JANUARY 2022

NOIA ESG NETWORK REPORT

NOIA ESG NETWORK 2022 REPORT

PREPARED BY
THE NATIONAL OCEAN INDUSTRIES ASSOCIATION

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NOIA Membership

NOIA has more than 100 member companies, representing offshore oil and natural gas, wind and mineral production, drilling contractors, service providers, geophysical explorers, manufacturers and suppliers, marine construction, marine and air transportation, and law, finance and professional services, among other offshore industry segments.

NOIA Mission

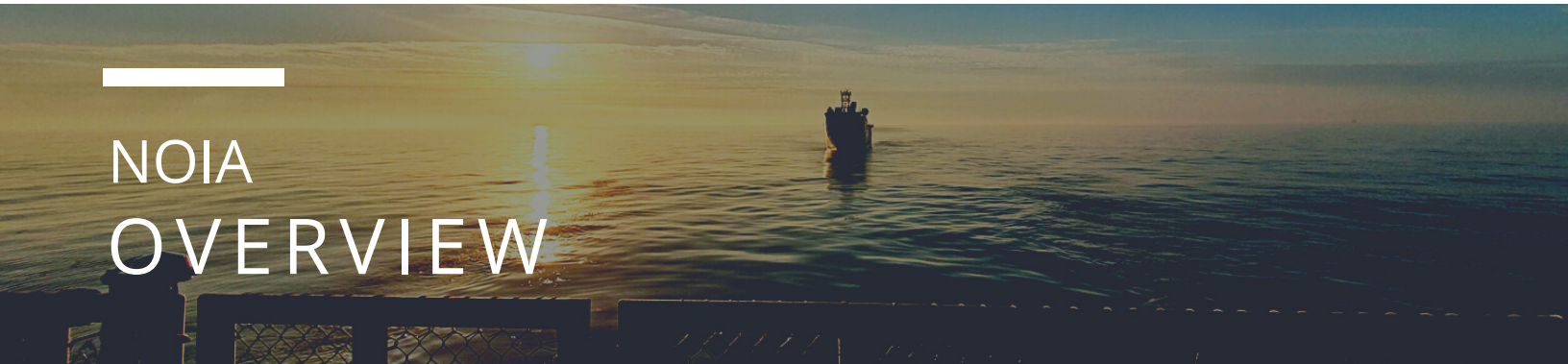
NOIA represents and advances a dynamic and growing offshore energy industry, providing solutions that support communities and protect our workers, the public and our environment.

NOIA Vision

NOIA is the sought-after and credible voice, advocate and forum for uniting and advancing the interests of the offshore energy industry, recognized for promoting solutions that provide the energy vital for lifting society in a safe and environmentally sustainable way.

NOIA Objectives

- To promote the common interests of the members of the offshore energy industry.
- To educate the public and policy makers with scientifically grounded information about the industry and its impact on our everyday lives.
- To serve as a resource for the government and other stakeholders.
- To influence public policy in support of the offshore energy industry.
- To promote the role of a competitive, fair and free market in the development of offshore energy resources.
- To facilitate a meaningful energy dialogue from diverse perspectives.
- To be a learning organization and foster the mutual improvement of its members, including safety and environmental performance, through collaborative industry programs and efforts.
- We strive to contribute solutions and best practices to optimally balance societal and environmental needs for meeting the climate challenge.



NOIA OVERVIEW

A WORD FROM THE PRESIDENT

Energy lifts society. A system of reliable, abundant, and affordable energy is essential not only for modern life, but for the basics in life that can easily be taken for granted – healthy living conditions, health care, education, mobility.

More than 750 million people around the globe do not have access to electricity. Entire communities around the world are at a severe disadvantage in life. According to the World Health Organization:

Access to energy plays a critical role in the functionality of healthcare facilities and the quality, accessibility and reliability of health services delivered. Electricity is necessary for the operation of critically needed medical devices such as vaccine refrigeration, surgical emergency, laboratory and diagnostic equipment, as well as for the operation of basic amenities such as lighting, cooling, ventilation and communications.

Globally, 2.6 billion people do not have access to clean cooking, using solid fuels such as wood, crop wastes, charcoal, and dung in open fires and inefficient stoves. The World Health Organization attributes 3.8 million premature deaths each year to indoor air pollution caused from the fumes and soot from inefficient and dirty cooking.

Furthermore, hydrocarbons are used to fill up our gas tanks so we can get home for the holidays and are transformed into the building blocks of smartphones, clothing, or medical equipment. They have unlocked modern life. Energy is the basic ingredient for lifting communities out of poverty and bridging the gap between the developed and the developing world.

All forms of energy can play a role in raising standards of living, including oil and gas, wind, solar, nuclear, geothermal, and emerging forms of energy such as hydrogen. The offshore energy sector is particularly well poised to deliver reliable, abundant, and affordable energy of many types for society. Traditionally recognized as a key oil and gas producing region, the offshore sector has emerged as a leader in offshore wind and is at the forefront in spearheading the deployment of carbon capture and storage technologies.

The U.S. Gulf of Mexico has long showed how we can embrace modern life while still adhering to the highest safety and environmental standards. The U.S. Gulf of Mexico has a carbon-intensity one-half of other producing regions. The deepwater – which represents 92% of oil production in the U.S. Gulf of Mexico – provides the lowest carbon intensity of any oil producing region.

The multitude of companies needed to produce energy offshore work collaboratively to continue to shrink an already small footprint. From electrifying operations to deploying innovative solutions that reduce the size, weight, and part count of offshore infrastructure – thus increasing safety and lowering the carbon footprint – the U.S. Gulf of Mexico hosts a high-tech revolution.

A WORD FROM THE PRESIDENT (CONT.)

Many of the same companies that built up the U.S. offshore oil and gas sector are building out the American offshore wind sector. New offshore wind projects are creating a pipeline of billions of dollars of investment and thousands of jobs connecting the U.S. Gulf of Mexico with the Atlantic and Pacific coasts. The nascent U.S. offshore wind sector will provide clean power for electric grids for coastal communities throughout the country.

Carbon capture, use, and storage is also a fundamental tool in addressing climate change. The International Energy Agency calls CCUS "an important opportunity to achieve deep carbon dioxide emissions reductions." The U.S. Gulf of Mexico could very well soon be the leader in CCUS. Early projections show that 50 million tons of C02 annually could be stored beneath the Gulf of Mexico by 2030, more than all the CCUS currently operating globally. The Gulf's storage capacity could double by 2040.

At NOIA, we established the NOIA ESG Network as a forum for learning and collaboration, recognizing that we best serve the industry by helping to elevate the performance of companies across the energy spectrum, from the smallest of vendors to the largest of global energy producers. Our shared vision is reflected in our foundational ESG principles:

- NOIA member companies provide the energy that is essential for our everyday lives and raises the quality of life of our communities, reducing poverty and hunger while promoting good heath and well-being.
- We operate in coastal and ocean environments with safety, health, environmental protection and sustainability as core values.
- We share a commitment to a high standard of corporate citizenship and continuous improvement in environmental, social and governance performance.
- We recognize the risks of climate change and the need for continued action. As innovators, we are committed to contributing solutions and best practices to optimally balance societal and environmental needs.

2021 was an important year for NOIA and our ESG program. We came together as an industry, with the full support of our membership, and developed a proactive climate change policy document that builds upon our ESG principles. We focused on emissions reduction as a priority and brought leading experts to the table to share research and best practices for continuous improvement.

The offshore industry is an essential component of an energy system that serves to lift society, supporting the development and availability of all forms of abundant, reliable, and affordable domestic energy supplies for Americans, while continuously driving down emissions.

NOIA represents the entire ecosystem of companies involved in the offshore energy sector, including oil and gas operators, wind developers, marine contractors, service companies, and suppliers and distributors. If your company is not a member, then we encourage you to consider joining us on our voyage. It is an important one, and we build our strength through our robust and impressive membership.

ERIK MILITO

NOIA PRESIDENT

ABOUT NOIA ESG NETWORK

The National Ocean Industries Association launched its new Environmental, Social & Governance (ESG) program, The NOIA ESG Network, in January 2020 as a platform for learning, collaboration and continued improvement in ESG. Both expectations and opportunities for the offshore energy community are presented by ESG and ESG investing. The investment community no longer only defines strong investments through cash and other financial metrics alone, but also through positive and sustainable impacts on communities and the environment. At the same time, ESG creates a tremendous opportunity for offshore energy companies to expound their case for excellence in performance in ESG and to demonstrate continuous improvement to investors and the public at large.

The offshore energy industry has a strong track record of high performance in ESG, from producing zero emission offshore wind energy to producing offshore oil and gas with lowest emissions of the oil producing regions to implementing innovative approaches for advancing safety and environmental performance to supporting local communities through philanthropic initiatives to transparently reporting performance to external stakeholders.

Dozens of companies, representing oil and natural gas producers and operators, wind producers, drilling contractors, geophysical services, marine construction, manufacturers and suppliers, the service sector, offshore service vessels and the non-profit community have already signed the NOIA ESG Network Participation Agreement.

NOIA member companies make an official commitment to ESG by signing a Participation Agreement. Signatories pledge their companies will participate in the NOIA ESG effort, providing support to the initiative by encouraging new member companies to attend, helping to create content for the events, and providing information and resources, such as examples of ESG programs and reports. Importantly, all members of NOIA benefit from our ESG program, which serves as the foundation for advancing the diverse objectives of the association, from advocacy to energy dialogue to collaboration. ESG content and conversation is now embedded activities of NOIA.

FOUNDATIONAL PRINCIPLES

- NOIA member companies provide the energy that is essential for our everyday lives and raises the quality of life of our communities, reducing poverty and hunger while promoting good health and well-being.
- We operate in coastal and ocean environments with safety, health, environmental protection and sustainability as core values.
- We share a commitment to a high standard of corporate citizenship and continuous improvement in environmental, social and governance performance.
- We recognize the risks of climate change and, as innovators, we strive to contribute solutions and best practices to optimally balance societal and environmental needs.

ENVIRONMENTAL PRINCIPLES

NOIA and its Members commit to:

- Using energy efficiently;
- Managing water and waste responsibly;
- Advancing best practices to reduce environmental impact and promote ecosystem health.

NOIA CLIMATE CHANGE PRINCIPLE

NOIA and its member companies commit to a collaborative approach with all stakeholders in providing solutions that balance economic, environmental and energy needs for society. We contribute to the advancement of principles of innovation, conservation, efficiency, resiliency, mitigation and adaptation that must be part of a systematic approach to addressing the climate challenge. *See the NOIA Climate Change Position on page 10 for detailed position with principles.*

SOCIAL PRINCIPLES

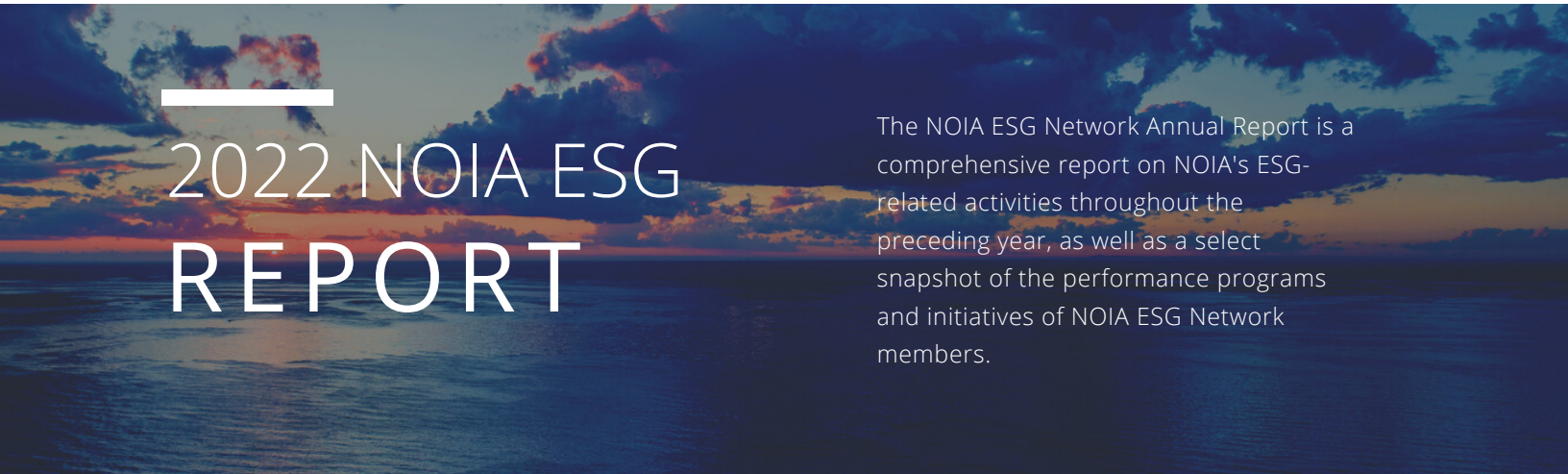
NOIA and its Members commit to:

- Diversity and inclusion in hiring and employment practices;
- Safe and healthy working conditions for employees and partners;
- Improving communities where we work and live.

GOVERNANCE PRINCIPLES

NOIA and its Members commit to:

- Operate in an ethical manner and in compliance with laws and regulations.
- Implementing processes that incorporate ESG principles and practices.
- Manage risk through appropriate controls.



Tim Duncan
President &
CEO
Talos Energy
NOIA Chair

Talos is proud of the role it plays in safely and responsibly serving the critical energy supply chain that supports our modern society in countless ways. Corporate responsibility is at the core of Talos's daily operations and culture, with a constant focus on maintaining safe operations, producing oil and gas in an environmentally conscious and sustainable manner and acting as a positive force, both for the Company's employees and in local communities. The NOIA ESG Network has been instrumental in helping companies better understand the key ESG issues and build on the learnings on a pathway of continuous improvement. NOIA's emerging work in carbon capture, use, and storage will be important as the offshore industry moves forward as part of the solution to the climate challenge. Talos is leveraging decades of experience with conventional geology and offshore energy operations to become a leader in the development of future carbon capture and storage opportunities.

Bill Langin
Senior Vice
President
West/Deepwater
Shell
NOIA ESG
Commmittee Chair

At Shell, we aim to provide more and cleaner energy solutions in a responsible manner – in a way that balances short- and long-term interests, and that integrates economic, environmental, and social considerations. Today, we continue to build on these foundations while driving change across Shell to help society meet its most pressing challenges, including those related to climate change and the environment, as well as diversity and inclusion. We seek the views of various groups and individuals about the role we play in addressing these challenges. NOIA's ESG Network continues to provide tremendous value for companies in the offshore energy sector by creating an avenue to the sharing of best practices for improvement across all three aspects of ESG. ESG encompasses some of the most pressing issues facing society. The NOIA ESG Network has helped unite the efforts of our industry in key areas such as reducing emissions, promoting diversity, and reporting with transparency.

A MESSAGE FROM LEADERSHIP

NOIA HIGHLIGHTS

NOIA Establishes Climate Position

In May 2021, the NOIA Board of Directors approved the adoption of our NOIA Climate Change Position & Principles. The foundation of the NOIA Climate Change Position & Principles reflects the long-standing commitment of the offshore energy to incorporate policies that support our shared environment and of the critical role the offshore energy industry plays as an essential part of the climate solution:

NOIA and its member companies commit to a collaborative approach with all stakeholders in providing solutions that balance environmental, social, economic, and energy needs for society. We contribute to the advancement of principles of innovation, conservation, efficiency, resiliency, mitigation, and adaptation that must be part of a systematic approach to addressing the climate challenge.

- We recognize the risks of climate change and the need for continued action. As innovators, we are committed to contributing solutions and best practices to optimally balance societal and environmental needs.
- NOIA supports the aims of the Paris Agreement.
- NOIA supports and encourages the efforts of our members in understanding their emissions impacts, in setting sustainability goals and targets, and in deploying technologies and best practices for emissions reductions. NOIA will assist our members by facilitating collaboration and enhancing organizational capability to support emissions reduction efforts. NOIA's ESG Network effectively serves as a learning and collaboration tool for continued improvement in the area of emissions reductions.
- NOIA seeks to be a constructive partner in the development of thoughtful and balanced national policy to address climate change.

The offshore energy industry has a track record of innovation and technological advancement that is solving energy challenges, increasing efficiency, and reducing emissions. We are helping to solve energy and climate problems by scaling and deploying real-world solutions. Whether it is the build-out of new offshore wind projects, developing CCUS storage facilities, finding new ways to produce hydrogen, or optimizing logistics and operations to reduce the carbon footprint, the offshore energy industry is at the forefront of energy solutions and emission reductions.

It is NOIA's position that U.S. climate policy, whether through new or amended laws or regulations, should:

- Support the development and availability of all forms of abundant, reliable, and affordable domestic energy supplies for Americans, while continuously driving down emissions.
- Result in meaningful GHG emissions reductions across all sectors of the U.S. economy.
- Balance environmental, social, economic, and energy needs.
- Provide for transparency related to the benefits and costs for society.
- Leverage the power of markets to drive economy wide emission reductions at lowest possible societal costs. This may include the utilization of market-based approaches such as a price on carbon that can provide predictability and economic efficiencies in investments and outcomes.
- Support continued funding for federal research, development, and demonstration for innovation and the advancement of emissions mitigation technologies, such as carbon capture, use, and storage, energy efficiency, hydrogen, and renewable energy.
- Seek to eliminate redundant or conflicting policies.
- Be compatible with global agreements and efforts to address the issue on a global scale.

NOIA Establishes Offshore CCUS Workgroup

NOIA established a Carbon Capture, Use, and Storage (CCUS) Workgroup to align NOIA membership and activities in deployment of CCUS in the U.S. Gulf of Mexico. Carbon capture, use, and storage (CCUS) is an innovative approach to mitigating greenhouse gas emissions. The wide-spread deployment of CCUS will be critical for achieving the climate change ambitions and goals that have been established by a diverse group of stakeholders around the world. U.S leadership in CCUS will help ensure the availability of abundant, reliable, and affordable domestic energy, while continuously driving down emissions.

According to the National Petroleum Council (NPC):

CCUS is an essential element in the portfolio of solutions needed to change the emissions trajectory of the global energy system. In its Fifth Assessment Report, the IPCC concluded that the costs for achieving atmospheric CO2 levels consistent with holding the increase in average global temperature to 2 degrees Celsius—referred to as a "2-degree Celsius world"—will be more than twice as expensive without CCUS.

According to the International Energy Agency:

Carbon capture, utilisation and storage (CCUS) technologies offer an important opportunity to achieve deep carbon dioxide emissions reductions in key industrial processes and in the use of fossil fuels in the power sector. CCUS can also enable new clean energy pathways, including low-carbon hydrogen production, while providing a foundation for many carbon dioxide removal (CDR) technologies.

The Gulf Coast region is distinctly situated to emerge as a global hub for CCUS. The Gulf Coast is home to the full supply chain of energy companies with the engineering experience, expertise, and vision to deploy CCUS projects with the scale and efficiency necessary for success. As with any capital-intensive industry, the U.S. CCUS sector requires certainty and predictability in the regulatory system, both at the state and federal level. Improvements must be made in U.S. laws and regulations to foster growth and enable success in U.S. CCUS.

The NOIA CCUS Workgroup held a productive meeting with the Bureau of Ocean Energy Management (BOEM) in early January 2022 on the Gulf of Mexico CCUS outlook. The meeting opened up the door to continued dialogue, which was a key objective.

NOIA also published the policy paper, *Carbon Capture, Use, & Storage: An Economic, Employment, & Climate Opportunity for the U.S Offshore Region*. The policy paper highlights the policies the Administration and Congress, as well as states, should support to make widespread offshore CCUS development and deployment a reality in the U.S.

The legislative and regulatory changes below provide a reasonable, effective roadmap for promoting the build-out of the U.S. CCUS sector. Some of the recommendations come directly from the National Petroleum Council, which is a federally chartered advisory group comprised of balanced representation from the oil and natural gas industry and from consumers, states, Native Americans, academic, financial, research, and public interest organizations and institutions.

- The U.S. Department of the Interior and individual states should, respectively, promptly promulgate regulations to authorize access to and use of pore space for geologic storage of CO in federal and state waters.
    - Interior should establish clear lease terms, processes, and regulations to enable access to pore space in federal waters.
- The U.S. Department of the Interior should take the lead in promptly completing necessary reviews under the National Environmental Policy Act for approvals of CCUS projects in the Gulf of Mexico, including leases and rights-of-way. Interior should coordinate a whole-of-government approach to confirm that all agency actions in the federal family are covered by NEPA review to the extent required by law.
- Congress should amend Section 45Q to eliminate the deadline for starting construction, extend the duration of credits, lower the CO volume threshold, and increase the value of credit for storage and use applications.

- As recommended by the NPC, the combined incentives need to reach a level well above the current credit amounts under Section 45Q.
- Congress should provide grant funding to help develop infrastructure to support the development of the CCUS sector in the Gulf of Mexico and along the Gulf Coast.
- Congress should amend existing appropriations language to allow for all CO sources and fuel types in the allocation of RD&D funding for CCUS.
- The Administration should create a CO infrastructure working group made up of relevant federal and state regulatory agencies and interested stakeholders to study the best way to harmonize the federal, state, and local permitting processes; grant access; administer eminent domain authority; facilitate corridor planning; and possibly coordinate tariffs.
- The Administration should convene an industry and stakeholder forum to consider liability issues.
- State and federal leaders should publicly embrace and promote offshore CCUS and the role it will play as a climate solution and economic stimulator, including the expansion of state level credits. The efforts of policy makers should seek to educate the public and build confidence in the emerging role of CCUS as a safe and secure means of managing emissions.

NOIA Meets with White House Climate Office

NOIA had a productive meeting with the White House Climate Office for a frank discussion on the offshore energy industry's role in the climate transition. NOIA Chairman and Talos Energy President & CEO Tim Duncan provided an important overview of the importance of offshore oil and gas for domestic energy. He also emphasized that the complete offshore energy supply chain will be needed to advance energy solutions such as offshore wind and carbon capture, use, and storage. Jonah Margulis, Senior Vice President for Aker Offshore Wind, also participated and reinforced the importance of not only the full offshore energy supply chain but also the emerging opportunities for offshore wind, including the promise of floating wind projects.

NOIA HIGHLIGHTS

#ESG

ENVIRONMENT

The offshore energy industry plays a vital role in supplying the energy essential for our economy and for raising standards of living, helping to reduce poverty and hunger through affordable, abundant supplies of energy. The emergence of offshore wind energy in the U.S. will be pivotal in driving down emissions in power generation as we secure a source of energy with zero carbon emissions. The offshore oil and gas supply chain will continue to service the Gulf of Mexico and has already begun to expand its business to the offshore wind sector. The Gulf of Mexico oil and gas industry is one of the most high-tech and innovative businesses in the world, continually advancing environmental performance and maintaining a carbon footprint that is among to lowest of all producing regions.

AMERICAN OFFSHORE WIND ACCELERATES

As the voice and advocate for the offshore energy industry, NOIA and its members continue to promote the importance of offshore wind for the U.S. energy portfolio and NOIA continues to champion legal and regulatory efforts and reform to secure and drive investment in wind projects along the U.S. coastline.

2021 saw the U.S. Department of the Interior issued its Record of Decision approving the Construction & Operation Plan (COP) for the Vineyard Wind project. Located offshore Massachusetts, Vineyard Wind will be the first U.S. utility-scale offshore wind energy project in federal waters. The greenlight of the Vineyard Wind project is an American energy milestone.

Along with the 400,000 homes that will soon be powered by the Vineyard Wind project, an entire supply chain is ready to mobilize and get to work, providing Americans with thousands of jobs and billions of dollars of investment. American offshore wind is a generational opportunity, and its outlook is more certain with the Vineyard Wind Record of Decision.

Interior also completed its environmental review of New York Bight offshore wind leasing, finding no significant impacts. The environmental analysis clears the way for a lease sale, scheduled for early 2021.

From the building the wind turbines at the heart of any offshore wind project, to making and installing the thick underwater cables that transmit power from offshore wind farms to the cities that use the power, NOIA and its members represent the developers and contractors that will make this opportunity a reality.

An updated University of Delaware's Special Initiative on Offshore Wind (SIOW) study projects that investment by the U.S. offshore wind industry will total $109 billion within 10 years. That figure represents a 40% increase from the last estimate, calculated just two years ago.

Not only will the advancement of offshore wind provide energy consumers onshore with new sources of American-produced, renewable energy but will support jobs and businesses throughout the U.S. We are just scratching the surface of what American offshore wind will achieve. The offshore wind momentum supported by the government, at both the federal and state levels, will help provide the certainty needed to support our supply chain, ports, and workers.

DRIVING LOW EMISSIONS

Due to the scale and level of investment, sophistication and technology, the offshore region provides the lowest carbon barrels of oil when compared to other oil producing regions. Overall, the Gulf of Mexico has a carbon intensity that is about one half of that of other onshore areas. Deepwater, which accounts for 92% of total Gulf of Mexico production, is the lowest source of GHG emissions of all oil producing regions. Not to mention, without the Gulf of Mexico, increased transportation of oil to U.S. consumers would lead to additional emissions.

During the Obama Administration, the Bureau of Ocean Energy Management (BOEM) specifically examined the impacts of the current OCS Leasing Program on climate change and emissions. The Obama Administration determined that the outsourcing of Gulf of Mexico production to other countries would increase greenhouse gas (GHG) emissions due to transportation-related emissions:

U.S. GHG emissions would be higher if BOEM were to have no lease sales… Emissions from substitutions are higher due to exploration, development, production, and transportation of oil from international sources being more carbon intensive.

KEEPING METHANE CONTROLLED

Methane emissions are tightly controlled for offshore operations and are very low when compared to other producing regions. Tie-ins to subsea pipelines are incorporated into the design of sanctioned offshore projects and every project is connected to pipeline infrastructure. Produced gas is shipped back to shore within minutes. Venting and flaring is tightly controlled for offshore operations and requires Federal approval, and there is no routine venting or flaring offshore. In addition, gas detection systems are deployed widely on facilities to quickly detect and shut down leaks.

OFFSHORE SPILL PREVENTION

Every type of offshore energy company, whether they are an oil producer or a supply or service company, publicly traded or privately owned, has prioritized worker safety and environmental protection. Companies are investing billions of dollars in satellite technologies, augmented reality, and artificial intelligence. Real-time data providing unprecedented detail flows to engineering experts offshore and onshore.

If called upon, industry-wide containment consortiums such as Marine Well Containment Company (MWCC) provide access to equipment and services such as capping stacks and other containment technologies to rapidly and comprehensively respond to incidents. MWCC is a not-for-profit operation consisting of 10 member companies. Its members are some of the world's largest offshore deepwater operators and make up roughly 70 percent of drilling activity in the deepwater U.S. Gulf of Mexico.

The MWCC Containment System includes a variety of equipment specifically built to ensure comprehensive coverage of member wells, allowing the company to effectively respond to an array of well incidents across a wide range of well bore pressures, fluid temperatures, water depths and other technical variables.

Throughout the system design process, MWCC worked with regulators from the Bureau of Safety and Environmental Enforcement (BSEE) and the U.S. Coast Guard to ensure all operational requirements and expectations were met. The capabilities of the chief components of the Containment System were demonstrated upon delivery; the entire system is maintained and routinely tested in a warm-stack, or operationally functional state. Key components include:

- Dispersant injection systems, used to break up oil flowing out of the well;
- Capping stacks, used to shut-off the flow from an incident well;
- Interim collection systems, used to capture oil and gas on a temporary basis; and
- Extended flowback systems, used to capture oil and gas on a longer-term basis.

The Containment System can operate in water depths up to 10,000 feet, handle temperatures up to 400 degrees and effectively seal off a well with up to 20,000 pounds per square inch (psi) of pressure.

OFFSHORE WATER MANAGEMENT

The entire lifecycle of offshore oil and gas projects are subject to an interwoven blanket of statutes, permits, regulations and environmental studies and reviews. The Bureau of Safety and Environmental Enforcement (BSEE) is responsible for approving well designs, drilling procedures, well completion plans and procedures and most aspects of production operations. Furthermore, the U.S. Environmental Protection Agency (EPA) holds responsibility for managing discharges from offshore facilities. Discharges are managed under the Clean Water Act and its National Pollutant Discharge Elimination System (NPDES) permit program.

The ability to discharge recovered fluids from operations is an important logistical consideration. The NPDES permits issued by the EPA for the offshore oil and gas industry have strict discharge limits and monitoring requirements for many categories of discharges, including “well treatment fluids” and “produced water.”

Permit limits applicable to these discharge categories include:

- Prohibition of discharges of listed priority pollutants (other than trace amounts),
- No free oil (no sheen),
- Daily maximum and monthly average limits on the oil content of the discharge,
- Discharge volume reporting, and
- Toxicity limit if the treatment fluid is mixed with produced water.

These performance-based limits provide strict controls on the fluids that are discharged and ensure a sound, risk-based approach to protecting the environment.

If the recovered treatment fluid cannot meet the NPDES permit limits, this fluid is captured, contained, and sent to shore for disposal in deep injection wells that are permitted under the Safe Drinking Water Act and managed by the respective states where the injection would occur (authority delegated to the state once the state program is found to satisfy federal requirements). The injection wells are operated as Class II wells under the EPA’s Injection Control Program.

Class II wells are specifically designed to ensure protection of groundwater, isolation of injected fluids, are monitored to ensure the integrity of the well and the geologic formation into which the fluid is injected at all times, and to document the sources and volumes of fluids that are injected.

NOIA ADVOCATES FOR CLEAN ENERGY LEGISLATION

NOIA led strong advocacy efforts in support of clean energy legislation considered by Congress during 2021. Despite seemingly omnipresent partisanship, many clean energy provisions are bipartisan and offer common-sense and effective solutions to protect the environment and to address climate change.

Infrastructure Investment and Jobs Act

After months of negotiations, the close to $1 trillion Infrastructure Investment and Jobs Act, also known as Bipartisan Infrastructure Framework or the Bipartisan Infrastructure Deal (BID), cleared Congress early November.

NOIA was able to advance important language helpful to our members related to port funding. The bill includes $17.4 billion in funding for waterway and coastal infrastructure, inland waterway improvements, and port infrastructure. Of those funds, $450 million per year for 5 years would go to the Department of Transportation's Port Infrastructure Development Program (PIDP), allowing for significant improvements to improve port facilities on our coasts.

This was a critical increase in funding NOIA has been strongly advocating to help ensure that U.S. ports have the access to capital needed to build up offshore wind port infrastructure. Developing and supporting U.S. ports is a vital part in ensuring the U.S. can maximize the economic and environmental benefits from offshore energy and specifically offshore wind.

Importantly, the BID paved the way for offshore carbon sequestration in the federal OCS by providing specific authority to the Department of the Interior. The bill directs Interior to promulgate new regulations for the safe sequestration of carbon dioxide in the offshore region. The law also establishes the Infrastructure Finance & Innovation Act (IFIA) for financing CO2 transport infrastructure, enables grant programs for CCUS projects, and directs the development direct removal hubs.

Build Back Better Act

NOIA had substantial headway in working with the Senate, particularly the Senate Committee on Natural Resources and the Senate Finance Committee, in supporting smart and clean energy provisions in the Build Back Better Act before Senator Joe Manchin said "No" to the massive legislative package.

While the House version of the Build Back Better Act included numerous punitive measures targeting the offshore oil and gas industry that would outprice and outsource low carbon Gulf of Mexico energy production, the Senate version, while not perfect, was a dramatic improvement.

NOIA had significant success in securing the elimination of many negative provisions, including the pipeline fee, idle well fees, idle lease fees, facility inspection fees, and other adverse provisions.

Like its House counterpart, the Senate version included language that lifted the moratorium on wind development offshore Florida, Georgia, South Carolina, and North Carolina. Also included is a provision that would allow U.S. territories to be eligible for offshore wind lease sales. NOIA strongly advocated for both pieces of language

The Senate Finance Committee's section of the Build Back Better Act included language that would have expanded eligible components for the advanced manufacturing production credit to include offshore wind-related vessels. The proposed language expanded and reformed the 45Q tax credit for CCUS investments. NOIA had been strongly supportive of both.

While the Build Back Better Act is seemingly tabled, there are some slight indications that Senator Manchin may be open in the future to reengage on the Build Back Better Act. NOIA is continuing to engage with Congressional offices to ensure that, if a package is resurrected, energy provisions that support low carbon American energy are included and punitive measures are eliminated.

VIRTUAL WORKSHOP: BUILDING THE LOWER CARBON TRANSITION

In January 2021, NOIA held the webinar, Building the Lower Carbon Transition. The webinar focused on emissions mitigation efforts and how the offshore energy industry is leading the way in developing and scaling energy, environment, and climate solutions. The webinar featured Amy Bowe, Wood Mackenzie Head of Carbon Research, to discuss the Wood Mackenzie Carbon Benchmarking Initiative.

Amy Bowe discussed with NOIA members how the energy transition is gaining pace, with a pathway to 2°C emerging. There is growing pressure to adopt and disclose climate related metrics, targets, and strategy. Bowe said hitting these targets will not be easy but is a growing number of operational tools available for offshore companies, with subsea technologies and methane leak detection offering the greatest potential for the U.S. offshore.

The webinar also included the panel, Emissions Mitigation Strategies, which featured companies detailing steps they were taking to lower their own emission profiles. Jon Landes, President, Subsea, TechnipFMC, discussed the 50 by 30 Program, which targets a 50% reduction in Scope 1 and 2 emissions by 2030. In particular, Landes gave a detailed look at how TechnipFMC was upgrading its vessels to use biofuels to enhance efficiency.

Earl Childress, Senior Vice President & Chief Operating Officer - Business Development, Oceaneering International, discussed how Oceaneering is shrinking its customers carbon footprint. Focusing on ROVs, Oceanering has focused on increasing the autonomy of operations – thus reducing the carbon footprint of support infrastructure – and the electrification of subsea infrastructure.

Finally, Viviana Canhao Coelho, Corporate Emissions & Climate Change Manager for Petrobras, discussed the concept of Nature Based Solutions. According to Coelho, Petrobras has adopted a strong focus on operating with low carbon emissions, with 10% of its budget going towards low carbon R&D. Coelho said there were two major drivers in reducing emissions. The first being investing in high quality, lower emission oil reserves and the second being improved gas utilization.

VIRTUAL WORKSHOP: OFFSHORE EMISSIONS REDUCTIONS

In June, NOIA held the webinar, Reducing Carbon Emissions. NOIA was joined by industry experts to discuss ongoing efforts to reduce emissions from offshore production facilities. Panelists featured industry experts discussing the efforts their companies are taking to lower emissions.

Mike Paulin, Ph.D., P.Eng., PE, Intecsea, Technical Advisor, discussed designed approaches for offshore facilities that serve to help achieve emission reductions. In particular, Paulin went into detail about how electrification of floating host facilities reduces the requirement for local power generation via turbine generators at the host facility, decreasing operational expenditure and total emissions (GHG) from the facility.

Monica Bøe, Equinor Production International (EPI), Vice President Safety, Security and Sustainability, Development and Production tackled what emission reductions technologies and practices were being deployed in the North Sea. From floating offshore wind to carbon capture and storage, Equinor has been building low carbon markets in the North Sea and plans to do more through hydrogen, clean steel, H2 Magnum, and post-combustion CCS power generation.

Jeff McMenis, Shell Gulf of Mexico Environmental Manager, discussed Shell's efforts in the GOM to reduce GHG emissions with practical examples around vessels and reliability initiatives which are delivering fuel savings. Shell has also prioritized evaluating emerging technologies to ensure the company is positioned to transition to zero emissions.

VIRTUAL WORKSHOP: CALIFORNIA & GULF OF MEXICO: WIND AT THEIR BACKS

Advisian Worley experts led fellow NOIA members through the outlook for offshore wind in the Gulf of Mexico and offshore California. The Bureau of Ocean Energy Management (BOEM) has published a Request for Information (RFI) to solicit interest from developers for the western & central planning areas in the Gulf of Mexico. On the U.S. West coast, the federal government has identified two areas with 4.6 GW of potential capacity to be leased out by mid-2022. Ultimately, the U.S. West Coast is projected for 3 GW operational by 2030 and 10 GW by 2040.

On the West Coast, in a strategic move to spur investment, California has signed a bill setting state offshore wind targets. BOEM is reviewing call areas and conducting separate Environmental Assessments for leasing. Proposed lease sales are expected to be announced in summer 2022. However, there may be challenges on the horizon with ports and the onshore electric grid.

In the Gulf of Mexico, the development of offshore wind may start off small, with the establishment of a few pilot projects. However, the significant offshore oil and gas supply chain along the Gulf Coast should be a serious boost to wind fortunes in the Gulf of Mexico. Advisian Worley did note that while the White House is setting goals, offshore wind must have support at the state level, where the consumers and power demand lies.

OFFSHORE WIND SUPPLY CHAIN PANEL

During the NOIA Fall Meeting, an Offshore Renewables Panel drew on the professional experience and expertise of wind experts to deliver insights across a broad range of subjects, including service and supply company readiness, the economics of entering an emerging sector, and regulatory decisions that could facilitate or impede progress.

Speaking on behalf of Bristow Group, Amanda Nelson, Director of Government Affairs, said that as a pioneer in aviation transportation solutions for the offshore oil and gas industry, her company has the experience and global presence to support the offshore wind industry both in the United States and abroad.

“The skills and expertise required for offshore wind support are a natural extension of Bristow’s core competencies,” she said, though she acknowledged there are some challenges. “We think it will be important for the US East Coast states to collaborate instead of compete when it comes to infrastructure and local content,” Nelson said, because doing so will make it easier for service and supply companies like Bristow to deliver the most efficient, reliable and cost-effective solutions to support this emerging sector.

President and CEO of Aries Marine Corp. Court Ramsay is enthusiastic about the opportunities presented by the offshore renewables sector. “I’ve been coming to the renewables committee meeting at NOIA for 15 years,” he said, noting that where a handful of people showed up in the early days, now there is a room full. “There is some wind in the sails,” he said.

There also, however, are challenges. “Good seamanship tracks across markets,” Ramsay said, but there are other considerations. That is why Aires is looking to local insights to guide in supporting vessels in a new market and new geography. According to Ramsay, the company already has begun interviewing East Coast mariners and adding shoreside staff. “We are trying to get ahead of the curve now so we can be as efficient and effective as possible,” he said.

Ross Gould, Vice President for Supply Chain Development for the Business Network for Offshore Wind agreed that collaboration among states should be encouraged. “The Eastern states are all in regarding supply chain support, he said, noting that he has been meeting with businesses to encourage them to set up shop in New York. “We are incentivizing businesses to set up shop because we want to build an industry that will bring in jobs.”

According to Gould, helping companies build networks foundational for the success of offshore wind. “I would love to marry the best of the offshore oil and gas industry in the GoM with the East Coast,” he said. “We don’t have oil and gas experience in New York, but we do have a maritime industry and the willingness to get people involved.”

OFFSHORE WIND SUPPLY CHAIN PANEL (CONT.)

And like Aires Marine, Kiewit is looking to capitalize on assets it already holds to get up to speed quickly. “When it gets down to fabricating a substation, the craft network is the same, and it is more of a process change than a learning,” he said.

Filling in other gaps will be critical, so strategic hiring will be a focus for Kiewit, Sellers said. “We are looking for new talent in the engineering field, employees who bring tacit knowledge of offshore wind into the experience so there is not such a significant learning curve,” he said, noting that strategic partnership also will be important.

Sarah Courbis, PhD, Senior Marine Protected Species and Regulatory Specialist at Advisian Worley Group, said recent advancements are promising, pointing to the Empire Offshore Wind development undertaken by Equinor and bp as evidence that the sector is getting off the ground. “The fact that the oil and gas industry is involved in offshore wind means something,” she said. “It tells you something about the finances behind it and the knowhow.”

Although projects are in the works, there are a lot of things that need to be formalized, Courbis said, including streamlining the assessment process, resolving questions about fisheries and managing surveys, dealing with NGOs, and mitigation planning. “There has been a cultural thing of saying ‘yes’ to anything agencies put forward,” she said, “but agencies don’t have a history of working in offshore wind.”

It is likely that renegotiations will have to take place, Courbis said. To move forward, “We will have to work through these challenges,” she said. “This will be a learning experience for everybody.”

CARBON CAPTURE & STORAGE EXECUTIVE PANEL

Also during the NOIA Fall Meeting, an executive panel pushed the conversation on Gulf of Mexico carbon capture and storage (CCS). President, CEO and Founder of Talos Energy Tim Duncan kicked off the CCS panel with an explanation of how his company made the decision to invest in CCS, beginning with discussions to determine the most viable low-carbon technologies.

The value chain is straightforward, he said, an industrial partner needs to commit to emissions reduction. The next segments of the chain are transportation, injection and disposal, and monitoring. “Our job is to put together those second pieces of the value chain and create that solution,” Duncan said.

For Talos, “The focus is on saline sequestration, turning gas into a super critical fluid and putting it into the ground,” he said. “This requires good geology with the right permeability and the right porosity, and we can do this right here in our back yard.”

The advantages of the Gulf of Mexico include established operator capabilities, a strong HSE track record, a sizable seismic database and conventional reservoir expertise that together form a solid foundation for building CCS storage technology over a 25- to 40-year period.

Talos has already been awarded a lease for Gulf of Mexico acreage in Texas state waters with the capacity to store 250 to 270 million metric tons of CO2, Duncan said.

Erik Oswald, vice president of strategy development/advocacy at ExxonMobil low carbon solutions, said carbon reduction is the driver for CCS, but in pursuing net zero goals, more technologies will have to be on the table. Despite the effort and investment, he said, “The world is still two orders of magnitude off of where it needs to be.”

That is sobering news, but it means new businesses will come out of this transition, and many of these will center around CCS. According to Oswald, ExxonMobil has 11 CCS projects under evaluation around the world. “This is a proven technology industry has its hands around,” he said. “We know we can do this.”

The good news is that significant development is underway. “It’s a really exciting place and a huge opportunity,” he said.

TGS CEO Kristian Johansen echoed Oswald’s sentiments. “We need to develop new opportunities for growth because oil and gas is not going to be a growth industry, and climate goals cannot be reached without strong progress in CCUS (carbon capture utilization and storage),” he said.

CARBON CAPTURE & STORAGE EXECUTIVE PANEL (CONT.)

TGS is aware of the need for progress and is leveraging its core strengths to provide the essential seismic and subsurface insights that will help shape the future of CCS. These include 2D/3D seismic data, the development of a CCS atlas that shows areas where CCS is promising, AI tools, digital acoustic sensing, and monitoring. The company also anticipates a contributing role as regulatory liaison.

According to Assaad Mohanna, senior director of low carbon solutions at NOV, his company is looking into a range of technologies because while renewables are important, they make up only a small piece of the energy transition.

Mohanna explained that NOV began seriously looking into CCS in 2013 and began building models to better understand its commercial viability. That meant taking stock of the company's experience in gas treatment, rig systems and wellbore expertise as well as wind, geothermal, and biogas technology.

"It's a growing space, and you can bring value to it," Mohanna said. "I don't think the energy transition can happen without oil and gas."

NOIA POLICY DISCUSSIONS

ClearPath: U.S. Technology & Innovation

Jeremy Harrell, Managing Director – Policy for ClearPath joined NOIA members for a discussion on the Biden Administration transition, the 117th Congress, and the interplay with climate policy. Harrell discussed the positive role the federal government – including Congress – can play in energy breakthroughs, saying "we know the innovation policy playbook that produced breakthroughs - with the example of cheap unconventional gas." The result of investments in energy was a massive scale-up of cheap, cleaner gas power.

Harrell outlined several possible "climate pathways" in Congress, including an "stimulus" agenda that includes carbon capture, use, and storage (CCUS) and industrial infrastructure, an "innovation" agenda that could include a clean energy standard, as well as a "innovate + regulate" agenda that would include federal technology procurements.

Carbon Tax Conversation with former Congressman Ryan Costello

In a "fireside chat," NOIA Vice President of Government Affairs Richard England and Ryan Costello, former Congressman and founder of Ryan Costello Strategies LLC, talked about a range of subjects, including a carbon tax, how it would work and the potential impact it could have on the economy.

"The critique for a lot of climate solutions right now is that the US needs to do something," Costello said, "but if it's just us, that's not solving a global problem. It's handicapping American businesses."

He believes a carbon tax would address that problem and explained the value of such a tax in simple terms, assuming a tax of approximately $40/metric ton. The price would be measured on an annual basis based on emissions reduction with a 5% escalator and the revenue given back to the US taxpayer. "It approximates $2,000 annually for a family of four," he said, noting that this provides an offset for price increases for upwards of 75% of American taxpayers.

According to Costello, a regulatory freeze on CO2 emissions and a carbon adjustment that would require foreign competitors importing products to the United States to pay a fee at the border leverages the power of the American consumer and US markets to get the rest of the world to reduce CO2 emissions.

"If we put a price on carbon, we win," he said. "Our companies are more profitable, we create jobs, and by producing more energy, we create an environment in which less carbon emissions come about."

The best climate solution is to produce more energy domestically, Costello said. "We manufacture goods in a much more carbon-efficient way than anyone around the globe, and that gives the United States a carbon advantage."

AKER OFFSHORE WIND: SMART TURBINES DRIVE MORE SUSTAINABLE FLOATING OFFSHORE WIND FARMS

Aker Offshore Wind (AOW) is a global floating offshore wind developer striving to create a sustainable future by providing communities with reliable, clean, green energy. Aker Offshore Wind prides itself on its sustainability efforts and strategically embarks on innovative research projects in every region in which it operates.

In 2020, Aker Offshore Wind – partnering with Cognite, HT Harvey & Associates and Marine Situ – launched the NextWind project, which aims to use digital tools to improve the reliability, safety, efficiency, and sustainability of floating offshore wind farms. This research project was funded through a $2 million grant from the California Energy Commission and was formed in part to answer a critical question - how does a floating wind farm affect surrounding ecosystems?

The goal is to create a data-gathering platform that can inform our understanding of the relationship between floating offshore wind farms and the surrounding environment as it is happening – from the skies to the ocean floor. For example, drones, microphones, and cameras could detect passing and migrating birds, allowing an operator to adjust the speed of the turbine blades. Optical cameras, sonars, and underwater microphones could provide insight into how diving birds and marine animals use the area just below the ocean surface, while remote operated vehicles could monitor the numbers and types of species around the floating structures and how those change over time.

Aker Offshore Wind's research explores how to use these data-gathering technologies on and around the floating offshore wind platform to create a digital copy of not only what is happening on the platform, but in the world around it – all in real time. A data-driven approach to operations and environmental monitoring can help the industry create smarter and more sustainable floating offshore wind farms. Aker Offshore Wind plans to release its findings by the end of 2022.

#ESG

SOCIAL RESPONSIBILITY

NOIA member companies and the offshore industry as a whole emphasize health and safety as core values for the industry. Our members are part of the fabric of local communities and play a key and leading role to help address social issues such as poverty and hunger through philanthropic work and volunteer time from employees. Diversity and inclusion remain a priority for our industry and NOIA facilitated important discussions to help advance equity in the workforce.

Importantly, the offshore energy community is built upon a foundation of community-based small businesses that extends throughout our Gulf Coast and into many states throughout the country. These are the equipment suppliers, vessel transport companies, construction companies, caterers, drilling contractors, service companies, and many, many others. These companies are an essential part of the local communities and our country, many of which are family owned and operated.

ADVANCING ENVIRONMENTAL JUSTICE

Matthew Tejada, Director of the Office of Environmental Justice within the United States Environmental Protection Agency, briefed the NOIA membership at its April Annual Meeting about the role of companies in the quest for environmental justice.

Tejada traced the historical roots of injustice to government decisions that disproportionately affected people of color, low-income, and indigenous people and gave examples of multiple ways these segments of the population are still affected by discriminatory decisions.

Tejada explained that the words used in the conversation about environmental justice are important. “Equity” means giving everyone the same support. “Equality” assumes everyone benefits from the same support. But “justice” takes things a step farther. It means addressing inequities and removing systemic barriers. “Justice doesn’t just close the gap,” he said. It looks for the reason for the gap and corrects the causes.”

For companies to be part of the solution, they have to have meaningful involvement in the communities where they work, Tejada explained. This means engaging communities, encouraging discourse, and considering local input in corporate decisions. In short, he said, it means giving impacted communities a place at the table.

ADVANCING ENVIRONMENTAL JUSTICE (CONT.)

“If we’re meaningfully involved and understand community needs and the residual impacts of historical decisions, we need to make decisions that help the entire community,” Tejada said. “It’s the only way to deliver justice.”

Practicing environmental justice can be physically, environmentally and emotionally tough,” he said, but “investment up front, putting the resources to it, will pay off in the long run.”

Environmental justice is everyone’s job, Tejada said, but companies cannot be expected to make the journey alone. “The office of environmental justice is here to help,” he said, noting that there is a fact sheet and public legal tools available as well as a support team to assist with implementing environmental justice initiatives.

NOIA 2021 SAFETY IN SEAS AWARDS

Recipients of the Compass Publications Inc. Safety in Seas awards, which were announced at the Spring Meeting, presented details at the Fall Meeting about the recognition they received.

GATE Energy Executive Vice President Karthik Annadorai told attendees how his company developed and deployed an integrated management system compliant with ISO 4501 2018, for which it received the Culture of Safety Award. “Safety is prized” and “lives are valued” at GATE, he said, explaining that GATE founder Grant Gibson lost his father to an industry accident and has pledged that safety will always be the cornerstone of operations.

GATE has operated for nearly 22 years, putting in a million manhours annually, without a lost time incident by, “educating people about risks, mentoring them on behaviors and empowering them to lead,” Annadorai said.

Peter MacInnes, marketing director for ROV services at TechnipFMC talked about the safety improvements delivered by the deepwater Gemini ROV system, winner of the Safety Practice Award. According to MacInnes, Gemini transforms intervention, carrying out monthly rather than daily dives and changing tools subsea instead of on deck to deliver 80-90% reduction in HSE exposure time. With 30 tools permanently available in a subsea carousel that can be selected with one touch for automated pickup and replacement using twin automated robotic arms, work can be carried out much more quickly and rapidly, he said, delivering efficiencies while at the same time reducing the carbon footprint of operations.

A new Safety in Seas Award for work to contain the spread of COVID-19 went to the Offshore Operators Committee (OOC) and the Covid 19 Work Group for outstanding leadership in creating and sharing a platform to respond to the pandemic, establishing a common coding system, and developing an industry management systems document that is being used as a reference document by CDC.

OOC Associate Director Greg Southworth, who explained how this project was carried out said this was not an award for OOC but an award for the industry. “Everybody in this room had people participating in the workgroup,” he said, calling this project, “an example of government and industry working together” and crediting the success of the initiative to “open, honest, frequent, and rapid communication.”

LAND & WATER CONSERVATION FUND: FUNDED BY OFFSHORE OIL & GAS

Established by Congress in 1964, the Land and Water Conservation Fund (LWCF) ensures public access to outdoor recreation resources for present and future generations, and provides money to federal, state and local governments to purchase land, water, and wetlands for the benefit of all Americans.

In 2021, close to $1 billion in offshore oil and gas revenues went to the LWCF. All 50 states, plus every U.S. territory and the District of Columbia, received LWCF funds. The state grant element of the LWCF have funded projects in every county in the country. Since 1965, more than $4 billion have gone towards 40,000 separate projects.

The Outdoor Recreation Legacy Partnership Program is one of the many programs funded by the LWCF. Administered by the National Park Service, the Outdoor Recreation Legacy Partnership Program enables the building of new parks or improvement of existing ones in economically disadvantaged urban areas. Since its creation in 2014, more than $28 million has been distrusted to more than 50 disadvantaged communities. This program is set to grow with up to $40 million authorized in recent years.

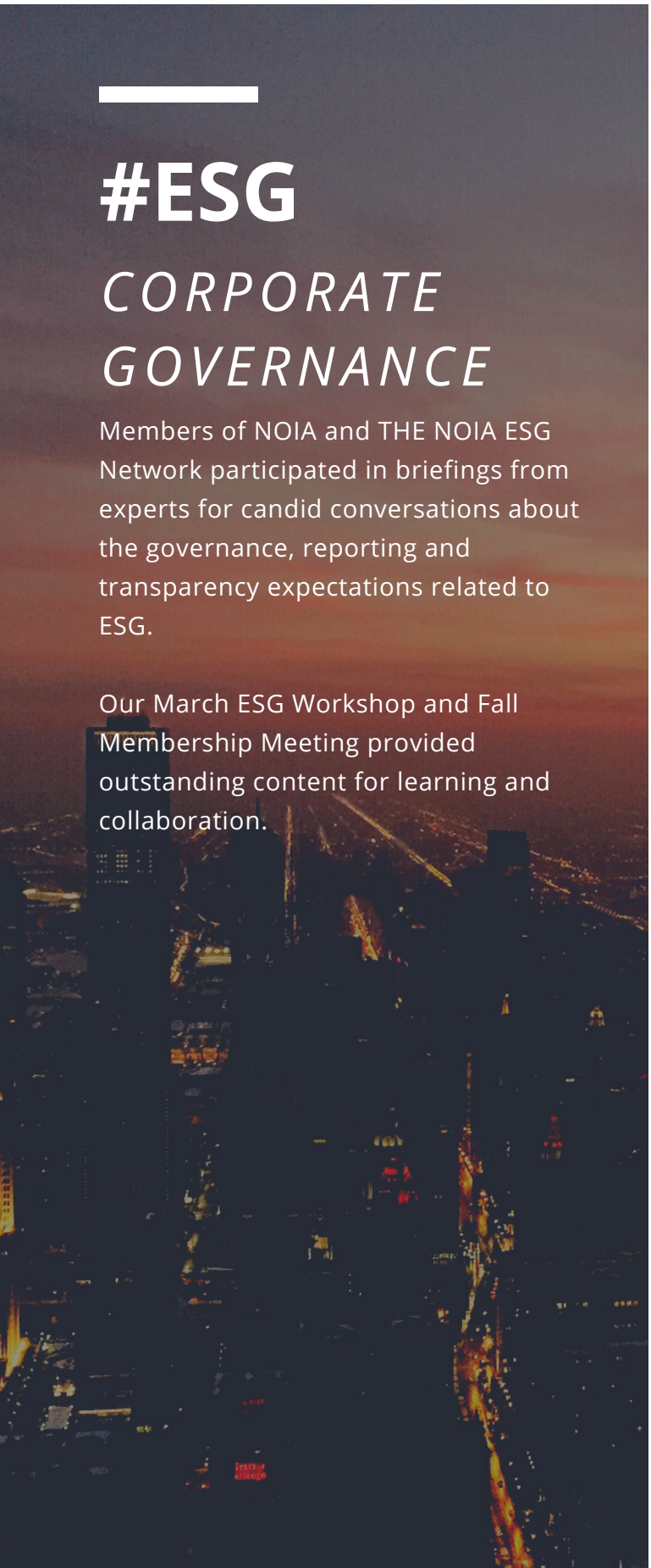
DISTRIBUTIONNOW: SLOWING THE SPREAD OF COVID-19

DistributionNOW is a leading global supplier of energy and industrial solutions, products and engineered equipment package and has a long lineage in the offshore energy space. In support of its ESG efforts, DistributionNOW has aligned and engaged with leading sustainability organizations and industry peers, which has enabled the company to remain actively involved in discussions aimed at advancing its sustainability impact. Engagement with organizations such as TCFD and SASB has enabled DistributionNOW to increase its ESG awareness and enhance reporting and protocols in line with evolving best practices.

The COVID-19 pandemic has adversely affected the global economy, disrupted the global supply chain and created significant volatility in the financial markets. The pandemic has resulted in travel restrictions, business closures and other restrictions on movement in many communities. DistributionNOW has served customers without interruption during these unprecedented times and has helped mitigate against the spread of COVID-19.

As a leading manufacturer with cutting edge technologies and processes, DistributionNOW utilized its in-house 3D printers to help fill vital requests for personal protective equipment ("PPE"). The DistributionNOW U.S. Process Solutions division supplied 3D printed face masks and shields to medical facilities here in the U.S.

DistributionNOW also used its operations to help other energy companies protect employees vital to keeping energy flowing during the pandemic.



#ESG

CORPORATE GOVERNANCE

Members of NOIA and THE NOIA ESG Network participated in briefings from experts for candid conversations about the governance, reporting and transparency expectations related to ESG.

Our March ESG Workshop and Fall Membership Meeting provided outstanding content for learning and collaboration.

NOIA SUBMITS COMMENTS TO SEC ON CLIMATE CHANGE DISCLOSURES

NOIA summited comments to the U.S. Securities & Exchange Commission (SEC) on proposed climate change disclosures. The SEC prepared a list of 15 questions related to the disclosure of climate change related risks. NOIA worked to incorporate the member input that we received, and the final comments reflected the broad position of NOIA membership.

In a press statement, NOIA president Erik Milito noted the "substantial momentum across all segments of the economy in transparency and reporting of GHG emissions, sustainability, and ESG performance." Milito urged the SEC to exercise restraint from taking any action that could hinder or otherwise complicate these ongoing efforts.

In particular, the U.S. Gulf of Mexico should be recognized by the Biden Administration as providing among the lowest carbon barrels of the various producing regions thanks to the continuous dedication of the women and men of the energy industry in producing vital energy in a responsible manner, and climate change disclosure efforts should serve to prevent substitution of sustainable and responsible U.S. offshore production with barrels from high emitting foreign sources with weak environmental oversight.

DANOS: A SUSTAINABLE APPROACH AT EVERY LEVEL

Danos' commitment to ESG principles is not only consistent with its values-based approach to doing business, but it is fundamental to the company's success. This approach is reflected throughout the company at every level of decision making.

Protecting, preserving and restoring the environment is a natural extension of the company's purpose, "to solve big challenges for its customers and communities." This commitment is evidenced in its collaborative partnership with Natrx. Together, the companies are impacting coastal resilience and restoration by installing nature-based infrastructure solutions that reduce carbon emissions. The companies' first joint project involved the placement of "Cajun Coral," an innovative 3D-printed infrastructure, to establish a new reef in the Golden Meadow marshland area. The installation will provide more substantial protection from erosion for this vital coastal wetland.

Danos is focused on reducing the environmental impact of its operations. The company is tackling carbon emissions from its fleet of vehicles and equipment by partnering with Derive Efficiency to reduce fuel consumption. The company is using engine calibration software that reduces idle RPM and resulted in a savings of 2.95 metric tons of CO2 per vehicle per year. This adds up to 1,178 total metric tons removed across the fleet each year, the equivalent of eliminating 7% of Danos' entire fleet.

Danos has also expanded its portfolio of projects to include work in the renewable energy sector. Most recently the company has done this through maintaining, repairing and installing solar panels, with projects in Arizona, Utah and Texas.

In the area of social responsibility, Danos is charting a unique path through the Danos Foundation. The Danos Foundation is a manifestation of the company's purpose: "Honor God. Develop great people to solve big challenges for our customers and communities." Funded primarily through employee donations and Danos corporate contributions, the Foundation has given more than $600,000 to help 80 organizations and more than 400 employees in need since its launch in 2017.

The Foundation leverages three programs to provide support for communities where Danos employees live and work: GIVES, a grant-giving component, WORKS, a volunteer initiative, and CARES, which aids employees who have needs arising from unexpected events.

In addition, Danos is a founding member of NOIA's ESG network, where together it aims to advance ESG initiatives, and a recipient of Hart Energy's ESG Top Performers Award.

NOIA MEMBERS SIGN THE PARTICIPATION PLEDGE

All NOIA members can participate in the activities of The NOIA ESG Network, and it has been great to see almost all of our members join us for NOIA ESG Network events in-person and virtually. Members can also officially sign up for our ESG program. Dozens of companies, representing oil and natural gas producers and operators, wind producers, drilling contractors, geophysical services, marine construction, manufacturers and suppliers, the service sector, and offshore service vessels have signed the NOIA ESG Network Participation Agreement.

Signatories pledge their companies will participate in NOIA ESG efforts, providing support to the initiative by encouraging new member companies to attend, helping to create content for the events, and providing information and resources, such as examples of ESG programs and reports.

NOIA represents and advances a dynamic and growing offshore energy industry, providing solutions that support communities and protect our workers, the public and the environment.

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