

Our Path to a
**Better
Tomorrow**

Environmental, Social
and Governance Report

2021



ONE Gas

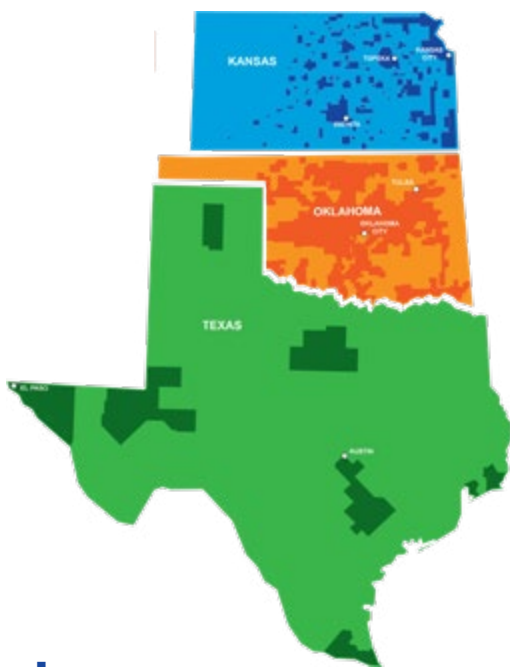
Kansas Gas Service | Oklahoma Natural Gas | Texas Gas Service

About ONE Gas

ONE Gas, Inc. (NYSE: OGS) is a 100% regulated natural gas utility. Headquartered in Tulsa, Oklahoma, the company is included in the S&P MidCap 400 Index and is one of the largest natural gas utilities in the U.S. We provide natural gas service to approximately 2.2 million customers in Kansas, Oklahoma and Texas.

We own and operate approximately 63,300 miles of distribution mains, service lines and transmission pipelines across our service territory. We consistently rank in the top quartile of all safety metrics tracked by the American Gas Association, including the lowest Days Away, Restricted or Transferred (DART) rate of all similar-sized local distribution companies in the U.S. ONE Gas is committed to providing safe, affordable and reliable energy while helping to build a sustainable future.

Our Divisions Include:



Kansas Gas Service

*72% market share,
the largest in Kansas*



Oklahoma Natural Gas

*88% market share,
the largest in Oklahoma*



Texas Gas Service

*13% market share,
the third largest in Texas*

Mission

Our mission is to deliver natural gas for a better tomorrow.

Vision

Our vision is to be a premier natural gas distribution company, creating exceptional value for our stakeholders.

Core Values



SAFETY

We are committed to operating safely and in an environmentally responsible manner.



ETHICS

We are accountable to the highest ethical standards and are committed to compliance. Honesty, trust and integrity matter.



INCLUSION & DIVERSITY

We embrace an inclusive and diverse culture that encourages collaboration. Every employee makes a difference and contributes to our success.



SERVICE

We provide exceptional service and make continuous improvements in our pursuit of excellence.



VALUE

We create value for all stakeholders, including our customers, employees, investors and communities.

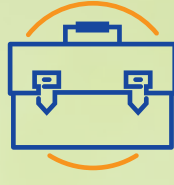
The information in this Environmental, Social and Governance Report is not to be used for investment purposes. Please see our most recent Annual Report on Form 10-K as updated by the most recent Quarterly Reports on Form 10-Q for information relevant to investment decisions in ONE Gas securities.

2020 Highlights



93.5%

overall satisfaction score
for Customer and Field
Service



38%

of directors are women
or Hispanic



\$3,220,802

in total ONE Gas
Foundation grants and
community giving



470 miles

of distribution mains,
service lines and
transmission lines
replaced in 2020



Top 25%

for four consecutive
years in all safety metrics
tracked by the American
Gas Association and the
lowest DART rate four
years in a row



Top 25%

Employee engagement
scores were in the top
quartile of Gallup's
Overall Company
Database for the fourth
consecutive year



41%

expected reduction in
Scope 1 CO₂e emissions
by 2025 (from 2014)
through replacement and
protection of distribution
mains and service lines



**33,258 metric
tons of CO₂e
reduced**

through our energy
efficiency programs,
equivalent to removing

7,233

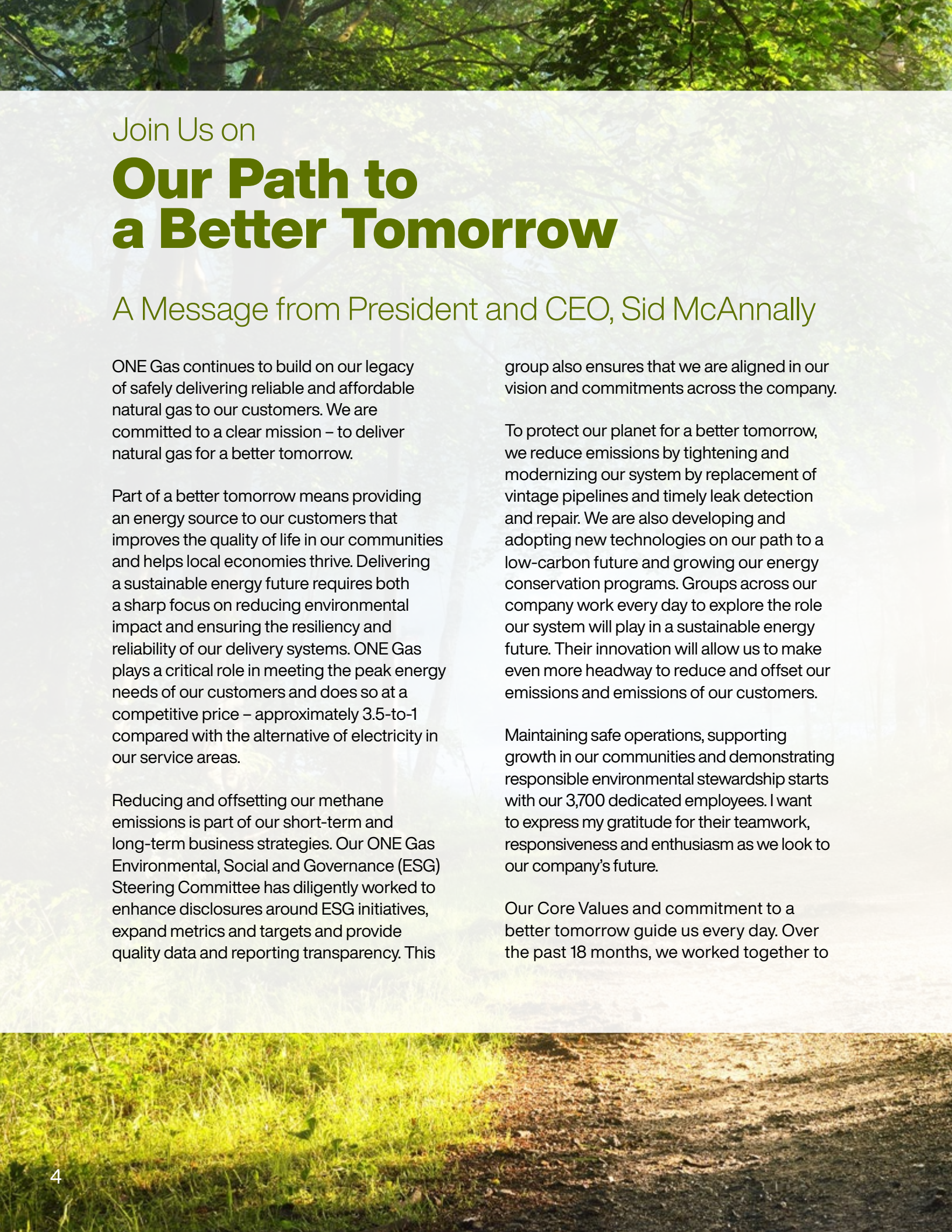
**passenger
vehicles**

from the road



26.3%

reduction in Scope 1
CO₂e emissions through
replacement and
protection of distribution
mains and service lines
since 2014



Join Us on

Our Path to a Better Tomorrow

A Message from President and CEO, Sid McAnnally

ONE Gas continues to build on our legacy of safely delivering reliable and affordable natural gas to our customers. We are committed to a clear mission – to deliver natural gas for a better tomorrow.

Part of a better tomorrow means providing an energy source to our customers that improves the quality of life in our communities and helps local economies thrive. Delivering a sustainable energy future requires both a sharp focus on reducing environmental impact and ensuring the resiliency and reliability of our delivery systems. ONE Gas plays a critical role in meeting the peak energy needs of our customers and does so at a competitive price – approximately 3.5-to-1 compared with the alternative of electricity in our service areas.

Reducing and offsetting our methane emissions is part of our short-term and long-term business strategies. Our ONE Gas Environmental, Social and Governance (ESG) Steering Committee has diligently worked to enhance disclosures around ESG initiatives, expand metrics and targets and provide quality data and reporting transparency. This

group also ensures that we are aligned in our vision and commitments across the company.

To protect our planet for a better tomorrow, we reduce emissions by tightening and modernizing our system by replacement of vintage pipelines and timely leak detection and repair. We are also developing and adopting new technologies on our path to a low-carbon future and growing our energy conservation programs. Groups across our company work every day to explore the role our system will play in a sustainable energy future. Their innovation will allow us to make even more headway to reduce and offset our emissions and emissions of our customers.

Maintaining safe operations, supporting growth in our communities and demonstrating responsible environmental stewardship starts with our 3,700 dedicated employees. I want to express my gratitude for their teamwork, responsiveness and enthusiasm as we look to our company's future.

Our Core Values and commitment to a better tomorrow guide us every day. Over the past 18 months, we worked together to

provide reliable service to our customers through Winter Storm Uri, addressed the evolving COVID environment and increased our focus on inclusion and diversity. Through it all, our employees have remained focused on execution and serving our customers and communities.

Through this report, we share our confidence that natural gas will serve a critical role as we continue to transition into a cleaner energy future. We're pleased to present a summary of our work over the past year as we serve to meet our customers' needs for affordable, reliable and clean energy.

Thank you for your support and interest in ONE Gas.



A stylized, handwritten signature in black ink.

Sid McAnnally
President and CEO

The Benefits of Natural Gas

Natural gas is an affordable, reliable and efficient choice to achieve a low-cost, lower-emissions future.



Natural gas can reduce emissions and work together with renewables to create a more effective energy future.

Natural gas has been a leader in reducing greenhouse gas emissions in the U.S. While much of this has been attributable to displacement of coal in electricity generation, natural gas also serves other important energy functions, such as in our work providing an affordable, reliable and efficient fuel for heating and cooking. By focusing on what each fuel is better suited for, natural gas can complement electricity generated from renewables to help get people the energy they need in an efficient and effective way.



Natural gas is reliable and affordable.

U.S. households using natural gas for heating, cooking and clothes drying save an average of \$879 every year compared to homes using electricity for the same activities.



Natural gas is efficient, enabling us to meet increasing demand.

Natural gas meets 32% of all energy demand in the U.S. It arrives more efficiently to homes, with only a 9% energy loss from its source, compared to electricity, which has more than 60% energy loss.



Natural gas is the preferred energy choice for homes and businesses.

More homes and businesses in the U. S. use natural gas than ever before and the number continues to increase. Nearly 180 million Americans and 5.5 million businesses use natural gas.



Natural gas is safe.

America's natural gas utilities invest \$91 million every day in enhancing the safety of our 2.6 million miles of natural gas pipelines.



Helping Our Employees and Communities Through Challenges

In a year of unprecedented challenges, our Core Values — Safety, Ethics, Inclusion and Diversity, Service and Value — guided our emergency response and inspired us to help our customers and communities in new ways.

The ONE Gas Foundation made **\$428,000 in donations** to organizations in Kansas, Oklahoma and Texas to provide **emergency relief assistance** to residents **impacted by COVID-19**.

Response to COVID-19

Our values of Safety and Service guided our response to the pandemic. As our customers' homes became places of work, school and refuge, we continued delivering safe and affordable natural gas, bringing comfort and stability in the face of uncertainty.

We quickly established a cross-functional pandemic task force. We launched a multi-tiered response and safety plan using guidelines from the Centers for Disease Control and Prevention (CDC), Occupational Safety and Health Administration (OSHA) and third-party experts. This plan continues to serve us as we adjust how we work based on the risk level of the virus-related activity in our operating areas.

We leveraged technology to transition more than half of our 3,700 employees to a remote working environment in only three days. We implemented social distancing and hygiene guidelines for those essential workers who remained in the field and provided new personal protective equipment for added safety. Our customer service representatives and technicians asked safety-related questions before entering a customer's home or business to limit the spread of COVID-19 while we continued to provide essential services.

ONE Gas has also taken steps to support our customers through this challenging time. We connected them to community resources to ease pandemic-related financial burdens, such as the Salvation Army's Share the Warmth program and the Low-Income Home Energy Assistance Program (LIHEAP/ LIEAP). In line with regulatory guidance, we suspended disconnects so customers would continue to have safe and reliable service as they adjusted to the pandemic's impact on their lives.



Community outreach has been a natural extension of our Core Value of Service. The ONE Gas Foundation donated a total of \$428,000 to organizations in Kansas, Oklahoma and Texas that provided emergency relief to residents impacted by COVID-19. Financial relief allowed communities to address housing and food insecurity, help with utility bills and improve medical testing and healthcare access, including mental healthcare. The company also provided 3,289 meals to frontline workers.

In April 2021, we commissioned company leaders to evaluate best practices and outline our options for future work arrangements. Our hybrid approach to work leverages what we learned as we adapted to remote work combined with the best parts of working side-by-side. It also allows us to maintain customer service while protecting employees and the public. This model will aid in recruiting and retaining employees and create opportunities for continued innovation and engagement.

Winter Storm Uri

In February 2021, Winter Storm Uri caused unprecedented circumstances across our service area, including the coldest day recorded in over a century, rolling electric brownouts and countless water main breaks.

In recent years, we have focused on improving the resilience of our system to be better prepared for events like the winter storm. We completed 19 projects that provided new transmission and distribution supply points and 81 interconnections, reinforcement or regulation projects to reinforce our system.

Our preparation paid off – as the storm developed, our system models identified areas that would need additional reinforcement under worst-case forecasts. We enhanced pressures where needed, deployed mobile compressed natural gas trailers and designed 18 overland projects to provide additional short-term supply to lower-pressure systems. Our supply chain personnel quickly secured materials and contractors, and our construction teams safely executed each of the 18 projects in just a few days.

For seven long days, our employees worked around the clock through adverse conditions and focused on our primary goals: prioritizing safety and providing natural gas service to keep people warm.

We communicated to our customers about reducing energy usage to avoid widespread outages and provided energy conservation tips through our website, email, social media, local news stations, city officials and state legislators.

As a result of our employees' collective efforts, we lost service to fewer than 900 of our 2.2 million customers during the cold weather event. The few outages that did occur lasted less than 24 hours in most cases. This performance was the result of many elements coming together: the system improvements since 2014; the dedication of employees who went the extra mile to maintain gas service; the goodwill of customers who conserved their usage; and the work of our field operations team who, in the most challenging conditions, worked tirelessly to ensure that our system continued to provide natural gas to our residential customers and critical care facilities.

Listening, Learning and Leading Change

The challenges we faced in 2020 went beyond natural disasters and the pandemic. Events yielded a new focus on racial justice issues across our country and in the communities we serve. National headlines, events unfolding in our communities and families experiencing racial injustice remind us of the work yet to be done. There are no easy answers. The solution to these issues will involve active leadership, hard work and, most importantly, recognizing the different experiences everyone faces. To build a better tomorrow for everyone, we are committed to listening, learning and leading change.

ONE Gas does not tolerate racism or discrimination in any form. We draw upon our Core Values to reinforce what we stand for: the value and voice of every person. Our company culture embraces inclusion and diversity and encourages collaboration and feedback.

In 2020, we leaned on our culture of inclusion by hosting listening sessions between our chief executive officer and employees representing our seven employee resource groups (ERGs), as well as employees who do not identify with or participate in our ERGs. The immediate goal of these listening sessions was to gain a deeper understanding of the experiences of our employees from their unique perspectives.

We utilized qualitative and quantitative data to develop plans that address some of the common themes we identified from the listening sessions. We continue building our learning culture to enable deeper conversations about diversity, foster a sense of belonging, build fair and equitable systems, and understand the future workforce. Over time, anticipated outcomes include increasing diverse representation throughout our organization, improving our job candidate experience and enhancing our mentoring opportunities. We look forward to sharing details of our progress in future publications.

We draw upon our
Core Values
to reinforce what
we stand for:
**the value and voice
of every person.**





Safety and Resiliency

Safety is our number one Core Value and at the foundation of everything we do. Our 3,700 employees drive our safety culture and are committed to a goal of zero harm. Here's a summary of the progress we've made on our culture of safety, system resiliency and cyber and physical security in 2020 and what to expect next.

Employee and Community Safety

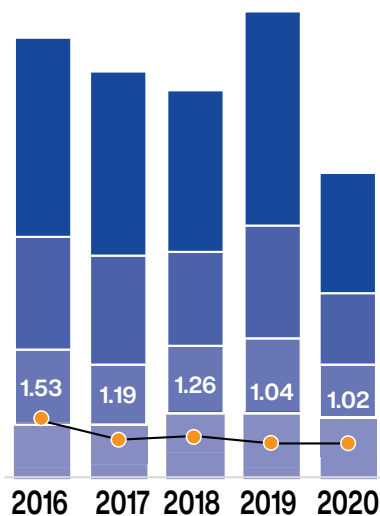
ONE Gas regularly ranks in the top quartile for similar-sized local distribution companies for all three personal safety metrics tracked by the American Gas Association (AGA) – Total Recordable Incident Rate (TRIR), Days Away, Restricted or Transferred (DART) and Preventable Vehicle Incident Rate (PVIR).

We continue to refine our training, processes and procedures as we strive for zero fatalities, zero incidents and zero harm to our employees, customers and communities.

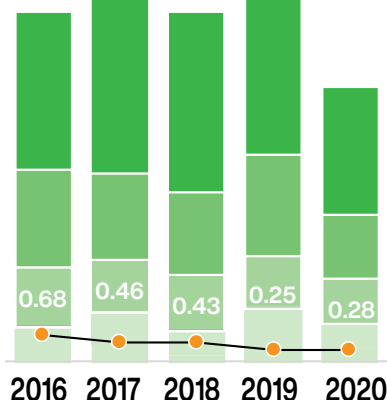
Recognized for Safety Excellence

ONE Gas was awarded the Safety Achievement Award for Excellence in Employee Safety by the AGA for exemplary employee and vehicular safety for the fourth year in a row. AGA recognized ONE Gas for having the lowest DART rate for the fourth consecutive year among the country's largest natural gas distribution companies. DART reflects the most severe types of injuries. ONE Gas' safety scores place the company among the safest natural gas distribution companies nationwide.

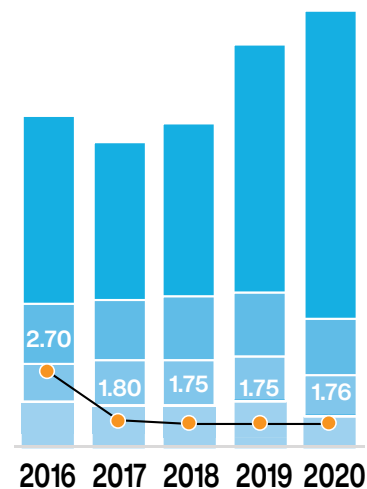
TRIR AGA QUARTILE DATA



DART AGA QUARTILE DATA



PVIR AGA QUARTILE DATA



1ST 2ND 3RD 4TH — OGS

Total Recordable Incident Rate (TRIR) was 1.02 incidents per 200,000 work hours

1ST 2ND 3RD 4TH — OGS

Days Away, Restricted or Transferred (DART) was 0.28 incidents per 200,000 work hours

1ST 2ND 3RD 4TH — OGS

Preventable Vehicle Incident Rate (PVIR) was 1.76 incidents per million miles driven

Emergency Response Time

From the moment we receive a call about a natural gas odor, we closely monitor the time between creating an emergency order and the arrival of the first company responder to the scene. In keeping with our dedication to continuous improvement, we have set a goal to meet or beat a 30-minute emergency response time (ERT) at least 65% of the time.

In 2020, ONE Gas responded to 64.49% of emergency calls in under 30 minutes across our service territory, which includes a mix of urban, suburban and rural areas. We addressed the majority of the remaining 35% of emergency calls within an hour. While we slightly missed our 2020 target of 65%, we improved 1.66% over 2019 and are taking steps to improve our response time further. Improvements include utilizing data analytics to measure the duration of each stage of processing an emergency order – creation of the order, dispatch, order acknowledgement, travel to the customer premises and arrival – to identify gaps or opportunities for efficiencies.

We train our customer service representatives to work efficiently and effectively with our dispatch team to transfer and process emergency orders promptly. Our dispatch team now has insight into the location of our field personnel, and what they are

doing, so emergency calls are assigned to resources who can respond quickly. We have also expanded the pool of personnel trained to be first responders. To maintain continuous improvement, our managers and supervisors review and evaluate ERT performance and staffing levels monthly to determine how we can further improve and execute those improvements.

AGA Peer Review Program

ONE Gas is an active participant in the AGA's voluntary Peer Review Program, which is a program that supports our practice of continuous improvement.

Participating companies send natural gas subject matter experts to visit each other's facilities to conduct a week-long, in-depth review of specific areas, including safety culture, technical training, damage prevention and pipeline safety risk management. Peer reviewers observe operations and interview employees and contractors from all parts of the organization. At the end of the week, reviewers identify areas for improvement and best practices for safety and efficiency.

ONE Gas completed its first review in 2017. A second review was postponed due to COVID-19 precautions and is rescheduled for April 2022. Collaborating with peers to

From 2017-2020, ONE Gas ranked in the **top quartile** in all three American Gas Association **industry safety metrics** and had the **lowest DART rate four years in a row.**

ONE Gas

has had

**zero work-related
fatalities**

since its founding
in 2014.



highlight leading practices and identifying opportunities for improvement reinforces our commitment to safety while also driving a culture of innovation, resiliency and continuous improvement.

Pipeline Safety

We use a variety of technologies to monitor and maintain our natural gas distribution system to allow safe delivery of natural gas to our customers and the communities we serve. These safety procedures and technologies are important parts of our system integrity program that help identify areas of improvement as we continue to tighten our system.

Pipeline Safety Compliance

Our Pipeline Safety Compliance Program supports the company's commitment to safety by implementing a framework and processes to achieve regulatory compliance and explore opportunities for improvement with a dedicated Pipeline Safety Compliance Group (PSCG) working alongside Operations to drive compliance across the organization.

Pipeline Inspection

Along with routine inspections, ONE Gas uses a software solution to risk-rank pipeline assets based on several variables. This software helps determine which assets to replace each year and gives us the most significant risk reduction for each dollar spent.

Safety Management System

ONE Gas continues to implement a comprehensive and systematic approach to managing safety called the ONE Gas Safety Management System (OSMS). This safety

management system aligns with American Petroleum Institute (API) Recommended Practice (RP)-1173 for pipeline safety, which utilizes a Plan-Do-Check-Act cycle to foster continuous improvement. In mid-2019, the AGA board asked member companies to voluntarily implement API RP-1173 within three years. ONE Gas was an early and enthusiastic supporter of this industry-wide commitment.

In 2021, ONE Gas leadership finalized and approved the OSMS program document endorsing their full support and demonstrating strong Leadership Commitment – the first element of API RP-1173. Full implementation is expected by mid-2022.

Using the four-step cycle, we determine what we need to do, execute the work, periodically review what we did and then make improvements as required. These four steps provide an ongoing process to identify improvement opportunities.

Data-Driven Approach to Damage Prevention

We leverage data in all areas of our safety program to guide decision-making and improve our processes. Analyzing data on pipeline damage and reportable incidents, understanding what the data is telling us and taking action to reduce such incidents enhances safety for all stakeholders and helps reduce accidental methane emissions. Over the years, we have built several systems to improve our processes and drive down these numbers.

**Full implementation
of API RP-1173 is expected by
mid-2022.**

Ten Elements of the ONE Gas Safety Management System (OSMS)



Damage Reporting System Enhances Safety Capabilities

Damage to our pipeline facilities can impact safety, the delivery of natural gas to customers and can cause delays in projects. Understanding the root cause of pipeline damage and having accurate, complete and timely data allows the company to mitigate risk and make more efficient decisions. For example, by analyzing data, the company can determine common causes and use that information to improve our damage prevention outreach and reduce pipeline damage in the future.

ONE Gas implemented its Damage Information Management System (DIMS) in 2019, which is a centralized process and system of record for documenting damage to ONE Gas natural gas pipelines and facilities. Before implementing DIMS, ONE Gas used five different systems to track damage across the organization. The transition to a single electronic system of record drives timely reporting and improves efficiencies for employees across the organization.

Ticket Management System

ONE Gas implemented a cloud-based Ticket Management System in late 2018 to streamline all excavation ticket requests from the respective state One Call centers. Tickets are routed through a centralized platform and immediately passed to the line locator, which gives ONE Gas increased visibility into ticket data and line locate performance. These insights allow ONE Gas to manage line locating more effectively and target improvement efforts as needed.

Risk Assessment and Damage Reduction

ONE Gas utilizes Risk Assessment and Damage Reduction technology, also known as RADAR, to pull data from public and internal sources. This data helps us analyze and prioritize the probability of damage occurring due to excavation activities near our pipelines. If a higher-risk situation is identified, we can proactively connect with the excavator onsite before the excavation begins to help foster safe practices. If a damage does occur, using RADAR allows us to respond more quickly to minimize impacts.

Continuous Improvement

A core element of our OSMS program, Continuous Improvement means reviewing all aspects of our business with a four-step Plan-Do-Check-Act cycle to identify improvement opportunities. This goes beyond the work of our own employees: we evaluate our contractors, technology, training and much more to operate in the safest, most ethical and compliant manner.

Contractor Safety Summits

Contractors play an important role in providing safe, reliable service to our customers and support construction work, customer service and compliance activities. Their safety is just as important to us as our employees, and we strive to make them part of our safety culture through consistent communications and safety education.



ONE Gas
leverages data
in all areas of our
safety program.

Since 2019, we've held Contractor Safety Summits, which bring contractors from across our service territory – in person or virtually – together with representatives from ONE Gas. They share safety best practices and review new protocols and procedures.

Technology to Increase Safety and Improve System Integrity

ONE Gas has designed and piloted an app called O-Net that encourages every employee to play an active role in improving the safety of our systems. This new tool creates a space where everyone can feel comfortable speaking up and sharing their ideas. O-Net allows employees to identify non-emergency safety concerns and operational issues and share ideas for improvement.

Employees can submit ideas, photos and locations through the convenience of their mobile phone and track the progress of their submission as it is processed. In addition to safety or operational concerns, O-Net also lets employees submit good catches, celebrating employees who made ONE Gas safer and reinforcing that safety is our number one value.

State-of-the-Art Training Center

ONE Gas broke ground on a new, state-of-the-art training center designed to provide hands-on training to Operations employees throughout the company. The 17,000 square-foot space has dedicated areas for specific disciplines, including pressure and measurement, customer service, construction and maintenance, fire abatement and management and excavation safety. A Simulation City includes eight buildings that replicate real-world scenarios our field workers typically face. Hands-on training lets employees

experience utility locating, simulated leaks and handling code violations. The training center also includes an inspector school and a dig site for teaching safe digging techniques and best practices for trench shoring.

The ONE Gas Training Center held its first training class in June 2021. It will help align and standardize training across the entire organization to reduce risk, improve training quality and enhance safety for our employees and customers.

Aligning Training with B31Q

In conjunction with the opening of the ONE Gas Training Center, the company is in the process of integrating B31Q, the industry safety and integrity standard published by the American Society of Mechanical Engineers (ASME). The standard establishes the requirements for developing and implementing an effective pipeline operator qualification program. This new standard and the centralized training center will bring consistency to technical training across the company and help reduce pipeline incidents and injuries caused by human error.

B31Q contains more than 150 pipeline safety and integrity tasks that are part of operator qualification. As the company transitions to this new standard, we will train all field employees on this new task list through instructor-led eLearning training courses, written exams and hands-on performance evaluations. Simulations will also be conducted at our state-of-the-art training center and various hubs across the organization as part of the qualification process.

What's Next

New Safety Initiatives Underway

Our **Plan-Do-Check-Act** cycle drives continuous improvement. Several new and upcoming initiatives will enhance our safety training and further engage our employees in our safety culture.

ONE Gas plans to conduct a **Safety Culture Survey** for all employees to understand better how our employees perceive personal, public and pipeline safety. Subsequent periodic surveys will allow ONE Gas to monitor safety culture maturity and take advantage of growth opportunities.

A **Start with Safety** initiative, beginning in November 2021, will train field personnel, task-by-task, to confirm that essential safety controls are present and working before work

begins. If essential controls are not verified and accessible, employees are trained to stop work until remedied.

Time-Outs for Safety is another 2021 training initiative for field personnel that reinforces the importance of recognizing and reporting when a time-out or stop work should be utilized, even during an emergency.

At ONE Gas, we recognize that there is much to be learned from a near miss. For example, we currently utilize machine vision integrated with artificial intelligence technology when there's a near-miss incident while driving to have important safety discussions and coaching with employees. We have plans to implement expanded **near-miss reporting** to track the causes of near misses across our operations and identify patterns, which can help prevent potential accidents and influence safety training.



"Simulation City"
ONE Gas Training Center
Tulsa, OK

Cyber and Physical Security

Our company's focus on safety also extends to protecting our physical security, information technology and operational technology assets. Our chief information officer (CIO), who reports directly to the CEO, leads ONE Gas' cyber and physical security efforts. The CIO attends the regular meetings of our Board of Directors to provide updates on the cybersecurity landscape and what ONE Gas is doing to keep our customers, employees and systems safe.

Under the CIO's direction, the ONE Gas cybersecurity team operates 24/7, continuously analyzing cybersecurity risks to our business. The cybersecurity team participates in drills, learns from events experienced by our peers and any attempts to breach our system and keeps abreast of industry trends to implement controls, as appropriate, to mitigate these risks.

In keeping with this focus, ONE Gas has voluntarily participated in Transportation Security Administration (TSA) corporate and critical facility security review programs to identify and mitigate potential threats to our systems and now is working collaboratively with TSA on the security directives issued to pipeline operators in 2021, Security Directives Pipeline-2021-01 and Pipeline-2021-02.

In addition to the efforts of our dedicated cyber and physical security teams, keeping our systems safe is the responsibility of all employees. We provide quarterly mandatory cyber and physical security awareness training based on current threats and security intelligence. We reinforce the importance of safety and protecting our assets through monthly phishing campaigns, which keep our employees vigilant for cybersecurity threats.

ONE Gas has not experienced any reportable incidents, neither a data breach nor a system compromise; however, we understand the need to be constantly alert. We continue to strengthen our cybersecurity defense and response capabilities through state-of-the-art security solutions and frequent cyber and physical staff training. We routinely participate with various security information sharing portals to enhance protection across the industry.

ONE Gas also leverages advanced physical security technologies through AI-assisted surveillance and intrusion detection. A Security Operations Center (SOC) operates 24/7 providing situational awareness and real-time response for added security, both for staffed facilities and operational assets.



Our cybersecurity team
operates 24/7, continuously
analyzing cybersecurity risks.



Environmental Sustainability

ONE Gas is committed to meeting our customers' needs for affordable, reliable and lower-emission energy while engaging in responsible environmental stewardship. To protect our planet for a better tomorrow, we are reducing emissions released from our system through pipeline replacement and system integrity projects, public awareness, end-use energy conservation programs and exploring new technology to take us into a low-carbon future.

Emissions Reduction

To protect our planet for a better tomorrow, we reduce emissions by tightening and modernizing our system through pipeline replacement, which helps us maintain safe and reliable operations while decreasing leaks and emissions from our systems.

Public awareness also plays an important role. We proactively engage key audiences with information to help them make informed and safe decisions and avoid third-party damage to our pipelines.

Tightening and modernizing our system reduces emissions.



26.3%

reduction in Scope 1 CO₂e emissions through replacement and protection of distribution mains and service lines since 2014



41%

expected reduction in Scope 1 CO₂e emissions by 2025 (from 2014) through replacement and protection of distribution mains and service lines

We are looking at using our existing assets and technology to expand renewable natural gas capture from agriculture, wastewater treatment plants and landfills. We're also participating in research studies exploring the use of hydrogen production and blending in our systems.

Technology is a significant driver of true innovation. ONE Gas continues to invest in developing and adopting innovative technology that improves operational and end-use efficiencies and allows us to continue to provide reliable, affordable energy while reducing our carbon footprint.



\$515 million

in capital investments in 2020: 70% for system integrity and replacement projects



470 miles

of distribution mains, service lines and transmission lines replaced in 2020

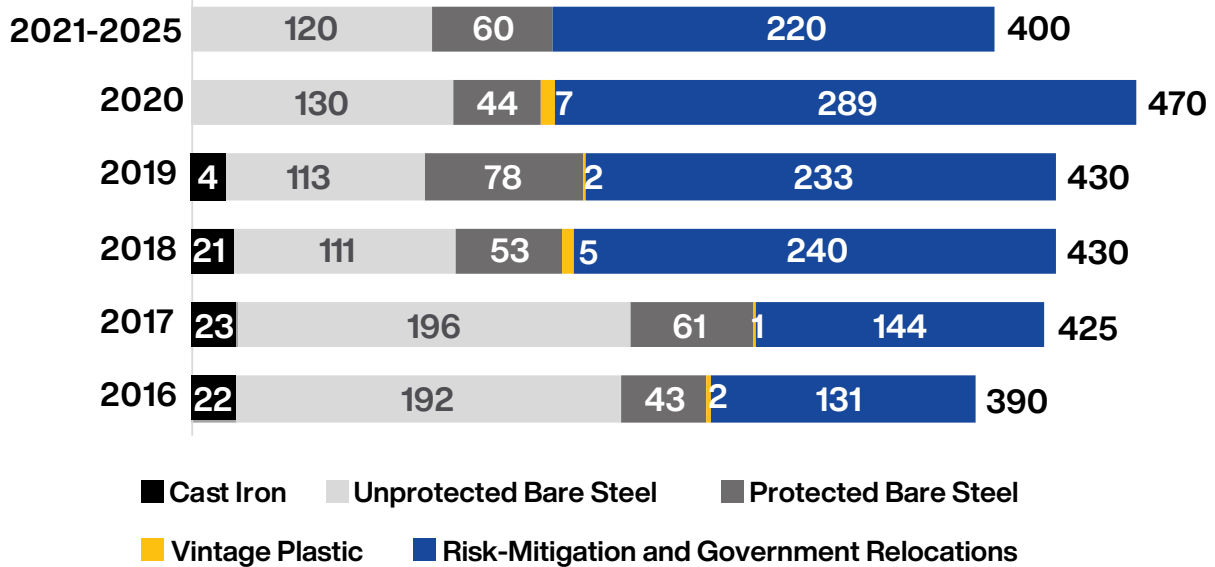


244 miles

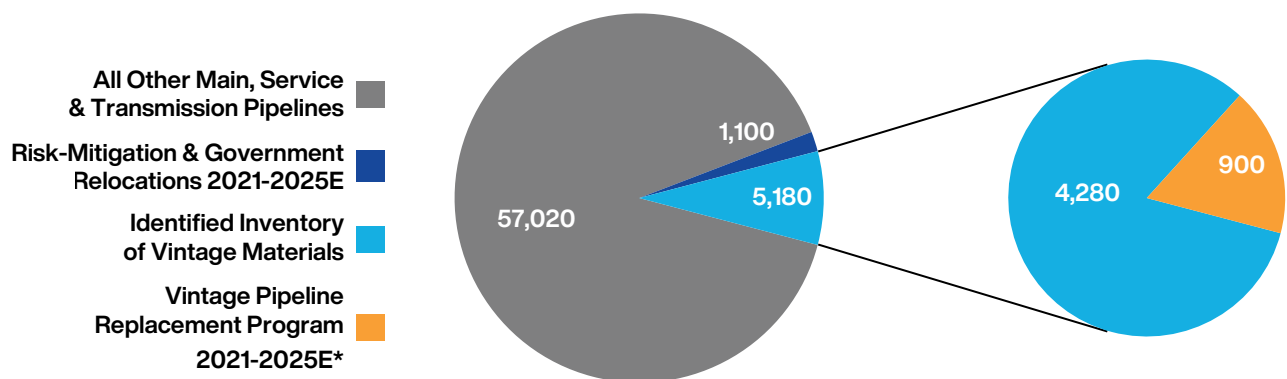
average amount of vintage pipeline replacement per year since 2014

Pipeline Replacement (in miles)

Average Annual Est.



Vintage Pipe as a Portion of Total Pipeline Inventory (in miles)



Note: Note: Inventory based on data reported for 2020. Pipeline replacement due to future changes in state or federal regulations is not projected in replacement estimates.

* The vintage pipeline replacement program includes wrought iron, unprotected bare steel, protected bare steel and vintage plastic.

Pipeline Replacement

System modernization remains a pivotal way to enhance pipeline safety and reliability and reduce our environmental impact. Between 2021 and 2025, we expect to replace approximately 900 miles of vintage pipeline materials, which includes wrought iron, unprotected bare steel, protected bare steel and vintage plastic. From 2014 to 2025 we anticipate a 41% reduction in Scope 1 emissions from our replacement and cathodic protection programs. These efforts help us reduce emissions by replacing higher emitting materials with lower emitting materials or by cathodically protecting unprotected pipe, which lowers the emissions for that pipe.

Advanced Leak Detection Technology

In early 2020, ONE Gas invested in advanced mobile methane leak detection units and began a pilot to test the equipment across various pipe types, locations and surveying conditions. The mobile units are mounted within vehicles and provide in-depth analysis to create reports that provide locations of potential infrastructure leaks. Compared to traditional walking leak surveys, the advantages include higher sensitivity, the ability to operate in adverse weather conditions and the potential to survey approximately two times faster. Locating leaks and addressing them more quickly reduces emissions. ONE Gas currently operates two mobile detection units with plans to add more in 2022.

Capturing Vented or Flared Methane with Mobile Compression

Some of our pipeline safety work requires us to depressurize pipelines, a process that has historically released natural gas into the

atmosphere. To reduce our emissions, ONE Gas has piloted the use of specialized mobile compression and vacuum equipment to capture methane that would otherwise vent or flare during maintenance or inspections and return the gas to the system. In a small pilot of approximately 1,200 feet of 18" diameter pipe, the equivalent of 26.7 metric tons of CO₂e was captured and reintroduced into our system – the same environmental impact as removing five cars off the road for one year. We are expanding our mobile compression pilot program in 2021.

EPA Emissions Reduction Goals

We exceeded our Environmental Protection Agency's Methane Challenge Program emissions reduction goal for the fourth year in a row. As a founding member, we've committed to annually replacing a minimum of 2% of our vintage materials – a target we've exceeded each year since we began the program in 2016.

Commitment to ONE Future

ONE Gas joined Our Nation's Energy Future (ONE Future) in 2020 to deepen our commitment to operating our pipelines and facilities in a way that balances environmental responsibility with sound business decisions. ONE Future represents more than 45 natural gas companies working together to reduce methane emissions to 1% (or less) across the natural gas value chain. Members identify policy and technical solutions that yield continuous improvement in managing methane emissions associated with the production, processing, transmission and distribution of natural gas.

In 2020, we submitted our emissions data to ONE Future for the first time. ONE Future will release results in Q4 2021, revealing how the emissions reduction work of member companies can contribute to long-term carbon reduction.

Compressed Natural Gas for Fleet and Transport Customers

Facilitating the use of compressed natural gas (CNG) vehicles is just one of the many ways we can help our customers reduce their carbon footprint. Compared to gasoline or diesel, CNG can help reduce carbon dioxide emissions by up to 30% and carbon monoxide by as much as 85%.

The result of compressing natural gas to high pressures, CNG can be used in place of gasoline, diesel fuel and propane in light, medium and heavy-duty natural gas vehicles (NGVs). CNG is one of the cleanest-burning alternative fuels today, producing the fewest GHG emissions of any motor fuel.

In addition to environmental benefits, NGVs can have an economic benefit, too. CNG is typically less expensive than gasoline and offers higher octane. Many states have incentives and tax credits available for non-internal combustion engine vehicle purchases, conversions or refueling station

infrastructure. In addition to electric or hydrogen fuel cell vehicles, many of these programs cover NGVs. ONE Gas also offers incentives for personal and business purchases of dedicated or bi-fueled NGVs in Kansas, Oklahoma and Texas. In the past two years, we provided more than 250 NGV rebates across our service territories.

ONE Gas also takes advantage of this cleaner-burning fuel. More than half of our light-duty fleet is CNG-capable. In 2020, ONE Gas avoided 47,292 metric tons of CO₂e with our fleet of NGV, equivalent to removing more than 10,215 passenger vehicles from the road.

Our public and private CNG fueling stations provide clean-burning compressed natural gas to large fleet vehicles across Kansas, Oklahoma and Texas.

About ONE Gas CNG Fueling Stations

- Operating 27 fueling stations accessible to the public
- Operating 6 private stations
- Transporting supply to 67 retail fuel service stations
- Transporting supply to 49 private CNG stations (fuel bus fleets, delivery fleets, waste management fleets and more)



In 2020, we avoided **47,292 metric tons of CO₂e** with our fleet of NGVs.

Public Awareness

Third-party excavation damage – which occurs when someone unrelated to the utility accidentally hits one of its lines, usually while digging – is a safety risk, constitutes a challenge to maintaining pipeline integrity and can be a significant cause of emissions.

Our public awareness efforts and damage prevention programs proactively engage key audiences with information to help everyone make informed and safe decisions and avoid third-party damage to our pipelines.

Public Awareness Programs Include:

- 811 Call Before You Dig – Participate in local damage prevention programs to promote safe digging
- Natural Gas Safety – Educate the public about how to detect a natural gas leak and what to do and not do if they suspect one
- Cross-Bore Education – Provide cross-bore awareness and safety measures to plumbing and excavating stakeholders (cross-boring occurs when a gas line intersects a water pipe)
- Social and Traditional Earned Media – Leverage popular social media platforms and news media channels to raise awareness of safe digging
- Internal Stakeholder Engagement – Create employee safe digging advocates through educational materials, contests and safe digging trivia

Key Audiences Include:

- Customers
- Emergency responders
- Professional excavators
- Homeowners
- Public officials
- Employees

811 Day – “11 Days of Giveaways”

We’ve seen significant growth in engagement with our Aug. 11 - 811 Day - social media campaign year over year by adapting to an ever-changing social media environment. We rely heavily on data from previous campaigns to guide upcoming public awareness campaigns.

In August 2020, we asked our social media followers to engage with us and answer questions by commenting to enter drawings for giveaways. We also worked with local media to educate key audiences about the importance of calling 811 before any digging project.

- 66,000 engagements, 435% increase over 2019 social media campaign
- 4.7 million impressions, 1,924% increase over 2019 social media campaign
- 13 earned media placements in four metropolitan markets

End-Use Energy Conservation

We work closely with our customers to encourage end-use energy conservation through our customer programs and education campaigns.

Our rebate programs help customers in Texas and Oklahoma make smarter energy choices that benefit them and the planet. Since 2015, we have provided more than 713,000 energy efficiency rebates, totaling \$96 million.

Our Programs Include:

- Low-Income Energy Efficiency Assistance Program
- Home Improvement and Appliance Replacement Program
- New Home Program
- Commercial Direct Install Program
- Natural Gas Vehicle Rebate Program
- Water Conservation Program

In addition to these formal programs, we invest in energy conversation education for our customers and communities. We regularly engage in multimedia education campaigns that cover television, radio, print, billboards and social media. We provide energy-saving tips on our websites and in communications to customers, builders and service providers.

We are actively participating in the research, development and deployment of new emissions mitigation, delivery and end-use technologies that help our company and our customers positively impact the environment.

Since 2016, ONE Gas has invested more than \$10 million in researching and developing innovative natural gas technology solutions through an ongoing partnership with the Gas Technology Institute (GTI), a leading non-profit organization specializing in researching new energy technologies. In 2020, the company contributed \$755,280 for technology development through our partnership with GTI. Our investment supports more than 100 active technology projects.

2020 Energy Efficiency Program Highlights



22 million
gallons of
water saved
by customers



**4.4 million
therms**
of expected annual
energy savings from the
Oklahoma Natural Gas
Energy Efficiency
Program



**33,258 metric
tons of CO2e
reduced**
through our energy
efficiency programs,
equivalent to removing
7,233
**passenger
vehicles**
from the road



63,665 rebates
totaling
\$11,295,932
issued

An aerial photograph of a vibrant turquoise lake. The water is exceptionally clear, revealing the sandy and rocky bottom. Lush green trees with dense foliage surround the lake, their branches and leaves hanging over the water's surface. In the lower right quadrant, a red kayak with two people inside is moving across the water, leaving a small wake. The overall scene is bright and natural, emphasizing the beauty of the water.

In 2020,
the ONE Gas
**Energy Efficiency
Program**
helped customers save
22 million gallons
of water.

Innovation and Technology

Renewable Natural Gas

Renewable natural gas (RNG) projects capture methane from organic materials like food and animal waste, redirecting it away from the environment and removing harmful contaminants from the atmosphere. ONE Gas is exploring how it can deliver this captured methane to homes and businesses just like the geologic natural gas we deliver today.

In spring 2021, we announced a partnership with Vanguard Renewables to develop and expand farm-based RNG projects across Kansas, Oklahoma and Texas, marking Vanguard Renewables' first mid-continent alliance with a local natural gas distribution company. The partnership taps into Vanguard's network of farm-based anaerobic digesters, which offer a circular solution to food-waste recycling and decarbonization

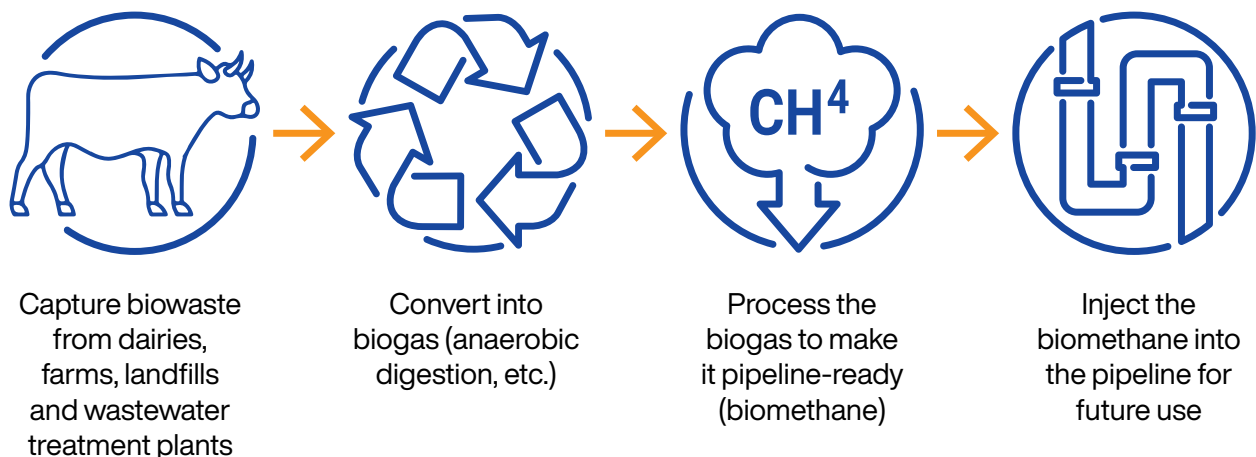
while supporting the American farmer. The joint effort will deliver a sustainable, renewable energy option for ONE Gas commercial and industrial customers to reduce emissions and achieve ESG goals.

ONE Gas is also exploring opportunities with RNG project developers to capture methane from organic waste sites like landfills and wastewater treatment facilities across our service territory and how to deliver it through our existing pipeline assets.

Exploring Hydrogen Technology

Another exciting opportunity to positively impact the environment is with renewable hydrogen and hydrogen technologies. ONE Gas is actively investing in research and partnerships to understand the mechanics of blending renewable hydrogen into our existing pipeline system. Blending hydrogen into the existing natural gas infrastructure has national and regional benefits for energy storage, resiliency and emission reductions.

Renewable Natural Gas Process



In 2020, ONE Gas partnered with eight national laboratories and 19 other industry participants on the HYBLEND™ Collaborative Research Partnership. Led by the National Renewable Energy Laboratory (NREL), this two-year project examines the technical barriers and long-term effects of hydrogen at different blends on different pipeline materials, quantifies the costs, environmental impacts and other opportunities for hydrogen production.

In close collaboration with GTI and The University of Texas at Austin, ONE Gas also joined the U.S. Department of Energy (DOE) project, Demonstration and Framework for H2@Scale in Texas and Beyond. The project is supported by DOE's Hydrogen and Fuel Cell Technologies Office within the Office of Energy Efficiency and Renewable Energy. H2@Scale in Texas and Beyond intends to show that renewable hydrogen can be a cost-effective

fuel for multiple end-use applications, including fuel cell electric vehicles, when coupled with large, baseload consumers that use hydrogen for clean, reliable stationary power.

As a project partner, ONE Gas has provided a financial contribution for the multi-year projects and supplies natural gas as an energy source for the steam methane reformation process to convert natural gas to hydrogen.

In addition to national research studies, ONE Gas is working on efforts to advance the development of hydrogen use on a local level. ONE Gas has joined the recently formed Oklahoma Hydrogen Production, Transportation and Infrastructure Task Force and will provide research on the production and distribution of hydrogen, including using existing pipeline infrastructure to safely transport hydrogen and hydrogen fuel products.



In 2021,
we partnered with
**Vanguard
Renewables** to
develop **farm-based
RNG projects.**



Making a Difference

Social responsibility begins with fostering a safe, ethical, inclusive and diverse culture. ONE Gas employees care about one another as much as they do our customers and the communities we serve. Here's how we made a difference for our employees, customers and communities in 2020, and what's next for 2021.

Supporting Our Employees

We've seen firsthand how an inclusive work culture, where all viewpoints are welcome, creates an engaged and high-performing workforce and an environment where top talent wants to work.

Since we began measuring employee engagement in 2016, we've seen a marked improvement in scores each year. In 2020, we again had high participation in our annual employee engagement survey, with 90% of employees providing feedback. Employee

engagement scores were in the top quartile of Gallup's Overall Company Database and showed improvement for the fourth consecutive year. Gallup studies consistently show organizations with highly engaged employees have fewer safety incidents, less turnover and more productivity.

Inclusion and Diversity

To build a better tomorrow for everyone, we have created a culture that embraces inclusion and diversity and encourages collaboration across our organization. The family-like environment and mutual respect make ONE Gas a special place to work.

ONE Gas Employee Resource Groups



BLOG (Black Leadership at ONE Gas)

Shares and promotes resources to advance inclusion and diversity through the lens of our African-American and Black employees.



CAPABLE

Promotes understanding and provides support for employees with disabilities and those helping loved ones with disabilities.



La Voz

Raises awareness of Hispanic and Latino culture while fostering and promoting professional development opportunities and serving our communities.



Native ONE

Promotes awareness of Native American culture, issues, health and education to employees and the community.



VERG (Veterans Employee Resource Group)

Supports and develops current and future veteran employees.



ONE PRIDE (People Respecting Inclusion and Diversity in Everyone)

Promotes a safe and supportive culture for LGBTQ+ employees that allows each employee to bring their whole self to work and is actively engaged with the community.



WE Lead (Women in Energy Leading)

Supports women through professional and personal development, networking with peers and leadership, mentoring and community engagement and philanthropy.

We do not tolerate racism or discrimination in any form. We draw upon our Core Values to reinforce what we stand for: the value and voice of every person. Our company culture embraces inclusion and diversity and encourages collaboration and feedback.

The Board approved updates to our Code of Business Conduct and Ethics in 2020 to reinforce our policies on non-discrimination, anti-harassment and equal opportunity, which included requiring our suppliers to adopt policies and practices on these topics as well. And we recognize the continuing importance of listening to our employees to create a more inclusive environment, which we continued in 2021 through CEO Listening Sessions.

Our Inclusion and Diversity Council, chaired by our CEO, includes five permanent and 14 rotating members from various functional areas, backgrounds and experiences. The Council provides governance and guidance for implementing I&D strategies, and its members are natural advocates and thoughtful listeners making an impact with their local teams.

Our Employee Resource Groups (ERGs) drive engagement and awareness throughout our organization. In addition to connection and collaboration, ERGs help us recruit diverse talent, share valuable education on diverse topics, provide professional and leadership development opportunities for members and promote community involvement. All employees are welcomed and encouraged to join ERGs, regardless if they identify as a member of the group's constituency.

Growth and Diversity

Every employee makes a difference and contributes to our success at ONE Gas. We actively recruit and retain a high-performing workforce and create an environment where top talent wants to work. Our programs and policies help attract diverse talent and support our employees' physical, social, emotional and financial health.

In addition to monitoring the diversity of our workforce across roles and leadership levels, we also require leaders to employ diverse teams when interviewing talent. Our annual employee engagement survey focuses on company values, including Inclusion and Diversity, using Gallup's Inclusiveness Index.

We Lead Mentoring Program

WE Lead (Women in Energy Leading) is our largest and longest-running ERG with more than 500 active members.

Its popular mentoring program, open to all employees, pairs company leaders with mentees that enhance participants' personal and professional skills. The group matched 86 employees with mentors in 2020 and has facilitated more than 430 professional matches since the program began in 2015.

2020 Workforce Diversity Stats

- 27% Women in the workforce
- 35% Individuals who identify as members of traditionally underrepresented racial and ethnic groups in the workforce
- 55% Women and individuals who identify as members of traditionally underrepresented racial and ethnic groups in Engineering positions
- 48% Women and individuals who identify as members of traditionally underrepresented racial and ethnic groups in IT positions

Benchmarking Workforce Demographics

Category	2020 ONE Gas	2018 U.S. Utility Company Average ¹
Women	27%	25%
Individuals who identify as members of traditionally underrepresented racial and ethnic groups	35%	27%
Women and individuals who identify as members of traditionally underrepresented racial and ethnic groups in leadership	43%	35%

1. Source: 2018 EEOC Reports: NAICS2 22-Utilities
(most current data available due to COVID-related delays)

Wellness at ONE Gas

Just as our employees take exceptional care of our customers, we strive to take exceptional care of them. ONE Gas is committed to fostering a culture of physical, financial, emotional and social well-being that supports all aspects of employee's lives. Our well-being programs and benefits take a holistic approach to inspire employees to make healthy personal and professional lifestyle choices.

Four Areas of ONE Gas Well-Being

Physical: Encourage healthy lifestyles where employees are aware of their state of health and opportunities for improvement.

Financial: Help employees prepare for the future by educating them on spending, saving and investing to meet short- and long-term financial goals.

Emotional: Educate and promote ways to overcome life challenges that can affect an employee's health, family life and job performance.

Social: Highlight the value of being part of a community and the importance of developing healthy relationships.

[Click here](#) to learn more about employee well-being and benefits at ONE Gas.

Physical Well-Being	Financial Well-Being	Work-Life Balance	Career & Culture
Health Insurance and Prescription Drug	Retirement Savings Plans: 401(k), Profit-Sharing Plan	Paid Time Off Holiday Time Off Paid Pandemic Leave	Employee Resource Groups Mentorship Program
Dental	Employee Stock Purchase Program	Paid Parental Leave	Professional Development
Vision	SmartDollar — Money Management Tool and Financial Education	Mothers Rooms	Continuing Education Scholarship and Tuition Assistance Programs
Health Spending and Savings Accounts (FSA, HSA)	Life Insurance	Adoption Assistance Program	Volunteer Program and Grants
Tobacco Cessation Program	Accidental Death & Dismemberment	Employee Assistance Program	Service Award Recognition
CareATC Wellness Centers (where available)	Short- and Long-Term Disability	Tele-Mental Counseling	Matching Grants
Virtual Visits	Dependent Care Flexible Spending Account	Elder Care Resources	Job Shadowing

Employees Helping Employees: ONE to ONE Fund

ONE to ONE Fund is a voluntary, charitable organization created by employees to help each other in times of personal crisis. An eight-member board of directors, comprised of ONE Gas employees elected for four-year terms, administers the fund. The mission of the ONE to ONE Fund is to assist in times of crisis, such as natural disasters, unexpected illnesses and associated health care expenses or other hardship situations for ONE Gas employees.

- In 2020, 33 employees received \$66,507 in financial support.
- 32 employees used 1,812 donated vacation hours.

What's Next

Enhancing Our Internal Candidate Experience

Annually, ONE Gas fills approximately 40% of open positions with internal candidates. Hiring from our internal workforce increases employee engagement and enhances

professional development. It also reduces the time and cost of recruiting and competing for talent and skills externally.

Through employee listening sessions, we learned that some employees felt that our internal candidate experience lacked transparency. In response, we reviewed our internal candidate experience from the application process through interviewing and job placement. We identified opportunities to diversify the makeup of our interview panels and provide more communication touchpoints throughout the application and interview process.

In spring 2021, armed with this information, ONE Gas piloted an updated internal candidate experience. We increased the diversity of interview panels and took steps so that applicants received constructive feedback at each phase of the recruiting process. Survey feedback from the pilot showed the process was positive, transparent, fair and supportive to the internal candidates. The new internal candidate experience was implemented company-wide in summer 2021.



Top 25%

Employee engagement scores were in the top quartile of Gallup's Overall Company Database and showed improvement for the fourth consecutive year



Named to the "Great Companies to Work For 2020" list by Oklahoma Magazine based on benefits, company culture, flexibility, collaboration and other attributes



26%

Year-over-year increase in membership in Employee Resource Groups

Caring for Our Customers

In today's fast-paced world, every minute counts. We strive to help our customers quickly find solutions to their needs and look for innovative ways to make it easy to do business with us.

Our digital tools, like our free mobile app, website and text alerts, help customers pay bills, view payment history and schedule service from the convenience of their preferred device. We recently launched autopay for credit card payments for easy and timely bill payment. Our customers can also pay their bills conveniently through frequently used mobile payment services like Venmo, PayPal and Amazon Payments. We continue to explore new, innovative and convenient ways for customers to pay their bills.

In 2020, we launched new websites for Kansas Gas Service, Oklahoma Natural Gas and Texas Gas Service, which improved

navigation and enhanced search functionality to help customers find information or pay a bill quickly. The websites also served as a valuable communication tool during the pandemic and Winter Storm Uri to update customers on our safety protocols, outages and financial and community resources.

We continue to encourage our customers to sign up for electronic statements.

E-statements make it quick and easy for customers to receive monthly bills while reducing paper waste – an eco-friendly option. The adoption of e-statements continues to grow, with nearly half of our customers enrolled.

Customer Satisfaction

Our customer service representatives are just a phone call away when our customers need a personalized approach or simply a friendly voice to talk them through their needs.

Our internal customer satisfaction survey continued to show high satisfaction ratings among contacted customers.



93.5%

overall satisfaction score on the 2020 ONE Gas Customer Relationship Survey*

*2020 MSR relationship survey



92.5%

of customers indicated that we are "easy to do business with"

*2020 MSR relationship survey



91%

of customers were satisfied in the 2020 Contact Center Survey



30-point increase

In 2020, customers' overall satisfaction with our website was 30 points higher than the utilities industry average*

*2020 Verint Predictive Experience Survey

Supporting Energy Choice

ONE Gas is committed to partnering with our communities to provide insight into the benefits of natural gas, which is an essential component of a pathway to reducing emissions while maintaining affordability, reliability and the quality of life that our customers enjoy and deserve.

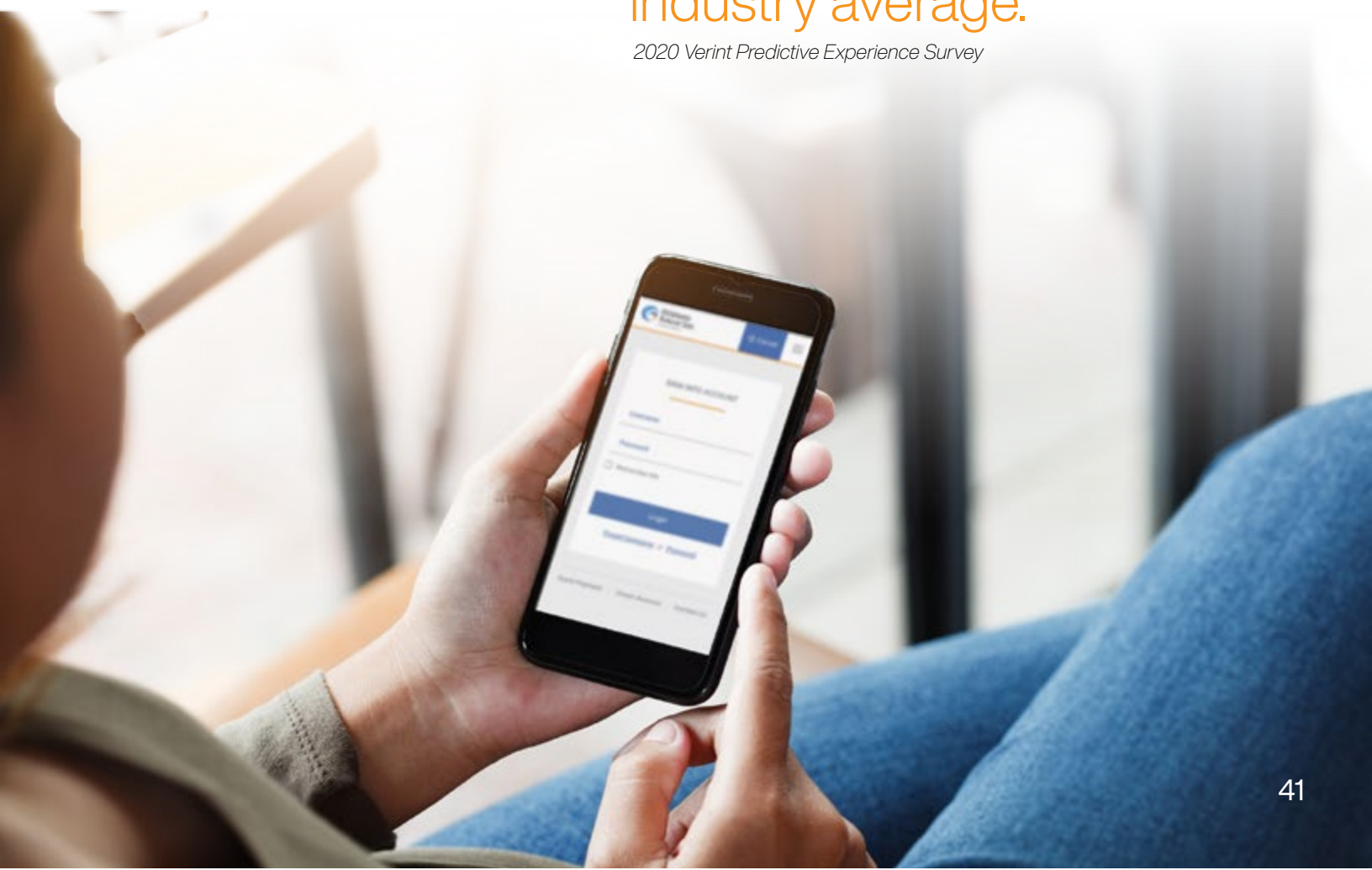
To advance energy choice for our customers, ONE Gas supported “Energy Choice” legislation in Kansas, Oklahoma and Texas.

The legislation, passed in all three states, prevents banning or restricting access to natural gas for homes and businesses, preserving a diverse and affordable energy mix.

We’re confident natural gas will serve a critical role as we continue to transition to a cleaner energy future, which will require many types of energy sources to provide the most secure, reliable and affordable solution for everyone.

Customer satisfaction
with our website was
30 points higher
than the utilities
industry average.

2020 Verint Predictive Experience Survey



The Natural Choice for a Sustainable Business

Our customers depend on resilient, affordable, reliable natural gas in a variety of ways. From making the perfect cup of locally-roasted coffee to keeping homeownership affordable, take a look at a few of the ways natural gas plays a critical role for customers across Kansas, Oklahoma and Texas.

RESILIENT

EOTE Coffee

The Perfect Blend: Coffee and Natural Gas

Oklahoma City, Oklahoma

Natural gas might not be the first thing that comes to mind when thinking about coffee, but it's a critical component to making the perfect cup for one Oklahoma roaster.

"Natural gas is indispensable to our business. We're never worried about the gas itself – we've got constant gas and constant pressure, which are things that are critical to the roasting process," said Todd Vinson, founder and chief coffee officer of EOTE Coffee Company.

Reliability, versatility and affordability. These attributes that make natural gas an excellent home energy source also make it vital to many commercial and industrial applications like fueling gas stoves in local restaurants and even supply power to local manufacturers. Natural gas delivers warmth to the daily lives of our customers and is also critical to businesses and the economies of the communities we serve.



RELIABLE

MGP Ingredients

The Key Ingredient to a Reliable and Resilient Business

Atchison, Kansas

MGP Ingredients is a leading supplier of premium distilled spirits and specialty food ingredients. One element they depend on for manufacturing is natural gas.

“Natural gas is clean-burning, cost-efficient and reliable. We tried petroleum-based and coal products at some of our facilities in the past, and they just can’t compete with natural gas,” said Matt Greeno, MGP’s Lead Master Distiller.

Like many manufacturers, MGP has around-the-clock operations 365 days a year. Using natural gas ensures that they deliver the quality and consistency required to meet their customers’ needs.

“If we need to push production and increase our production rates, we can get as much natural gas as we need,” said Greeno. “It’s affordability, abundance and reliability make natural gas an excellent option for large manufacturers looking to save money and use less energy.”



AFFORDABLE

Habitat for Humanity

Opening the Door to Affordable Homeownership

Austin, Texas

Austin Habitat for Humanity helps make the dream of homeownership a reality for dozens of families each year through sweat equity, financial education and building affordable houses. One key component to affordability is using natural gas appliances.

“Natural gas is really important to the homes we build because it’s reliable, predictable and affordable month to month,” said Billy Whipple, senior vice president of construction for Austin Habitat for Humanity.

Of the more than 9 million Texas households, 41% are considered low income and use an average of 10% of their income on energy costs. The natural gas appliances the organization uses in its homes saves families money. Compared to an electric water heater, a natural gas water heater of the same capacity can save homeowners an average of \$300 per year. Those savings multiply when families use natural gas for cooking, home heating and drying clothes.



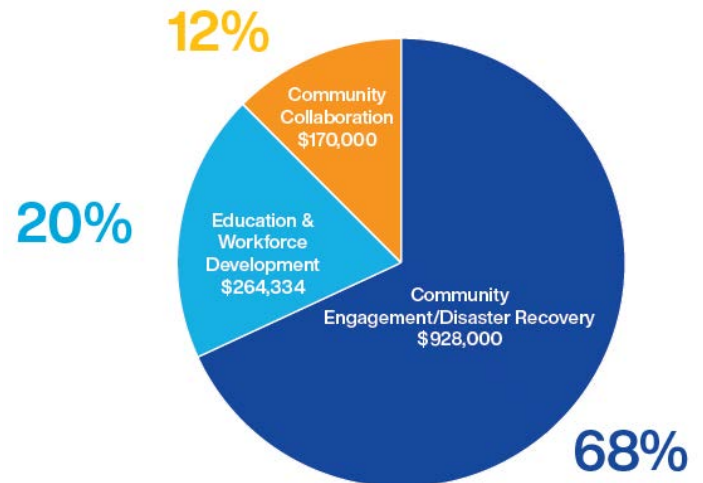
Supporting Our Communities

We help build stronger communities and create a better quality of life for our employees, customers and the communities we serve.

The ONE Gas Foundation is an independent 501(c)(3) organization that focuses on education and workforce development, community engagement and disaster recovery and community collaboration and development within our service territory. Giving priorities align with the ONE Gas Core Values of Safety, Ethics, Inclusion and Diversity, Service and Value.

Foundation Grants

In 2020, the ONE Gas Foundation gave a total of \$1,362,334 through 48 grants in the following philanthropic focus areas:



\$1,362,334
through
48
Foundation Grants



\$150,000
in Public School
Funding Grants
which supported
32,022
students in **142**
schools



\$155,199
through
161 matching
grants
*(employee, retiree
and director pledges)*



\$1,623,064
million
supporting United Way
campaigns in Kansas,
Oklahoma and Texas



\$3,220,802
in total ONE Gas
Foundation grants and
community giving

Doubling the Impact

To double the impact of the generosity of ONE Gas employees and retirees, the ONE Gas Foundation matches employee and retiree giving to 501(c)(3) non-profit organizations in the company footprint on a dollar-for-dollar basis. The program matches up to \$5,000 per employee and \$1,000 per retiree each year. In 2020, the Foundation gave 161 matching grants totaling \$155,199.

Public School Funding

We are investing in the students of today for the workforce of tomorrow. In 2020, the ONE Gas Foundation implemented the company-wide use of a crowdfunding site that funds classroom projects with STEAM (Science, Technology, Engineering, Arts and Math) initiatives. The Foundation gave a total of \$150,000 which supported 32,022 students in 142 schools serving teachers and students in grades 5 through 12.

United Way Giving

Supporting United Way campaigns is a long-standing tradition for ONE Gas employees. The Foundation encourages employee giving by matching contributions dollar-for-dollar. Support of United Way begins at the top, with many company leaders serving in various United Way leadership and volunteer roles.

In 2020, the ONE Gas Foundation and 2,437 employees gave \$1,623,064, supporting 62 United Way campaigns throughout Kansas, Oklahoma and Texas.



Giving in Action

To build a better tomorrow for everyone, we use our financial resources to improve our communities through our ONE Gas Foundation and local partnerships.

Read more about a few ways we've had the honor to give in our communities, including preserving history for future generations, making homes more comfortable and feeding hometown heroes working on the frontlines.

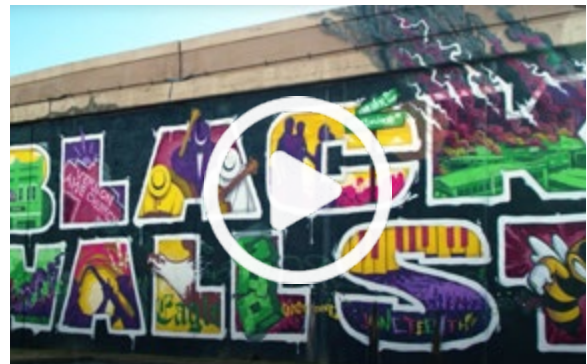
Giving for Greenwood

Tulsa, Oklahoma

Once a vibrant, prosperous community and home to Black Wall Street, Tulsa's Greenwood District was nearly destroyed in the wake of the violence, looting and burning that occurred during one of the worst racial massacres in U.S. history known as the 1921 Tulsa Race Massacre.

Even a century later, much of the Tulsa Race Massacre story remained untold. The centennial presented an opportunity to memorialize the massacre's victims and examine its history to create meaningful change for future generations.

Our grants helped fund initiatives including educational program materials for the Greenwood Rising History Center, refurbishment of the Black Wall Street Memorial and support of a classroom-to-career STEM education program. The ONE Gas Foundation also purchased 200 books for the BLOG (Black Leaders at ONE Gas) ERG virtual book club to educate employees on the Tulsa Race Massacre.



Kansas Housing Resource Corporation

Topeka, Kansas

Making weatherization improvements like sealing air leaks, installing insulation and repairing or replacing heating and cooling systems can help residents save money while increasing efficiency and safety. Sometimes it's necessary to make essential – but potentially costly – repairs before weatherizing a home. If residents cannot afford necessary repairs, their homes may never receive weatherization assistance.

An \$80,000 ONE Gas Foundation grant to the Kansas Housing Resources Corporation (KHRC) made it possible for income-eligible Kansas Gas Service customers to qualify for up to \$5,000 in weatherization-related home repair assistance. KHRC administers the state's Weatherization Assistance Program, a federal initiative to provide free weatherization services to income-eligible households.

The effort is part of our commitment to building sustainable communities for current and future customers. Through grants like this, ONE Gas can contribute to energy efficiency efforts that combat climate change while providing much-needed aid to low-income customers.



Feeding the Frontlines

Harlingen, Texas

From the onset of the COVID-19 pandemic, frontline employees shouldered a heavy lift: risking their health to provide essential services we rely on every day. Whether caring for patients, protecting our communities or keeping families fed, they sacrificed for the greater good.

As an act of gratitude for the hometown heroes working on the frontlines, ONE Gas sponsored meals at a food bank and a hospital in the Rio Grande Valley area to feed frontline workers who often pulled long shifts and had little time to eat.

The idea gained enthusiasm and in partnership with local restaurants, the company donated more than \$23,182 to feed 3,289 frontline workers across the ONE Gas footprint.

During an incredibly challenging time, honoring our hometown heroes by Feeding the Frontlines showed support and strengthened relationships within the communities we serve.





Corporate Governance and Oversight

Our governance practices and policies reflect a solid commitment to ONE Gas shareholders, employees and the community. We are committed to the highest ethical standards in everything we do—honesty, trust and integrity matter. Here's a look at how we upheld our commitments to our stakeholders in 2020 and what's next for 2021.

Our **governance practices and policies** reflect a **solid commitment** to ONE Gas **shareholders, employees and the community.**

Governance Practices

Board of Directors

The ONE Gas Board of Directors is responsible for oversight of the company's business and affairs, including the review and approval of the company's strategic and financial plan and the company's environmental, social and governance initiatives.

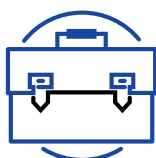
Our Board has adopted best practices in corporate governance and a comprehensive code of business conduct and ethics that go beyond the NYSE listing requirements.

These governance controls build upon a foundation of internal financial and compliance controls. The company reviews and updates its corporate governance policies and practices to keep current with the latest legal requirements and the best practices of other public companies.

For complete information on our corporate governance, including Board committees and charters, [visit the Governance portion of our website.](#)



75%
of directors are
independent



38%
of directors are
women or Hispanic



Expanded Code of
Business Conduct
and Ethics



Improved disclosures
and more transparent
reporting of ESG topics

Governance Practices at ONE Gas

Annual election of all directors by majority vote in uncontested elections

Meaningful stock ownership requirements

- **Directors 5x annual cash retainer**
- **CEO 6x base salary**
- **Officers 2-4x base salary**

Independent directors meet in executive session in conjunction with all regularly scheduled Board meetings

Diverse skills and qualifications of directors

Securities/Insider Trading policy and training in place

75% of directors are independent

Board diversity

- **25% of directors are women**
- **13% of directors are Hispanic**
- **Age range 58-73**

Lead independent director

Audit, Executive Compensation and Corporate Governance Committee members are independent

Planning for the Future

In consultation with the Chairman of the Board and the CEO, the Corporate Governance Committee also conducts annual succession planning.

In June 2021, the Board named Robert S. "Sid" McAnnally, who served as senior vice president and chief operating officer (COO), as president and CEO following the retirement of Pierce H. Norton II. McAnnally joined the company in 2015 as senior vice president of operations, with the Board promoting him to COO in 2020.

The company also promoted Curtis L. Dinan, former senior vice president and chief commercial officer, to senior vice president and COO. He assumed the additional responsibilities for the company's operations and safety functions in addition to his oversight of commercial activities, rates and regulatory, corporate development, government affairs, community relations and customer service.

Safety and Responsible Environmental Stewardship

At ONE Gas, we believe we have a shared responsibility to care for one another and our planet. We are committed to finding ways to reduce harm and emissions and engage in proactive conservation efforts as we move toward a low-carbon future.

The ONE Gas Board of Directors has primary oversight of the company's environmental, social and governance risks and opportunities. Respective committee chairs of the Environment, Safety, Health & Compliance (ESH&C) Steering Committee and ESG Steering Committee provide the Board regular updates in ESG and safety-related matters.

ESH&C Steering Committee

Our Environment, Safety, Health & Compliance (ESH&C) Steering Committee is chaired by our COO who reports to the CEO. Its primary purpose is to provide vision, direction and oversight of our ESH&C programs, processes and management systems to protect our employees, customers, the environment and the communities we serve.

The committee includes members representing Field Operations, Legal, Commercial, Communications, Inclusion & Diversity, Customer Service, Environmental, Safety and Health, Resource Management and System Integrity.

ESG Steering Committee

The ONE Gas Environmental, Social and Governance (ESG) Steering Committee was established in 2021 to assist senior management in setting ONE Gas' ESG strategy and oversee ESG disclosure efforts for the company. The committee makes recommendations for new and enhanced disclosures around ESG initiatives, metrics and targets and enhances the company's understanding and integration of ESG practices into everyday business activities.

Our efforts begin with ensuring our ESG data is accurate and complete with a clear path identified to reach our potential. We continually work to improve our ESG-related plans, programs and disclosures as new data is available.

Our chief financial officer, who reports to the CEO, chairs the committee. The committee includes members representing Legal, Field Operations, Finance and Accounting, Commercial, Corporate Development, Communications, Customer Service, Environment, Safety & Health, Resource Management and System Integrity. Ex officio members represent Sustainability, Investor Relations, Inclusion and Diversity, Talent Management, Internal Audit and Environmental Compliance.

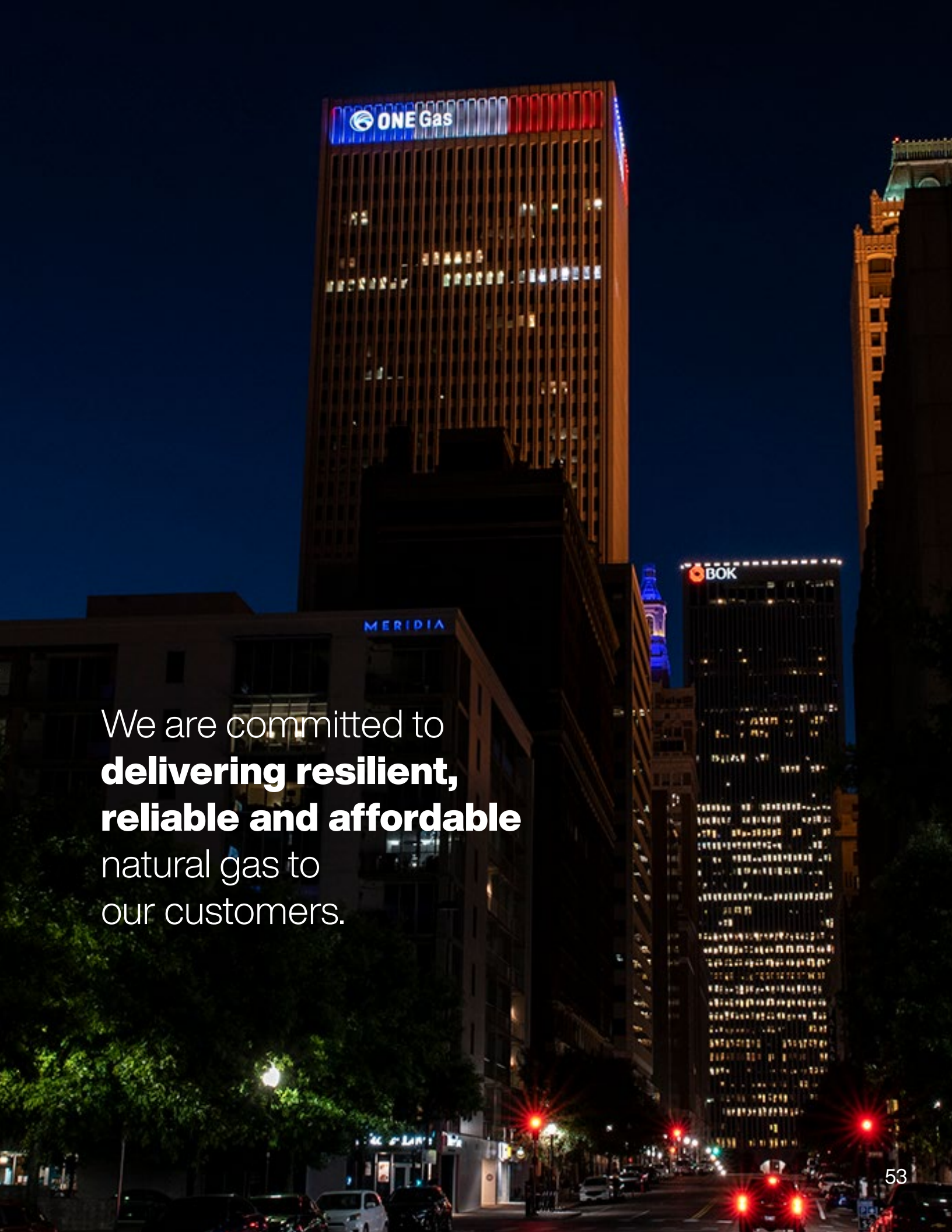
Code of Business Conduct and Ethics

A Culture Rooted in Ethics

Our Code of Business Conduct and Ethics provides guidelines for ethical issues that may arise when interacting with fellow employees, customers, suppliers, competitors, federal and state agencies or officials or the general public. We strictly adhere to all federal and industry compliance standards and strive to exceed them. Employees train on these topics annually and confirm they comply.

In 2020, the ONE Gas Board of Directors approved an expanded Code of Business Conduct and Ethics. Additions include a commitment to respecting human rights in our supply chain, respecting employee rights and providing further guidance on conflict of interest and anti-corruption matters, such as gifts, entertainment and other favors from customers, suppliers, vendors or other business contacts or for government officials.

[Click here](#) to read our Code of Business Conduct & Ethics.



We are committed to
**delivering resilient,
reliable and affordable**
natural gas to
our customers.



Appendix

American Gas Association (AGA) Voluntary Reporting Tool

Parent Company

ONE Gas, Inc

Business type

Natural Gas Utility

Regulatory Environment

Regulated

Operating companies

Kansas Gas Service

Oklahoma Natural Gas

Texas Gas Service

States of Operation

Kansas

Oklahoma

Texas

Report Date

October 1, 2021

Natural Gas Distribution

Ref. #.	Refer to the "Definitions" column for more information on each metric.	Last Year 2019	Current Year 2020	Definitions
1	Methane emissions and mitigation from distribution mains <i>All methane leak sources per 98.232 (i) (1-6) are included for Distribution. Combustion sources are excluded. CO₂ is excluded.</i>			
1.1	Number of Gas Distribution Customers	2,194,000	2,220,000	
1.2	Distribution Mains in Service <i>These metrics should include all local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule.</i>			
1.2.1	Plastic (miles)	21,465	21,936	
1.2.2	Cathodically Protected Steel - Bare & Coated (miles)	17,680	17,758	
1.2.3	Unprotected Steel - Bare & Coated (miles)	1,534	1,491	
1.2.4	Wrought Iron - without upgrades (miles)	27	24	

Ref. #.	Refer to the "Definitions" column for more information on each metric.	Last Year 2019	Current Year 2020	Definitions
1.3	Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete) <i>These metrics should provide the number of years remaining to take out of service, replace or upgrade cathodically unprotected steel mains and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations.</i>			
1.3.1	Unprotected Steel (Bare & Coated) (# years to complete)	Data not currently available	Data not currently available	Optional: # yrs by pipe type.
1.3.2	Cast Iron / Wrought Iron (# years to complete)	Data not currently available	Data not currently available	Optional: # yrs by pipe type.

2	Distribution CO2e Fugitive Emissions			
2.1	CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	372,606	362,775	Fugitive methane emissions (not CO2 combustion emissions) stated as CO2e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix)(D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) - i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO2e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on mt CH4 input in the 2.2 (below).
2.2	CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	14,905	14,511	
2.2.1	CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)	777	756	

Ref. #.	Refer to the "Definitions" column for more information on each metric.	Last Year 2019	Current Year 2020	Definitions
2.3	Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year)	375,964,195	367,568,920	This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRT integrated reporting form in the "Facility Overview" worksheet Excel form, Quantity of natural gas delivered to end users (column 4).
2.3.1	Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year)	357,166	349,191	
2.4	Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)	0.22%	0.22%	Calculated annual metric: (MMSFC methane emissions/MMSCF methane throughput)

Human Resources

Ref. #.		Last Year 2019	Current Year 2020
1	Employees		
1.1	Total Number of Employees	3,644	3,640
1.2	Percentage of Women in Total Workforce	27	27
1.3	Percentage of Minorities in Total Workforce	35	35
2	Board of Directors		
2.1	Total Number on Board of Directors/Trustees	8	8
2.2	Percentage of Women on Board of Directors/Trustees	25	25
2.3	Percentage of Minorities on Board of Directors/Trustees	13	13
3	Employee Safety Metrics		
3.1	Recordable Incident Rate	1.04	1.02
3.2	Lost-time Case Rate	Not available	Not available
3.3	Days Away, Restricted and Transfer (DART) Rate	0.25	0.28
3.4	Work-related Fatalities	0	0

Forward-Looking Statement

Some of the statements contained and incorporated in this report are forward-looking statements. Forward-looking statements may be identified by words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “should,” “goal,” “forecast,” “guidance,” “target,” “could,” “may,” “continue,” “might,” “potential,” “scheduled,” “likely,” and other words and terms of similar meaning, however all statements in this report that are not statements of historical fact should be considered forward-looking statements.

Readers should not place undue reliance on forward-looking statements, which are applicable only as of the date of this report, and are based on management’s current expectations. These statements are subject to known and unknown risks, uncertainties, changes in circumstances and assumptions that are difficult to predict and often beyond our control. These and other factors may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements.

In addition to any assumptions and other factors referred to specifically in connection with the forward-looking statements, factors that could cause our actual results to differ materially from those contemplated in any forward-looking statement include, among others, socio-demographic and economic trends, energy prices, technological innovations, climate-related conditions and weather events, legislative and regulatory changes, our ability to gather and verify data regarding environmental impacts, our ability to successfully implement various initiatives throughout the company under expected time frames, the compliance of various third parties with our policies and procedures and legal requirements and other unforeseen events or conditions. These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other factors could also have material adverse effects on our future results, including factors that are unknown to us. Other risks are described in greater detail in Parts 1, Items 1A, Risk Factors, in our Annual Report and quarterly reports on Forms 10-K and 10-Q respectively, which we file with the Securities and Exchange Commission. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by all these factors. Other than as required under securities laws, we undertake no obligation to update publicly any forward-looking statement whether as a result of new information, subsequent events or change in circumstances, expectations or otherwise.

You should not place undue reliance on any forward-looking statement. We do not undertake, and expressly disclaim, any obligation to update or revise any forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

This report also contains matters that may be significant, however, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with the U.S. federal securities laws, even if we use the word “material” or “materiality” in this report. Given the uncertainties and assumptions required to make some of the disclosures in this report, and the timelines involved, materiality is inherently difficult to assess far in advance. Moreover, given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will or will not be able to meet our plans, targets or goals in advance.



Kansas Gas Service | Oklahoma Natural Gas | Texas Gas Service

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