

2022 ESG REPORT

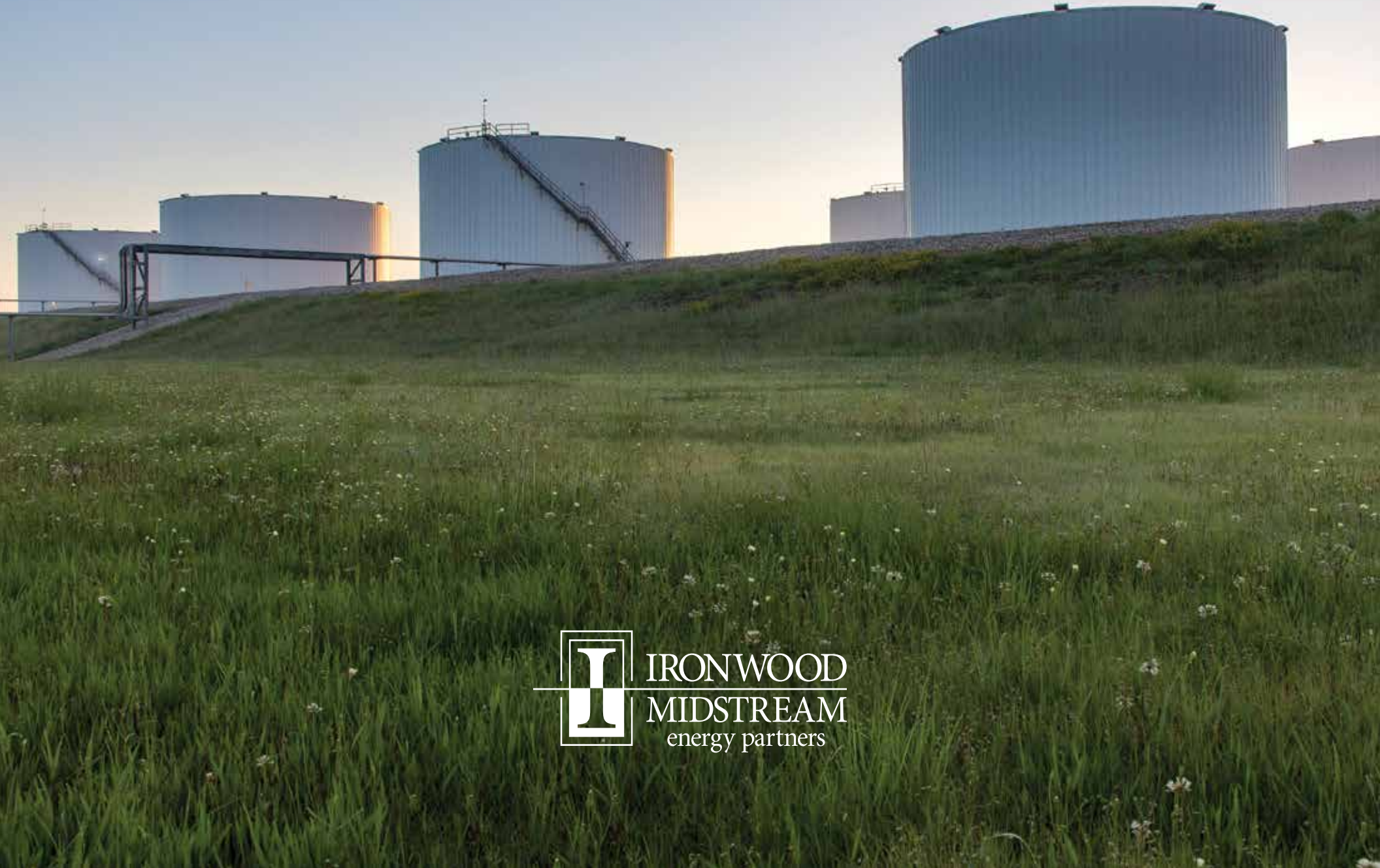


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Letter from CEO

Ironwood has a long-standing commitment to being good stewards of our human, environmental, and operational resources. We elevated our efforts in 2022 by designating an executive-level curator for Ironwood's ESG efforts and creating a cross-functional ESG Steering Committee. Our operations team's actions significantly reduced our carbon footprint, and our security team implemented best practices and innovative technology minimizing Ironwood's exposure to bad actions in cyberspace.

In 2022 we began measuring and reporting complete Scope 2 emissions, expanded our biodiversity efforts and augmented our social and governance endeavors. We saw an 84% reduction in methane emissions, leading to an incredible 66% reduction in overall GHG emissions. To support our low-emissions aspirations, we incorporated state-of-the-art emissions reducing equipment into our project design and established advanced processes for capturing data required for potential future certification. We are looking ahead to potential strategic partnerships for carbon management solutions.

As always, the Ironwood team maintained our focus on the safety and wellbeing of our employees and community. We're committed to our people and the neighborhoods in which we live and work. To this end, we increased our charitable contributions by a factor of seven from 2021. We hired a Regulatory Compliance Manager to sharpen our focus on safety, transparency, and sustainability. We made great strides in cybersecurity, implementing a full-scale audit of the technology deployed across our field operations, allowing us to identify and address potential vulnerabilities.

At Ironwood, we realize that sustainability is crucial to human existence; we also recognize that the world's economy cannot operate effectively without hydrocarbons. Our business is connecting energy supply with energy demand, and we constantly explore cutting-edge, responsible ways of adding value to our customers and stakeholders. I'm proud of the way our team operates with our obligation to safety, security, the environment, and our corporate mission, vision, and values top of mind, and pleased to share our 2022 ESG progress.



Mike Williams

Chief Executive Officer



Mission



Safely and responsibly build, acquire and operate superior energy-related midstream assets creating valuable opportunities for our customers and business partners.

Vision



Extend the full complement of Ironwood's operational capabilities and organizational principles to provide premier value, growth, and service to our stakeholders.

Values



Safety and Environment – We value the safety of our employees, contractors, and the communities in which we operate above everything else.

People and Culture – We adhere to the highest standards of integrity, providing transparency, accountability, and value to our stakeholders.

Customer Focus – We take pride in our commitment to deliver best-in-class customer service.

Community Impact – We support the communities in which we live and work through service and charitable giving.



IRONWOOD OVERVIEW

About this Report

This report includes data from the full 12 months of 2022 along with actions and activities driven by the formal goals we set in 2022.

The report details achievements based on our 2022 ESG objectives and the appendices detail our 2022 Scope 1 and Scope 2 emissions data. We recognize and embrace our obligations to safeguard the environment, protect and support people, and operate with integrity and transparency, and we appreciate the opportunity to share our journey with you.

% CHANGE 2021 TO 2022

-66%

**OVERALL GHG
EMISSIONS**

-84%

**OVERALL METHANE
EMISSIONS**

.77%

**OVERALL CO2
EMISSIONS***

23%

**OVERALL N2O
EMISSIONS***

-64%

**HYDROCARBON LIQUID
RELEASE INTENSITY PER
MILES OF PIPELINE**

**We increased throughput volume and added 45 miles of pipe in 2022 contributing to an overall increase in total CO2 and N2O emissions; however, our emissions per mile of pipe decreased year-over-year*

About Ironwood Midstream

As a midstream service provider, Ironwood plays a necessary role in the economy, transporting fuel and energy building blocks for products we use every day.

Oil and gas provide the fuel and feedstock required for worldwide economic growth and stability and will continue to be essential into the future. According to the IEA in their World Energy Outlook for 2021, across all fuels and technologies, energy demand in emerging markets and developing economies will be instrumental in shaping global trends in the coming decades. IEA expects demand for fossil fuels in advanced economies to fall, but that won't be enough to lower emissions to a livable level. In places like the United States, any mandate to bring GHG levels down comes voluntarily from individuals and corporate entities rather than governmental bodies, and Ironwood has embraced the challenge to decrease emissions. At Ironwood, we utilize cutting edge technology and embrace new ways to efficiently provide midstream services while lowering our carbon footprint.



386

MILES OF CRUDE OIL PIPELINES

50

MILES OF NATURAL GAS PIPELINES

440

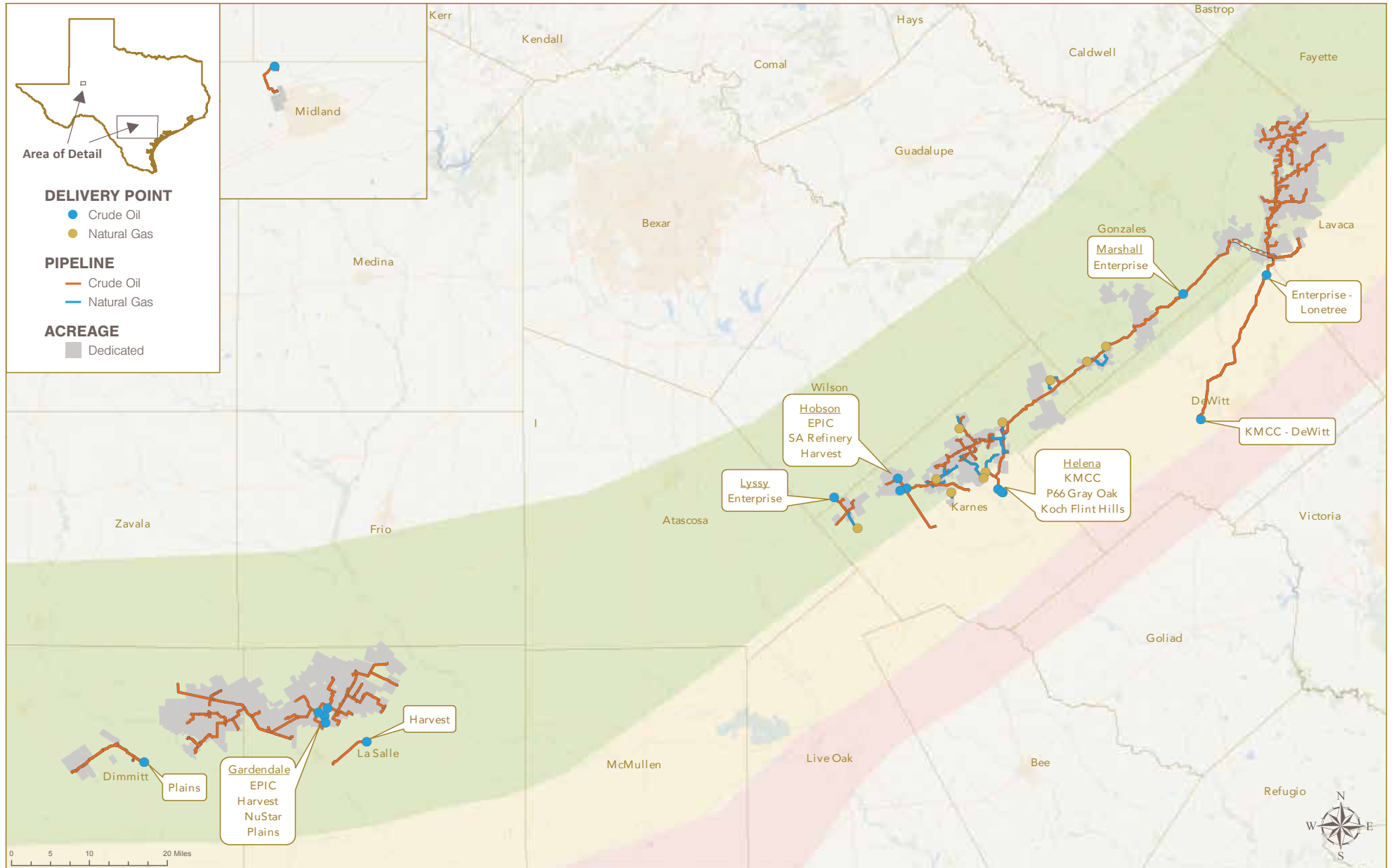
MBPD OF CRUDE THROUGHPUT CAPACITY

410

MMSCFD OF NATURAL GAS THROUGHPUT CAPACITY

60

EMPLOYEES



Helping to Fuel Our World

From heating our homes, cooking our food and powering our transportation, to being a necessary component of products like medicines, plastics and cosmetics, hydrocarbons like oil and natural gas are critical to our everyday life. Pipelines are the safest, cleanest, and most efficient way to transport these hydrocarbons to end-users. We are proud to be part of an industry that helps fuel our world.



Ironwood’s ESG Goals: An Overview

In early 2022, Ironwood set meaningful, measurable and attainable ESG goals.

After establishing our goals and completing our materiality assessment, we set about measuring our progress. Our materiality ranking informed our focus and priorities, and we tracked and reported our progress on these goals to internal and external stakeholders throughout the year. In addition, we added tracking and reporting of Scope 2 measurement to our key performance metrics. We partnered with a third party, Flatrock Environmental, to verify our GHG emissions data and measurement.



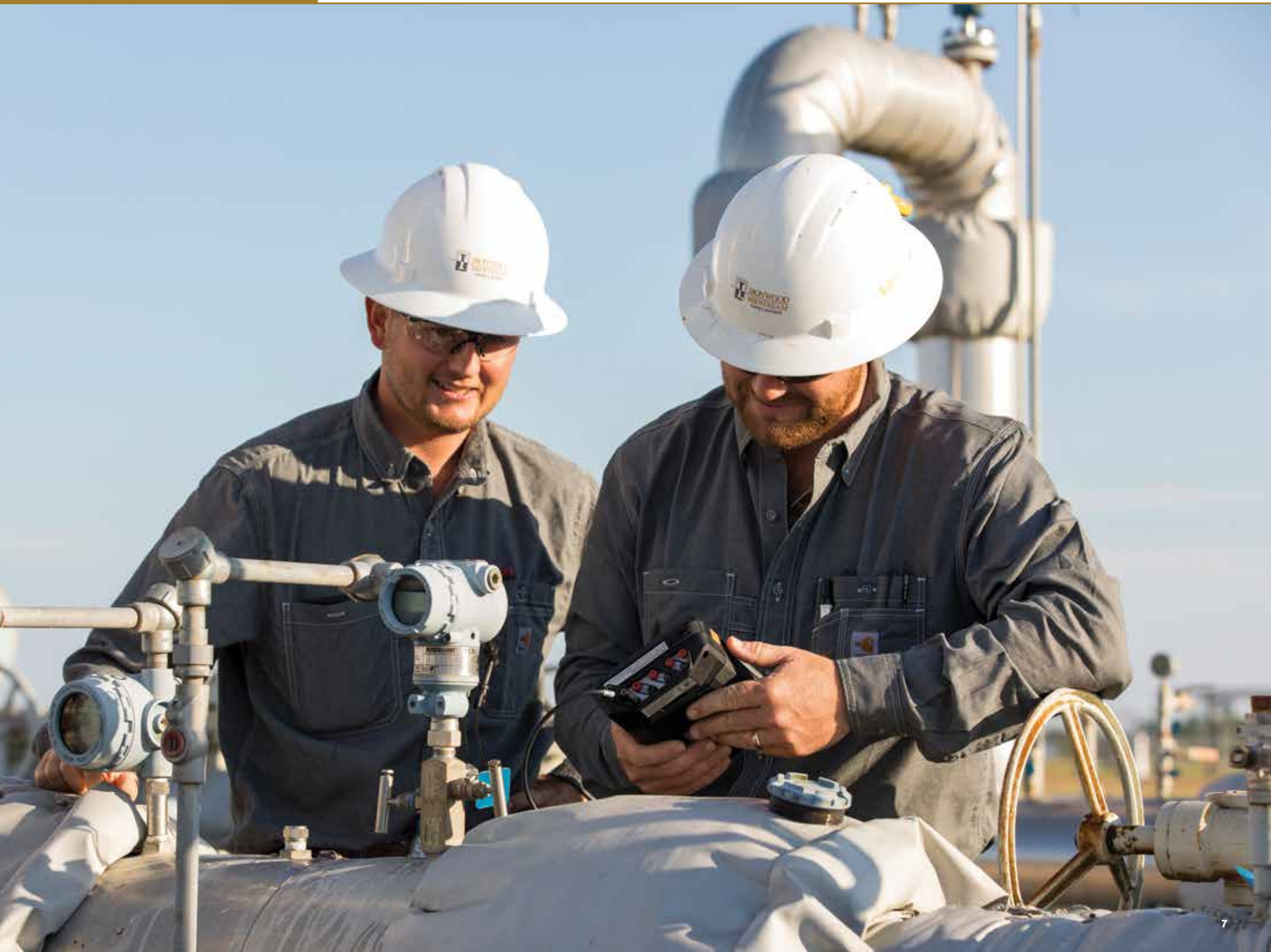
“Ironwood strives to meet the needs of our stakeholders, business partners, and communities. We continuously evaluate our progress towards goals ensuring that the goals remain meaningful, measurable, and attainable. We embrace change. The Ironwood team works hard to meet the challenges facing our industry in achieving a lower carbon footprint. We strive to make a positive impact on the social and natural environment in which we work.”

Mary Frances Deibert,
VP Marketing & ESG

ESG GOALS RANKING

- 1 Zero employee injuries or preventable accidents
- 2 Act with highest standards of integrity, fairness, and transparency in all policies and procedures ensuring compliance with legal and regulatory requirements
- 3 Target zero reportable spills
- 4 Design, construct, operate and maintain our facilities in an environmentally responsible manner
- 5 Implement a modern, holistic security model for all Ironwood assets by leveraging industry best practices and following CISA approved security policies and procedures
- 6 Zero health and safety fines from outside agencies
- 7 Provide opportunities for community service and charitable giving in the communities in which we work and live
- 8 Identify the current level of methane emissions for our existing asset footprint and commit to keeping emissions at or below that level for these assets.
- 9 Identify the source of fuel emissions on our existing systems, calculate the current level of those emissions and identify cost-effective ways to reduce those emissions
- 10 Target zero environmental fines from outside agencies
- 11 Promote an organization that attracts, develops and rewards diverse, inclusive, accountable and responsible employees
- 12 Publish and review corporate values, goals, strategy and financial metrics with the organization on a regular basis
- 13 Identify the carbon reduction value of transporting crude oil by pipe vs truck







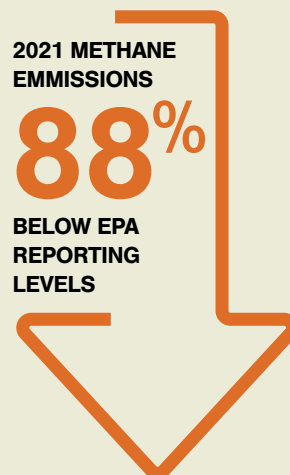
ENVIRONMENTAL CARE **ACTION FOLLOWS INTENTION**

Goals:

- ✓ *Design, construct, operate and maintain our facilities in an environmentally responsible manner.*
- ✓ *Identify the source of fuel emissions on our existing systems, calculate the current level of those emissions and identify cost-effective ways to reduce them.*

Ironwood achieved a remarkable reduction in methane emissions from 2021 to 2022 — **we lowered our methane emissions by a staggering 84%**! In 2021, our total carbon intensity was already 88% below the EPA reporting levels, yet we did not rest on our laurels. Our operations and engineering team identified undesirable methane venting associated with current gas pipeline operating activities. Our continuous improvement efforts led to an enhanced pipeline blowdown process exceeding industry standards that reduced or eliminated venting during upset conditions and while transitioning back to normal operations.

We reduced equipment emissions and miles driven during construction of our Ironwood Express pipeline by choosing a strategic staging location for equipment and purchasing additional temporary workspace in close proximity to the construction sites.



Goal:

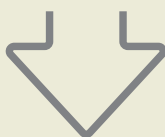
- ✓ *Target zero reportable spills.*
- ✓ *Target zero environmental fines from outside agencies.*

Being a prudent operator has always been a core tenet at Ironwood. In 2022, we significantly improved our Liquid Release Intensity per Mile of Pipeline rate by **64%** – decreasing the total barrels released from 49 barrels to **22 barrels**. Additionally, our EPA reportable spills dropped from 3 to **1**, and we achieved our goal to incur **zero** environmental fines from outside agencies.



.05

HYDROCARBON LIQUID
RELEASE INTENSITY
PER MILE OF PIPELINE
IN 2022



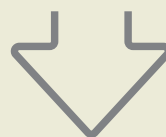
64%

REDUCTION
FROM 2021



22

TOTAL BARRELS
RELEASED
IN 2022



55%

REDUCTION
FROM 2021



1

S/B RRC
REPORTABLE
SPILL IN 2022



67%

REDUCTION
FROM 2021



0

ENVIRONMENTAL
FINES
IN 2022



0

ENVIRONMENTAL
FINES
IN 2021

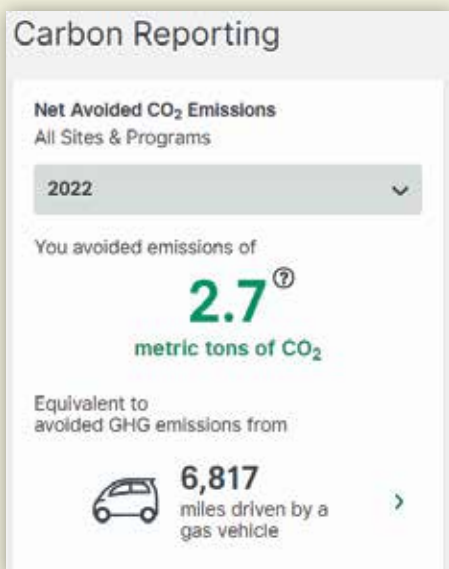


Goal:

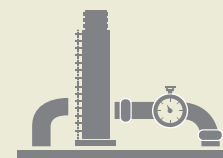
✓ *Identify the carbon reduction value of transporting crude oil by pipe vs truck – Calculate how many miles of truck traffic we eliminated from local roads with newly built pipe.*

Ironwood added 45 miles of lateral connections to our existing crude oil gathering pipeline in 2022 resulting in at least **57 trucks per day removed from the roads of South Texas.**

We reduced equipment emissions and miles driven during construction of our Ironwood Express pipeline by choosing a strategic staging location for equipment and purchasing additional temporary workspace in close proximity to the construction sites.



We partnered with Voltus, a distributed energy resource provider to identify and reduce our electrical usage during peak demand hours when called on to do so, resulting in **avoidance of 2.7 metric tonnes of CO₂** in 2022.



45

MILES OF PIPE ADDED (LATERAL ADD-ON)



57

EQUIVALENT TRUCKS REMOVED FROM THE ROADS PER DAY



967

ANNUAL CARBON EMISSIONS REDUCED (METRIC TONNES PER YEAR)



Ironwood added to our gathering footprint using industry best practices to preserve landscapes and habitats and using cutting edge technology to minimize emissions. Tools we use include performing rigorous desktop assessments as well as comprehensive field investigation prior to acquiring any rights-of-way for our pipelines. We search for the presence of waterways and wetlands, floodplains, threatened and endangered species, migratory birds, cultural and historical artifacts, and avoid disturbing environmentally sensitive areas.



“Ironwood’s commitment to environmental stewardship is critical to operating with excellence. As our goals and benchmarks indicate, we focus every day on conserving resources, reducing emissions, and limiting impacts to the environment, while delivering safe and reliable services that help Americans and people around the world access reliable energy. Our environmental team maintains an active presence, working closely with operations and project teams to aid in risk management and while meeting and often exceeding applicable environmental laws and regulations. We are proud of our environmental strategy and the measurable strides we take as a company to improve our performance year over year.”

**Saif Al Furajji,
Project Manager**





**SOCIAL STEWARDSHIP
COMMITTED TO OUR
PEOPLE AND COMMUNITIES**

Goals:

- ✓ *Zero employee injuries or preventable accidents.*
- ✓ *Zero health and safety fines from outside agencies*

Driven by our highest priority goal to safeguard our employees, we increased our staff size and improved efficiency. With added employees and the construction of 45 additional miles of pipeline, we increased our total number of miles driven but **lowered our PVAR** through proactive training and heightened safety awareness among our employees.



*Adjusted calculation methodology, this table reflects the adjusted 2021 number.



Goal:



Promote an organization that attracts, develops, and rewards diverse, inclusive, accountable, and responsible employees.

Ironwood's commitment to fostering a **diverse, inclusive, and accountable workforce** prioritizes attracting talented individuals from different backgrounds and providing equal opportunities for their professional development. We promote a culture of inclusivity and encourage feedback up and down the management chain. All employees are treated with respect and are encouraged to share their unique perspectives, insights, and experiences on varying subject matters.

Our employee community includes individuals with experience working outside of the oil and gas industry as well as multiple employees with international experience. Using proactive recruitment strategies, we seek **uniquely qualified candidates** who will contribute to a dynamic organization. We also recognize and reward individuals who demonstrate accountability and responsibility in their roles, aligning their actions with our company's values and ESG principles. We recognize an individual's total contributions throughout the year with our generous bonus program. By promoting a vibrant, collaborative, and inclusive organizational culture, we continue building a strong, diverse, and engaged workforce driving sustainable and responsible practices.

IRONWOOD'S DEDICATION TO DEVELOPING EMPLOYEES IS EVIDENCED BY THE NUMBER OF INTERNAL PROMOTIONS IN 2022.



We offer a comprehensive training and mentorship program, implemented with the support of technology platforms, to support the growth and advancement of our employees. In 2022, employees participated in offsite measurement, reliability and maintenance symposiums in addition to multiple other outside training opportunities. Internally, we formalized training outlines specific to roles within the organization.



“Ironwood rewards employee performance by promoting from within. As an example, we hired Geron Hendrickson as our Operations Manager in 2019. Born and raised in the US Virgin Islands, Geron brings a unique perspective and innovative approach to solving problems and motivating people. The Ironwood management team is exceptional, and Geron is an exceptional member of our team as evidenced by his rapid rise to Director of Operations, then Vice President of Operations, and ultimately Chief Operating Officer. Geron built a team with various cultural backgrounds, enriching Ironwood’s corporate morale and improving operating efficiencies. His track record of executing projects on time and on budget contributes to Ironwood’s reputation as a preferred provider.”

Justin Johnson,
Chief Commercial Officer



Goal:



Provide opportunities for community service and charitable giving in the communities in which we work and live.

Ironwood employees **give of their own time and talents** to multiple charitable organizations. The company recognizes this by donating to these groups based on the number of hours our employees volunteered – in 2022, we made donations based on over 800 hours volunteered outside of work hours. Our team completed two service projects for SAMMinistries, an interfaith ministry in San Antonio whose mission is to help the homeless and those at risk of becoming homeless attain self-sufficiency by offering, with dignity and compassion, shelter, housing, and services.



Two separate Ironwood teams, one made up of Ironwood employees, and one made up of Ironwood and colleagues from one of our service providers, purchased furniture and spent a morning assembling it to be used by clients moving from SAMM's transitional living facility into housing. In addition to providing furnishings for new homes, Ironwood's volunteers had a great teambuilding experience!

In addition to the opportunities to actively serve our community we highlighted in our inaugural report, Ironwood supported over twenty different organizations, growing our charitable giving to seven times what it was in 2021.



A sunset over a field with a city skyline in the distance. The sun is a bright white circle in the center of the sky, surrounded by a glowing orange and yellow aura. The sky transitions from a deep orange near the horizon to a lighter yellow at the top. The foreground is a dark, textured field, possibly a field of tall grass or crops, with a fence line visible in the distance. The overall mood is serene and contemplative.

GOVERNANCE INTEGRITY AND TRANSPARENCY MITIGATE RISK

Goals:

✓ *Act with the highest standards of integrity, fairness, and transparency, ensuring compliance with legal and regulatory requirements.*

✓ *Publish and review corporate values, goals, strategy, and financial metrics with the organization on a regular basis.*

In 2022, Ironwood's ESG Steering Committee rolled our goals out to the organization, reviewing metrics with our Board and employees at various meetings throughout the year. This fostered good two-way dialogue within the organization and led to **innovative ideas on how to achieve our goals.**

We understand that reporting standardized data provides measurable performance comparisons and offers meaningful input to Ironwood's decision making. To that end, **we continually evaluate internal systems and processes** for collecting, aggregating, and validating information across the company – we view this as a core piece of risk mitigation. We consider reporting on safety, sustainability, and financial performance vital to our successful relationships within Ironwood and with our external partners.



“Integrity, fairness, and transparency are core values at Ironwood and we have many touchpoints for information sharing with various critical stakeholders. The Ironwood team meets regularly to review financial and operational performance in an open forum – sharing the latest information about our business is vital to strong performance, and the open forum provides an opportunity to give and receive feedback. This ensures that a wide audience understands how we are tracking against our goals and enables the company to receive ideas for further improvements sourced across a broad spectrum of team members.”

Eric Paulson,
Chief Financial Officer



Goal:



Implement a modern, holistic security model for all Ironwood assets by leveraging industry best practices and following CISA approved security policies and procedures.

In early 2022 Ironwood initiated a full-scale audit of the operational technology deployed across the field. The audit findings enabled us to make **targeted, meaningful upgrades to our infrastructure**. These upgrades allowed us to greatly increase the visibility and control of field devices and the data they transmit. Engaging industry partners such as Simetry, Ironwood ensures that cellular communications to such devices are private and secure. Additionally, adopting cloud management platforms allows us to provide a secure, up-to-date, and consistent configuration for operational technology as well as business technology.

Ironwood takes a proactive approach to ensure that operational and business infrastructure exceeds industry standards and the guidelines set forth by the Cybersecurity and Infrastructure Security Agency (CISA). To achieve this, we are:

- **heightening visibility** of all network devices through robust logging allowing for swift detection and remediation of anomalies;
- **improving controls and monitoring** of communications and data access for devices in the field;
- **ensuring automated backups** of all critical data and infrastructure to mitigate ransomware threats and enhance disaster recovery, and;
- **implementing greater security controls** for vital company business systems through two-factor authentication.



“While monitoring CISA communication feeds, we became aware of a vulnerability in a subset of controllers currently deployed in our field operations. With a severity rating of “high”, we immediately enacted a plan to patch the devices ensuring that our operations were not vulnerable to bad actors. Given our ongoing efforts to reduce our attack surface, Ironwood’s IT and I&E staff believe there is a low probability of any successful exploitation of the vulnerability and our ability to react quickly is a direct result of our commitment to proactive security monitoring.”

Matt Naquin,
Systems Engineer

Goal:

✓ *Act with highest standards of integrity, fairness, and transparency in all policies and procedures ensuring compliance with legal and regulatory requirements.*

Adhering to the **highest standards of integrity, transparency, and accountability** is a core value at Ironwood. To sharpen our focus, we created and filled the role of Regulatory Compliance Manager. Having someone with operational, regulatory, change management, and corporate governance skills driving Ironwood's safety and compliance efforts has proved a valuable tool in achieving our corporate and ESG goals.



“As the new Regulatory Compliance Manager, my goal is to aid in the identification of opportunities to mature our compliance programs. Through the implementation of sound processes and technologies we can achieve natural compliance within our operations in a transparent and sustainable manner. Ironwood’s Senior Management has provided their full support and a solid foundation to continue building on.”

Chris Williams,
Regulatory Compliance Manager

Ironwood's business is connecting energy supply with energy demand; achieving this goal in a sustainable way requires **strategic partnership** with leading environmental, regulatory, financial, engineering, technical and risk management firms to keep us on the leading edge of changes in technology, regulation, and all other aspects of our operating environment.



Strong Partnerships



FINANCIAL & STRATEGY



EPA FRP IMPACT ANALYSIS

HAYNES BOONE

LEGAL COUNSEL



INDUSTRIAL AUTOMATION, ELECTRICAL ENGINEERING, INSTRUMENTATION & ELECTRICAL



ENVIRONMENTAL, HEALTH & SAFETY



SURVEYING, CIVIL ENGINEERING & ENVIRONMENTAL



ECONOMIC RESEARCH & ANALYTICS



ARCHAEOLOGY & CULTURAL HERITAGE CONSULTING



INSTRUMENTATION & ELECTRICAL



HUMAN RESOURCES & PAYROLL



RISK & INSURANCE



REGULATORY LEGAL COUNSEL



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SPEED
LIMIT
5



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