



HOWARD
ENERGY PARTNERS

2022

SUSTAINABILITY REPORT

LETTER TO STAKEHOLDERS

2022 has been a transformational year for Howard Energy Partners. We celebrated our 11-year anniversary, expanded our relationship with AIMCo, had stellar operating performance and announced some exciting new projects. Two of the biggest acknowledgements we received this year were being named a Top Workplace in San Antonio for the 10th year in a row and being given a 5-star rating by GRESB, a global industry benchmark in sustainability.

The mission of Howard Energy Partners is to deliver positive energy. We are passionate about this purpose. Our business helps power every other business and we take great pride in that. The energy we deliver for our customers enables us to provide long-term value to our stakeholders, while also being essential to alleviating poverty and improving human life. Further, as we see energy supplies used as leverage in international conflicts, we know that the energy security we help provide is a force for peace and stability across the world.

Nevertheless, we take seriously our obligation to provide that energy in the most responsible way possible. We are proud of the fact that the natural gas we gather and process, which makes up more than 60% of our EBITDA, has played a significant role over the last decade in lowering carbon emissions by almost 25% since 2005. The United States' shift to natural gas from coal and other carbon-intensive fuels has done more than anything else to lower the country's CO2 emissions. Our Nueva Era Pipeline in Mexico displaces somewhere between 8–11 million tonnes per year of CO2 that would have otherwise been produced from the burning of fuel oil or coal.

Yet, because we are committed to continuing to deliver the energy that people need to flourish, we are committed to do more. In 2023, 10% of our EBITDA will come from our Port Arthur Renewable Diesel facility, which will produce

470 million gallons per year of renewable diesel with 80% less CO2 emissions than traditional diesel. An additional 10% of our EBITDA now comes from the sale of hydrogen and the decarbonization of the six Corpus Christi refineries off-gas streams. Starting in April 2023, the CO2 emissions associated with Javelina's hydrogen production will be captured, utilized, and transformed into a net zero emissions electro-fuel, making it among the first "clean hydrogen" production facilities along the U.S. Gulf Coast. And our partnership with the Port of Corpus Christi and Talos Energy in the Coastal Bend Carbon Management Partnership represents one of the first carbon capture and sequestration projects at-scale in the region, taking advantage of Javelina's historic role as an aggregator of emissions in the Corpus Christi market.

We are more than just an energy company; we are an integral part of an industry that helps power every other industry. As we continue to grow, we will strive to preserve this meaningful endeavor, staying true to our purpose and core values along the way.

I invite you to look through our website and explore our values located on the Purpose page and to learn more about what inspires our approach to delivering positive energy on the Resources page.

Thank you,

Mike Howard
Chairman & Chief Executive Officer



ABOUT THIS REPORT

At Howard Energy Partners ("Howard Energy"), we are dedicated to creating long-term value while promoting sustainable development and responsible business practices. Our 2022 Sustainability Report builds upon our inaugural 2021 report showcasing our commitment to Environmental, Social, and Governance (ESG) principles and our efforts to advance these values in all aspects of our operations. This report provides a comprehensive overview of our policies, processes, and procedures, which are designed to ensure that our business is aligned with ESG criteria. It highlights our achievements, challenges, goals and aspirations to be a responsible corporate citizen and to act as a force for good in the communities where

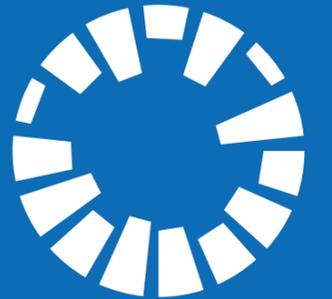
This report serves as an important tool for us to share our progress and engage with stakeholders on ESG issues.

The information in this report is based on internal discussions, external stakeholder feedback, and expert consultations.

we operate. We understand that ESG considerations are an ongoing journey, and we are committed to continuously improving our efforts in this area with the long-term success of our business in mind. Additionally, this report includes information on our plans for the future and our commitment to reporting on our ESG performance. We believe that transparency and accountability are critical components of responsible business practices and are proud to share this report with our stakeholders.

We hope that this report will provide valuable insights into ESG efforts at Howard Energy and encourage continued collaboration and dialogue with stakeholders.

GRESB 5 STAR IS THE HIGHEST RATING AND
RECOGNITION FOR BEING AN INDUSTRY LEADER



G R E S B
★ ★ ★ ★ ★ 2022

“ We are more than just an energy company; we are an integral part of an industry that helps power every other industry. ”

-Mike Howard
Chairman & Chief Executive Officer

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OVERVIEW

Our Company

Howard Energy is a diversified, growth-oriented energy company focused on providing innovative midstream solutions to its customers. Howard Energy Partners owns and operates natural gas and crude oil pipelines, natural gas processing plants, refined products storage terminals, deep-water dock and rail facilities, fractionation facilities, hydrogen production facilities, renewable diesel logistics facilities, and other related midstream assets in Texas, New Mexico, Oklahoma, Pennsylvania and Mexico. The company has corporate offices in San Antonio and Houston, Texas and Monterrey, Mexico.

For more information on Howard Energy Partners and our mission to deliver positive energy, please visit our website at howardenergypartners.com.



OUR VALUES

At Howard Energy, ESG is deeply embedded in our core values:

Stand Together

We believe in fostering a supportive and inclusive work-place, treating all employees and stakeholders fairly and respectfully. We hold regular management team meetings to ensure honesty, fairness, and transparency in all our businesses.

Embrace Change

Change is necessary for growth, and we believe in long-term growth. As the energy industry changes, so do we, providing a dynamic work environment for our employees.

Do the Next Right Thing

Integrity is a key aspect of our company and drives all of our stakeholder relationships. Doing the right thing, even when it is hard, is fundamental to our other values.

Create Lasting Value

Our goal is to make the world a better place by providing safe and reliable energy operations, supporting the communities where we live and work, and delivering abundant and reliable energy. We also drive economic development by creating jobs and building affordable energy infrastructure.

Stay Safe

Safety is integrated into everything we do, guided by our motto "Stop-Think-Execute". This applies not only to our approach to safety, but also to all our compliance programs, including ESG (environmental, social, and governance).

Our purpose is to deliver positive energy

OUR PURPOSE

We are more than just an energy company. We are a key player in the industry that fuels all other industries, making a significant impact on our customers' daily lives, from powering homes and businesses to providing transportation. As a responsible energy provider, we recognize the important role we play in the world and strive to operate in a manner that is efficient, economical, and environmentally conscious.

At Howard Energy, we are driven by a shared purpose: to deliver positive, life-enhancing energy to the world. Our team is united by a common set of values and a commitment to making a positive impact.

MORE ABOUT THIS REPORT

Report Scope & Boundaries

Unless otherwise noted, the environmental and operational data presented in this report includes all assets owned or operated by Howard Energy and the safety and health data represent all Howard Energy employees. This report primarily presents information, discussions and data from the fiscal year ending December 31, 2022.

Reporting Standards and Frameworks

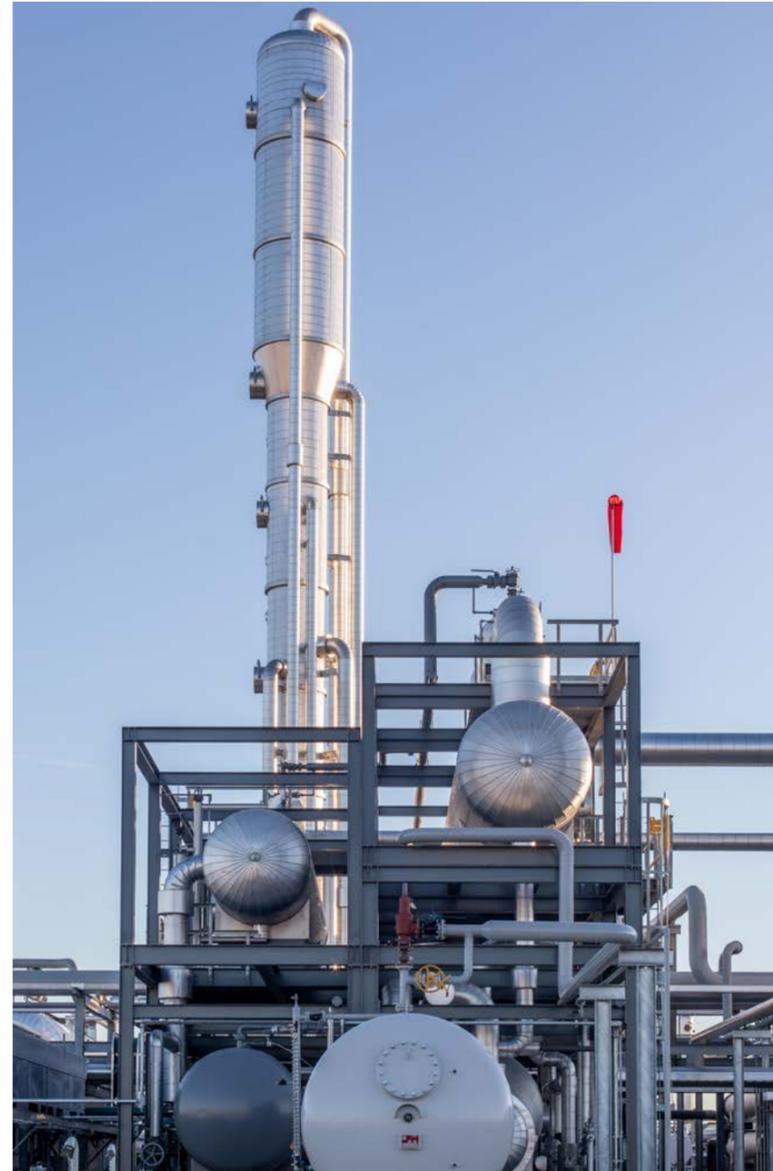
To help guide Howard Energy's ESG performance disclosures, we assessed several recognized reporting standards and frameworks, including the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) standards for voluntary ESG reporting as well as Task Force on Climate-related Financial Disclosures (TCFD) recommendations for voluntary disclosure of climate risks and opportunities. We also assessed how ESG topics relevant to Howard Energy relate to the United Nations Sustainable Development Goals (UN SDGs). In the appendix to this report, data points are mapped to the GRI and SASB standards.

MATERIALITY ASSESSMENT

To ensure that our sustainability efforts align with the priorities of our internal and external stakeholders, Howard Energy has conducted annual comprehensive materiality assessments in partnership with Pickering Energy Partners' ESG Consulting team since 2021. This assessment process was guided by the best practices outlined in the frameworks listed above and aimed to understand ESG topics that are most important to our stakeholders and company.

The process of identifying critical risks and opportunities related to climate change will continue to be an ongoing priority for Howard Energy. Utilizing GRI Standards' guidelines in our latest materiality assessment ensures we are looking at the most relevant information with a decision useful lens, as opposed to the definition of materiality in U.S. securities laws.

We prioritize material issues based on their relevance to Howard Energy and their expected impact over the short-term (within 12 months), medium-term (within 1 to 4 years), and long-term (more than 5 years).



Disclaimer

This report contains forward-looking statements regarding Howard Energy's future operations and financial performance. These statements are based on current expectations, estimates, and projections made by management, but are subject to a number of risks, uncertainties, and other factors beyond the company's control. These factors include government regulations, changes in the energy market, and fluctuations in oil and gas prices, among others. It is important to note that actual results may differ materially from the projections and estimates set forth in this report.

The information contained in this report is provided for informational purposes only, and should not be considered a guarantee of future results or performance. The projections and estimates are based on management's best judgment at the time of preparation, and the company makes no representation or warranty as to their accuracy or completeness. The forward-looking statements in this report speak only as of the date of publication, and Howard Energy has no obligation to update or revise them, whether as a result of new information, future events, or otherwise.

In addition, this report includes terms and references to GRI and SASB, but Howard Energy is not endorsing or adopting these phrases or recommendations. The company's use of these terms and references to GRI and SASB is for informational purposes only, and should not be construed as an endorsement or adoption of these terms, definitions, or recommendations. Howard Energy makes no representation or warranty regarding the definitions or recommendations of GRI or SASB, and is not obligated to comply with any specific recommendations or provide specific disclosures.

Investors are advised to exercise caution when considering the forward-looking statements contained in this report. The company cannot guarantee future results, performance, or achievements, and actual results may differ materially from those expressed or implied in the forward-looking statements. Please refer to the Forward-Looking Statements Warning at the end of this report for additional information.



OUR ESG STRATEGY

At Howard Energy, our focus is on providing safe, reliable, and responsible energy to address the world's challenges such as climate uncertainty, energy security, and energy poverty. We are dedicated to driving long-term value creation through reducing GHG emissions, ensuring safe and environmentally responsible operations, and executing thoughtful capital allocation.

Our values of safety, integrity, embracing change, and creating lasting value guide our ESG strategy. We prioritize safety in all our operations and embed it in our daily activities and compliance programs with the motto "Stop-Think-Execute." Integrity is at the heart of our company, and we act with honesty and transparency in all our dealings, even when it is challenging. We continuously evolve and embrace change, seeing it as a necessary part of growth, and provide a dynamic work environment for our employees. Moreover, the driving forces behind Howard Energy's ESG strategy is on creating lasting value for our stakeholders by making a positive impact on the communities we operate in, providing safe and reliable operations, supporting local communities, and delivering energy to those in need.

We aim to provide voluntary disclosures on our ESG efforts and align our approach with the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) Standards to meet the growing interest of our stakeholders. Our goal is to contribute to a sustainable future and be a responsible and positive impact energy company.

ESG Strategy Key Points

Zero Spills

Reduced Scope 1 Intensity

Increased Charitable Giving

Zero Safety Incidents

Waste Recycling

STAKEHOLDER ENGAGEMENT

As a company, we understand the significance of involving our stakeholders in shaping a sustainable and responsible business model. In 2022, we continued our commitment to stakeholder engagement, including customers, employees, investors, suppliers, and local communities.

Valuing each stakeholder's contribution to Howard Energy's success.

Providing innovative and cost-effective midstream solutions to customers and investors.

Empowering our diverse and talented employees with the skills and training they need to succeed.

Operating as a responsible and safe midstream service provider, minimizing our impact on the environment.

Giving back to society through investments and community involvement.



4th Annual Habitat For Humanity Project



STAKEHOLDER ENGAGEMENT FORMATS & TOPICS

Customers

Engagement Format

We engage with customers daily. Our commercial, engineering and operations work directly with customers to meet their needs.

Topics of Engagement

At Howard Energy, we prioritize customer satisfaction by being flexible and responsive to their evolving needs. Our scheduling and operations teams work tirelessly to ensure daily changes in our customers' requirements are met, and our engineering and operations teams focus on accommodating their longterm needs through construction of new facilities.

We continuously strive to deliver exceptional customer service by offering efficient and effective transportation solutions through our facilities. Howard Energy prides itself on industry leading runtimes and customer reliability.

Vendors

Howard Energy vets all significant engineering and operational contractors using IS Network. IS Network scores companies on their OSHA safety statistics, safety questionnaire, citation record, insurance, and drug and alcohol plan.

Depending on the project, Howard Energy selects contractors through a bid process, which is not solely focused on price. Howard Energy makes decisions based on the data from IS Network, the location of the vendors (local vendors are preferred), and the work/project history of vendors.

We conduct vendor selection based on safety and our shared values. We thoroughly assess a vendor's safety record and project history to ensure that they meet our standards.

Additionally, we prefer to work with local vendors when possible as it helps support the local communities where our employees reside. This approach aligns with our commitment to responsible operations and making a positive impact on the communities we serve.

Employees

Engagement Format

Howard Energy performs employee engagement surveys each year. The company also conducts employee performance evaluations each year. Company town halls are held quarterly.

Topics of Engagement

At Howard Energy, employees have the opportunity to provide their opinions on the workplace through surveys. These surveys gauge employee engagement and the feedback gathered is utilized by management to make informed decisions. Employee evaluations also provide a platform for employees to receive feedback from their supervisors, fostering a direct line of communication about their strengths, areas for improvement, and guidance from their supervisors. Town halls provide employees the opportunity to hear from senior leadership about the state of the company, quarterly goals, and employee recognitions.

Community

Howard Energy participates in Paradigm Public Liaison meetings throughout the operating areas. This is done every year. These meetings give Howard Energy employees the chance to meet with landowners, homeowners, public officials, and first responders in the area.

Howard Energy also send mailouts to properties, homeowners, and business near its facilities once a year. These mailouts include reply cards with a questionnaire and areas for comments.

Community discussions often revolve around their interest in Howard Energy and its operations. Community members may inquire about the presence of pipelines on their land, the location of pipelines in the area, the company itself, and potential job opportunities.

During public liaison meetings, the topic of pipeline safety and emergency response procedures are commonly discussed. This allows Howard Energy employees the opportunity to boast about our spill and safety record in the local areas of operations.

EMISSIONS

Emissions Management

Scope 1

Scope 2

Other Air Emissions

Emissions Reduction Efforts



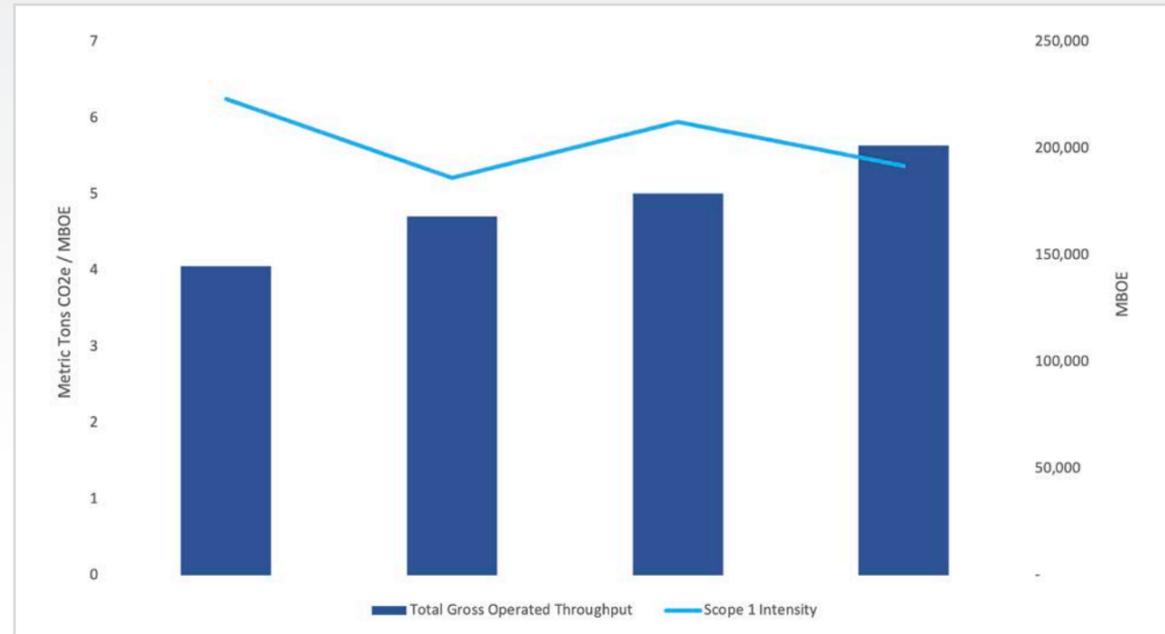
EMISSIONS MANAGEMENT

Howard Energy recognizes that the global response to climate change will pose several risks and opportunities to our business, which our executive management team evaluates in connection with corporate strategic planning. Reducing greenhouse gas (GHG) emissions and demonstrating responsible climate stewardship is crucial to our long-term success. With this in mind, we prioritize GHG reduction through targeted programs and initiatives. Our air emissions are closely monitored and regulated by federal and state agencies, including the Environmental Protection Agency (EPA), Texas Commission on Environmental Quality (TCEQ), Pennsylvania Department of Environmental Protection (PADEP), and Oklahoma Department of Environmental Quality (OKDEQ). Our facilities undergo routine audits and we hold over 20 air permits. To gauge our performance and identify areas for improvement, we track and report our emissions in accordance with EPA standards. At Howard Energy we have an Environmental Team of individuals with advanced degrees and extensive experience in managing environmental impacts.



GHG EMISSIONS

Scope 1 Intensity by Throughput



Scope 1

Howard Energy’s approach to Scope 1 emissions has always been dedicated to comprehensive tracking and reporting. In 2023, we plan to have our Scope 1 and 2 emissions validated by an independent third party. Our emissions inventory provides the basis for the calculation of Scope 1 emissions from all our major facilities, while minor sources are determined from permit data. In Oklahoma and Pennsylvania, both Scope 1 and 2 emissions are calculated using our emission inventory, while our smaller sites adhere to the permit-ted emissions limits, which are set for worst- case scenarios and may therefore be higher than actual emissions.

Scope 2

Howard Energy calculates our Scope 2 emissions based on electricity consumption. This includes the power used for compressor engines, which is determined using run hours provided by field supervisors. We follow the EPA guidance to calculate Scope 2 emissions, which encompass electric use, steam, third-party sourced natural gas, propane in some cases, and renewable energy sources such as solar and wind. The data is collected by local operations and includes information from field personnel. The EPA eGRID data is used to calculate emissions from electricity use. Fleet gasoline usage, which is a minor source of Scope 2 emissions, is not included in the calculation.

OTHER EMISSIONS

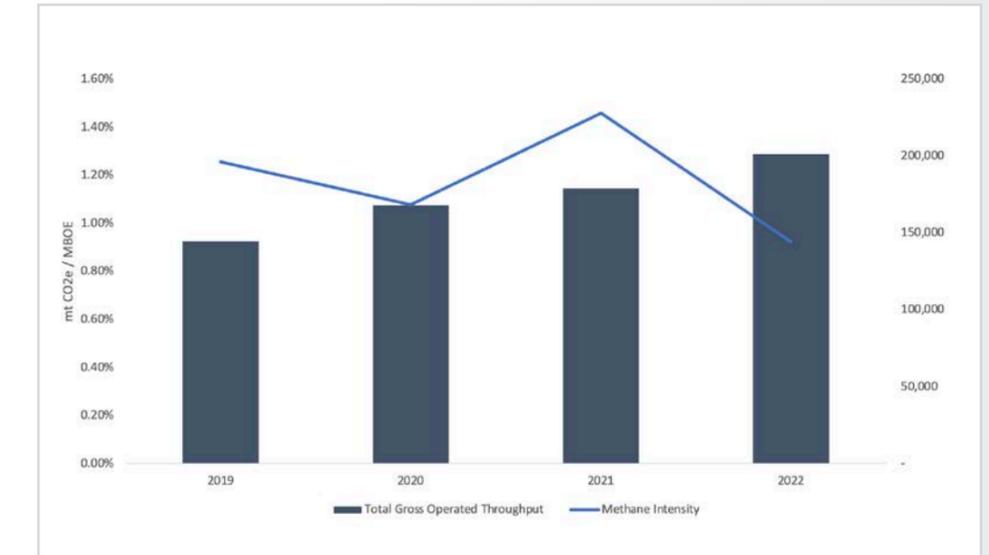
Other Air Emissions

Howard Energy’s approach to other air emissions such as nitrogen oxides (NOx), sulfur oxides (SOx), volatile organic compounds (VOCs), and particulate matter (PM) involves tracking and reporting based on emissions inventory and permitted amounts. We gather the data for these emissions from the inventory and permit documents.

Emissions Reduction Efforts

Howard Energy is actively taking steps to reduce our emissions. On the Scope 1 front, we have installed methane monitoring systems at many of our field locations to get real-time measurement and detection of methane leaks. This effort will continue in 2023 to include facilities at our more remote sites as well. We continually explore the use of innovative ideas to be more emissions conscious, such as new compressor technologies that are currently under review. To reduce emissions, Howard Energy has had a pollution prevention plan in place since 2021 and builds our facilities with emissions reduction in mind, including the use of dual drive compressors, smokeless flares, thermal oxidizers, and vapor recovery units. We have an LDAR (Leak Detection and Repair) program to identify leaks at our facilities, which includes an FLIR (Forward-Looking Infrared) camera to detect emissions not visible to the naked eye. This program goes above and beyond the permitting requirements and is conducted quarterly by a third-party.

Reducing Methane Intensity Amidst Growth



WE PERSISTENTLY EXPLORE THE USE OF INNOVATIVE IDEAS TO BE MORE EMISSIONS CONSCIOUS

ENVIRONMENTAL IMPACT

Howard Energy has taken proactive measures in its commitment to protecting the environment and the health and safety of all stakeholders involved in our operations. This includes employees, neighbors, contractors, and the environment itself. We recognize that the health and well-being of humans are closely tied to the environment and the ecosystem services it provides, such as clean air, water, and protection from natural hazards. We believe that protecting the environment and promoting biodiversity is not just a corporate responsibility, but also good business.

Environmental Impact

Water Management

Materials & Waste Management

Energy Management

Environmental Supply Chain Management

ENVIRONMENTAL IMPACT

In 2022, we finalized our Biodiversity Guidance Document, which outlines our approach to minimizing impacts on animal species, wetlands, and historical sites. This guide considers factors such as routing and site location when planning new projects. When not required by permit, we will still perform environmental studies to ensure that our operations are environmentally responsible. Employee training was provided at the time of implementation of our Biodiversity Guidance and will be ongoing. Biodiversity supports habitats for all species by providing many unique environments in which they can exist and provides or supports the core benefits that humans derive from their environment. Biodiversity is fundamental for the provision of ecosystem services, including food, fuel, and materials, and provides numerous other natural benefits such as recreation, culture, and aesthetics. Biodiversity is a major focus for us this year and moving forward, and the formalized guidance document demonstrates Howard Energy's commitment to preserving the natural world and promoting sustainability.

Howard Energy operates according to numerous environmental standards in the local jurisdictions where we have assets and strives to reduce its environmental footprint through mindful and responsible practices. We work with state regulators to reduce our impact on ecosystems and species. During construction projects, we try to avoid protected conservation areas and endangered species habitats. If operating in these areas is necessary, we take measures to reduce the impact and use an Ecosystem-Based Management (EBM) approach to achieve sustainable use of the ecosystem goods and services.

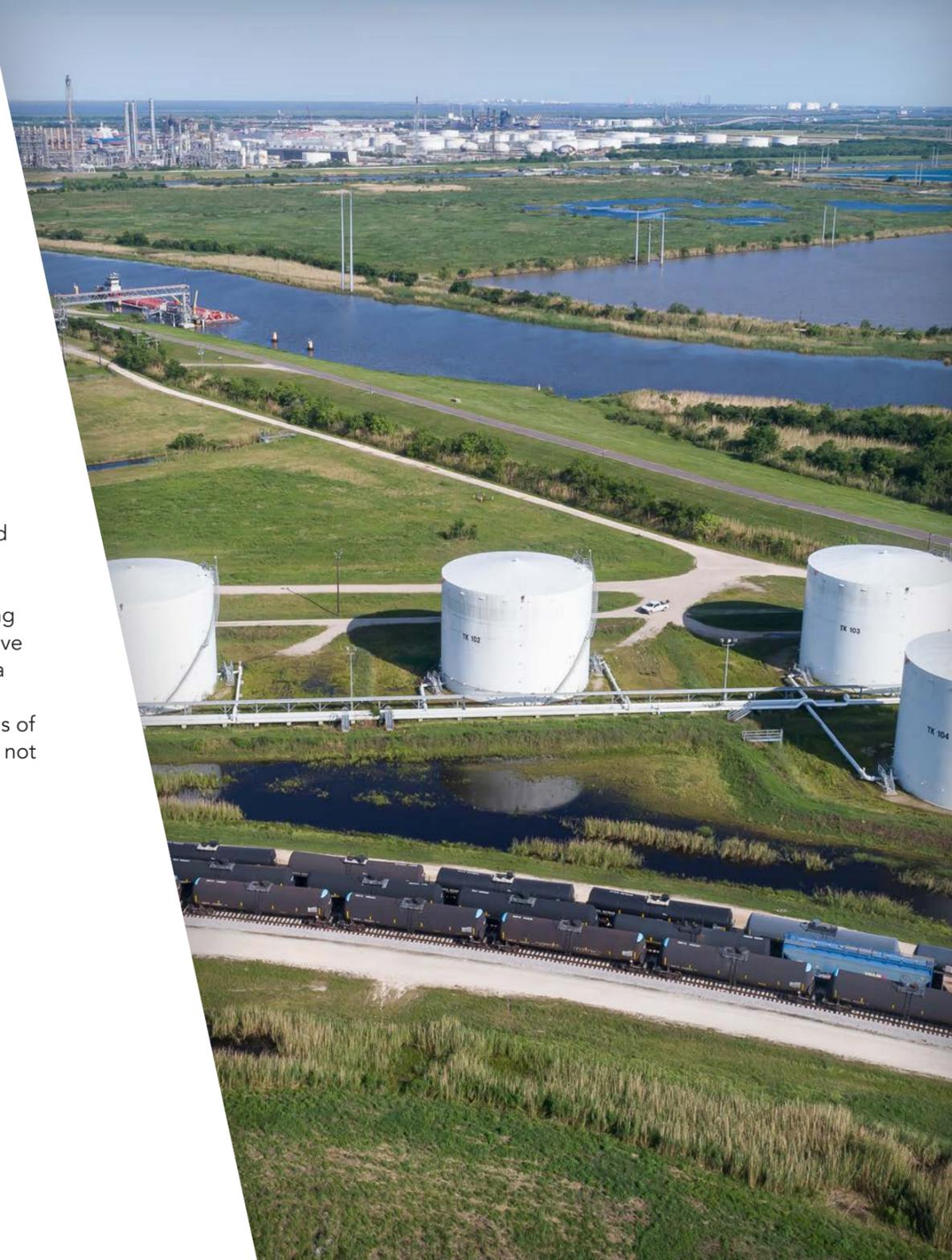
Howard Energy pursues strong relationships and works closely with the local community to mitigate the impact of our operations on crops, water supplies, soil, air quality, and noise levels. We also aim to leave the area in better condition than it was initially through practices such as seeding Rights-of-Ways with native grasses, planting trees for reforestation and restoring stream banks. Other practices in our northeast operating area include rebuilding gestation areas for rattlesnakes and enhancing the fish habitat to help spawning. In Pennsylvania our environmental team has even coordinated with the Pennsylvania Fish and Boat Agency on local educational tours and cadet classes. Howard Energy is also active in the development of a new permit processes within the Pennsylvania Department of Environmental Protection. Howard Energy has also implemented its "Dark Skies" initiative in West Texas, which reduces light pollution by modifying the light practices at our facilities.

Howard Energy has developed local spill response plans that are specific to each operating area and type of operation. These Facility Response Plans (FRP) outline the steps that should be taken in the event of a spill, ensuring a thorough and timely response. The effectiveness of these plans is regularly reviewed and audited by several federal agencies, such as the EPA, the U.S. Coast Guard, the Pipeline and Hazardous Materials Safety Administration (PHMSA), and the General Land Office. This demonstrates Howard Energy's commitment to protecting the environment and ensuring that our operations are safe and sustainable.

Howard Energy pursues strong relationships and works closely with the local community to mitigate the impact of our operations on crops, water supplies, soil, air quality, and noise levels.

We also have Emergency Response Plans (ERP) in place to handle any potential leaks or hazards that may arise at our pipeline or gas processing facilities. The ERPs outline procedures for responding to leaks or hazards on the pipelines and are reviewed annually by PHMSA and the Railroad Commission of Texas. The Emergency Action Plans (EAP) provide guidance on quickly, safely, and effectively responding to emergencies at the gas processing facilities and are reviewed and audited by the Occupational Safety and Health Administration (OSHA). Additionally, the Spill Prevention, Control, and Countermeasure Plans (SPCC) serve as reference for oil storage information, testing records, and communication practices for preventing and responding to spills, and well-being of the environment, employees, contractors, and surrounding communities.

Going beyond the plans in place, we provide annual training for all employees on the emergency response plans and have an Incident Management Guide application that serves as a resource for operators and emergency response personnel during response procedures. The app includes all provisions of the emergency response plans and more specific scenarios not required by regulations.



Water Management

Howard Energy is dedicated to preserving water resources and managing our water usage. At natural gas processing plants and compressor stations, water is used during the compression phase and then recycled at certain points to reduce overall usage. Our facilities are designed to generate minimal water during routine operations.

Currently, only one facility, Javelina, requires water use and treated discharge. We are in the process of implementing a more robust water management plan that will augment our policies and procedures for monitoring water consumption, tracking usage, and reporting data.

Materials and Waste Management

We are dedicated to developing a robust waste management system that includes evaluating and applying new methods to minimize waste and recycle where possible. To achieve this goal, Howard Energy is implementing initiatives to create a recycling program through market commodity analysis, and to minimize waste through inventory control, recycling evaluation, and improvements to maintenance and operations procedures.

Furthermore, we have established pollution prevention plans and waste minimization processes that are being integrated into all of our facilities. These efforts are aimed at creating a more sustainable future and reducing our impact on the environment.





Employee Tour of Live Oak Facility, August 2022

Energy Management

Howard Energy's approach to energy management focuses on improving efficiency and utilizing renewable energy sources when economically feasible. We track energy use and calculate the consumption of electricity and natural gas. Over the past few years, we have seen an increase in our energy use as several processing facilities were added due to our growing business. These facilities are vital for reducing emissions and recycling hydrocarbons in major industrial areas, where a significant amount of them would otherwise be flared.

In an effort to be more energy conscious, we achieved 100% renewable energy use at our Oklahoma operations and are interested in purchasing renewable energy certificates in more locations.

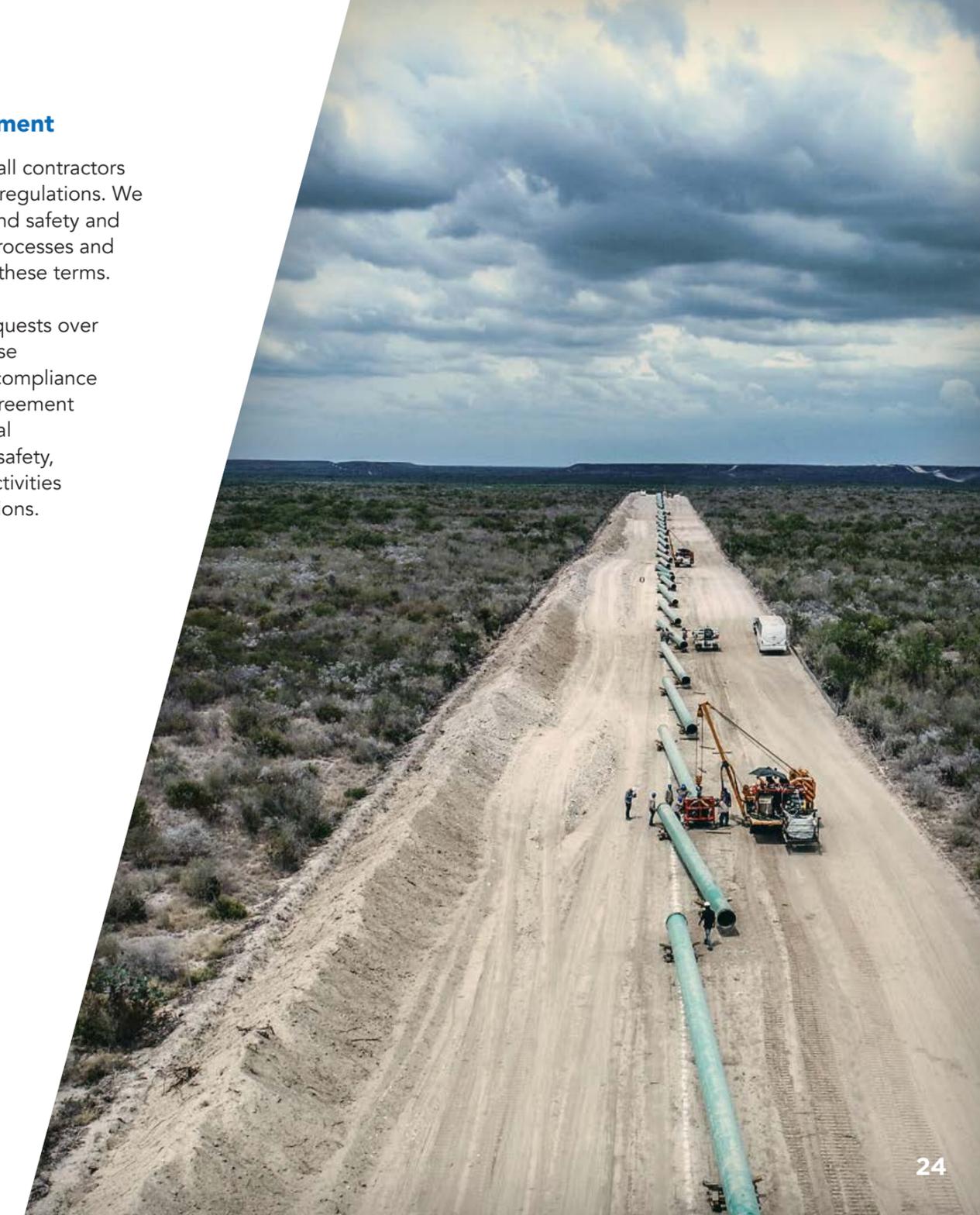
Howard Energy plays a crucial role in helping to stabilize the Texas power grid. Our dual-drive compressors have the ability to run on either electricity or fuel gas, which can be important for reducing the load on a largely renewable-sourced power grid. During periods when the power grid is overloaded, the dual-drive compressors act as a stopgap, offsetting the reliability of renewables. Although the Scope 1 emissions may increase during these phases, the dual-drive compressors provide much-needed support for the grid.

Overall, Howard Energy is committed to reducing our impact on the environment through efficient energy management and the implementation of environmentally conscious initiatives. In that vein, we also plan to build a new gas plant in South Texas that will have dual-drive compressors with the same management.

Environmental Supply Chain Management

Howard Energy is committed to ensuring that all contractors and suppliers follow safety and environmental regulations. We ensure regulatory and compliance standards and safety and environmental policies through supply chain processes and master agreements with suppliers that outline these terms.

We competitively bid material supply chain requests over \$100,000 to ensure competitive pricing, and use IS Network to vet contractors and track their compliance with company policies. The master services agreement (MSA) contracts set standards for environmental compliance, waste disposal, project clean-up, safety, and regulatory compliance, ensuring that all activities are in line with local, state, and federal regulations.



HOWARD ENERGY'S LOW CARBON PROJECTS

As a private company, Howard Energy is able to focus on creating long-term value, including making profitable investments in low-carbon space. To this end, Howard Energy has a venture arm focused on low-carbon investments. Howard Energy's strategy is centered around producing the energy the world needs, opening new energy markets, solving hard energy problems, venturing into new energies, and communicating the challenges of energy. Our strategies also include putting ourselves in the way of good fundamentals, knowing our customers, and where our customers spend their money, recognizing that new ventures often require innovative structures.

Howard Energy has several low carbon ventures projects underway with a significant amount of permitting completed in 2022 to prepare for operations in 2023.

The Diamond Green Diesel (DGD) Project

The Infinium Project

The Coastal Bend CO2 Capture & Sequestration Project



THE DIAMOND GREEN DIESEL PROJECT

The Diamond Green Diesel (DGD) project involves a 470 million gallon-per-year renewable diesel production facility at Valero Energy Corporation's Port Arthur refinery in Texas. The facility is a 50/50 joint venture between Valero Energy Corporation and Darling Ingredients Inc. Howard Energy has executed long-term agreements with DGD and has expanded its Port Arthur terminal facilities to support the DGD plant. Howard Energy is providing logistic solutions for renewable diesel feedstock and finished product through the construction of 575,000 barrels of tank storage, three pipelines, seven miles of rail track, truck unloading facilities, and a Panamax-class-capable deep-water dock.

The estimated cost of construction for the DGD plant is \$1.45 billion. Howard Energy's Port Arthur facility includes 1.9 million barrels of refined product storage capacity, 16 miles of rail track with unit train and manifest service from two railroads, three barge docks, two ship docks, and pipeline connectivity to local refiners and major refined product distribution hubs.

in partnership with





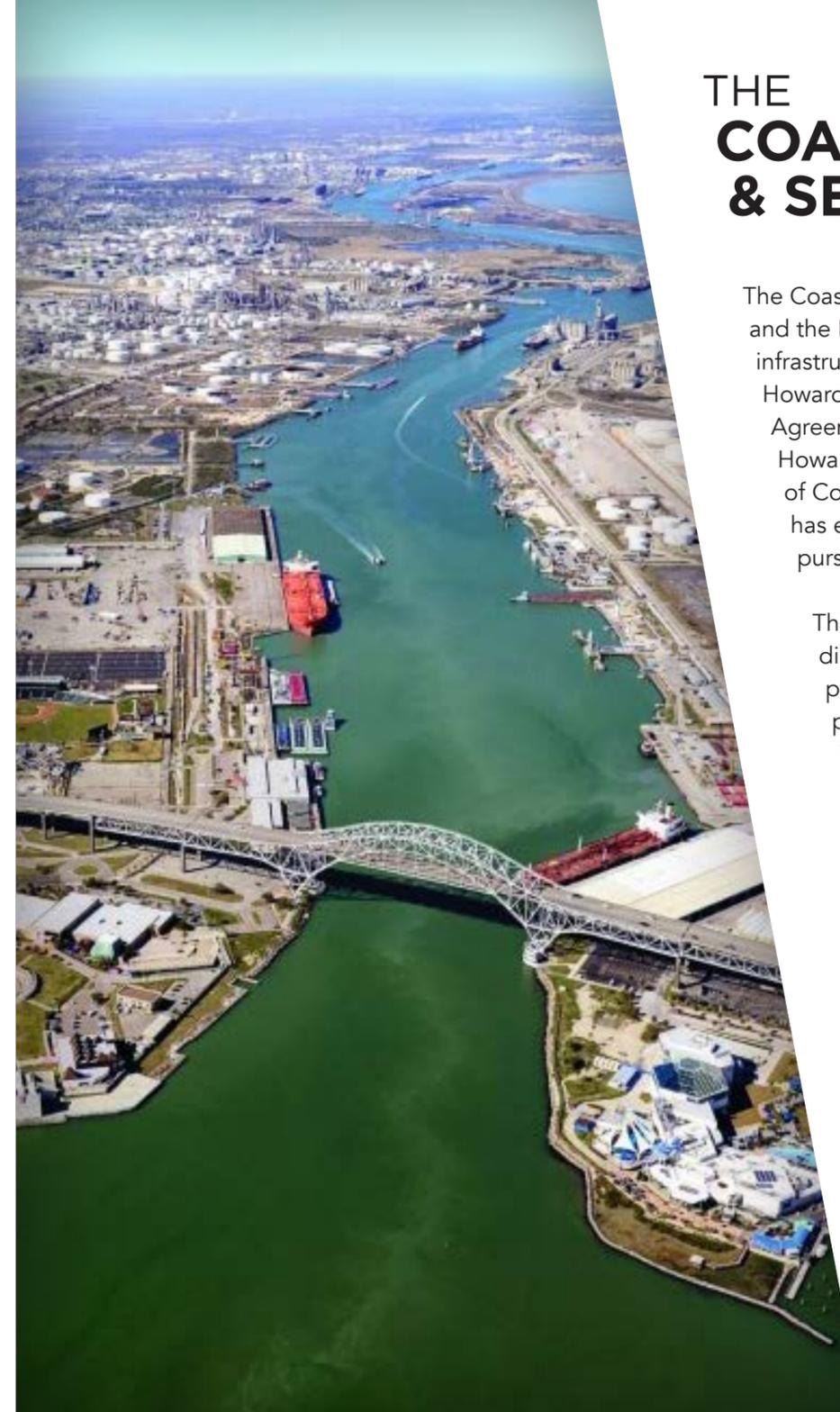
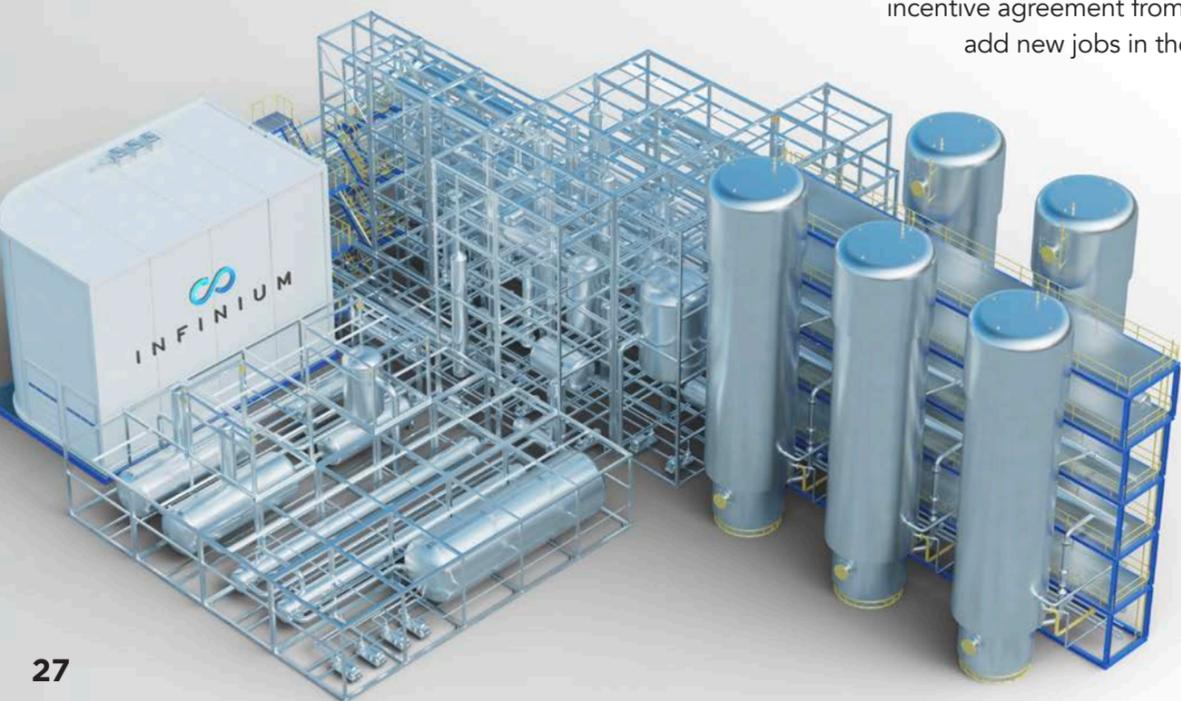
INFINIUM™

THE INFINIUM PROJECT

Howard Energy's Infinium project is a clean fuels initiative that is being developed in Corpus Christi, Infinium is constructing an electrofuels project next to Howard Energy's Javelina off-gas recycling facility. Howard Energy will supply waste carbon dioxide (CO₂) to the Infinium project company as feedstock for the creation of Infinium Electrofuels. These electrofuels will be made using CO₂ waste and renewable power-derived green hydrogen, which will result in ultra-low carbon liquid transportation fuels that can be used in today's planes, ships, or trucks without changes to existing infrastructure engine designs.

These electrofuels will significantly reduce greenhouse gas emissions compared to traditional fossil-based fuels. The facility will initially focus on producing the electrofuels that Amazon has contracted to power its Middle Mile fleet with ultra-low carbon electrofuels beginning in 2023. The Infinium project is also collaborating with Howard Energy on expansion opportunities around the Port of Corpus Christi. Each large-scale electrofuels facility has the potential to mitigate more than 300,000 tons of CO₂ per year. The project has received a tax incentive agreement from the Corpus Christi City Council and is expected to add new jobs in the Corpus Christi area.

Carbon dioxide and green hydrogen are fed into the proprietary Infinium production process to convert these products into liquid fuels resulting in ultra-low carbon Infinium eSAF, Infinium eDiesel, Infinium eNaphtha and other products



THE COASTAL BEND CO₂ CAPTURE & SEQUESTRATION PROJECT

The Coastal Bend project is a partnership between Howard Energy, Talos Energy Inc., and the Port of Corpus Christi Authority. The CO₂ capture and sequestration infrastructure will be located on the Port of Corpus Christi Authority's property which Howard and Talos have secured under a long-term Carbon Dioxide Sequestration Agreement. Talos brings subsurface and sequestration abilities to the partnership, while Howard Energy will provide transportation infrastructure needed in the effort. The Port of Corpus Christi Authority is committed to proactive environmental protections and has entered into an option agreement with Talos Energy Inc. and Howard Energy to pursue commercial carbon capture and sequestration opportunities at the port.

The project's initial goal is to sequester 1 million to 1.5 million metric tons of carbon dioxide (CO₂) per year, and based on concept success and market demand, the project may expand to sequestering 6 million to 10 million metric tons of CO₂ per year. The project's goal is to help reduce the carbon footprint of the local industry in the Coastal Bend region, which is estimated to generate around 20 million metric tons of CO₂ per year. The three parties plan to identify and grow potential CCS projects on port-owned property during a nine-month evaluation period. Following the evaluation period, the project will move into the construction and operational phases, with the goal of achieving commercial operation by the end of 2024.

in partnership with

TALOS
ENERGY



ENVIRONMENTAL, HEALTH & SAFETY (EH&S)

We are committed to maintaining a safe and healthy working environment for our employees, while also minimizing any negative impact on the environment and local communities. We strive to continually advance our environmental, health, and safety record in all aspects of our operations.

At Howard Energy, we take our environmental, health, and safety (EH&S) responsibilities seriously, both as a corporate responsibility and as good business practice. We have standards in place that incorporate EH&S considerations into all company decisions. Our employees are trained on their individual responsibilities and overall firm level EH&S objectives. We work to reduce our environmental footprint and plan projects with consideration for people, wildlife, and the land, water, and air. We believe that responsible stewardship is not only a requirement, but also an investment with a financial return. Periodic assessments are conducted to ensure compliance. We recently brought in a third party to provide training that prepared our Directors, Managers, Supervisors, EHS and Lead Operators on how to respond to an incident, unify command with emergency responders, mitigate the hazard and address the media.

Our Culture of Safety

EH&S Management System

Contractor Management

Our Culture of Safety

Howard Energy is committed to fostering a culture of safety across all its assets. To achieve this, we actively engage in pre-job safety meetings, job safety analysis, and the auditing of contractors working on-site. Our safety culture is supported by a strong chain of command, starting with corporate-level leaders, and culminating with our Chief Operations Officer. Policies and procedures are implemented at all levels and are regularly updated to ensure compliance with all relevant laws and regulations.

Using a combination of computer-based, instructor led, and on the job training, we ensure every employee receives the instruction they need to implement our safety expectations. In fact, all employees must sign off on the safety policies and procedures with an average of 10 hours of training per year related specifically to the policies. In addition, emergency trainings are completed annually along with job-specific and site-specific trainings, culminating in approximately 30 hours of training per employee each year. Part of our firm culture revolves around safety with a monthly safety meeting and campaigns like "Stop, Think, Execute" and of course, our mantra, "Do the next right thing." Our quarterly town hall meetings always start with a message about safety and acknowledgment of our latest safety accomplishments.



We are committed to maintaining a safe and healthy working environment for its employees, while also minimizing any negative impact on the environment and local communities.



Emergency Response Training,
December 2022

EH&S Management System

Howard Energy operates multiple OSHA Process Safety Management (PSM) facilities. One of our biggest initiatives in 2022 was related to policies and procedures around mechanical integrity (MI). As facilities age, we believe it is a safety concern to overlook upkeep and maintenance. We now have a position whose responsibility includes mechanical integrity. Howard ensures chemical safety is maintained by complying with all regulations regarding the handling and storage of hazardous substances and maintaining proper Safety Data Sheets (SDS) for all chemicals on-site. Lastly, EHS Insight is our management software which allows us to collect and monitor data at the field level, pinpointing areas for improvement and leading to a reduction in hazards.

The company also has a reporting hotline and a digital platform, HEPConnect, in place to ensure that any workplace injuries, accidents, or illnesses are reported immediately and documented appropriately. Our commitment to safety is deeply ingrained in its culture and is regularly reinforced through various campaigns and company-wide meetings, which communicate the importance of safety and the roles and responsibilities of employees in maintaining a safe work environment. That program is not only desktop – it's also on a mobile app. Employees report incidents and near misses from their phone.

Contractor Management

Contractors hired by Howard undergo a strict vetting process before they are selected, which includes confirming proper insurance and compliance status. These contractors then receive Howard's training through the third party we use to on-board them and are required to meet our work standards or we will discontinue their contract, even if it means delaying a project. Safety is of paramount importance. Depending on the asset, PPE is required along with an understanding of how to work with right equipment, at heights in some situations. Our lead operators, supervisors and construction crews all run through constant spot-checks or inspections to make sure processes are meeting our standards.

HUMAN CAPITAL MANAGEMENT

At Howard Energy, we are a team of driven individuals powering communities and businesses through clean, reliable energy. We come to work every day with purpose and a shared mission to improve people's quality of life. We foster growth and development through leadership training, community programs, and career advancement opportunities, empowering our team members to pursue their passions, develop their skills, and make a meaningful contribution to society.

Recruiting Top Talent

Retaining our Talented Employees

Providing Opportunities for Career Development

Diversity, Equity & Inclusion (DEI)





Summer 2022 Interns

Recruiting Top Talent

Howard draws top talent from a variety of sources and initiatives, including promoting movement within the company, the use of third-party executive search firms, online recruiting services and a summer internship program. As job openings become available, the description and application process are posted both internally and externally with a target geographic area that includes all zip codes close to where we operate. This facilitates interest from a broad range of applicants and ensures an inclusive search for talented professionals with a diverse set of backgrounds and experiences.

Where possible we attempt to hire and promote from within the firm, as we believe our current employees deserve the chance to pursue their interests and goals while adding value to the organization through applicable company knowledge. In fact, many of our mid to higher level positions have had proven success with internal candidates that thrive in their new or expanded responsibilities. We also encourage existing employees to participate in the recruitment process by offering a referral bonus for successful hires. Summer internship programs throughout the organization foster an ongoing channel of qualified candidates with potential for full time employment offers. These programs begin with recruiting at the college level through career fairs at campuses in areas where we operate, and most recently included: Texas A&M, Texas Tech, UTSA, and Texas A&M Kingsville.

The students have opportunities to discover a match through engineering, finance and accounting curriculums for example. In 2022, we identified four university career fairs to participate in and completed a formal three-month internship program with selected candidates receiving hands on business training, mentoring and the opportunity to truly get to know what it would be like to work with us full time. Howard has extended employment offers to many of our interns over the years who are now outstanding full-time employees. Based on the success, next year's summer program is also planning to include added disciplines going forward like Geographic Information Systems (GIS) and Information Technology (IT) focused roles.

Retaining our Talented Employees

Having been recognized as one of San Antonio's Top Workplaces every year since 2013 is a true testament to our employee satisfaction. We celebrate this 10-year accomplishment through a sincere thanks to our people, who will always be our most valuable asset. Howard Energy leadership teams strive to hear everyone's questions, concerns, and comments and to give everyone a voice in our culture and planning for the future. We dedicate resources to surveying Howard Energy employees internally and this year achieved a participation rate over 92%. The overall feedback and any questions submitted for review are then presented and addressed at our quarterly all-company town hall meetings.

To attract and retain top talent, Howard Energy provides an extensive benefits package to its employees, including time-off benefits, such as vacations, holidays, as well as benefits such as health insurance and other plan benefits. These policies have been developed over the years and continue to be refined to keep up with changing times and needs. Through peer benchmarking analysis we confidently maintain a high level of benefit offerings. Howard Energy increased its matching 401(K) program in 2022 and added a floating holiday for employees to use on a day that is most important to them. Another change this year is a higher level of 100% paid short-term disability coverage. We also offer our employees volunteer hours so that they can give back to the local community and some great perks like

Corporate Family Memberships to the Witte Museum. Howard Energy proudly offers a parental leave plan that allows both birthing and non-birthing partners to have four weeks of time off at 100% pay following the birth or adoption of a child. These four weeks allow our employees time to bond and adjust to life with a new child. When used in conjunction with sick leave and short-term disability, this allows for up to twelve weeks of paid time off for the birthing parent. For those seeking assistance in starting a family, Howard Energy has partnered with Carrot Fertility, an inclusive family-forming company that supports our employees in all paths to parenthood. Carrot Fertility ensures all employees get the care and help they need. In addition to Carrot Fertility, Howard Energy has added Fertility coverage to our Blue Cross Blue Shield health benefits plans to ensure all employees get the help they need if and when they choose to start a family.



San Antonio's Top Workplaces 2022



Providing Opportunities for Career Development

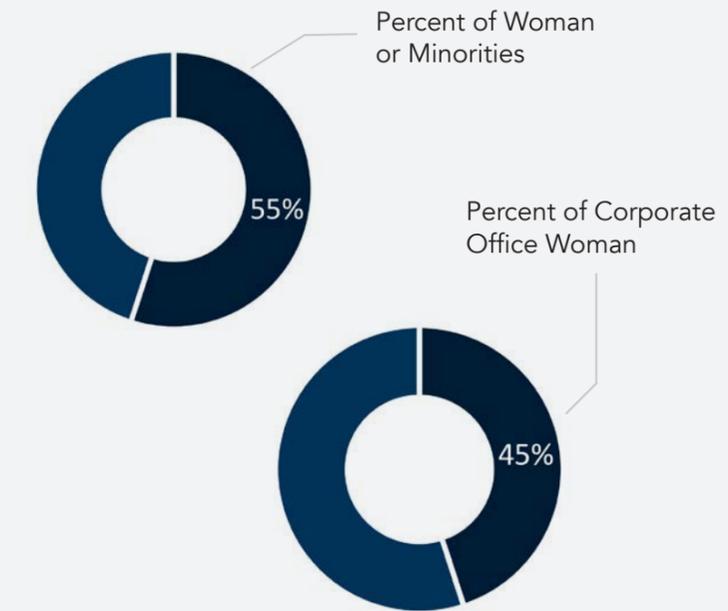
Howard Energy provides skills training for the career development of its employees. This training is offered to all company employees and runs the gamut from basic on-the-job training, to attainment of industry certifications. Howard Energy also provides multiple levels of leadership training, from basic supervisory skills for our new supervisors, to practical organizational leadership skills for our managers. Employees at Howard Energy have the opportunity to discuss career goals and job/workplace related needs at periodic intervals during performance reviews. In general, requests to participate in job-related conferences, classes or other continued education is applauded within the firm and supported with budget approval or paid reimbursement.

Last year, we launched a learning management system that is connected to our HR Information System. It has courses ranging from learning to use MS Office applications to leadership development topics and is available to all employees to help them improve on both soft and technical skills. This includes a path of progression with milestones that track employee training and development. We have leveraged the Stagen Leadership Academy to provide their 12 week Foundational Leadership Course to exemplary employees nominated within Howard by management.

Additionally, Howard Energy has an "Invest in our People" initiative designed to help new employees that might not have oil and gas experience, to better understand our business and to connect the corporate and field employees in a fun team event. As an example, a group of employees from our corporate office in San Antonio traveled to Corpus Christi to tour the Javelina facility and meet with employees there. The group on this trip also drove by our Maverick Terminals facility on the other side of the ship channel to understand how that facility works too. This is a great way to connect our people while providing meaningful experiences that enhance skill sets.



Company-wide Representation



DIVERSITY, EQUITY & INCLUSION (DEI)

Howard Energy has adopted an official DEI policy that formally documents our ongoing initiatives around fostering, cultivating, and preserving a culture of diversity and inclusion. Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well. As an organization that attends diversity focused career fairs and partners with diverse nonprofits, we enjoy being a part of inclusive networks. Some of the DEI goals we have developed are a result of conversations at company and industry events like these.

A few examples of this were adding the floating holiday and assuring our values are communicated to all employees with the addition of playing a role in our performance reviews.

Howard Energy provides equal employment opportunities to all employees and applicants without regard to race, color, religion, sex, national origin, disability, age, genetics, marital status, veteran status, sexual orientation, gender identity, or any other characteristic protected by applicable federal, state or local laws. Howard Energy is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

COMMUNITY INVOLVEMENT

Howard Energy and its employees consistently prioritize community engagement and demonstrate a commitment to giving back. Employee volunteerism is encouraged at Howard Energy and supported by our policy of 16 paid volunteer hours per year. Departments and individuals have the option to indicate causes they are passionate about and pursue volunteering or fundraising opportunities, with the full support of senior leadership.

We actively support the community through various philanthropic endeavors, including building homes with Habitat for Humanity, funding STEM Scholarships with San Antonio Pipeliners Association, supplying schools in need through back-to-school drives, donating to Texas Foster Care for children's Christmas gifts, and volunteering for beach cleanups. Some of our community highlights from 2022 are listed below.

Elf Louise Christmas Project - Toy Stockers

Annually in November, employees from our San Antonio office have the chance to deliver positive energy by going out and volunteering with Elf Louise. The Elf Louise Christmas Project provides a little bit of joy to San Antonio's less fortunate children. The first event entailed spending time helping to unbox and sort the many toys they receive into age-appropriate locations.

Golfing for a Good Cause

Howard Energy hosted its inaugural United Way Charity Golf Tournament this past year benefiting the United Way of the Coastal Bend. It took place in Corpus Christi and allowed outside donations from vendors and companies in the local region to join in. We hosted over 240 golfers and had well over 60 volunteers and support staff help with the tournament. Our main goal for the tournament was to give back to the coastal bend community and

we did that with huge success. We raised over \$50,000 that will directly impact families and individuals in the coastal bend that are in need. The United Way of the Coastal Bend believes that every young person should have a quality education, every family should have a decent job that pays the bills, and that every child and adult should be able to live a healthy and thriving life.

Back to School Drive

This year we were able to deliver positive energy in the form of school supplies to the 4th-grade classes at Burke Elementary and the Pre-K classes at Carlos Coons Elementary. To top off this already big surprise to the teachers, we wanted to make sure that they received something special for themselves. We were able to provide them with bulletproof backpacks filled with various supplies that they typically have to purchase themselves.

In addition to our golf tournament, we support The United Way through its Shoebox Project - an effort to provide shoeboxes filled with everyday toiletries to be distributed to many of the United Way nonprofit partners.

Howard Energy gets involved with the Texas Cavaliers River Parade events, which provide funds for scholarships, during the San Antonio Fiesta by purchasing block of tickets for employees and their immediate families to enjoy.

Emergency Planning

Howard Energy supports emergency planning in local communities through participation in local emergency planning committees and use of reverse alert systems. These systems promptly notify residents of potential threats such as natural disasters, industrial accidents, and evacuations via informational messages.



INVOLVEMENT IN COMMUNITY ORGANIZATIONS

Howard Energy partners with various industry organizations to advance its operations and support initiatives: Women's Energy Network - South Texas, Texas Pipeline Association (TPA), Permian Basin Association of Pipeliners (PBAP), GPA Midstream, International Liquid Terminals Association (ILTA), San Antonio Pipeliners Association (SAPA), and Permian Basin Petroleum Association (PBPA). These partnerships involve financial support, active employee participation, committee work, advocacy, and industry updates. They also aim to enhance the growth and development of the energy industry.



We are pleased to be a sponsor for the non-profit, Midstream America Scholarship Fund (MASF), which provides scholarships to deserving second, third, fourth or fifth-year college students pursuing a bachelor's or graduate degree in math, science, or engineering.



Howard Energy has a representative on the fundraising committee of the American Petroleum Institute (API) San Antonio Chapter, which raises funds annually for STEM college scholarships through an endowment to local universities.



We are members of the Greater Port Arthur Chamber of Commerce and attend events with employees from our new facility in Port Arthur. We engage with the community through industry trade shows and answer questions locals may have about our operations.



Howard Energy donates to the forum on entrepreneurship at Saint Mary's University Greehey School of Business.



Howard Energy partners with Women's Energy Network - South Texas with financial support and active employee participation in educational and networking events. Women in Energy aims to connect and empower women in energy industry by providing career resources, networking and mentoring, promoting education and overcoming industry obstacles.



The Texas A&M University Kingsville - Port Industries Consortium was developed to foster close cooperation between the Frank H. Dotterweich College of Engineering at Texas A&M - Kingsville and the local industry. Howard Energy has a board representative.

Awards Received In 2022

West Texas Dark Sky Initiative: Howard Energy recognized as Night Sky Friendly in West Texas by the McDonald Observatory and Texan by Nature

GPA Midstream, GPSA Safety Awards: Howard Midstream Energy Partners' won the Perfect Record Award. This award recognizes members with no lost time incidents in 2021.

International Liquid Terminals Association (ILTA)'s Safety Excellence Award: The Howard Energy Partners Maverick Terminal Team was awarded the International Liquid Terminals Association (ILTA)'s Safety Excellence Award for our outstanding safety record! Howard Energy Partners-Maverick Terminals has made the list of a few elite members of ILTA to receive this recognition.

UP (Union Pacific) Pinnacle Safety Award for 2021 awarded to Port Arthur/Omniport

KCS (Kansas City Southern) Hazardous Material Shipper Safety Award for 2021 awarded to Maverick Terminal Corpus Christi



GOVERNANCE

At Howard Energy, we believe strong corporate governance is critical to the success of our business and we are grateful to share that responsibility with our majority owner, Alberta Investment Management Corporation (AIMCo). In 2022, AIMCo increased its partnership with us through an additional acquisition of ownership interest in our company, which aligns with its infrastructure energy transition strategy.

Together with AIMCo, we maintain a board of directors with Mike Howard serving as the chair and supported by an experienced group of senior executives coordinating on values, philosophy, strategy, and policies.

■ Oversight of ESG

■ Compensation

■ Ethics

■ Anti-Bribery & Anti-Corruption

■ Whistleblower Policy

■ Risk Management

■ Business Continuity Planning

■ Cybersecurity and Data Privacy

■ Management of the Legal & Regulatory Environment

■ Involvement in Trade Associations

GOVERNANCE

Oversight of ESG

Strong ESG performance is a priority of Howard Energy's board of directors and executive management. Howard Energy's board of directors and management are committed to maintaining strong corporate governance practices that allocate rights and responsibilities among the board, management and investors in a manner that benefits the long-term interest of stakeholders.

Five senior executives including our Chief Executive Officer, General Counsel, Chief Financial Officer, Chief Operations Officer, and Chief Commercial Officer provide an interlocking structure with the Board of Directors to support Howard Energy's ESG efforts and sustainability reporting. From ethics and compliance to renewable energy and CCUS, this team works collaboratively on all aspects of an ESG dedicated approach to create value and long-term benefits for all stakeholders. As we stated in our 2021 ESG Report, we continue to focus on financial strength and flexibility, safe and

Compensation

Every year, our executive management meets to review the merit raise and promotion cycles of the company. The board has direct oversight over the compensation of the senior executives. Howard Energy currently incorporates ESG metrics and performance into our incentive compensation plans across all levels of the company. Achievement of certain ESG goals are one of the three factors weighed by the board in determining the annual employee bonus pool. Company performance towards its EH&S goals typically determine about 10% of the bonus pool funding. Further, managers evaluate individual performance on EH&S objectives when determining individual bonus payments from the pool.

environmentally responsible operations, and ethics and compliance promote long-term business sustainability.

Our board of directors described above receives communications and updates on ESG-related topics at each quarterly board meeting. Discussions may include EHS considerations like spills, OSHA injuries and preventable vehicle accidents, though the board itself does not determine or set any specific ESG imperatives. Every year, our executive management meets to review the merit-based raises and promotion cycles of the company in addition to evaluating departmental bonus allocations. This process is done collectively by the executive management team with the board maintaining direct oversight of the senior executives' compensation.

Ethics

Howard Energy's commitment to ethical behavior is captured in our core value of "Do the Next Right Thing". Whether in relations with customers, vendors, employees or regulators, ethical behavior is an ongoing requirement when interacting with all of our stakeholders. Ethical behavior is a continuing requirement and not just a one-time event or action or something to be done when someone is watching. The character of our company is reflected in all of our actions and decisions, both the big and the small, the public and private.

Howard Energy utilizes several firm level policies in documenting its governance practices. Our Employee Handbook, for example, covers topics that not only spell out the many benefits available to our employees, but also clearly details our high standards of conduct and ethics. This handbook is periodically reviewed and updated to include new initiatives and rolled out to all employees for acknowledgment through our company intranet.

Employee trainings are conducted on a regular basis with content related to subjects that are covered in significant depth like our Foreign Corrupt Practices Act (FCPA) guide and antitrust policies. Our Code of Conduct is included in the Employee Handbook. We require all operations to be conducted with the highest standards of business ethics and in compliance with all applicable laws and regulations, both domestic and international.

Anti-Bribery & Anti-Corruption

At Howard Energy, practices to mitigate the risk of bribery, corruption and boycott are in place within the company as well as along the value chain of our suppliers and customers. Additionally, it is company policy that Howard Energy funds or assets should not be used to make a political contribution to any political party or candidate, unless prior approval has been given by the Legal Department.

Whistleblower Policy

We comply with all applicable whistleblower regulations. Our employee handbook contains written policies preventing retaliation for reporting violations and harassment. Howard Energy also has a code of business conduct and ethics that directs employees to report any violations of laws, rules, regulations, or company policies.

The code of business conduct and ethics prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help, or filed a report will be subject to disciplinary action, including potential termination of employment.

If an issue is suspected, employees are encouraged to report the issue to their superior, to the legal team, or through anonymous reporting avenues. We provide a hotline through EthicsPoint for anonymous reporting of any suspected misconduct should an employee prefer not to speak with their superior or the legal team. Within this context, we comply with all applicable whistleblower regulations. Howard Energy does not under any circumstances allow retaliation against individuals who raise issues or concerns. Our Human Resources department is vigilant about enforcing and upholding these workplace expectations and available to all employees for guidance as needed.

GOVERNANCE

Risk Management

Our risk management function safeguards the success of Howard Energy from all identified negative scenarios. We conduct biannual enterprise risk assessments in partnership with a third-party consultant. Our risk assessment methodology focuses on a set of risk rating criteria to calculate overall risk scores.

These criteria include:

- **Impact:** Amount of loss incurred as a result of a risk materializing. Scale includes several dimensions to reduce bias in responses.
- **Likelihood:** Probability that the risk will materialize if no action is taken. A range of percentages easily quantifies the probability of a risk materializing.
- **Velocity:** Speed at which impact from a risk event will affect the organization

Once risks are identified, plans are developed to mitigate those risks. Risk mitigation plans and tools are then communicated to operational teams, where employees receive risk management training and examples of risk-aware behaviors. We take great pride in providing our employees the tools to strike an appropriate balance between pursuing opportunities and avoiding risks. This is reflected in the latest risk assessment conducted by our third-party provider, which found that Howard Energy's risk culture is extremely strong in the area of awareness of steps to take to help manage risks in individual workflows.

Business Continuity Planning

Should risk become reality, Howard Energy develops business continuity and disaster recovery plans to allow for continued communication and continuity of significant operations. The company has multiple emergency and preparedness plans in place to resume business with minimum downtime and to ensure that businesses can remain operational through any event or disaster. These plans include; site specific emergency response plans, spill response plans, and other disaster response plans such as a Regional Hurricane Plan. These existing plans are drilled and updated annually. In 2023, we will be working with a third party to develop a formal Business Continuity Plan (BCP) with training for our corporate employees.

Cybersecurity and Data Privacy

At Howard Energy, we understand that Information Technology plays a crucial role in enabling our business operations and driving growth. However, with the increase in cyber threats, we recognize the need to be proactive in protecting our IT systems and ensuring the safety of our business and stakeholders.

To address these challenges, Howard Energy has implemented a comprehensive approach that leverages hardware, software, and processes to secure our assets. Our focus is not only on safe-guarding our physical and technological resources but also on enhancing business continuity and enhancing our disaster recovery preparedness. By securing our assets, we are strengthening our overall business strategy and positioning ourselves for continued success.

In 2022, we worked with an external third-party, TrustMarq, to undergo a cybersecurity assessment and develop a security roadmap. This roadmap was then implemented to address potential vulnerabilities and improve our overall security posture. During the first quarter of 2022, we conducted a penetration test of our network systems to identify any security gaps and implement remediation steps. Additionally, we utilized a third-party for physical penetration testing which produced actionable improvements for our building management to execute on.

To further protect our assets, we have also implemented Multi-Factor Authorization for all Howard Energy accounts, which helps prevent unauthorized access. We hold a cybersecurity insurance policy through Marsh with appropriate coverage for our business and leverage Arctic Wolf cybersecurity monitoring, which provides us with an additional layer of protection. We have not experienced any cybersecurity breaches that had an impact on customers or affected sensitive data.

We place a high value on confidentiality and take the security of sensitive information seriously. Our employees receive training and participate in mandatory quarterly cybersecurity awareness campaigns to ensure that they are mindful of the importance of keeping confidential information secure. Phishing exercises regularly remind us how to manage potential threats to the organization and keep technology safety top of mind. At Howard Energy, executive leadership is routinely updated on initiatives related to our cybersecurity and data privacy, such as formalizing new policies and updating existing policies. By taking these steps, we aim to provide a secure environment for our employees, clients, and vendors, and ensure that Howard Energy remains at the forefront of information security best practices.

MANAGEMENT OF THE LEGAL & REGULATORY ENVIRONMENT

Regulatory Compliance

Howard Energy is committed to being a responsible corporate citizen, insuring it is actively engaged with the communities where we operate and is viewed as a valued member of those communities. We feel that our robust compliance program reflects that commitment and in 2022 successfully completed 92 federal and state agency audits with no violations.

Employees with significant responsibilities in our international business transactions and activities have an additional responsibility to understand and comply with local laws. These employees are expected to have a working knowledge of the laws and regulations applicable to their activities.

Political Contributions & Lobbying

Regulatory environments are constantly evolving and establishing new plans for our industry. As such, our legal department is constantly monitoring regulatory impacts on Howard Energy and leverages outside counsel for added expertise. Federal and state contribution and lobbying laws limit the contributions we can make to political parties or candidates. It is our policy that company funds or assets should not be used to make a political contribution to any political party or candidate, unless prior approval has been given by the legal department.

In 2022, Howard Energy spent \$50,000 on lobbying. Public disclosures related to lobbying can be found on the U.S. House of Representatives website.

Employee Involvement in Political Processes

In general, all employees are encouraged to educate themselves and share information on proposed legislation that may present risks or opportunities for our operations. We also encourage its employees to participate in the political process as individuals and on their own time.

INVOLVEMENT IN TRADE ASSOCIATIONS

Our corporate community within Howard Energy is enthusiastic about partnering with the surrounding communities where we operate. We participate in industry events and organizations that also have direct access to regulatory resources. Below we share a list of current organizations that the company and its employees are actively involved in.

Texas Pipeline Association (TPA)



Texas Pipeline Association (TPA), the largest state trade association in the country representing solely the interests of the intrastate pipeline network, is the primary resource for information regarding the Texas pipeline industry. Howard Energy was involved in eminent domain reform, improve the safety of bulk storage terminal facilities, working groups during winter storm Uri.

Permian Basin Association of Pipeliners (PBAP)



The mission of the Permian Basin Association of Pipeliners (PBAP) is to advance pipeline engineering, operations, safety practices and education for the mutual benefit of the members and the industry. Howard Energy is a member of this association.

GPA Midstream



The GPA Midstream Association has been engaged in shaping the midstream sector of the U.S. energy industry since 1921: setting and adopting standards for natural gas liquids; developing simple and reproducible test methods to define the industry's raw materials and products; managing a cooperative research pro-gram that is used worldwide; providing a voice for our industry on Capitol Hill; being the go-to resource for a multitude of technical reports and publications; and so much more. Employees from Howard Energy serve on the environmental, natural resources, regulatory, pipeline safety, and safety committees.

International Liquid Terminals Association (ILTA)



Founded in 1974, the International Liquid Terminals Association (ILTA) is an advocate and key resource for the liquid terminal industry. With headquarters in the Washington, DC, area, ILTA advocates on behalf of the liquid terminal industry in Congress and at the federal agencies. ILTA also maintains close working relationships with other organizations that interact with the tank storage industry. Howard Energy participates in conferences, workgroups, and safety benchmarking. We also receive information on regulatory updates and best industry practices.

San Antonio Pipeline Association (SAPA)



Howard Energy was founding member and driving force behind growing the organization that provides scholarships for college students and charitable donations for our community. The San Antonio Pipeliners Association (SAPA) provides an opportunity for "peer-to-peer" networking for individuals involved in the pipeline and midstream industries. Monthly meetings are held at a local venue in San Antonio and include a time of networking, a buffet meal, and a speaker. With fund-raising events throughout the year, SAPA is able to provide scholarships to deserving second, third, fourth or fifth-year college students pursuing a bachelor or graduate degree in math, science, or engineering.

Permian Basin Petroleum Association (PBPA)



PBPA was formed in 1961 by a group of oilmen concerned about the federal government's growing regulatory role, the Permian Basin Petroleum Association has grown from fewer than twenty members to more than 1,000 member companies. The mission is to advocate for safe and responsible oil and gas development and to provide education on safety, legislation, regulation, and support services for the industry.

LOOKING FORWARD

We began our ESG journey with thoughtful objectives and a desire to always improve our performance across Howard Energy's business. Building upon the steps taken in our inaugural 2021 report, we not only learned more about our year over year advancements, but also gained valuable insight to paths for future objectives that are meaningful to our employees, partners and beneficial to the company's bottom line.

Our 2022 Sustainability Report showcases the same spirit Howard Energy projected last year, but uses a more formal presentation, expands on the topics covered, and dives deeper into the details to demonstrate our commitment and passion for best industry practices. Above all, our people are the foundation of Howard Energy that continue to execute a unified strategy and exceed goals.

Howard Energy will continue to deliver positive energy in 2023. This includes operating the Port Arthur Renewable Diesel facility, decarbonizing the Corpus Christi refineries off-gas streams, and implementing our carbon capture and sequestration projects. Howard Energy is expanding the use of methane monitoring equipment at natural gas gathering facilities and deploying leak detection equipment along the natural gas gathering systems. Wellness benefits and inclusive holiday options are being added as standard benefits for all employees. A full business continuity plan is being developed to address risks and potential threats and help Howard Energy recover and operate during an unplanned event.



“Howard Energy will continue to deliver positive energy in 2023.”

-Mike Howard
Chairman & Chief Executive Officer

APPENDIX A – DATA TABLE

	Unit	SASB	GRI Code	EIC/GPA	2020	2021	2022
Activity							
Annual Revenue	Million US \$				337	436	521
Number of Employees	#	EM-MM-000.B	GRI 2-7		305	353	357
Mile of Pipeline	Miles			EIC/GPA 1.3	1,218	1,229	1,294
Throughput Capacity	Bcf/d					3.9	3.9
Total Gross Throughput	MBOE			EIC/GPA 1.2	167,993	179,024	201,460
Gross Operated Oil Throughput	MBOE				63,027	55,663	65,071
Gross Operated Natural Gas Throughput	MBOE				104,966	123,361	136,389
Emissions Management							
Scope 1 GHG Emissions - Total	Metric Tons CO2e	EM-MD-110a.1	GRI 305-1	EIC/GPA 2.4.1	875,737	1,065,166	1,082,031
Scope 1 from Flared Hydrocarbons	Metric Tons CO2e	EM-EP-110a.2	GRI 11-1		9,149	18,213	45,917
Scope 1 from Combustion	Metric Tons CO2e	EM-EP-110a.2	GRI 11-1		472,929	618,677	686,962
Scope 1 from Process Emissions	Metric Tons CO2e	EM-EP-110a.2	GRI 11-1		383,723	408,711	327,307
Scope 1 from Other Vented Emissions	Metric Tons CO2e	EM-EP-110a.2	GRI 11-1		2,679	2,735	3,863
Scope 1 from Fugitive Emissions	Metric Tons CO2e	EM-EP-110a.2	GRI 11-1		3,561	4,320	3,226
Scope 1 from Methans Emissions	Metric Tons CO2e				1,811	2,612	1,860
Methane % of Scope 1 Emissions	%	EM-MD-110a.1	GRI 11-1	EIC/GPA 2.4.1.4	0.2%	0.2%	0.2%
Methane (CH4) Emissions	Metric Tons			EIC/GPA 2.4.1.2			74
Nitrogen Oxide (NOx) Emissions	Metric Tons	EM-MD-120a.1	GRI 305-7	EIC/GPA 2.9	710	823	850
Sulfur Oxide (SOx) Emissions	Metric Tons	EM-MD-120a.1	GRI 305-7	EIC/GPA 2.10	6	12	13
VOC Emissions	Metric Tons	EM-MD-120a.1	GRI 305-7	EIC/GPA 2.11	369	429	506
Scope 2 GHG Emissions - Total	Metric Tons CO2e		GRI 305-2	EIC/GPA 2.4.3		253,152	226,466
Involvement in Carbon Capture and Storage Projects	Binary (Y/N)			EIC/GPA 2.13	N	N	Y
Energy Management							
% Grid Electricity Used	%	EM-MM-130a.1					13%
Energy Use Total	Gigajoules	EM-MM-130a.1	GRI 302-1		2,415,673	4,513,158	17,493,972
% Renewable Energy Consumed	%	EM-MM-130a.1					3.24%
Environmental Impact							
% Area of Conservation or Endangered Species	%	EM-MD-160a.2			0%	0%	0%
% Impacted Terrestrial Area Restored	%	EM-MD-160a.3					100%
Amount of Spills > 5 barrels	Barrels (bbls)	EM-MD-160a.4		EIC/GPA 2.2	0	35	0
Number of Spills > 5 barrels	#	EM-MD-160a.4		EIC/GPA 2.1	0	1	0
Number of Pipeline Incidents	#	EM-MD-540a.1					0
% Natural Gas Pipelines Inspected	%	EM-MD-540a.2					30%
Spill Intensity (Spill Volume / Mile of Pipeline)	Barrels / Mile			EIC/GPA 2.3	0	0.03	0.01
Materials & Waste							
% Hazardous Liquid Pipelines Inspected	%	EM-MD-540a.2					61%
Waste Recycled Total	Metric Tons				1,039	2,713	6,128
Total Waste Generated	Metric Tons		GRI 306-3		1,039	3,844	1,086
Water Management							
Water Withdrawal Total	Cubic Meters (m³)	RR-ST-140a.1	GRI 303-3		0	5,394,523	1,191,820
Water Consumption	Cubic Meters (m³)		GRI 303-5				849,610
Water Discharged	Cubic Meters (m³)		GRI 303-4			150,198	323,060
Wastewater Treated	Cubic Meters (m³)						17,070

APPENDIX A – DATA TABLE

	Unit	SASB	GRI Code	EIC/GPA	2020	2021	2022
Community							
Community Involvement Policy	Binary (Y/N)	EM-EP-210b.1	GRI 11-15		Y	Y	Y
Donations Total	US \$				124,692	118,658	339,571
Corporate Giving	US \$				118,279	113,872	222,907
Diversity, Equity & Inclusion							
% Women Employees	%	FN-IB-330a.1	GRI 2-7	EIC/GPA 3.10		21%	22%
% Minority Employees	%	FN-IB-330a.1		EIC/GPA 3.11		30%	44%
% Women Executives	%	FN-IB-330a.1	GRI 405-1				13%
% Minority Executives	%	FN-IB-330a.1	GRI 405-1				13%
% Women Managers	%	FN-IB-330a.1	GRI 405-1				4%
% Minority Managers	%	FN-IB-330a.1	GRI 405-1				33%
Female Corporate Employees	%	FN-IB-330a.1				43%	45%
Female Field Employees	%	FN-IB-330a.1				7%	8%
Minority Corporate Employees	%	FN-IB-330a.1				16%	42%
Minority Field Employees	%	FN-IB-330a.1				38%	45%
Do you have any initiatives related to diversity and inclusion?	Binary (Y/N)				Y	Y	Y
Health and Safety							
Employee Health & Safety Training Hours	#	EM-EP-320a.1			9,384	10,640	12,374
Fatality Rate Employees	Rate	EM-EP-320a.1	GRI 403-9	EIC/GPA 3.7	0	0	0
Fatality Rate Contractors	Rate	EM-EP-320a.1	GRI 403-9	EIC/GPA 3.8	0	0	0
Lost Time Injury Rate (LTIR) Employees	Rate	TC-ES-320a.1	GRI 403-9	EIC/GPA 3.5	0	0	0
Lost Time Injury Rate (LTIR) Contractors	Rate	TC-ES-320a.1	GRI 403-9	EIC/GPA 3.6	0	0	0
Total Recordable Incident Rate (TRIR) Employees	Rate	EM-EP-320a.1	GRI 403-9	EIC/GPA 3.1	0	0	0
Total Recordable Incident Rate (TRIR) Contractors	Rate	EM-EP-320a.1	GRI 403-9	EIC/GPA 3.2	0	0	0
Total Process Safety Event Rate	Rate	EM-EP-540a.1			0	0	0
Employee Health & Safety Policy	Binary (Y/N)	EM-MD-540a.4			Y	Y	Y
Human Capital Management							
Average Training Hours	Hours		GRI 404-1		30.77	30.14	34.66
Turnover of Employees	%		GRI 401-1		23.87%	15.50%	16.29%
Voluntary Turnover of Employees	%		GRI 401-1		9.40%	8.50%	12.78%
Corporate Matching	US \$				6,413	4,786	94,531
Available Volunteer Hours	Hours				N/A	5,296	5,584
Stakeholder Engagement	Binary (Y/N)		GRI 2-29		Y	Y	Y
Board							
Board Size	#				6	6	6
Board Age Range	Range						41-49
Board Average Age	#						45
Average Board Tenure	#		GRI 2-9				5.6
Business Ethics							
Policy Bribery and Corruption	Binary (Y/N)	EM-MM-510a.1	GRI 205-2		Y	Y	Y
Risk Management							
Crisis Management Systems	Binary (Y/N)	EM-EP-540a.2			Y	Y	Y
Political Contributions	Million Reporting Currency		GRI 415-1		0	0	0

APPENDIX B – SASB INDEX

Oil & Gas Midstream Metric	Unit of Measure	Code
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ -e, Percentage (%)	EM-MD-110a.1
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	EM-MD-110a.2
Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Metric tons (t)	EM-MD-120a.1
Description of environmental management policies and practices for active operations	n/a	EM-MD-160a.1
Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Percentage (%) by acreage	EM-MD-160a.2
Terrestrial acreage disturbed, percentage of impacted area restored	Acres (ac), Percentage (%)	EM-MD-160a.3
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	Number, Barrels (bbls)	EM-MD-160a.4
Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Reporting currency	EM-MD-520a.1
Number of reportable pipeline incidents, percentage significant	Number, Percentage (%)	EM-MD-540a.1
Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	Percentage (%)	EM-MD-540a.2
Number of (1) accident releases and (2) nonaccident releases (NARs) from rail transportation	Number	EM-MD-540a.3
Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	n/a	EM-MD-540a.4
Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Metric ton (t) kilometers	EM-MD-000.A

Oil & Gas Upstream Metric	Unit of Measure	Code
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tons CO ₂ -e (t), Percentage (%)	EM-EP-110a.1
Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Metric tons CO ₂ -e	EM-EP-110a.2
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	EM-EP-110a.3
Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Metric tons (t)	EM-EP-120a.1
(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	EM-EP-140a.1
Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Thousand cubic meters (m ³), Percentage (%), Metric tons (t)	EM-EP-140a.2
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.3
Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	EM-EP-140a.4
Description of environmental management policies and practices for active sites	N/A	EM-EP-160a.1
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Number, Barrels (bbls)	EM-EP-160a.2
Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	EM-EP-160a.3

APPENDIX B – SASB INDEX

Oil & Gas Upstream Metric	Unit of Measure	Code
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1
Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	EM-EP-210a.2
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	N/A	EM-EP-210a.3
Discussion of process to manage risks and opportunities associated with community rights and interests	N/A	EM-EP-210b.1
Number and duration of non-technical delays	Number, Days	EM-EP-210b.2
(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	Rate, Hours (h)	EM-EP-320a.1
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	N/A	EM-EP-320a.2
Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels (MMbbls), Million standard cubic feet (MMscf)	EM-EP-420a.1
Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons (t) CO ₂ -e	EM-EP-420a.2
Amount invested in renewable energy, revenue generated by renewable energy sales	Reporting	EM-EP-420a.3
Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	N/A	EM-EP-420a.4
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	EM-EP-510a.1
Description of the management system for prevention of corruption and bribery throughout the value chain	N/A	EM-EP-510a.2
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	N/A	EM-EP-530a.1
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	EM-EP-540a.1
Description of management systems used to identify and mitigate catastrophic and tail-end risks	N/A	EM-EP-540a.2
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Thousand barrels per day (Mbb/day); Million standard cubic feet per day (MMscf/day)	EM-EP-000.A
Number of offshore sites	Number	EM-EP-000.B
Number of terrestrial sites	Number	EM-EP-000.C

APPENDIX C – GRI INDEX

Type	Topic
Universal Standards	GRI 2-1 Organizational details
Universal Standards	GRI 2-2 Entities included in the organization’s sustainability reporting
Universal Standards	GRI 2-3 Reporting period, frequency and contact point
Universal Standards	GRI 2-4 Restatements of information
Universal Standards	GRI 2-5 External assurance
Universal Standards	GRI 2-6 Activities, value chain and other business relationships
Universal Standards	GRI 2-7 Employees
Universal Standards	GRI 2-8 Workers who are not employees
Universal Standards	GRI 2-9 Governance structure and composition
Universal Standards	GRI 2-10 Nomination and selection of the highest governance body
Universal Standards	GRI 2-11 Chair of the highest governance body
Universal Standards	GRI 2-12 Role of the highest governance body in overseeing
Universal Standards	GRI 2-13 Delegation of responsibility for managing impacts
Universal Standards	GRI 2-14 Role of the highest governance body in sustainability reporting
Universal Standards	GRI 2-15 Conflicts of interest
Universal Standards	GRI 2-16 Communication of critical concerns
Universal Standards	GRI 2-17 Collective knowledge of the highest governance body
Universal Standards	GRI 2-18 Evaluation of the performance of the highest governance body
Universal Standards	GRI 2-19 Remuneration policies
Universal Standards	GRI 2-20 Process to determine remuneration
Universal Standards	GRI 2-21 Annual total compensation ratio
Universal Standards	GRI 2-22 Statement on sustainable development strategy
Universal Standards	GRI 2-23 Policy commitments
Universal Standards	GRI 2-24 Embedding policy commitments
Universal Standards	GRI 2-25 Processes to remediate negative impacts
Universal Standards	GRI 2-26 Mechanisms for seeking advice and raising concerns
Universal Standards	GRI 2-27 Compliance with laws and regulations
Universal Standards	GRI 2-28 Membership associations
Universal Standards	GRI 2-29 Approach to stakeholder engagement
Universal Standards	GRI 2-30 Collective bargaining agreements
Universal Standards	GRI 3-1 Process to determine material topics
Universal Standards	GRI 3-2 List of material topics
Universal Standards	GRI 3-3 Management of material topics
Sector Standards	GRI 11-1 GHG emissions
Sector Standards	GRI 11-2 Climate adaptation, resilience, and transition
Sector Standards	GRI 11-3 Air emissions
Sector Standards	GRI 11-4 Biodiversity
Sector Standards	GRI 11-5 Waste

APPENDIX C – GRI INDEX

Type	Topic
Sector Standards	GRI 11-6 Water and effluents
Sector Standards	GRI 11-7 Closure and rehabilitation
Sector Standards	GRI 11-8 Asset integrity and critical incident management
Sector Standards	GRI 11-9 Occupational health and safety
Sector Standards	GRI 11-10 Employment practices
Sector Standards	GRI 11-11 Non-discrimination and equal opportunity
Sector Standards	GRI 11-12 Forced labor and modern slavery
Sector Standards	GRI 11-13 Freedom of association and collective bargaining
Sector Standards	GRI 11-14 Economic impacts
Sector Standards	GRI 11-15 Local communities
Sector Standards	GRI 11-16 Land and resource rights
Sector Standards	GRI 11-17 Rights of indigenous peoples
Sector Standards	GRI 11-18 Conflict and security
Sector Standards	GRI 11-19 Anti-competitive behavior
Sector Standards	GRI 11-20 Anti-corruption
Sector Standards	GRI 11-21 Payments to governments
Sector Standards	GRI 11-22 Public policy
Sector Standards	GRI 12-1 GHG emissions
Sector Standards	GRI 12-2 Climate adaptation, resilience, and transition
Sector Standards	GRI 12-3 Closure and rehabilitation
Sector Standards	GRI 12-4 Air emissions
Sector Standards	GRI 12-5 Biodiversity
Sector Standards	GRI 12-6 Waste
Sector Standards	GRI 12-7 Water and effluents
Sector Standards	GRI 12-8 Economic impacts
Sector Standards	GRI 12-9 Local communities
Sector Standards	GRI 12-10 Land and resource rights
Sector Standards	GRI 12-11 Rights of indigenous peoples
Sector Standards	GRI 12-12 Conflict and security
Sector Standards	GRI 12-13 Asset integrity and critical incident management
Sector Standards	GRI 12-14 Occupational health and safety
Sector Standards	GRI 12-15 Employment practices
Sector Standards	GRI 12-16 Child labor
Sector Standards	GRI 12-17 Forced labor and modern slavery
Sector Standards	GRI 12-18 Freedom of association and collective bargaining
Sector Standards	GRI 12-19 Non-discrimination and equal opportunity
Sector Standards	GRI 12-20 Anti-corruption
Sector Standards	GRI 12-21 Payments to governments

APPENDIX C – GRI INDEX

Type	Topic
Sector Standards	GRI 12-22 Public policy
Topic Standards	GRI 201-1 Direct economic value generated and distributed
Topic Standards	GRI 201-2 Financial implications and other risks and opportunities due to climate change
Topic Standards	GRI 201-3 Defined benefit plan obligations and other retirement plans
Topic Standards	GRI 201-4 Financial assistance received from government
Topic Standards	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage
Topic Standards	GRI 202-2 Proportion of senior management hired from the local community
Topic Standards	GRI 203-1 Infrastructure investments and services supported
Topic Standards	GRI 203-2 Significant indirect economic impacts
Topic Standards	GRI 204-1 Proportion of spending on local suppliers
Topic Standards	GRI 205-1 Operations assessed for risks related to corruption
Topic Standards	GRI 205-2 Communication and training about anti-corruption policies and procedures
Topic Standards	GRI 205-3 Confirmed incidents of corruption and actions taken
Topic Standards	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
Topic Standards	GRI 207-1 Approach to tax
Topic Standards	GRI 207-2 Tax governance, control, and risk management
Topic Standards	GRI 207-3 Stakeholder engagement and management of concerns related to tax
Topic Standards	GRI 207-4 Country-by-country reporting
Topic Standards	GRI 301-1 Materials used by weight or volume
Topic Standards	GRI 301-2 Recycled input materials used
Topic Standards	GRI 301-3 Reclaimed products and their packaging materials
Topic Standards	GRI 302-1 Energy consumption within the organization
Topic Standards	GRI 302-2 Energy consumption outside of the organization
Topic Standards	GRI 302-3 Energy intensity
Topic Standards	GRI 302-4 Reduction of energy consumption
Topic Standards	GRI 302-5 Reductions in energy requirements of products and services
Topic Standards	GRI 303-1 Interactions with water as a shared resource
Topic Standards	GRI 303-2 Management of water discharge-related impacts
Topic Standards	GRI 303-3 Water withdrawal
Topic Standards	GRI 303-4 Water discharge
Topic Standards	GRI 303-5 Water consumption
Topic Standards	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
Topic Standards	GRI 304-2 Significant impacts of activities, products and services on biodiversity
Topic Standards	GRI 304-3 Habitats protected or restored
Topic Standards	GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
Topic Standards	GRI 305-1 Direct (Scope 1) GHG emissions
Topic Standards	GRI 305-2 Energy indirect (Scope 2) GHG emissions
Topic Standards	GRI 305-3 Other indirect (Scope 3) GHG emissions

APPENDIX C – GRI INDEX

Type	Topic
Topic Standards	GRI 305-4 GHG emissions intensity
Topic Standards	GRI 305-5 Reduction of GHG emissions
Topic Standards	GRI 305-6 Emissions of ozone-depleting substances (ODS)
Topic Standards	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
Topic Standards	GRI 306-1 Waste generation and significant waste-related impacts
Topic Standards	GRI 306-2 Management of significant waste-related impacts
Topic Standards	GRI 306-3 Waste generated
Topic Standards	GRI 306-4 Waste diverted from disposal
Topic Standards	GRI 306-5 Waste directed to disposal
Topic Standards	GRI 308-1 New suppliers that were screened using environmental criteria
Topic Standards	GRI 308-2 Negative environmental impacts in the supply chain and actions taken
Topic Standards	GRI 401-1 New employee hires and employee turnover
Topic Standards	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
Topic Standards	GRI 401-3 Parental leave
Topic Standards	GRI 402-1 Minimum notice periods regarding operational changes
Topic Standards	GRI 403-1 Occupational health and safety management system
Topic Standards	GRI 403-2 Hazard identification, risk assessment, and incident investigation
Topic Standards	GRI 403-3 Occupational health services
Topic Standards	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety
Topic Standards	GRI 403-5 Worker training on occupational health and safety
Topic Standards	GRI 403-6 Promotion of worker health
Topic Standards	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
Topic Standards	GRI 403-8 Workers covered by an occupational health and safety management system
Topic Standards	GRI 403-9 Work-related injuries
Topic Standards	GRI 403-10 Work-related ill health
Topic Standards	GRI 404-1 Average hours of training per year per employee
Topic Standards	GRI 404-2 Programs for upgrading employee skills and transition assistance programs
Topic Standards	GRI 404-3 Percentage of employees receiving regular performance and career development reviews
Topic Standards	GRI 405-1 Diversity of governance bodies and employees
Topic Standards	GRI 405-2 Ratio of basic salary and remuneration of women to men
Topic Standards	GRI 406-1 Incidents of discrimination and corrective actions taken
Topic Standards	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
Topic Standards	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor
Topic Standards	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
Topic Standards	GRI 410-1 Security personnel trained in human rights policies or procedures
Topic Standards	GRI 411-1 Incidents of violations involving rights of indigenous peoples
Topic Standards	GRI 413-1 Operations with local community engagement, impact assessments, and development programs
Topic Standards	GRI 413-2 Operations with significant actual and potential negative impacts on local communities

APPENDIX C – GRI INDEX

Type	Topic
Topic Standards	GRI 414-1 New suppliers that were screened using social criteria
Topic Standards	GRI 414-2 Negative social impacts in the supply chain and actions taken
Topic Standards	GRI 415-1 Political contributions
Topic Standards	GRI 416-1 Assessment of the health and safety impacts of product and service categories
Topic Standards	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
Topic Standards	GRI 417-1 Requirements for product and service information and labeling
Topic Standards	GRI 417-2 Incidents of non-compliance concerning product and service information and labeling
Topic Standards	GRI 417-3 Incidents of non-compliance concerning marketing communications
Topic Standards	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

APPENDIX D – TCFD INDEX

Pillar	Topic	Disclosure
Governance	(a) Describe the boards oversight of climate	
	(b) Describe management’s role in addressing climate related risks and opportunities	
Risk Management	(a) Describe the organization’s processes for identifying and assessing climate-related risks and opportunities	
	(b) Describe the organization’s processes for managing climate-related risks	
	(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.	
Strategy	(a) Climate Related Risks	
	(b) Climate Related Opportunities	
Metrics & Targets	(a) Disclose the metrics by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	

APPENDIX F – FORWARD-LOOKING STATEMENT

Forward-looking statements relating to Howard Energy's operations are based on management's current expectations, estimates, and projections. Forward-looking statements include the information concerning possible or assumed future results of our operations and other statements contained or incorporated herein identified by words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "goal", "target", "guidance", "intend", "may", "might", "outlook", "plan", "potential", "project", "scheduled", "should", "will", "would", and other words and terms of similar meaning.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and other factors, many of which are beyond the company's control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. The reader should not place undue reliance on these forward-looking statements, which speak only as of the date of this report.

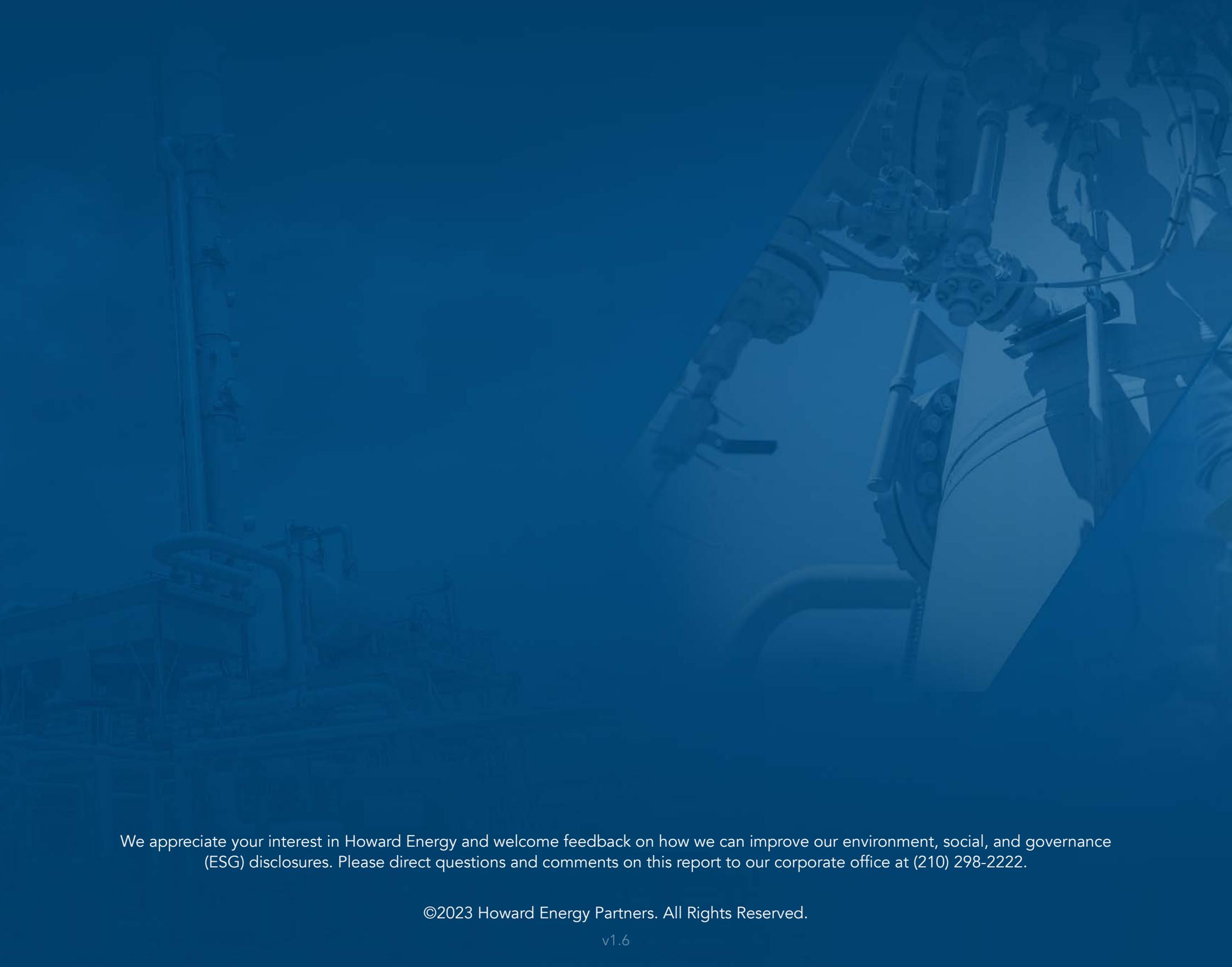


Forward Looking Statement (Continued)

Unless legally required, Howard Energy undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. Among the important factors that could cause actual results to differ materially from those in the forward-looking statements are:

- Changing economic, regulatory, and political environment;
- General domestic and international economic and political conditions;
- The effects of changes in governmental policies and regulatory actions, including changes with respect to tax policy, emissions credits, carbon offsets and carbon pricing;
- The company's ability to compete effectively in the market;
- The impact of public health crises on the company's operations and financial performance;
- The ability to successfully execute on growth strategies, including acquisitions and partnerships;
- The results of operations and financial condition of the company's suppliers, vendors, partners, and affiliates;
- The potential disruption or interruption of the company's operations due to war, accidents, political events, severe weather, cyber threats, terrorist acts, or other natural or human causes beyond the company's control;
- The transition to a lower carbon economy, including the timing and extent of the transition, as well as the expected role of different energy sources in such a transition;
- The pace of technological advancements and industry innovation, including those focused on reducing GHG emissions and advancing other climate-related initiatives, and our ability to adapt to and take advantage of those innovations and developments;
- The effectiveness of our risk management strategies, including mitigating climate-related risks;
- The ability of our existing assets and expertise to support the growth of, and transition to, various renewable and alternative energy opportunities, including through the positioning and optimization of our assets;
- Our ability to efficiently reduce the carbon intensity of our operations;
- The necessity to direct our focus on maintaining and enhancing our existing assets;
- The potential liability for remedial actions or assessments under existing or future environmental regulations and litigation.

Other unpredictable or unknown factors not discussed in this report could also have material adverse effects on forward-looking statements.



We appreciate your interest in Howard Energy and welcome feedback on how we can improve our environment, social, and governance (ESG) disclosures. Please direct questions and comments on this report to our corporate office at (210) 298-2222.

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