11.4
CH_4†	Million metric tons	0.1	0.1	0.1
N_2O(b)†	Million metric tons	0.0	0.0	0.0
HFCs(b)†	Million metric tons	0.0	0.0	0.0
Total gross global location-based Scope 2 emissions†	Million metric tons CO_2e	3.4	3.3	2.9

(a) See table in *Section 3.1 Gross Global Scope 1 and 2 Emissions, Percentage Methane, Percentage Covered under Emissions-Limiting Regulations* of the *Sustainability Report* for relevant footnotes.

(b) N_2O and HFCs are less than 50,000 metric tons.

	Unit	Year Ended December 31 2018	2019	2020
Scope 1 GHG emissions reported under EPA's GHGRP(a)†	Million metric tons CO_2e	10.6	12.4	12.1
Scope 1 GHG emissions reported under EPA's GHGRP by constituent(a)				
CO_2†	Million metric tons	9.0	10.0	9.1
CH_4†	Million metric tons	0.1	0.1	0.1
N_2O(b)†	Million metric tons	0.0	0.0	0.0

(a) Emissions reported to the EPA's GHGRP as of August 9, 2021. Includes 100% of emissions for facilities we operate.

(b) N_2O is less than 50,000 metric tons.

		Year Ended December 31		
	Unit	2018	2019	2020
Equity Share - Continuing Operations				
Total gross global equity share Scope 1 emissions(a)(b)(c)(d)†	Million metric tons CO_2e	14.2	15.4	14.8
Total gross global equity share market-based Scope 2 emissions(a)(b)(e)†	Million metric tons CO_2e	2.5	2.4	2.3
Total gross global equity share Scope 1 and market-based Scope 2 emissions(a)(b)(c)(d)(e)	Million metric tons CO_2e	16.7	17.8	17.1
Equity share GHG emission intensity				
Adjusted EBITDA(f)	Millions	$7,568	$7,618	$6,962
Total gross global equity share Scope 1 and 2 emissions per Adjusted EBITDA	Million metric tons CO2e per million dollars Adjusted EBITDA	0.0022	0.0023	0.0025

(a) GHG emissions were quantified per the SASB Midstream Standard and the ISO 14064-1:2006, *Greenhouse gases - Part 1: Specification with guidance at the organization level for the quantification and reporting of greenhouse gas emissions and removals*. Emissions are reported for CO_2, CH_4, N_2O, and HFCs from direct and indirect sources. The IPCC AR5 GWPs were used to convert CH_4 (28) and N_2O (265) emissions to CO_2e. The following GWPs were used for HFCs: R-410A: 1725, HFC-134a: 1200, HCFC-22: 1760, R-404A: 3260, R-407C: 1526, R1234yf: 4, R-600A: 5, R-407C: 1526, HFC-32: 677, HFC-23: 12,400, CFC-12: 10,200, R-422d: 2,625, R-600: 5. Gross emissions are GHGs emitted to the atmosphere before accounting for offsets, credits, or other similar mechanisms that have reduced or compensated for emissions.

(b) Equity share emissions include emissions from both operated and non-operated sources in which we have an interest. For operated sources, emissions were calculated by applying our ownership percentage to the entity's operating emissions. For the CO_2 business segment, net revenue interest was used as our ownership percentage for production locations and working interest was used as our ownership percentage for non-production locations. Emissions from leased assets are excluded from the equity share emissions calculations per the World Resources Institute GHG Protocol guidance. For non-operated sources, emissions data was collected from third parties who generally provided the EPA's GHGRP emissions. When only GHGRP emissions were provided, we added estimated non-GHGRP emissions to calculate total non-operated Scope 1 emissions. Scope 2 emissions for non-operated facilities were assumed to be calculated using the location-based method. Non-operated Scope 2 emissions were estimated when data was not available. Emissions from non-operated assets may also be reported publicly through other companies' reporting initiatives.

(c) Excludes emissions from construction activities, wastewater treatment, fire suppression activities, enclosed circuit breakers operated by the Natural Gas Pipelines business segment, refrigerants from mobile equipment not tracked in our fleet database, fugitive emissions from natural gas supply lines for the Terminals and Products Pipelines business segments, and insignificant emissions from small combustion activities.

(d) We assumed the owning and operating companies assigned to assets during 2020 was the same for 2018 and 2019. For entities that are owned and operated by companies in different business segments, emissions are reported under the operating business segment.

(e) Scope 2 GHG emissions include indirect emissions from purchased electricity.

(f) For additional information about our use of and calculation for Adjusted Segment EBITDA, a non-GAAP financial measure, see Part II, Item 7 included in our 2018, 2019, and 2020 Form 10-K annual reports, which are available through the SEC's EDGAR system at *https://www.sec.gov* and on our website at *https://ir.kindermorgan.com/financials/annual-reports/default.aspx*.

	Unit	Year Ended December 31 2018	2019	2020
Research and development investments in GHG emissions and other climate change-related projects↟	Thousands	$ 257	$ 226	$ 251
Renewable energy consumed from the solar panels we operate↟	MWh	—	1,018	1,053
Electricity consumption				
Total electricity consumption from continuing operations†	GWh	7,263	7,470	6,984
GHG emission credits purchased				
Purchased credits↟	Metric tons CO_2e	40,923	95,799	113,188
Average price per metric ton CO_2e↟	Dollars	$ 1.15	$ 1.75	$ 3.75
Maximum price paid per metric ton of CO_2e↟	Dollars	$ 1.15	$ 1.75	$ 3.75
Minimum price paid per metric ton of CO_2e↟	Dollars	$ 1.15	$ 1.75	$ 3.75
Methane emission reductions				
Volume of voluntary methane emission reductions†	Bcf	4.0	4.3	5.9
Estimated value of natural gas saved↟	Millions	$ 12	$ 13	$ 21
Voluntary GHG emission reductions†	Million metric tons CO_2e - methane GWP of 25	1.9	2.0	2.8
GHG targets				
Methane emission intensity rate target	%	0.31 %	0.31 %	0.31 %
Methane emission intensity rate†	%	0.03 %	0.03 %	0.04 %
Target number of natural gas transmission and storage compressor stations to survey↟	#	217	252	287
Actual number of natural gas transmission and storage compressor stations surveyed↟	#	279	306	319
Target - GHG reductions	Million metric tons CO_2e - methane GWP of 28	—	1.1	1.2
Voluntary GHG emission reductions	Million metric tons CO_2e - methane GWP of 28	2.2	2.3	3.2

† An external third party performed limited assurance procedures for the 2020 values of these metrics. See their report in *Appendix D – Third-Party Assurance Statement.*

↟ Our Internal Audit group performed assurance procedures for the 2020 values of these metrics.

Appendix B – Activity Metrics

	Unit	Year Ended December 31 2018	2019	2020
Operational control throughput(a)				
Company-wide BOE(b)†	BBbl/yr	5.0	5.6	5.1
Natural Gas Pipelines				
Natural Gas(c)	Bscf/yr	14,726	17,633	17,017
RNG	Bcf/yr	0	1	1
NGL(d)	MMBbl/yr	23	23	20
LNG	Bscf/yr	14	9	39
Products Pipelines				
Liquids throughput(e)(f)	MMBbl/yr	1,605	1,625	1,413
KM Condensate processing facility (KMCC - Splitter)	MMBbl/yr	24	31	30
Fuel grade ethanol(f)	MMBbl/yr	61	62	56
Biodiesel	MMBbl/yr	2	2	2
Terminals				
Bulk transload tonnage	MMton/yr	60	55	48
Liquids throughput	MMBbl/yr	819	840	704
Fuel grade ethanol	MMBbl/yr	51	47	38
Biodiesel	MMBbl/yr	4	3	3
Renewable diesel	MMBbl/yr	2	2	2
CO_2(g)				
CO_2 production(h)	Bscf/yr	441	458	307
Crude oil production	MMBbl/yr	20	19	17
Gas production	Bscf/yr	631	625	600
Discontinued operations(i)				
Discontinued operations BOE	BBbl/yr	0.2	0.1	—

(a) The activity metric table from prior years' Reports has been updated to include the throughput used in our BOE calculation for GHG intensity.

(b) Annual throughput information was obtained using published definitions from ONE Future and, where no definitions were available, throughput is generally defined as "product receipt." Throughput was converted to MMBtu using product-specific heat content, obtained from the EIA, EPA, or business segment data. This is then converted to BOE by dividing by 5.8 MMBtu per barrel of crude oil.

(c) Throughput from transmission and storage, processing, gathering and boosting, and LNG segments as defined in the ONE Future Protocol.

(d) Includes NGL throughput from assets operated by the Products Pipelines business segment in 2018 and 2019.

(e) Values include volumes for crude and condensate that are operated under the Natural Gas Pipelines business segment.

(f) Includes volumes for fuel grade ethanol that were operated by Terminals business segment for 2018.

(g) Reported in gross volumes.

(h) Unit revised from Mscf/yr to Bscf/yr on December 21, 2021.

(i) Discontinued operations include emissions from TMPL, Puget Sound pipeline system, and Kinder Morgan Canada Inc. up to the sale date of August 31, 2018 and KML and the U.S. portion of the Cochin Pipeline up to the sale date of December 16, 2019 for the periods prior to their respective sales.

	Year Ended December 31 (unless otherwise noted)			
	Unit	2018	2019	2020
Miles of pipeline operated(a)†	Thousands of miles	76	74	74
SASB Activity Metrics				
Number of employees (TR-RA-000.E)↟	#	11,165	11,086	10,525
Oil & Gas Exploration & Production				
Number of offshore sites (EM-EP-000.B)↟	#	—	—	—
Number of oil terrestrial sites (EM-EP-000.C)(b)↟	#	1,247	1,234	1,227
Number of CO_2 production terrestrial sites(b)↟	#	93	90	84
Rail Transportation(c)				
Number of carloads transported (TR-RA-000.A)(d)				
Natural Gas Pipelines	Thousands	7	7	6
Products Pipelines(e)	Thousands	25	23	20
Terminals(f)(g)	Thousands	482	432	270
Total↟	Thousands	514	462	296
Marine Transportation				
Number of shipboard employees (TR-MT-000.A)↟	#	1,054	1,033	921
Total distance traveled by vessels (TR-MT-000.B)↟	Nautical miles	781,105	686,259	707,389
Operating days (TR-MT-000.C)↟	Days	5,781	5,720	5,755
Number of vessels in total shipping fleet (TR-MT-000.E)↟	#	16	16	16
Number of vessel port calls (TR-MT-000.F)↟	#	994	892	801
Twenty-foot equivalent unit capacity (TR-MT-000.G)(h)	TEU	—	—	—

(a) Pipeline miles operated are as of the first quarter of 2021.
(b) Represents number of active and producing wells as of December 31, 2020.
(c) We exclude the following metrics in the SASB Rail Transportation Standard because they are not significant to our business: number of intermodal units transported (TR-RA-000.B), track miles (TR-RA-000.C), and revenue ton miles (TR-RA-000.D).
(d) Represents the number of rail cars loaded and unloaded. The Terminals business segment includes rail cars from TMPL, Puget Sound pipeline system, and Kinder Morgan Canada Inc. up to the sale date of August 31, 2018 and KML and the Cochin Pipeline up to the sale date of December 16, 2019.
(e) The number of carloads transported by the Products Pipelines business segment has been revised from the previously reported value in our 2019 Report for 2018 and 2019 to include more representative carloads transported data collection methods.
(f) If the number of rail cars are unavailable, they are calculated by dividing the weight or volume transported by 100 tons or 821 bbl, respectively.
(g) The number of carloads transported by the Terminals business segment has been revised from the previously reported value in our 2019 Report for 2018 and 2019 to better represent loading and unloading for bulk and liquid railcars.
(h) Twenty-foot equivalent unit capacity is a unit of cargo used to measure a ship's container carrying capacity. We do not operate marine vessels capable of carrying cargo containers.

---

† An external third party performed assurance procedures for the 2020 values of these metrics. See their report in *Appendix D – Third-Party Assurance Statement.*

↟ Our Internal Audit group performed assurance procedures for the 2020 values of these metrics.

Appendix C – ESG Content Index

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
General Disclosures	Name of the organization	- -	102-1	- -	- -	2020 ESG Report A Message from Our CEO
	Activities, brands, products, and services	- -	102-2	- -	- -	2020 ESG Report A Message from Our CEO 2020 ESG Report Pg. 6 2020 Form 10-K Part I, Items 1. and 2
	Location of headquarters	- -	102-3	- -	- -	2020 ESG Report Pg. 23 2020 Form 10-K Cover Page
	Location of operations	- -	102-4	- -	- -	2020 ESG Report Pg. 6 2020 Form 10-K Part I, Items 1. and 2
	Ownership and legal form	- -	102-5	- -	- -	2020 ESG Report Pg. 6 2020 Form 10-K Part I, Items 1. and 2
	Markets served	- -	102-6	- -	- -	2020 ESG Report Pg. 6 2020 Form 10-K Part I, Items 1. and 2
	External initiatives	- -	102-12	- -	- -	2020 ESG Report Pg. 15 2020 ESG Report Pg. 33 2020 ESG Report Pg. 72 2020 ESG Report Pg. 77
	Membership of associations	- -	102-13	- -	- -	2020 ESG Report Pg. 15 2020 ESG Report Pg. 60
	Statement from senior decision-maker	- -	102-14	- -	- -	2020 ESG Report A Message from Our CEO
	Key impacts, risks, and opportunities	- -	102-15	C2.1 C2.3 C2.3a C2.4 C2.4a	16	2020 ESG Report Pg. 87
	Values, principles, standards, and norms of behavior	- -	102-16	- -	16	2020 ESG Report Pg. 7
	Mechanisms for advice and concerns about ethics	- -	102-17	- -	16	2020 ESG Report Pg. 7
	Governance structure	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-18	C1.1b	16	2020 ESG Report Pg. 1 2020 ESG Report Pg. 84 2021 Proxy Statement Pgs. 13-21
	Delegating authority	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-19	C1.1b	16	2020 ESG Report Pg. 85
	Executive-level responsibility for economic, environmental, and social topics	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-20	C1.1b	16	2020 ESG Report Pg. 1 2020 ESG Report Pg. 83
	Consulting stakeholders on economic, environmental, and social topics	- -	102-21	- -	16	2020 ESG Report Pg. 75
	Composition of the highest governance body and its committees	- -	102-22	- -	5 16	2021 Proxy Statement Pgs. 8-22
	Report whether the chair of the highest governance body is also an executive officer, describe his or her function within the organization management and the reasons for this arrangement	- -	102-23	- -	16	2021 Proxy Statement Pgs. 8, 13

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
General Disclosures	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	- -	102-24	- -	5 16	2021 Proxy Statement Pgs. 18-21
	Conflicts of interest	- -	102-25	- -	5	KMI Code of Business Conduct and Ethics Pgs. 19-24 2021 Proxy Statement Pgs. 22-24
	Role of highest governance body in setting purpose, values, and strategy	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-26	C1.1b	16	2020 ESG Report Pg. 14 2020 ESG Report Pg. 83
	Collective knowledge of highest governance body	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-27	C1.1b	16	2020 ESG Report Pg. 84 2021 Proxy Statement Pg. 14
	Evaluating the highest governance body's performance	- -	102-28	- -	16	2021 Proxy Statement Pgs. 14
	Identifying and managing economic, environmental, and social impacts	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-29	C1.1b C1.2 C1.2a	16	2020 ESG Report Pg. 83
	Effectiveness of risk management processes	- -	102-30	C4.2 C4.2a C4.2b C9.1	7 12	2020 ESG Report Pg. 105
	Review of economic, environmental, and social topics	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-31	C1.1b C1.2 C1.2a	- -	2020 ESG Report Pg. 83 2021 Proxy Statement Pg. 17-18
	Report the highest committee reviews and approves the organizations sustainability report and ensures that all material topics are covered	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-32	C1.1b C1.2 C1.2a	- -	2020 ESG Report Pgs. 1, 83
	Remuneration policies	- -	102-35	- -	- -	2021 Proxy Statement Pgs. 30-47
	Process for determining remuneration	- -	102-36	- -	- -	2021 Proxy Statement Pgs. 30-47
	Stakeholders' involvement in remuneration	- -	102-37	- -	16	2021 Proxy Statement Pg. 31
	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	- -	102-43	- -	1 6 10 12 17	2020 ESG Report Pg. 33 2020 ESG Report Pg. 75
	Boundaries	- -	102-46	- -	- -	2020 ESG Report Pg. 1
	Reporting period	- -	102-50	- -	- -	2020 ESG Report Pg. 1
	Date of most recent report	- -	102-51	- -	- -	2020 ESG Report Cover Page
	Reporting cycle	- -	102-52	- -	- -	2020 ESG Report Pg. 1
	GRI content index	- -	102-55	- -	- -	2020 ESG Report Appendix C
	External assurance	- -	102-56	- -	1	2020 ESG Report Appendix D
Economic Performance	Financial implications and other risks and opportunities due to climate change	- -	201-2	C2.3	- -	2020 ESG Report Pg. 87
Indirect Economic Impacts	Infrastructure investments and services supported	- -	203-1	- -	6 9 11 14 15	2020 ESG Report A Message From Our CEO 2020 ESG Report Pg. 6 2020 ESG Report Pg. 77 2020 ESG Report Pg. 87 2020 ESG Report Pg. 95
	Significant indirect economic impacts	- -	203-2	- -	1 3 8	2020 ESG Report Pg. 77

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-MD-110a.1 EM-EP-110a.1 TR-RA-110a.1 TR-MT-110a.1	305-1	C6.1 C6.3 C6.4 C7.3 C7.6 C7.9 C8.1-8.2f	- -	2020 ESG Report Pg. 12
	Gross direct Scope 1 emissions (equity approach)	EM-MD-110a.1 EM-EP-110a.1 TR-RA-110a.1 TR-MT-110a.1	305-1	C6.1 C6.3 C6.4 C7.3 C7.6 C7.9 C8.1-8.2f	- -	2020 ESG Report Appendix A.2
	Discussion of long-term and short-term strategy or plan to manage gross global Scope 1 and 2 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	305-5	C3.1	- -	2020 ESG Report Pg. 14
	Other indirect (Scope 3) GHG emissions	- -	305-3	C6.5	- -	2020 ESG Report Pg. 26
	GHG emissions intensity ratio per BOE throughput	EM-MD-110a.1 EM-EP-110a.1 EM-RM-110a.1 TR-MT-110a.1	305-4	C4.1 C4.1b C4.2a C6.10 C-OG6.12 C9.1	- -	2020 ESG Report Pg. 12
	Energy management	- -	- -	C8.2	- -	2020 ESG Report Pg. 23
	Organization strategy and/or financial planning influenced by climate-related risks and opportunities	- -	- -	C3.1	- -	2020 ESG Report Pg. 14 2020 ESG Report Pg. 86
	GHG offsets	- -	- -	C4.3 C11.2	- -	2020 ESG Report Pg. 26
	Internal Price of Carbon	- -	- -	C11.3	- -	2020 ESG Report Pg. 26
	GHG reductions	- -	305-5	C4.3	- -	2020 ESG Report Pg. 27
	GHG targets	- -	- -	C4.1	- -	2020 ESG Report Pg. 27
	Reduction of energy consumption	- -	302-4	- -	- -	2020 ESG Report Pg. 23
	Electricity consumption	- -	302-1	C8.2 C8.2a	- -	2020 ESG Report Pg. 23
Air Quality	Air emissions for the following pollutants: NO_x (excluding N_2O), SO_x, volatile organic compounds (VOCs) and particulate matter (PM_{10})	EM-MD-120a.1 EM-EP-120a.1	305-7	- -	3 11 12	2020 ESG Report Pg. 30
Water Usage	Water management & usage	EM-EP-140a.1	303-1 303-2	W1.1 W1.2 W6.1	6	2020 ESG Report Pg. 31
	Water withdrawal	EM-EP-140a.1 EM-RM-140a.1	303-3	W1.1 W1.2b W-OG1.2c W1.2d W1.2h	6	2020 ESG Report Pg. 32
	Water consumption	EM-EP-140a.1 EM-RM-140a.1	303-5	W1.1 W1.2b	6	2020 ESG Report Pg. 32
	Water withdrawn intensity	- -	- -	W-OG1.3 W-OG1.3a	6	2020 ESG Report Pg. 32

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
Ecological Impacts	Description of environmental management policies and practices for active operations	EM-MD-160a.1 EM-EP-160a.1	- -	- -	15	2020 ESG Report Pg. 33
	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	EM-MD-160a.2	304-1	- -	15	2020 ESG Report Pg. 37
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	EM-MD-160a.4 EM-EP-160a.2		- -	6 15	2020 ESG Report Pg. 38
	(1) Number and (2) aggregate volume of marine spills and releases to the environment	TR-MT-160a.3		- -	6	2020 ESG Report Pg. 40
	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	- -	304-1	- -	6 14 15	2020 ESG Report Pg. 37
	Significant impacts of activities, products, and services on biodiversity	- -	304-2	- -	6 14 15	2020 ESG Report Pg. 33
	Habitats protected or restored	- -	304-3	- -	6 14 15	2020 ESG Report Pg. 33
Environmental Compliance	Environmental fines and penalties	- -	307-1	- -	12	2020 ESG Report Pg. 40
Occupational Health and Safety, Emergency Preparedness & Response	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	EM-MD-540a.4 EM-EP-320a.2	403-1 403-4 403-8	- -	8	2020 ESG Report Pg. 41
	(1) Total Recordable Incident Rate (TRIR); (2) Fatality Count; (3) Average hours of Health, Safety, and Emergency Response Training for: (a) Employees, (b) Contractors, and (c) short-service employees	EM-EP-320a.1	403-9	- -	3 8	2020 ESG Report Pg. 42
	Workers representation on formal joint management-worker health and safety committees	- -	403-1	- -	8	2020 ESG Report Pg. 41
	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	- -	403-2	- -	8	2020 ESG Report Pg. 42
	Worker participation, consultation, and communication on occupational health and safety	EM-MD-540a.4 EM-EP-320a.2	403-4 403-9	- -	8 16	2020 ESG Report Pg. 41
	Worker training on occupational health and safety	- -	403-5	- -	8	2020 ESG Report Pg. 42
	Promotion of worker health	- -	403-6	- -	3	2020 ESG Report Pg. 41
	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	- -	403-7	- -	8	2020 ESG Report Pg. 42
	Employee total recordable incident reporting	EM-MD-540a.1 EM-EP-320a.1 TR-RA-320a.1	403-9	- -	3 8	2020 ESG Report Pg. 42
	Contractor lost time incident rate	TR-MT-320a.1	403-9	- -	3 8	2020 ESG Report Pg. 42
Marine Accidents & Safety Management	Lost time incident rate (LTIR)	TR-MT-320a.1	403-9	- -	8	2020 ESG Report Pg. 45
Hazardous Materials Management	Amount of hazardous waste generated, percentage recycled	EM-RM-150a.1	306-2 306-3	- -	3	2020 ESG Report Pg. 49
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	EM-MD-520a.1	- -	- -	16	2020 ESG Report Pg. 51

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
Business Ethics & Anti-Corruption	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510a.2	205-2	- -	16	2020 ESG Report Pg. 52
	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	- -	206-1	- -	16	2020 ESG Report Pg. 52 KMI Code of Business Conduct and Ethics Pg. 38
Operational Safety	Number of reportable pipeline incidents, percentage significant	EM-MD-540a.1	- -	- -	6	2020 ESG Report Pg. 57
	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	EM-MD-540a.2	- -	- -	12	2020 ESG Report Pg. 58
Rail Accidents & Safety Management	Number of Federal Rail Administration (FRA) Recommended Violation Defects	TR-RA-540a.3	- -	- -	8	2020 ESG Report Pg. 59
	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	EM-MD-540a.3 TR-RA-540a.2	- -	- -	15	2020 ESG Report Pg. 59
Management of the Legal & Regulatory Environment	Discussion of the corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530a.1	- -	- -	16 17	2020 ESG Report Pg. 60
	Political contributions	- -	415-1	- -	16	2020 ESG Report Pg. 62
	Tax transparency	- -	201-1 201-4 207-1	- -	1 8 10 17	2020 ESG Report Pg. 63
	Payments made in relation to ballot measures	- -	415-1	- -	16	2020 ESG Report Pg. 62
Data Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	- -	- -	- -	2020 ESG Report Pg. 64
Workforce Diversity & Engagement	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	102-7	- -	- -	2020 ESG Report Pg. 66
	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	FN-IB-330a.1	405-1	- -	5 10	2020 ESG Report Pg. 66
	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	401-1	- -	5 8	2020 ESG Report Pg. 66
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	- -	401-2	- -	8	2020 ESG Report Pg. 66 KMI Employee Stock Purchase Plan (filed as Exhibit 10.5 on Form 10-Q for the quarter ended March 31, 2011)
Supply Chain Management	Supplier diversity	- -	414-1	- -	8 9	2020 ESG Report Pg. 46
Freedom of Association and Collective Bargaining	Operations and suppliers in which the right to Freedom of Association and Collective Bargaining may be at risk	- -	407-1	- -	8	2020 ESG Report Pg. 46
Employee Training & Development	Discussion of (1) average hours of training per year per employee (2) programs for upgrading employee skills and transition assistance programs (3) percentage of employees receiving regular performance and career development reviews	- -	404-1 404-2	- -	4	2020 ESG Report Pg. 72
	Programs for upgrading employee skills and transition assistance programs	- -	404-1 404-2	- -	4 5 8 10	2020 ESG Report Pg. 72
	Total hours of employment development training	- -	404-1	- -	8 9	2020 ESG Report Pg. 72
	Employee training costs	- -	- -	- -	8 9	2020 ESG Report Pg. 72
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests; impact assessments and development programs and operations with local community engagement	EM-EP-210b.1	413-1	- -	1 8 9 11	2020 ESG Report Pg. 74
	Community investments	- -	201-1	- -	5 10	2020 ESG Report Pg. 77

Topic	Sustainability Policies and Accounting Metrics	SASB(a)	GRI (Core) (b)	CDP(c)(d)	SDGs	ESG Report Section Page or Reference to Kinder Morgan Published Document
Security, Human Rights & Rights of Indigenous Peoples	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict and operations and suppliers at significant risk for incidents of child labor, and forced or compulsory labor	EM-EP-210a.3	408-1 409-1	- -	8 16	2020 ESG Report Pg. 80
Reserves Valuation & Capital Expenditures	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	EM-EP-420a.4	- -	C2.3	- -	2020 ESG Report Pg. 87

(a) Version 2018-10: SASB Extractives & Minerals Processing Sector Oil & Gas Midstream Standard EM-MD, SASB Extractives & Minerals Processing Sector Exploration & Production Standard EM-EP, SASB Extractives & Minerals Processing Sector Refining & Marketing Standard EM-RM, SASB Transportation Sector Marine Transportation Standard TR-MT, SASB Transportation Sector Rail Transportation standard TR-RA, SASB Financials Sector - Investment Banking & Brokerage standard FN-IB, and SASB Services Sector - Professional & Commercial Services standard SV-PS.

(b) GRI 102 General Disclosures 2016, GRI 201 Economic Performance 2016, GRI 203 Indirect Economic Impacts 2016, GRI 205 Anti-Corruption 2016, GRI 206 Anti-competitive Behavior 2016, GRI 2017 Tax 2019, GRI 302 Energy 2016, GRI 303 Water and Effluents 2018, GRI 304 Biodiversity 2016, GRI 305 Emissions 2016, GRI 306 Waste 2020, GRI 401 Employment 2016, GRI 403 Occupational Health and Safety 2018, GRI 404 Training and Education 2016, GRI 405 Diversity and Equal Opportunity 2016, GRI 407 Freedom of Association and Collective Bargaining 2016, GRI 408 Child Labor 2016, GRI 409 Forced or Compulsory Labor 2016, GRI 413 Local Communities 2016, and GRI 415 Public Policy 2016.

(c) CDP Climate Change 2020 Questionnaire: CDP C1 Governance, CDP C2 Risks and Opportunities, CDP C3 Business Strategy, CDP C4 Targets and Performance, CDP C6 Emissions Data, CDP C7 Emissions Breakdown, CDP C8 Energy, CDP C9 Additional Metrics, CDP C11 Carbon Pricing.

(d) CDP Water Security 2020 Questionnaire: CDP W1 Current State, and CDP W6 Governance.

TCFD Core Elements	TCFD Core Element Description	Recommended Disclosure	SASB(a)	GRI (Core) (b)	CDP(c)	SDGs	Section Page
Governance	Disclose the organization's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risk and opportunities	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-18 102-19 102-20 102-26 102-27 102-29 102-31 102-32	C1.1b	- -	2020 ESG Report Pg. 84
		Describe management's role in assessing and managing climate related risks and opportunities	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	102-29 102-31 102-32	C1.2 C1.2a	- -	2020 ESG Report Pg. 85
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	- -	102-15	C2.1 C2.3 C2.3a C2.4 C2.4a	- -	2020 ESG Report Pg. 87
		Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	- -	- -	C2.1 C2.2d C2.3a C3.1 C3.1c C3.1d C2.4a C2.5	- -	2020 ESG Report Pg. 94
		Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	- -	C3.1a C3.1d	- -	2020 ESG Report Pg. 95
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks	Describe the organization's processes for identifying and assessing climate-related risks	- -	201-2	- -	- -	2020 ESG Report Pg. 105
		Describe the organization's processes for managing climate-related risks	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	- -	- -	- -	2020 ESG Report Pg. 105
		Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	EM-MD-110a.2 TR-RA-110a.2 EM-EP-110a.3 TR-MT-110a.2	- -	C2.2	- -	2020 ESG Report Pg. 105
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	- -	102-30	C9.1	- -	2020 ESG Report Pg. 108
		Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	EM-MD-110a.1 TR-RA-110a.1 EM-EP-110a.1 TR-MT-110a.1	102-29 102-30 201-2	C6.1 C6.2 C6.3 C6.5	- -	2020 ESG Report Pg. 108
		Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	- -	- -	C4.1 C4.1a C4.1b C4.2	- -	2020 ESG Report Pg. 109

(a) Version 2018-10: SASB Extractives & Minerals Processing Sector Oil & Gas Midstream Standard EM-MD, SASB Extractives & Minerals Processing Sector Exploration & Production Standard EM-EP, SASB Transportation Sector Marine Transportation Standard TR-MT, SASB Transportation Sector Rail Transportation standard TR-RA.

(b) GRI 102 General Disclosures 2016, GRI 201 Economic Performance 2016.

(c) CDP Climate Change 2020 Questionnaire: CDP C1 Governance, CDP C2 Risks and Opportunities, CDP C3 Business Strategy, CDP C4 Targets and Performance, CDP C6 Emissions Data, CDP C9 Additional Metrics.

Appendix D – Third-Party Assurance Statement

Report of Independent Accountants

To the Board of Directors of Kinder Morgan, Inc.

We have reviewed the accompanying Kinder Morgan, Inc. ("Kinder Morgan") management assertion, that the sustainability metrics in management's assertion for the reporting year 2020 (the metrics are as of or for the year ended December 31, 2020, unless otherwise noted in the assessment criteria) are presented in conformity with the assessment criteria set forth in management's assertion. Kinder Morgan's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements* and AT-C section 210, *Review Engagements* and standards established by the International Auditing and Assurance Standards Board (IAASB) in International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA.

We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

Greenhouse gas (GHG) emissions quantification is subject to inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

The preparation of the non-GHG emissions metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but

PricewaterhouseCoopers LLP, 1000 Louisiana Street, Suite 58000, Houston, TX 77002
www.pwc.com/us

acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

As discussed in management's assertion, Kinder Morgan has estimated GHG emissions for certain emission sources for which no primary usage data is available.

Based on our review, we are not aware of any material modifications that should be made to Kinder Morgan's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

October 21, 2021

Kinder Morgan, Inc.'s Management Assertion
As of or for the Year Ended December 31, 2020

With respect to the sustainability metrics for the reporting year 2020 (the metrics are as of or for the year ended December 31, 2020, unless otherwise noted in the assessment criteria) presented in the table below, management of Kinder Morgan, Inc. ("Kinder Morgan" or "KMI") asserts that the sustainability metrics are presented in conformity with the assessment criteria set forth below. Management is responsible for the completeness, accuracy, and validity of the sustainability metrics and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metrics. Management has primarily used the SASB Accounting Standards as an input to its consideration of what metrics and other sustainability disclosures to report, however, neither the Kinder Morgan, Inc. 2020 Environmental, Social, and Governance Report nor this management assertion related to certain metrics asserts that Kinder Morgan has complied with the SASB Accounting Standards.

The sustainability metrics, which are reported in the Kinder Morgan, Inc. 2020 Environmental, Social, and Governance Report Appendix A.1, A.2, and B, identified by the "†" tick mark, includes Kinder Morgan and its operated subsidiaries and its operated investees unless otherwise defined in the assessment criteria.

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
Greenhouse Gas Emissions *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Total gross global Scope 1 emissions from continuing operations Total gross global Scope 1 emissions by constituent from continuing operations (CO_2, CH_4, N_2O, and HFCs) Total gross global market-based Scope 2 emissions from continuing operations Total gross global location-based Scope 2 emissions from continuing operations	Scope 1 (direct) and Scope 2 (indirect) emissions are based on activities listed in the table of the GHG Emissions - Estimations section below. Greenhouse gas (GHG) emissions were quantified per the SASB Midstream Standard and the ISO 14064-1:2006, *Greenhouse gases - Part 1: Specification with guidance at the organization level for the quantification and reporting of greenhouse gas emissions and removals*. The quantity in million metric tons of carbon dioxide equivalent (CO_2e) of total gross global greenhouse gas emissions for KMI was converted using the International Panel on Climate Change (IPCC) Fifth Assessment Global Warming Potentials (GWPs). Gross emissions are GHGs emitted to the atmosphere before accounting for offsets, credits, or other similar mechanisms that have reduced or compensated for emissions. Total gross global Scope 1 GHG emissions by constituent of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and hydrofluorocarbons (HFCs) in million metric tons. For the year ended 2020, emissions of N_2O and HFCs are less than 50,000 metric tons. The KMI total gross global Scope 2 emissions are calculated using the market-based and location-based method.	Total gross global Scope 1 emissions from continuing operations: 15.6 million metric tons CO_2e Total gross global Scope 1 emissions by constituent from continuing operations (million metric tons): CO_2: 11.4 CH_4: 0.1 N_2O: 0.0 HFC: 0.0 Total gross global market-based Scope 2 emissions from continuing operations: 3.1 million metric tons CO_2e Total gross global location-based Scope 2 emissions from continuing operations: 2.9 million metric tons CO_2e Total gross global Scope 1 and market-based Scope 2 emissions from continuing

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
	Total gross global Scope 1 and market-based Scope 2 emissions from continuing operations Total gross global Scope 1 emissions from continuing operations - percentage covered under emissions-limiting regulations Total gross global Scope 1 emissions from continuing operations - percentage methane	The KMI percentage of emissions covered under emissions-limiting regulations is calculated as the CO_2e emissions covered under emissions-limiting regulations divided by the gross global Scope 1 GHG emissions in metric tons of CO_2e. The KMI Scope 1 percentage of methane emissions is calculated as the methane emissions in metric tons of CO_2e divided by the gross global Scope 1 GHG emissions in metric tons of CO_2e. Refer to the GHG Emissions section below, including Exclusions, Organizational boundary, Calculations, Estimations, and Uncertainty, for additional information.	operations: 18.7 million metric tons CO_2e Total gross global Scope 1 emissions from continuing operations - percentage covered under emissions-limiting regulations: 0% Total gross global Scope 1 emissions from continuing operations - percentage methane: 27%
Greenhouse Gas Emissions *United States (U.S.) Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program (GHGRP)*	Scope 1 GHG emissions reported under EPA's GHGRP Scope 1 GHG emissions reported under EPA's GHGRP by constituent (CO_2, CH_4, N_2O)	The quantity in million metric tons of CO_2e greenhouse gas emissions reported to the U.S. EPA under the U.S. EPA GHGRP for KMI. The U.S. EPA GHGRP emissions are converted using IPCC Fourth Assessment GWPs. The Scope 1 GHG emissions reported to the U.S. EPA under the U.S. EPA GHGRP for KMI by constituent of CO_2 CH_4, and N_2O in million metric tons. For the year ended 2020, emissions reported to the U.S. EPA are as of August 9, 2021. For the year ended 2020, emissions of N_2O are less than 50,000 metric tons. Refer to the GHG Emissions section below, including Exclusions, Organizational boundary, Calculations, Estimations, and Uncertainty, for additional information.	Scope 1 GHG emissions reported under EPA's GHGRP: 12.1 million metric tons CO_2e Scope 1 GHG emissions reported under EPA's GHGRP by constituent (million metric tons): CO_2: 9.1 CH_4: 0.1 N_2O: 0.0
Greenhouse Gas Emissions *World Resource Institute Greenhouse Gas Protocol*	Total gross global equity share Scope 1 emissions from continuing operations and total gross global equity share market-based Scope 2 emissions from continuing operations	The quantity in million metric tons of CO_2e of gross global Scope 1 and Scope 2 greenhouse gas emissions for the equity share of KMI's continuing operations are converted using the IPCC Fifth Assessment GWPs. GHG emissions were quantified per the SASB Midstream Standard and the ISO 14064-1:2006, *Greenhouse gases - Part 1: Specification with guidance at the organization level for the quantification and reporting of greenhouse gas emissions and removals*. Emissions are reported for CO_2, CH_4, N_2O, and HFCs from direct and indirect sources.	Total gross global equity share Scope 1 emissions from continuing operations: 14.8 million metric tons CO_2e Total gross global equity share market-based Scope 2 emissions from continuing operations: 2.3 million metric tons CO_2e

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
		Equity share emissions include emissions from both operated and non-operated sources in which Kinder Morgan has an interest. For operated sources, emissions were calculated by applying Kinder Morgan's ownership percentage to the entity's operating emissions. Kinder Morgan has defined equity share as the legally owned portion of an entity, also considering the ownership of the parent company for all business segments except CO_2. Data collected for the CO_2 business segment is reported based on net revenue interest (NRI) for production locations and working interest for non-production locations as these percentages align with the definition of ownership percentage. NRI represents the revenue related to the interest received after royalty owners have taken their share. NRI is collected at both the entity and asset level and working interest represents KMI's ownership percentage for non-production locations where NRI is not applicable. Emissions from leased assets are excluded from the equity share emissions calculations per the World Resources Institute GHG Protocol guidance. For non-operated sources, emissions data was collected from the third party who generally provided the U.S. EPA GHGRP reported emissions. When only GHGRP emissions were provided, we added estimated non-GHGRP emissions to calculate total non-operated Scope 1 emissions. Scope 2 emissions for non-operated facilities were calculated assuming that the location-based methodology was used and were estimated when data was not available. Emissions from non-operated assets may also be reported publicly through other companies' reporting initiatives. Refer to the GHG Emissions section below, including Exclusions, Organizational boundary, Calculations, Estimations, and Uncertainty, for additional information.	
Greenhouse Gas Emissions *Our Nation's Energy Future (ONE Future), Natural Gas Sustainability initiative, and GHG Protocol* *Company specific definitions*	Scope 1 and Scope 2 emission intensity from continuing operations (metric tons CO_2e per BOE throughput) Company-wide BOE throughput	The quantity in million metric tons of CO_2e of Scope 1 and Scope 2 greenhouse gas emissions intensity from continuing operations for KMI was converted using the IPCC Fifth Assessment GWPs divided by the company-wide barrel of oil equivalent (BOE), which is derived from throughput information. Annual throughput information was obtained using published definitions from ONE Future and where no definitions were available, throughput is generally defined as "product receipt." Certain products do not have a heating value and therefore have a BOE equal to zero. Throughput was converted to BOE using product heat content. Heat content used is in metric million British thermal unit (MMBtu) per barrel and used to convert throughput by product to barrels; conversion factors are obtained from the Environmental Information Administration (EIA), U.S. EPA, or supplied by the business unit. The	Scope 1 and 2 emission intensity from continuing operations (metric tons CO_2e / BOE throughput (Bbl/yr)): 0.004 Company-wide BOE throughput: 5.1 BBbl/yr

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
		conversion calculation to BOE is barrels of product multiplied by the product heat content in MMBtu per barrel of product divided by 5.8 MMBtu per barrel of crude oil (heat content of crude oil).	
Greenhouse Gas Emissions *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* 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	Voluntary GHG emission reductions and volume of voluntary methane emission reductions	The quantity of voluntary GHG emission reductions in million metric tons CO_2e and volume in billions of cubic feet (Bcf) of voluntary methane emissions reductions. The five methane emission reduction activities included in this metric are: (1) compressor station leak repairs, (2) alternative pipeline maintenance technologies that reduce the need for a pipeline blowdown (e.g., installing sleeves), (3) pipeline drawdowns, (4) gas turbine installation, and (5) electric motor installation. Emission reductions are emissions mitigated or avoided that would otherwise have been emitted. The reported million metric tons of CO_2e is based on a GWP of 25 if the methane was directly emitted to the atmosphere (GHGRP Subpart W, IPCC 2007). Calculation is from 40 CFR Part 98.233, Equation W-36: methane (scf) is multiplied by 0.0192 kg/ft3 (methane density), then multiplied by 0.001 metrics tons/kg (kg to metric tons conversion), and then multiplied by the methane GWP of 25 to calculate metric tons of CO_2e. Methane content of pipeline quality natural gas is estimated at 95% per Methane Challenge Program Guidance. KMI reports GHG reduction metrics as specified by the U.S. EPA Natural Gas STAR and U.S. EPA Natural Gas Methane Challenge programs.	Voluntary GHG emission reductions: 2.8 million metric tons CO_2e - methane GWP 25 Volume of voluntary methane emission reductions: 5.9 Bcf
Greenhouse Gas Emissions *Our Nation's Energy Future (ONE Future)*	Natural Gas Pipelines business segment's transmission and storage assets methane emission intensity rate	Methane emissions are calculated for the Natural Gas Pipelines business segment's transmission and storage compressor stations, transmission pipelines, and underground natural gas storage facilities using the emission sources documented in ONE Future's Methane Emissions Estimation Protocol. The emission intensity rate is calculated by dividing our natural gas transmission and storage total methane emissions in metric tons by our natural gas transmission and storage throughput. Methane emissions are calculated using the procedures in the U.S. EPA, 40 CFR 98 Subpart W. Throughput refers to the total volume of natural gas transported by the Natural Gas Pipelines business segment's transmission and storage pipelines. The throughputs submitted through the U.S. Energy Information Administration's Form 176 is used to determine throughput at the transmission pipeline entity level. The GWP values from the	Natural Gas Pipelines business segment's transmission and storage assets methane emission intensity rate: 0.04%

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
		IPCC Fourth Assessment Report are applied (for CH_4, the 100-year GWP value is 25). Refer to the GHG Emissions section below, including Exclusions, Organizational boundary, Calculations, Estimations, and Uncertainty, for additional information.	
Energy Management *Company specific*	Total electricity consumption from continuing operations	The quantity in gigawatt hours (GWh) of electricity consumption from purchased electricity for assets operated by KMI. Refer to the GHG Emissions section below, including Exclusions, Organizational boundary, Calculations, Estimations, and Uncertainty, for additional information.	Total electricity consumption from continuing operations: 6,984 GWh
Air Quality *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* Air emissions of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10})	Air emissions by pollutant	The reportable criteria air pollutant emissions include operations that reported emissions data to U.S. state and federal agencies or Mexican federal agencies. For the year ended 2020, emissions are those reported to a regulatory agency as of August 9, 2021 and include emissions reported for facilities where Kinder Morgan has operational control. The air emissions are reported in thousand metric tons of the following pollutants: (1) NO_x (excluding N_2O), (2) SO_x, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM_{10}).	Air emissions by pollutant (thousand metric tons): (1) NO_x (excluding N_2O): 52.2 (2) SO_x: 0.3 (3) VOCs: 12.7 (4) PM_{10}: 1.4
Operational Safety, Emergency Preparedness, & Response *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected Miles of pipeline operated	The percentage of natural gas pipelines and hazardous liquid pipelines inspected through in-line inspections, pressure tests, direct assessments, or other technologies. For segments of pipe that are inspected more than once for the same types of anomalies during the same year, the mileage inspected that is used in this calculation is counted once. In some limited instances where multiple inspections for different types of anomalies are conducted on the same segment in the same year, the mileage for each inspection is counted separately. The miles of pipeline operated includes pipelines in the U.S, Canada, and Mexico under KMI operational control, as of March 2021. It excludes production and flow lines in the CO_2 business segment.	Percentage of natural gas pipelines inspected: 20% Percentage of hazardous liquid pipelines inspected: 28% Miles of pipeline operated: 74 thousand miles
Workforce Health & Safety	Total Recordable Incident Rate (TRIR) for	TRIR was calculated following the Occupational Safety and Health Administration (OSHA) methodology as follows: total number of	Employee total recordable incident rate*: 1.4

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
SASB: Extractives & Minerals Processing Sector: Oil & Gas – Exploration & Production (1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	employees, contractors, and short-service employees Number of fatalities for employees and contractors Number of recordable injuries and illnesses for employees, contractors, and short-service employees *[Recordable incidents and fatalities include self-reported work-related COVID cases]*	recordable incidents multiplied by 200,000 divided by the number of employee hours actually worked. The 200,000 represents the hours 100 employees worked per year. 100 employees working 40 hours per week, 50 weeks per year is a standard base for calculating incident rates. For 2020, rates are calculated using incident classifications as of January 15, 2021. Injuries or illnesses may later be reclassified based on diagnosis. Employee TRIR includes regular full-time, regular part-time, and temporary employees. It also includes Natural Gas Pipelines and Terminals business segment contractors KMI supervises on a day-to-day basis. Short-service employees include full-time, part-time, or temporary employees that have been in their position for six months or less from the hire or rehire date. This metric includes short-service employees that are no longer working for KMI but were active during the reporting period. KMI reports the number of fatalities for employees, but does not report fatality rate or NMFR. Contractor TRIR is based on incidents contractors incurred while doing work for KMI on a defined major project. Major projects are capital expansion projects that meet a minimum total estimated project cost. If hours for a major project were not available, hours were estimated based on major project spend. Incidents for the contractor's employees operating our marine tankers are not included in the contractor rates, but are included in the marine LTIR. COVID-19 illnesses, classified as recordable incidents per OSHA guidance, are self-reported by employees and contractors. TRIR for employees, contractors, and short-service employees include recordable COVID-19 cases.	Number of recordable injuries and illness for employees: 164 Short-service employee total recordable incident rate*: 1.9 Number of recordable injuries and illness for short service employees: 13 Number of employee fatalities: 2 Contractor total recordable incident rate*: 0.4 Number of recordable injuries and illness for contractors: 19 Number of contractor fatalities: 0 *Represented in number of recordable incidents per 100 full-time workers
Workforce Health & Safety *Company specific*	Contractor lost time incident rate (LTIR) Number of recordable contractor lost time cases *[Recordable contractor lost time cases include*	Contractor LTIR includes recordable lost time contractor incidents or illnesses which resulted in an absence from work while the contractor was performing work for Kinder Morgan on a defined major project. Major projects are capital expansion projects that meet a minimum total estimated project cost. If hours for a major project were not available, hours were estimated based on major project spend. COVID-19 illnesses, classified as recordable incidents per OSHA guidance, are self-reported by contractors. LTIR for contractors include	Contractor lost time incident rate (LTIR)*: 0.1 Number of recordable contractor lost time cases: 3 *Represented in number of recordable lost time incidents per 100 full-time workers

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
	self-reported work-related COVID cases]	recordable COVID-19 cases.	
Ecological Impacts *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Percentage of land operated within or near areas of protected conservation areas or endangered species habitat	The percentage of land operated within or near designated areas of protected conservation status or endangered species habitat inside or near designated areas. For the purposes of this assertion, "near designated areas" is defined as operated land within five kilometers of the boundary of a protected conservation area or endangered species habitat, and "within designated areas" is defined as operated land within the boundary of a protected conservation area or endangered species habitat. The total acreage of land used in this metric is approximately 425 thousand acres which represents the total acreage of KMI assets, including pipeline corridors and facilities. The acreage operated for pipelines includes land within the 50-foot corridor of a pipeline's centerline and excludes production facilities and non-PHMSA jurisdictional gathering lines in the CO_2business segment. Acreage operated for a facility includes land within the facility's security fence line for the Natural Gas Pipelines, CO_2, and Terminals business segments and acreage owned by KMI for the Products Pipelines business segment, which can include land both inside and outside the security fence line. There is additional land that is owned and leased, but not operated by KMI, which is not included in this analysis. The Products Pipelines, Terminals, and CO_2 business segments included abandoned lines in the metric calculation. The Natural Gas Pipelines business segment excludes abandoned lines from the metric. This excluded land is not operated by KMI. The areas characterized as protected conservation areas are determined by the World Database on Protected Areas (WDPA). For KMI's Mexico operations, the areas characterized as endangered species habitats are determined by the International Union for Conservation of Nature (IUCN) designations of "critically endangered" and "endangered" species; because most of the Mexico assets are included in the IUCN designated areas it was assumed that 100% of the Mexico assets were in "critically endangered" and "endangered" areas. This analysis deviated from the SASB Accounting Standard for U.S. operations, where the U.S. Fish and Wildlife Service (USFWS) designated areas for "endangered species" was used, as this dataset better reflects the biodiversity risk for KMI's operations.	Percentage of land operated within or near areas of protected conservation status or endangered species habitat: 30%

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
		The analysis was completed using KMI's asset Geographic Information system (GIS) datasets as of the second quarter of 2021. The WDPA dataset was downloaded during the second quarter of 2021 and the USFWS dataset was downloaded during the first quarter of 2021.	
Ecological Impacts *SASB: Extractives & Minerals Processing Sector: Oil & Gas - Midstream* Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Number of hydrocarbon spills, aggregate volume of hydrocarbon spills, and hydrocarbon spill volume recovered	KMI number of hydrocarbon spills: A spill is defined as greater than one barrel (bbl) released to surface water, soil, or groundwater, excluding spills contained within impermeable secondary containment. KMI volume recovered: The volume of spills recovered is the amount of spilled hydrocarbons (in bbl) removed from the environment through short-term spill response activities, excluding amounts that were recovered during longer-term remediation at spill sites and amounts that evaporated, burned, or were dispersed. The volume recovered is reported for the year the associated spill occurred.	Number of hydrocarbon spills: 41 Aggregate volume of hydrocarbon spills: 2,380 bbl Hydrocarbon spill volume recovered: 1,769 bbl
Ecological Impacts *SASB: Extractives & Minerals Processing Sector: Oil & Gas – Exploration & Production* 1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water management - CO_2 business segment - fresh water withdrawn, fresh water consumed, and fresh water withdrawn intensity	Fresh water usage metrics are for the CO_2 business segment only. Fresh water withdrawn is defined as water obtained from underground wells and water utilities, and water that is purchased and delivered by trucks. Fresh water consumed is defined as water that evaporated during withdrawal, usage, or discharge or is indirectly incorporated into the product or service. It is assumed that 100% of the fresh water withdrawn in the CO_2 business segment is consumed since the majority of fresh water used in the CO_2 business segment evaporates. Fresh water withdrawn intensity is calculated by dividing CO_2 business segment fresh water withdrawn (thousand cubic meters) by CO_2 business segment BOE throughput in bbl/yr.	Water management - CO_2 business segment - fresh water withdrawn: 1,208 thousand cubic meters Water management - CO_2 business segment - fresh water consumed: 1,208 thousand cubic meters Water management - CO_2 business segment - fresh water withdrawn intensity: 0.04
Employee Demographics *SASB: Investment Banking & Brokerage* Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management,	Average age of workforce Percentage under 18 years old Percentage from 18 through 29 years old Percentage from 30 through 50 years old	Workforce is the employee headcount for employees in the U.S. and Mexico that were active any time between November 8, 2020 and November 21, 2020 and excludes employees on long term disability (LTD) throughout this time period. An employee is defined as an individual working full-time or part-time. Contractors are excluded. Average age and percentage of employees in the age groups reported are calculated using workforce employee ages as of November 21, 2020. Date of birth is self-reported by the employee and recorded in the HR system.	<u>Age representation</u> Average age of workforce: 45 Percentage under 18 years old: 0% Percentage from 18 through 29 years old: 10%

Topic, Standard, and Accounting Metric	Kinder Morgan, Inc. Metric	Definition of Kinder Morgan, Inc. Metric and Assessment Criteria	Kinder Morgan, Inc. Metric Quantity for the reporting year 2020
(3) professionals, and (4) all other employees *GRI 405-1 criteria* a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: gender, Age group, other* b. Percentage of employees per employee category in each of the following diversity categories: Gender, Age group, Other* * Other indicators of diversity where relevant (such as minority or vulnerable groups).	Percentage over 50 years old Percentage of females in the workforce Percentage of female representation in management Percentage of female representation on the Board of Directors Percentage of minorities in the workforce Percentage of minorities representation in management Percentage of minorities representation on the Board of Directors	Gender and U.S. minority representation are self-reported by the employee or are reported in accordance with the Equal Employment Opportunity Commission's Employee Information Report (EEO-1) Survey Instruction Booklet. Data is as of November 21, 2020. Mexico employee data is excluded from minority employee representation, as there is no requirement to collect ethnicity data. Minority includes the number of U.S. employees who classify themselves as Asian, Black or African American, Hispanic or Latino, Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or more races". For job category metrics, the job category (e.g., manager), is obtained from the HR system as of November 21, 2020. A job title of "manager" or above is considered a management position. Minority representation for the Board of Directors is confirmed by board members and gender representation is consistent with the pronouns used in the 2021 Proxy Statement. Both are reported as of April 2021.	Percentage from 30 through 50 years old: 53% Percentage over 50 years old: 37% Female employee representation Percentage of workforce: 16% Percentage of management: 20% Percentage of Board of Directors: 13% Minority employee representation (US only) Percentage of workforce: 30% Percentage of management: 20% Percentage of Board of Directors: 7%
Hazardous Materials Management *SASB: Extractives & Minerals Processing Sector:* Oil & Gas - Refining & Marketing Amount of hazardous waste generated; percentage recycled	Amount of hazardous waste generated and percent hazardous waste recycled	Hazardous waste generated and percentage recycled for assets operated by KMI. Values are as of July 22, 2021 for 2020 data. Hazardous waste is reported for the year when the waste was shipped. KMI only reports hazardous waste generated for U.S. operated assets during the time they are under KMI operational control. Universal hazardous waste is excluded. Hazardous waste generated from Mexico assets and U.S. non-operated assets are excluded. Hazardous waste recycled from U.S. operations includes shipments with the reclamation and recovery handling type and the handling codes H010, H020, H039, H050, and H061, as defined by the U.S. EPA's Hazardous Waste Report Instructions and Forms (EPA Form 8700-13 A/B).	Amount of hazardous waste generated: 6,662 metric tons Percent hazardous waste recycled: 55%

GHG Emissions

Exclusions

For the year ended December 31, 2020, the following are excluded from emissions: construction activities, wastewater treatment, fire suppression activities, enclosed circuit breakers operated by the Natural Gas Pipelines business segment, refrigerants from mobile equipment not tracked in our fleet database, fugitive emissions from natural gas supply lines for Terminals and Products Pipelines business segments, and insignificant emissions from small combustion activities.

Organizational boundary

In conformance with the *SASB Oil & Gas – Midstream Standard (2018-10)* and the World Resources Institute (WRI) and the World Business Council for Sustainable Development's (WBCSD) *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition* (the "GHG Protocol") gross global operational control Scope 1 (direct) and Scope 2 (indirect) GHG emissions and emission intensity from continuing operations include 100% of the emissions from assets KMI operates, even for those assets KMI does not own 100%.

The reported metric, total gross global equity share Scope 1 and Scope 2 emissions, includes the equity share of Scope 1 and Scope 2 emissions from operated and non-operated sources in which Kinder Morgan has an interest.

Calculations

GHG emissions for carbon dioxide equivalents, including methane, are calculated using the methodologies outlined in the GHG Protocol. Carbon dioxide emissions and equivalents have been determined on the basis of measured or estimated fuel and electricity usage, multiplied by relevant, published carbon emission factors (as summarized in the table in the "Estimations" section) which are updated annually, where applicable. Base data utilized in the calculation of Scope 1 (direct) and Scope 2 (indirect) GHG emissions is obtained from direct measurements, third-party invoices, or estimates. Carbon dioxide equivalent emissions utilize Global Warming Potentials ("GWPs") sourced from the Intergovernmental Panel on Climate Change Fifth Assessment Report (Assessment Report 5 – 100 year), unless otherwise noted. Refer to the table below for emission factors and calculation assumptions used. Kinder Morgan is reporting location and market-based Scope 2 emissions.

Estimations

Estimates are used for Scope 1 and Scope 2 emissions and methane intensity where measurement data is not readily available as noted in the table below.

For the year ended 2020, estimates account for approximately 22% of Scope 1 and less than 1% of Scope 2 emissions.

Methane emission actuals and estimates have been used for determining total methane emissions for the Kinder Morgan transmission & storage assets included in the methane emission intensity metric. Data considered "actuals" use direct measurements, leak surveys, component counts, actual operating data, approved emission factors, and other similar data elements. Data considered "estimated" use assumptions to determine

emissions where actual operating data, emission factors, or measurement data is not readily available as detailed in the table below. The actuals account for approximately 55% of the methane emissions for the year ended 2020 and the estimated data accounts for approximately 45% of the methane emissions for the year ended 2020 included in the methane emission intensity metric.

Estimations are also used for total gross global equity share Scope 1 and Scope 2 emissions. The estimated data accounts for approximately 20% of equity share Scope 1 emissions and 4% of equity share Scope 2 emissions for the year ended 2020.

Activity and Kinder Morgan, Inc. Metric	Source Type	Emission Factor Source	Calculation Estimations and Assumptions
Combustion Equipment (Stationary) - Total gross global Scope 1 emissions	Emissions from general stationary combustion of fuel for the production of useful energy, emissions from the combustion of waste gas, and emissions from the combustion of natural gas and propane to support the heating value of the waste gas combustion. Emission sources in this category include flares, boilers, oxidizers, re-boilers, emergency generators, heaters, generators, compressors, vapor combustion units, welding, well drilling, and other miscellaneous sources.	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR Part 98 (March 2020)	1. If fuel usage was not obtained from invoices, meters, business unit surveys, or operating hours, consumption rates were estimated based on the business unit surveys for facilities of similar size and operation. 2. For the Natural Gas Pipelines business segment, it was assumed that all catalytic heaters have a rating of 0.02 MMBtu/hr and operate for 5000 hrs/yr. 3. For transmission pipeline assets, it was assumed that 8.825 scf/hr was vented per 54 kw rating for dehydrator triethylene glycol units and average fuel consumption of 8000 btu/hp-hr for microturbine sets and generator engines. 4. For transmission pipeline assets, counts of telecom generators were estimated by state and pipeline entity using pipeline miles and average telecom generator counts per mile of pipeline. It was assumed that each unit operated for 20 hours /yr, had an average horsepower rating of 40.96 and average fuel consumption of 8000 btu/hp-hr.
Combustion Equipment (Mobile) - Total gross global Scope 1 emissions	Emissions from onsite mobile equipment required for operations, and on-road mobile equipment used by personnel.	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR Part 98 (March 2020) GHG Protocol Mobile Emission Factors (March 2017)	1. Emissions are calculated from purchased fuel and tracked in KMI's ARI fleet system and therefore considered to be actual. Emissions for company vehicles not tracked in the ARI fleet system are considered actual if counts or activity data was collected. 2. Where actual data was not available, a survey completed for a sample of facilities within each business segment was used to estimate vehicle emissions.
Fugitive - Total gross global Scope 1 emissions	Involuntary release of a mixture of gases (including refrigerants) containing GHGs. Emission sources include equipment component leaks, pipeline leaks,	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas reporting, 40 CFR Part 98 (March 2020) API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and	1. For the Natural Gas Pipelines business segment transmission and storage assets, emissions calculations for equipment component leaks assume 1% CO_2 and 95% CH_4. For storage and transmission assets not surveyed, average component count per facility or entity is used in conjunction with a rolling three-year average by vent and

Activity and Kinder Morgan, Inc. Metric	Source Type	Emission Factor Source	Calculation Estimations and Assumptions
	process equipment leaks, refrigerants, storage wellheads, and vapor handling systems.	Natural Gas Industry (August 2009) GHG Protocol Hydrofluorocarbon Emission Factors (January 2005) Kinder Morgan site-specific emission factors	compressor type for emission calculations. 2. For the Natural Gas Pipelines business segment, emission calculations for storage wellheads assume an average component count per wellhead for facilities without component counts. 3. If site-specific refrigerant data was not available, emissions were calculated using comparable facilities based on surveys conducted within each business segment. 4. If actual data was not available, the charges and leak rates for refrigerants as defined in the API Compendium were used for calculations. 5. Fleet truck refrigerant charges were not provided. Therefore, 1.1 kg charge of R134a was assumed to be in fleet trucks older than 2017 and 1.1kg of R1234a charge in trucks newer than 2017. Fleet trucks were assumed to have a charge leak rate of 20% per year (API Compendium 2009).
Vented - Total gross global Scope 1 emissions	Voluntary release of a mixture of gases containing GHGs. Typically, vented emissions are known sources and are part of operations. Kinder Morgan's emissions sources in this category include compressor, compressor station, and pipeline blowdowns, compressor starts, dehydration processes, emergency releases, gas sampling and analysis, gas sweetening processes, metering and pressurizing regulating station upsets, pig traps and drips, pneumatic devices, storage station venting, storage tanks and drain vessels, and well completions.	Kinder Morgan site-specific emission factors applied	For the Natural Gas Pipelines business segment: 1. Pipeline blowdown, compressor, and compressor station blowdown, gas sampling and analysis, pneumatic devices and storage tank emission calculations for transmission, storage, processing and transmission pipeline assets assume 1% CO_2 and 95% CH_4. 2. Average values are used for blowdown event temperatures and pressures when there are data gaps or temperature and pressure data was outside a reasonable range. 3. Reciprocating compressors are air start and 80% of centrifugal compressor are assumed to be natural gas start. 4. Average emission factors were used for CO_2 and N_2O for dehydrators without emission calculations performed by GLYCalc. 5. If no data was received for the number of gas sampling and analysis sources, an average analyzer count/pipeline mile was used for emission calculations. 6. Meter station counts were divided up by total pipeline miles per state. 7. If information was not available, pneumatic devices were assumed to be air driven only.
Indirect Emissions - Total gross global Scope 2 emissions	Emissions related to consumption of purchased electricity.	U.S. EPA Emissions & Generation Resource Integrated Database ("eGRID") 2020	1. If leased office electricity consumption was not tracked in Engie, a third party global energy management solution, indirect GHG quantification was estimated based on leased space area. For estimated electricity consumption from

Activity and Kinder Morgan, Inc. Metric	Source Type	Emission Factor Source	Calculation Estimations and Assumptions
			leased office space, not tracked in Engie, a leased space to energy conversion ranges from 0.58 GJ/m2 and 0.66 GJ/m2 (Commercial Buildings Energy Consumption Survey, 2020), varying by geographical location, was used to estimate energy consumption.
Transmission Compressor Station and Underground Storage Facility Equipment Leaks – Natural Gas Pipelines business segment's transmission and storage assets methane emission intensity rate	Fugitive component leaks that are identified using a leak detection device such as the optical gas imaging camera or laser leak detection. The component types are typically classified as meters, valves, connectors, open-ended lines, and pressure relief valves (PRVs). Reference: 40 CFR 98, Subpart W.	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR 98, Subpart W - Petroleum and Natural Gas Systems (March 2020)	1. Leak counts for facilities that are not surveyed are based on average leak counts from the surveyed facilities which are similar in size and operation. 2. Assumes that the component is leaking the entire reporting year (8,784 hours). The estimate is conservatively high because there is currently no device or technology in place to know when the component leaks began during the year. 3. U.S. EPA emission factors developed for each component type is multiplied by the actual or average leak counts for that component at each facility.
Natural Gas Pneumatic Device (Controller) Vents – Natural Gas Pipelines business segment's transmission and storage assets methane emission intensity rate	Emissions from gas driven pneumatic devices used at the transmission compressor stations and underground natural gas storage facilities. The pneumatic devices are bucketed into the following categories: • High-Bleed Pneumatic Devices • Intermittent Bleed Pneumatic Devices • Low-Bleed Pneumatic Devices	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR 98, Subpart W - Petroleum and Natural Gas Systems (March 2020)	1. Average device counts are used for non-surveyed facilities based on average device counts at the surveyed facilities, which are similar in size and operation. 2. Assumes that each pneumatic device is vented at the U.S. EPA's emission factor rate for the entire reporting year (8,784 hours). The estimate is conservatively high because there is currently no device or technology in place to track the actual operating hours of the continuous bleed pneumatic device or frequency of actuation of the intermittent bleed pneumatics.
Transmission Storage Tank Vents – Natural Gas Pipelines business segment's transmission and storage assets methane emission intensity rate	Fugitive methane emission leaks that are associated with storage tanks located at transmission and storage compressor stations. The primary source of methane emissions for storage tanks at these compressor stations is associated with dump valves that get stuck open causing pressurized natural gas to get entrained into the piping and	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR 98, Subpart W - Petroleum and Natural Gas Systems (March 2020)	1. Annual leak detection survey of the storage tank(s) at each station is performed to determine if a tank is leaking. If it is not leaking, no measurement is taken as no emissions are occurring. 2. If the tank is determined to be leaking, an actual direct measurement is taken, and this measurement is multiplied by 8,784 hours to calculate the annual emissions.

Activity and Kinder Morgan, Inc. Metric	Source Type	Emission Factor Source	Calculation Estimations and Assumptions
	eventually venting that gas out of the storage tank.		3. Leaks for facilities that are not surveyed are based on average leak measurements from the surveyed facilities, which are similar in size and operation.
Direct emissions - Total gross global equity share Scope 1 emissions	Direct emissions related to the combustion of fuel, voluntary releases (venting) and the involuntary releases (fugitive).	U.S. EPA Code of Federal Regulations (CFR) - Mandatory Greenhouse Gas Reporting, 40 CFR Part 98 (March 2020) API Compendium of Greenhouse Gas Emissions Methodologies for the Oil and Natural Gas Industry (August 2009) Kinder Morgan and JV site-specific emission factors	1. To estimate Scope 1 emissions outside of the GHGRP reporting boundary for non-operated facilities without Scope 1 emission data, a percentage increase was applied to U.S. EPA GHGRP reported emissions. The percentage increase applied was based on an average of historical reported data for the KMI Natural Gas Pipelines business segment. 2. For non-operated locations that did not provide data or emissions data provided was <10,000 metric tons CO_2e – ½ the GHGRP reporting threshold of 25,000 metric tons CO2e was used (12,500 metric tons CO_2e) as the entity's Scope 1 emissions or from another facility which is similar in size and operation where appropriate.
Indirect emissions - Total gross global equity share Scope 2 emissions	Emissions related consumption of purchased electricity for the equity share of KMI.	U.S. EPA Emissions & Generation Resource Integrated Database ("eGRID") 2020	1. For non-operated locations that did not provide Scope 2 emissions, an estimation was applied using the reported Scope 2 emissions from another facility which is similar in size and operations.

Uncertainty

GHG emissions quantification is subject to inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy usage data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Other Estimations

The preparation of the non-GHG emissions metrics requires management to establish the criteria, make determinations as to the relevancy of information to be included, and make assumptions that affect reported information. The selection by management of different but acceptable measurement techniques could have resulted in materially different amounts or metrics being reported.

Air Quality

When site-specific information was not available, the use of methodologies/approaches or emissions factors from publicly available guidance documents (i.e., EPA AP-42: Compilation of Air Pollutant Emissions Factors (January 1995)) were used. For locations that report emissions less frequently than annually, emissions are included from emission fee estimates or from the most recent agency submittal. These estimates account for less than 1% for each pollutant.

IEA's 2020 World Energy Outlook

Key Economic Assumptions

	Base Year	Projections		Percent of Total	
Metric	**2019**	**2030**	**2040**	**2030**	**2040**
Global population (in billions)	7.67	8.51	9.15	100 %	100 %
China	1.41	1.44	1.42	17 %	16 %
India	1.37	1.5	1.59	18 %	17 %
Africa	1.31	1.69	2.08	20 %	23 %
U.S.	0.33	0.35	0.37	4 %	4 %
Global GDP(a)	142	196	264	100 %	100 %
China	28	46	64	23 %	24 %
India	11	20	33	10 %	13 %
Africa	7	10	16	5 %	6 %
U.S.	21	26	31	13 %	12 %
Global GDP per capita(a)	$ 18,503	$ 23,008	$ 28,875	100 %	100 %
China	19,847	31,822	44,711	138 %	155 %
India	8,085	13,104	20,788	57 %	72 %
Africa	5,468	6,123	7,653	27 %	27 %
U.S.	$ 65,075	$ 73,099	$ 83,975	318 %	291 %

(a) Calculated based on GDP expressed in year 2019 dollars in purchasing power parity terms.

Key Indicators by Scenario

	Base Year	Stated Policies Scenario		Sustainable Development Scenario	
Metric	**2019**	**2030**	**2040**	**2030**	**2040**
CO_2 emissions (billion tons)(a)	33	33	33	24	15
Percent change from 2019	0 %	0 %	0 %	(27) %	(56) %
Energy intensity of GDP (tons oil equivalent per thousand dollars, PPP)(b)	0.102	0.081	0.065	0.068	0.049
Percent change from 2019	0 %	(21) %	(36) %	(33) %	(51) %
Global energy demand (billion tons oil equivalent)	14	16	17	13	13
Percent change from 2019	0 %	9 %	19 %	(7) %	(10) %
Percent from renewables(c)	15 %	15 %	19 %	19 %	31 %
Percent from oil & natural gas	55 %	55 %	54 %	54 %	46 %
Global oil demand (MMBbl/d)	98	103	104	87	66
Percent change from 2019	0 %	5 %	6 %	(12) %	(32) %
U.S. oil demand (MMBbl/d)	19	18	15	14	9
Percent change from 2019	0 %	(5) %	(18) %	(25) %	(54) %
Global biofuels demand (MMBbl/d)(d)	2.1	3.6	5.1	6.2	7.4
Global natural gas demand (Bcf/d)(e)	390	446	505	387	344
Percent change from 2019	0 %	15 %	30 %	(1) %	(12) %
U.S. natural gas demand (Bcf/d)	85	89	87	71	47
Percent change from 2019	0 %	4 %	2 %	(17) %	(45) %
Global coal demand (billion tons coal equivalent)	5.4	5.0	4.7	3.2	1.9

Metric	Base Year	Stated Policies Scenario		Sustainable Development Scenario	
	2019	2030	2040	2030	2040
Percent change from 2019	0 %	(7) %	(12) %	(41) %	(66) %
Percent from Asia Pacific (including China, India, South East Asia)	77 %	84 %	85 %	86 %	85 %
U.S. coal demand (billion tons coal equivalent)	0.39	0.19	0.11	0.05	0.03
Percent change from 2019	0 %	(52) %	(71) %	(88) %	(92) %
Global electricity generation (terawatt-hours)	26,942	32,818	40,094	31,465	38,774
Percent change from 2019	0 %	22 %	49 %	17 %	44 %
Percent from wind and solar	8 %	19 %	28 %	29 %	47 %
Percent from natural gas	23 %	22 %	21 %	21 %	12 %
Global power sector emissions intensity (grams CO_2 per kilowatt-hour)	463	352	282	220	67
Percent change from 2019	0 %	(24) %	(39) %	(53) %	(86) %

(a) Includes CO_2 emissions from combustion of fossil fuels, including process CO_2 emissions from industrial production and fuel transformation. Amounts account for captured emissions from bioenergy with carbon capture, utilization, and storage. Does not include CO_2 emissions from industrial waste and non-renewable municipal waste.
(b) Total primary energy demand / GDP.
(c) Includes bioenergy, geothermal, hydropower, solar photovoltaic, concentrating solar power, wind and marine (tide and wave) energy for electricity and heat generation.
(d) Liquid fuels derived from biomass or waste feedstock, including ethanol and biodiesel. Expressed in energy-equivalent volumes of gasoline and diesel.
(e) IEA forecast converted into billion cubic feet per day using 35.3147 cubic meters per cubic foot and 365 days per year.
(f) Includes bioenergy, geothermal, hydropower, solar photovoltaic, concentrating solar power, wind and marine (tide and wave) energy for electricity and heat generation.

Global Average Annual Investment

Metric	Reference	Stated Policies Scenario		Sustainable Development Scenario	
	2015-2019	2020-2030	2031-2040	2020-2030	2031-2040
	(In billions, except for percentages)(a)				
Biofuels and biogases	$ 9	$ 20	$ 36	$ 43	$ 80
Percent change from 2015-2019	0 %	121 %	301 %	384 %	799 %
Battery storage	$ 3	$ 13	$ 35	$ 21	$ 57
Percent change from 2015-2019	0 %	306 %	1,037 %	589 %	1,723 %
Renewable power generation	$ 310	$ 340	$ 396	$ 569	$ 666
Percent change from 2015-2019	0 %	10 %	28 %	84 %	115 %
Fossil fuels power generation	$ 139	$ 86	$ 78	$ 62	$ 58
Percent change from 2015-2019	0 %	(38)%	(43)%	(55)%	(58)%
Electricity networks	$ 294	$ 393	$ 517	$ 437	$ 829
Percent change from 2015-2019	0 %	34 %	76 %	49 %	182 %
Energy efficiency	$ 251	$ 364	$ 537	$ 521	$ 809
Percent change from 2015-2019	0 %	45 %	114 %	107 %	222 %

(a) Expressed in year 2019 dollars in purchasing power parity terms.

IPCC 2014 Fifth Assessment Report (AR5) RCP 8.5 4 °C Scenario

	2046-2065	2081-2100 (i.e., end of the 21st Century)
	Mean (Likely Range)	Mean (Likely Range)
Global Mean Surface Temperature Increase (°C)	2.0 (1.4 to 2.6)	3.7 (2.6 to 4.8)
Global Mean Sea-level Rise (meters) relative to 1985-2005	0.30 (0.22 to 0.38)	0.63 (0.45 to 0.82)

Our Report includes descriptions of our vision, mission, values, and various policies, standards, procedures, processes, systems, programs, initiatives, assessments, technologies, practices, and similar measures related to our operations and compliance systems ("Policies and Procedures"). References to Policies and Procedures in our Report do not represent guarantees or promises about their efficacy, or any assurance that such measures will apply in every case, as there may be exigent circumstances or other, factors, or considerations that may cause implementation of other measures or exceptions in specific instances.

Our Report includes forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934 ("Exchange Act"). Forward-looking statements include any statement that does not relate strictly to historical or current facts and include statements accompanied by or using words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "outlook," "continue," "estimate," "expect," "may," "to," "will," "shall," and "long-term" or the negative of those terms or other variations of them or comparable terminology. In particular, express or implied statements, concerning the occurrence, impact, or timing of future actions, conditions, or events, including our Policies and Procedures and their efficacy, long-term demand for our assets and services, our future operating results, our ability to generate revenues, income, or cash flow or to pay dividends, or energy transition-related opportunities, including the role of natural gas in the energy transition and opportunities related to lower carbon fuels and CCUS, are forward-looking statements.

Forward-looking statements are not guarantees or assurance of performance. Forward-looking statements are included for the purpose of providing management's current expectations and plans for the future, based on the beliefs and assumptions of management and the information currently available to management. Forward-looking statements are subject to risks, uncertainties, and assumptions. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement.

Future actions, conditions, or events and future results of operations may differ materially from those expressed in or implied by these forward-looking statements. Many of the factors that will determine these outcomes are beyond our ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, our ability to estimate accurately the time and resources necessary to meet the reporting and assurance testing standards applicable to additional measures we expect to include in future reports; the timing and extent of changes in the supply of and demand for the products we transport and handle; national, international, regional and local economic, competitive, political, and regulatory conditions and developments, including, among others, near- and long-term effects of the COVID-19 pandemic; the timing and success of business development efforts; the timing, cost, and success of expansion projects; technological developments; commodity prices; counterparty financial risk; the condition of capital and credit markets; inflation rates; interest rates; the political and economic stability of oil-producing nations; energy markets; federal, state or local income tax legislation; weather conditions; environmental conditions; business, regulatory and legal decisions; terrorism; cyber-attacks; and the risks and uncertainties described in this Report and in most recent Annual Report on Form 10-K and subsequent Exchange Act reports filed with the SEC, including under the headings "Risk Factors," "Information Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and

elsewhere. These reports are available through the SEC's EDGAR system at https://www.sec.gov, and on our website at https://www.kindermorgan.com.

Forward-looking statements speak only as of the date they were made, and except to the extent required by law, we undertake no obligation to update any forward-looking statement because of new information, future events, or other factors.

Our Report contains references to KMI's website. These references are for readers' convenience only. We are not incorporating our Report by reference into any other document posted on https://www.kindermorgan.com or https://www.sec.gov and are not incorporating any other document posted on either website into this Report.

Our Report also includes links to websites owned and operated by third parties, which are provided for readers' information and convenience only. We are not responsible for these websites or their content.

We are in the process of identifying and developing the processes, procedures, and resources we expect to need to meet standards and limited assurance testing applicable to this Report. Except where and how specified in *Appendix D – Third-Party Assurance Statement*, our Report and the data presented in it have not been externally audited, assured, attested, or verified by a third party. We make no warranty, express or implied, regarding the accuracy, adequacy, completeness, legality, reliability, or usefulness of our Report.