



# Energy for Our Future

2023 Annual Sustainability Report



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# CEO Letter

Dear Stakeholders,

I am pleased to share the 2023 Sustainability Report (Report) for Targa Resources. Our annual report continues to reflect our progress and celebrate the hard work of our employees. 2023 marks a pivotal year for Targa, as we reached record-breaking volumes and achieved remarkable financial success. This milestone is a testament to our team's strategic vision, thoughtful decision-making, and pragmatic approach in navigating an increasingly complex business environment.

The global expansion of energy requires a multifaceted approach, and natural gas will continue to play a part in meeting growing energy demand. Our assets hold a unique position in the energy infrastructure value chain, and we are proud of our ability to provide reliable, affordable, and dependable energy to our customers, helping to provide critical access to the infrastructure, employment, clean water and food, education, and healthcare that all people deserve.

As we continue to build on our leading midstream operations, our dedicated team remains focused on safe operations, improving efficiencies, fostering industry collaboration, and adopting new technologies—all while growing our business responsibly.

## Our 2023 Progress

In 2023, we achieved record levels in Natural Gas Liquids (NGL) pipeline transportation, fractionation, and Liquefied Petroleum Gas (LPG) export volumes, with a 16% growth in equivalent product sales compared to 2022. This success stems from our strategy of investing in high-returning organic growth opportunities. Our integrated NGL business, coupled with strong business fundamentals, continues to drive our increasing cash flow outlook and positions Targa to deliver significant value to our shareholders over the long-term.

### Prioritizing Our People

Our progress would not have been possible without prioritizing the care of our people. While achieving record business growth, we have also developed a strong safety culture, reducing our total recordable incident rate (TRIR) by 25% since 2021. In 2023, we conducted 55,000 hours of Environment, Safety & Health (ES&H) training, and as we grow, we continue to invest in programs that safeguard our employees and communities.

### Expanding our Capabilities Responsibly

We commissioned four new gas plants, added additional compression, integrated the assets acquired in 2022, and still saw our methane emissions intensity decrease year over year. These achievements are attributed to our long-term strategy to optimize operational efficiency, early investment in electric compression, and continuous efforts

in limiting methane losses from our system. Particularly, some of the achievements we accomplished this year include:

### Performance Highlights

- Exported 5.6 billion gallons of LPGs in 2023 globally that can offset higher GHG-emitting fuels
- Conducted aerial methane surveys at all our gathering and processing assets
- Decreased Gathering & Boosting (G&B) Sector Methane Intensity by 19%
- Exceeded the original methane intensity goals established through the ONE Future participation

### Strategic Highlights

- Continued permitting for multiple carbon capture and storage facilities
- Installation of 140,600 horsepower (hp) of electric compression at new gas plants, and 28,000 hp in our gathering and boosting operations
- Launched a dedicated Methane Team to identify best practices across business units and piloted continuous methane monitoring

## CEO Letter Continued

As you will see in this report, Targa continues to focus on the prevention of methane loss in our systems to not only help us meet our methane intensity goals but also to support our customer's goals and reduce our exposure to any potential methane fees. Our Targa team is engaged in building knowledge, leveraging advanced technology, and applying solutions that are cost effective and applicable to our business.

Over the past year, we have also spoken to a number of our stakeholders to incorporate their feedback into our report, particularly on critical topics such as methane management plans and strategies for achieving meaningful emissions reductions. As a result, we have expanded our GHG emissions management disclosures to outline both our tangible achievements and forward strategies.

## Energy for Our Future

We believe that it is important to combat energy poverty and expand access to reliable, affordable power. As a company, we recognize our role in driving continuous improvements and efficiencies across our industry, operating responsibly, and caring for the communities and environments we touch.

We recognize the need for sustained investment in energy infrastructure to meet future energy demands, while always prioritizing safety and environmental stewardship.

While we have made significant strides, there is still much to be done. By maintaining a strategic focus and listening to our stakeholders and employees, we are confident that Targa is well-positioned to contribute meaningfully to addressing the world's evolving energy needs, while maximizing long-term value for our shareholders.

Thank you,

**Matt Meloy**  
Chief Executive Officer

# About This Report

Targa Resources Corp.'s ("we," "us," "our," "Targa," the "Company") 2023 Annual Sustainability Report (the "Report") provides our stakeholders with an update on our sustainability program, strategy, and progress for the calendar year ending December 31, 2023 unless otherwise noted. The scope of this Report includes all businesses, assets, and joint ventures owned and operated by Targa. It does not address the performance or operations of our suppliers, contractors, partners, and non-controlled investments unless otherwise noted. Any other data exclusions or additions are noted throughout the Report.

The Company has published an Annual Sustainability Report since 2019 to provide our stakeholders with regular performance updates on sustainability issues deemed relevant to our business and stakeholders. Annual sustainability reports are developed by a cross-functional team of subject matter experts throughout Targa and are reviewed by our Executive team, the Sustainability Committee, and the Board of Directors. We actively engage with our stakeholders throughout the year with the goal of ensuring the Report content and disclosures remain relevant and decision-useful.

In 2018, Targa conducted an assessment of our business to uncover the material non-financial issues most impactful to our business and stakeholders. The assessment included a review of third-party sustainability reporting standards and frameworks, peer reports, industry association guidance, investor feedback, and internal perspectives. To help ensure this assessment's results and this Report remain pertinent to our business, we engage with our stakeholders regularly on relevant sustainability issues throughout each calendar year. We also review our list of identified material topics annually to ensure they remain relevant to our business and reflect stakeholder input. Disclosures and updates related to our material topics are detailed throughout this Report.





# About This Report

## Reporting Standards and Alignment

We have aligned the Report's disclosures with the Global Reporting Initiative's (GRI) Oil and Gas Sector Standards and the International Financial Reporting Standards' (IFRS) Sustainability Accounting Standards Board (SASB) Oil and Gas Midstream industry-specific standards. We have also provided disclosures aligned with the Energy Infrastructure Council (EIC)/GPA Midstream ESG Reporting Template. Such disclosures can be found in the **Appendix** of this Report. As part of our sustainability disclosure efforts, we also respond to recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our TCFD Index is published on our website and can be found **here**.

## Forward-Looking Statements

This Sustainability Report contains forward-looking information or forward-looking statements. Please see "Forward-looking Statements" on page 102 of this Report.

For additional information on Targa's sustainability program, please visit our website:

**<https://www.targaresources.com/sustainability>**

or contact us at:

**[InvestorRelations@targaresources.com](mailto:InvestorRelations@targaresources.com)**

For Targa's financial information and disclosures, please see our United States Securities and Exchange Commission (SEC) Form 10-K and Proxy Statement on our Investor Relations website:

**[www.targaresources.com/investors/financial-information/sec-filings](http://www.targaresources.com/investors/financial-information/sec-filings)**





# About Targa

Targa Resources Corp. (“Targa”) (NYSE: TRGP) is a leading provider of midstream services and is one of the largest independent midstream infrastructure companies in North America. We own, operate, acquire, and develop a diversified portfolio of complementary domestic midstream infrastructure assets, allowing us to endeavor to supply natural gas and natural gas liquids (NGLs) efficiently and safely to meet the increasing domestic and global demand for cleaner, affordable fuel and feedstocks. We aim to operate responsibly to keep our employees safe, protect our communities, grow our business and increase shareholder value.



## Asset Portfolio

Our portfolio consists of the two primary segments, Gathering & Processing and Logistics & Transportation assets. Our integrated midstream business supports supplying the world with a variety of energy needs.



## Gathering and Processing (G&P)

Targa has a natural gas G&P footprint in producing basins across the U.S. This segment is primarily focused on the gathering, processing, purchase, and sale of natural gas produced from oil and gas wells. The natural gas processed in this segment is supplied through our gathering systems which, in aggregate, consist of approximately 31,000 miles of natural gas pipelines and include 52 owned and operated processing plants. For the year ended December 31, 2023, G&P made up 52% of our business based on full-year operating margin.

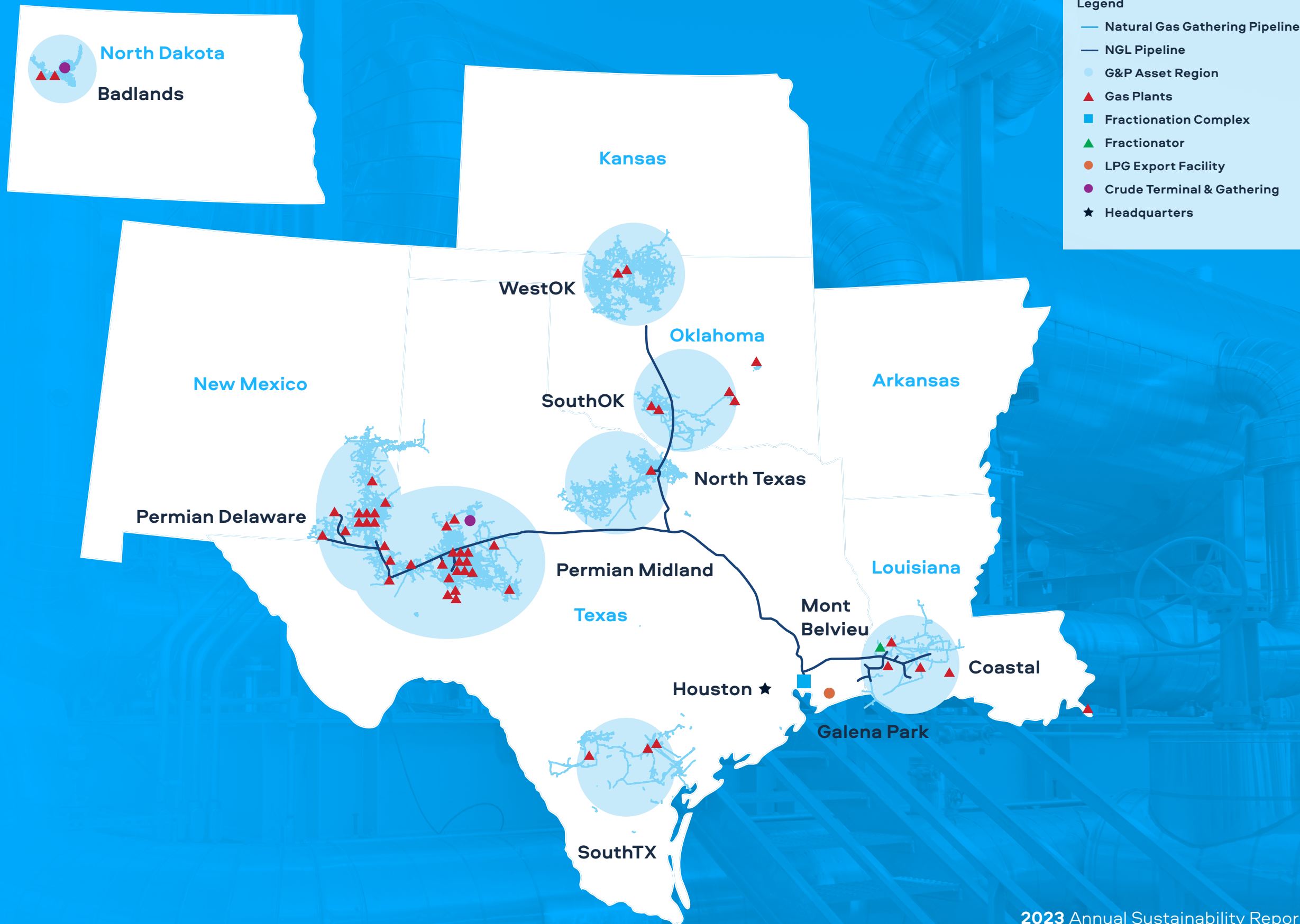


## Logistics and Transportation (L&T)

We connect natural gas and NGL supply to domestic and international markets. This segment includes the assets that convert mixed NGLs into NGL products and the additional services around the delivery of natural gas and NGL products. Our fractionation, pipeline transportation, storage, and terminal businesses include approximately 2,300 miles of company-owned pipelines to transport mixed NGLs and specification products. For the year ended December 31, 2023, L&T made up 48% of our business based on full-year operating margin.

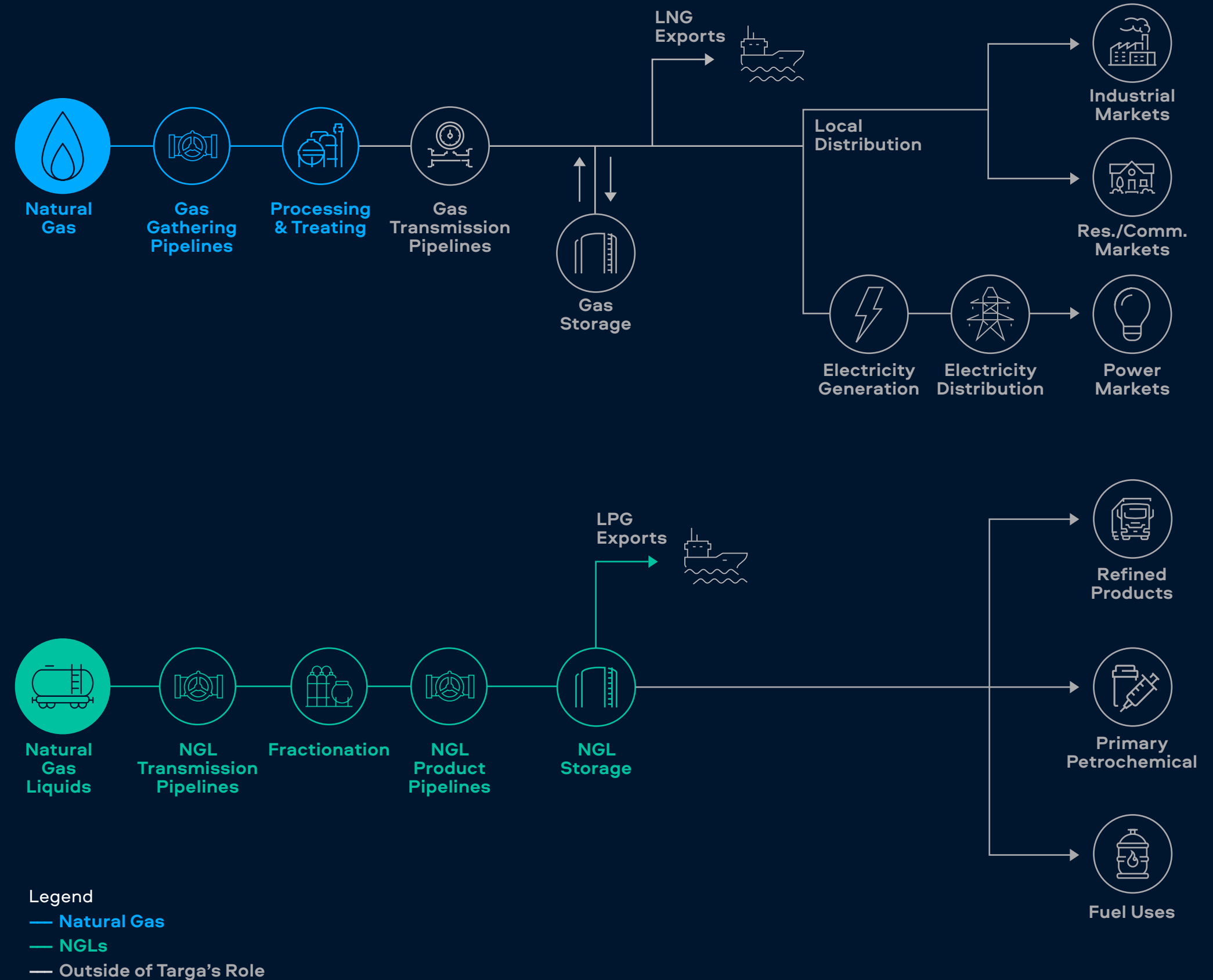


# Asset Map



# Energy Value Chain

As a leading midstream energy provider, Targa plays a vital role in transporting the natural gas and NGLs that help meet domestic and global energy demand. We create value at various stages along the midstream value chain, from gathering and processing gas to transportation, fractionation, and storage/export of valuable NGLs. These dynamics are illustrated in the graphic on the right:



# Common Uses for Natural Gas and Natural Gas Liquids\*

Targa plays an important role in supporting domestic and global energy security. Our natural gas and NGLs provide accessible, reliable, and affordable fuel and feedstock. The commodities we produce are frequently lower-priced than other hydrocarbon alternatives, and the momentum of increased demand we have seen this year underscores the critical nature of safe, reliable, and affordable fossil fuels.



## Natural Gas

Natural gas is one of the lowest carbon emitting hydrocarbon-based fuels available. According to the Environmental Protection Agency's (EPA) Emission Factors for Greenhouse Gas (GHG) Inventories published in February of 2024, for stationary combustion sources, natural gas emits almost half of the CO<sub>2</sub> and less than 10% of the methane when compared to coal. It is abundant, flexible, reliable, and affordable, and we believe it will continue to play a critical role in helping to meet the world's growing demand for energy. In the United States, natural gas is used primarily as a fuel for heating and electricity generation. While Targa is not a direct exporter of liquified natural gas (LNG), our expansive gas gathering and processing operations help produce natural gas that finds its way to export and international markets needing a reliable fuel source.

### Power Generation

Natural gas is used in steam and gas turbines to generate electricity. Natural gas was the largest source – about 43% – of United States electricity generation in 2023.

### Heating

Approximately 60% of the homes in the United States use natural gas for space and water heating.

### Transportation

The transportation sector uses natural gas as a fuel to operate compressors that move natural gas through pipelines and as a vehicle fuel in the form of compressed natural gas.

### Manufacturing

Natural gas serves as the building block for thousands of consumer goods. Natural gas is used in the chemical industry to make a variety of organic chemicals, fertilizers, and in the production of fabric, plastic, and paper.



## Natural Gas Liquids

NGLs are components of the natural gas stream. Examples include ethane, propane, and butanes. They have a wide variety of applications from specialized fuels used for home heating and transportation to petrochemical feedstocks for making thousands of products that people rely on every day to sustain our quality of life and promote economic growth. In developing nations, propane makes for a cleaner home heating and cooking fuel as compared to traditional fuels that generate significantly more air particulate matter, such as wood or dung.

### Household Goods

- Disposable diapers
- Rugs and carpet
- Tires
- Athletic equipment
- Luggage
- Detergents and pesticides
- Shoes
- Batteries
- Hoses

### Building Materials

- Plywood
- Particle board
- Acrylic signs
- Insulation
- Latex paints

### Food Packaging

- Bottles
- Bags
- Food containers

### Healthcare Products

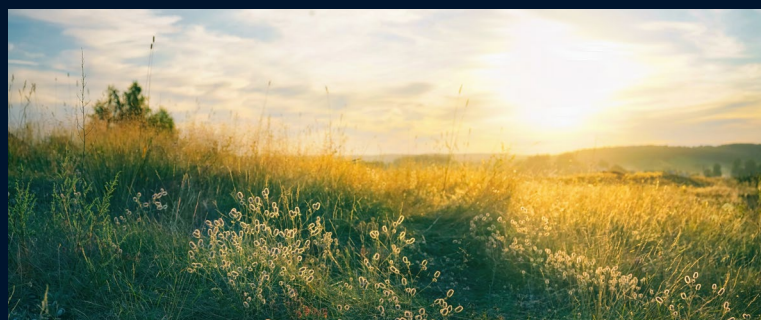
- Surgical and oxygen masks
- Ventilators
- Sterile packaging
- Syringes
- Gloves

# Sustainability at Targa

**We take our responsibilities seriously and understand that our success is tied to creating lasting benefits for our stakeholders through practicing good corporate governance, mitigating risks, advancing responsible environmental stewardship, and being a compassionate and ethical neighbor.**

We recognize that our dedication to implementing programs and practices that improve sustainability performance helps minimize organizational risk and promote long-term resilience. We strive to conduct business sustainably, safely, and with integrity, creating lasting benefits for all stakeholders, including the communities where we live and work.

## Our sustainability strategy is guided by four key concepts:



### Environmental Stewardship

We are focused on efficient operations that limit our impact on the environment while working responsibly to fulfill our role in the energy value chain.



### Safety Leadership

We know that our success hinges on our ability to protect our workforce and the public, as well as our ability to maintain the integrity of our assets.



### Social Responsibility

Our talented and dedicated team remains our most valuable resource, and we are committed to their health, safety, and development. We also value the connections we have with our neighbors, and we work to engage with and support them in meaningful ways.



### Corporate Governance

We seek to operate our business responsibly, ethically, and in a manner aligned with the interests of our shareholders.



# Sustainability Governance

Solid and effective governance is fundamental to a successful business and is central to Targa’s operations. Sustainability is a core element of our governance, recognizing that Sustainability risks are interconnected with other business risks and opportunities, and that sustainable governance supports our ability to create lasting benefits for our stakeholders. As a result, ESG responsibilities are integrated across all levels of our business structure, guided by a well-defined framework of roles and responsibilities. Our Board of Directors maintains a high level of oversight for our Sustainability approach. Regular dialogue between our business structure facilitates efficient communication and alignment on our shared sustainability objectives.

## Board of Directors and its Committees

Targa’s Board of Directors (the Board) is responsible for the oversight of our approach to sustainability and our Enterprise Risk Management (ERM) process. The Board strives to hold the Executive team accountable for implementing our sustainability objectives. In addition to executive oversight, the focus of the Board’s various Committees is also aligned with key sustainability program elements. Highlights of Board Committee oversight are noted below. Additional information on Targa’s approach to good corporate governance can be found in the Governance section of this Report.



**The Sustainability Committee assists the Board in overseeing sustainability matters.**



**The Audit Committee reviews Targa’s efforts around risk management, including cybersecurity.**



**The Compensation Committee oversees Sustainability-linked compensation and helps assess Targa’s Sustainability performance.**

### CEO and Executive Management

Targa’s CEO and Executive team oversee the development, implementation, and reporting on sustainability-related efforts. They also facilitate our ERM process, actively supporting the development of our program and approach to risk management.

### Management and Business Leaders

Targa’s management and business leaders develop and support efforts to achieve our sustainability objectives and initiatives. Their work further integrates sustainability considerations into daily operations.










### Employees

Targa employees are our greatest sustainability ambassadors. They are responsible for executing our sustainability objectives and initiatives. They connect with stakeholders as well as implement more efficient and effective initiatives across our business.

# Stakeholder Engagement

Active stakeholder engagement and dialogue are critical to building and maintaining collaborative relationships and are an integral part of our sustainability approach. Each stakeholder has certain priorities that influence how we approach our strategy. The table to the right outlines the primary stakeholder groups we interact with regularly, high-level sustainability topics important to each group, ongoing programs within Targa to address specific interests, and specific examples of efforts related to those areas.

These are the topics and commitments you will see covered in this Report, along with additional details and examples about how Targa engages with each stakeholder group on its sustainability strategy. [See page 78](#) in the Governance section for more information on our shareholder engagement activities.

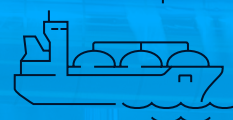
Stakeholder	Shareholders and Investors	Partners and Customers	Employees, Contractors, and Community
<b>Areas of interest</b>	 <p>Capture opportunities, provide solutions, minimize risk, and maximize value</p>	 <p>Help meet their sustainability goals</p>	 <p>Support development, growth, and health of employees and communities</p>
<b>Targa's ongoing programs</b>	 <ul style="list-style-type: none"> <li>• Corporate and business development</li> <li>• Corporate governance</li> <li>• Corporate strategy behavior</li> </ul>	 <ul style="list-style-type: none"> <li>• Reliable/safe operations</li> <li>• Initiatives to reduce methane emissions</li> <li>• Workforce health and safety</li> </ul>	 <ul style="list-style-type: none"> <li>• Social responsibility</li> <li>• Biodiversity/land use</li> <li>• Employee and public safety programs</li> <li>• Community outreach</li> </ul>
<b>Examples of our efforts</b>	 <ul style="list-style-type: none"> <li>• Government relations</li> <li>• Risk management</li> <li>• Ethics and code of conduct</li> <li>• Executive compensation</li> <li>• Renewable power</li> <li>• Purchase contracts</li> <li>• Carbon capture</li> <li>• New technology</li> <li>• Talent acquisition and retention</li> <li>• Cybersecurity</li> <li>• Shareholder engagement, outreach, and feedback</li> </ul>	 <ul style="list-style-type: none"> <li>• Increased communication with producers and pipeline operators</li> <li>• Voluntary and enhanced leak detection and monitoring</li> <li>• Facility optimization</li> <li>• Reliability and maintenance programs</li> <li>• ONE Future membership</li> <li>• The Environmental Partnership membership</li> </ul>	 <ul style="list-style-type: none"> <li>• Health and safety programs</li> <li>• Land use</li> <li>• Supply chain</li> <li>• Employee training</li> <li>• Local hiring</li> <li>• Landowner meetings</li> <li>• Indigenous peoples policy and outreach</li> <li>• Human rights</li> <li>• Employee benefit programs</li> </ul>

# 2023 Performance Highlights

Conducted aerial methane surveys at all our gathering and processing assets



## 5.6b



gallons of exported LPGs in 2023 globally that can offset higher GHG-emitting fuels

## 25%

decrease in Total Recordable Incident Rate since 2021

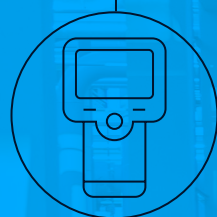


## 35%

of employees from traditionally underrepresented racial and ethnic groups



Increased handheld camera methane monitoring to quarterly at all compressor stations and bi-monthly at all gas plants



## 19%



decrease in Gathering & Boosting (G&B) Sector Methane Intensity

## 27%

of our leaders were women



## 36%

of our Board are women; and 18% of our Board are from traditionally underrepresented racial or ethnic groups



## 95%

of our new employees are residents of the state where their positions were based



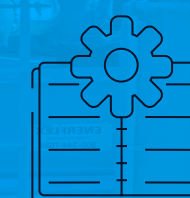
## ~2,250



Donesafe reports submitted

## 55,000+

hours of Environment, Safety & Health (ES&H) training





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# Environmental 2023 Performance Highlights

We deliver natural gas and natural gas liquids to meet the world's growing demand for cleaner energy in an efficient and responsible manner. Our dedication to responsible environmental stewardship drives us to incorporate environmental considerations across all facets of our operations and business decision-making. Our Environmental, Safety, and Health (ES&H) Policy serves as the cornerstone of our efforts, reaffirming our commitment to safeguarding the environment.



**Created new Methane Team to recommend best practices for each business unit**



**Conducted aerial methane surveys at all our gathering and processing assets**



**Continued permitting for multiple carbon capture and storage facilities**



**19%**

decrease in Gathering & Boosting (G&B) sector Methane Intensity\*



**Increased handheld camera methane monitoring cadence to quarterly at all compressor stations and bi-monthly to all gas plants**



Sequestered approximately

**250k**

metric tons of CO<sub>2</sub> from operation of six acid gas injection (AGI) wells



**3%**

reduction in Processing sector Methane Intensity\*



**Executed 2<sup>nd</sup> renewable power purchase agreement in 2023 to begin delivering power in 2024**



**Piloted continuous methane monitors on select assets to study the technology in the midstream sector**



Installed

**168,600**

horsepower (hp) of electric compression in 2023, 66% of total new compression



# Environmental Management

Our approach to environmental management is governed by our ES&H Policy. Our Environmental Management System (EMS) facilitates the management of environmental risks and supports our efforts to achieve regulatory compliance. It is supported by Targa’s leadership and complements our safety management system as part of our overall Integrated Management System (IMS).

Our environmental programs aim to limit the impact of our operational footprint on the environment and local communities where we operate. We prioritize meeting and, where practical, exceeding regulatory requirements. As such, all Targa employees share the same responsibility for promoting compliance. We strive to maintain open and transparent relationships with federal, state, and local regulatory agencies. We engage with them routinely, either independently or through our industry associations, on policy development, rulemaking, education, technology review, and benchmarking. We also continuously review and update our environmental management practices as we strive to align with legal and regulatory requirements and industry best practices.

**[For more information, review our ES&H Policy.](#)**

## Our environmental programs are guided by the following objectives:

### Leadership:

Demonstrate visible and active leadership that engages employees and service providers and manages ES&H performance.

### Employee Empowerment:

Provide employees with the resources necessary to instill personal ownership and motivation to achieve ES&H excellence; Promote ES&H awareness and responsibility through training to ensure employees are competent to perform their assignments effectively and safely.

### Minimized Impact:

Manage all projects and processes through their life cycles in a way that protects safety and health and minimizes impacts on the environment.

### Transparency and Communication:

Measure, audit, and publicly report ES&H performance to maintain an open dialogue with stakeholders.

### Security:

Ensure a secure work environment that protects employees, contractors, and company assets.

## Environmental Management System Elements

- Policies, Standards, and Procedures
- Document Control
- Roles and Responsibilities
- Compliance Tracking System
- Monitoring and Reporting
- Records Retention
- Evaluation of Compliance
- Measurement and Key Performance Indicators
- Management Review



# Environmental Oversight



I feel empowered knowing that whether I'm identifying a potential risk or suggesting an improvement, my ideas are always valued by the team.



**Bryan**  
ES&H Director

## Environmental responsibility is deeply embedded across all levels of our organization.

### Board of Directors

Review key performance environmental indicators and focus areas quarterly

### Operational Leaders

- Routinely review environmental performance data and reports
- Report on operational issues, including unplanned incidents such as spills or flaring, weekly during operational and commercial staff meetings
- Ensure significant unplanned incidents are reviewed for cause and corrective actions

### Executive Team

- Meet with operations, engineering, and ES&H leadership monthly to review environmental performance

### Field Environmental Specialists

- Work with functional groups across Targa, including engineering, construction, and operations, to oversee the implementation of environmental policies and practices
- Provide compliance assistance

### Environmental Subject-matter Experts

- Maintain and update environmental policies and practices
- Support and collaborate with functional groups across Targa, including operations and engineering
- Provide compliance assistance expertise

# Greenhouse Gas Emissions

## Our View:

We strive to limit our environmental impact while working responsibly to fulfill our role in the energy value chain. Our midstream operations are fueling not only domestic energy needs but helping to meet the world's increasing energy demand. We employ an integrated, cost-effective approach to manage and reduce Greenhouse Gas (GHG) emissions across our operations, including:



**Optimizing operational efficiency**



**Investing in low or no emission technologies, such as electric-driven compressors and air activated pneumatic devices**



**Implementing emission reduction best practices**



**Evaluating complementary business opportunities that reduce emissions such as renewable energy and carbon capture**



**Deploying advanced monitoring technologies to proactively identify and reduce methane emissions**



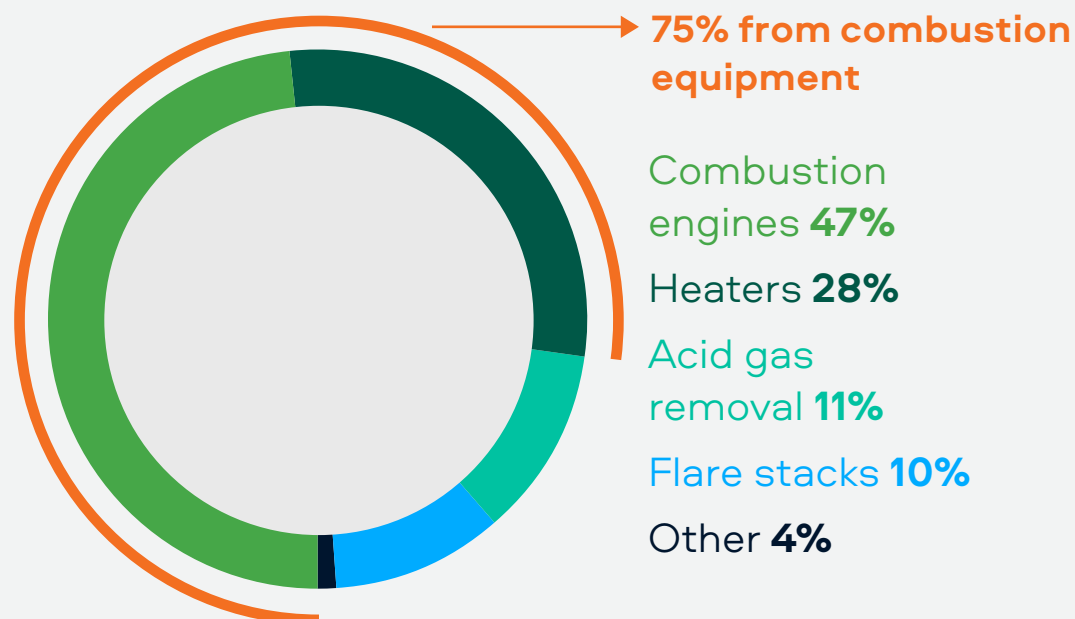
**Reporting our GHG emissions to stakeholders annually**

## Setting Goals and Objectives:

When it comes to the establishment of goals and objectives around GHG emissions, we have a consistent record of listening to our stakeholders, considering the unique qualities of our assets, and working towards meaningful emission reductions. As a fundamental principle, Targa only considers setting targets for our company that are aligned with our strategy of creating value for our shareholders, are credible, and can be supported by a plausible roadmap to achievement. Our Executive team has empowered dedicated resources throughout the organization to investigate and pilot new technologies, collaborate with peers and vendors, join and take leadership roles in organizations, and seek out knowledge and information to advance Targa's objectives.

## Our Approach:

### 2023 Scope 1 GHG Emissions Breakdown

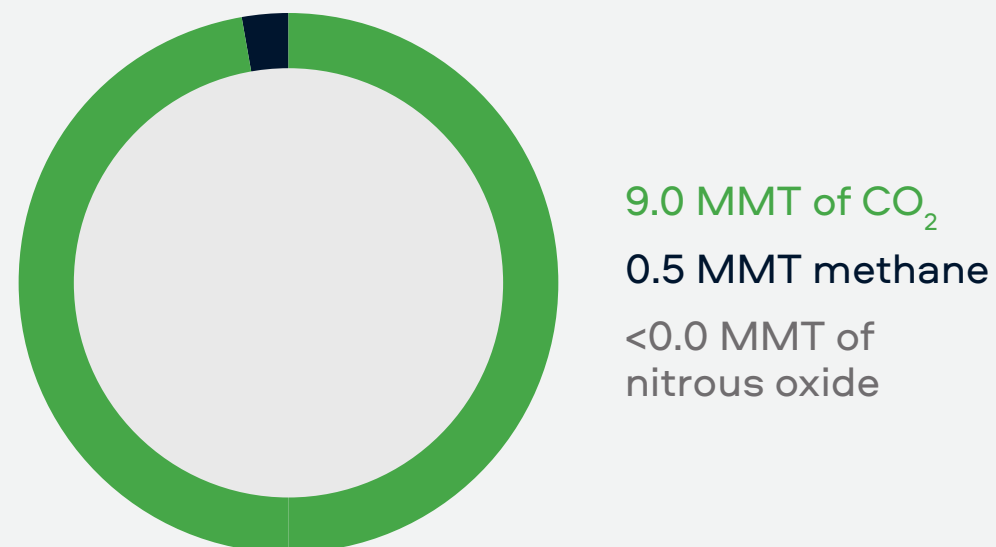


Looking at our current GHG emissions profile, the majority of Targa's GHG emissions as reported to the EPA are from CO<sub>2</sub> with 75% resulting from existing gas-fired compressor engines and process heaters. The primary ways to reduce these GHG emissions are by replacing existing gas fired equipment with electric equipment and preventing Scope 1 emissions through the initial installation of electric equipment.

The choice to deploy gas fired compression is the result of an evaluation of multiple factors including the availability and cost of electricity, the plant location, the reliability of renewable energy, and existing and potential regulation. Local electricity for electric compression is often not available, costly to install, or unable to be delivered on time. Taking all of this into consideration enables Targa to make decisions to provide reliable, sustainable energy to our customers within the parameters of our prudent capital allocation framework.

### 2023 Scope 1 GHG Emissions

Total reported: 9.5 million metric tons (MMT) of CO<sub>2</sub>e



Since 2015, we have been investing in electric compression for all our new plants and tens of thousands of horsepower of field gas gathering compression. In 2023, we were able to install 140,600 horsepower (hp) of electric compression at our new gas plants as well as 28,000 hp of electric compression in our gathering and boosting operations.

Located primarily at our fractionation facilities, either initial installation of or conversion to electric process heaters is not technically feasible. Targa has investigated post combustion capture and sequestration as well as conversion to hydrogen fuel for these heaters. However, these multi-billion-dollar projects are not currently a cost-effective option. As projects and interest in hydrogen continue to develop along the Gulf Coast, we continue to stay involved in commercial discussions and industry roundtables.

## Electrification of Existing Equipment

Electrifying all of Targa's existing gas-fired compressor engine fleet would require a significant investment, increasing costs by billions of dollars without an increase in volumes or revenues. The analysis of when and where to replace equipment is important.

During major scheduled maintenance overhauls, we consider if an existing gas fired engine could be replaced with an electric model. Decisions are made considering availability of electricity, increased operational reliability, and cost. Our engineering and operations team review future scheduled maintenance at least annually when planning for electricity needs.

## Focusing on Methane

While abatement of CO<sub>2</sub> emissions from combustion equipment may not make practical sense in many cases based on factors described previously, focusing on methane loss from our sector does. Methane has long been an important topic for the midstream energy sector, and with increasing pressure to lower methane emissions across the energy value chain, our focus on methane emissions is important to our customers.

Methane makes up a significant part of our gathered natural gas and is the primary component of the processed natural gas delivered to downstream customers. Preventing methane loss is not only better for the environment, it has always been good business. Targa joined the EPA Natural Gas STAR program in 2000 and continued our work with their staff through methane regulation development and program evolution.

**After careful consideration and with a focus on setting a meaningful target, we joined ONE Future in 2021, thus setting methane emissions intensity goals through our participation. Our methane reduction goals are:**

- **Reduce methane emissions intensity to 0.08% for the Gathering and Boosting sector by 2025**
- **Reduce methane emissions intensity to 0.11% for the Processing sector by 2025**

In February 2024, ONE Future announced it will update its post-2025 segment and value chain targets with more precise and stringent targets that reflect recent technological advancements. It also announced that ONE Future is evaluating approaches for enhanced measurement and monitoring of emissions. We see this as a positive development and plan to continue collaborating with ONE Future in these areas.

## Targa's 2023 Performance against our ONE Future Sector Goals

ONE FUTURE Sector	Methane Intensity 2025 Goal	2023 YOY Reduction	2023 Revised (with slip)	2023 Original (no slip)*
Gathering and Boosting	0.08%	-19%	0.112%	0.033%
Processing	0.11%	-3%	0.032%	0.022%
Total Company	-	-17%	0.072%	0.027%

In 2021, ONE Future revised the methodology for reporting methane slip from compressor engines. Targa and other midstream companies that gather low-pressure gas were impacted by methane slip due to the use of certain gas compressor engines. Regardless, our methane monitoring plan has helped us already exceed the 2023 Original sector goals and, on a total company basis, exceed even the lowest of the revised goals.





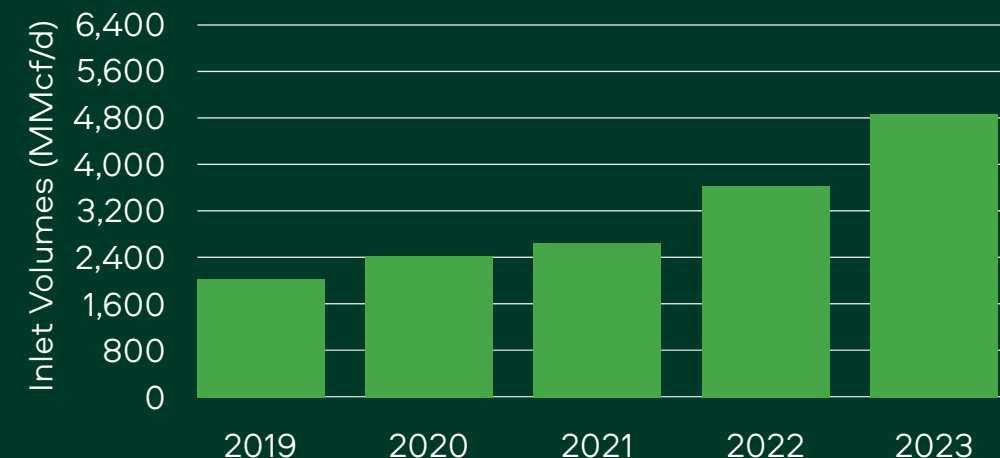
# Greenhouse Gas Emissions Performance

Targa had another record production year in 2023 with a 10% growth in our gross throughput. This can be attributed to the growing market demand for liquified natural gas and U.S. exports of reliable and accessible energy, and Targa’s outstanding performance in a difficult to replicate integrated infrastructure footprint. The chart shows the significant increase in Permian natural gas inlet volumes.

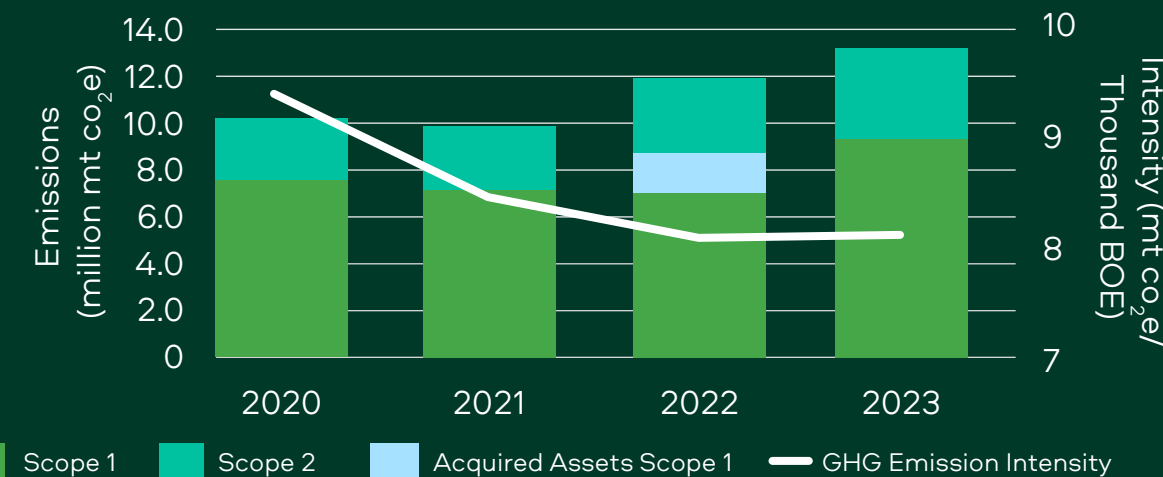
We observed a 10% increase in our 2023 combined Scope 1 and 2 GHG emissions compared to 2022. The increase in Scope 1 emissions was driven by the commissioning of 4 new gas plants and installing new compression. Scope 2 emissions growth is attributable to the third-party purchase power required to operate electric compression. Our GHG emissions intensity was basically flat year over year.

Since 2015, our Permian gas processing capacity has grown by almost 4 billion cubic feet per day. Throughout this expansion, the integration of electric-driven compression in lieu of gas-fired compression has helped us avoid approximately 3.9 million metric tons of GHG emissions. By strategically avoiding these emissions, we have been successful in reducing our GHG emissions intensity despite record year over year volume growth.

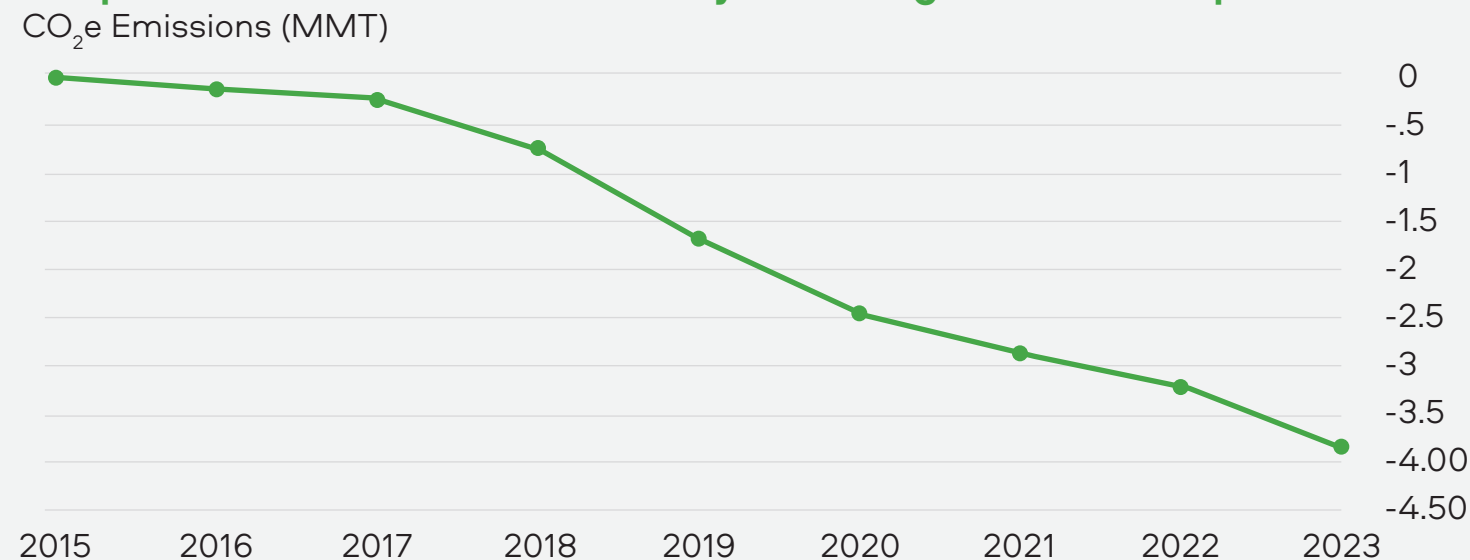
## Permian Natural Gas Inlet Volumes\*



## GHG Emissions Intensity



## Scope 1 GHG Emissions Avoided by Installing Electric Compression\*\*



\* Operational metrics represent average annual volumes.

\*\* We estimate annual GHG emissions avoided based on cumulative emissions that would have resulted if Targa had installed gas-fired compression at gas plants and compressor stations in lieu of the electric motor-driven compression actually installed since 2015. The emissions compound as additional electrical compression is installed annually.



# Greenhouse Gas Emissions Performance

## Energy for Our Future

The Targa business development and commercial teams continue to work on opportunities related to alternative and emerging energy solutions that support our midstream operations. The team is actively working on carbon capture and sequestration projects, and pursuing economic renewable energy projects and partnerships.

In 2023, we sequestered approximately 250,000 metric tons of CO<sub>2</sub> from operation of six acid gas injection (AGI) wells, which has resulted in nearly 1.5 million metric tons of CO<sub>2</sub> sequestered from 2016 through 2023. We continue to expand our AGI well operations through permitting efforts in New Mexico and Texas.

Renewable power sources, such as wind and solar, allow the midstream business to reduce both criteria pollutant emissions and GHG emissions from our assets. We have several ongoing energy initiatives that help reduce Scope 2 emissions. For example, Targa has completed several power purchase agreements for long-term projects delivering solar and wind power to our West Texas assets in the Permian Basin. In 2023, the Concho Valley Solar project began operation, and the Hutt Wind project completed construction. Targa began taking power from the Hutt Wind project in early 2024.

### Will electric compression still be an option?

While Targa regularly considers replacing existing gas fired engines with electric models, we are fully aware of the electrical demand constraints on the U.S. electrical grid. Challenges exist due to limited or unpredictable electricity availability. Specifically, the Texas electricity grid continues to rely on intermittent renewables for power generation to meet rising demand. Grid reliability, which is of particular concern in remote areas of operation, including portions of the Permian Basin, can limit our ability to safely electrify our operations without jeopardizing performance and operations. Thus, it is critical that we manage this risk appropriately. Dedicated Targa personnel are working directly with and through industrial groups with regulators, power providers, and the state legislators on electrification planning that is both reliable and sustainable.



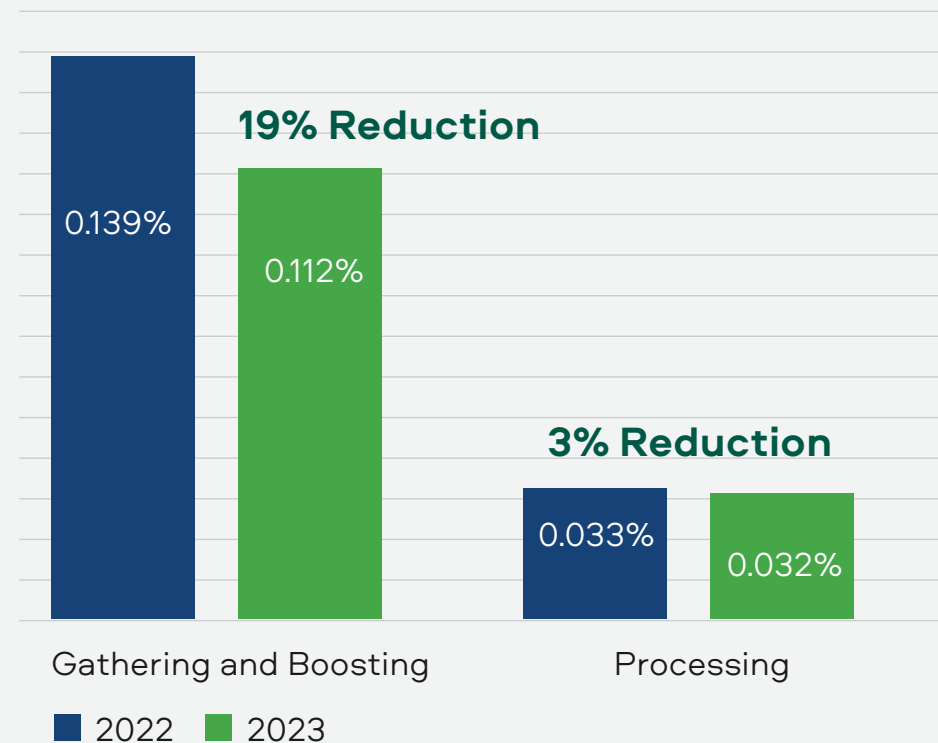
# Methane Emissions Performance

Targa's methane emissions reported to the EPA for 2023 increased over 2022 with the addition of new assets such as gas plants and compressor stations. The significant decreases we saw in 2022 over previous years was due largely to our increased methane monitoring activities to ensure all our compressor stations were monitored at least annually. In 2023, we increased our monitoring frequency to quarterly for all compressor stations and bi-monthly for all gas plants.

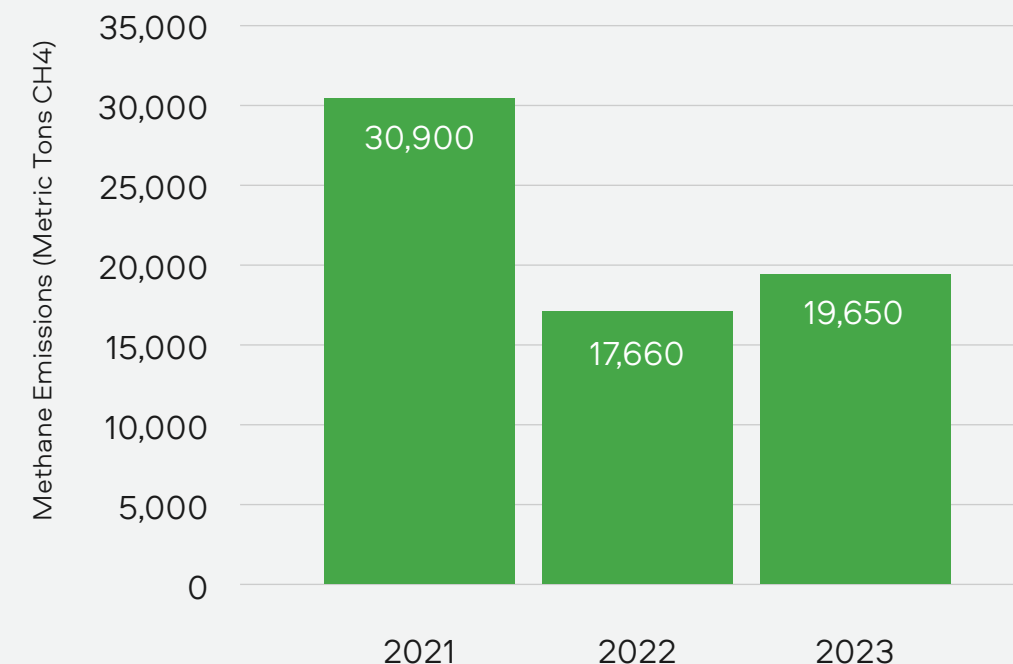
While absolute methane emissions increased due to our continued growth, methane intensity, including methane slip, continued to decrease, as seen in our ONE Future data.

**We had a 19% decrease in our methane intensity in the Gathering and Boosting sector and a 3% reduction in the Processing sector.**

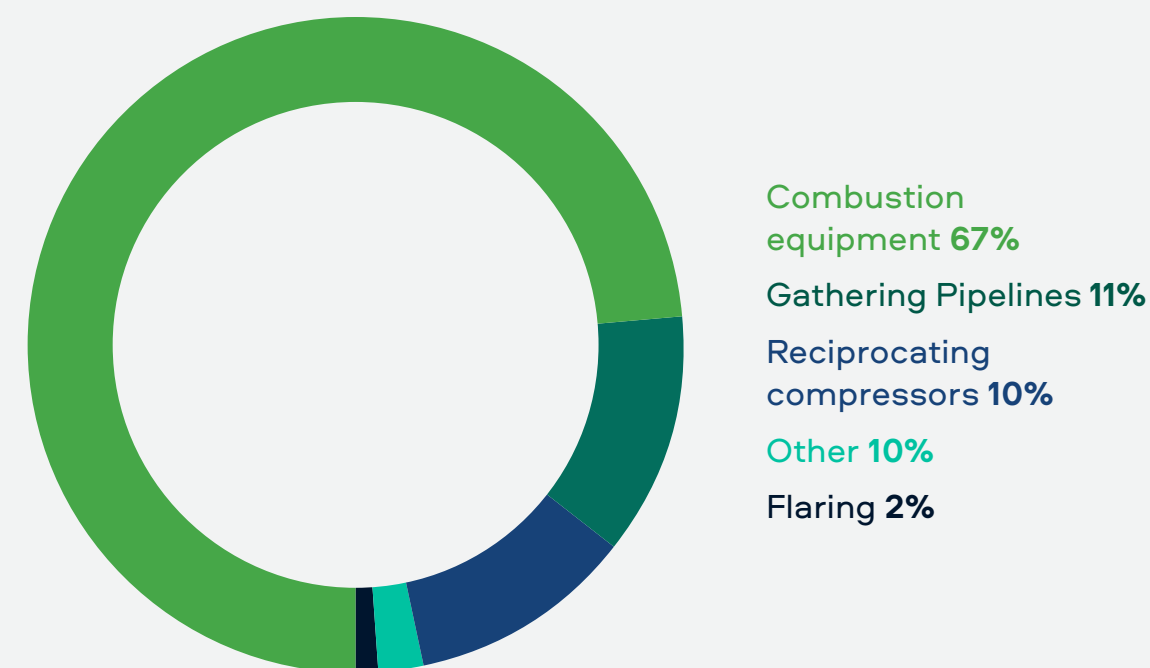
## Methane Intensity\* (with Slip)



## Methane Emissions as Reported to the EPA (MT CH<sub>4</sub>)



## 2023 Methane Emissions Sources (with methane slip)



**Considering the inclusion of methane slip, 67% of our methane emissions come from combustion equipment.**

**Year over year, Targa saw a slight reduction in the percentage of methane emissions from combustion equipment, gathering pipelines, and flaring.**



# Methane Management Plan

Since methane intensity is our key sustainability goal, methane management is the main focus in our overall GHG mitigation strategy. Executive Management drives the focus and investment in our Methane Management Plan including the following key aspects:

## Minimizing Gas Loss

We aim to move natural gas from the well to the market through our pipeline system. Reducing methane losses, the primary component of natural gas, benefits the environment by reducing emissions and improving the company's bottom line.

## Leveraging Advanced Technology

We have invested significantly in technologies, such as Optical Gas Imaging (OGI) cameras, fixed monitors, flyovers, and even satellites, to detect and identify leaks. This commitment to advanced technology reassures our stakeholders of our dedication to sustainability and environmental responsibility.

## Achieving Goals

We strive to continually improve our performance regarding methane emissions. Executive and departmental leadership meet routinely to ensure regular communication and understanding of progress on our goals.

## Applying Solutions

We established a cross-functional Methane Team to begin analyzing data and considering technology, including the frequency of use, in order to make recommendations on the most cost-effective means to reduce methane loss and improve operating reliability.

## Building Knowledge

We engage with industry organizations, such as ONE Future and American Petroleum Institute's (API's) The Environmental Partnership, to learn about mitigation strategies, technology performance, and other opportunities in the methane space.

Focus Area	Key 2023 Achievements	Impact
<b>Minimizing Gas Loss</b>	<ul style="list-style-type: none"> <li>Analyzed Targa's extensive monitoring data to create company specific insight of our operations</li> <li>Implemented advanced Leak Tracking Processes within Enterprise Asset Management</li> </ul>	Establishes a more systematic process to inform faster and more accurate decision-making
<b>Achieving Goals</b>	<ul style="list-style-type: none"> <li>Retained a 10% tie to sustainability performance within the annual incentive compensation plan</li> <li>19% reduction in methane intensity for G&amp;B sector and 3% reduction in Processing sector</li> <li>Exceeded ONE Future 2025 Original sector goals and exceeding 2025 Revised goals on a company wide basis</li> </ul>	<p>Establishes a tangible connection to the impact that employees can have on the Company's performance</p> <p>Demonstrates to stakeholders our commitment to meet our goals</p>
<b>Building Knowledge</b>	<ul style="list-style-type: none"> <li>Increased leadership roles in ONE Future as an elected member of the Board, and Co-Chair of the Technical Committee</li> <li>Helped lead GPA Midstream advocacy efforts on methane regulations and methane fee</li> <li>Provided feedback on the development of MMRV protocols</li> <li>Dedicated employees to be actively involved in API</li> <li>Joined academic-led collaborations with industry on topics related to methane</li> <li>Continued engaging with organizations like ONE Future and the US DOE on MMRV Protocols</li> <li>Worked closely with engine manufacturers on methane slip reduction technology</li> </ul>	<p>Demonstrates Targa's commitment to industry collaboration on solutions to reduce methane emissions</p> <p>Supports and informs the development of practical methods to improve accuracy and transparency of methane emissions reporting</p> <p>Supported the overall industry objectives and helped improve the midstream industry standards for methane measurement and verification</p> <p>Demonstrated track record of commitments to industry collaboration and innovative solutions to reduce methane loss</p>
<b>Leveraging Advanced Technology</b>	<ul style="list-style-type: none"> <li>Increased frequency of OGI inspections to quarterly for compressor stations and bi-monthly for gas plants</li> <li>Conducted aerial methane surveys of all active gathering and processing assets; 478 facility surveys and over 38,000 miles of pipeline coverage</li> <li>Piloted fixed methane monitors at several compressor stations and gas plants</li> <li>Began work with satellite monitoring</li> </ul>	<p>Positions Targa to be ahead of minimum requirements for compliance with EPA Methane Regulations</p> <p>Advances methane detection capability and helps inform our monitoring strategy</p> <p>Provides more data for use in analysis of our operational performance</p>
<b>Applying Solutions</b>	<ul style="list-style-type: none"> <li>Discussed methane goals and objectives with all employees in company-wide meetings</li> <li>Empowered employees to identify issues and contribute to leak detection and mitigation efforts</li> <li>Created a cross functional Methane Team to analyze Targa's extensive data for specific cost effective options to mitigate emissions in each business unit</li> </ul>	<p>Increases employee engagement and efficiency in leak identification and reporting</p> <p>Fosters a culture of accountability and continuous improvement</p>

# Methane Measurement and Reporting

Targa reports methane emissions annually in accordance with the USEPA's Greenhouse Gas Reporting Program (GHGRP). In following the GHGRP, we use emission factors, direct measurements, and operational data, such as directly measured gas volumes and compositions and asset-specific data.

Despite common criticism, emission factors are based on empirical data and undergo periodic revision. For example, the EPA's recent revision of the GHGRP (issued in May 2024) includes updates to several emission factors, reflecting recent academic research. It also added emissions from new source categories, such as methane slip and other large release events.

There is a lot of discussion related to the measurement, monitoring, reporting, and verification (MMRV) of greenhouse gas (GHG) emissions associated with natural gas. There are a growing number of programs, approaches, and protocols that, until standardized, can cause confusion. We agree with the U.S. Department of Energy's position that "there is a need to address gaps and promote consistency across platforms in order to provide market participants with comparable and reliable information about GHG emissions and intensity".\* Targa's work with ONE Future has given us a chance to participate in various MMRV related projects, peer roundtable discussions, and even pilots with MMRV protocols.

While we continue this work, we maintain our current position that the GHGRP, particularly with the revisions, provides us with a strong emissions inventory that helps guide Targa's methane goals and objectives. Until scalable, reliable quantification technologies are available through further development, and standardized protocols incorporating all types of measurement technology are broadly accepted, our stakeholders are best served by our ongoing proactive efforts to mitigate methane loss across our systems.

## Supporting the LNG Value Chain

The United States became the world's largest liquefied natural gas (LNG) exporter in 2023 with 66% of exports directed towards Europe.\*\* This helped compensate for the energy supply disruptions caused by recent geopolitical turmoil. The EIA expects demand to keep rising as Europe's LNG import capacity continues to expand.

As a supplier to U.S. LNG exporters on the Gulf Coast, our methane management activities help support the efforts of a key part of the U.S. energy value chain. Our customers are looking to us to help support the competitiveness of U.S. natural gas in markets across the globe. We believe the work we do to lower methane intensity, alongside our collaboration with organizations like ONE Future, will continue to support the future of U.S. natural gas.





# Focus on Flaring

Flaring, in the context of natural gas operations, refers to the controlled burning of excess natural gas that cannot be immediately transported or processed. While flaring reduction remains a core focus for the oil and gas industry, Targa does not engage in routine flaring, which is different from upstream exploration and production companies. Our core business centers on gathering raw gas from our customers, efficiently capturing and compressing it for safe transport. Therefore, the intentional, routine release and burning of gases, or routine flaring, does not align with our operation.

Targa’s flaring primarily occurs for safety reasons, such as relieving pressure during unplanned events like third-party outages, severe weather, unplanned maintenance, or other unexpected operational disruptions.

## Our Approach to Reducing Flared Volumes

Targa’s commitment to responsible operations is reflected in our efforts to proactively limit unplanned flaring and venting. This multi-faceted approach includes strategic planning, collaboration with stakeholders, strong asset integrity and maintenance programs, and implementing effective combustion techniques. Together, these efforts aim to minimize flared gas volumes while maintaining the operational safety and integrity of our assets.

**Actively monitor for and repair leaks, seek to mitigate flaring events, investigate incidents to determine corrective actions, and analyze data routinely to reduce methane emissions**

**Explore innovative technologies to reduce flaring emissions and identify operational improvements to reduce the need for flaring**

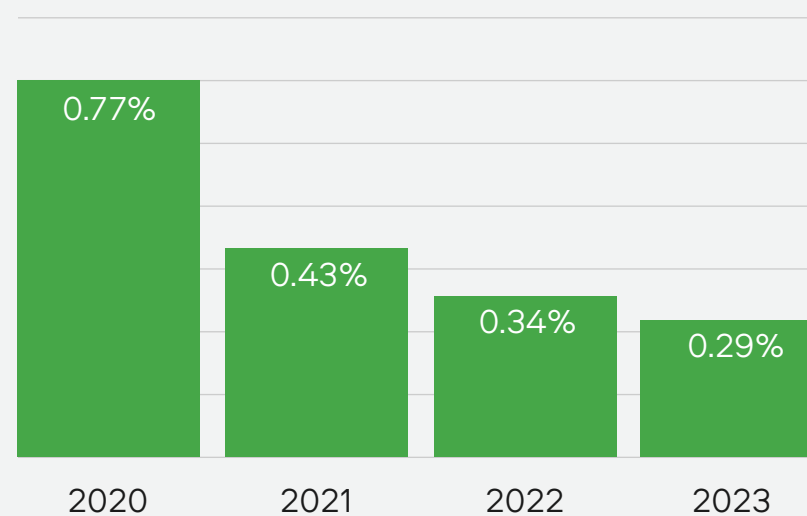
**Deploy efficient combustion technologies that meet applicable regulatory design and operational requirements**

**Utilize vapor recovery units to recover gas that would otherwise be flared or lost to the atmosphere**

**Evaluate and expand pipeline gathering system capacity and connectivity to reduce potential field gas flaring by producers**

### Environmental Incident Volume Intensity, Permian

Incident (MMCF)/GP Inlet (MMCF)



### Our Flare Operation and Design

Targa’s flares are all designed to meet stringent regulatory and operational requirements. Although our goal is to reduce and ultimately eliminate the gas going to the flare, at any given time, our flares are required to:

- Be lit and have automatic systems to reignite
- Operate effectively to maximize destruction efficiency



# Focus on Flaring

Consistent with our due diligence and post-acquisition efforts of the past, Targa completed a comprehensive review of the assets we acquired in New Mexico over the course of 2023. This effort helps us identify potential issues and work to implement solutions that can include permitting, operational changes, or new work processes.

## Management Practices and Programs to Reduce Flaring

### Centralized Gas Control

Centralized gas control team oversees our gas gathering systems, manages gas distribution to residue gas markets, supervises field operations, and assists in responding to system changes. This group allows us to proactively respond to system operating issues prior to the need to vent or flare.

### Gathering System Flexibility

The design of our gathering systems often allows us to reroute gas when scheduled maintenance or unplanned events occur, which makes our operations more reliable and stable, thereby reducing unnecessary flaring.

### Gas Scheduling

We work with third-party pipeline operators and gas processors during maintenance or unexpected situations to transfer gas where possible, which reduces the need to flare.

### Capturing Maintenance Gas

To ensure safety during maintenance, equipment and pipelines may require shutdowns and gas evacuations. Instead of flaring or venting that gas, we can redirect it to a low-pressure system and process it, reducing emissions and retaining gas within our system.

### Compressor Reliability

Compressors are critical to keep gathered gas flowing. By focusing on compressor and compressor engine maintenance programs, we are better able to provide reliable service and reduce unplanned flaring and venting.

### Collaborating with Industry and Regulatory Agencies

Targa collaborates extensively with industry groups and regulatory agencies to share best practices, learn about innovative technologies, and participate in surveys and studies. We also offer midstream-specific training and provide asset tours to regulatory agencies.

### Emissions Event Review and Analysis

Targa logs emissions events and associated volumes, which local cross functional teams review regularly for root causes and solutions. The Targa Executive team reviews summarized data monthly. This proactive approach reduces emissions and helps prevent unnecessary flaring events.

### Partnering for Success with Upstream Customers

Targa benefits financially by collaborating with producers seeking to reduce routine flaring. By working closely and coordinating early on project timing, Targa is incentivized to gather the gas from upstream operators when their wells begin operations. This proactive approach helps address midstream capacity limitations and creates strategic opportunities for both parties. It also increases our operational reliability for our customers and minimizes emissions from both parties' operations.

We also work closely with upstream customers to anticipate volumes and drilling schedules, allowing us to forecast and meet their needs proactively. Coordination of maintenance activities further reduces operational disruptions. Our communication spans operational, commercial, and executive teams, ensuring awareness of potential shutdowns and maintenance.

By collaborating with power providers, third-party pipelines, and producers, we strive to deliver excellent service while minimizing emissions. We analyze emissions events to implement preventive solutions, such as operational changes, enhanced communication, and investments in new projects and technology. Additionally, we continuously evaluate and expand pipeline capacity to reduce field gas flaring by producers.

# Criteria Pollutants

We also focus on our non-GHG emissions, including volatile organic compounds (VOCs), carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>), sulfur dioxides (SO<sub>x</sub>), and particulate matter (PM) through design and work processes, such as using electric compression, gas capture and reinjection processes, and low NO<sub>x</sub> burners.

During 2023, we continued to grow and expand our operations, with a record year in gas volumes processed across our midstream network. This growth resulted in an increase in non-GHG emissions. An important footnote relates to our continued efforts to integrate 2022 acquired assets in New Mexico. As we continue the integration of these acquired assets, a key focus area is aligning our new operations with Targa's established environmental and operational standards.

## Criteria Pollutant Emissions

Criteria Pollutant Emissions (thousand tons/year)	2021	2022	2023
Nitrogen Oxides (NO <sub>x</sub> )	8.2	9.6	9.7
Carbon Monoxide (CO)	5.1	6.4	7.5
Sulfur Oxides (SO <sub>x</sub> )	3.2	2.8	3.8
Particulate Matter (PM10)	0.3	0.5	0.6
Volatile Organic Compounds (VOCs)	4.7	6.1	8.9
<b>Total emission rates for reporting facilities</b>	<b>21.5</b>	<b>25.4</b>	<b>30.5</b>





# Water Management

Water is vital to the health, social, and economic well-being of the communities where we live and work, and it is an essential resource for our industry and our company. While overall water usage is relatively low in the midstream business, we recognize the importance of effectively managing water and are committed to reducing our impact on local water supplies. Our environmental management program guides our approach to managing water resources both during construction and while operating our facilities.

## Responsible Water Use

Our largest routine use of industrial water is for cooling systems in natural gas processing plants. In 2023, we used approximately 2,800 million gallons of water for our cooling systems, a slight increase from the previous year driven by our record year of production levels. This water is not contaminated during the process; more than 95% of it was returned to the hydrogeologic cycle through evaporation and discharge to surface bodies of water, which is regulated through state and federal permits.

When contaminated water is generated by our operations, we evaluate the feasibility of sending it to reclamation facilities based on the commercial availability of a facility. If reclamation is not viable, the water is disposed of in permitted disposal wells. In 2023, less than 2% of cooling water was disposed of after use via permitted Targa-owned disposal wells.

Our second-highest use of industrial water is for maintaining and developing underground salt dome wells that store NGLs near Mont Belvieu, Texas. These wells are created by injecting freshwater into the salt formations and dissolving the salt until the water is fully saturated. The salt-laden brine water is then extracted from the

wells, forming a cavern space for storage. When possible, we store the brine water in offsite ponds and reuse it in storage wells, which reduces the amount of freshwater needed for well development and operation.

As part of our effort to reduce our water consumption, we use air and nitrogen, instead of water, to conduct pressure testing of new gas pipeline assets when allowed by project and safety specifications. In areas along the Gulf Coast, where water is readily available, Targa uses water for pipeline testing. When testing with water, we adhere to testing protocols and strive to dispose of the water responsibly. In most cases, we can reuse the water in other segments of the pipeline, which reduces the overall amount of water required for testing.

Targa has also established strategic collaborations to continuously investigate opportunities for reducing water usage across our business, including with our vendors. By leveraging these partnerships and their expertise in water management, we are able to evaluate our water usage on an ongoing basis and continue to explore innovative solutions to reduce our water consumption.

## High Water Stress Areas

Targa recognizes the need to minimize our water consumption, especially in areas of high water stress such as West Texas and New Mexico. These areas are prone to drought and other weather-related risks. We have initiated internal monitoring of these regions to assess our operational water needs and explore potential solutions to further reduce future water usage. For example, we work with our water treatment vendors to monitor water usage in our amine gas treating units and look for opportunities to reduce water use.

Amine treating is a large percentage of Targa’s water use in high water-stressed areas.

Over the years, Targa has been replacing water cooling systems in our gas processing plants with air coolers. This transition reduced water usage and mitigated potential impacts from cold weather events. This design is now standard in our operations.



# Waste Management

We have programs and processes in place that are designed to provide consistent and proper management of waste, including pollution prevention strategies, encouraging waste minimization, and eliminating waste streams where possible. Our Waste Management and Minimization Plan guides us through a developed system of consistent waste identification, classification, minimization, handling, and disposal.

While our sector of the energy industry does not produce significant amounts of federally regulated hazardous waste, we produce some industrial waste that is managed according to state or local protocols. The industrial waste that Targa typically generates is associated with scheduled tasks or project work, such as pipeline, tank, and vessel maintenance, as well as generation of used filters, used oil from engines, and general trash. We actively work to identify more sustainable waste management solutions to divert waste from landfills.

## CASE STUDY

### Giving Retired Concrete a New Life: Louisiana Gas Plant Decommissioning Project

During a 2023 decommissioning project in Louisiana, we removed the concrete foundations from a former gas plant. Conscious of our waste footprints, we opted for a sustainable solution rather than traditional landfill disposal. We tested the concrete to confirm suitability for reuse. We then worked with the local parish and provided the material for their erosion control projects. Approximately 7,500 cubic yards of concrete were utilized to reinforce an estimated 1,800 feet of shoreline near Long Beach, CA for coastal erosion control and stabilization. This initiative successfully diverted the concrete from landfills, and it exemplifies Targa’s prioritization of minimizing our environmental footprint while giving back to the community when possible.

## Electronic Waste

Electronic waste (e-waste) has become an important issue due to increased laptop and smart device usage. Plastics used to build computers and monitors can contain hazardous flame-retardants, flat-panel liquid-crystal displays can potentially contain mercury, and circuit boards of many electronic devices, monitors, and batteries may contain hazardous materials. When electronic equipment has reached the end of its useful life cycle, we aim to recycle it, or donate the equipment to local organizations in our communities to extend its useful life and facilitate landfill avoidance. When electronic equipment is processed for recycling, it is sent to a designated location where it is broken down, and the parts are separated for repurposing.

Electronic waste recycled or donated in 2023 included 1,235 assets, and avoided putting almost 12,000 lbs of electronic waste into landfills:

Equipment	Count
Servers	31
Hard Drives	572
Laptops & Tablets	248
Monitors	101
Network Equipment	18
Miscellaneous	265

## Office Waste Management

At our corporate offices, we are focused on energy efficient office design and practices. We utilize recyclable plates, bowls, and coffee stirrers in all break rooms and have replaced all styrofoam cups with paper cups. We also are committed to reducing and recycling paper, plastic, and cardboard items. In our Houston corporate office, Targa sent an estimated 29,640 pounds of paper in 2023 to be recycled.

While our total pounds of paper recycled in our Houston corporate office decreased from 2022, we also note that transitioning to digital document review and signatures has assisted in additional environmental savings and waste minimization. The use of DocuSign specifically, based on the corporate account usage, eliminated an estimated 1,368 pounds of paper waste in 2022, increasing to elimination of an estimated 1,682 lbs of paper waste in 2023.

# Biodiversity and Land Stewardship

In our effort to be good stewards of the environment, we work to protect biodiversity and the land that we use. We are committed to limiting our disturbances to biodiversity by following the mitigation hierarchy where possible. To achieve that, we seek to implement industry best practices throughout the life cycle of our operations, including conducting environmental site assessments prior to construction activities and spill prevention measures during active operations. We use an avoid, minimize, and mitigate hierarchical approach to limit our impact on biodiversity and land.

During construction activities, we take measures to limit impacts to water bodies and other sensitive environments, including utilizing horizontal directional drilling, pipeline rerouting around bodies of water or other sensitive environments, and the use of best management practices related to sediment and erosion controls to minimize runoff into bodies of water.

To minimize our impacts on ecosystems and their biodiversity within and around our proposed projects, we follow a best-practice mitigation hierarchy approach during project planning, based on the projects' specific situations and the surrounding environment:



## Environmental Desktop Review

Identify, assess, and evaluate any environmental ecosystem and biodiversity topics (such as threatened and endangered species habitats, wetlands, etc.). Identify any coordinating agencies (federal, state, and local) for all projects.



## Minimize

In areas where impacts are identified, determine potential alternative scenarios and outcomes related to proposed projects to ascertain any avoidance or mitigation measures to limit impacts to protected species and ecosystems.



## Collaborate

Strive to foster cooperative relationships with landowners and stakeholders, including federal, state, and local agencies, to successfully manage and mitigate construction and/or operational impacts to property.



## Restore

Seek to restore ecosystems and habitat compositions to original or equivalent conditions prior to construction and/or operational impacts.



## Mitigate

In areas where impacts cannot be avoided, develop and apply conservation measures to offset essential project impacts.

# Biodiversity and Land Stewardship

## Management and Oversight

Targa’s biodiversity and land stewardship practices are governed by regulatory and company-driven policies. Our **Biodiversity Policy** guides our approach and outlines our commitments and goals regarding biodiversity protection and responsible land use and restoration. As stated in our policy, we identify biodiversity priority areas, including areas of protected conservation status or endangered species habitat, and ensure plans are made for each area to limit or avoid impacts.

Our biodiversity practices adhere to applicable laws and regulations from key federal agencies, such as the United States Army Corps of Engineers, Bureau of Land Management, Bureau of Indian Affairs, United States Fish and Wildlife Service (USFW), National Marine Fisheries Service, the EPA, and other applicable state and local agencies.

We foster cooperative relationships with landowners and other stakeholders to successfully manage and alleviate construction and/or operational impacts to their property. We incorporate biodiversity and land stewardship into the planning process of all proposed projects. This includes extensive research to identify sensitive habitats as part of our biological and species assessments within a proposed project footprint.

## Conservation Measures

In 2023, approximately 11.8% of land owned, leased, and operated by Targa was within or near areas of protected conservation status including endangered species habitat, as determined by the International Union for Conservation of Nature (IUCN) and USFW’s Information for Planning and Consultation (IPaC). The reduction of Red List Species in Targa’s areas of operation from 2022 is due to IPaC’s updated data input format. This reduction is mainly due to the improvement of evaluating Targa’s actual footprint against species habitat boundaries rather than at the county level. This excludes species that are located within the County but outside of Targa’s footprint of operation.

Red List Species (IUCN)	2023
<b>Number of Red List Species in Targa’s areas of operation</b>	<b>51</b>
<b>Critically endangered</b>	<b>8</b>
<b>Endangered</b>	<b>11</b>
<b>Vulnerable</b>	<b>14</b>
<b>Near threatened</b>	<b>8</b>
<b>Least concern</b>	<b>10</b>

We have joined several voluntary USFW conservation programs over the years. For example, we have been enrolled in the Lesser Prairie-Chicken RangeWide Conservation Plan since 2014 in New Mexico and Oklahoma, where our assets intersect with Lesser Prairie-Chicken habitat. In 2023, we also elected to protect the proposed Dune Sagebrush Lizards and their habitat in New Mexico. The Dune Sagebrush Lizard was listed as “endangered” under the Endangered Species Act on June 20, 2024. Through our enrollment in voluntary conservation programs, we continue to employ conservation measures for applicable operations including adjusting timing for

non-emergency operations, delaying construction until after 9 a.m., minimizing traffic and speed, and restricting off-road travel.

In 2023, we participated in a North Dakota Petroleum Council workgroup to develop a Habitat Conservation Plan (HCP) for the Dakota Skipper, a butterfly species that was listed as “threatened” under the Endangered Species Act in 2014. The HCP seeks to help ensure their long-term survival.



# Biodiversity and Land Stewardship

## Protecting Waterways During Construction

To minimize disruptions to water bodies and other sensitive ecosystems during construction activities, we employ several strategies, including:

### Horizontal directional drilling:

This practice allows us to install pipelines underground with minimal surface disturbance, protecting nearby waterways and ecosystems.

### Pipeline rerouting:

When feasible, we adjust pipeline routes to avoid sensitive areas altogether, ensuring minimal environmental impact.

### Enhanced sediment and erosion control practices:

We implement industry best management practices for sediment and erosion control to minimize runoff that could potentially pollute water bodies.

## Land Use

We are dedicated to responsible restoration of land used for our facilities and pipelines. This process is guided by both our Biodiversity Policy and our land lease agreements. Following construction, we prioritize the restoration of rights-of-way. This often involves seeding the property area with native grass seed sourced from local suppliers, based on specifications agreed upon by both Targa and the landowner. We also conduct inspections to monitor the effectiveness of the native grass seed growth.

We intentionally focus on being good stewards of the land, which involves giving extra attention to areas impacted by construction and restoration of rights-of-way. As part of this intention, we track and address potential long-term environmental impacts and associated costs when an asset retires.

We work to facilitate the surface land's return to its original state as required by legal, contractual, and other regulatory requirements. This also aligns with industry best management practices and aligns with our focus on being a good neighbor and environmental steward. When necessary, environmental assessments are conducted to evaluate subsurface conditions and determine the most suitable remediation and restoration approaches for land no longer used in our operations. We actively collaborate with landowners and agencies to re-establish native vegetation and strive to exceed regulatory standards in our remediation and restoration practices.



# Spill Prevention and Response

We continuously work to implement preventive measures that seek to reduce the risk of spills that could impact the environment. We focus on secondary containment construction design and material, routine inspections, annual training, and response drills. If a spill does occur, we utilize a cross-functional team that is trained to focus on safety and environmental protection.

Targa utilizes the SMARTPLAN™ platform to help manage approximately 320 spill prevention, control, and countermeasure (SPCC) plans and three facility response plans. These plans detail oil handling operations, spill prevention practices, control measures (e.g., secondary containment),

personnel, equipment, and resources used to prevent oil spills and contain, clean up, and mitigate the effects of any spills that may occur. In 2023, we further integrated SMARTPLAN™ to record all of our facilities' IDs, linking up facilities' administrative contacts to monitor any changes in personnel responsible for the SPCC plan, thereby aiding us in overall management and overseeing the facilities more systematically.

We use a computer-based training system to conduct annual spill prevention and response training for all our facility personnel. The training reinforces the importance of prevention by conducting routine inspections and equipment

maintenance. We also review each SPCC plan regularly and prioritize keeping each of them up to date. In 2023, we reviewed, updated and/or revised nearly 130 SPCC plans and created 23 new SPCC plans.

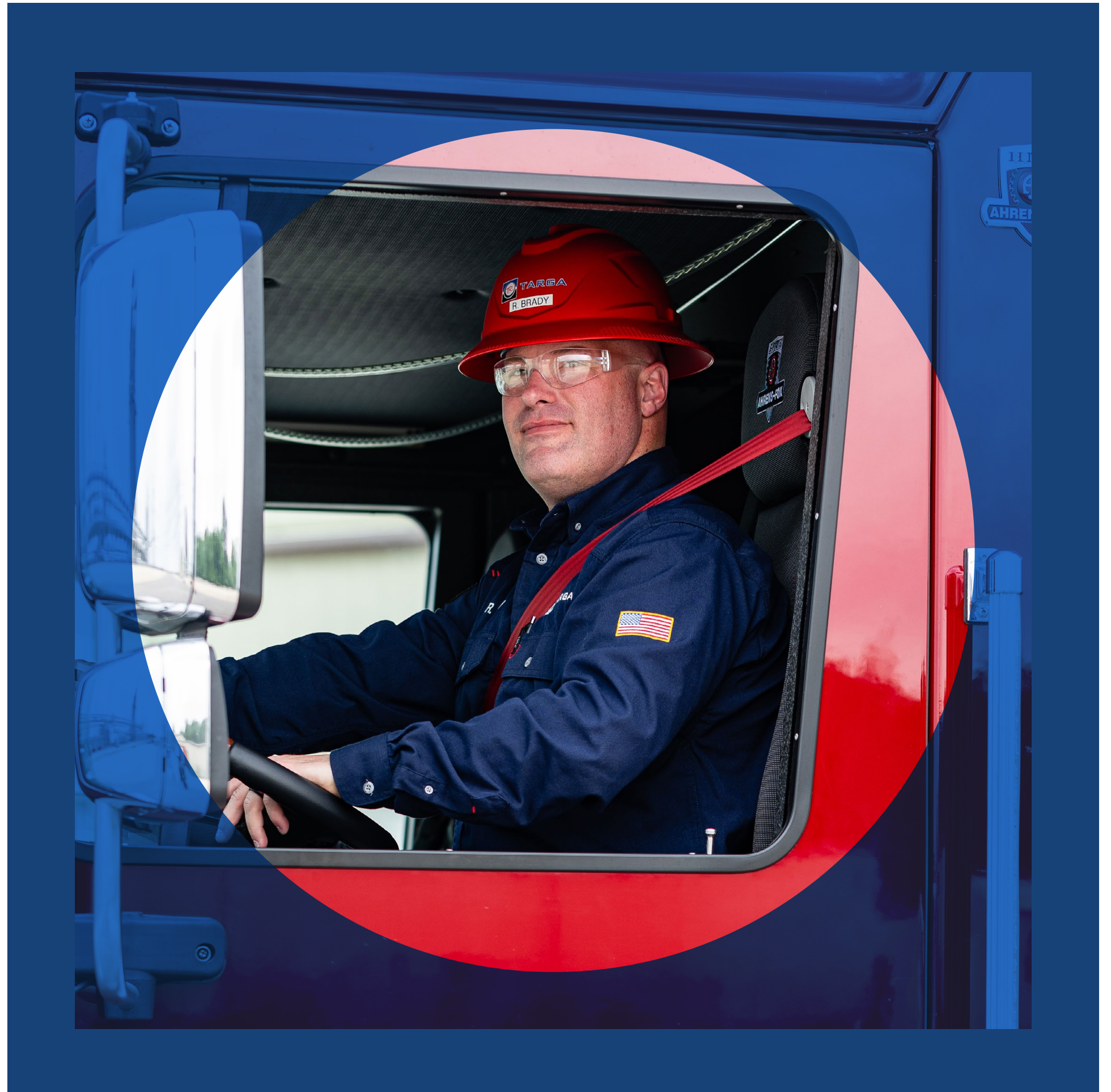
More information about Targa's overall emergency response efforts, including drills and incident command training, can be found in the [Safety section](#) of this Report.





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# Safety 2023 Performance Highlights

At Targa, our goal is for everyone to return home safely each day. Safety is a fundamental value underpinning our operations. We cultivate a safety-first culture and maintain rigorous standards that continuously exceed industry standards. By protecting our workforce, the public, and our assets, we are also safeguarding our Company's success.



## 25%

reduction in total recordable incident rate (TRIR) since 2021



## 9

Midstream Safety Recognition Awards



## 30

contractor audits performed

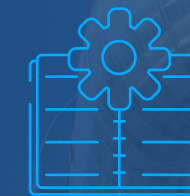
## 22



pipeline emergency response drills conducted

## 55,000+

hours of ES&H training



## 2,250+

*Donesafe* reports submitted

## 3,170+

field safety observations completed



# Safety Management and Oversight

Targa champions safety across the entire organization, resulting in stronger and more resilient operations. We aim to invest in programs that safeguard our employees and communities. We empower our employees to contribute to the overall safety of our Company, embedding a culture of safety in our workforce. We believe “Zero is Achievable”, and we continue to seek to deliver our products and services without any injuries.

Senior leadership and members of the Executive team report quarterly to our Board of Directors on our safety performance. Additionally, key safety performance indicators are reviewed regularly by our operational leaders and monthly by members of our senior leadership and Executive team.

Our Environmental, Safety, and Health (ES&H) Policy provides a framework for integrating safety performance into our core business activities. Our Integrated Management System (IMS) is how we put our ES&H Policy into action. The IMS provides us with a company-wide platform to manage and reduce risks in our operations, including safety risks. It is designed to facilitate achieving regulatory compliance and a positive safety culture that focuses on information sharing and personal accountability.

Our safety policies and standards are developed by our corporate subject-matter experts with oversight and governance by our legal team and certain Executive team members. They are implemented in the field by our safety specialists, engineers, and operational leadership team. Each is designed to comply with regulatory requirements and seek to integrate industry best practices and learnings from our organization. The policies and standards are reviewed regularly, updated as needed, and are available on our intranet for all employees to access.

**In 2023, we implemented a formal notification process for ES&H to improve employee engagement, communication, and transparency. ESH Notifications, our online communications and information-sharing platform, distribute safety alerts, incident notifications, and ES&H program updates and training opportunities to our employees.**



### Integrated Management System Elements:

Management Policies, Standards, and Procedures

Document Control

Records

Management Review

Corrective and Preventative Action

Evaluation of Compliance

Roles and Responsibilities

Engineering Standards and Operational Controls

Measurement and Key Performance Indicators

Training and Evaluation

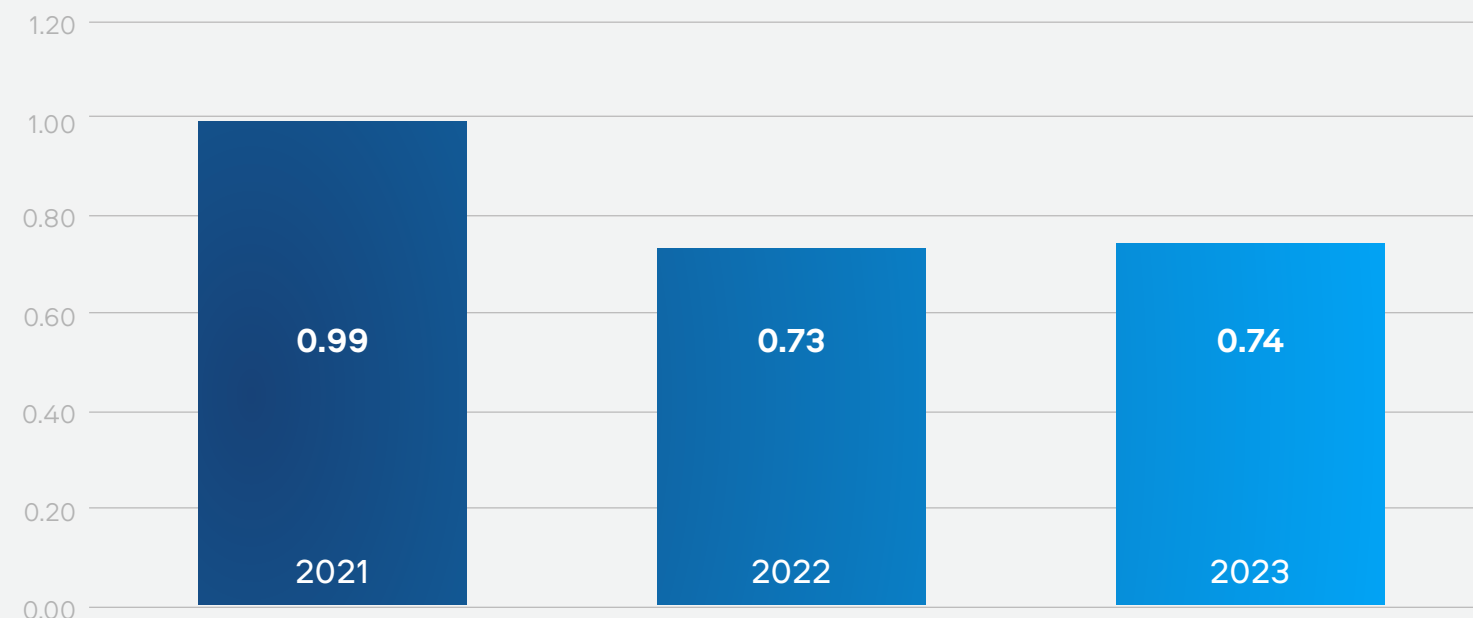
# Workforce Safety & Performance

As a company, we take our commitment to safety seriously. We believe that identifying strategic safety goals each year reinforces our commitment to the well-being of our workforce, improves our safety culture, and helps us work toward our vision of zero accidents.

We benchmark our relative safety performance to our industry peers using information reported by GPA Midstream, our primary midstream industry association. We seek to meet or exceed the GPA Midstream average each year. In 2023, GPA Midstream reported a TRIR of 0.69.

We do not publish specific incident rate targets or tie incentives to meeting a specific safety incident rate because we believe that can lead to a culture of underreporting incidents and hazards.

## Targa Employee Total Recordable Incident Rate (TRIR)\*



\*United States Department of Labor Occupational Safety and Health Administration (OSHA) – Total recordable injuries and illnesses multiplied by 200,000 and divided by total employee work hour.





Our safety performance can be attributed to the diligent implementation of targeted programs and initiatives that we have consistently pursued over the past few years:

- **Safe Work Permit System**
- **Critical Risks**
- **Targa Take 10**
- **Field Safety Reports**
- **Injury Investigation**
- **Job Safety Analysis**
- **Monthly Safety Focus**
- **New Hire Safety Orientation**
- **Safety Notifications**
- **Safety Training**
- **Supervisor Observations**

Additionally, all Targa employees have direct access to the *Donesafe* platform, which captures hazards, near misses, and safety suggestions. Employees can submit field safety reports, which are reviewed and addressed by local leadership. The reports identify issues and workplace hazards, generate actionable measures for work orders, and play a pivotal role in proactively preventing safety incidents. Donesafe allows employees to engage directly with leadership and drives the opportunity for real-time improvements that fit the needs of our workforce.



### STOP WORK AUTHORITY

Every Targa employee has the responsibility and authority to immediately stop work if they believe conditions pose a danger to personnel, the environment, or equipment, without fear of reprisal. Our training promotes giving positive feedback to support and encourage stopping work when unsafe conditions are identified.



### Hazard Identification and TAKE 10

Our employees are trained to comprehend and identify hazards and they are educated on the concept of Take 10, which encourages them to spend 10 moments evaluating the hazards and risks associated with their upcoming tasks.

# Safety Training

We offer comprehensive safety training to our employees through a variety of mediums, such as in-person, online, and asynchronous. We also offer safety role- and position-specific training. Newly hired site employees receive applicable formal safety training during their orientation, which includes an overview of safety procedures and protocols. In 2023, our training teams delivered over 38 three-day sessions for new hires. This fosters a culture that prioritizes safety across our company and equips employees with the skills and knowledge to prevent and respond to safety incidents from day one.

## 2023 Safety Training Achievements



### 55,247

hours of total safety and environmental training



### 50,251

completed enrollments of instructor led and online computer-based training



### 7,519

hours of job-specific training



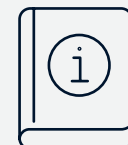
### 421

people completed new hire orientation



### 2,413

people completed online Contractor Orientation training



### 100%

of all contractors who perform work for Targa are required to complete necessary training

We regularly review and refresh our safety training to identify any potential risk areas or outdated protocols. In 2023, we updated a selection of safety programs and training, such as our driver safety coaching and our H<sub>2</sub>S Respiratory training.

We also enhanced our Safety Training Matrix, which defines the training curriculums by employees' job category. The improvement of the Safety Training Matrix provides a tool for our organization to create clear communication and expectations to ensure compliance with regulations and promote a culture of safety among its employees.



# Driver and Vehicle Safety

Driver safety is a critical part of our safety program that aims to protect our employees by minimizing incidents on the road. We have implemented a range of safety measures for all employees who drive Targa-owned and -leased vehicles, including, but not limited to, tracking vehicle safety performance and implementing in-vehicle-monitoring (IVM).

In 2023, we expanded our IVM to include a reminder system that alerts drivers if they are violating any established safety rules. The IVM uses a monitoring system to collect vehicle information and produce a Driver Risk Score. Drivers with a higher score may be enrolled in the High-Risk Driver Program, which provides education to improve driving practices. The Company also analyzes braking data collected by IVM to identify additional driver coaching opportunities.

We continue to make targeted efforts and provide direct training to our drivers to reduce our motor vehicle accidents. Despite those intentional efforts, our preventable vehicle accident rate increased in 2023 to 1.26 compared to 0.68 in 2022. We take driver safety seriously and have conducted a review of the incidents leading to the increase. We attribute this increase in reported incidents as a byproduct of recent improvements to our reporting software and reporting process training. As a Company, we believe “Zero is Achievable” and plan to continue implementing measures to improve our performance. Further, we strive to capture related data accurately and transparently.

Additionally, our Targa Transports team, which delivers propane and other NGLs across the United States, continues to maintain a strong safety performance record. In 2023, they outperformed the national standards, reporting an Out of Service (OOS) vehicle rate of 8.6% in comparison to the national average of 22.26%, and a driver OOS rate of 2%, significantly below the national average of 6.7%. These impressive OOS percentage rates were achieved despite an increase of over 313,000 miles traveled in 2023 compared to 2022, for a total of close to 7 million miles.





# Contractor Safety

Contractors are essential to our operations, and we actively involve them in all aspects of safety. Our requirements include:

- Participating in site- and project-specific orientations at the beginning of each project
- Providing contractor safety metrics and adhering to any required safety evaluations
- Fulfilling all contractual obligations
- Acknowledging and remaining fully compliant with [Targa's Supplier Code of Conduct](#)
- Participating in and completing safety meetings, worksite inspections, and audits
- Reporting all incidents and sharing insights from incident investigations
- Adhering to relevant laws, regulations, and industry standards



## Contractor Prequalification

When choosing to partner as a service provider, we utilize multiple third-party organizations, such as ISNetwork® (ISN), a nationally recognized contractor safety management service, to verify if that provider is prequalified to be assigned work. To prequalify and be approved for work, the contractor or service provider must have a grade in the ISNetwork system that is deemed as “satisfactory” or better by Targa. Targa uses grading criteria that includes several evaluations intended to differentiate contractor risk, including but not limited to:

- Minimum insurance coverage, as specified by Targa's corporate risk requirements
- On-the-job fatalities during the previous three years
- Regulatory citations received during the previous three years
- Safety performance and risk measurements, such as TRIR and Days Away, Restricted or Transferred (DART)
- Environmental releases or spills during the previous three years
- Implementation of a compliant drug & alcohol program, when applicable

When contractors are performing certain pipeline tasks, we review their operator qualification (OQ) records prior to hiring, as required by regulation. For this process, we utilize ISN, and secondarily, Veriforce, both nationally recognized contractor safety management services used by pipeline contractors to track United States Pipeline and Hazardous Materials Safety Administration (PHMSA) OQ requirements.

## Contractor Audits

We conduct contractor safety audits, utilizing third-party auditors, as well as internal evaluations of contractors to review their compliance with both regulatory and contractual requirements. Targa employees work with contractors daily to promote a safe and environmentally responsible work environment. We also participate in an industry group that conducts audits of a common pool of contractors and shares the results, allowing the industry to conduct more audits and improve overall safety performance. In 2023, the industry group completed 36 contractor audits, of which Targa completed 16. The group meets quarterly to ensure the timely closure of action items by the contractors.

These reviews are complemented by our own ongoing audits, which, for 2023, included 14 construction site audits with our contractors.

## Contractor Management Updates

In 2023, a team of cross-functional leaders worked together to improve our Contractor Management Process. The team reviewed the Company's utilization of software and the software's timeliness/reliability of contractor information. Additionally, the team analyzed industry best practices and current processes for continuous contractor monitoring. From their research, the team identified relevant program updates that could help ensure a safe working environment and reduce risks for the contractors working on our sites. Over the course of 2023, Targa worked to implement these updates to our contractor programs, confirming our commitment to continuous improvement of our safety systems.

## Reporting Contractor Metrics

We have been working to gather and provide contractor safety metrics. Available incident rate information can be found in the [Performance Tables](#) and [EIC Midstream Template](#) associated with this report.

“

The recent updates to our contractor management program have allowed for increased transparency on expectations and has led to smoother collaboration between our team and contractors.

**Ryan**  
Senior Manager Construction

”



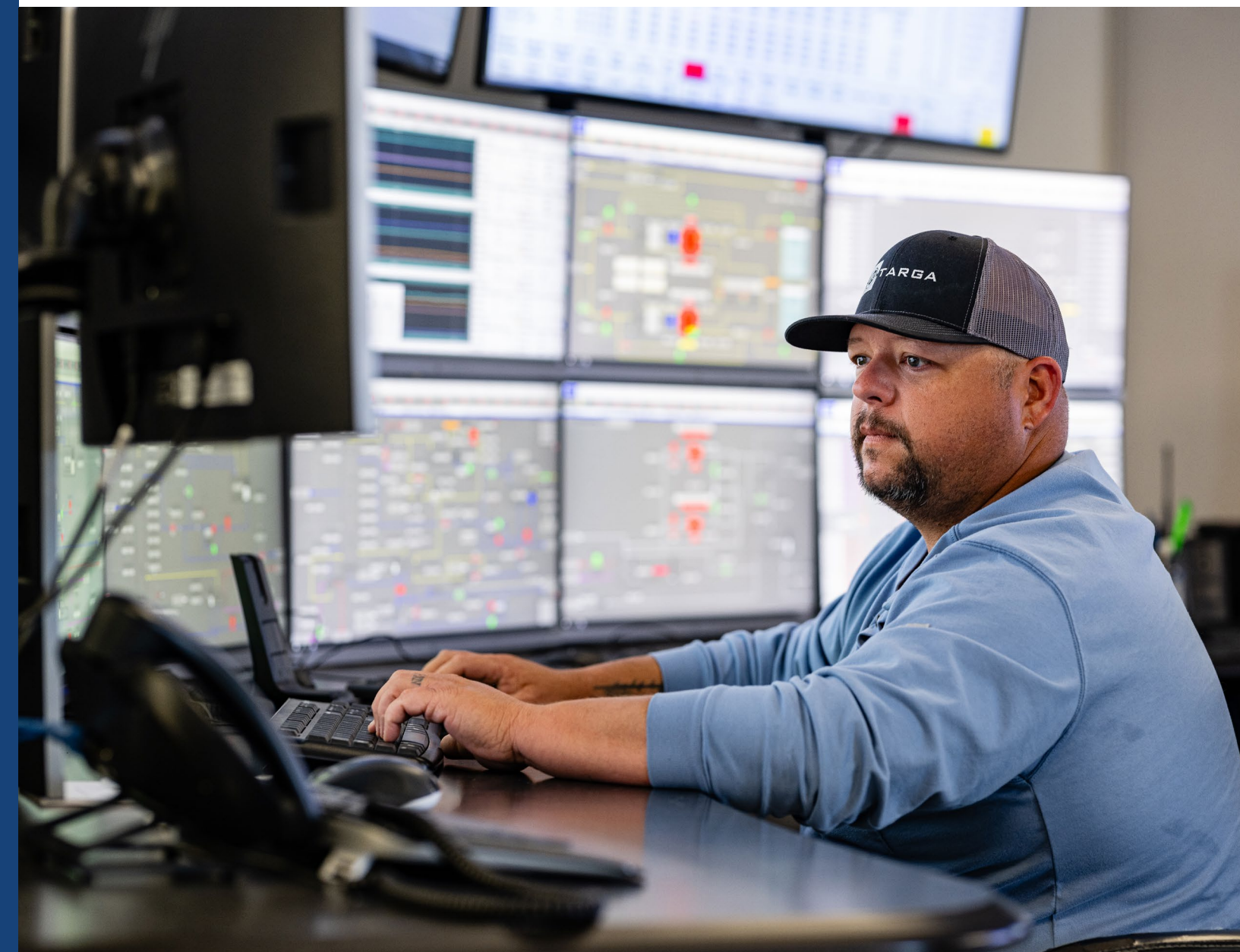
# Process Safety Management

Our process safety management program is designed to prevent operational incidents through a comprehensive set of management practices, such as hazard identification, risk assessments, operating procedures, training, and incident investigation. These comprehensive practices help us maintain process safety across all our assets, including pipelines and storage facilities.

At Targa, we have process safety management committees, which ultimately report to our Vice Presidents of Operations, responsible for overseeing the implementation of process safety across our assets. These cross-functional committees convene regularly to discuss process safety activities, monitor progress, and further our safety initiatives. The teams are responsible for overseeing the implementation of OSHA's 14 elements of Process Safety Management.

## 14 Elements of OSHA Process Safety Management

- 1 **Process Safety Information**
- 2 **Process Hazard Analysis**
- 3 **Operating Procedure**
- 4 **Employee Participation**
- 5 **Process Safety Management Training**
- 6 **Contractor Training**
- 7 **Pre-Startup Safety Review**
- 8 **Mechanical Integrity**
- 9 **Hot Work Permits**
- 10 **Management of Change Process**
- 11 **Incident Investigation/Accident Investigation**
- 12 **Emergency Planning and Emergency Response**
- 13 **Safety Compliance Audits**
- 14 **Trade Secret Protection**



In 2023, we continued our commitment to ongoing improvement in our Process Safety Management program across the company. We developed additional company guidelines and expectations, including publishing an Operating Procedure template, setting the expectations for what is to be included in a standard operating procedure. We continued utilizing a semi-quantitative approach to hazard and operability (HAZOP) studies, consistently estimating risk based on a uniform Risk Matrix and implement preventative recommendations as needed. These standardization efforts help reduce the risk of accidents and increase productivity across sites.

# Asset Integrity Management

Targa operates a vast network of midstream infrastructure, including numerous gas processing facilities and extensive natural gas gathering and NGL pipelines. As such, we prioritize asset integrity to encourage the proper design, maintenance, and management of these facilities to deliver gas reliably, maintain safe operations, and maximize efficiency and asset uptime.

Asset Integrity refers to the proper design, maintenance, and management of physical assets, such as equipment, structures, and facilities, to ensure their reliability, availability, and safe operation throughout their life cycle. This includes regular inspections, maintenance, and repairs to help prevent equipment failures, corrosion, and other forms of degradation. Our Asset Integrity Management program offers multiple layers of protection for each type of asset, including:

- **Boilers and Direct-fired Heaters**
- **Control Systems**
- **Corrosion Protection**
- **Leak Detection**
- **Emergency Shutdown Systems**
- **Line Patrolling**
- **Overpressure Protection and Relief Systems**
- **Pipelines**
- **Rotating Equipment**
- **Tank and Vessels**
- **Piping Systems**
- **Valves**

Our underground storage management protocols support asset integrity in our storage caverns. As such, we utilize systems that monitor operating pressures within the storage caverns to shut off operations if pressures go beyond predefined limits. We conduct surveys of storage caverns to understand the specific needs and establish a baseline. We use this data to monitor well tubular corrosion and mechanical issues.

We also monitor for corrosion across all assets, using real-time monitoring and data analysis. At the time of reporting, we have established a new corrosion control Pipeline Compliance System (PCS) software and database. Additionally, Targa's Asset Integrity Management programs includes internal and external audits of facilities and pipelines. Each audit is aimed at improving our assets and identifying gaps, creating action items, and closing out those action items in a timely manner.

To enhance monitoring and the evaluation of our assets, we initiated a process in 2023 to include our assets in the Integrated Database Management System (IDMS). By the time of reporting, a majority of our assets are digitized in the IDMS.



# Facility Maintenance and Safety

As part of our commitment to ensuring the integrity of our assets, we construct and operate all assets using recommended engineering practices and standards. In our ongoing effort of continuous improvement, we expanded the use of innovative tools, such as data mining and artificial intelligence. These tools augment our ability to conduct predictive maintenance and prepare for incidents, making our operations safer and more resilient.

Additionally, we conduct ongoing training with relevant employees and contractors on best practices for the specific needs of our assets. We employ a strong workforce of experienced maintenance personnel. Employees and contractors are active participants in reviewing and updating our standard operating procedures and validating our operational hazard assessments.

## Comprehensive Maintenance Program

Two years ago, we launched Project Anywhere Enterprise Asset Management (EAM). The goal of this project was to increase the use of technology in our processes and maintenance activities, and in doing so, we were able to standardize and streamline a significant amount of our processes and maintenance activities. This new EAM system also enables the adoption of new and useful technology that can improve operational sustainability and asset safety. It aids with regulatory compliance in the relevant jurisdictions.

In 2023, we began an overhaul of our asset integrity programs from a site-specific and regional focus to a company-wide and centralized focus. In this effort, we incorporated best practices from across our operations and applied them where relevant. Further, it enabled us to monitor and manage our asset to the same specifications, which has reduced the number of work orders.

To continue to support our EAM system, we added new hires across our operational support teams in 2023. These people have deepened expertise and specialized roles that allow us to manage our assets at the corporate level for each asset type.

## Comprehensive Maintenance Program



### Preventative Maintenance

We conduct routine maintenance on each major piece of equipment. This includes adhering to or exceeding the recommended maintenance schedules from the manufacturer's Original Equipment Manufacturer (OEM) manuals and leveraging our extensive experience operating midstream assets to maintain operational excellence and reliability.



### Predictive Maintenance

We proactively identify potential issues and promptly implement corrective measures to promote optimal performance and reliability by leveraging predictive maintenance and data analytics.



### Corrective Maintenance

We promptly address equipment malfunctions before or after unexpected downtime to promote safety and reliability. We investigate incidents to identify causes and implement actions to help prevent future occurrences, including operational changes, enhanced communication with suppliers and pipeline operators, or investment in new projects and technology. When needed, our management team allocates additional resources to resolve challenges.

# Pipeline Safety

Our natural gas and liquid pipelines traverse a wide variety of terrain, communities, and environments. As such, we are diligent in managing our pipeline safety. We work to ensure all pipelines are compliant with federal, state, and local regulations. Further, all of our pipelines are under the oversight of federal, state, or local regulation. We take great pride in our robust and productive safety management program and protocols, which include:

- **Conducting employee training (OQ)**
- **Completing regular, visual inspection of pipeline right-of-way by air and ground**
- **Communicating with stakeholders through pipeline public awareness and education programs to prevent third-party damage to our pipelines**
- **Maintaining cathodic protection systems to protect our steel pipelines from external corrosion**

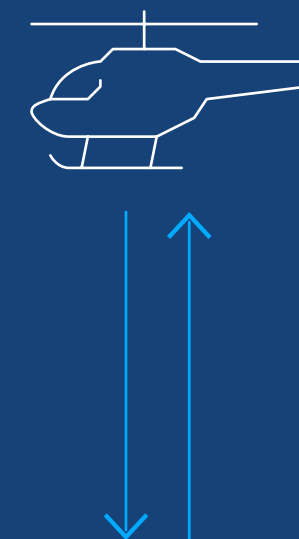
We utilize an asset database and satellite imagery to help verify stakeholder proximity to and urban development near our pipelines and other assets. Targa utilizes this data to inform our community safety and communications protocols when activity, such as new construction, is occurring nearby. We can complete more targeted maintenance through increased digitization and monitoring, which improves operational efficiency, human capital allocation, and spills and leak prevention. Further, we aim to be agile in updating policies and procedures to remain compliant with modified/new regulations and aligned with industry best practices, as needed.

## Pipeline Safety Management

24/7 System Monitoring



Aerial Inspection and Patrol



Valve Inspections, Leak Surveys, and Pipeline Marking



Pressure and Temperature Sensors



Cleaning Pigs Prevent Corrosion



Weld X-Rays

Smart Pigs In-Line Inspections

Protective Coating and Pipeline Replacement



# Emergency Response Planning and Preparedness

We aim to be a responsible and reliable member of our community. We have established processes to prepare and respond to a varied number and levels of emergencies that may impact our people (e.g., our employees, contractors, and communities) and operations (e.g., our facilities and assets).

## Emergency Response Program

To prepare for a wide range of emergencies, we have established a Crisis Management Plan that was developed to cover any incident or event. This plan underscores the guidelines stated in the ES&H Policy and is overseen by our Executive team. The Plan outlines and helps ensure that all necessary resources are available and accessible to our employees should an emergency occur. In the case that a significant incident or emergency does occur, the emergency is investigated by a team trained in root cause analysis, and the findings and relevant action items are reviewed in a safety meeting, which may include members of the Executive team.

## Emergency Response Drill Planning

We conduct annual emergency response drill planning to identify risks that would require emergency preparedness and response efforts. This planning effort involves a collective of employees spanning pipelines, facilities, and established emergency response teams at the regional, site, and unit levels. These teams can respond quickly and efficiently to the needs of our operations. Each site has established specific emergency response plans to safeguard the facility and its unique needs. The plans are updated regularly to align with best practices and site-specific needs.



# Emergency Response Planning and Preparedness

## Plant Control Rooms

Each gas processing plant and fractionator has 24-hour control rooms. These rooms serve as a central area of monitoring for facilities and associated gathering systems and are staffed by operating personnel. The facilities and associated gathering systems, including pipelines, are marked with signage providing contact numbers for our Pipeline Control Rooms if an emergency were to occur.

## Pipeline Control Rooms

Targa has three pipeline control rooms that are responsible for the monitoring and control of the regulated natural gas and liquid pipelines within our operations. A Control Room Management Plan (CRM) outlines the operations for each control room. In 2023, Targa hired a specialist to increase consistencies and best practices across the three control rooms. Additionally, Targa uses the POEMS software to maintain consistent documentation and accurate data for reviewing required elements of the CRM programs. The staff within these control rooms—our pipeline controllers—receive specific training on emergency response. This training includes identification, notification, verification, and implementation of actions to isolate a release.

In certain emergencies, quick and efficient access to emergency responders can improve the safety of a situation and may even be necessary. Targa has updated our geographic information system (GIS) to provide direct access to a Public Safety Answering Point database. This access enhances our ability to contact emergency responders and reduces response times to the site, if needed.

## Emergency Response Drills and Outreach

To increase the effectiveness of our emergency response plans, we conduct regular and comprehensive training and drills. Targa operational and support employees are trained on these emergency response drills. These efforts can include collaboration with local emergency responders, in which we conduct drills that mirror situations that could occur in our facilities or across our pipelines. Additionally, we inform employees of the Incident Command System (ICS) during these drills. This educates employees on the system and first responders' response plans for operational-related emergencies.

To further improve the efficacy of our emergency response efforts, our employees frequently attend Local Emergency Planning Committee (LEPC) meetings or connect with local first responders. We routinely provide fire departments with information on our plans and procedures to enable the first responders to prepare for potential incidents and accidents to increase the safety of all involved. Beyond the LEPC meetings, we also participate in industry-specific pipeline safety meetings specific to excavation contractors and first responders, in which all participants share information related to pipeline operations. In 2023, we completed 22 drills on liquid and natural gas pipelines.



# Emergency Response Planning and Preparedness

## Public Safety and Awareness

We strive to keep the public safe and well-informed. Through Targa's Public Awareness Program, we have built touchpoints that cover Targa pipelines and are centered around the active engagement of our stakeholders. These touchpoints seek to increase awareness and prevent potential safety incidents, including a key challenge of preventing accidental damage to communities as result of third-party efforts, such as excavation, construction, farming, and homeowner maintenance.

The program allows us to provide pipeline safety materials to those within our communities, near our pipeline easements, and surrounding any other operational assets. The materials we send contain information about our pipelines, covering reliability, damage prevention, locating and recognizing a leak, and reporting emergencies. Beyond those materials, we also collaborate with the public through a variety of community engagement opportunities. These may include regular county fairs, landowner picnics, and school activities. We continue our collaboration with first responders at these events.



Additionally, Targa participates in traditional state-administered One-Call damage prevention programs. This provides community members with an emergency number to call (811) if attention is required. It also helps ensure all pipelines are located and marked before any type of excavation work occurs. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) hosts an annual 811 Day that informs the public about the practice of safe digging. We participate in this event every year and help contribute to public education as well.

## Facility Weatherization

Our assets are key to facilitating the supply of natural gas for electricity generation. We have implemented protocols across our operations, especially around our gathering, processing, and transportation assets, to ensure that any planning and readiness efforts have occurred. These protocols are designed to increase the dependability of our assets during extreme weather events. Our plans are reviewed and updated as needed to ensure assets are up to date and equipped with the needed resources and personnel to remain resilient during severe weather conditions. We develop and execute site-specific plans based on the risk profiles of the region.

When experiencing an extreme weather event, we monitor the performance to use the resources and personnel we have on standby effectively. We are committed to working in partnership with industry stakeholders and regulators to continually enhance our weather preparedness efforts, thereby promoting the safe and reliable supply of energy.





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# Social 2023 Performance Highlights

At the heart of our business are our people and culture. Every day, we work to deliver safe, reliable products that fuel the economy and improve quality of life both locally and globally. Our success relies on the strong relationships with employees, landowners, and the communities we serve.

By the end of 2023, we employed over 3,100 people, equipping them with the tools and resources to succeed. Our culture of innovation and collaboration remains just one of the ways we find success as a safe and reliable operator. Our employee strategy of working to recruit and retain top talent supports our industry-leading position. This approach also creates a positive ripple effect in the communities in which our employees live and work; we value our neighbors and work to establish relationships with them to create mutually beneficial outcomes where sensible. Our people are key to driving sustainable business growth at Targa.



## 20%

of named executive officers were women



## 3,197

total employees



## 27%

of leaders\* were women



## 688

new employees, including 41% from referrals

## 100%



of employees received an automatic base contribution to their 401(k) in addition to Targa's 5% match

## 17%



of new positions were filled internally

# Employee Engagement

We are a people-first organization. The Company values meaningful employee engagement and strives to support our employees in the ways that best suit their careers at Targa and their personal lives. We demonstrate this commitment through our comprehensive benefits package, bespoke employee development programs, and support for our employees throughout critical moments in their lives, such as recovering from an extreme weather disaster or sponsoring continued education.

## Employee Benefits

At Targa, the health and success of our business is dependent on the health and success of our people. As such, we prioritize a comprehensive approach to taking care of our employees from physical health, overall well-being, financial health, and work-life balance. Some benefits include comprehensive health care plans, an online wellness program, paid parental leave, and a hybrid working environment for those with job functions that can be performed remotely.

We conduct an annual employee benefits analysis to help ensure our benefits and compensation are competitive. Based on the results of the annual assessment, we will adjust to meet—and at times exceed—the needs of employees and the expectations of our industry, where feasible and sensible.





# Targa's Employee Benefits

We prioritize empowering our employees with a comprehensive and competitive benefits package. In 2023, we enhanced our benefits to complement our existing employee benefits.

## Enhanced Program Adjustments in 2023 for 2024 Rollout



Transitioned Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs) to Fidelity where we already administer our 401(k) and stock program enabling one access point for our employees.



Consolidated our medical insurance provider to one insurance provider to help ensure that we did not pass along increased costs of insurance to employees in an inflationary environment.



Reduced the copay for mental health services to \$0. Expanded mental health services and benefits through a new Employee Assistant Program (EAP) that increased ease and access in areas where our employees live and work.



Introduced an online discount marketplace to help employees save money on a variety of everyday items in an inflationary environment at no additional cost.



Launched a Family and Caregiver Support Program that connects employees to care coaches who assist with caring for an adult or child at no additional cost to employees.

## Employee Benefits:



Medical, prescription, dental, and vision coverage



401(k) with up to 8% company-sponsored contribution



Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs)



Basic Life and Accidental Death & Dismemberment (AD&D)



Short- and long-term disability programs



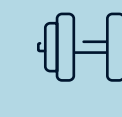
Health and well-being programs



Diabetes and cardiovascular programs



Employee Assistance Program (EAP)



Fitness Resources



Parental leave

## Financial Wellness

In 2023, we continued our focus on financial wellness. The Company assessed our approach and made necessary changes to help ensure employees were regularly accessing and leveraging provided resources. As a result of this effort, we consolidated our financial benefit offerings into a single platform. Employees can now access their FSA, HSA, and 401(k) accounts through Fidelity. This streamlined approach grants our employees one access point to seamlessly view and manage their financial well-being. Additionally, through collaboration with Fidelity, we have established a repository of articles, videos, workshops, and interactive tools to educate our employees and empower them to make informed financial decisions. In 2023, Fidelity conducted four educational webinars for Targa employees.

In addition to accessibility, we prioritize helping our people prepare for retirement. To this end, we provide our employees with a 3% company-sponsored base contribution to their 401(k)s. We also offer employees an additional match program, where Targa will match 401(k) contributions up to an additional 5%. As a result, **employees can receive up to an 8% 401(k) contribution from Targa.**

## Targa Resources Emergency Relief Organization

To further bolster our employees' financial resilience and provide needed support around any unforeseen hardships that may occur, we established the Targa Resources Emergency Relief Organization (TRERO). TRERO financially aids employees' recovery from unexpected emergencies, such as extreme weather, through a tax-free grant. In January 2023, some of our employees' homes were impacted when tornadoes and catastrophic winds in the Gulf Coast region came through the area. Employees were given contributions to assist with the damage sustained to their property. In June 2023, tornadoes in Oklahoma caused damage to employees' homes and property. They were provided financial contributions to assist with damage sustained to their property.



Financial wellness at Targa allows employees to feel confident and empowered in their financial future. By providing them better access to resources and expanding our partnership with Fidelity, we provide employees with the tools to plan for their future.



**Moira**

Director of Human Resources  
and Talent Acquisition



## Learning and Development

We are committed to investing in our employees' growth and development. Our ongoing investment helps us retain our employees. We offer our employees skill-specific and career development programs and training to empower them in their current and future roles at Targa.

Our focus on developing our people begins during new hire onboarding. New hires receive an onboarding orientation and training, which can span up to three days depending on their specific role. Following corporate onboarding, each department provides continuous, job-relevant training to each employee. In addition to Company-led training, we provide employees access to Udemy Business, an online learning platform providing access to more than 5,500 top-rated, engaging courses. In 2023, our employees who utilized the learning platform completed more than 2,500 hours of learning.

## Career Specific Development

We host a variety of tailored programming to support Targa employees with professional development opportunities. For our early talent, we offer an internship program for current college students and an Analyst Development Program (ADP) for recent college graduates. The ADP program is a three-year rotational program providing the opportunity for specific skillsets and general professional development throughout different departments. Upon successful completion of the ADP, participants transition into permanent positions at Targa. We also offer an Engineering Development Program (EDP) in support of our technical career path.

For our more tenured professionals, we offer leadership training programs that include one-on-one coaching for employees rising into managerial roles.



**Coming from a retail background, I never knew how exhilarating a corporate environment could be. I've learned so much in the past few months here at Targa and continue to learn more every day. Everyone has been so helpful in refining the skills I learned in school to better equip me in my position now. Working with experts in the field and getting more information on the history of Targa has been incredibly rewarding and I can't wait to see where my future here takes me.**



**Torrance  
ADP**



In addition to corporate and job-specific training, employees have regular check-ins with their managers to discuss their performance. We conduct formal performance reviews for employees annually, which provide feedback on the employee's performance for the year and opportunities to discuss growth within the Company. In addition to managerial coaching, employees have the opportunity to engage with our executive team during our town halls, which feature an Executive team panel. Employees are invited to submit questions ahead of the town hall to the Executive team, allowing for direct engagement during each meeting.

## Employee Recognition at Targa

In 2023, we developed a formal Employee Recognition Program. This program empowers leaders to acknowledge and celebrate team members' contributions through our Employee Recognition Tool. Leaders can nominate employees for exemplary work in categories such as extraordinary contributions. Nominated employees receive Company recognition and a gift card to the Company store. At the time of publishing this Report, we have seen strong program adoption. From the program's launch in August 2023 through the end of 2023, over 250 Employee Recognition Awards were issued, totaling \$31,800 in gift cards to the Targa Company Store.



We also pride ourselves on taking a thoughtful approach to employees' growth within the Company, with an emphasis on internal mobility. This allows employees to work towards promotion within their current department or pursue internal transfers to other departments of professional interest. **In 2023, 17% of new positions were filled internally. Of the leadership positions we hired for in 2023, 53% were filled internally.**

## Career Mapping Pilot

To deepen our focus on career development, we launched a career mapping pilot in 2023. This pilot is being conducted in partnership with several internal departments to explore and begin to systemically define career path and respective employee development. We believe this exercise will aid in employee retention by providing employees with an action-oriented visualization of their growth trajectories within the Company.

## Targa's Learning Management System

In 2023, we commenced work on the design of a Company-wide Learning Management System (LMS). The LMS — to be deployed in 2024 — enables Targa to manage and track employee training in a centralized platform. This permits executive leadership and people managers to assign and review training completed by employees in real time. The deployment of the company-wide LMS system contributes to Targa's strategic efforts to digitize the business to increase transparency and automation.

## Targa's Current Learning and Development Programs and Initiatives:



### Career Development



**Annual performance reviews**



**Educational reimbursement**



**Internal promotions and transfers**



**Career Paths**



### Early Talent Development



**Internship program for current college students**



**Analyst Development Program for recent college graduates**



**Engineering Development Program for recent engineering graduates**



**Development Technicians Program for aspiring technicians**



### Training Programs



**On-the-job training**



**Leadership training**



**Udemy Business Training Platform**



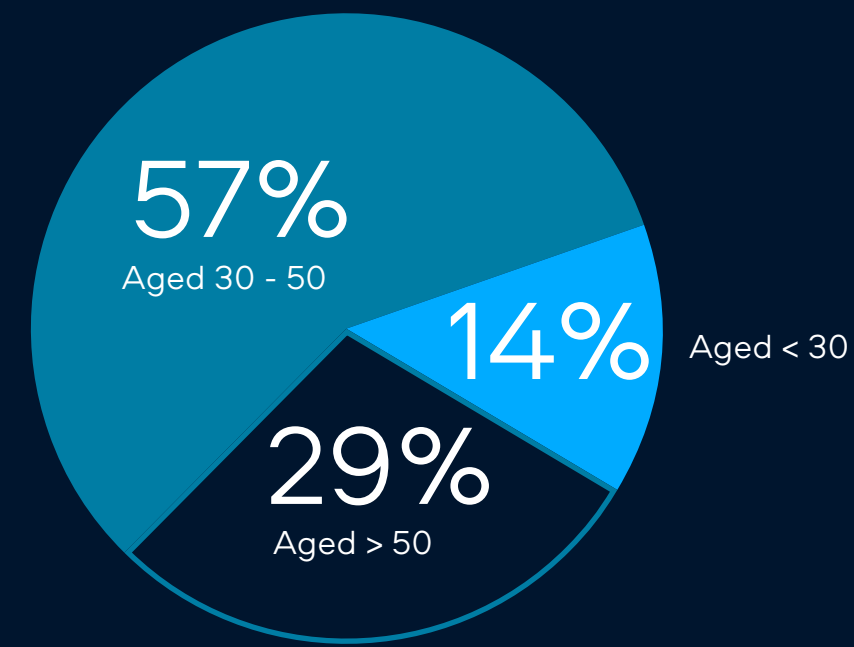
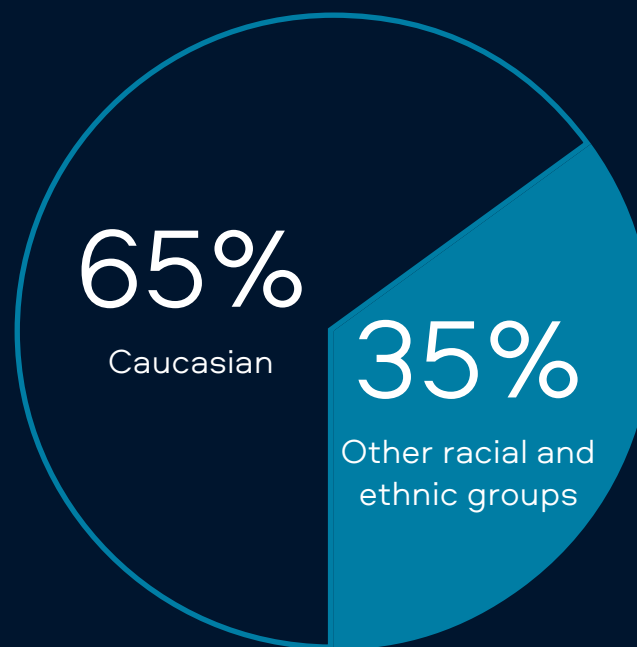
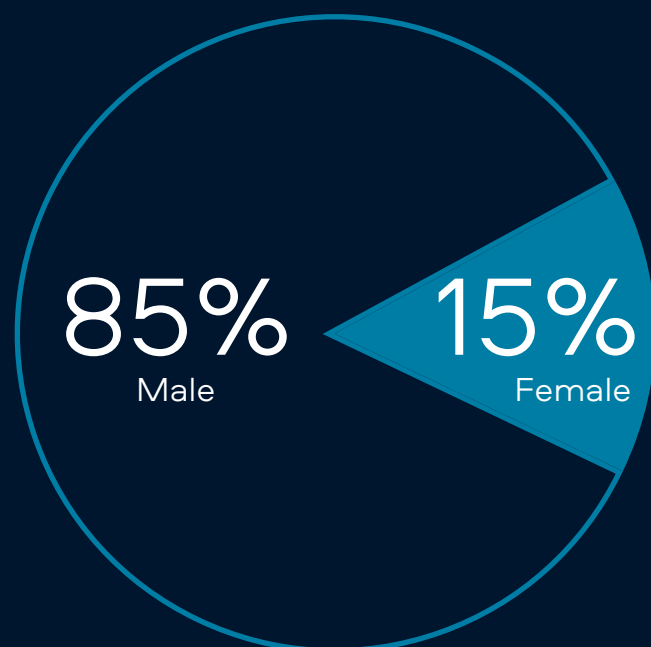
# Belonging

We strive to create an environment where all of our employees feel valued and respected for their unique perspectives and backgrounds. We believe we can foster that type of environment by creating a workforce that reflects the communities in which we operate and creating a sense of belonging. This environment enables the Company to improve business resiliency and retain talent. We provide an equal opportunity workplace that is informed by our **Equal Employment Opportunity Policy** and **Code of Conduct**.

To support workforce belonging, we have embedded relevant efforts into our overall corporate recruitment strategy. In practice, we seek to ensure open positions are accessible to all within our communities by listing and amplifying job openings on various job boards and organizations. For example, we partner with an organization that assists veterans with job searches and placements.



## 2023 Workforce Demographics\*



# Recruitment and Retention

Targa’s success is driven by our workforce’s strength, skill, and scale. As such, we are keen to hire and invest in top talent. We work to anticipate future staffing needs across our business, especially in areas that require highly skilled and knowledgeable workers who are often more difficult to source and onboard quickly. As our employees ultimately drive the success of our business, and efforts to fill open positions require collaboration between employees in the field and our human resources team, backing these efforts with sufficient resources and adequate personnel remains top of mind.

We execute a comprehensive recruitment strategy to reach a broad and skilled set of candidates. This includes posting our roles on both our career page and external job boards; attending career fairs; and partnering with educational institutions. To date, we have established academic partnerships with the Colorado School of Mines, Kilgore College, Oklahoma State University, Texas A&M, and the University of Houston.

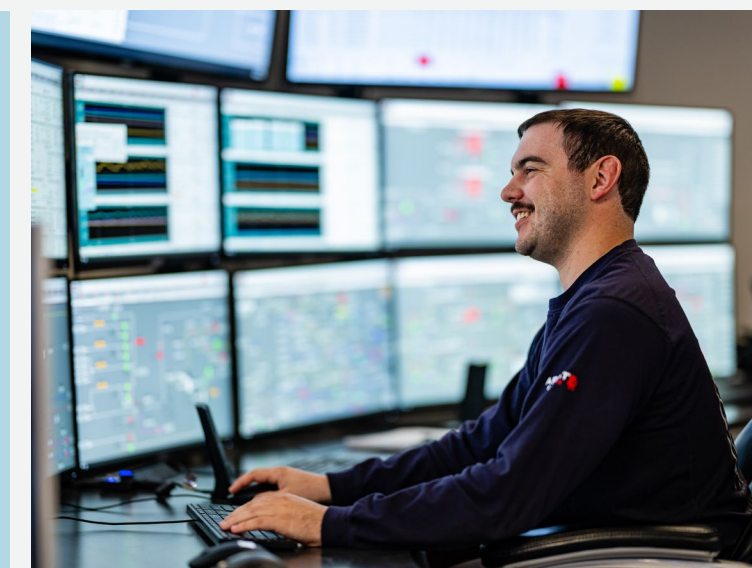
We also utilize local advertisement placements, such as highway billboards and radio ads, to boost awareness in specific areas. This localized strategy enables us to recruit talent from the communities in which we operate, which often aids in employee retention and allows us to give back to the community through job creation and economic stimulation. In 2023, 95% of our new hires resided in the communities in which we operate. In addition to targeting local talent, we also engage our employees’ networks to attract top talent. In 2023, employee referrals accounted for 41% of new hires.

**We filled over 300 positions in support of new, growth assets, primarily in our Field Operations.**



**We focus on filling positions with local talent, where possible, through various sources such as LinkedIn and Indeed, and value the referrals from our employees in bringing talented employees to Targa.**

**To support new growth, we also recruited for various roles in Cybersecurity, ES&H, and Engineering and Construction among others.**



## Recruitment and Retention

Once new team members are hired and successfully onboarded, Targa's focus shifts to retention. As detailed earlier in the Employee Benefits section, we offer a comprehensive benefits package, invest in employee development, and prioritize continued learning. When employees decide to move on from Targa, we conduct exit interviews to capture feedback. Such feedback is critically assessed, with insights incorporated into future HR-led initiatives to improve employee experience and retention. In 2023, our voluntary turnover rate was 9%.



# 688



new hires

# 41%



of new hires were from internal referrals

# 95%



of new hires reside in the state where job positions were based

# 17%



of new positions were filled internally

# 53%



of leadership roles were filled by internal candidates

# 19



interns and 11 college graduates were placed in a development program



# Supply Chain Management

Suppliers and contractors play a fundamental role in our success, and we expect them to be responsible, safe, and ethical. Our **Supplier Code of Conduct** serves as a guiding framework of our expectations. We expect them to adhere to and promote the Code when working for or in support of Targa.

Per the Supplier Code of Conduct, suppliers and contractors are expected to:

- Operate safely with ethical business practices, complying with laws, policies, rules, and regulations, including anti-harassment, equal opportunity, anti-corruption, human rights, and anti-bribery
- Act in Targa's best interest and avoid conflicts of interest or circumstances appearing to be conflicts of interest
- Protect Targa's assets, records, and reputation
- Report any improper activities or suspected violations of the Targa Supplier Code of Conduct



# Supply Chain Program

Our supply chain program is overseen by the executive team and managed by the Vice President of Global Supply Chain. The supply chain team works to procure goods and services to foster long-term business success and sustainable operations. They strive to promote the equal and respectful treatment of all suppliers. Additionally, they manage supplier prequalification and ongoing performance through processes such as our Master Services Agreement, insurance requirements, and ISNetworld.

Utilizing system analytics, they evaluate our spending with key suppliers and contractors across various spend categories. They engage directly with all of our site locations including field operations and engineering and construction. This approach allows us to deliver the best overall value through our strategic existing agreements, while also establishing new ones when necessary to support our business requirements.





## Local Procurement

We support the development of local businesses and strive to actively promote them within our communities whenever possible. These relationships help provide reliable access to critical supplies and services while creating local economic growth, including more jobs within the community. We continue to focus on identifying local suppliers within the communities where we operate, with the goal of establishing mutually beneficial working relationships and supporting community development.



## Materials Management

Following a comprehensive evaluation of our warehouse strategy, Targa has been focusing on inventory and materials management improvement in both projects and operating facilities for the last couple of years. The implementation of our Maximo enterprise asset management (EAM) system across our company has allowed for the increased digitization of our inventory. This provides the company with active availability and visibility not only to local data but company wide inventory. This alone can help reduce unplanned downtime from equipment failure, which allows for the sharing of materials or supplies between assets and projects.

In 2023, we began a warehouse materials management process that enhances efficiency in stocking and reordering. This multi-year, multi-site effort will be driven by demand-based just-in-time principles aimed at reducing overstock and surplus inventory, with the goal of enhancing operational efficiency, reducing costs, and maintaining a streamlined inventory system.



# Community and Landowner Engagement

At Targa, we are committed to positively impacting and promoting the development of the communities where we live and work. Our employees and their families live in these communities, and we strive to be a safe and dependable neighbor. We build trust by maintaining open and responsive communication.

## Proactively Mitigating our Impact

We proactively manage community relations and consult with local communities where we operate. When constructing new facilities and pipelines that will be located near communities, we implement a community and landowner engagement process that encourages ongoing communication throughout the lifecycle of our operations. We start by identifying and consulting with local stakeholders including landowners, emergency responders, Indigenous peoples, and local governments. We work to understand their needs and concerns and identify potential issues, tailoring our engagement strategies accordingly.

## Collaborating with Landowners

We foster partnerships with a diverse range of landowners, each with their own unique interests and needs. We manage an extensive portfolio of over 78,500 active right-of-way access agreements and leases across our approximately 34,000 miles of pipeline. Throughout our interactions, we collaborate closely with landowners to explore innovative approaches that attempt to minimize or eliminate impacts while fulfilling our operational requirements and aligning with their land use objectives.

We work to maintain open discussions with landowners through a variety of channels. These can include, but are not limited to, annual engagements, such as meetings and letters, and time-sensitive engagements, such as notification letters provided ahead of a new project or maintenance job. In our outreach, we strive to make landowners familiar with safety procedures, including how to detect a pipeline emergency and the steps to take in such an instance.

## Landowner Engagement Process



## Reporting Concerns and Issues

Targa's right-of-way department responds to all landowner calls promptly, with the goal of responding within the same day, and addressing issues as quickly as possible. Landowners and community members can also report issues through our formal anonymous whistleblower system by calling 1-833-TELLTRC (1-833-835-5872) or going to the website at [www.targaresources.ethicspoint.com](http://www.targaresources.ethicspoint.com). Our ethics and compliance system is hosted by a third party to maintain confidentiality and anonymity to the greatest extent possible.



# Indigenous Peoples

We understand the importance of working with Indigenous peoples, and aim to address and mitigate any potential cultural, social, and environmental impacts to Indigenous communities where we operate. We seek to foster a collaborative work environment through mutual respect, dignity, and trust. Positive long-term interactions and cultural sensitivity with our country's indigenous peoples can make a positive difference and advance mutually beneficial relationships. We take a long-term view in developing these bilateral relationships, and we understand the importance of direct communication with those who could potentially be affected by our operations. Targa encourages its affiliates, officers, and employees to support mutually constructive partnerships with Indigenous peoples

## Our commitments with respect to Indigenous peoples potentially affected by our activities include but are not limited to:

- Avoiding involuntary resettlement.
- Respecting their land rights.
- Performing appropriate due diligence to assess how our proposed operations may impact Indigenous communities and any actual impact during those operations.
- Respecting and seeking to obtain the right to Free, Prior, and Informed Consent, including an assessment of how such a process should be carried out and which parties should be involved.
- Supporting their social, economic, and cultural rights.
- Seeking effective communication, representation, and participation.
- Promoting socioeconomic development.
- Designing and implementing appropriate processes for raising, addressing, and, where necessary, remedying any grievances.
- Avoiding or mitigating impact on archaeological sites and traditional cultural areas.

## Presence and Engagement

Targa has significant operations on the Fort Berthold Indian Reservation in North Dakota. As we conduct our operations in the Reservation, we interact and communicate with the Mandan, Hidatsa, and Arikara (MHA) Nation. We respect the MHA Nation's heritage, cultural traditions, and people. We adhere to the MHA's regulatory requirements, employ several of its members, and contract with its service providers. As with all our projects, any new pipeline project on the Fort Berthold Indian Reservation is preceded by cultural resource surveys that help assess and reduce the potential of negative impacts to cultural resources, including archaeological sites.

We engage with and seek approval from the MHA Nation's Tribal Business Council and Energy Committee for all greenfield projects on allotted and tribe-owned land. We also have helped sponsor annual celebrations where the MHA honors its heritage and traditions, which has deepened our understanding of the MHA Nation and its members. We look to continue our focus on meaningful dialogue and partnership with the MHA Nation.

# Partners in the Community

We strive to be a good neighbor. We are committed to promoting socioeconomic development and improved well-being across the communities where we live and work. We prioritize community investment by adopting a customized approach that fosters meaningful engagement with each unique community. This strategy allows us to gain an understanding of the values and priorities of the individuals and organizations living near our assets, enabling us to identify opportunities for partnerships and social investments, whether financial or otherwise, to make a positive impact.

Through our community investment strategy, we focus on providing support to organizations that are delivering meaningful and lasting benefits and aligning with our company values and goals. Our support is focused around three key pillars:

- 1** **Developing the Energy Workforce of the Future**
- 2** **Protecting Communities**
- 3** **Improving the Well-Being of Communities**



## Developing the Energy Workforce of the Future



We believe in the importance of supporting science, technology, engineering, and math (STEM) programs, as they play a vital role in cultivating the energy workforce of the future. We view this as not only a strategic investment of our time and resources but also as a means to empower individuals with the skills and knowledge necessary to contribute to the evolving energy landscape.

We continue to participate in numerous local school programs and high school career days, donate computers to local communities, and host several internships related to STEM programs.



# Partners in the Community

## Protecting Communities

We continued to partner with the dedicated emergency responders who work to diligently safeguard the communities where we live and work. Many of our facilities are located in areas where local fire departments depend entirely on volunteers' service, including some of our employees. To support their efforts, we sponsor and facilitate training programs, provide essential equipment, and actively participate in fundraising activities.



# Partners in the Community

## Improving the Well-Being of Communities

We are committed to improving the well-being of the communities we serve and empowering them by actively engaging with local organizations, serving on boards and committees, and collaborating closely with community leaders and stakeholders. Through these collaborative efforts, we strive to improve access to essential resources and services that foster physical, mental, and social well-being.

In 2023, Targa announced our Volunteer Time-Off (VTO) program, which went into effect in 2024. The VTO program allows all Targa employees to dedicate paid time (up to eight hours) to volunteer for activities of their choosing. Targa established this program to expand on our community investment strategy and encourage and support employees in their endeavors to serve their communities. For example, our employees continued volunteering at organizations such as Junior Achievement, Big Brothers Big Sisters of America, the Salvation Army, livestock and agricultural fairs, and local recreational programs. We aim to support local organizations and activities that positively impact our surrounding communities.

Targa also takes part in community events across our footprint. This involvement spans a variety of activities, such as participating in county fairs and community concerts, sponsoring rodeo events and high school football games, and supporting local initiatives such as the local 4-H chapter, the North Dakota Stockmen’s Association, and Toys for Tots giving initiative.





## 71 Governance

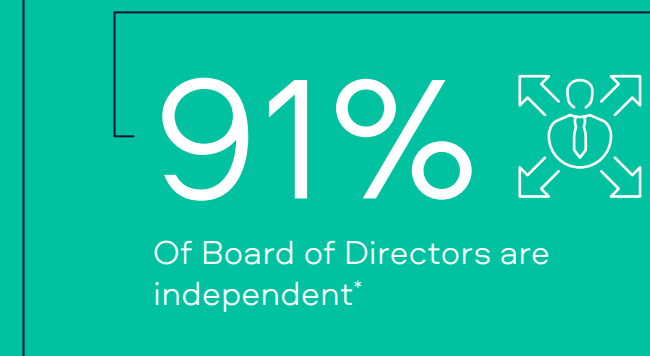
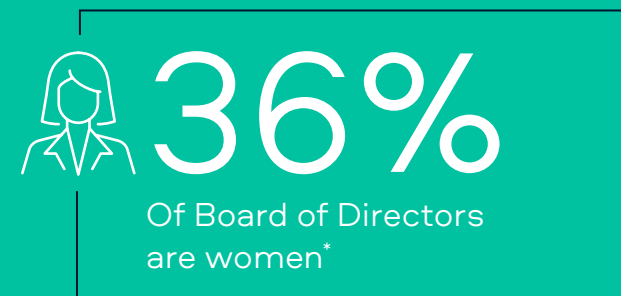
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# Governance 2023 Performance Highlights

Targa seeks to operate our business responsibly and ethically, as we believe these principles are fundamental to achieving long-term success and maintaining alignment with the interests of our shareholders. Our governance policies and practices form a robust framework that are designed to enable us to effectively fulfill our responsibilities to shareholders. To help inform our approach and governance framework, we regularly convene with shareholders to communicate our governance priorities and receive feedback. Our **Code of Conduct** (the Code) and related practices provide a strong foundation for transparent and responsible business conduct, fostering sustainable economic growth at Targa.



# Board Composition

We seek to conduct our business responsibly and ethically, in alignment with the interests of our shareholders. We believe that our strong corporate governance framework, led by an active and engaged Board, directs us toward providing operational integrity and aligns us with the evolving needs of our shareholders and broader stakeholders.

As of May 17, 2024, our Board of Directors comprises 11 members, of which 10 are independent\*, making 91% of our directors independent. Among them, Mr. Keith Teague and Ms. Caron Lawhorn joined the Board most recently as independent directors, appointed by the Board in early 2024. To further ensure a strong and independent Board, the Board also appointed Ms. Laura Fulton as the Lead Independent Director. The independent members of the Board of Directors meet in executive session without the presence of the CEO or other members of management at least once annually. The independent members of the Board of Directors held four executive sessions in 2023. During 2023, the Board held eight meetings and collectively demonstrated their dedication to our operations, achieving meeting attendance of 100% for both the full Board and meetings held by each Board committee on which the member served.



# 91%

Board Independence\*\*

## Our governance framework and practices are documented within our:



**Code of Ethics**



**Corporate Governance Guidelines**



**2024 Proxy Statement**



**Code of Conduct**

# Board Committees

Our Board of Directors has a standing Audit Committee, Compensation Committee, Nominating and Governance Committee, Risk Management Committee, and Sustainability Committee to oversee key areas of our operations. As of May 2024, all five of our Committees consist of 100% independent Board members.

Notably, in 2023, we adopted a charter for the Risk Management Committee and updated the charters of certain committees, which included, among other things, formally:

- **Incorporating oversight of cybersecurity into the Audit Committee**
- **Assigning administration of the Company’s clawback policy to the Compensation Committee**
- **Enhancing the oversight of climate-related trends and regulations by the Sustainability Committee**

Below are the members of the Board of Directors of Targa Resources Corp.

	Audit Committee	Compensation Committee	Nominating And Governance Committee	Risk Management Committee	Sustainability Committee
Matthew J. Meloy					
Paul W. Chung					
Beth A. Bowman					
Lindsey M. Cooksen					
Charles R. Crisp					
Waters Davis, IV					
Laura Fulton					
Rene R. Joyce					
Caron A. Lawhorn					
Joe Bob Perkins					
R. Keith Teague					

Chairperson

Member

To learn more about our Board Committees and their respective charters, please visit our [website](#).

**Audit Committee:**

Oversees the integrity of the financial statements, the Company’s compliance with legal and regulatory requirements, the performance of the Company’s internal audit function and Independent Auditor, and the Company’s risk management program and enterprise-wide risks, among other responsibilities.

**Compensation Committee:**

Oversees the Company’s overall compensation philosophy that applies to all Company employees, among other responsibilities.

**Sustainability Committee:**

Assists the Board in overseeing the Company’s compliance with all laws, regulations, and Company policies and procedures relevant to environmental, social, and sustainability matters, including governance in relation to such matters.

**Nominating and Governance Committee:**

Advises the Board and makes recommendations on appropriate corporate governance practices, including identifying director nominees and advising appropriate composition of the Board and its Committees, among other responsibilities.

**Risk Management Committee:**

Oversees the Company’s commodity price exposure and risk management strategy and activities.

# Board Diversity

Our Board members—with their diverse backgrounds, professional experiences, and unique qualifications—bring a wide range of perspectives and skills that help guide strategic decisions. This diversity drives our Company forward while representing the long-term interests of our shareholders.

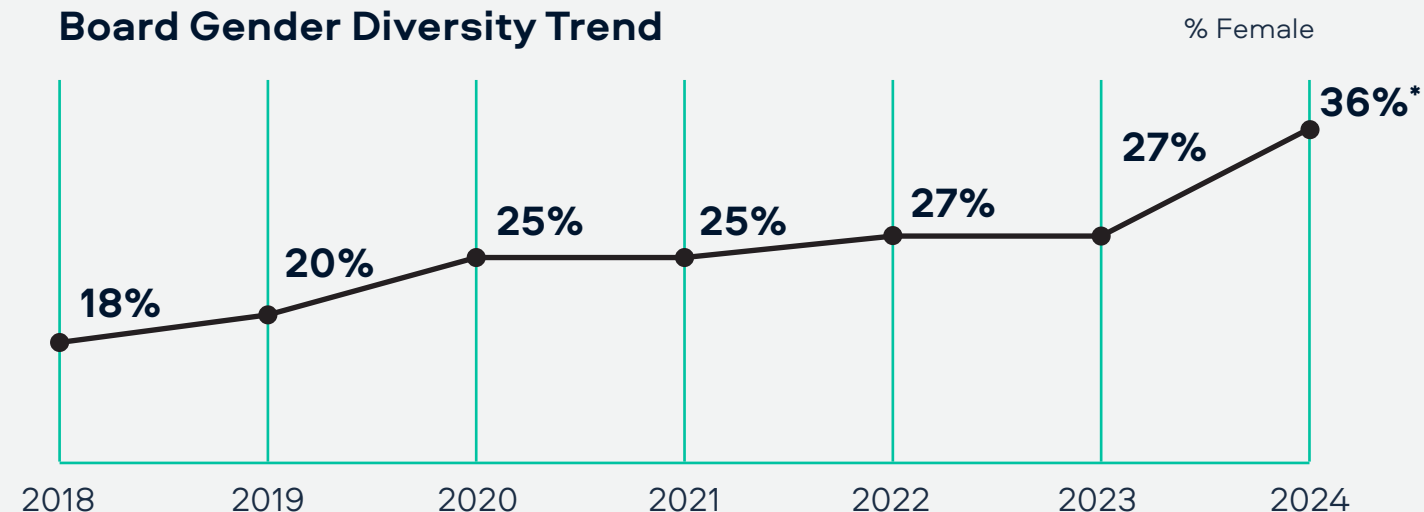
Our Nominating & Governance Committee, as outlined in its charter, is responsible for evaluating the Board’s diversity and existing blend of talent and experience if a vacancy arises. The Committee then considers a range of candidates, assessing each person’s business and professional expertise, leadership capabilities, diversity, and acumen.

Two new independent Board members were appointed in early 2024, introducing additional valuable expertise. In particular Ms. Lawhorn has experience overseeing information technology and cybersecurity matters. Our new Directors also contributed to our Board’s diverse composition.

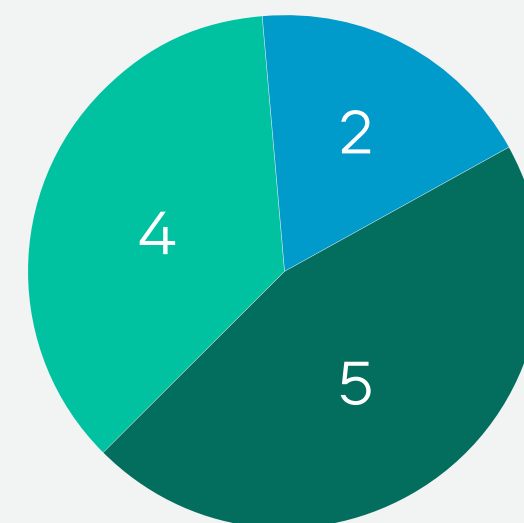
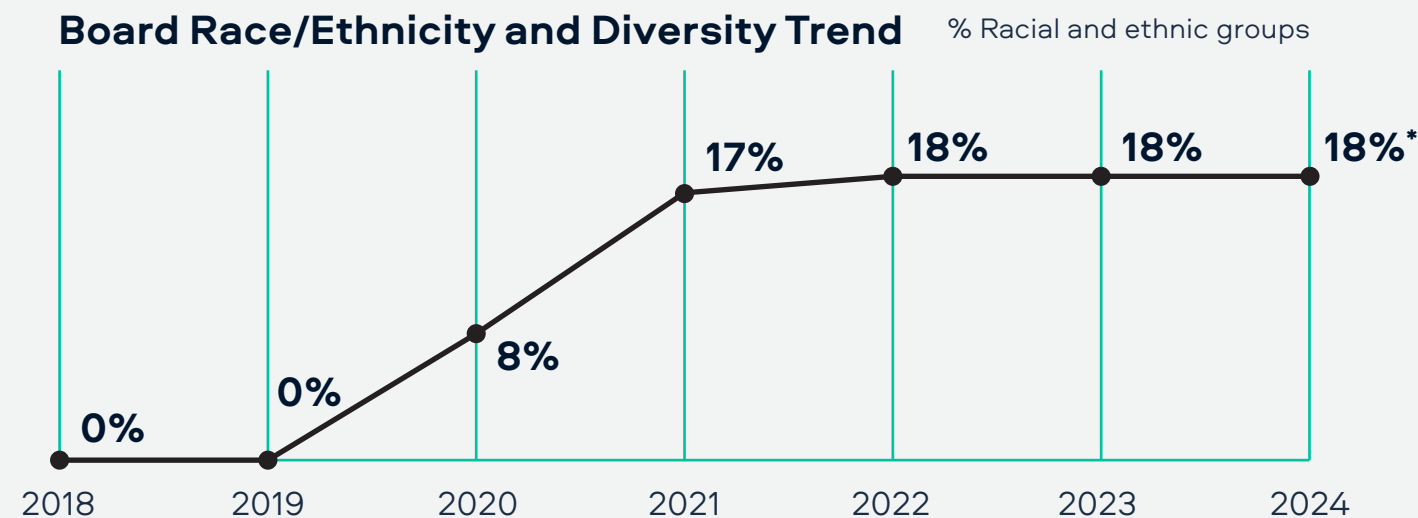
We have made a concerted effort to recruit nominees for the Board who have a diverse range of perspectives and experiences. It is important that our Directors’ experiences compliment one another to create the appropriate mix of capabilities to best serve our shareholders. As part of this effort, the racial and ethnic diversity on our Board has increased significantly—from 0% in 2018 to 18% as of May 2024. Simultaneously, the proportion of women on our Board has also increased, climbing from 18% in 2018 to 36% in 2024. Notably, at the time of reporting, more than a third of our Board is female, and two of our five Board Committee’s chairpersons are females.

More information on each Board member, including a summary of their qualifications, expertise, and Committees they serve on, can be found in our **2024 Proxy Statement**.

## Board Gender Diversity Trend



## Board Race/Ethnicity and Diversity Trend



### Average Tenure = 7 Years\*

- <3 Years Tenure
- 3-9 Years Tenure
- >9 Years Tenure

# Executive Compensation

Our executive compensation program is designed with the primary objective of attracting and retaining top talent in our industry. This ensures we have the leadership necessary to achieve our business goals, promote both short- and long-term profitable growth, and create long-term shareholder value. As such, our program is grounded in the following principles:

**Competitiveness:**

We strive to attract and retain key executives by providing a total compensation program that is competitive within the market where we compete for executive talent, which encompasses diversified midstream companies and also other companies in the energy industry.

**Performance Accountability:**

We aim to ensure alignment between our strategic, operational, and financial performance as well as the total compensation received by our named executive officers (NEOs). This includes providing performance-based compensation that reflects individual and company performance in absolute terms and relative to our peer group.

**Shareholder Alignment:**

We aim to find a balance between short-term and long-term compensation while emphasizing at-risk or variable compensation. Performance-based compensation acts as a valuable means of supporting our strategic goals and business objectives and aligning the interests of our NEOs with those of our shareholders.

We employ three elements of pay for our executive compensation program, each essential for supporting our principles:

Element	Key Characteristics	Competitiveness	Performance Accountability	Shareholder Alignment
<b>Base Salary</b>	<ul style="list-style-type: none"> <li>Annual fixed cash compensation</li> <li>Critical factor in attracting and retaining qualified talent</li> </ul>	●		
<b>Annual Incentives</b>	<ul style="list-style-type: none"> <li>Annual variable cash award</li> <li>Tied to achievement of key financial, operational, and strategic objectives</li> </ul>	●	●	●
<b>Long-Term Incentives</b>	<ul style="list-style-type: none"> <li>Equity-based awards vesting over multiple years</li> <li>Ties a majority of NEO compensation to creation of long-term value and encourages NEOs to build meaningful equity ownership stakes</li> </ul>	●	●	●

# Executive Compensation Practices

The following practices and policies promote sound compensation governance and align the interests of our shareholders and executives:

## What We Do

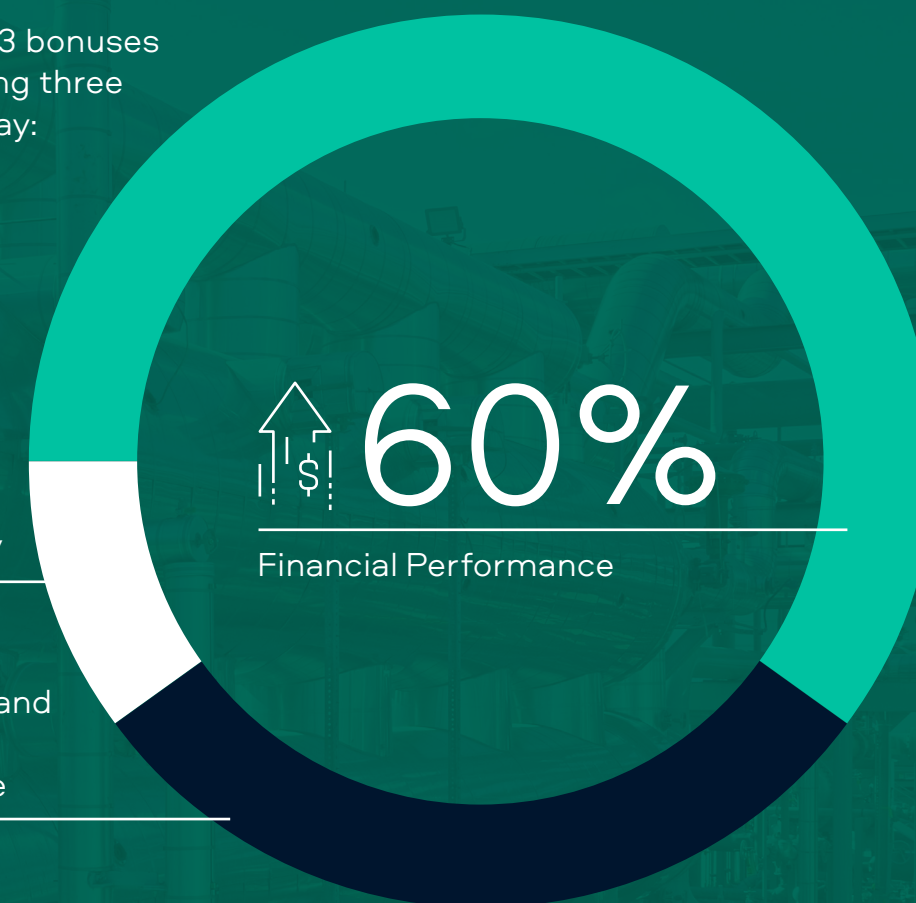
- Provide majority of NEO compensation in the form of performance-based, at-risk, long-term compensation
- Use a combination of absolute and relative performance metrics in incentive plans
- Maintain a comprehensive clawback policy aligned with current industry norms and recent legal requirements
- Complete an annual compensation risk assessment
- Maintain executive officer and director share ownership guidelines
- Retain an independent consultant to advise the Compensation Committee

## What We Don't Do

- No employment contracts
- No single-trigger change-in-control severance arrangements
- No single-trigger change-in-control vesting for NEO equity awards
- No excise tax gross-ups
- No material perquisites or supplemental benefits not generally available to other employees
- No hedging or pledging of Company stock
- No executive compensation practices that promote excessive risk

Governed by the aforementioned practices, the Compensation Committee determined the 2023 bonuses for our incentive plan and evaluated the following three general categories with a safety category overlay:

### Annual Incentive Plan for All Employees: Allocation by Performance Type



Additionally, we leverage a holistic scorecard, including quantitative and qualitative evaluation of safety-related items that operates as a modifier outside our 2023 Annual Incentive Compensation Program. Therefore, bonus awards can be reduced if safety performance is below expectations. While we prioritize safety throughout our organization, we believe that safety performance should be an inherent expectation and not a justification for increased incentive compensation.

We take pride in our ongoing efforts to deliver energy safely while being environmentally and socially responsible. This includes establishing our sustainability-linked compensation program, which aims to align executive compensation with sustainability goals, targets, and performance. By integrating sustainability into our Annual Incentive Compensation Plan, we help ensure that our annual performance contributes to the Company's sustainable long-term growth and environmental improvements to align with industry norms. In 2023, our Shareholders expressed continued appreciation for our executive compensation practices and our commitment to engage with our shareholders on executive compensation. For more information on our executive compensation program, please review our [2024 Proxy Statement](#).



# Shareholder Engagement

Targa’s management team and several members of our Board of Directors engage with our shareholders to provide updates on business performance, sustainability, and other important topics while also receiving valuable feedback. Throughout the year, we discuss our business strategy and performance, corporate governance, sustainability, executive compensation, and other subjects with our shareholders. We seek opportunities to gather feedback during off-season engagements, investor meetings, and quarterly earnings calls. Additionally, we conduct annual fall outreach calls following the release of our Sustainability Report to specifically discuss our sustainability performance. The feedback received from these conversations is consolidated and reported to our Board.



Engaging with our shareholders is a priority at Targa. We proactively engage with shareholders to share important updates, including those on sustainability, and to gather our shareholders’ feedback, because we see the value in integrating their input into our initiatives.



**Jessica**  
Senior Vice President of Sustainability

In recent years, our shareholders have provided positive feedback on our overall business strategy and execution. They have specifically appreciated our efforts to advance and enhance our sustainability disclosures across different topics. In our ongoing discussions about climate disclosures, shareholders have reacted positively to our expanded methane management plan disclosures, additional details on our midstream flaring practices, GHG emissions reduction efforts, and the updated version of our **Task Force on Climate-Related Financial Disclosures (TCFD) index**.

In 2023, we also adopted proxy access provisions in our bylaws to provide additional shareholder rights. For more information, please review our **2024 Proxy Statement**. Going forward, we remain committed to our annual outreach efforts aimed at broadening our perspective and enhancing shareholder engagement on critical topics, such as executive compensation, governance, and sustainability, through our annual engagement practices outlined below:

Engagement	Our Approach
Annual Meeting	<ul style="list-style-type: none"> <li>• Provide shareholders an opportunity to communicate views on key topics through voting of proxies</li> <li>• Review and internalize voting results</li> <li>• Leverage vote results to identify engagement topics to discuss with shareholders during the offseason</li> </ul>
Pre-Annual Meeting	<ul style="list-style-type: none"> <li>• Prepare proxy statement containing key agenda items for shareholders to vote on</li> <li>• Engage with shareholders on items to be voted on at annual meetings</li> </ul>
Offseason Shareholder Engagement	<ul style="list-style-type: none"> <li>• Management and several of our directors meet at least annually with top shareholders to discuss relative meeting results and solicit feedback</li> <li>• Discuss topics, including executive compensation, governance, sustainability and related matters, among others</li> </ul>
Feedback Shared with Board	<ul style="list-style-type: none"> <li>• Review feedback internally</li> <li>• Provide updates to the full Board on feedback received</li> <li>• Gauge appropriate levels of responsiveness to investor feedback</li> </ul>

# Risk Management

Targa's approach to risk management reflects our commitment to safeguarding the Company from critical risks in the short, intermediate, and long-term, as well as allocating oversight responsibilities for these risks.

Targa's Board is responsible for overall risk management oversight. Our Audit Committee oversees the Risk Management Program and enterprise-wide risks, while our Risk Management Committee focuses on commodity price, electricity price, and commodity basis risk. Additionally, our Compensation Committee oversees the assessment of risks related to our compensation policies and programs. Furthermore, our Sustainability Committee focuses on emerging political, social, environmental, and climate related trends and regulations, and major legislative and regulatory, or other important public policy issues that may affect our sustainability and business activities.

At the executive level, our CEO and Executive team facilitate our Enterprise Risk Management (ERM) process. Our business leaders and the Executive team regularly conduct an Enterprise Risk Assessment (ERA) to proactively identify, understand, manage, and respond to key business risks. The ERA is facilitated by the internal audit team, which includes business leaders from diverse disciplines both within the Company and from external organizations, providing valuable insights on current and emerging risks.

These identified risks are categorized into four groups: strategic, operational, financial, and compliance and legal. Each risk is assessed based on its likelihood and significance and then assigned to executives and senior management responsible for monitoring and, when necessary, taking action to mitigate the risk. Through ongoing discussion and review, we gain perspective on the potential impacts of all identified risks. The final ERA findings are consolidated and reviewed by the Audit Committee of our Board. For more information on Targa's material risks, refer to Targa's Annual Report on Form 10-K.



# Cybersecurity

We have grown our cybersecurity program as our organization continues to embed technology into its daily operations. Our cybersecurity program is designed to follow the National Institute of Standards and Technology (NIST) Cybersecurity Framework, as well as supplemental guidance for operational technologies. We endeavor to follow federal and state regulatory guidance and regulations and have adopted internal policies and standards that we believe are in alignment with these requirements.

Our cybersecurity program is designed to be comprehensive in scope and to cover Targa's general corporate Information Technology (IT) systems and the Operational Technology (OT) systems supporting our various lines of business. In 2023, we expanded our capabilities by adding members to our OT and Corporate Cyber teams and investing in strengthened identification detection and intrusion response capabilities.

Our Board of Directors provides oversight of our cybersecurity program. In 2023, we updated the Audit Committee's charter to formalize oversight responsibility for cybersecurity at the Board level. The Audit Committee, along with our Executive team, receive regular and recurring program updates from the Vice President of Security Operations, who is responsible for management of cybersecurity. The Board also receives a program update from the Vice President of Security Operations at least annually. Additionally, we enhanced our cybersecurity oversight efforts by welcoming a new Board member with experience in overseeing cybersecurity issues in 2024.

Our Code of Conduct communicates our expectations of employees and contractors to maintain the security of our IT systems. We conduct annual Code of Conduct training, which informs all of our employees and contractors and ensures they understand and acknowledge this business-critical information, notably the protection of Targa's digital assets. We continue to make significant investments in cybersecurity technologies to protect our facilities, users, and stakeholders, as well as the personal information of our employees and contractors.

Our cybersecurity program follows Defense in Depth principles, with the goal of layering various access control, detection, prevention, and response measures throughout each zone from cloud to endpoint. Detailed telemetry from all layers is aggregated and collated to update threat intelligence and is analyzed and monitored 24/7 by our security operations center personnel. Targa's security posture is routinely tested by internal Targa personnel and independent third parties to gauge its effectiveness.

Targa has formal disaster recovery and business continuity plans, along with a regularly updated Cyber Incident Response Plan (CIRP) that reflects the latest federal law and guidelines. The CIRP is periodically tested using comprehensive real-world tabletop exercises. We regularly engage with a cross-functional group of independent third parties to assess our vulnerabilities and help us mitigate our risks. Further, we review and modify our CIRP frequently to respond to the current threat landscape.

We are committed to advancing the ongoing, real-time management of cyber and digital protections. This initiative is crucial as Targa continues to embed and leverage digitization, requiring us to stay vigilant and proactive in safeguarding our digital assets.



# Cybersecurity Awareness and Training

Each employee's and contractor's recognition and reporting of a cyber threat is an important component of our management approach. As a result, security awareness and training are provided to employees and contractors with access to our facilities or systems through computer-based training, employee meetings, posters in the workplace, screensavers on computers, and email communications. Targa makes use of targeted imagery displayed on all corporate computers to reinforce security awareness concepts.

We also conduct simulated phishing attack campaigns to identify employees who may need further training. With employees working remotely, we have implemented additional security protocols on both Targa-issued and personal devices used to access Targa's systems, such as multi-factor authentication. Additionally, our internal technology organization is required to complete personally identifiable information (PII) data training annually.

We recognize that cybersecurity threats continue to emerge and evolve. Continual assessment and enhancement of our security posture in predicting and responding to the changing threat landscape are core components of our cybersecurity program. Targa maintains close relationships with various cybersecurity industry subject-matter experts, governmental agencies, law enforcement research and benchmark organizations, and industry peers to continuously improve our program based on real-time threat information and best practice countermeasures.

## National Institute of Standards and Technology (NIST) Cybersecurity Framework

### Govern

Establish, communicate and monitor cybersecurity risk management strategy, expectations and policies.

### Identify

Develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities.

### Protect

Develop and implement appropriate safeguards to ensure delivery of critical services.

### Detect

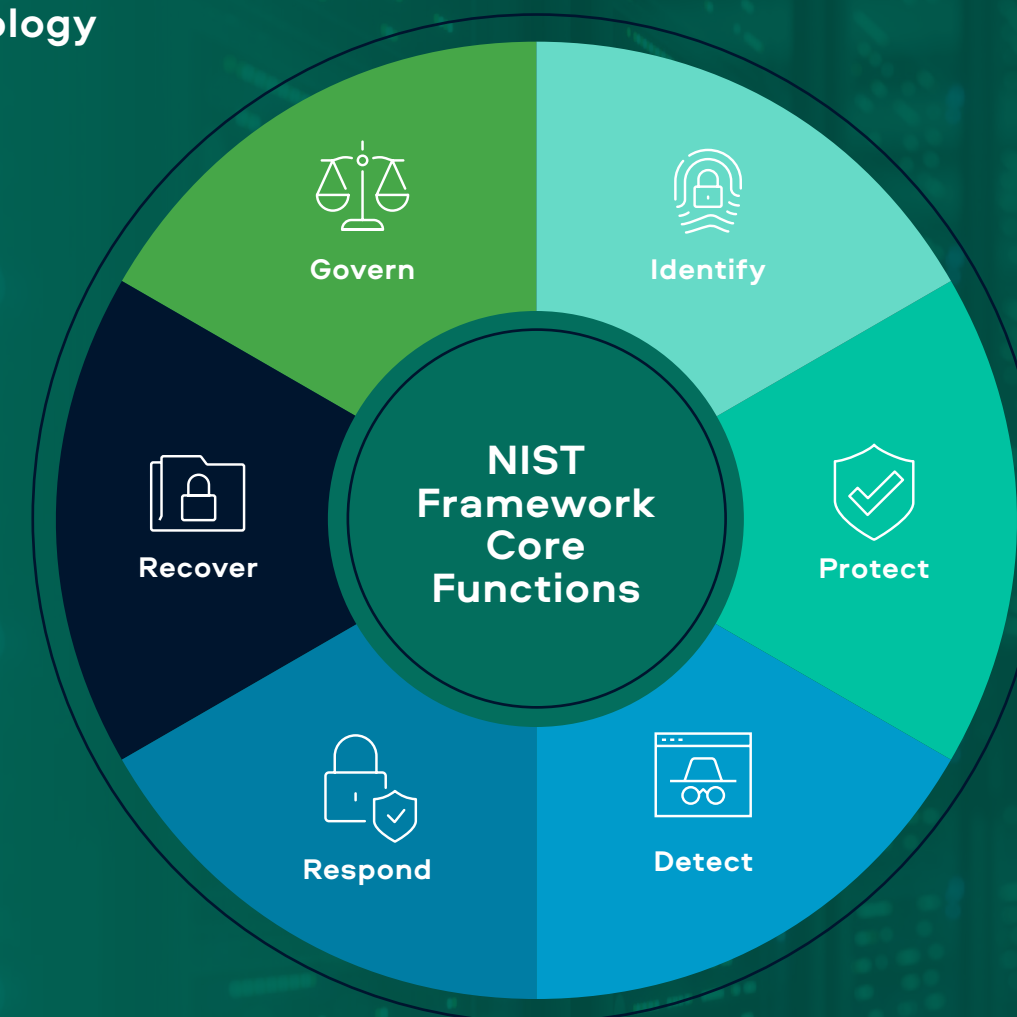
Develop and implement appropriate activities to timely identify the occurrence of a cybersecurity event.

### Respond

Develop and implement appropriate activities to take action regarding a detected cybersecurity incident.

### Recover

Develop and implement appropriate activities to maintain plans for resilience and to timely restore any capabilities or services that were impaired due to a cybersecurity incident.



As Targa prioritizes digitizing our assets, we continuously explore the latest technology to enhance our operations. For instance, we are pilot testing Artificial Intelligence to analyze part of our liquid stream, predicting process upsets with nearly 98% accuracy. We are very enthusiastic about the potential for further technological upgrades to safeguard our assets.

-Brian, SVP of Technology on the importance of protecting Targa's cybersecurity



# Ethics and Integrity

At Targa, we seek to operate our business with integrity. **Our Code of Conduct** guides us in achieving high standards of ethical business conduct. Our commitment to these standards is designed to help us hire talented and ethical individuals, build high-quality assets, and attract loyal customers and business partners. The Code of Conduct, along with our Global Business Practices Compliance Policy, explicitly prohibits offering, accepting, receiving, or giving bribes and emphasizes our commitment to complying with all applicable legal requirements, including anti-corruption laws. We conduct annual Code of Conduct training for all our employees. Each employee is provided with a copy of the policy for review and is required to endorse formal acknowledgment.

The Code of Conduct encourages employees to know their rights and recognize their responsibility to raise genuine concerns, which are taken seriously and treated confidentially. We provide a formal anonymous whistleblower system with legal protections to report potential ethics and compliance issues. Issues can be reported by phone (1-833-TELLTRC (1-833-835-5872)) or online (www.targaresources.ethicspoint.com). Targa's ethics and compliance system is hosted by a third party to maintain confidentiality and anonymity. All employees, customers, contractors, other stakeholders, and third parties can communicate concerns.

We have a formal process and structure in place to process all reports. HR and the Legal team are informed at the time of complaint and respective teams and personnel are engaged as relevant. Claims are reported to the Audit Committee and the Board.

Targa prohibits retaliation against anyone who reports or participates in good faith in any investigation of a possible violation of our Code of Conduct. Further, the Company encourages anyone who believes they are being retaliated against to contact the Human Resources department or the Ethics and Compliance Hotline/Website.

Additionally, respect for human rights is a fundamental value at Targa. We strive to respect human rights in our relationships with our employees, contractors, customers, communities, Indigenous communities, and other stakeholders. For more information, please review our **Human Rights Policy**.

Our Code of Conduct prohibits employees from making political contributions for or on behalf of Targa to any candidate for U.S. federal, state, or local office, or for foreign elections unless allowed by applicable law and approved in advance by Targa's CEO, any President, CFO, or General Counsel. The policy is approved by our Board.



## Additional Resources:

- Code of Conduct
- Global Business Practices Compliance Policy
- Insider Trading Policy
- Human Rights Policy
- Indigenous Peoples Policy

# Industry Associations

We are actively involved with several industry associations and legislative and regulatory committees representing the oil and gas industry. Through these groups and associations, we share best practices, develop industry standards, and expand our public and political advocacy. We annually assess our industry association memberships to better ensure alignment with our business priorities and the roles we undertake. Additionally, our involvement goes beyond mere membership. We take on leadership roles, actively participate in relevant working groups, and contribute to shaping industry policies and practices. Such efforts allow Targa to remain informed of and provide input on the latest technologies and regulatory trends.

Targa believes that participation in technical, trade, and business associations is important. However, there may be times when Targa's views differ from the positions adopted by these associations. Our ability to influence the positions they take may be limited and not fully reflective of Targa's approach to sustainability or other matters. Thus, we reserve the right to hold differing views on certain issues.



## Sustainability/Environmental-focused

- Our Nation's Energy Future (ONE Future)
- Energy Infrastructure Council (EIC)
- The Environmental Partnership (TEP)



## Energy Industry – National

- GPA Midstream
- American Petroleum Institute (API)
- National Propane Gas Association (NPGA)
- International Liquids Terminal Association (ILTA)
- National Propane Gas Association (NPGA)
- Propane Education and Research Council (PERC)
- Petrochemical Feedstock Association of America (PFAA)
- Liquid Energy Pipeline Association (LEPA)
- World LPG Association (WLPGA)



## North Dakota

- North Dakota Petroleum Council (NDPC)



## Louisiana and Oklahoma

- Petroleum Alliance of Oklahoma
- Louisiana Oil and Gas Association (LOGA)
- Louisiana Association of Business and Industry (LABI)
- Louisiana Propane Gas Association (LPGA)



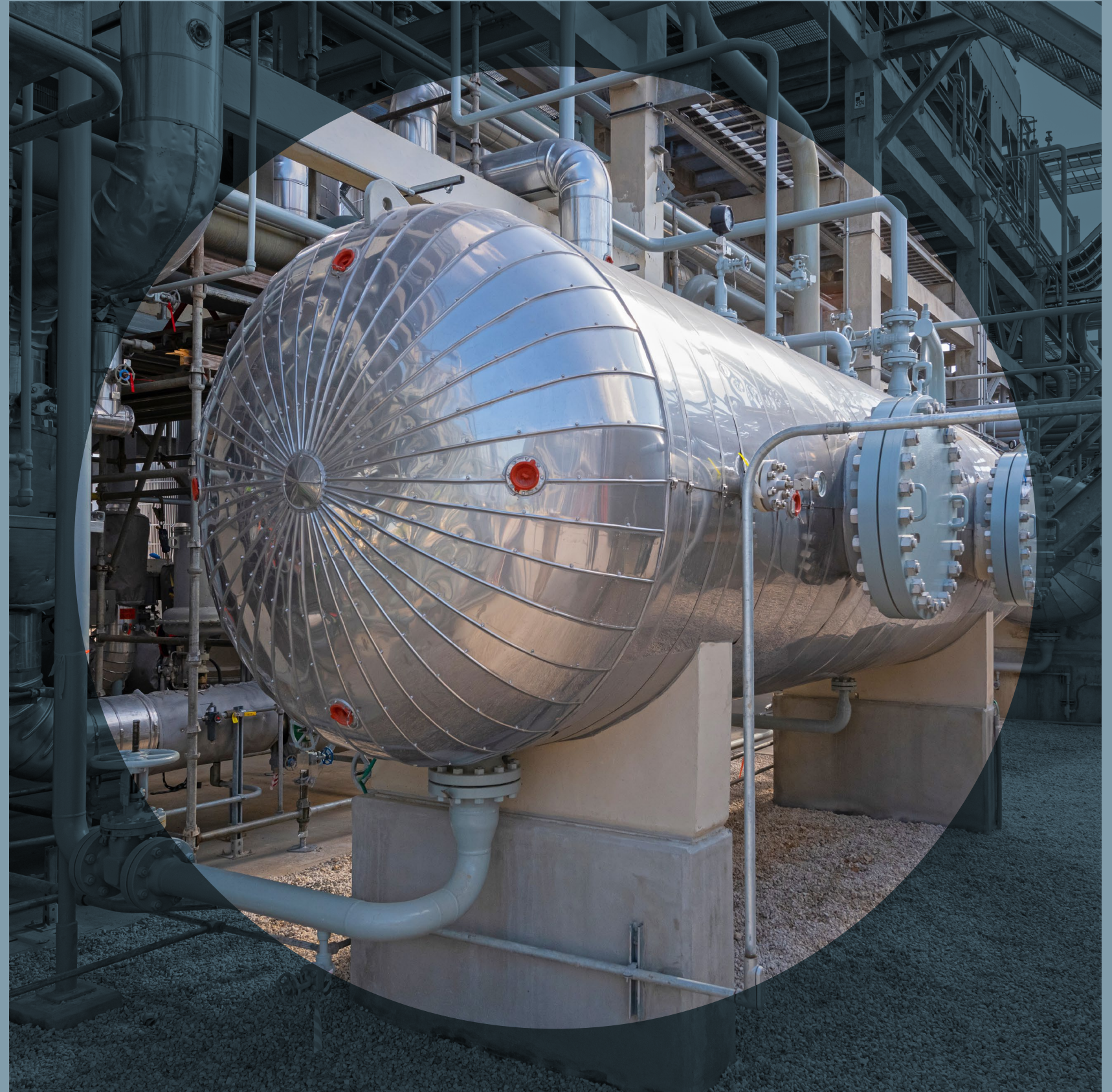
## Texas and New Mexico

- Texas Pipeline Association (TPA)
- Texas Propane Gas Association (TPGA)
- Greater Houston Partnership (GHP)
- Greater Houston Port Bureau (GHPB)
- New Mexico Oil and Gas Association (NMOGA)
- Texas Oil and Gas Association (TXOGA)
- Permian Strategic Partnership



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# Performance Data Tables

Topic	Accounting Metric	Units	2021	2022	2023
Environment					
	Equivalent Product Sales (Natural Gas, NGLs & Condensate) <sup>1</sup>	Million barrels per year	593	628	729
	Scope 3: Products Supplied to Customers <sup>2</sup>	Million metric tons CO <sub>2</sub> e	23.7	32.4	32.7 <sup>†</sup>
Greenhouse Gas Emissions	Scope 2: Electricity Consumption <sup>3</sup>	Billion kilowatt hours	71	8.5 <sup>†</sup>	10.1 <sup>†</sup>
	Scope 2: Electricity Emissions (location based) <sup>4</sup>	Million metric tons CO <sub>2</sub> e	2.7	3.3 <sup>†</sup>	3.7 <sup>†</sup>
	Scope 1: Greenhouse Gas (GHG) Emissions - Total <sup>5</sup>	Million metric tons CO <sub>2</sub> e	7.2	8.7	9.5 <sup>†</sup>
Criteria Pollutant <sup>6</sup>	Nitrogen Oxides (NOX)	Thousand tons	8.2	9.6	9.7
	Carbon Monoxide (CO)	Thousand tons	5.1	6.4	7.5
	Sulfur Oxides (SOX)	Thousand tons	3.2	2.8	3.8
	Particulate Matter (PM10)	Thousand tons	0.3	0.5	0.6
	Volatile Organic Compounds (VOCs)	Thousand tons	4.7	6.1	8.9
Spills <sup>7</sup>	Total Hydrocarbon spills > 5 bbls beyond secondary containment	# spills	6	21	9
	Volume of Hydrocarbon spills > 5 bbls beyond secondary containment	barrels (bbl)	248	550	218
	Hydrocarbon spills in Unusually Sensitive Areas (USAs)	# spills	0	0	0
	Hydrocarbon spills in the Arctic	# spills	0	0	0
Water <sup>8</sup>	Total Freshwater Withdrawn	Million gallons	3,204	2,810	3,451
	Withdrawn: Surface Water	Million gallons	529	165	436
	Withdrawn: Groundwater	Million gallons	2,322	2,322	2,670
	Withdrawn: Municipal Supply	Million gallons	353	324	345
	Total Water Discharged	Million gallons	962	903	1,085
	Discharged to Injection Well	Million gallons	324	418	512
	Discharged to Surface Water	Million gallons	637	485	572
	Discharged to Land	Million gallons	1	1	1



# Performance Data Tables

Topic	Accounting Metric	Units	2021	2022	2023
Biodiversity	International Union for Conservation of Nature (IUCN) Red List Species in Targa's Areas of Operation <sup>9</sup>	# species	69	70	51
	Critically Endangered Species	# species	9	11	8
	Endangered Species	# species	18	15	11
	Vulnerable Species	# species	18	17	14
	Near Threatened Species	# species	8	9	8
	Least Concern Species	# species	16	18	10
	Percent of land owned, leased, or operated within areas of protected conservation status or endangered species habitat <sup>10</sup>	%	9.6%	11.9%	11.8%
<b>Social</b>					
Employee Health & Safety <sup>15</sup>	Total Recordable Incident Rate (TRIR) - Employees	# recordable incidents/100 full-time workers	0.99	0.73 <sup>†</sup>	0.74 <sup>†</sup>
	Employee Recordable Incidents	# total injury/illness incidents	28.0	23.0	27.0
	DART Incident Rate - Employees	# injury/illness incidents days away from work x 200,000 / total hours worked	0.53	0.64 <sup>†</sup>	0.63 <sup>†</sup>
	Number of DART Incidents	# injury/illness incidents days away from work	15	20 <sup>†</sup>	23 <sup>†</sup>
	Preventable Motor Vehicle Accident Rate	# total preventable vehicle accidents x 1,000,000 / miles traveled	0.97	0.68 <sup>†</sup>	1.26 <sup>†</sup>
	Total hours of Health, Safety, and Emergency Response Training for Employees	# hours	37,633	44,232	55,247



# Performance Data Tables

Topic	Accounting Metric	Units	2021	2022	2023
Pipeline & Transportation Safety	Natural Gas Transported by Pipeline <sup>11</sup>	Billion cubic feet (Bcf)	2,573	3,655	3,998
	Crude Oil Transported by Pipeline <sup>12</sup>	Million barrel miles (MMBbl-miles)	1,217	4,209	3,639
	Refined Products Transported by Pipeline <sup>13</sup>	Million barrel miles (MMBbl-miles)	0.3	0.8	223
	Natural Gas Liquids (HVL) Transported by Pipeline <sup>14</sup>	Million barrel miles (MMBbl-miles)	88,021	108,287	130,811
	Reportable Pipeline Incidents: Natural Gas Transmission and Gathering <sup>15,16</sup>	# incidents	0	1	4
	Reportable Pipeline Incidents per 1000 Miles: Natural Gas Transmission and Gathering <sup>15,16</sup>	# incidents/1000 miles	0	0.033	0.129
	Reportable Pipeline Accidents: Hazardous Liquids <sup>15,17</sup>	# incidents	2	9	4
	Reportable Pipeline Accidents per 1000 miles: Hazardous Liquids <sup>15,17</sup>	# incidents/1000 miles	0.75	3.15	1.38
	Pipeline In-Line Inspection Percentage: Natural Gas Transmission	%	19%	32%	3%
	Pipeline In-Line Inspection Mileage: Natural Gas Transmission	# miles	57	115	12
	Pipeline Leakage Survey Inspection Percentage: Natural Gas Transmission and Gathering <sup>18</sup>	%	49%	86%	86%
	Pipeline Leakage Survey Inspection Mileage: Natural Gas Transmission and Gathering	# miles	13,107	26,120	26,687
	Pipeline In-Line Inspection Percentage: Natural Gas Liquids Transmission	%	8.3%	25%	29%
	Pipeline In-Line Inspection Mileage: Natural Gas Liquids Transmission	# miles	169	543	607
	Rail Transportation Accident Releases	# incidents	0	0	0
	Rail Transportation Non-Accident Releases (NARs)	# incidents	1	0	1



# Performance Data Tables

Topic	Accounting Metric	Units	2021	2022	2023
Employee Demographics	Minority Group (EEOC Defined) Employees	%	30%	33%	35%
	Employees aged ≤ 30 years old	%	14%	14%	14%
	Employees aged 30-50 years old	%	56%	57%	57%
	Employees aged > 50 years old	%	31%	29%	29%
	Female Employees	%	16%	15%	15%
	Female Leadership Employees <sup>19</sup>	%	24%	23%	27%
	Female Named Executive Officer Employees	%	20%	20%	20%
	Employee Turnover (Voluntary)	%	8%	8%	9%
<b>Governance</b>					
Board of Directors	Number of board members	#	12	11	11
	Percentage of independent board members	%	75%	73%	73%
Board Diversity	Number of women on the board	#	3	3	3
	Percentage of directors who are women	%	25%	27%	27%
	Percentage of directors who are from minority group (EEOC defined)	%	17%	18%	18%
Ethics	Code of Conduct and Ethics Policy	Y/N	Y	Y	Y
<b>Economic</b>					
Financial Performance	Adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) (million USD)	\$	\$2,052.0	\$2,901.1	\$3,530.0



# Performance Data Tables

1. Natural gas product sales from 10-K were converted to barrel-of-oil-equivalent (BOE) using the U.S. Internal Revenue Service conversion of a single BOE as equal to  $5.8 \times 10^6$  BTU to provide a common denominator. NGL and condensate volumes are considered as one to one with oil equivalent barrels.
  2. Scope 3: The quantity in million metric tons (MMT) of carbon dioxide equivalent (CO<sub>2</sub>e) of Scope 3 GHG emissions attributable to potential emissions resulting from fractionated Natural Gas Liquids (NGLs) supplied by Targa to domestic customers. This metric includes emissions calculated pursuant to the US EPA GHGRP under Subpart MM – Suppliers of Petroleum Products and Subpart NN Suppliers of Natural Gas & Natural Gas Liquids. Under Subpart NN, this calculation includes emission equivalents of NGLs fractionated assuming complete combustion or oxidation of NGL products that Targa delivers to customers. Under Subpart MM, this calculation estimates the emissions related to the combustion of petroleum products or NGLs downstream of refineries and products that are exported. Emissions under Subpart MM are treated by Targa as deductions to emissions under Subpart NN as these emissions are from NGLs exported from the US to another country. The calculated Scope 3 GHG emissions metric does not include the sale of natural gas to end users. We continue to evaluate our approach to inventoring, calculating, and reporting GHG emissions to reflect accepted practices, industry trends, and enhance accuracy. Related to this, we identified immaterial calculation errors that overstated our previously reported Scope 3 GHG emissions. Consequently, we have revised for comparability the 2022 and 2021 Scope 3 GHG emissions.
  3. Total quantity in billion kilowatt-hours of indirect energy consumed from purchased electricity generated off-site.
  4. Scope 2: Electricity Emissions (location-based): The quantity in million metric tons (MMT) of carbon dioxide equivalent (CO<sub>2</sub>e) Scope 2 greenhouse gas (GHG) emissions from indirect energy consumed by Targa from purchased electricity generated off-site. Scope 2 GHG emissions are calculated by multiplying total electricity consumption by the EPA's eGRID location-based subregion emission factors and global warming potentials. Targa has included full-year 2022 emissions from electricity consumption from acquired entities.
  5. Scope 1 Greenhouse Gas (GHG) Emissions – Total are part of Targa's reported emissions pursuant the USEPA Greenhouse Gas Reporting Program (GHGRP) Subpart C – General Stationary Fuel Combustion Sources and Subpart W – Petroleum and Natural Gas Systems. Facilities that emit 25,000 metric tons or more per year of GHGs under Subparts C and W combined are required to report under these rules. Emissions disclosed are irrespective of this reporting threshold. Targa has included full-year 2022 emissions from acquired entities. We continue to evaluate our approach to inventoring, calculating, and reporting GHG emissions to reflect accepted practices, industry trends, and enhance accuracy. Related to this, we identified immaterial calculation errors that understated our previously reported Scope 1 GHG emissions. Consequently, we have revised for comparability the 2022 and 2021 Scope 1 GHG emissions.
  6. Criteria pollutants are comprised of direct emissions from Targa operations that are required to be reported to federal and/or state environmental agencies. These emissions are typically reviewed annually and may change with their review of our reports. NO<sub>x</sub>, CO, SO<sub>2</sub>, PM<sub>10</sub>, and VOC emission totals reported here for RY2022 have been revised based on agency review of prior submission. Previously disclosed totals (expressed in thousand tons) for RY2022 were as follows: NO<sub>x</sub> 9.1, CO 6.5, SO<sub>2</sub> 2.6, VOCs 6.2.
  7. Total count and volume of hydrocarbon spills only includes the hydrocarbon fraction of spills from produced water and brine.
  8. Water disclosures include water withdrawn and discharged for the purpose of industrial use only at Targa gas processing plants, fractionation, plants, and storage cavern facilities.
  9. Data collected using the United States Fish and Wildlife Services (USFWS) Information for Planning and Consultation online tool and cross referenced with International Union for Conservation of Nature Red List Species. Reduction of species within Targa's operating area for 2023 is due to changes in US Fish and Wildlife website (<https://ipac.ecosphere.fws.gov/>) data input format. The 2021 and 2022 data was collected at the County level and includes all listed species within the County. The 2023 USFWS data was processed on the actual footprint impacted with a higher-level of accuracy and excludes species that may be within the County but are not within Targa's footprint of operation.
  10. Percentage includes aboveground facilities and pipeline right-of-ways that are assumed to be 30 ft wide. "Within" is defined as within 5km of the boundary of an area that is protected conservations status or an endangered species habitat. Targa's GIS boundary was compared to the World Database of Protected Areas (WDPA), USFWS Critical Habitats and USFWS Wildlife boundaries to calculate percent of operation within these areas.
  11. Natural gas throughput is the sum of natural gas transported through gathering pipelines per 40 CFR 98.236(aa)(10)(i) and natural gas transported by transmission pipeline per 49 CFR 191.17. Revisions to throughputs for 2021 and 2022 are due to adding gathering pipeline throughput.
  12. Crude oil throughput per 49 CFR 195.49. Revised reported units to match PHMSA reporting in barrel-miles.
  13. Refined product throughput per 49 CFR 195.49. Revised reported units to match PHMSA reporting in barrel-miles.
  14. Natural Gas Liquids throughput per 49 CFR 195.49. Revised reported units to match PHMSA reporting in barrel-miles.
  15. Targa Resources acquired Lucid Energy and Southcross Energy on July 29, 2022 and April 21, 2022, respectively. Targa has included data for these acquired assets only since acquisition for metrics in this section.
  16. As reported to the Pipeline Hazardous Materials and Safety Administration (PHMSA) on Forms F 7100.2-1 and F7100.2-2. Incidents as defined in Code of Federal Regulations (CFR) Part 191.3. Incidents in 2021 do not include Gathering Type R lines. PHMSA required reporting of Gathering Type R pipelines starting in 2022.
  17. As reported to the Pipeline Hazardous Materials and Safety Administration (PHMSA) on Form F 7000.1-1. Accidents as defined in Code of Federal Regulations (CFR) Part 195.50. Revised metric in 2023 to include all hazardous liquids lines from HVL and refined products.
  18. Leakage surveys are required by PHMSA on Transmission and Gathering Type A, B, and C pipelines. Targa conducts leakage surveys as required by PHMSA on these pipelines and voluntarily surveys Gathering Type R pipelines. Metrics in this section include both required and voluntary leakage survey results.
  19. Employees with direct reports, manager title and above.
- N/A - Indicates Targa did not track or this information is not available.
- † - These metrics received limited assurance by a third-party auditor.



# EIC Midstream Template V2.0

Metric	Unit	2023	2022	2021	Comments, Links, Additional Information, and Notes	
<b>Activity</b>						
1.1	EBITDA	Million US \$	3,530.00	2,901.10	2,052.00	
1.2	Gross Throughput	Thousand BOE	1,627,899	1,480,041	1,159,724	For the natural gas gathering and boosting segment, throughput is the total volume of gas transported by gathering and boosting facilities as per 40 CFR 98.236(aa)(10)(ii) in the GHGRP. For the natural gas processing segment, throughput is the quantity of natural gas processed at a gas processing plant as per 40 CFR 98.236(aa)(3)(ii). For liquid products, throughput is the volume of products delivered to an end point. Includes full year data for assets acquired in 2022.
1.3	Miles of Pipeline (Total Pipeline)	Miles	29,745	28,599	25,748	Includes in-service pipelines per V2.0 definitions.
1.4	Carbon Accounting Basis for Data	Operational/Equity/Financial	Operational	Operational	Operational	
<b>Environment <sup>(2)</sup></b>						
<b>Hydrocarbon Releases</b>						
2.1	Number of hydrocarbon liquid releases beyond secondary containment > 5 bbl	#	9	21	6	
2.2	Volume of hydrocarbon liquid releases beyond secondary containment > 5 bbl	bbls	218	550	248	
2.3	Hydrocarbon Liquid Releases Intensity per Mile of Pipeline - Total	bbl/mile	0.007	0.019	0.010	
<b>Emissions</b>						
2.4	Total GHG Emissions (Scope 1 + Scope 2) - Total	mt CO <sub>2</sub> e	13,222,000	12,003,000	9,854,000	
2.4.1	Scope 1 GHG Emissions - Total	mt CO <sub>2</sub> e	9,531,000 <sup>†</sup>	8,707,000	7,194,000	Sources included in Scope 1 GHG Emissions - Total include Sites Not Required to Report Under the EPA GHGRP. Emissions from Saltwater Disposal Sites and Glycol Dehydrators at Well Sites are not applicable to Targa Resources. Includes full-year data for assets acquired in 2022. We continue to evaluate our approach to inventorying, calculating, and reporting GHG emissions to reflect accepted practices, industry trends, and enhance accuracy. Related to this, we identified immaterial calculation errors that understated our previously reported Scope 1 GHG emissions. Consequently, we have revised for comparability the 2022 and 2021 Scope 1 GHG emissions.
2.4.1.1	Scope 1 CO <sub>2</sub> Emissions - Total	mt CO <sub>2</sub>	9,030,000	8,261,000	6,412,000	
2.4.1.2	Scope 1 Methane Emissions - Total	mt CH <sub>4</sub>	19,660	17,700	30,950	
2.4.1.3	Scope 1 Nitrous Oxide Emissions - Total	mt N <sub>2</sub> O	15	14	11	
2.4.1.4	Percent of Scope 1 emissions that are methane	%	5%	5%	11%	



# EIC Midstream Template V2.0

Metric	Unit	2023	2022	2021	Comments, Links, Additional Information, and Notes	
<b>Activity</b>						
2.4.2	Scope 1 GHG Emissions - EPA	mt CO <sub>2</sub> e	9,526,000 <sup>†</sup>	8,701,000	7,183,000	Includes full-year data for assets acquired in 2022. We continue to evaluate our approach to inventorying, calculating, and reporting GHG emissions to reflect accepted practices, industry trends, and enhance accuracy. Related to this, we identified immaterial calculation errors that understated our previously reported Scope 1 GHG emissions. Consequently, we have revised for comparability the 2022 and 2021 Scope 1 GHG emissions.
2.4.2.1	Scope 1 CO <sub>2</sub> Emissions - EPA	mt CO <sub>2</sub>	9,032,000	8,255,000	6,403,000	
2.4.2.2	Scope 1 Methane Emissions - EPA	mt CH <sub>4</sub>	19,650	17,660	30,900	
2.4.2.3	Scope 1 Nitrous Oxide Emissions - EPA	mt N <sub>2</sub> O	14	14	11	
2.4.3	Scope 2 GHG Emissions	mt CO <sub>2</sub> e	3,691,000 <sup>†</sup>	3,296,000 <sup>†</sup>	2,660,000	Scope 2 GHG Emissions calculated on location-based method. Includes full year data for assets acquired in 2022.
2.5	Total GHG Emissions (Scope 1 + Scope 2) Intensity per Thousand BOE- Total	mt CO <sub>2</sub> e/Thousand BOE	8.12	8.11	8.50	
2.6	Scope 1 Methane Emissions Intensity per ONE Future Methodology (See EIC Definitions tab for instructions)					
2.6.1	For Transmission and Storage Sector	%	N/A	N/A	N/A	
2.6.2	For Processing Sector	%	0.032	0.033	0.037	
2.6.3	For Gathering and Boosting Sector	%	0.112	0.139	0.167	
2.6.4	For Production Sector	%	N/A	N/A	N/A	
2.7	Does the company participate in an external emissions reduction program?	Yes/No	Yes	Yes	Yes	Targa is a member of ONE Future and The Environmental Partnership.
2.8	Does the company have a greenhouse gas emissions reduction target?	Yes/No	Yes	Yes	Yes	Targa's methane intensity targets are as follows: Processing Sector 0.11% by 2025, Gathering & Boosting 0.08% by 2025.
2.9	NO <sub>x</sub> Emissions	Metric Tons	8,830	8,746	7,396	Criteria pollutants are comprised of direct emissions from Targa operations that are required to be reported to federal and/or state environmental agencies. These emissions are typically reviewed annually and may change with their review of our reports. NO <sub>x</sub> , SO <sub>x</sub> , and VOC emission totals reported here have been revised based on agency review of our prior submission. Previously disclosed totals (expressed in metric tons) for 2022 were as follows: NO <sub>x</sub> 8,261, SO <sub>x</sub> 2,346, and VOC 5,603. Includes full year data for assets acquired in 2022.
2.10	SO <sub>x</sub> Emissions	Metric Tons	3,430	2,507	2,920	
2.11	VOC Emissions	Metric Tons	8,086	5,495	4,237	
2.12	% of electricity used that is renewable	%	0.00	0.00	0.00	
2.13	Did the company bank GHG reductions from Carbon Capture and Storage Projects?	Yes/No	No	No	No	
2.14	Does the company seek third party data verification for any environmental metrics?	Yes/No	Yes	Yes	No	Limited assurance was obtained on select Environmental metrics for 2022 and 2023.



# EIC Midstream Template V2.0

Metric	Unit	2023	2022	2021	Comments, Links, Additional Information, and Notes	
<b>Activity</b>						
Asset Diversification and Biodiversity						
2.15	Does the company participate in any efforts to expand the share of alternative/renewable energy sources in the company's portfolio? If yes, please provide links to ESG reports, webpages and other disclosures as support.	Yes/No	Yes	Yes	Yes	See Targa Sustainability Report posted at <a href="http://www.targaresources.com/sustainability">www.targaresources.com/sustainability</a>
2.16	Does the company have a biodiversity policy or commitment for new and existing assets?	Yes/No	Yes	Yes	Yes	

<sup>(2)</sup> In March 2022, the SEC proposed extensive climate change disclosure regulation, that, if adopted, would likely require companies to provide more detailed and complex environmental disclosures than contemplated by this template. For example, compliance with the "Emissions" section of this template would likely not be adequate for the purposes of compliance with the SEC's proposed regulation. The proposed regulation also contemplates significant expanded disclosures regarding companies' climate change-related governance, strategy, goals and metrics and risk analyses. For considerations regarding compliance with the proposed climate change disclosure regulations or other regulatory or legislative matters, companies should seek the advice of counsel.

<b>Social</b>						
3.1	Total Recordable Incident Rate (TRIR) - employees	#	0.74 <sup>†</sup>	0.73 <sup>†</sup>	0.99	
3.2	Total Recordable Incident Rate (TRIR) for major growth projects - contractors	#	0.00	0.85	0.00	
3.3	Days away, restricted or transferred (DART) - employees	#	0.63 <sup>†</sup>	0.64 <sup>†</sup>	0.53	
3.4	Days away, restricted or transferred (DART) for major growth projects - contractors	#	0.00	0.43	0.00	
3.5	Lost Time Incident Rate (LTIR) - employees	#	0.30	0.54	0.39	
3.6	Lost Time Incident Rate (LTIR) for major growth projects - contractors	#	0.00	0.14	0.00	
3.7	Fatalities - employees	#	0 <sup>†</sup>	0 <sup>†</sup>	0	
3.8	Fatalities - contractors	#	0	0	0	
3.9	Does the company have an indigenous engagement policy or commitment for new and existing assets?	Yes/No	Yes	Yes	Yes	
3.10	% workforce that is female	%	15%	15%	16%	
3.11	% workforce from minority groups (EEOC defined)	%	35%	33%	30%	



# EIC Midstream Template V2.0

Metric	Unit	2023	2022	2021	Comments, Links, Additional Information, and Notes	
<b>Activity</b>						
3.13	Does the company seek third party data verification for any social metrics?	Yes/No	Yes	Yes	No	Limited assurance was obtained on select Social metrics for 2022 and 2023.
3.14	\$ invested in local communities per every \$100,000 of adjusted EBITDA	US \$	N/A	N/A	N/A	Not available.
<b>Governance</b>						
<b>Diversity</b>						
4.1	% directors that are female	%	27%	27%	25%	
4.2	% corporate officers (VP and up) that are female	%	14%	14%	14%	
4.3	% directors from minority groups (EEOC defined)	%	18%	18%	17%	
4.4	% corporate officers (VP and up) from minority groups (EEOC defined)	%	5%	5%	6%	
4.5	Is any director under the age of 50?	Yes/No	Yes	Yes	Yes	
<b>Directors</b>						
4.6	% independent directors	%	73%	73%	75%	
4.7	How many directors received less than 80% votes cast in favor when running unopposed in last 5 years?	#	1	0	0	Paul Chung in 2023.
4.7.1	Does the company have a formal ESG oversight structure with associated accountability?	Yes/No	Yes	Yes	Yes	
4.8	Does the company have directors with risk management experience?	Yes/No	Yes	Yes	Yes	
<b>Compensation</b>						
4.9	Has the company received less than 70% support for Say On Pay in any of the last 5 years?	Yes/No	Yes	Yes	Yes	
4.10	What % of CEO target pay is performance-based?	%	90% at-risk	91% at risk	90% at-risk	
4.11	What % of CEO target pay is equity-based?	%	74% of target	73% of target	73% of target	
4.12	Are there any shareholder return metrics (total return, return on invested capital, etc.) in any NEO equity compensation plan?	Yes/No	Yes-TSR	Yes-TSR	Yes - TSR	
4.13	Is at least 10% of Named Executive Officer (NEO) short-term incentive (STI) or long-term incentive (LTI) linked to E or S metrics?	Yes/No	Yes	Yes	Yes	



# EIC Midstream Template V2.0

Metric	Unit	2023	2022	2021	Comments, Links, Additional Information, and Notes	
<b>Activity</b>						
4.14	Does the company tie any amount of pay for management and/or employees to ESG objectives?	Yes/No	Yes	Yes	Yes	
<b>Share Ownership</b>						
4.15	Have any corporate officers or directors made share purchases with personal funds in the last 5 years?	Yes/No	Yes	Yes	Yes	
<b>Board Oversight</b>						
Which of these data sets are collected and shared with board?						
4.16.1	Voluntary employee turnover company-wide and by at least one additional level (e.g. business unit, location, or division)	Yes/No	No	No	No	Turnover rate not reviewed at additional levels with board.
4.16.2	% of employees who participate in company sponsored matching gift programs and/or volunteer for corporate sponsored charitable events	Yes/No	No	No	No	
4.16.3	Gender Pay Ratio	Yes/No	No	No	No	
4.16.4	Underlying data from an employee satisfaction survey that is anonymous and at least annual	Yes/No	No	No	No	
<b>Supply Chain</b>						
4.17	Does the company require suppliers to sign off on a code of conduct or equivalent codes?	Yes/No	Yes	Yes	Yes	MSA suppliers must sign; See Supplier Code of Conduct in Sustainability Report.
<b>Cybersecurity</b>						
Does the company undertake any of the following to manage cybersecurity risk?						
4.18.1	Mandatory employee training	Yes/No	Yes	Yes	Yes	
4.18.2	Adherence to industry cybersecurity standards	Yes/No	Yes	Yes	Yes	
4.18.3	Ongoing evaluation of the threat landscape	Yes/No	Yes	Yes	Yes	
4.19	Does the company publish an annual proxy statement? If no, expand for more metrics (click "+" to the left)	Yes/No	Yes	Yes	Yes	

<sup>1</sup> Governmental bodies and investors are increasingly focused on companies' ESG practices and disclosures, and increasingly there are proposed and adopted regulations, legislation and investor expectations that can have a direct impact on companies seeking to comply through disclosure. While this template provides one approach to reporting on various ESG matters, it does not take all voluntary frameworks or standards into consideration, nor is it designed to address proposed or adopted regulations and legislation. For compliance with proposed or adopted regulations and legislation, companies should seek the advice of counsel.

† - These metrics received limited assurance by a third-party auditor.



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer	
GENERAL DISCLOSURE					
GRI 2: General Disclosures 2021		Organizational profile			
	2-1		Organizational details	Targa Resources Corp; Sustainability Report, subsection Forward: About Targa	
	2-2		Entities included in the organization's sustainability reporting	Sustainability Report - subsection Forward: About Targa; 2023 Annual Report on Form 10-K	
	2-3		Reporting period, frequency and contact point	Sustainability Report - subsection Forward: About Targa Annual reporting: January 1, 2023 - December 31, 2023; Jessica Keiser, SVP Sustainability	
	2-4		Restatements of information	Noted in Sustainability Report - subsection Environmental, Performance Data Tables, or EIC Template V2.0 where GHG Emissions, non-GHG emissions may be revised due to agency guidance	
	2-5		External assurance	Independent limited assurance was obtained on select 2022 and 2023 Environmental and Safety metrics.	
	Activities and Workers				
	2-6		Activities, value chain and other business relationships	2023 Annual Report on Form 10-K; Sustainability Report - subsection Forward: About Targa; Sustainability Report - subsection Social;	
	2-7		Employees	2023 Annual Report on Form 10-K; Sustainability Report - subsection Forward: About Targa; Sustainability Report - subsections Social, Performance Data Tables, EIC Template V2.0	
	Governance				
	2-9		Governance structure and composition	March 21, 2024 DEF 14A; Sustainability Report - subsection Governance	
	2-10		Nomination and selection of the highest governance body	March 21, 2024 DEF 14A	
	2-11		Chair of the highest governance body	March 21, 2024 DEF 14A	
	2-12		Role of the highest governance body in overseeing the management of impacts	March 21, 2024 DEF 14A; Sustainability Report - subsection Forward: About Targa	
	2-13		Delegation of responsibility for managing impacts	March 21, 2024 DEF 14A; Sustainability Report - subsection Forward: About Targa	
	2-14		Role of the highest governance body in sustainability reporting	March 21, 2024 DEF 14A; Sustainability Report - subsection Forward: About Targa	
	2-15		Conflicts of interest	March 21, 2024 DEF 14A	
	2-16		Communication of critical concerns	March 21, 2024 DEF 14A	
2-17		Collective knowledge of the highest governance body	March 21, 2024 DEF 14A		
2-18		Evaluation of the performance of the highest governance body	March 21, 2024 DEF 14A		



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer	
<b>GENERAL DISCLOSURE</b>					
GRI 2: General Disclosures 2021		2-19	Remuneration policies	March 21, 2024 DEF 14A	
		2-20	Process to determine remuneration	March 21, 2024 DEF 14A	
		2-21	Annual total compensation ratio	March 21, 2024 DEF 14A	
	Strategy, policies, and practices				
		2-22	Statement on sustainable development strategy	Sustainability Report - subsection Forward: CEO Letter	
		2-23	Policy commitments	Sustainability Report - subsections Social and Governance	
		2-24	Embedding policy commitments	Sustainability Report - subsections Social and Governance	
		2-25	Processes to remediate negative impacts	2023 Annual Report on Form 10-K; Sustainability Report - subsection Social	
		2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report - subsections Social and Governance	
		2-28	Membership associations	Sustainability Report - subsection Governance	
	Stakeholder engagement				
		2-29	Approach to stakeholder engagement	Sustainability Report - subsections Forward: CEO Letter, Stakeholder Engagement, Governance	
		2-30	Collective bargaining agreements	Targa has no collective bargaining agreements	
	<b>TOPIC SPECIFIC DISCLOSURES</b>				
<b>Disclosures on material topics</b>					
GRI 3: Material Topics 2021		3-1	Process to determine material topics	Sustainability Report - subsection Forward: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A	
		3-2	List of material topics	Sustainability Report - subsection Forward: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A	
		3-3	Management of material topics	Sustainability Report - subsection Forward: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A	
<b>GHG emissions</b>					
GRI 3: Material Topics 2021	11.1	3-3	Management of material topics	Sustainability Report - subsection Forward: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A	
GRI 302: Energy 2016	11.2	302-1	Energy consumption within the organization	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0	



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer
GRI 305: Emissions 2016	11.1.5	305-1	Direct (Scope 1) GHG emissions	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.1.6	305-2	Direct (Scope 2) GHG emissions	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.1.7	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.1.8	305-4	GHG emission intensity	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
Climate adaptation, resilience, and transition				
GRI 3: Material Topics 2021	11.2.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 201: Economic Performance 2016	11.2.2	201-2	Financial implications and other risks and opportunities due to climate change	TCFD table published on <a href="http://www.targaresources.com">www.targaresources.com</a> March 21, 2024 DEF 14A
GRI 305: Emissions 2016	11.2.3	305-5	Reduction of GHG emissions	Sustainability Report - subsection Environmental
Air emissions				
GRI 3: Material Topics 2021	11.3.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 305: Emissions 2016	11.3.2	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
Biodiversity				
GRI 3: Material Topics 2021	11.4.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 304: Biodiversity 2016	11.4.2	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability Report - subsection Environmental
	11.4.3	304-2	Significant impacts to activities, products, and services on biodiversity	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.4.4	304-3	Habitats protected or restored	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.4.5	304-4	IUCN Red List species and national conservation list species with habitat in areas affected by operations	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
Water and effluents				
GRI 3: Material Topics 2021	11.6.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer
GRI 303: Water and Effluents 2018	11.6.2	303-1	Interactions with water as a shared resource	Sustainability Report - subsection Environmental
	11.6.4	306-3	Water withdrawal	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.6.5	306-4	Water discharge	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
	11.6.6	306-5	Water consumption	Sustainability Report - subsection Environmental, Performance Data Table, EIC Template V2.0
Asset integrity and critical incident management				
GRI 3: Material Topics 2021	11.8.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 306: Effluents and Waste 2016	11.8.2	306-3	Significant spills	Sustainability Report - subsection Environmental; Performance Data Table, EIC Template V2.0
SOCIAL TOPICS				
Occupational Health and Safety				
GRI 3: Material Topics 2021	11.9.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 403: Occupational Health and Safety 2018	11.9.2	403-1	Occupational health and safety management system	Sustainability Report - subsection Safety
	11.9.3	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report - subsection Safety
	11.9.4	403-3	Occupational health services	Sustainability Report - subsection Safety
	11.9.5	403-4	Workers representation in formal joint management-worker health and safety committees	Sustainability Report - subsection Safety
	11.9.6	403-5	Worker training on occupational health and safety	Sustainability Report - subsection Safety
	11.9.7	403-6	Promotion of work health	Sustainability Report - subsection Safety
	11.9.8	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report - subsection Safety
	11.9.9	403-8	Workers covered by an occupational health and safety management system	Sustainability Report - subsection Safety
	11.9.10	403-9	Work-related injuries (partial)	Sustainability Report - subsection Safety, Performance Data Table, EIC Template V2.0
	Employment practices			



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer
GRI 3: Material Topics 2021	11.10.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 401: Employment 2016	11.10.2	401-1	New employee hires and employee turnover	Sustainability Report - subsection Social
	11.10.4	401-3	Parental leave	Sustainability Report - subsection Social
GRI 404: Training and Education 2016	11.10.6	404-1	Average hours of training per year per employee	Sustainability Report - subsections Safety, Social
Non-discrimination and equal opportunity				
GRI 3: Material Topics 2021	11.11.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 401: Employment 2016	11.11.3	401-3	Parental leave	Sustainability Report - subsection Social
GRI 404: Training and Education 2016	11.11.4	404-1	Average hours of training per year per employee	Sustainability Report - subsections Safety, Social
GRI 405: Diversity and Inclusion 2016	11.11.5	405-1	Diversity of governance bodies and employees	Sustainability Report - subsections Social, Governance, Performance Data Table, EIC Template V2.0
Economic impacts				
GRI 3: Material Topics 2021	11.14.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 201: Economic Performance 2016	11.14.2	201-1	Direct economic value generated and distributed	2023 Annual Report on Form 10-K
Local communities				
GRI 3: Material Topics 2021	11.15.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 413: Local Communities 2016	11.15.2	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
	11.15.3	413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report, subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
Land and resource rights				
GRI 3: Material Topics 2021	11.16.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
Rights of indigenous peoples				
GRI 3: Material Topics 2021	11.17.1	3-3	Management of material topics	Sustainability Report - subsection Foreword: Sustainability at Targa, Sustainability Governance, Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A



# Global Reporting Initiative (GRI) Index

GRI Standard	Oil and Gas Sector Standard	Disclosures	Description	Location or Answer
GRI 411: Rights of Indigenous Peoples 2016	11.17.2	411-1	Incidents of violations involving rights of indigenous peoples	Sustainability Report - subsection Social Targa Resources has had no violations involving the rights of Indigenous Peoples for the reporting period.
Anti-corruption				
GRI 3: Material Topics 2021	11.20.1	3-3	Management of material topics	Sustainability Report - subsection Foreward: Sustainability at Targa, Sustainability Governance Stakeholder Engagement, About This Report; March 21, 2024 DEF 14A
GRI 205: Anti-corruption 2016	11.20.3	205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report - subsection Governance



# Sustainable Accounting Standards Board (SASB) Index

The following table provides reference to key performance data that aligns with the SASB industry specific reporting disclosures and where the specific information can be found in this report. <sup>1</sup>

SASB Topic	SASB code (a)	Accounting Metric	Disclosure Level	Location or Direct Answer
Greenhouse Gas Emissions	EM-MD-110a.1 <sup>2,3</sup>	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Disclosed	Sustainability Report - subsections Environmental, Performance Data Tables, EIC Template V2.0. 99% of our operations covered by the EPA GHG reporting rule. 0% covered under emissions-limiting regulations.
	EM-MD-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Partial	Sustainability Report - subsections Environmental, Performance Data Tables, EIC Template V2.0.
Air Quality	EM-MD-120a.1 <sup>3</sup>	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	Disclosed	Sustainability Report - subsections Environmental, Performance Data Tables, EIC Template V2.0.
Ecological Impacts	EM-MD-160a.1	Description of environmental management policies and practices for active operations	Disclosed	Sustainability Report - subsection Environmental
	EM-MD-160a.2	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	Disclosed	Sustainability Report - subsections Environmental, Performance Data Tables
	EM-MD-160a.3	(1) Terrestrial acreage disturbed, (2) percentage of impacted area restored	Not Disclosed	Not tracked
	EM-MD-160a.4	(1) Number and (2) aggregate volume of hydrocarbon spills, (3) volume in Arctic, (4) volume in sites with high biodiversity significance, and (5) volume recovered	Partial	Sustainability Report - subsections Performance Data Tables, EIC Template V2.0. Targa does not have operations in the Arctic. Targa attempts to recover 100% of spilled volumes, when practicable; however, does not currently track exact totals.
Competitive Behavior	EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	Not Disclosed	Not tracked
Operational Safety, Emergency Preparedness, and Response	EM-MD-540a.1	(1) Number of reportable pipeline incidents, (2) percentage significant	Partial	Sustainability Report - subsection Performance Data Tables
	EM-MD-540a.2	Percentage of (1) natural gas and (2) hazardous liquids pipelines inspected	Disclosed	Sustainability Report - subsection Performance Data Tables
	EM-MD-540a.3	Number of (1) accident releases and (2) non-accident releases (NARs) from rail transportation	Disclosed	Sustainability Report - subsection Performance Data Tables
	EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	Partial	Sustainability Report - subsections Environmental, Safety and Social
SASB Topic	SASB code (a)	Activity Metric	Disclosure Level	Location or Direct Answer
Activity Metrics	EM-MD-000.A	Total metric tonne-kilometres of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	Disclosed	Sustainability Report - subsection Performance Data Tables, Website Sustainability Page

1. SASB Extractives & Minerals Processing Sector Oil & Gas Midstream standard EM-MD, Version 2023-12, Table 1 and Table 2.

2. Beginning in 2020, Targa completed an inventory estimating emissions from all facilities including those outside of the EPA Mandatory Greenhouse Gas Reporting Rule boundary. The emission calculation methodology is prepared in accordance with the Mandatory Greenhouse Gas Reporting Rule.

3. As reported to state and federal agencies.



# Forward-looking Statements

Certain statements in this Report are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can typically identify forward-looking statements by the use of words such as “may,” “could,” “project,” “believe,” “anticipate,” “expect,” “continue,” “estimate,” “goal,” “target,” “potential,” “plan,” “forecast,” “scheduled,” “will,” “would,” and other similar words. All statements, other than statements of historical facts, included in this Report that address activities, events, or developments that Targa expects, believes, or anticipates will or may occur in the future, are forward-looking statements. In particular, this Sustainability Report contains forward-looking statements pertaining to, but not limited to, information with respect to the following: Targa’s strategic plan, priorities, outlook, and expected performance; sustainability goals, strategies, priorities, and initiatives, including, among others, those related to greenhouse gas (GHG) emissions reduction including our goals regarding methane reduction and safety; our plans to achieve our sustainability goals and to monitor and report our progress thereon; sustainability engagement, commitments, and disclosure; low carbon and new energies opportunities and strategy; and other related items.

The actual conduct of our activities, including the development, implementation, or continuation of any goals, strategies, priorities, and initiatives discussed or forecasted in this Report may differ materially in the future. Moreover, many of the assumptions, standards, metrics, and measurements used in preparing this Report and the forward-looking statements contained herein continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees. These forward-looking statements in this Report rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors, and risks, many of which are outside Targa’s control, which could cause results to differ materially from those expected by management. Such risks and uncertainties include, but are not limited to, weather, political, economic, and market conditions, including a decline in the price of and market demand for natural gas, natural gas liquids, and crude oil, the expected growth of volumes on our systems, the impact of pandemics or any other public health crises, commodity price volatility due to ongoing or new global conflicts, actions by the Organization of the Petroleum Exporting Countries (“OPEC”) and non-OPEC oil producing countries, the impact of disruptions in the bank and capital markets, including those resulting from lack of access to liquidity for banking and financial services firms, the impact of continued inflation and associated changes in monetary policy, the timing and success of our completion of capital projects and business development efforts, Targa’s ability to gather reliable data regarding the environmental impact (including GHG emissions) of its operations and technologies, the consistency or inconsistency of approaches to measuring and reporting on various environmental and social matters, the

availability and relative attractiveness of renewable and low carbon business opportunities and solutions, Targa’s ability to successfully implement various sustainability and emission management and reduction initiatives throughout the organization, Targa’s ability to reach its environmental and social goals, the compliance of various third parties and contractors with Targa’s policies and procedures and legal requirements, risks related to Targa’s public statements with respect to sustainability matters that may be subject to heightened scrutiny from public and governmental authorities related to the risk of potential “greenwashing”, i.e., alleged misleading information or false claims overstating potential sustainability-related benefits or actions, which could lead to increased litigation risk from private parties and governmental authorities or regulatory bodies related to Targa’s sustainability-related efforts, and other uncertainties. Therefore, the reader should not place undue reliance on these forward-looking statements. In addition, while Targa has adopted policies and practices aimed at encouraging suppliers, contractors, and other third parties to adhere to certain practices regarding environmental, safety, and compliance matters, Targa cannot and does not guarantee third-party compliance with the policies and practices it adopts. In addition to the risks described above, other applicable uncertainties, factors, and risks are described more fully in Targa’s filings with the United States Securities and Exchange Commission (the “SEC”), including its most recent Annual Report on Form 10-K, and any subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Targa may include additional risk disclosures in future filings with the SEC, and the reader should consider how any future risk disclosures may further inform any forward-Looking statements contained herein. Other unpredictable or unknown factors not discussed in this Report could also have material adverse effects on Targa, its operations or the outcomes described in the forward-looking statements in this Report. The forward-looking statements and statements of intention in this Report speak only as of the date of the preparation of this Report. Targa does not undertake, and expressly disclaims, any obligation to update or revise any forward-looking statement or statements of intention, whether as a result of new information, future events, or otherwise.

While this Report describes potential future events and matters that may be significant, and with respect to which we may even use the word “material” or “materiality,” the potential significance of these events and matters should not be read as equating to “materiality” as the concept is used in connection with Targa’s required disclosures made in response to SEC and exchange rules and regulations. Targa uses different approaches to materiality in determining what to include in this Report versus what to include in its SEC filings.

Moreover, while we have provided information on several sustainability topics, there are inherent uncertainties in providing such information, due to the complexity and novelty of many methodologies established for collecting, measuring, and analyzing sustainability data. While we anticipate continuing

to monitor and report on certain sustainability information, we cannot guarantee that such data will be consistent year-to-year, as methodologies and expectations continue to evolve. Moreover, we hereby expressly disclaim any obligation or duty not otherwise required by legal, contractual, and other regulatory requirements to update, correct, provide additional details regarding, supplement, or continue providing such data, in any form, in the future. We note that methodologies regarding setting, measuring, and reporting against various emissions metrics and goals continue to evolve. Our approach to setting, measuring, and reporting on various emissions metrics, including our emissions-related goals, may change or subject us to scrutiny in the future. Moreover, under current or future approaches to setting, measuring or reporting on various emissions metrics, we may not be able to meet our goals and targets, which could have a significant negative impact on our business or reputation, or subject us to stakeholder or regulatory scrutiny. The information contained in this Report may be modified, updated, changed, deleted, or supplemented from time to time without notice and we reserve the right to make any such modifications in our sole discretion. Some of the data provided in this report may be estimated or reliant on estimated information, which is inherently imprecise. While we endeavor to note throughout this report where such estimates are made, we cannot guarantee that estimates are identified as such in every instance. In some cases, the information is prepared, or based on information prepared, by third-party vendors and consultants and is not independently verified by Targa. Furthermore, unless explicitly noted in each instance where it occurs, the relevant sustainability-related data provided in this report has not been audited or subject to any third-party assurance process. This data should not be interpreted as any form of guaranty or assurance of future results or trends.

Targa acknowledges that while trade associations and collaborative industry groups serve important functions in our industry, they also warrant extra care in complying with the antitrust laws. It is our policy that our Company and all of our employees comply strictly with all applicable antitrust laws, and avoid conversations or actions that could be viewed as acting in concert with others to restrain trade or competition.

Unless otherwise provided, the information contained in this Report is expressly not incorporated by reference into any filing of Targa made with the SEC, or any other filing, report, application, or statement made by Targa to any federal, state, tribal, or local governmental authority.