



Moda

Sustainability Report

February 2020



A Message from Our Founders



To Our Stakeholders,

At Moda, our mission is to be the leading independent liquids infrastructure company. The foundation of our success is creating a world-class organization.

From the beginning, our team has been committed to building a sustainable, reliable business that incorporates best practices and processes for Environmental, Social and Governance (“ESG”) excellence in everything we do. As one small example of our longstanding commitment to sustainability, we designed our distinctive “safety orange” logo as a constant reminder to be energetic and attentive and to take pride in the work we do each and every day.

Moda is built on and sustained by enduring relationships. We are fundamentally committed to treating our team and everyone with whom we do business with respect. We hire the best and foster an inclusive, collaborative environment where everyone can flourish.

We believe our success is a direct result of living by our values. We put safety first and strive to do the right thing every time. Our professional team has a problem-solving attitude and delivers results by anticipating the needs of stakeholders. Our collaborative culture rewards hard work and reflects a commitment to excellence.

This report highlights our business philosophy and sustainability initiatives that deliver on our key objectives to increase the reliability of our operations and minimize risks. Through these efforts, Moda is committed to responsible stewardship of our people, our environment, our natural resources and our communities where we live and work.

Sincerely,

Robert “Bo” McCall
President & CEO

Jonathan Ackerman
EVP, CFO

Javier del Olmo
EVP, COO

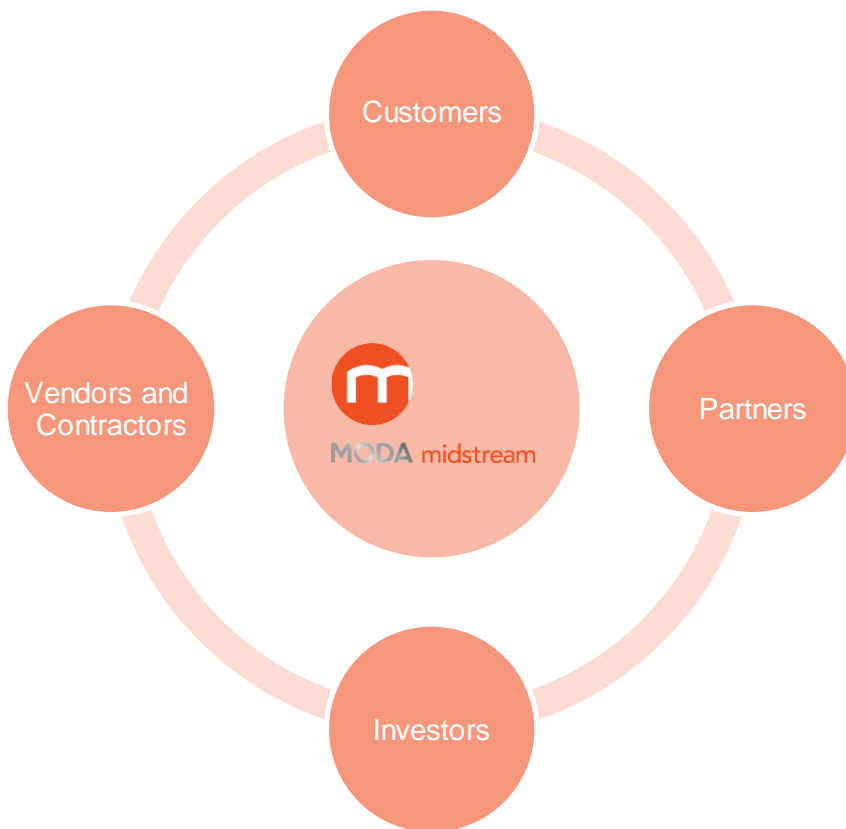




- **Moda and our financial sponsor, EnCap Flatrock, ensure focus on compliance and good business practices through:**
 - Pre-investment vetting
 - Quarterly ESG reporting and frequent Board review
 - Periodic ESG reviews and audits
 - Compliance Hotline
- **The Moda Sustainability Review Committee – comprised of senior management and leaders of the HSSE, Human Resources, Financial Reporting, Government Affairs and Public Affairs Functions – provides oversight by:**
 - Reviewing performance
 - Developing best practices
 - Identifying, developing and reviewing key relationships
- **Moda ensures transparency by clearly stating – through our website and communications – our:**
 - Mission, Vision & Values
 - Health, Safety, Security & Environmental Policy
 - Health, Safety, Security & Environmental Minimum Standards



We are committed to creating strong and sustainable third-party relationships



› Vendors and Contractors

- Comprehensive review of safety and compliance track record of every vendor
- Sustainability Review Committee develops key ESG factors in vendor vetting process

› Customers

- Ensure understanding of our customers' business practices and reputation
- Review ESG as part of onboarding process

› Partners

- Partner with industry leaders and exchange ideas and collaborate on sustainable practices

› Investors

- Engage in constant dialogue regarding initiatives and areas for potential improvement

We employ standards that exceed Best Available Control Technology (“BACT”) and implement innovative solutions

Class-Leading Safety Systems

- › Secondary containment zones
- › Closed-circuit thermal relief
- › Surge protection

Fire Protection

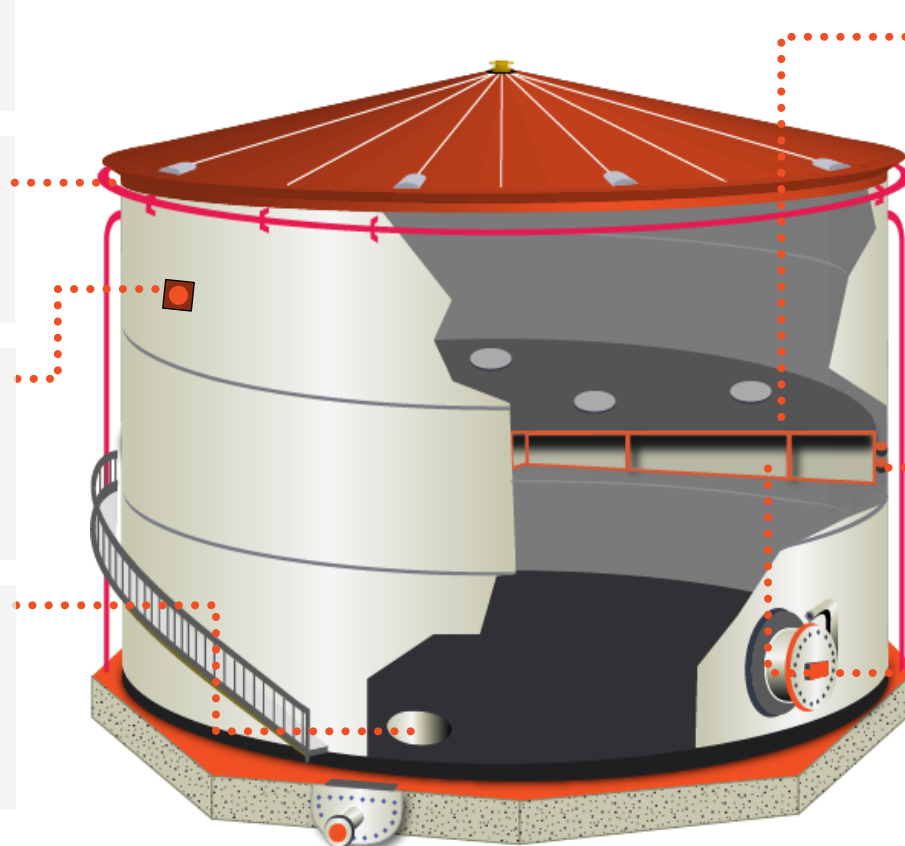
- › Best-in-class foam fire suppression systems
- › Facility design exceeds NFPA requirement

Advanced Gauging

- › Multiple overflow protection devices
- › Radar level
- › Temperature gauges
- › Automation to prevent overflow

Drain Dry Bottoms

- › Minimizing standing product reduces emissions
- › Provides best flexibility for customers
- › Asphalt cap reduces corrosion and maintenance capital expenditures



Internal Floating Roof

- › Floats on the liquid to prevent accumulation of vapors
- › Reduces facility emissions by using gaskets and leg socks
- › Reduces fire hazards from accumulation of vapors

Double Seals

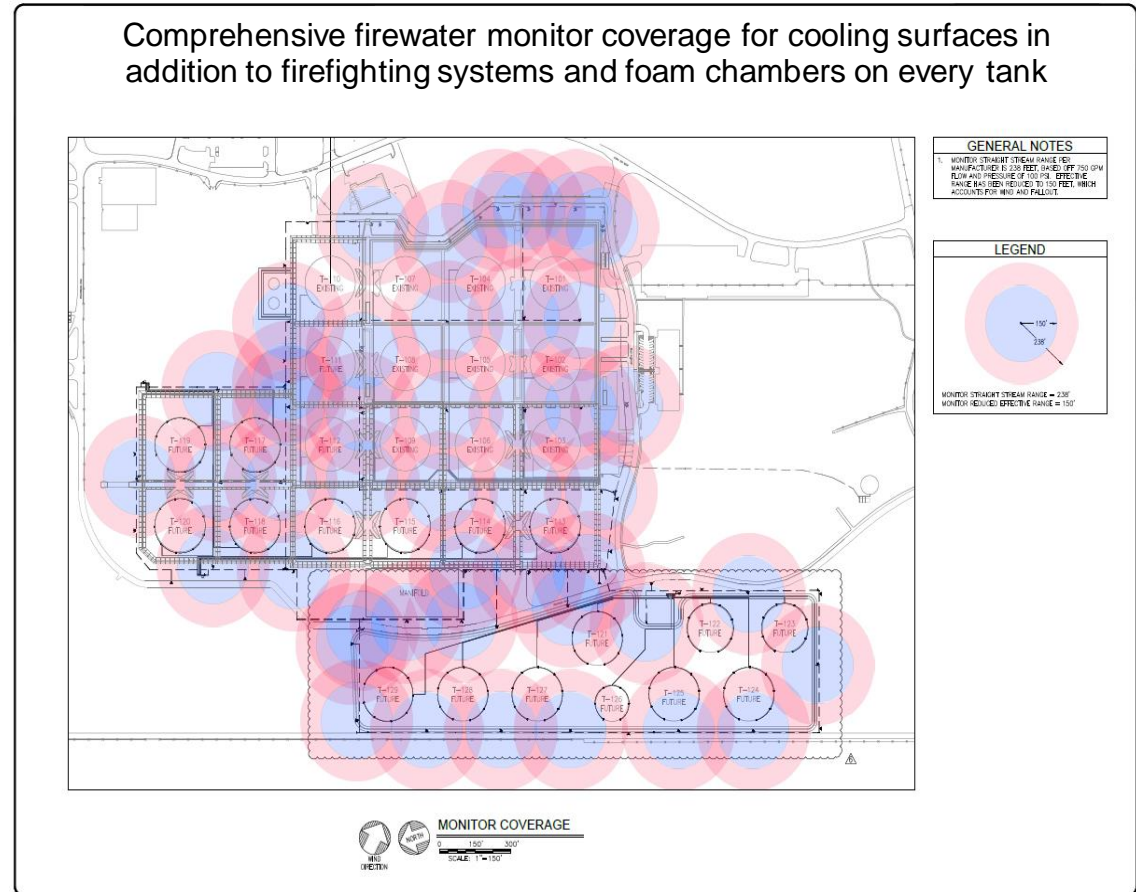
- › Investment in best-in-class vapor control
- › Primary vapor-mounted mechanical shoe, secondary wiper seal

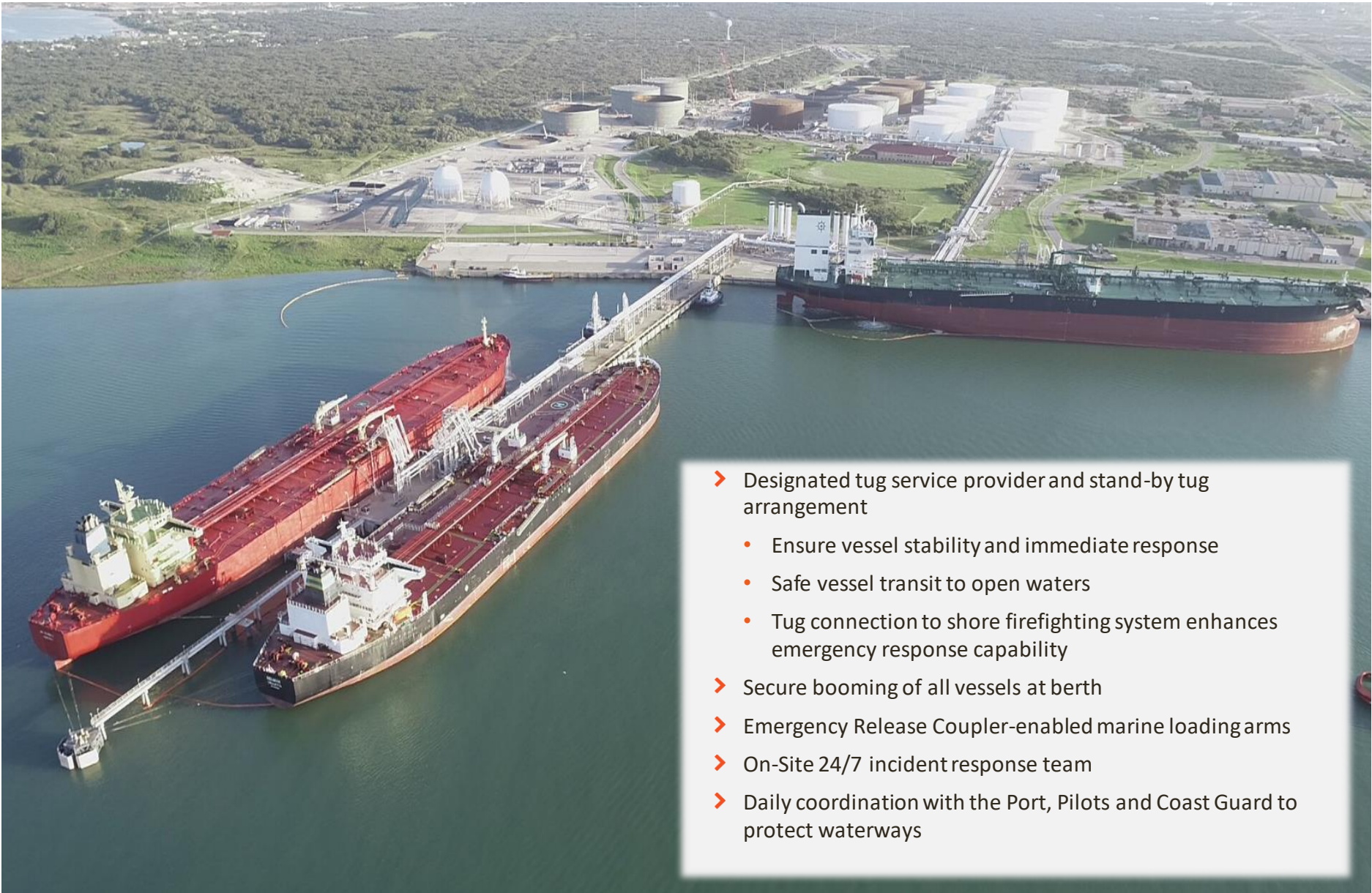
Full Contact Steel Pontoons

- › Investment in best-in-class vapor control
- › Mechanically secure

Our objective is to exceed current requirements and industry standards

- After acquiring the Moda Ingleside Energy Center, invested significant time and resources in upgrading safety and emergency response
 - Designed and installed a state-of-the-art firefighting system
 - Contracted with RTFC, the leading emergency response organization in the Corpus Christi area to ensure resources in the unlikely event of an accident
- Our terminal design exceeds National Fire Protection Association and industry standards
- We continuously explore and apply best practices and thought leadership, such as guidance from the Center for Chemical Process Safety (“CCPS”)
- Our design and engineering approach elevates functionality, response capability and reliability above accepted industry guidelines governing storage facilities





- Designated tug service provider and stand-by tug arrangement
 - Ensure vessel stability and immediate response
 - Safe vessel transit to open waters
 - Tug connection to shore firefighting system enhances emergency response capability
- Secure booming of all vessels at berth
- Emergency Release Coupler-enabled marine loading arms
- On-Site 24/7 incident response team
- Daily coordination with the Port, Pilots and Coast Guard to protect waterways

Our focus is to avoid or eliminate circumstances that lead to accidents, injuries and potential harm

Safety

- Fostering a safety culture that creates a safe, healthy and sound working environment for all employees, contractors and visitors
- Developed proprietary Moda “safety app” utilized by both employees and contractors
 - Immediate notification of all incidents to highest levels of the Moda organization
 - Prompt documentation
- Established Employee Safety Committee
 - Brings common safety issues to the forefront to find timely solutions
 - Develops new initiatives and solicits new ideas to prevent injury and illness
- Formed Safety Professionals Working Group
 - Comprised of safety professionals from all contractors
 - Discusses common issues and shares lessons learned

Security

- New site access controls and technology
- Restricted vehicle access to terminal through designated parking areas to reduce risk of auto related accidents and theft

Health

- Science and data-based Industrial Hygiene program
- On-site Occupational Health Provider





- At Moda, our team is the core of our business
- Hiring high-talent professionals and providing them with ongoing training and skill building opportunities helps ensure their success
- Veteran Opportunities – MIEC was a former Navy Base. That history reminds us of the sacrifice and honor of those who have served our country. It is now a part of Moda's legacy
- Workforce Diversity – We are committed to a diverse workplace where employees feel valued and know their contributions are appropriately recognized
- Training and Education – The pace of change in our industry continues to accelerate. Offering a variety of continuing education options for our employees, whether on-site, computer based or from outside professionals, is vital to supporting their continued growth and long-term success
- Professional and Industry Groups – Team members are encouraged to participate in community and industry advisory groups to stay up-to-date on best practices and to contribute their time, knowledge and talents



- Moda has a strong commitment to supporting our neighbors through community outreach and engagement in the areas of Education, the Environment and First Responders/Veterans
- Our comprehensive community engagement plan includes supporting organizations that meaningfully and measurably support our communities
- We recognize that actively participating with key stakeholders is crucial to building partnerships and enhancing our professional relationships, so Moda proactively engages Federal, State and local officials, as well as other critical stakeholders
- We strive to maintain open and honest dialogue with government leaders and regulators at all levels at all times
- Moda routinely provides education and awareness on the scope of our activities and critical aspects of our operations
- We think it's important to engage actively on pertinent policy issues
- Industry group participation
 - Share ideas and develop best practices and standards
 - Participate in committees and working groups
 - Sponsor advocacy and educational activities and deliver conference presentations
 - Offer letters of support where appropriate

