

2018 - 19

# CORPORATE SUSTAINABILITY REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE



# CEO LETTER TO OUR STAKEHOLDERS



**For ONEOK, sustainability is a continuous commitment—not a box to check.**

As an energy midstream industry leader, we anticipate and manage opportunities and risks by focusing on safety, reliability, sustainability and quality.

We have made tremendous strides in the area of sustainability, environmental, social and governance (ESG), but work remains to be done to achieve long-term success. We view sustainability as those actions that create stakeholder value while maintaining safe and environmentally responsible operations for decades to come. In this report, we share our intentional efforts and provide examples of our commitment to sustainability.

## **A few highlights from this past year include:**

- ◇ An Agency Reportable Environmental Event Metric Rate (AREER) of 1.05, an improvement of nearly 15% compared with 2017 and a 66% improvement compared with 2014, the first year we started measuring AREER.
- ◇ Improving our safety and health performance by meeting or exceeding our 2018 targets, which translated into fewer injuries and fewer vehicle incidents.
- ◇ Inclusion in more than 10 ESG-related stock market indices because of our strong ESG-rated performance. ONEOK was recently added to Just Capital's JUST ETF fund and the Dow Jones Sustainability North America Index.
- ◇ Updating policies and enhancing disclosures on the ESG topics that have been identified as material to our business, such as our new Maternity, Paternity and Adoption Leave Policy.
- ◇ Creating a new ESG Council to provide vision, leadership, direction and oversight for ONEOK's ESG programs and processes.
- ◇ Being named in the CDP's Top 25% of companies in the U.S. and Canada Energy Sector.

*Pictured on the cover of this report is a Dakota skipper butterfly, which is native to North Dakota grasslands. The project team for an NGL pipeline being built in the area is taking meaningful steps to assist in the conservation and preservation of the skipper butterfly's primary habitat during construction of the project.*

Our ESG efforts continue to gain recognition. Several of our facilities were recognized for operating 10 years without a lost-time incident. The GPA Midstream Association honored ONEOK with the 2018 Chairman's Award for Safety Improvement, as well as its inaugural Award for Energy Conservation for an energy-use reduction program implemented by our energy management team.

Additionally, two of our board members, Julie H. Edwards and Pattye L. Moore, were named Most Influential Corporate Directors by *Women Inc. Magazine*, a listing of women executives, influencers and achievers contributing leadership to corporate boards. Read more by visiting our Awards and Recognition section.

Building the natural gas and natural gas liquids (NGL) infrastructure needed to meet our customers' needs remains a priority. In the Williston Basin, we are nearing completion of several infrastructure projects that will help our customers significantly reduce natural gas flaring in the region, and meet or exceed state-established natural gas-capture targets. This includes the Demicks Lake I and II natural gas processing plants, and the 900-mile Elk Creek pipeline that will transport NGLs to our Mid-Continent facilities. Across the other basins where we operate, we're placing similar projects in service to provide the critical midstream infrastructure necessary to safely and efficiently transport natural gas and NGLs to domestic and international demand markets.

Our commitment, however, goes beyond safe operations and environmental stewardship. We value diversity and inclusion, and are committed to nurturing an environment where all employees know that their unique skills, experiences and cultural backgrounds are valued. We also remain committed to investing time and resources in the communities where we work and live.

Our employees are the largest contributors to making ONEOK a responsible and sustainable company. We proactively look for opportunities to influence diversity, whether that's exposing employees to new areas of the company through new roles; providing open forums for diverse ideas to be shared; or encouraging a culture where employees are empowered to speak up. Also, we created two new business resource groups in 2018—the Black/African American and Veterans resource groups—to expand opportunities for employees to come together to exchange ideas, develop leadership skills and build relationships. And earlier this year, we announced two more—the Indigenous/Native American and Latinx/Hispanic American resource groups.

In 2018, ONEOK invested more than \$7 million in charitable organizations and causes. These contributions help meet community needs by providing valuable services and resources that align with our company's values. While I'm proud of our efforts to be a good corporate citizen, we continue to explore new opportunities that would allow us to have an even greater impact, including an emphasis on environmental conservation.

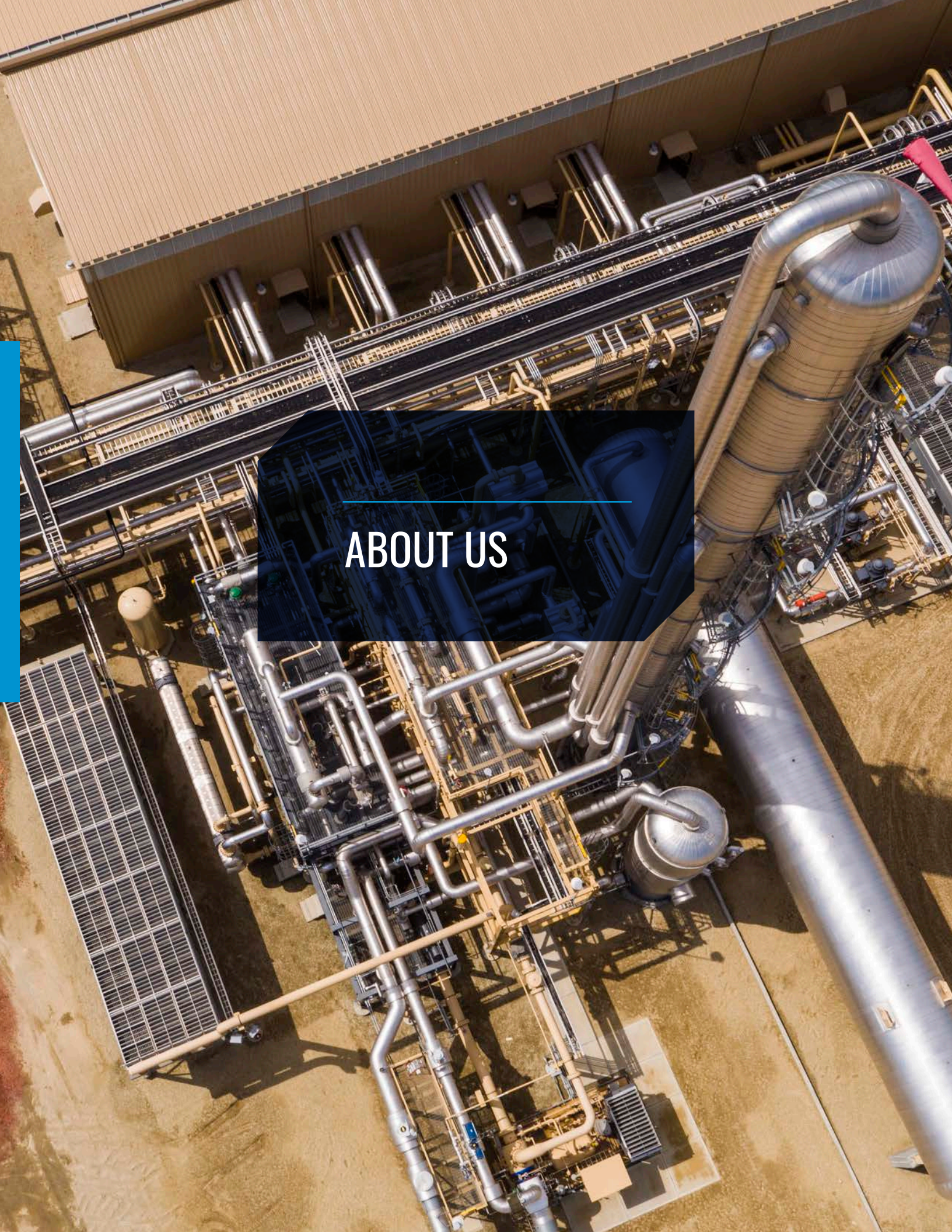
We regularly evaluate our methods used to publicly report our ESG-related data to help ensure we are providing relevant information to our stakeholders in the most efficient way possible. We welcome your feedback and questions on this report and our efforts.

On behalf of everyone at ONEOK, thank you for your interest in our company.



Terry K. Spencer  
President and Chief Executive Officer

September 16, 2019



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# ABOUT US



# ABOUT US

ONEOK, Inc. (pronounced ONE-OAK) (NYSE: OKE) is a leading midstream service provider and owner of one of the nation's premier natural gas liquids (NGL) systems, connecting NGL supply in the Mid-Continent, Permian and Rocky Mountain regions with key market centers, and an extensive network of natural gas gathering, processing, storage and transportation assets.

Originally founded in 1906 as an intrastate natural gas pipeline business in Oklahoma, today ONEOK is one of the nation's premier energy companies involved in the natural gas liquids and natural gas businesses. Our business segments provide safe, reliable energy and services to our diverse customers. By following a core strategy focused on the growth and profitability of all the segments, we are positioned to deliver sustainable value to our shareholders. ONEOK's success is driven by our employees who strive to improve our company and the communities in which they live and work.

ONEOK is a Fortune 500 company and is included in the S&P 500.

## OUR VALUES

**Ethics:** Our actions are founded on trust, honesty and integrity through open communications and adherence to the highest standards of personal, professional and business ethics.

**Quality:** Our commitment to quality drives us to make continuous improvements in our quest for excellence.

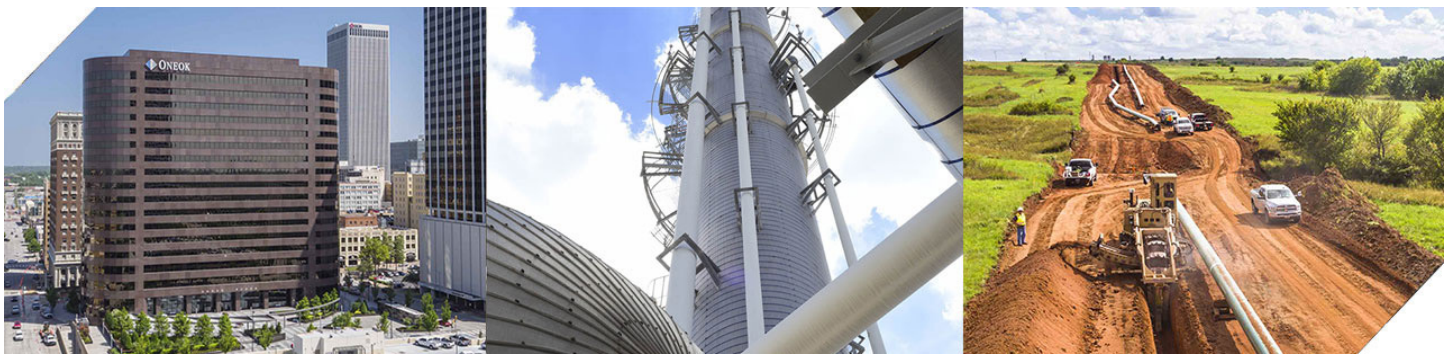
**Diversity:** We value diversity, as well as the dignity and worth of each employee, and believe that a diverse and inclusive workforce is critical to our continued success.

**Value:** We are committed to creating value for all stakeholders—employees, customers, investors and our communities—through the optimum development and utilization of our resources.

**Service:** We provide responsive, flexible service to customers and commit to preserving the environment, providing a safe work environment and improving the quality of life for employees where they live and work.

# REPORTING

In accordance with the recommendations of the Global Reporting Initiative (GRI) Standards' reporting guidelines, we are reporting on ONEOK's ESG performance from January 2018 through December 2018, unless otherwise noted.



## MATERIALITY ASSESSMENT

As the sustainability landscape evolves, our goal is to understand the important issues facing our industry by continually assessing the business context and stakeholder impacts. In 2018, ONEOK conducted its first materiality assessment to identify the issues that matter most to our business and stakeholders.

ONEOK's materiality assessment process follows the recommended practices outlined by the GRI to understand topics that reflect the company's significant ESG impacts, or those that would substantively influence the assessment and decisions of stakeholders. We reviewed sustainability reporting frameworks, peer company reports, industry association guidance and media sources to identify industry-specific topics of significance. We then identified the materiality of issues based on the following criteria:

- ◇ Frequency that stakeholders raised a topic.
- ◇ Likelihood and ability of a topic to impact our business objectives.
- ◇ How the business' performance around a topic affects stakeholders.

As part of this process, we led a workshop to validate the materiality findings in an effort to identify topics that are most critical to the success of our business and stakeholder interests. We also periodically review the alignment of the results with ONEOK's strategic plans.

Current ESG material topics reviewed and/or identified include (in alphabetical order):

### Environmental

- Air emissions
- Ecological impact
- Effluent management
- Energy management
- Environmental compliance
- Greenhouse gas emissions and climate change
- Producer flaring
- Product stewardship
- Remediation and decommissioning
- Waste management
- Water supply and compliance

### Social

- Attraction and retention
- Contractor and supplier management
- Diversity and inclusion
- Human capital development
- Human rights
- Labor management relations
- Occupational health and safety
- Pipeline and process safety
- Security practices
- Spills and releases
- Stakeholder engagement

### Governance

- Board leadership and diversity
- Community investments
- Comprehensive enterprise risk-management
- Corporate compliance and ethics
- Corporate governance
- Customer policy
- Investor engagement
- Political advocacy
- Public policy
- Shareholder relations
- Tax policy

# OUR COMMITMENTS

Our commitments provide a clear vision from leadership of their priorities and expectations for our company, employees and contractors. By setting the expectation that our employees follow key principles that foster safe, environmentally responsible operation, and promote a diverse, inclusive and engaged workforce, we are creating an environment where our employees are empowered to do the right thing and strive for continuous improvement.



## ENVIRONMENT, SAFETY AND HEALTH

At ONEOK, we are committed to pursuing a zero-incident culture by continuously working toward mitigating risk and eliminating incidents that may harm our employees, contractors, the public or the environment.

In order to achieve ONEOK's corporate and operating Environment, Safety and Health (ESH) expectations, all ONEOK employees and contractors are expected to demonstrate commitment to the following:

- ◇ The protection of human health, safety and the environment as a top priority.
- ◇ The responsibility and expectation to stop work when necessary to control operating exposures and risks to prevent incidents.
- ◇ The responsibility and expectation to report, or elevate to the proper level in the organization, potential ESH compliance risks, incidents and near misses.
- ◇ The responsibility and expectation to understand and comply with all laws, regulations, permits, requirements and procedures related to their role, including those associated with ESH.
- ◇ The engagement with local communities and other stakeholders in areas in which we operate to continuously improve our ESH performance.
- ◇ The execution and implementation of sustainability efforts.



## HUMAN EXPLOITATION

ONEOK is committed to the protection of basic human rights and treating all individuals with dignity and respect. In 2018, ONEOK adopted a Human Exploitation Policy prohibiting human exploitation of any kind in connection with company business. The policy outlines how to report suspected violations, consequences for violations and additional resources available to employees. The policy is available on the company intranet and externally on our website.

## INDIGENOUS/NATIVE AMERICAN PEOPLE ENGAGEMENT

ONEOK recognizes the diversity of Indigenous/Native American People and is committed to creating and sustaining respectful relationships with Indigenous/Native American People in areas where we conduct business. We are dedicated to operating in a socially and environmentally responsible manner, carefully considering potential impacts of business operations on local communities and natural and cultural resources.

Nature of Engagement: The cooperative nature of engagement with Indigenous/Native American People in business and community projects aligns closely with ONEOK's core values—Ethics, Quality, Diversity, Value and Service—which guide our actions towards achieving mutually beneficial outcomes for all our stakeholders.

Where necessary and applicable, ONEOK will facilitate external engagement according to the following practices:

- ◇ Acknowledging that mutual trust and respect are fundamental to transparent communication.
- ◇ Recognizing Indigenous/Native American People and their communities may be affected by our existing operations and future projects.
- ◇ Committing to good faith engagement and communication through collaborative relationships.

## STAKEHOLDER ENGAGEMENT COMMITMENT

ONEOK is committed to supporting the stakeholders where we operate, and where our employees live and work, by fostering relationships between our company, our employees and the community.

We are committed to operating reliably, safely and environmentally responsibly, promoting the safety and health of our employees and the communities where we operate.

We strive to operate our businesses in a manner that recognizes the ESH expectations of each of our key stakeholders, including regulatory agencies, the communities in which we operate, landowners, customers, employees, nongovernmental organizations and investors. We work to build constructive relationships with our diverse stakeholder groups, creating shared value by engaging with them early and often. We seek to give back by working with community organizations and by providing resources designed to address the social, economic and environmental interests of key stakeholders.

### Growth Projects

Building and operating successful energy infrastructure requires compliance with regulatory requirements. These requirements frequently derive from or can involve meaningful coordination, consultation and/or communication with affected stakeholders. Where appropriate, we also employ various project-specific stakeholder outreach practices, including the following:

- ◇ Engaging legislative and community leaders in the early planning and design process, and providing information about our company and specific projects.
- ◇ Hosting community open house meetings to facilitate transparency, provide environmental, safety and geographic project information, and address stakeholder questions and concerns in person.

- ◇ Evaluating community feedback, perspectives and expectations in project decision-making.
- ◇ Working respectfully with landowners in an effort to attain survey access and reach mutually beneficial right-of-way acquisition outcomes.
- ◇ Promoting ongoing responsiveness by providing feedback mechanisms for community questions and concerns.

Depending on the scope of a project, ONEOK may contact or facilitate engagement with representatives of indigenous communities, including, but not limited to, tribal historic preservation officers, to review project plans, construction efforts and operation of new assets. We recognize and respect indigenous people’s culture and diversity. Our process involves meaningful project engagement to provide education to various stakeholder groups on temporary project impacts and sustainable restoration strategies.



**Know what's below.  
Call before you dig.**

### **Public Awareness Program**

Our Public Awareness Program operates to inform our neighboring stakeholders of our pipeline and facility safety measures. In accordance with the Public Pipeline Awareness Program, we mail safety brochures to those who live and/or work near our pipelines and/or storage facilities, including emergency responders, public officials, excavators and landowners.

We dedicate ESH resources and funding to the Public Awareness Program to assist in the following:

- ◇ Raise the awareness of key stakeholders of the presence of pipelines in their communities.
- ◇ Educate those who live or work near our pipelines to recognize and react to a potential release or pipeline emergency.
- ◇ Help excavators understand the steps they can take to prevent damage and to respond safely and promptly should their actions cause damage to our pipelines.
- ◇ Better educate the public, emergency officials, local public officials and other key groups about our company’s emergency response and key safety procedures in the unlikely event of an operating problem or incident.
- ◇ Allow emergency response agencies to better understand the safe and proper actions to take to respond to a potential release or pipeline emergency.

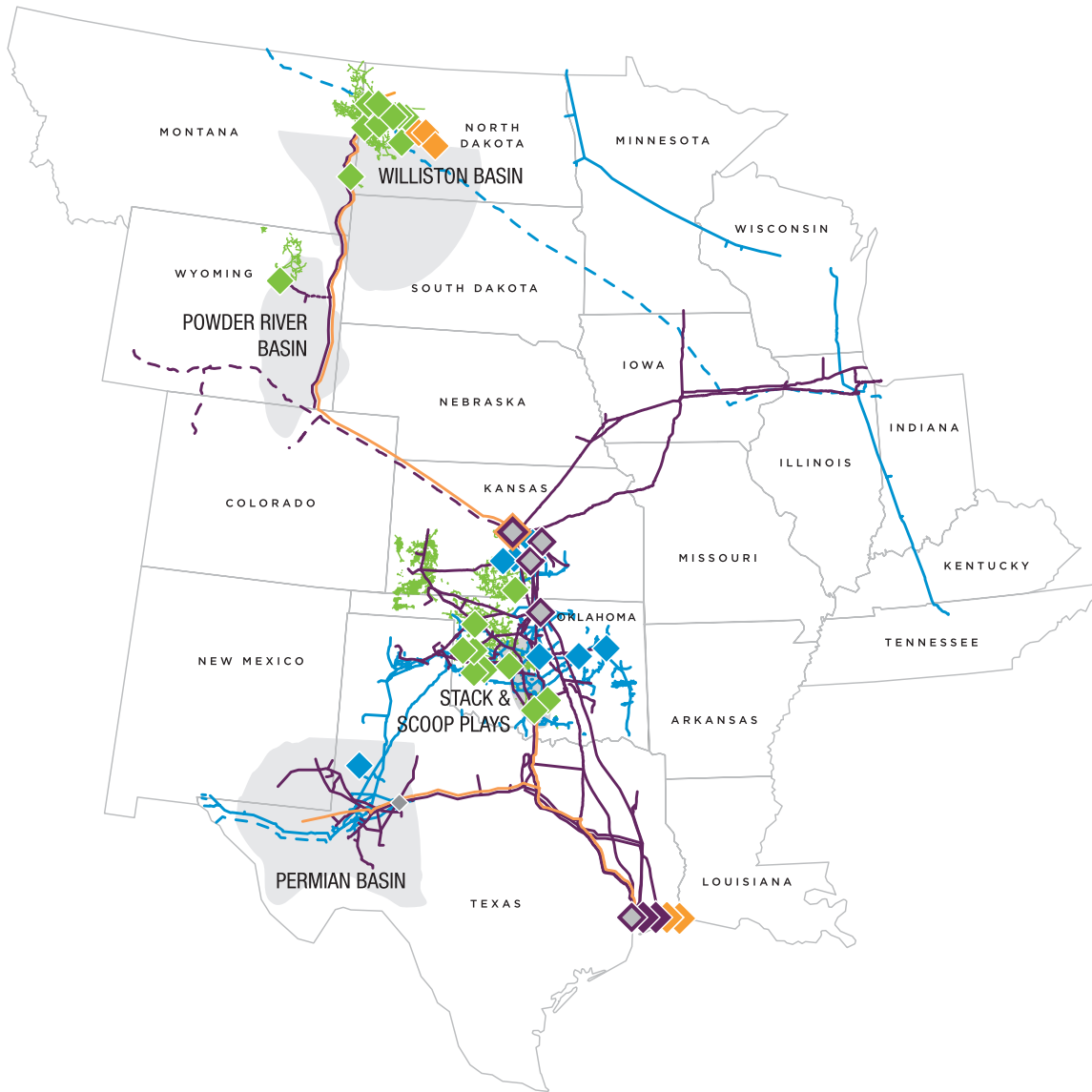
Our company is committed to the participation and allocation of the necessary resources to develop, implement and manage the program.

### **Community Outreach**











ONEOK values being a good corporate citizen. Facilitating community investments programs and opportunities that encourage and support engagement helps create shared value by connecting the success of our business with local communities.

Through investments and engagement, we aim to provide a positive environment for our employees, as well as to enhance the quality of life and economic well-being for those in the communities where we operate, and where our employees live and work. We engage community organizations within our operating footprint to understand their development goals and support their fundamental interests through volunteerism and contributions. We believe that collectively, we can make an impact and build stronger communities today and in the future.

# OUR ASSETS



## LEGEND

- |   |   |   |
|---|---|---|
|  Natural Gas Gathering Pipelines |  NGL Fractionators     |  Natural Gas Storage |
|  Natural Gas Processing Plants   |  NGL Storage           |  Growth Projects     |
|  NGL Pipelines                   |  Partial Interest      |  Basins              |
|   |  Natural Gas Pipelines |   |

# AWARDS AND RECOGNITIONS



Tulsa Area United Way

Williams Summit Leadership Award  
for its 2018-19 United Way campaign.

**WomenInc.**

*Women Inc. Magazine* – 2018 Most  
Influential Corporate Directors

(Patty Moore and Julie Edwards)



Oklahoma Veteran Employer  
Champion Network



Platinum Verification in Sustainable  
Tulsa's Scorecard program



M.e.T Green Business of the Year  
ONEOK Plaza single-stream recycling.



GPA Midstream Energy Conservation Award



**Oklahoma Magazine's Best of the Best –  
Great Companies to Work For**



**FRANK CONDON  
ENVIRONMENTAL  
EXCELLENCE AWARD**

**2018 EFO Frank Condon Environmental  
Award Honorable Mention  
for Recycling Efforts**



**JUST Capital's JUST ETF**

First in the industry and 46th overall in Company  
Leadership and Stakeholders

MEMBER OF

**Dow Jones  
Sustainability Indices**



In collaboration with a RobecoSAM brand



**Sustainable Tulsa Overall  
Henry Bellmon Award**

**Additional awards include:**

- ONEOK Rockies Midstream Baker Plant  
GPA 10 years without a lost time incident
- ONEOK Field Services Maysville Plant  
GPA 10 years without a lost time incident
- ONEOK Field Services Canadian Valley Plant  
GPA 5 years without a lost time incident
- 2018 GPA Midstream Environmental  
Excellence Award for our Mont Belvieu Facility
- GPA Midstream Chairman's Award for  
Safety Improvement
- The Inclusive Workplaces Award, 5/5 stars,  
from the Tulsa Regional Chamber
- Corporate Equality Index, 95/100 from Human  
Rights Campaign



# ENVIRONMENT



# ENVIRONMENT

Our operating commitment to environmental compliance sets the expectation to operate responsibly and employ what we believe are best management practices designed to limit potential effects to the environment. We believe companies that anticipate and manage current and future sustainable opportunities and risks by focusing on quality, innovation and efficiency will emerge as leaders and create long-term value for all stakeholders.



## FOCUS

Our commitment to the environment is evident in our proactive effort to bring key internal stakeholders together to provide vision, leadership, direction and oversight for programs and processes that will strengthen employee and operational performance. This includes efforts by our executive management, Corporate ESH Leadership Committee, Environmental Sustainability team and newly formed ESG Council. Chartered in early 2019, the council includes leadership from key departments—Legal, Human Resources, ESH, Commercial, Operations, Government Affairs, Investor Relations and Communications—to discuss what we are doing well and opportunities for greater transparency and/or improvement.

Additionally, in an increasingly complex business and regulatory environment, we recognize the importance of having clear, companywide expectations for ESH performance. Because of the mixture of our assets and the scope of environmental regulations, we use an integrated, systems-based approach to manage environmental risks and impacts. This approach assists with the identification, assessment and control of ESH and operations risk.



# EMISSIONS AND CLIMATE CHANGE

We may be subject to physical and financial risk associated with climate change. As a result, we are looking for opportunities to further reduce emissions through strategic programs and initiatives.

## EMISSIONS AND CLIMATE CHANGE

Through assessing climate risks and opportunities in relation to our business, we've identified greenhouse gas (GHG) emissions as a material area of focus.

In addition to developing and maintaining an emissions inventory according to current rules issued by the Environmental Protection Agency (EPA), our environmental and climate change actions focus on lowering the effect of our operations on the environment, including:

- ◇ Improving the efficiency of our various pipelines, natural gas processing facilities and NGL fractionation facilities.
- ◇ Evaluating opportunities and implementing, where necessary or practical, developing technologies for emissions control and the capture and transportation of carbon dioxide to prevent it from reaching the atmosphere.
- ◇ In addition, many of our compressor station facilities are designed and operated with electric-driven compression units, which greatly reduce the potential emission from these facilities, including GHG emissions.

## PHYSICAL AND FINANCIAL RISK

Our customers' energy needs vary with weather conditions, primarily temperature and humidity. For residential customers, heating and cooling represent their largest energy use. To the extent weather conditions may be affected by climate change, customers' energy use could increase or decrease depending on the duration and magnitude of any changes. Increased energy use due to weather changes may require us to invest in more pipelines and other infrastructure to serve increased demand.

A decrease in energy use due to weather changes may affect our financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions.

Weather conditions outside of our operating territory could also have an impact on our revenues. Severe weather impacts our operating territories primarily through hurricanes, thunderstorms, tornados and snow or ice storms. To the extent the frequency of extreme weather events increases, this could increase our cost of providing service. We may not be able to pass on the higher costs to our customers or recover all costs related to mitigating these physical risks.

To the extent financial markets view climate change and emissions of GHGs as a financial risk, this could affect negatively our ability to access capital markets or cause us to receive less favorable terms and conditions in future financings.

Our business could be affected by the potential for lawsuits against GHG emitters, based on links drawn between GHG emissions and climate change.





**CDP**

TOP 25% OF COMPANIES IN THE U.S.  
AND CANADA ENERGY SECTOR

The CDP is an international organization that works with shareholders and corporations to disclose carbon emissions of voluntarily participating companies.



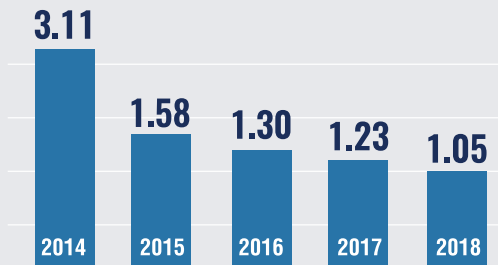
## AGENCY REPORTABLE ENVIRONMENTAL EVENT RATE

66% IMPROVEMENT SINCE 2014

In 2014, ONEOK introduced the Agency Reportable Environmental Event Rate (AREER), an internal environmental metric that promotes continued reduction of releases and emission events reportable to a state or federal agency. AREER performance is an element of the short-term incentive program for all ONEOK employees.

Our 2018 reported AREER of 1.05 was better than the target of 1.11 and improved for the fifth consecutive year. We continue to set challenging but achievable targets to reduce the number of AREER events and our environmental impacts. We continue to look for ways to improve energy efficiency and manage our carbon emissions across our operating footprint, including implementing innovative technologies and undertaking projects to manage our operating emissions. Our 2019 AREER target is 0.95.

### 2018 AREER RESULTS



*AREER is defined as the total number of releases and excess emission events that trigger a federal, state or local environmental reporting requirement (with some exceptions to account for events outside our control, planned maintenance and disparities in reporting requirements across our operations) per 200,000 work hours.*

## CONTINUING TO BUILD INFRASTRUCTURE TO MEET CUSTOMER NEEDS

ONEOK is the largest operator of midstream infrastructure in the Williston Basin, where we have significantly grown our natural gas gathering and processing presence over the past 10 years through the construction of new processing plants, compressor stations and gathering pipelines. We remain committed to serving our customers in this critical region, as further evidenced by the construction of the Demicks Lake I and Demicks Lake II plants, as well as the expansion of our Bear Creek plant, which will increase our processing capacity in the region by a combined 600 MMcf/d following their expected completion in the fourth quarter 2019, first quarter 2020 and first quarter 2021, respectively.

In addition, the southern section of the Elk Creek Pipeline that extends from the Powder River Basin in eastern Wyoming to ONEOK's existing Mid-Continent NGL facilities was completed earlier in 2019 and is providing needed NGL transportation capacity to producers in the region. The remaining northern section is expected to be completed by the end of 2019.

These projects will play a critical role in helping to reduce natural gas currently flaring in North Dakota. We continue to work proactively with crude oil and natural gas producers in this area to forecast locations where midstream infrastructure may support additional natural gas capture and reduce flaring.

## METHANE AND GHG REDUCTION PRACTICES AND TECHNOLOGIES

We use various minimization techniques to reduce emissions. These include minimizing blowdowns of compressors, installation of vapor recovery units (VRUs) on condensate tanks and at compression sites, flare installation and rod packing replacement programs.

We consistently look for ways to improve operating efficiency across our footprint, including identifying opportunities for consolidation and decommissioning of equipment. In 2018, ONEOK Field Services decommissioned four compressor units in Oklahoma, resulting in a reduction of associated emissions and potential future repair costs. Through these optimization projects, ONEOK Field Services reduced GHG emissions by 18,874 tons (CO<sub>2</sub>e) and combined criteria pollutants by 719 tons in 2018.

In southwest Kansas, we were able to shut down 19 compressor units in 2018 and save nearly 370 million cubic feet per day of fuel with little to no loss of volumes on our system.

Our use of various technology supports these efforts. This includes occasional use of optical gas imaging (OGI) cameras that rapidly scan large areas and pinpoint leaks in real time, which enables the fast detection of carbon emissions. For example, ONEOK uses OGI cameras during certain facility commissioning to identify leaks before startup, as part of our voluntary leak detection program and during routine repairs. Additionally, we use ultrasonic technology during facility commissioning to identify leaks before startup.

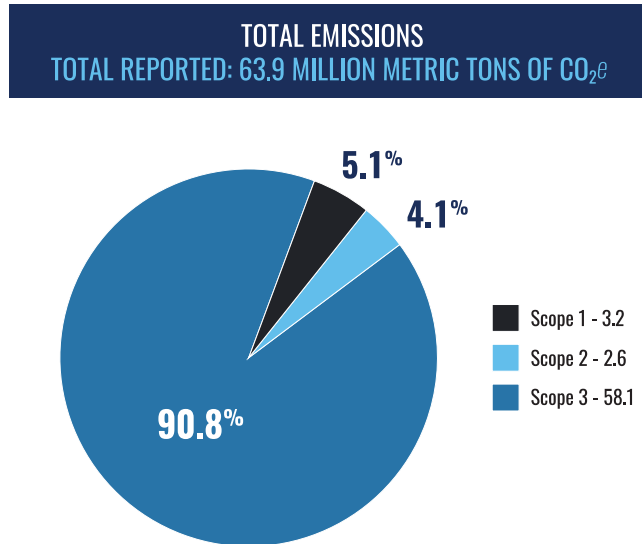
Photoionization detectors (PIDs) and flame ionization detectors (FIDs) also are used at a number of facilities, generally in conjunction with OGI cameras, to help detect the presence of a variety of gases—mainly volatile organic compounds.

## REDUCING EMISSIONS THROUGH INCREASED VAPOR RECOVERY

We installed VRUs at several compressor stations across our Williston Basin operations designed to capture and route excess tank vapors to the compressor station. Though VRUs are not always required to comply with environmental permits, it is an accepted practice to achieve emissions reductions and cost effectiveness. By maximizing online time of stations and plants, we're supporting reduced flaring in the region.

# GREENHOUSE GAS<sup>1</sup> EMISSIONS

Based on 2018 EPA GHG reporting threshold levels, we reported emissions of approximately 63.9 million metric tons of carbon dioxide equivalents (CO<sub>2</sub>e)<sup>2</sup>.



As a midstream service provider, ONEOK gathers, transports, processes and stores hydrocarbon products and delivers those products into the marketplace.

The above chart represents scope 1, 2 and 3 emissions.

Scope 1 emissions are those that result from operating our midstream assets in order to provide services to our customers. Such operations include: natural gas combustion from running compressor engines and process heaters, plus methane and carbon dioxide that escape from operating equipment and venting and other processes common to natural gas systems. Our 2018 total facility-direct emissions were 3.2 million metric tons of CO<sub>2</sub>e.

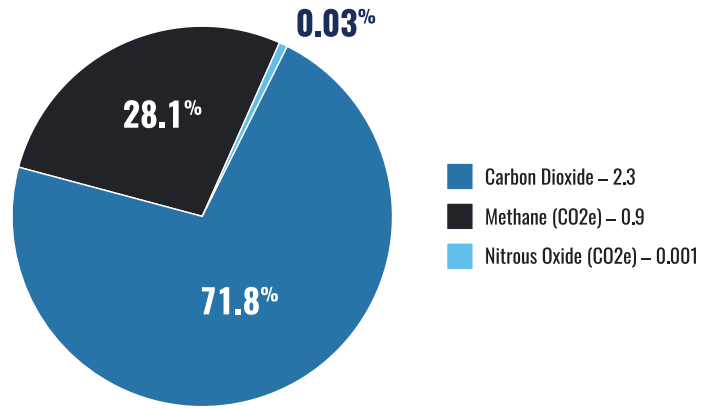
Scope 2 emissions are indirect GHG emissions that occur from energy consumption, where the energy is generated by another entity. Examples are emissions associated with the generation of purchased electricity, steam, heat or cooling consumed. These emissions physically occur at the utility where the energy is being generated and would be considered scope 1 or direct emissions for the utility. Our 2018 scope 2 emissions were 2.6 million metric tons of CO<sub>2</sub>e.

The portions of scope 3 emissions reported would result from the complete combustion or oxidation of NGL products that ONEOK delivered to customers. These emissions are calculated using the annual volume of each fractionated product and multiplying it by an emission factor. Products covered under the rule are ethane, propane, butane, isobutane and natural gasoline. These emissions physically occur at customer facilities and would be considered scope 1 or direct emissions for the customer. Our 2018 total emissions supplied to customers were 58.1 million metric tons of CO<sub>2</sub>e.

<sup>1</sup> ONEOK's operations do not result in the emitting of ozone-depleting substances into the atmosphere.

<sup>2</sup> Carbon dioxide equivalent (CO<sub>2</sub>e) is a metric used to compare the emissions from various GHGs based on their global-warming potential. It is determined by multiplying the tons of a specific GHG by its associated global-warming potential.

**SCOPE 1 GHG EMISSIONS**  
**TOTAL REPORTED: 3.2 MILLION METRIC TONS OF CO<sub>2</sub>e**



The above chart represents the individual constituents of ONEOK’s scope 1 emissions. Scope 1 emissions include emissions that result from the combustion of fuel and methane and emissions vented to the atmosphere. Emission sources that vent to the atmosphere include fugitive components (valves, connectors, open-ended lines, flanges, relief valves and meters), compressors, acid gas treatment systems, blowdown vent stacks, dehydrator vents and storage tanks. The main source of scope 1 GHG emissions is from the combustion of natural gas from running compressor engines and process heaters.

**Other emissions reported in 2018 include:**

**Criteria Pollutants:** As part of our commitment to environmental sustainability and transparency, below are emissions data for nitrous oxides (NOx), sulfur oxides (SOx), hazardous air pollutants (HAPs) particulate matter-10 (PM10) and volatile organic compounds (VOCs) for all facilities required to report air emission inventories.

	2015	2016	2017	2018
NOx	10.8	11.4	10.7	9.6
SOx	0.3	0.3	0.2	0.3
HAPs	0.678	0.530	0.429	0.429
PM10	0.302	0.316	0.182	0.309
VOCs	4.8	4.0	4.1	4.7

*Reported in tons per year*

# ESH METRICS

SAFETY STATISTICS	2014	2015	2016	2017	2018
Number of Employee Recordable Injuries <sup>3</sup>	15	15	23	16	11
Number of Employee Recordable Illnesses <sup>4</sup>	2	0	2	3	4
Total Injury Rate	0.73	0.64	0.96	0.66	0.43
Total Illness Rate	0.10	0.00	0.08	0.12	0.15
Number of DART Incidents <sup>5</sup>	5	7	18	8	3
DART Incident Rate	0.24	0.30	0.75	0.33	0.12
Employee Fatalities	0	0	0	0	0
Total Recordable Incident Rate <sup>6</sup>	0.83	0.64	1.05	0.78	0.58
Number of Preventable Vehicle Incidents <sup>7</sup>	41	41	33	30	29
Preventable Vehicle Incident Rate <sup>8</sup>	1.72	1.55	1.22	1.12	1.11

LARGE PROJECTS CONTRACTOR SAFETY STATISTICS	2017	2018
Number of Total Recordable Incidents	1	34
Number of DART Incidents	0	8
DART Incident Rate	0.00	0.30
Total Recordable Incident Rate	0.45	1.30
Near Misses <sup>9</sup>	11	85
Good Catches <sup>10</sup>	106	503
Hours Worked	~445,000	~5,227,000

<sup>3</sup> Total number of work-related deaths and work-related injuries that result in one or more of the following: loss of consciousness, medically prescribed restriction of work or motion, transfer to another job, requirement of medical treatment beyond first-aid and away-from-work cases as defined by the Occupational Safety and Health Administration (OSHA).

<sup>4</sup> Total number of work-related illnesses (e.g., carpal tunnel syndrome, hearing standard threshold shifts, chemical exposure, etc.) that result in one or more of the following: loss of consciousness, medically prescribed restriction of work or motion, transfer to another job, requirement of medical treatment beyond first-aid and away-from-work cases as defined by OSHA.

<sup>5</sup> Days away, restricted or transferred incidents (DART) – Total number of lost workday injuries and illnesses as defined by OSHA. A lost workday is one in which (1) the employee is prevented from returning to work, (2) the employee is assigned to another job on a temporary basis, (3) the employee works less than full time or (4) the employee is not able to perform all job duties.

<sup>6</sup> Total OSHA-recordable injuries and illnesses multiplied by 200,000 and divided by total employee work hours.

<sup>7</sup> A preventable incident is one in which the driver failed to do everything reasonable to avoid the incident and could include: backing, hitting a fixed object, running into a vehicle ahead, striking a pedestrian, misjudging available clearance, not driving at a speed consistent with the existing conditions of the road, weather, traffic or sight distance.

<sup>8</sup> Preventable Vehicle Incident Rate (PVIR) is the preventable vehicle incidents per 1 million miles driven.

<sup>9</sup> Near Miss is defined as an unplanned event that did not result in injury, illness or damage, but had the potential to do so.

<sup>10</sup> Good Catch is defined as the observation, and ultimately the recording, of a potential event.

ENVIRONMENTAL STATISTICS	2014	2015	2016	2017	2018
Supplemental Environmental Projects <sup>11</sup> (thousands)	\$15.3	\$15.4	\$5.9	\$31.9	\$0
Environmental Penalties Paid (thousands)	\$69.6	\$12.8	\$3.5	\$18.1	\$23.0
Number of Agency Reportable Events <sup>12</sup>	64	37	31	30	27
Agency Reportable Environmental Event Rate (AREER) <sup>13</sup>	3.11	1.58	1.30	1.23	1.05

GREENHOUSE GAS REPORTING	2014	2015	2016	2017	2018
Scope 1 <sup>14</sup>	1.9	1.9	2.5	2.9	3.2
Scope 2	-	-	-	2.1	2.6
Scope 3 <sup>15</sup>	43.8	45.9	47.5	49.6	58.1

CO2e reported according to greenhouse gas reporting rule (million metric tons CO2e)

<sup>11</sup> An environmentally beneficial project undertaken voluntarily in exchange for mitigation of a portion of a penalty agreed to in settlement of issues of noncompliance or alleged noncompliance.

<sup>12</sup> Total number of releases and excess emission events that trigger a federal, state or local environmental reporting requirement.

<sup>13</sup> Agency Reportable Environmental Event Rate (AREER) is defined as the total number of releases and excess emission events that trigger a federal, state or local environmental-reporting requirement (with some exceptions to account for events outside our control, planned maintenance and disparity in reporting requirements across our operations) per 200,000 work-hours. In 2016, ONEOK modified the AREER to divide by work-hours instead of the number of capacity units, which was an asset-based denominator. This modification resulted in the metric being more consistent with other industry metrics such as the Total Recordable Incident Rate (TRIR) as defined by OSHA. The 2014 and 2015 AREER reported in this report differ from previous reports due to the modification.

<sup>14</sup> Emissions reported according to Subpart C and Subpart W – General Stationary Fuel Combustion Sources and Petroleum and Natural Gas Systems, part of the Mandatory Greenhouse Gas Reporting Rule. Under Subpart C, direct emitting sources are stationary fuel combustion, sources including equipment or machinery that combusts fuel. Subpart W, a rule applied in 2011, requires us to report methane and CO2 that escapes from operating equipment, venting and other processes common to natural gas systems. On Oct 22, 2015, the EPA revised Subpart W to include two new industry segments for reporting year 2016. The revision adds emissions from inshore petroleum and natural gas gathering and boosting segment and transmission pipeline blowdowns. 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.

<sup>15</sup> Emissions reported according to Subpart NN – Suppliers of Natural Gas & Natural Gas Liquids, part of the Mandatory Greenhouse Gas Reporting Rule. Suppliers of certain products that would result in GHG emissions if released, combusted or oxidized are required to report under this rule. This calculation includes emission equivalents of NGLs fractionated.



# CONSERVATION EFFORTS

We work hard to minimize and/or offset impacts to the environment where we operate, whether through compliance, our procedures and programs, or recycling and community involvement. ONEOK regularly assesses environmental performance across our operations.

## OUR EFFORTS INCLUDE:

BIODIVERSITY

LEAK DETECTION

RECYCLING AND WASTE REDUCTION

ENVIRONMENTAL VOLUNTEER EFFORTS



# BIODIVERSITY

Valuing the responsible use of natural resources and conserving biodiversity is the right thing to do, and we recognize the importance of a healthy and functioning ecosystem.



Our approach to land and water management during operations and capital growth projects includes selecting sites that reduce impacts; restoring habitats affected during construction; and assessing water use and opportunities for use reduction.

Facility and pipeline construction planning often requires us to adopt a scalable approach to site selection and pipeline routing to minimize ecological and cultural impacts. The environmental evaluation of a proposed project location typically involves a review for the presence of the following factors:

- ◇ Threatened and Endangered (T&E) species presence (federally and state listed).
- ◇ Proximity to T&E critical habitat.
- ◇ Protected lands (state, federal and tribal).
- ◇ Documented resources of historical or cultural significance.
- ◇ Land use (e.g. forests, farmland and rangeland).
- ◇ Proximity to populated areas.

ONEOK is committed to selecting a project route that will minimize the effect on communities and the environment, while also allowing for economic viability of the project, as well as safe construction and operation once complete. Wherever possible, we refrain from site selection in protected areas and areas of high biodiversity value. We avoid and minimize impacts to sensitive resources by considering alternate locations or adjusting our construction methodology and site design.

Where applicable before construction begins, preliminary route and site locations undergo an extensive environmental review and/or permitting process. We survey portions of the project footprint to identify potential effects on environmental and cultural resources where applicable. Surveys also involve conducting studies of local wildlife, water and soil conditions and integrating survey findings into the decision-making process and adapting project-specific impact minimization strategies. Our minimization approach is specific to each project and/or location and may include construction timing restrictions, project footprint alteration, buffered exclusion zones and alternative construction methods. Where possible, we also co-locate our linear projects with existing pipeline routes to limit habitat fragmentation.

Our projects, through proper environmental management, may be considered to have a temporary impact on ecological resources, where applicable. We work closely with regulators to develop appropriate mitigation and conservation approaches that serve to offset our potential environmental impacts. Additionally, construction on protected lands requires us to work closely with regulatory representatives, and generally involves additional permit-specific minimization and mitigation strategies, as part of the alternatives analysis for a project.

As we continue to grow our business, the restoration of habitats that may be affected during construction of large infrastructure projects remains a key focus. This includes determining the appropriate seed mixes and plant species in the area as well as properly segregating topsoil to restore the right of way following construction. We take into account landowner concerns in our restoration strategies and communicate restoration expectations to our contractors.



Additionally, water use, supply and resource conservation are important components of our operations. By assessing our water use through benchmarking and monitoring equipment, we identify opportunities for water reduction and reuse; potential inefficiencies across our operations, including undetected repairs like buried leaks; and cost savings.

We take proactive steps to assess and lessen our potential effects to water resources. This includes a three-tiered conservation approach:

- ◇ **Avoidance:** In the early stages of a project, water resource data is reviewed to identify water crossings that may need to be avoided.
- ◇ **Minimization:** When avoidance is not possible, we can reduce our footprint by narrowing the right of way and/or identifying the best crossing method to minimize disturbances to the stream bed or surface water. We hold employees and contractors to high standards and require them to follow what we believe to be best management practices during construction. Additionally, we use various environmental controls like sediment barriers, storm water filtration devices and refueling offsets. We also follow regulations for stream bank stabilization and restoration that increase effectiveness and reduce soil exposure post construction.
- ◇ **Mitigation:** Where avoidance and minimization cannot be accommodated, we work with local, state and federal regulators in an effort to mitigate our impacts appropriately.

## CONSERVATION OF THE MONARCH BUTTERFLY

ONEOK has proactively supported the conservation of the monarch butterfly, whose population has declined by 90% in the last 20 years. Our efforts align with Monarch Watch's nationwide landscape restoration program aiming to restore 20 milkweed species, which are used by monarch caterpillars as food, to their native ranges as well as encourage the planting of nectar-producing native flowers that support adult monarchs and other pollinators.

- ◇ In 2018, we added a pollinating seed mix option to the companywide revegetation plan to provide landowners the option to include the seed mix, with or without milkweed, in the restoration of their land after construction.
- ◇ In 2019, the ONEOK headquarters installed the first registered "Monarch Waystation" in downtown Tulsa, Oklahoma, in its Plaza Commons. The waystation is certified and registered by Monarch Watch.



## DAKOTA SKIPPER HABITAT PRESERVATION

The lifespan of an adult Dakota skipper—a small to medium-sized North American butterfly pictured on the cover of this report—may be only three weeks, but efforts to restore its habitat along the route of an NGL pipeline project in McKenzie County, North Dakota, are longstanding.

The largest, most stable skipper population is in North Dakota, making the insect an important species to monitor.

With construction activity within roughly 185 acres of native grasslands, the project team took meaningful steps and actions to assist in the conservation and preservation of native grasslands, the primary habitat for the Dakota skipper.

Habitat restoration will include specific seed mixes and plant species for the area, as well as properly separating soil throughout construction.

Impact minimization for the skipper will consist of herbicide, dust abatement and reseeding restrictions throughout the duration of the project. Route adjustments were made to avoid all known occupied habitats, while right-of-way fencing and signage helped keep the areas free of construction.

# LEAK DETECTION

The integrity of our pipeline system is key to our operational success. We dedicate considerable resources to the evaluation, development and implementation of leak detection systems that can identify potential releases in a timely manner, thereby reducing the impact if such an event occurs.

## LEAK DETECTION METHODS

Leak detection methods are broadly classified into two categories: external leak detection methods (i.e., aerial patrol and on-site inspection) and internal leak detection methods (i.e., pressure-flow monitoring and computational pipeline monitoring).

Some segments along transmission pipelines have been designated as high consequence areas (HCAs) in accordance with the Pipeline and Hazardous Materials Safety Administration (PHMSA) guidance and federal regulations. HCAs, for hazardous liquid pipelines, are defined as populated areas, drinking water sources and unusually sensitive ecological resources.

Supplemental hazard assessment and prevention programs have been developed for HCAs that provide comprehensive management of threats to asset integrity. This is done by identifying and assessing integrity risks associated with the pipeline and managing these risks to a level as low as reasonably practicable.

## DIVERTING CONDENSATE

Our Canadian Valley natural gas processing plant in Calumet, Oklahoma, completed a project to capture and divert hydrocarbon condensate inside the plant caused during the cooling process in order to eliminate the potential risk for condensate to make contact with the ground.



EXTERNAL AND/OR  
INTERNAL LEAK  
DETECTION METHODS

100%

100% OF NGL PIPELINE ASSETS ARE MONITORED USING EXTERNAL OR INTERNAL LEAK DETECTION METHODS.

# RECYCLING AND WASTE REDUCTION

Continually improving our recycling and waste reduction programs helps divert waste from landfills and is important to our sustainability efforts.



## SINGLE-STREAM RECYCLING

In April 2018, our ONEOK Plaza headquarters transitioned to a single-stream recycling system. Paper, cardboard, plastics, metals and glass are recycled together. The mixed stream of recyclables is sent to a local facility where they are sorted for recycling. Since implementing, collected recyclable materials has quadrupled. In addition to recycling municipal waste, ONEOK participates in recycling common office waste where possible.

### 2018

RECYCLING AT ONEOK PLAZA

SHREDDED PAPER	108,000 lbs.
MUNICIPAL WASTE <small>(INCLUDING PAPER, PLASTIC, METAL AND GLASS)</small>	90,000 lbs.
E-WASTE	50,000 lbs.
LIGHT BULBS <small>UNIVERSAL WASTE LAMPS</small>	1,500 lbs.
BATTERIES	250 lbs.
TONER CARTRIDGES	170 lbs.

### 2018

RECYCLING AT FIELD LOCATIONS

SCRAP METAL	1,140,000 lbs.
CONSTRUCTION MATERIALS	254,000 lbs.
OIL FILTERS	142,000 lbs.
MUNICIPAL WASTE <small>(INCLUDING PAPER, PLASTIC, ALUMINUM)</small>	126,000 lbs.
ETHYLENE GLYCOL	750 lbs.
BATTERIES	110 lbs.

## ENABLON WASTE MODULE

Following the launch of ONEOK's companywide Enablon waste management software, total hazardous waste volumes for 2018 were captured in a single software solution. This application has allowed for transparency and visibility into waste volumes, as disclosed in the ESG Performance Table, and waste reduction opportunities.

Additional ESH software applications, including air emissions and regulatory compliance management, are being developed as part of ONEOK's ESH Management Systems program for future deployment.

## ONEOK WASTE MANAGEMENT SYSTEM

ONEOK recently implemented a waste management system that streamlines required reporting and provides overall understanding of quantities of materials disposed. This data enables us to better understand the types and quantities of regulated waste generated within our organization. As we continue to implement and enhance this tracking system, we expect to find innovative ways to reduce waste generated, recycle waste when possible and improve processes for more sustainable approaches to managing waste.

# ENVIRONMENTAL VOLUNTEER EFFORTS

Employees throughout our operations participate in various community initiatives that support the beautification and improvement of public-use areas and habitats.



## ENVIRONMENTAL VOLUNTEER EFFORTS

- ◆ Employees in Sidney, Montana, and Leedey, Oklahoma, participated in beautification and planting efforts in their surrounding communities during several communitywide cleanup events in 2018.
- ◆ Employees participated in “Pick Up the Patch” events in May 2018 at several locations around Dickinson, Watford City, Crosby and Williston, North Dakota. Activities, pictured above, included tree planting and communitywide trash cleanup.
- ◆ Medford, Oklahoma, employees donated thousands of back to school paper goods in support of the Blackwell United Way “Stuff the Bus” event.
- ◆ In May 2018, employees participated in the Keep Midland Beautiful spring cleanup. ONEOK adopted a 1.2-mile area in Midland, Texas, with “Adopt-a-Spot.” Participating organizations commit to cleaning their area a minimum of two times per year.

# ENERGY USE AND MANAGEMENT

The marketplace has demonstrated that it prefers a variety of energy sources, especially when they complement one another, as do natural gas and renewables like wind and solar. ONEOK uses these renewables in a number of ways, including through the purchase of electricity, a percentage of which is wind-or solar-generated, and in the implementation of solar technology at various facilities.



ENERGY CONSUMPTION FROM RENEWABLES

AT ANY GIVEN TIME, WE ESTIMATE THAT 10-50% OF OUR ENERGY CONSUMPTION IS FROM RENEWABLES, SPECIFICALLY WIND AND SOLAR.



14 HOURS OF ELECTRICITY LOAD SHEDDING IN 2018

\$2.7 MILLION IN COMPANY SAVINGS FROM 14 HOURS OF ELECTRICITY LOAD SHEDDING IN 2018, AN INCREASE OF NEARLY \$2 MILLION COMPARED WITH 2017.

## SOLAR

More than 10,000 of our measurement facilities utilize solar power. As we continue to look for ways to improve energy efficiencies, we are exploring the technology's benefits at several newer, larger sites. Since many of our facilities are in remote locations, solar power is often a more accessible solution, and the cost of implementation continues to become more cost effective as well.

## ELECTRIC CONSUMPTION

Through our internal Energy Management Program, we evaluate potential energy efficiencies and implement new processes. Among those identified is energy load shedding, which consists of reducing our electric consumption at key times and locations while not impacting our ability to operate and serve our customers. Recently, ONEOK was recognized for these efforts as the recipient of the GPA Midstream 2019 Energy Conservation Award.

## REDUCING ENERGY CONSUMPTION WITH LED UPGRADES

Upgrading to LED lighting reduces safety hazards associated with physical bulb replacement as well as the consumption and disposal of hazardous mercury-containing bulbs. Recently, several facilities installed new interior LED lighting, including compressor stations, processing plants and storage facilities. In addition to interior lighting, various locations upgraded exterior lights and emergency and exit lighting.





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**SOCIAL**

# SOCIAL

The largest contributor in making ONEOK a responsible and sustainable company comes from our talented, diverse and experienced employees. Our employees embrace ONEOK's core values of ethics, quality, diversity, value and service, and work every day to demonstrate these values in all that we do.



We are committed to pursuing a zero-incident culture by continuously working to mitigate risk and eliminate incidents that may harm our employees, contractors, the public or the environment.

Our strategic plans establish an expectation of ESH performance that is required for long-term success. Strategic oversight is provided by the ESH Leadership Committee, which is composed of senior management and subject-matter experts representing key areas of ESH.



# SAFETY AND HEALTH

## DEDICATED ENVIRONMENT, SAFETY AND HEALTH ORGANIZATION

As the expectations of our stakeholders continue to grow with respect to our ability to operate in a safe, environmentally responsible and sustainable manner, it is essential to continue strengthening our commitment to improve our ESH performance. Our employees, the communities we work in, regulators and our investors look to our company to provide long-term sustainability around these initiatives.

To meet these needs, a dedicated and independent ESH organization was created to address the stakeholder-and industry-focus toward environmental sustainability and provide specific responsibilities for guiding our leadership efforts around ESH.

The organization consists of four groups:

- ◇ Safety and Health
- ◇ Management Systems
- ◇ Technical Training
- ◇ ESH Sustainability

ONEOK continues to perform well in providing a safe workplace for employees and contractors, mitigating exposures of different risks to the public and reducing our impact on the environment. This was evident by ONEOK's significantly improved ESH performance, meeting or exceeding 2018 targets, which translated into fewer injuries, fewer vehicle incidents and improved environmental performance.

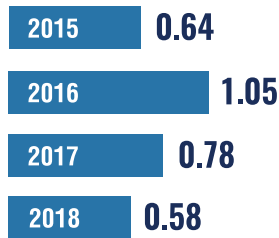


# TOTAL RECORDABLE INCIDENT RATE

ONEOK has put processes in place to help improve the safety and health of our employees. One area our commitment and efforts are displayed is in the more than 25 percent reduction of the Total Recordable Incident Rate (TRIR) from 0.78 in 2017 to 0.58 in 2018.

We continually evaluate these processes to identify certain focus areas and opportunities for improvement that will meet the high expectations set by our leadership and expected by our employees, customers, regulators and stakeholders.

## TRIR HISTORICAL DATA\*



\* Total OSHA-recordable injuries and illnesses multiplied by 200,000 and divided by total employee work hours.

# PREVENTABLE VEHICLE INCIDENT SEVERITY RATING

ONEOK has reported its Preventable Vehicle Incident Rate (PVIR) in each Corporate Responsibility Report since 2009. This metric is a key indicator of employee driving performance, and helps us manage health and safety risks associated with driving.

A Preventable Vehicle Incident (PVI) is any incident involving a fleet or rental motor vehicle that results in an injury to any person or damage to any vehicle or property where the driver failed to reasonably avoid the incident.

The circumstances around each PVI are not the same and results may vary. To help our leadership team coach employees more effectively regarding PVIs, a severity category was added to the PVI metric.

Now, PVIs are placed into one of four categories with Tier I being the most severe and Tier IV being the least severe. The criteria establishes guidelines to categorize each PVI allowing leadership to focus attention on preventing PVIs that have a higher likelihood of resulting in an injury to people or damage to property.

- ◇ Tier I – Fatality, hospitalization, major fire/release, property damage: >\$50,000.
- ◇ Tier II – Recordable injury, vehicle tow away, minor fire/release, property damage: \$25,000 – \$50,000
- ◇ Tier III – First-aid injury, vehicle driven away, property damage: \$3,000 – \$25,000, occurs within 10 feet of process equipment.
- ◇ Tier IV – No injury, minor damage (dent, scratch or ding), property damage: <\$3,000, occurs greater than 10 feet from process equipment.

We believe the severity categories will increase the effectiveness of our initiatives aimed at improving our driving efforts.

View the Performance Data Table for more information on TRIR and PVIR, as well as other health and safety statistics.

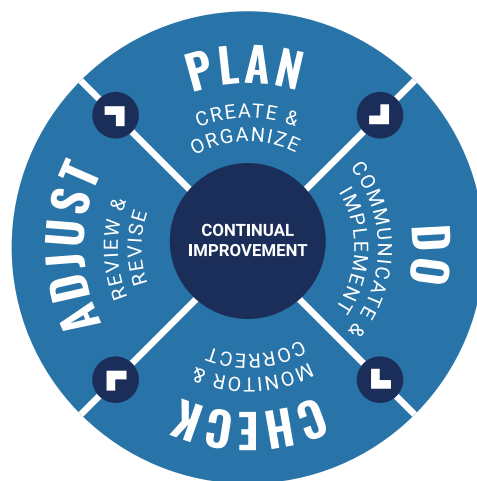
# PROCESS AND FACILITY SAFETY MANAGEMENT

In 2016, we implemented Safety and Health Capability Reviews, which brought a multidisciplinary team of employees together to assess and consolidate our safety and health management practices, including our standards and procedures around the 14 process safety management (PSM) elements as defined by the Occupational Safety Hazard Administration (OSHA). In 2018, a committee was created as an extension of our review to drive ongoing analysis and improvement.

Employee responsibilities/expectations for each element are defined in the PSM Standards. Training is required for all applicable employees, and Operations Procedure training is conducted every three years.

## 14 Process Safety Management Elements

- ◇ Employee participation
- ◇ Process safety information
- ◇ Process hazard analysis
- ◇ Operating procedures
- ◇ Training
- ◇ Contractors
- ◇ Pre-startup safety review
- ◇ Mechanical integrity
- ◇ Hot work permits
- ◇ Management of change
- ◇ Incident investigations
- ◇ Emergency planning and response
- ◇ Compliance audits
- ◇ Trade secrets



# EMERGENCY RESPONSE

ONEOK maintains a strong emergency planning preparedness and release response system, and utilizes an Incident Command System across our operations to prepare for and respond to potential incidents.

Each location/facility maintains an emergency response or emergency action plan that addresses employee responsibilities, evacuation and event reporting procedures. Additionally, all PSM-regulated facilities maintain a risk-management plan, which outlines emergency response coordination with local agencies.

These plans are tested regularly with employees, local first responders and emergency management, and government officials. Our programs are reviewed annually to determine their effectiveness and to identify areas of improvement.



**92%**

OF EMPLOYEES COMPLETED EMERGENCY  
RESPONSE ACTION PLAN TRAINING

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## THE EMERGENCY ACTION PLAN (EAP) STANDARD

The Emergency Action Plan (EAP) Standard contains ONEOK's minimum requirements for the development of Emergency Action Plans in accordance with the Pipeline and Hazardous Materials Safety Administration (PHMSA), Occupational Safety Hazard Administration (OSHA) and EPA risk-management program regulations.

The purpose of the plan is to provide information for employees and responders during an emergency. The plan contains information used during emergencies to protect employees, contractors, responders and assets while maximizing the safety of the public and environment.

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## CONTRACTOR SELECTION AND MANAGEMENT

We expect and require our contractors to maintain the same high ESH performance standards we ask of our employees.

Because we use third-party contractors to assist in the construction, operation and maintenance of our facilities and assets, contractor management is an important element of our ESH management system. As part of the management system, we have established contractor qualification, selection and retention criteria designed to attract the most qualified companies. Each company we contract with is responsible for providing personnel who are appropriately screened, trained, qualified and able to perform specified duties related to all of our applicable ESH policies and procedures. Once selected, contractors are monitored periodically for compliance with our ESH expectations.



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## STOMP

Our large construction projects team continues to utilize our Safety Tracking for ONEOK Major Projects (STOMP) safety tool, which is designed to capture and monitor our contractors' ESH performance. STOMP assists us and contract employees in the prevention of injuries, equipment damage, environmental impact and facility downtime. Our STOMP tool has raised awareness among our contractors of the benefits and requirements of reporting incidents, implementing corrective actions and identifying events early, which helps prevent and reduce incidents and their consequences.

**For statistics, see our Performance Data Table.**



# PEOPLE

Our employees work each day to provide safe, reliable energy and services to a wide range of diverse customers. ONEOK's ongoing commitment to diversity is seen not only in our workforce but also in the services we provide. We value diversity, as well as the dignity and worth of each employee, and foster an inclusive workplace of opportunities and rewards for teamwork and innovation.

DIVERSITY AND INCLUSION

PEOPLE ATTRACTION AND SELECTION

BENEFITS AND COMPENSATION

TALENT MANAGEMENT





# DIVERSITY AND INCLUSION

ONEOK views diversity and inclusion as critical not only to how we recruit talent but also to how we develop and retain our workforce; how we help communities thrive; and how we deliver value to stakeholders. Through ongoing education and engagement with employees and strategic partnerships with universities, technical schools and community organizations, we are building a network of support to maximize the impact we can have internally and externally.



## PROGRAMS AND EVENTS

ONEOK’s Diversity and Inclusion Strategy involves all employees—from individual contributors through senior management. A Diversity and Inclusion Council, chaired by the president and CEO, and vice chaired by another senior executive, serves in an advisory capacity to guide ONEOK’s diversity and inclusion efforts. The council’s members come from all levels of the company, including people from different backgrounds and work locations.

As part of the Diversity and Inclusion Strategy, ONEOK continues to support employee-driven business resource groups, which are intended to promote the development of traditionally underrepresented segments of our workforce. In 2018, three groups—Black/African American, Veterans and Women’s—worked to expand opportunities for employees to come together to exchange ideas, build relationships and provide professional development opportunities. In 2019, we welcomed two more groups—Latinx/Hispanic American and Indigenous/Native American.

Below are some of the activities we engaged in, supporting our Diversity and Inclusion Strategy:

#### **Community Engagement**

- ◇ Honored veterans by hosting employee veteran-recognition ceremonies at more than 30 locations.
- ◇ Sponsored Tulsa's Juneteenth movie night attended by approximately 3,500 community members.
- ◇ Hosted students from Oklahoma's only historically black college and university, Langston University, for a day of learning about our company, touring facilities and networking with employees.
- ◇ Participated in the Tulsa Dr. Martin Luther King Jr. Parade with more than 130 employees in attendance.
- ◇ Hosted a care package drive at several locations, collecting items to send to deployed employees and family members in the military.

#### **Networking/Collaboration**

- ◇ Started the "Learning Tables" and "Mentoring Circles" programs designed to bring employees together to build relationships and explore issues of diversity and race.
- ◇ Hosted a book club and in-person presentation with the book's lead researcher on how societal gender differences may impact the workplace.
- ◇ Continued additional executive mentoring sessions to connect employees with senior leaders in the company.

#### **Development**

- ◇ Offered a six-webinar series on topics like sponsorship, becoming a thought leader, stretch assignments and managing failure. Employees at the headquarters and field locations participated, totaling more than 340 hours of training.
- ◇ Hosted an all-employee and supervisor-only presentation with a nationally renowned inclusion expert on the roles risk-taking and diversity of thought play in building inclusive teams.

# PEOPLE ATTRACTION AND SELECTION

Long-term sustainability is tied to our commitment to attract, develop and retain a diverse group of talented employees, and with our focus on sustainable growth, employing people with the best skills, values and abilities continues to be as important as ever.



ONEOK's approach to recruitment is collaborative, involving people attraction and selection, diversity and inclusion, and community investments, among others, to execute a strategy that meets our hiring and retention needs. Furthermore, ONEOK understands that investing in education and our communities raises the level of talent for all. We create opportunities for students to engage with ONEOK through:

- ◇ Intern and trainee programs for university and technical school students.
- ◇ Support for in-school science, technology, engineering and math (STEM)-related programs.
- ◇ Diversity and inclusion funding, visits and virtual meetings at universities and technical schools.
- ◇ Summer internships for high school students.

In addition to university and technical school recruiting, ONEOK also commits significant resources to hiring experienced candidates through our full-time hire program, which encompasses external and internal hiring.

## PEOPLE ATTRACTION AND SELECTION

Total school visits:	40 (includes universities, technical schools and high schools)
Students in summer intern/trainee program:	74



# BENEFITS AND COMPENSATION

Maintaining a competitive edge in the marketplace provides stability for employees and gives our company an advantage in hiring and retaining high-caliber talent, thus enhancing our sustainability. We regularly compare our benefits and compensation to peer companies and market data, and adjust benefits and compensation as frequently as needed in an effort to continue to offer a competitive total compensation package.



Through our market-based compensation philosophy, leaders have the flexibility to adjust employee compensation at any time as needed to reflect experience and performance, along with other factors, including cost of labor in a geographic area, talent supply and demand. Leaders are expected to perform salary reviews at least once per year, supported by market survey data compiled by Human Resources. The compensation team also assists the legal department with periodic audits and analysis of pay data including pay equity among various employee demographics.

## MATERNITY, PATERNITY AND ADOPTION LEAVE POLICY

In early 2019, ONEOK expanded its Maternity, Paternity and Adoption Leave policy to support employees and their growing families. The expanded policy provides eligible employees with up to 240 hours of paid leave to use for nonmedical baby bonding following the birth or adoption of a child. Part-time employees may receive up to 120 hours. Employees receive 100% of their salary while on leave.

# 2018 PAYROLL

# \$317 MILLION

IN TOTAL PAYROLL\*

WORK STATE	EMPLOYEES*
IA	23
IL	65
IN	5
KS	220
KY	2
MN	38
MT	89
ND	303
NE	7
NM	3
OK	1,586
SD	7
TN	5
TX	309
WI	14
WY	22

\*As of April 1, 2019

## 2018 PAYROLL BY STATE OF RESIDENCE\*

Iowa	\$2,095,839
Illinois	\$5,606,944
Indiana	\$1,173,863
Kansas	\$19,214,379
Minnesota	\$3,286,272
Montana	\$13,369,084
North Dakota	\$29,554,799
Oklahoma	\$203,352,457
Texas	\$31,564,219
Wisconsin	\$1,089,918
Wyoming	\$3,220,582
Other	\$3,023,140

\*As of December 31, 2018

Payroll information is based on employees' states of residence. Employee workforce information is based on state of employment. Because we have a number of employees who live and work in different states, and employees who leave the company throughout the year, comparing payroll and workforce information side by side would not necessarily be accurate. Workforce data represents our employee count at a date in time. Payroll data represents a cumulative total paid throughout the year.

# EMPLOYEES



**2,698\***  
**EMPLOYEES**

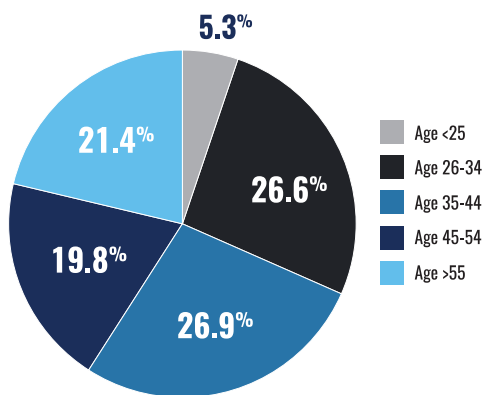
**360**  
**NEW HIRES**

**2017**

**418**  
**NEW HIRES**

**2018**

## AGE OF ONEOK EMPLOYEES\*



EMPLOYEES	2018*	2017
Total Employee Workforce	2,698	2,500
Percent Women – Total Workforce	20.5	20.8
Percent Women – Officer	18.8	17.8
Percent Women – Management**	21.5	22.1
Percent Women – Nonmanagement**	20.2	20.6
Percent Minorities – Total Workforce	16.0	14.8
Percent Minorities – Officers	4.2	4.4
Percent Minorities – Management**	10.8	10.9
Percent Minorities – Nonmanagement**	17.5	16.0
Number of New Hires	418	360
Percent Field – Total Workforce	58.9	58.8
Percent Nonfield – Total Workforce	41.1	41.2
Percent Exempt – Total Workforce	50.6	49.8
Percent Non-exempt – Total Workforce	49.4	50.2
Percent Veteran – Total Workforce	5.5	3.8
Percent Nonveteran – Total Workforce	94.5	96.2
Percent – Age <25	5.3	5.3
Percent – Age 26-34	26.6	25.2
Percent – Age 35-44	26.9	25.6
Percent – Age 45-54	19.8	19.7
Percent – Age >55	21.4	24.1

\*As of April 1, 2019

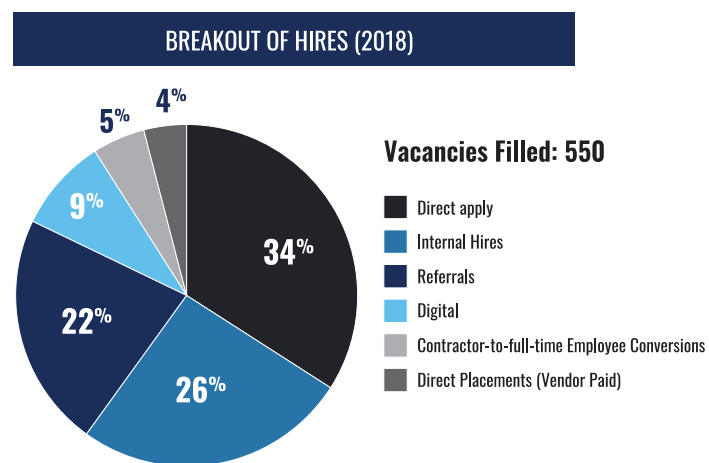
\*\*Does not include officers.

## BOARD OF DIRECTORS

BOARD OF DIRECTORS*	2018	2017
Number of Directors	11	10
Percent Women – Total Board	18.2	20.0
Percent Minority – Total Board	9.1	10.0
Percent – Age <60	9.1	30.0
Percent – Age 60-69	63.6	60.0
Percent – Age >70	27.3	10.0

\*As of April 4, 2019

## BREAKOUT OF HIRES





Providing challenging development opportunities for our workforce is critical to sustaining a high-performance culture.



Our Organizational Development (OD) team supports and guides employees along their career path, providing training and resources in the form of webinars, in-person trainings, individual consultations, books and self-guided learning. Our Employee Relations team administers a robust annual performance assessment process and works closely with OD and Legal to provide coaching or discipline, as applicable.

Our core Leadership Development Strategy consists of three classroom modules: Foundations of Leadership, Situational Leadership II and Leading High Performing Teams. We train leaders to develop their employees through a 70/20/10 model that includes real-world experience (70%), meaningful exposure (20%) and classroom activities (10%).

Ongoing feedback is collected and considered, and trainings are modified or added to meet the changing needs of employees. The team also conducts one-on-one consultations with employees at all levels to develop growth plans that help meet individual development targets.

To support the work of the Organizational Development team, in early 2019, the Black/African American Resource Group began piloting a group mentoring program, pairing senior company leaders with small groups of employees to discuss topics related to sponsorship, career management, leading from any level, etc. More than 45 employees currently are participating in the program.

Additional training is provided by various groups within the company focusing on topics like corporate compliance; ethics; environment, safety and health; information security; anti-harassment; and human rights or other policies. In 2018, employees completed more than 62,252 hours of formal training.

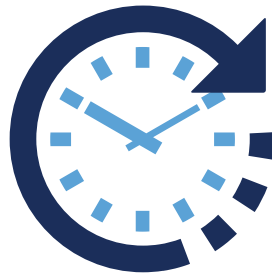




**122,564:**  
NUMBER OF 2018 TRAINING  
COURSES/SESSIONS COMPLETED



**62,252:**  
TOTAL 2018 TRAINING HOURS



**23.1:**  
AVERAGE TRAINING HOURS  
PER EMPLOYEE  
(BASED ON 2,698 EMPLOYEES)

# COMMUNITY INVESTMENTS

ONEOK values being a good corporate citizen and is committed to fostering relationships between our company, employees and the community. We seek to give back through collaborating with community organizations and key stakeholders to address local needs and provide resources for all to benefit. Providing community investments programs and opportunities that encourage and support engagement creates shared value by connecting business success with societal progress.

We strategically invest in charitable organizations and causes that align with our company's values, as well as meet community needs by providing valuable services and resources. Through financial contributions and volunteer service, our goal is to enhance the quality of life and economic well-being of our communities while creating a positive environment in which to do business.



## 2018 COMMUNITY INVESTMENTS HIGHLIGHTS

- ◇ Approximately 200 communities in our operating area benefited from one or more of our community investments programs.
- ◇ 26% of total giving was contributed to diversity- and inclusion-related requests.
- ◇ Total volunteerism (employees/family/friends/retirees): 674 volunteers; 14,245 hours.
- ◇ Estimated Value of Total Company Volunteerism: \$351,709. (Based on the estimated value per hour of volunteer time of \$24.69.)
- ◇ 241 volunteer service grants were earned by employees through our volunteer program to give to designated charitable organizations for a total of \$60,250.
- ◇ In 2018, the ONEOK Foundation, Inc., contributed approximately \$4 million, and ONEOK made corporate contributions of approximately \$3 million to support local nonprofit organizations.

# ONEOK FOUNDATION AND CORPORATE CONTRIBUTIONS

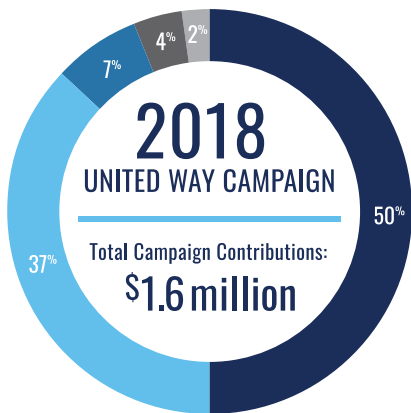
## 2018 ONEOK FOUNDATION CONTRIBUTIONS: \$4 MILLION



## 2018 CORPORATE CONTRIBUTIONS: \$3.1 MILLION



# 2018 UNITED WAY CAMPAIGN



\*Company match is dollar-for-dollar on all contributions and fundraising events.

# STAKEHOLDER ENGAGEMENT

Proactive and meaningful dialogue with landowners, community leaders and other stakeholders is key to providing accurate and timely responses to their questions or concerns. Engaging with these groups not only helps us build positive relationships but also evaluate whether we're meeting our stakeholder commitments and/or how we may improve.



## PROJECT OUTREACH

During project development, listening to stakeholders and obtaining input is important. For pipeline projects, right-of-way teams work diligently with landowners to establish easement agreements, which grant permission for the pipeline to be constructed, operated and maintained on their property. We also work with applicable local, state and federal agencies to obtain all necessary permits related to our projects.

We often conduct public meetings as part of our project outreach to connect with various stakeholders. In 2018, we held 15 public meetings/open houses across the Elk Creek, Arbuckle II and West Texas pipeline projects. In conjunction with open houses and landowner meetings, our government relations teams did extensive outreach with legislators and elected officials providing information on various projects.

These stakeholder conversations include topics such as general information about ONEOK and the project, safety and environmental considerations, the construction process, operations and rights of way.

## SUPPLY CHAIN

ONEOK works with our suppliers to communicate and help them understand our commitment to sustainability, safety and ethical behaviors. We communicate our values and commitments to operate safely and in an environmentally responsible manner with our suppliers and contractors through our supplier letters and our Code of Business Conduct and Ethics.

We seek to evaluate supplier and contractor sustainability performance, workforce policies and commitments to human rights to promote alignment with our own commitments to these operating principles.

ONEOK has implemented a robust risk-management program for evaluating environmental standards and ethical practices internally and actively seeks to improve evaluation of our suppliers. Sustainable supply chain management is a priority for the organization with the goal of continuous improvement and risk mitigation.

## DOMESTIC PURCHASING PRACTICES

ONEOK values supporting American jobs and domestic manufacturing. We have long-standing procurement practices that prioritize buying American-made products. Our domestic purchasing expectations are communicated to suppliers in our sourcing requests, seeking to prioritize American manufactured products versus other options.

This purchasing practice applies to a broad range of products and materials, including, but not limited to, pipe, valves, process unit equipment and safety equipment. Although factors such as cost, availability, quality and schedule impacts are considered in the sourcing decisions we make, approximately 98% of our procurement spend in 2017-18 was on U.S.-manufactured materials and products.



# GOVERNANCE

ONEOK PLAZA

EDWARDS

# GOVERNANCE

Our board of directors and management are committed to maintaining strong corporate governance practices that allocate rights and responsibilities among our board, management and shareholders in a manner that benefits the long-term interest of all our stakeholders. Our corporate governance practices are designed not just to satisfy regulatory and stock exchange requirements but also to provide for effective oversight and management of our company.

## CORPORATE GOVERNANCE PRACTICES

- ◇ An 11-member, balanced board with deep experience and diverse expertise relevant to our strategy, business and industry.
- ◇ Annual election of directors.
- ◇ Majority voting for directors.
- ◇ Board leadership provided by a nonexecutive chairman of the board, a lead independent director with robust duties and independent committee chairs.
- ◇ Robust director nominee selection process.
- ◇ Bylaws provide for proxy access by eligible shareholders.
- ◇ Regular board and committee performance evaluations.
- ◇ Mandatory director retirement age of 75.
- ◇ A commitment to regular board refreshment.
- ◇ Independent Audit, Executive Compensation and Corporate Governance Committees.
- ◇ Regular executive sessions of nonmanagement directors and independent directors.
- ◇ Long-standing commitment to corporate responsibility and sustainability, including safety and health, environmental performance, community leadership and investment, and oversight of public policy engagement.
- ◇ Long-standing shareholder engagement program.
- ◇ Annual review of ONEOK's strategic plan.
- ◇ Risk oversight by full board and committees, including a comprehensive annual enterprise risk-management process.
- ◇ Alignment of Executive Compensation with total shareholder return, return on invested capital and distributable cash flow per share.

## ESG AND SUSTAINABILITY LEADERSHIP

As part of our efforts to increase our ESG performance and disclosures, ONEOK created an ESG Council in 2019 to provide vision, direction and oversight for our company.

The council evaluates and reports on environmental impacts, employee and contractor safety and health, stakeholder engagement, workplace culture, community involvement, business continuity, risk and board of director involvement—all important to sustaining our business far into the future.

Leadership from various departments across the company, including Operations, Human Resources, Legal, Commercial, Corporate ESH and Government Affairs, Investor Relations and Communications make up the council.

Some of the ESG Council's key responsibilities include:

- ◇ Reviewing trends in the company's performance, providing direction, defining goals and recommending initiatives to drive improvement.
- ◇ Reviewing and recommending for approval current and future ESG disclosures.
- ◇ Providing feedback to investor inquiries and rating/ranking agency reports related to ESG topics.
- ◇ Reviewing and recommending for approval corporate-level ESG policies and commitments.
- ◇ Evaluate and consider future ESG investments.
- ◇ Driving consistency and sharing of best practices among operations regarding ESG programs, processes and management systems.
- ◇ Considering potential ESG risks and opportunities that could significantly impact the company's business strategies in connection with the corporate planning and decision-making process.

## ESH LEADERSHIP COMMITTEE

Our ESH Leadership Committee, created in 2008, is responsible for providing vision, leadership, direction and oversight for all our ESH programs, processes and management systems. Our ESH Leadership Committee is composed of our senior management and subject-matter experts representing key areas of ESH. Two subcommittees: Operations and ESH Management also develop strategies to create and embrace a sustainable ESH culture throughout the organization. The two subcommittees aim to improve knowledge sharing, increase initiative execution opportunities, and identify various metrics and trends that can improve our ESH performance.

The committee's key responsibilities include:

- ◇ Promoting and advocating expectations for ESH excellence across the organization.
- ◇ Reviewing trends in the company's ESH performance and driving initiatives and accountability to improve performance.
- ◇ Driving consistency and sharing of best practices among ONEOK's business segments.
- ◇ Identifying, evaluating and communicating emerging issues that may impact ESH.
- ◇ Supporting broad communication of ESH policies, standards, goals and objectives within ONEOK management, and promoting consistent application throughout the company.
- ◇ Facilitating improvements by driving the ESH Management System Framework.
- ◇ Overseeing the company's ESH recognition/reward programs.
- ◇ Considering potential ESH risks and opportunities that could significantly impact the company's business strategies in connection with corporate planning and decision-making processes.



# SUCCESSION PLANNING

A key responsibility of the CEO and the board of directors is to conduct and maintain an effective process designed to provide continuity of leadership over the long term at key levels in our company. Each year, succession-planning reviews are held for officer positions and other key leadership roles within the company, culminating in a full review of senior leadership talent by our independent directors. During this review, the CEO, the chairman of the board and the other independent directors discuss future candidates for senior leadership positions, succession timing for those positions and development plans for the highest-potential candidates. Similar succession planning discussions occur throughout the organization. This process forms the basis on which our company makes ongoing leadership assignments.

## NON-RETALIATION AND ANTI-HARRASSMENT

### Non-retaliation Policy

ONEOK prohibits any form of retaliation against employees for raising a Code of Conduct concern honestly and in good faith, or truthfully participating in a company investigation. All reports of retaliation will be investigated.

### Anti-harassment Program

As part of its commitment to promote a productive work environment, ONEOK prohibits harassment in any manner based on race, color, sex (with or without sexual conduct), pregnancy, sexual orientation, age, religion, creed, national origin, gender identity, disability, military/veteran status, genetic information, and other categories protected by applicable laws or protected activities. The scope of this policy also applies to vendors, temporaries, contractors, leased employees and outside visitors.

## WHISTLEBLOWER HOTLINE

ONEOK's Whistleblower Hotline provides for the submission of complaints or concerns under the Whistleblower Policy regarding financial statement disclosures, accounting, internal accounting controls, or auditing matters and matters arising under the ONEOK Code of Business Conduct and Ethics. The Whistleblower process is intended for employees or others to report complaints or concerns regarding accounting and Code of Business Conduct and Ethics matters within the company.

ONEOK is committed to conducting its business in an ethical manner and in full compliance with applicable U.S. and foreign laws. This includes the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and applicable laws enacted pursuant thereto, and similar laws of other countries. ONEOK has adopted an Anti-Corruption Policy to reinforce that commitment.

**Code of Business Conduct and Ethics**  
(Administrative Update: Feb. 12, 2018)

### Anti-Corruption Policy

Please Note: The Whistleblower process is intended for employees or others to report complaints or concerns regarding accounting and Code of Business Conduct and Ethics matters within the company.



# GOVERNMENT RELATIONS

Advocating for ONEOK includes educating stakeholders about our business and industry, and providing recommendations for policies that support efficient operations and our ability to execute on our capital-growth strategies. This includes understanding the effects various legislative and regulatory policies may have on our business, utilizing ONEOK Employee Political Action Committee (ONEOK Employee PAC) membership and resources and engaging with industry associations.

## KEY POLICY ISSUES

Several key policy issues in which we participate include:

- ◇ **Pipeline Safety and Protecting Critical Infrastructure:** Promoting the safety of employees and the public as well as the integrity of our assets through legislation that improves damage-prevention programs, like One Call, and protects against trespass and intentional damages.
- ◇ **Regulatory Oversight:** Promoting regulations that support sound operations through reasonable and effective oversight.
- ◇ **Taxes:** Promoting tax treatment that reflects and supports our business growth and impact.
- ◇ **Eminent Domain:** Promoting a balance between necessary infrastructure growth and fair compensation for landowners.

Additionally, we engage with federal, state and local public officials associated with our project locations early in the planning and design process to provide accurate, up-to-date information, as well as to establish a connection and support an open dialogue.

## ONEOK EMPLOYEE POLITICAL ACTION COMMITTEE

The ONEOK Employee PAC provides eligible employees the opportunity to engage in policy issues related to our industry through financial contributions to candidates running for public office. Additionally, members of the ONEOK Employee PAC are given opportunities to meet with our Government Relations team and learn more about our business and advocacy efforts, as they are valuable partners in discussions about policy impacts on our business.

The ONEOK Employee PAC's support of elected officials is strictly nonpartisan. A PAC Contribution Committee of employees reviews and approves all proposed disbursements.



### 2018 ALLOCATION OF EMPLOYEE CONTRIBUTIONS:

- TOTAL: \$152,320
- FEDERAL: \$61,000
- STATE: \$91,320

ONEOK does not contribute corporate funds to political candidates but offers employees the opportunity to participate in the political process by contributing to the ONEOK Employee PAC.

The ONEOK Employee PAC is a voluntary fund supported by ONEOK employees who choose to donate their time and money to support candidates running for federal, state and local offices who support the interests of the energy industry and business in general.

A steering committee, made up of five senior management representatives, oversees all decisions and management of the ONEOK Employee PAC. A contribution committee made up of 15 employees from across ONEOK's operating area oversees and approves all ONEOK Employee PAC contributions to political candidates.

The ONEOK Employee PAC is registered with the U.S. Federal Election Commission (FEC). It operates independently of any political party and complies with all reporting requirements of the FEC and state and local laws.

## KEY INDUSTRY ASSOCIATIONS

ONEOK's involvement with industry associations, legislative and/or regulatory committees, and other stakeholder groups strengthens our ability to advocate for ONEOK's interests. Through involvement in these groups, we participate in discussions about policy issues related to our business and provide input from the midstream energy sector.

In 2018, ONEOK was involved in more than 80 association groups in eight states within our operating footprint and Washington, D.C., including:

## **Washington, D.C.**

- ◇ Energy Infrastructure Council
- ◇ Interstate Natural Gas Association of America's Legislative Committee and Tax Task Force
- ◇ GPA Midstream Association, including Legislative and Regulatory committees
- ◇ Association of Oil Pipeline's Legislative Committee
- ◇ American Petroleum Institute

## **Oklahoma**

- ◇ State Chamber of Oklahoma
- ◇ Oklahoma Independent Petroleum Association-Oklahoma Oil and Gas Association
- ◇ Environmental Federation of Oklahoma

## **Kansas and Colorado**

- ◇ Kansas Independent Oil & Gas Association
- ◇ Kansas Chamber and Commerce and Industry
- ◇ Kansas Pipeline Association
- ◇ Colorado Oil & Gas Association

## **Texas and New Mexico**

- ◇ Texas Pipeline Association
- ◇ Texas Oil and Gas Association
- ◇ New Mexico Oil and Gas Association

## **North Dakota, Montana and Wyoming**

- ◇ North Dakota Petroleum Council
- ◇ North Dakota One Call Stakeholders Group
- ◇ North Dakota Flaring Task Force
- ◇ North Dakota EmPower Commission
- ◇ Montana One Call Stakeholders Group
- ◇ Montana Petroleum Association
- ◇ Petroleum Association of Wyoming

# INFORMATION SECURITY

Securing our company's assets, including technology and information, is critical to providing reliable service to our customers and value to our stakeholders.



## RISK-MANAGEMENT AND OVERSIGHT

We engage in a comprehensive enterprise risk-management (ERM) process annually to identify and manage risk. Our ERM assessment is designed to facilitate a mutual understanding between our board and management regarding the effectiveness of our risk-management practices and capabilities, our risk exposure and guidance on when to elevate certain key risks for discussion at the board level.

The program, overseen by our chief financial officer, is a key part of our annual strategic-planning process and is designed to identify, assess, monitor and manage risks that could affect our ability to fulfill our business objectives or execute our corporate strategy.

Our process involves identifying and assessing a broad range of risks and developing plans to mitigate them. These risks generally relate to the strategic, operational, environmental, financial, regulatory compliance and human resources aspects of our business. The board receives periodic updates on specific key risks throughout the year.

For more detailed information on our risk-management philosophy, view the 2019 Proxy Statement.

## CRISIS MANAGEMENT

ONEOK takes a cross-disciplinary approach to security—addressing physical security, cybersecurity, regulatory security, business continuity and disaster recovery—because in today’s world, attacks often are multifaceted.

To practice and evaluate our crisis response efforts, ONEOK designed and conducted a multiday exercise in 2018 that brought together all crisis management disciplines. The primary objectives were to:

- ◇ Practice the escalation and coordination processes, incorporating the Crisis Management Team.
- ◇ Test communication tools and protocols.
- ◇ Familiarize participants with the company’s alternate worksite and identify additional resource requirements, if any.
- ◇ Collaborate with external agencies, including emergency responders.

The exercise was successful in meeting the stated objectives and providing an opportunity for targeted conversations about our crisis management approach. It also helped build relationships and collaboration between ONEOK and local incident response teams, including local fire, emergency responders and police departments.

## INFORMATION SECURITY

Technology is a critical link in connecting ONEOK’s physical and information assets and promotes our ability to operate safely and reliably. Maintaining the security of our technology systems and information assets is paramount, which is why ONEOK works continuously to reduce exposure to cyberrisk through employee-focused awareness programs and process and technology improvements.

Our information security efforts are guided by an executive advisory committee composed of company officers from various business segments who meet regularly to evaluate ongoing cybersecurity threats, define policy, set strategy and prioritize initiatives. The board of directors also receives regular updates on the company’s cybersecurity efforts.

Our voluntary cybersecurity awareness program, SecuritySense, continued to reach high levels of engagement in 2018, with 80% of employees completing at least one training.

The program utilizes monthly, online trainings to educate employees about security-related topics. In 2018, employees completed 24,586 courses, equating to more than 2,190 hours of training.

We also require individuals who may have access to HIPAA-protected health information (PHI) to complete annual training, and maintain other physical technological and procedural safeguards designed to protect the privacy and security of all PHI in accordance with our comprehensive HIPAA policies and procedures manual.

## REQUIRED SECURITY TRAINING

We now are pursuing more aggressively the security of our industrial control systems (ICS) through training, processes and technology aimed at improving standardization and our ability to respond to threats.

Required ICS security training for employees operating and monitoring these systems includes information about specific threat indicators in the ICS environment, as well as appropriate response channels and what we believe are best practices for identifying and responding to threats.

ONEOK also deployed additional technology resources aimed at reducing the risk to our control system. Targeted cybersecurity awareness, similar to the efforts deployed for ICS, will continue to be an area of focus for ONEOK.

## PHYSICAL SECURITY

Securing the physical sites where our employees work and our assets reside is a key component of our security strategy. This includes, but is not limited to, standardized access control and video surveillance systems, and unified ID badge technology.

To date, more than 1,800 of employees are covered by the physical-security standard, and we anticipate continuing to implement improvements over the next few years.

## CYBERSECURITY

ONEOK's cybersecurity program conforms with the guidelines of the widely utilized National Institute of Standards and Technology (NIST) Cybersecurity Framework and focuses primarily on corporate information security, industrial control system (ICS) security and physical security.

We segment, or split, our networks into subnetworks to improve performance and security, and we have business continuity and disaster recovery plans in place that allow for switching to redundant backup systems, alternative forms of communication and manual operation of assets.

Our program is governed by an Information Security Advisory Team, which is composed of members of the executive management team, and updates are reported regularly to the board of directors.

In 2018, as part of our cybersecurity efforts, we continued to:

- ◇ Engage and educate employees through our cybersecurity awareness program, SecuritySense, which utilizes monthly, online trainings about security-related topics.
- ◇ Roll out ICS-related education and technology enhancements.
- ◇ Improve identity management across all applications.
- ◇ Work collaboratively with the FBI and other relevant law enforcement resources to address cyberthreats.

## QUESTIONS AND COMMENTS

To offer comments and suggestions about this report, please contact:

### **Corporate Communications**

Brad Borrer, manager – communications,  
by phone at 918-588-7582 or by email at [brad.borrer@oneok.com](mailto:brad.borrer@oneok.com).

### **Investor Relations**

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by phone at 918-561-5325 or by email at [megan.patterson@oneok.com](mailto:megan.patterson@oneok.com).



# GRI INDICATORS

ONEOK PLAZA



# GRI INDICATORS

## GRI 102 – General Disclosures

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Organizational Profile		
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	4
102-3	Location of headquarters	26
102-4	Location of operations	10
102-5	Ownership and legal form	4
102-6	Markets served	10
102-7	Scale of the organization	10,44, see proxy statement
102-8	Information on employees and other workers	45
102-9	Report a description of the organizations supply chain, including its main elements as they relate to the organizations activities, primary brands, products and services	4, 52, oneok.com
102-10	Significant changes to the organization	2
102-13	Membership of associations	58-59

## GRI 102 – General Disclosures

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
<b>Strategy</b>		
102-14	Statement from senior decision-maker	1-2
102-15	Key impacts, risks and opportunities	14-38, 60-62
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behavior	4
102-17	Mechanisms for advice and concerns about ethics	56, oneok.com
<b>Governance</b>		
102-18	Governance structure	see proxy statement
102-19	Delegating authority	see proxy statement
102-20	Executive-level responsibility for economic, environmental and social topics	54-55
102-21	Consulting stakeholders on economic, environmental and social topics	5, 8, 51, 55
102-22	Composition of the highest governance body and its committees	see proxy statement
102-23	Report whether the chair of the highest governance body is also an executive officer, describe his or her function within the organization management and the reasons for this arrangement	chair is not an executive officer of organization, see proxy statement
102-24	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	see proxy statement

## GRI 102 – General Disclosures

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Governance Cont.		
102-25	Conflicts of interest	see proxy statement
102-26	Role of highest governance body in setting purpose, values and strategy	54, see proxy statement
102-27	Collective knowledge of highest governance body	see proxy statement
102-28	Evaluating the highest governance body's performance	see proxy statement
102-29	Identifying and managing economic, environmental and social impacts	see proxy statement
102-30	Effectiveness of risk management processes	see proxy statement
102-31	Review of economic, environmental and social topics	see proxy statement
102-32	Report the highest committee reviews and approves the organizations sustainability report and ensures that all material topics are covered	55, see proxy statement
102-33	Communicating critical concerns	see proxy statement
102-34	Report the total number and nature of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve critical concerns	see proxy statement
102-35	Remuneration policies	see proxy statement
102-36	Process for determining remuneration	see proxy statement
102-37	Stakeholders involvement in remuneration	see proxy statement
102-38	Annual total compensation ratio	see proxy statement
102-39	Percentage increase in annual total compensation ratio	see proxy statement

## GRI 102 – General Disclosures

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Stakeholder Engagement		
102-40	List of stakeholder groups	8, 51
102-41	Collective bargaining agreements	N/A
102-42	Report the basis for identification and selection of stakeholders with whom to engage	8, 51
102-43	Report the organizations approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	8-9, 51
102-44	Key topics and concerns raised	5-9, 51
Reporting Practices		
102-45	Entities included in the consolidated financial statements	4
102-46	Boundaries	5
102-47	List of material topics	6
102-48	Report the effect of any restatements of information given in previous reports and the reasons for such restatements	N/A
102-49	Report significant changes from previous report periods in the list of material topics and boundaries	5
102-50	Reporting period	5
102-51	Date of most recent report	2
102-52	Reporting cycle	5
102-53	Contact point for questions regarding the report	62
102-54	Standards	5
102-55	GRI content index	63

END GRI 102 – GENERAL DISCLOSURES

# GRI INDICATORS

## GRI 200 – ECONOMIC

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Economic Performance		
201-1	Direct economic value generated and distributed	ESG Performance Data Table
201-2	Financial implications and other risks and opportunities due to climate change	15, annual report
201-3	Defined benefit plan obligations and other retirement plans	43
201-4	Financial assistance received from government	N/A
102-9	Ownership and legal form	4, annual report
Market Presence		
202-2	Hired from the local community	42
Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	2, 10, 49-50
203-2	Significant indirect economic impacts	oneok.com
Procurement Practices		
204-1	Proportion of spending on local suppliers	52
Anti-corruption		
205-1	Operations assessed for risks related to corruption	see proxy statement
205-2	Communication and training about anti-corruption policies and procedures	56

END GRI 200 – ECONOMIC

# GRI INDICATORS

## GRI 300 – ENVIRONMENTAL

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Materials		
301-2	Recycled input materials used	28, ESG Performance Data Table
Energy		
302-1	Energy consumption within the organization	31, ESG Performance Data Table
302-2	Energy consumption outside of the organization	19
302-4	Reduction of energy consumption	31
302-5	Reductions in energy requirements of products and services	31

## GRI 300 – ENVIRONMENTAL

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
<b>Biodiversity</b>		
304-1	Operations sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	24-26
304-2	Significant impacts of activities, products and services on biodiversity	23-26
304-3	Habitats protected or restored	24-26
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG	19, ESG Performance Data Table
305-2	Energy indirect (Scope 2) GHG emissions	19, ESG Performance Data Table
305-3	Other indirect (Scope 3) GHG emissions	19, ESG Performance Data Table
305-4	GHG emissions intensity	ESG Performance Data Table
305-5	Reduction of GHG emissions	17-20
305-6	Emissions of ozone-depleting substances (ODS)	19
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	20, ESG Performance Data Table
<b>Environmental Compliance</b>		
307-1	Non-compliance with environmental laws and regulations	22, ESG Performance Data Table

END GRI 300 – ENVIRONMENTAL

# GRI INDICATORS

## GRI 400 – SOCIAL

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Employment		
401-1	New employee hires and employee turnover	45-46
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43, <a href="http://oneok.com">oneok.com</a>
401-3	Parental leave	43
Occupational Health and Safety		
403-1	Workers representation in formal joint management-worker health and safety committees	14, 36
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	21
Training and Education		
404-1	Average hours of training per year per employee	48
404-2	Programs for upgrading employee skills and transition assistance programs	47-48
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	45-46



## GRI 400 – SOCIAL

GRI STANDARD	2018 GRI STANDARD DISCLOSURE	Page(s) or External Website
Local Communities		
413-1	Operations with local community engagement, impact assessments and development programs	8-9, 37, 49-50
Public Policy		
415-1	Political contributions	58

END GRI 400 – SOCIAL



**FPO**



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