



# 2022

ANNUAL  
ESG REPORT

## Building the Energy Company of **TOMORROW**



# Contents

Introduction	3
ESG Strategy	13
Environment	22
Social	36
Governance	59
About This Report	71
Appendices	74

## Contact Us

We appreciate your interest in Talos and welcome feedback on how we can improve our environment, social, and governance (ESG) disclosures. Please direct questions and comments on this report to [sustainability@talosenergy.com](mailto:sustainability@talosenergy.com).





# INTRODUCTION

Talos Energy was founded in 2012 with 5 employees and private equity commitments from two leading investments firms. Over the last 10 years, we have grown to be one of the largest independent Gulf of Mexico (GOM) operators with more than 400 employees and are publicly traded on the NYSE under the stock ticker TALO. In 2021, we established our carbon capture and sequestration business and have announced four projects along the U.S. Gulf Coast.

Today, we possess a unique and specialized portfolio among publicly traded U.S. exploration and production companies through our complementary business models in the upstream and carbon capture space.

Our success is a testimony to our employees, strong governance, core values, and our stakeholders' belief in us to deliver exceptional value creation.

# Letter from our CEO and Chairman

The energy demands of the world are changing and so are we. With an entrepreneurial spirit at our core, we have built a company that focuses on delivering safe, reliable, and responsible energy to the world. At the same time, we are working to provide climate solutions through our decarbonization projects that we believe will positively impact the environment for decades. Consistent with our mission, “Providing Energy Prosperity to Improve Lives”, we are defining our role in the global energy transition.

As we celebrate the tenth anniversary of Talos, we reflect on our vision to build something unique and sustainable, a company that people want to work for, partner with, and are proud to have in their community. We think we are on the right path to build that company and we are honored to have been named a Top Workplace in Houston by the Houston Chronicle for the tenth consecutive year. We believe this milestone reflects our employees’ belief in our mission.

In 2021, we generated record production, established our Talos Low Carbon Solutions business, and won the very first offshore carbon sequestration lease in the United States, which was auctioned off by the State of Texas.

“People are evolving in terms of what they want from energy companies. The topics of energy security and affordability are being discussed more openly today than in the past, and Talos remains committed to responsible offshore oil and gas production.”

We accomplished all of this while reducing our recordable injury incident rates by 11%, lowering our Scope 1 greenhouse gas emissions intensity by 9%, achieving an offshore spill volume ratio 20 times less than the average Gulf of Mexico operator, and increasing our community donations by 260% from 2020.

Recently we announced our acquisition of EnVen Energy, a private Gulf of Mexico producer that also has a strong safety and environmental track record, in a transaction that further reinforces our partnership with communities and industry along the U.S. Gulf Coast.

Of course none of our success is possible without our employees, contractors, partners, suppliers, and communities all leaning in to help accomplish our goals.

## CEO & Co-Founder Timothy S. Duncan

In addition to Mr. Duncan's role as Co-Founder, President and Chief Executive Officer of Talos Energy, he is a member of the board of directors of Chesapeake Energy Corporation and of the American Cancer Society's CEOs Against Cancer.







## Letter from our CEO and Chairman (Continued)

From our Board of Directors to our employees, our values compel us to strive to be responsible, ethical, and safe in everything that we do. We have continued to improve and expand our efforts regarding emission reductions, risk management, cybersecurity, diversity and inclusion, leadership, and safety. We have also strengthened our commitment to Environmental, Social, and Governance (ESG) matters in 2021 by hiring a Chief Sustainability officer and an ESG Director as well as further articulating ESG responsibilities at the Board level. Sustainability is a journey that we have only just begun.

As you read this report, you will see significant expansion in our reporting scope and data transparency. This year we have added additional Scope 2 greenhouse gas emissions data, hazardous waste data, and employee safety training data, among other things.

“Talos Low Carbon Solutions provides a natural strategic fit to leverage our skill sets and experience in a unique way in order to play an important role in decarbonization and the blue economy for industrial partners. We aim to be a recognized leader in domestic decarbonization.”

It is because of our commitment to industry best practices that we are especially proud to share our progress in advancing the company's ESG journey in our third ESG Report as well as to share our inaugural TCFD Climate Risk and Opportunity Report. These reports demonstrate our commitment to people, the environment, and continuous improvement as we continue **Building the Energy Company of Tomorrow.**

## Chairman of the Board Neal P. Goldman

Mr. Goldman has served as the Chairman of the Talos Energy Board since May 2018. He is currently the Managing Member of SAGE Capital Investments, LLC, a consulting firm specializing in independent board of director services, consulting, and strategic planning.

# Talos Energy – Who We Are

Talos Energy is an innovative, industry-leading energy company focused on Exploration & Production and Carbon Capture & Sequestration.

We are committed to leveraging our technical, operational, and commercial expertise to help supply society's growing need for secure, affordable energy, and being an industry leader in industrial decarbonization efforts for the future while building value for all of our stakeholders.



# Building the Energy Company of Tomorrow

Talos is Building the Energy Company of Tomorrow. We are an innovative, industry-leading energy company focused on offshore oil and gas exploration and production as well as the development of carbon capture and sequestration (CCS) opportunities in the United States Gulf of Mexico, Gulf Coast, and offshore Mexico.

We are leveraging our unique capabilities and rich heritage to position ourselves for the energy transition. We are guided by a deep responsibility to conduct our business in a way that focuses on safety, minimizes environmental impacts, positively influences our local communities, and prioritizes ethics and good governance, forming the foundation critical to our success and our societal license to operate.

With decades of experience in energy exploration and production, we are a technically led organization focused on applying the latest technology and processes to maximize our understanding of conventional geology, geophysics, and engineering. Our technical foundation enables disciplined risk-taking and provides the basis for exceptional value creation through both our Upstream and CCS businesses.

Whether located at our offshore facilities in the Gulf of Mexico, regional offices, or our corporate headquarters in Houston, Texas, our dedicated employees form the fabric of our outstanding culture and are the driving force behind our success.

We prioritize safety and strong ethics, empower each other, encourage an entrepreneurial spirit, and take ownership through action. Talos has been selected as a Top Workplace in Houston by the Houston Chronicle every year since its inception.



## GROWTH IN UPSTREAM

Providing safe and responsible conventional energy resources for today and tomorrow



## ADVANCEMENT OF CCS

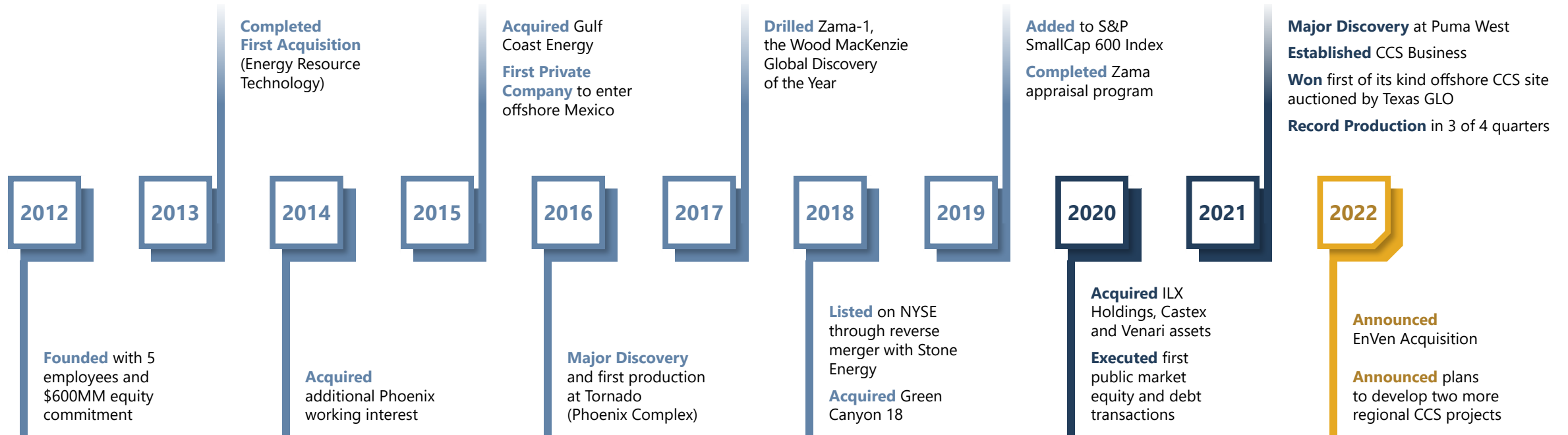
Executing large-scale decarbonization solutions to reduce industrial emissions



## A COMPLETE ENERGY SOLUTION

An energy company committed to improving lives and the planet

# Celebrating 10 Years of Consistent Performance



CONTINUED GROWTH  
KEY MILESTONES  
SINCE 2012





# Our Mission and Principles

Talos aims to provide energy solutions that are critical to modern society, including conventional energy resources and carbon management solutions. We are leveraging our technical, operational, and commercial expertise to help supply society's growing need for secure, environmentally responsible and affordable energy, as well as advancing numerous carbon capture projects for the future while being global citizens and building value for all stakeholders.

## OUR MISSION

PROVIDING ENERGY PROSPERITY  
TO IMPROVE LIVES

## OUR PEOPLE

ACHIEVING SUCCESS STARTS  
WITH OUR EMPLOYEES

## OUR RESPONSIBILITY

PRIORITIZING PEOPLE  
AND THE PLANET

## OUR SPIRIT

DRIVING SUCCESS THROUGH  
STRATEGIC VISION AND  
EMPLOYEE EMPOWERMENT

## *Talos Culture – Achieving Success Through Shared Key Principles*

### Building Our Culture

Five key principles define Talos's culture. These principles represent a shared set of values, goals, attitudes, and practices that make up our organization. They help guide us to do what is right for stakeholders, people, and the planet.

CORE CULTURE  
AND SHARED VISION  
OF OUR WORKFORCE

THINK AS  
AN OWNER



EMBODY  
INTEGRITY  
& SAFETY



MAINTAIN  
OPTIONALITY



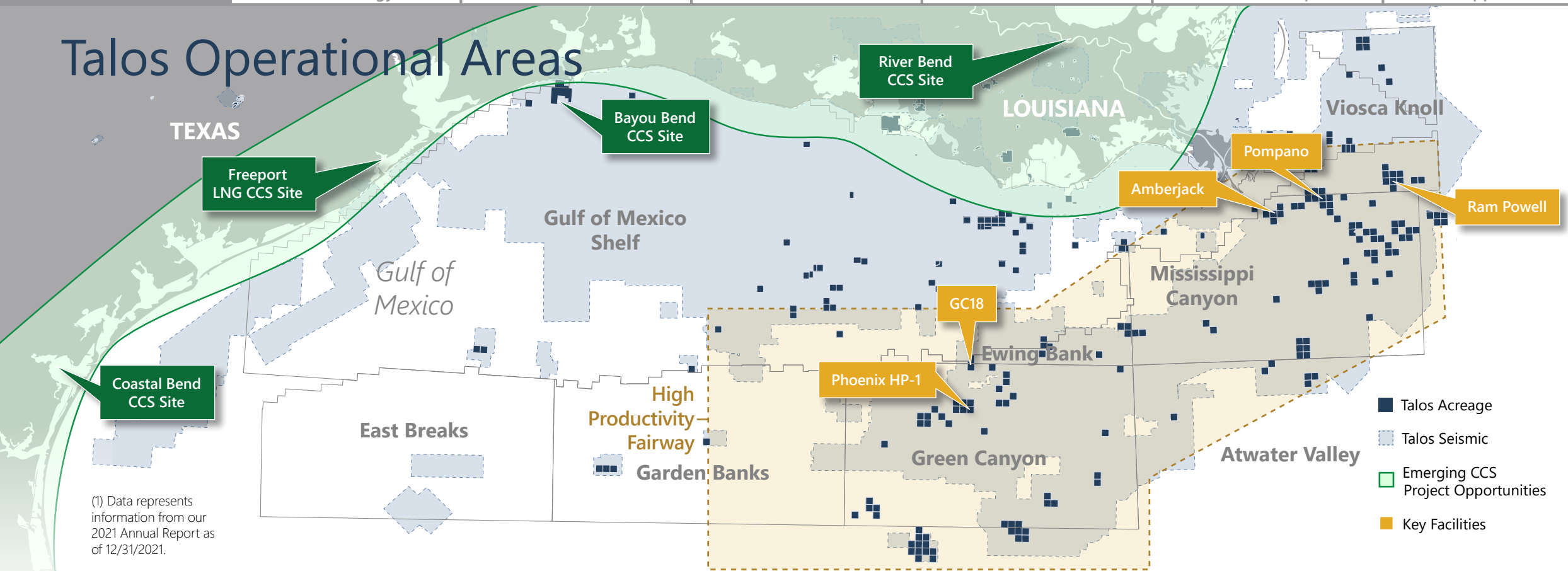
EMPOWER  
EACH OTHER



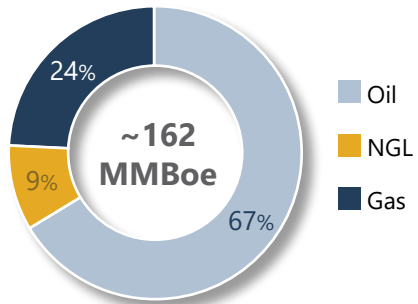
EMBRACE  
DIVERSITY  
& INCLUSION



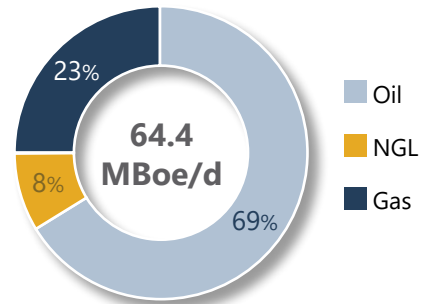
# Talos Operational Areas



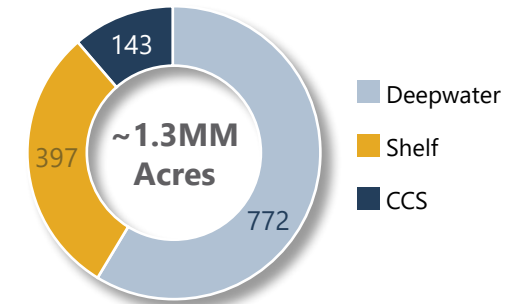
**Proved Reserves by Product<sup>(1)</sup>**



**2021 Avg. Daily Production**



**Acreage Footprint (000's)**





# Upstream Operations

Talos is one of the largest independent offshore exploration and production operators in the United States with a diverse footprint spanning the Gulf of Mexico.

Talos is focused on the Gulf of Mexico because it is a highly productive offshore oil and gas region and represents more than 15% of total U.S. oil production. Additionally, the Gulf of Mexico and the Gulf Coast region have significant carbon storage capacity and are strategically located near several key industrial epicenters<sup>(1)</sup>.

This proximity provides rich opportunities for future carbon capture projects, which can reduce greenhouse gas (GHG) emissions in the region.

LEADING E&P  
INDEPENDENT IN  
U.S. FEDERAL WATERS

LOUISIANA

SHELF AND  
GULF COASTU.S. Gulf  
of Mexico

TEXAS

MISSISSIPPI  
CANYONGREEN  
CANYON

**Mississippi Canyon** – A prolific production area in the eastern portion of the Central Gulf of Mexico in which we continue to unlock new resources. In this region, Talos operates three production facilities and acts as both an operator and a non-operating partner in numerous development projects and producing fields.

**Green Canyon** – A key deepwater focus area for our exploration activities in the Central Gulf, where we operate two production facilities, including a floating production unit, the Helix Producer I (HP-I).

**Shelf and Gulf Coast** – The U.S. Shelf and Gulf Coast area spans the basin and provides diverse production from multiple facilities. The Shelf area is a mature production region with redevelopment, recovery enhancement, and exploration opportunities.

**Offshore Mexico** – Offshore activities in Mexico are in the Sureste basin, a proven shallow water province off the coast of Mexico's Veracruz and Tabasco states. Our recent Mexico discoveries include one of the world's largest shallow water oil discoveries in 2017 called Zama.

MEXICO

OFFSHORE  
MEXICO

(1) USGS – National Assessment of Geological Carbon Dioxide Storage Resources- Results (September 2013)



# Carbon Capture and Sequestration (CCS)

The energy transition will take decades to achieve, and CCS is an established and scalable technology necessary to meet climate challenges now<sup>(1)</sup>. CCS is a three-step process, involving: capturing the carbon dioxide from industrial sources; transporting it; and then permanently storing it deep underground.

Talos is leveraging its decades of experience as an upstream operator along the U.S. Gulf Coast to build a portfolio of CCS projects focused on the decarbonization of industrial regions and specific facilities. We take an all-inclusive approach bringing academia, non-profit, local government and community stakeholders, industry, and emerging technology groups together to partner in reducing GHG emissions and fostering a long-term commitment to emissions mitigation.

Talos Low Carbon Solutions (TLCS) has announced four CCS projects spanning from Corpus Christi, Texas to New Orleans, Louisiana. Talos is concentrating our efforts on the transport and storage process of CCS.

TLCS aims to be a recognized leader in domestic decarbonization focused on delivering responsible, reliable, and cost-effective solutions to create sustainable value for our stakeholders.

(1) Source: IEA Energy Technology Perspectives 2020



## 4 Pillars of the Talos Low Carbon Solutions Strategy

- **Calculated Speed** – Maintaining first mover advantage while scaling wisely
- **Partner of Choice** – Meeting stakeholder needs through bespoke decarbonization solutions
- **Operational Assurance** – Eliminating customer and environmental risk through safe and reliable solutions
- **Investable Value** – Building long-term value by delivering a high-quality project portfolio





A large offshore oil rig is shown at sea during a sunset. The sun is low on the horizon, creating a warm orange glow across the sky and reflecting on the water. The rig is a complex of metal structures, including a large derrick and various platforms. The name 'HELIX PRODUCER 2' is visible on the side of the rig. The water is dark blue with some whitecaps.

# ESG STRATEGY

Talos recognizes that the world is facing challenges such as climate security, energy security, and energy poverty. We are making every effort to provide safe, reliable, and responsible energy by focusing on driving long-term value creation. This includes striving to reduce our GHG emissions, ensure safe and environmentally responsible operations, deliver value-focused M&A, execute thoughtful capital allocation, and concentrate on conventional offshore development and exploration.

To address the increasing interest of shareholders and other stakeholders on our ESG efforts, we provide voluntary disclosures regarding our active approach which seeks to align with the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) Standards. Additionally, our 2022 TCFD Climate Risk and Opportunity Report follows many of the recommendations of the Task Force on Climate-Related Financial Disclosures.

# Our ESG Strategy

Talos is committed playing a role in a lower carbon future and continued transparency. Since our inaugural ESG report was published in September of 2020, we have increase disclosures and add critical reporting frameworks to meet the needs of our stakeholders.

To hold ourselves accountable, Talos established a Scope 1 GHG emissions intensity reduction target of 30% by 2025 as compared to our 2018 baseline Scope 1 GHG emissions intensity. More recently, we introduced a 40% reduction stretch target by 2025.

At full scale, we estimate that our current CCS portfolio will have the capacity to permanently sequester more than 50x the annual equivalent of our own upstream operations for our industrial customers<sup>(1)</sup>.

<sup>(1)</sup> Upstream data based on offshore operated production plus third-party operated wells flowing through Talos production facilities. Existing CCS portfolio sequestration based on an estimated midpoint of gross annual injection rates from existing announced projects. Permanently sequestered CO<sub>2</sub> estimates are subject to achievement of full-scale CCS operations, which is subject to many uncertainties and may not be achieved on the timeline currently contemplated or at all, and are shown compared to current annual emissions, which may fluctuate or increase over time

TALOS CONTINUES  
TO ENHANCE  
DISCLOSURES

Framework Guidance	2020 Report	2021 Report	2022 Report
SDGs		✓	✓
GRI		✓	✓
SASB		✓	✓
TCFD			✓

Environmental Topics	2020 Report	2021 Report	2022 Report
SCOPE 1	✓	✓	✓
SCOPE 2		✓	✓
EMISSIONS TARGET		✓	✓
NO <sub>x</sub> , SO <sub>x</sub> , & VOCs			✓
ENERGY USE			✓
PRODUCED WATER	✓	✓	✓
WATER WITHDRAWN & CONSUMED			✓
NON-HAZARDOUS WASTE		✓	✓
HAZARDOUS WASTE			✓

Social Topics	2020 Report	2021 Report	2022 Report
TRIR & LTIR	✓	✓	✓
NMFR			✓
AVERAGE HSE TRAININGS			✓
STANDALONE HUMAN RIGHTS POLICY		✓	✓



# Materiality Assessment

To ensure we are addressing the priorities of our stakeholders, we conducted a materiality assessment in 2019, surveying employees, contractors, vendors, and suppliers, through a qualitative questionnaire to identify and prioritize material issues that are relevant to the Company or may become relevant over the short-, medium-, or long-term(s).

We define short-term events as those occurring within 12 months or less, medium-term events as those occurring within 1 to 4 years, and long-term events as those occurring 5 or more years in the future. We engaged a third-party consultant in 2021, Pickering Energy Partners (PEP), to supplement the findings of this initial materiality assessment by benchmarking our efforts against peers and identifying gaps to understand the universe of ESG topics and related disclosures. Additional topics and data points were added based on their prevalence across the ESG frameworks, ESG standards, peer ESG reports, and influences on the decision-making process of stakeholders, such as investors.

The materiality assessment is consistent with the Global Reporting Initiative (GRI) Standards' guidance on materiality, and for this ESG report we define material issues as those that could influence the decision-making of stakeholders, which does not coincide with the definition of materiality used in U.S. securities laws. Please see our U.S. Securities and Exchange Commission (SEC) filings to find information about issues deemed to be material to our investors as defined by regulatory requirements.

Strategy pertaining to these material topics is set by executive management and the Board of Directors. ESG is overseen by leaders across all levels of the organization.

Further details about Talos's ESG strategy and implementation can be found throughout the body of this report as well as our 2022 TCFD Climate Risk and Opportunity Report. Risks pertaining to these material topics are designed to be captured by our Enterprise Risk Management (ERM) system and mitigated or responded to accordingly.

Recognizing that priorities can change, we plan to initiate another materiality assessment in December of 2022, engaging with our internal and external stakeholders to ensure that we continue to report on those ESG priorities that are most important to our stakeholders.

FOCUSED ON  
WHAT MATTERS

## Topics Material to Talos Stakeholders

### ENVIRONMENT

- Greenhouse Gas Emissions (Scope 1 & 2)
- Environmental Impact & Biodiversity
- Water Management
- Waste Management
- Energy Management

### SOCIAL

- Health and Safety
- Human Capital Management
- Diversity, Equity, & Inclusion (DEI)
- Human Rights
- Supply Chain Management

### GOVERNANCE

- Board Oversight of ESG issues
- Business Conduct & Ethics
- Risk Management
- Cybersecurity
- Management of Legal and Regulatory Environment

# Stakeholder Engagement

Stakeholder	Type of Engagement	Topics Engaged On
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Employee engagement surveys</li> <li>360 reviews</li> <li>Trainings through the Learning Management System (LMS)</li> <li>Annual safety trainings</li> <li>Annual safety culture survey</li> <li>CEO-led town halls</li> <li>Intranet communications</li> <li>Team-building events</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety</li> <li>Diversity, Equity, &amp; Inclusion</li> <li>Employee satisfaction</li> <li>Talos culture</li> <li>Relevant topics as they arise</li> </ul>
<b>CONTRACTORS</b>	<ul style="list-style-type: none"> <li>Annual safety trainings</li> <li>Annual safety culture survey</li> <li>Contractor &amp; subcontractor audits through ISNetwork</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; safety</li> <li>Labor practices</li> </ul>
<b>VENDORS</b>	<ul style="list-style-type: none"> <li>Pre-screening during vendor selection process</li> <li>Supplier onboarding</li> <li>Management of change process</li> <li>Annual compliance survey</li> <li>Regular supplier audits and assessments</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact</li> <li>Health &amp; safety practices</li> <li>Labor management &amp; labor rights</li> </ul>
<b>REGULATORY BODIES</b>	<ul style="list-style-type: none"> <li>Advocacy efforts with government officials</li> <li>Engagement through trade associations</li> <li>Operational updates</li> </ul>	<ul style="list-style-type: none"> <li>Current and proposed regulations</li> <li>U.S. and Mexico offshore exploration and production operations</li> <li>Carbon capture and sequestration</li> </ul>
<b>TRADE ASSOCIATIONS AND PEER NETWORKS</b>	<ul style="list-style-type: none"> <li>Partnership with key organizations, trade associations, and peer networks</li> <li>Talos employees serving as committee members for certain organizations</li> </ul>	<ul style="list-style-type: none"> <li>Industry-specific operational topics</li> <li>Cybersecurity best practices</li> </ul>
<b>COMMUNITIES</b>	<ul style="list-style-type: none"> <li>Community assistance programs</li> <li>Partnerships with non-profits</li> <li>Fundraising, employee donations, corporate matching, and corporate donations</li> <li>Volunteering</li> </ul>	<ul style="list-style-type: none"> <li>Fundraising, donations, and community assistance efforts</li> <li>Issues impacting local communities such as affordable access to health care and food insecurity</li> <li>Relevant topics as they arise like hurricane and natural disasters relief efforts in the Gulf Coast</li> </ul>







# Advancing Sustainability and Transparency on the ESG Journey

Talos recognizes the importance of the 17 Sustainable Development Goals (SDGs) identified by the United Nations. The SDGs provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.

Through our efforts, we are helping to address some of the challenges our society faces today, empowering the communities in which we operate and contributing to the goals set forth by the United Nations.





While all 17 SDGs are very important, we made the most significant contributions in 2021 toward the following goals: 3, 4, 5, 6, 7, 8, 11, 12, 13, and 14. A summary of our initiatives and progress can be seen on the following pages.

# Sustainability in Action



Goal	Location	Initiatives	Progress
 <b>SDG 3: GOOD HEALTH &amp; WELLBEING</b> ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES	Refer to 'Supporting the United Nations SDGs - Goal 3: Good Health & Wellbeing', 'Health, Safety & Environment (HSE)', and 'Human Capital Management'	<ul style="list-style-type: none"> <li>Health &amp; life insurance benefits offered to employees: employee assistance program for access to mental health services, gym subsidy, flu shots</li> <li>Zero incident goal &amp; culture of safety</li> <li>HSE governance structure including a Director of HSE who reports to management and the Board</li> <li>HSE operating principles</li> <li>Stop work authority</li> <li>Training on SEMS and TSOP, eLearning, and annual safety trainings for employees and contractors</li> <li>Drilling HSE scorecard</li> <li>Emergency Preparedness and Crisis Management Team</li> <li>Field safety meetings</li> <li>Safety performance evaluations &amp; safety related bonuses and incentives</li> </ul>	<ul style="list-style-type: none"> <li>Combined TRIR: 0.5 (a 25% Y-o-Y reduction since 2018)</li> <li>Combined LTIR: 0.1 (a 36% Y-o-Y decrease since 2018)</li> <li>Combined NMFR: 0.9 (a 24% Y-o-Y decrease since 2018)</li> <li>Zero loss time in Production operations from COVID</li> <li>Offshore employees received over 11,270 hours of combined HSE training and office employees received almost of 2,200 hours combined HSE training</li> <li>Weekly field and bi-weekly safety meetings</li> <li>Monthly safety keystones highlights and frequent internal communications on BSEE/USCG Safety Alerts, Lesson Learned, Company Safety Alerts, and Rapid Incident Alerts</li> </ul>
 <b>SDG 4: QUALITY EDUCATION</b> ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL	Refer to 'Supporting the United Nations SDGs - Goal 4: Quality Education', 'Human Capital Management', and 'Community Involvement'	<ul style="list-style-type: none"> <li>Tuition reimbursement for employees</li> <li>Ongoing education reimbursement for skill development</li> <li>STEM internships offered</li> <li>Rotating engineering program</li> <li>Learning Management System (LMS)</li> <li>Performance evaluations twice a year</li> </ul>	<ul style="list-style-type: none"> <li>96% completion of the latest round of performance evaluations</li> <li>We provided 4 STEM and 7 total internships in 2021</li> </ul>
 <b>SDG 5: GENDER INEQUALITY</b> ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS	Refer to 'Supporting the United Nations SDGs - Goal 5: Gender Inequality' and 'Diversity, Equity & Inclusion'	<ul style="list-style-type: none"> <li>Equal opportunity employment</li> <li>Created a Diversity Committee</li> <li>Gender diversity on our Board</li> <li>Contracted a DEI professional to create roadmap for diversity goals</li> <li>Protection from discrimination and harassment</li> </ul>	<ul style="list-style-type: none"> <li>Engaged a DEI consultant to create roadmap and strategy for diversity goals</li> <li>Added a woman candidate from an underrepresented background as a member of our Board</li> </ul>
 <b>SDG 6: CLEAN WATER &amp; SANITATION</b> ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL	Refer to 'Supporting the United Nations SDGs - Goal 6: Clean Water & Sanitation' and 'Water Management'	<ul style="list-style-type: none"> <li>Treatment of produced water</li> <li>Monthly overboard water sampling</li> <li>Desalination of seawater to supplement potable water</li> </ul>	<ul style="list-style-type: none"> <li>Continue to make efforts to reduce freshwater use in operations through the initiatives we have established</li> </ul>



# Sustainability in Action (Continued)

Goal	Location	Initiatives	Progress
 <b>SDG 7: AFFORDABLE &amp; CLEAN ENERGY</b> ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL	Refer to 'Supporting the United Nations SDGs - Goal 7: Affordable & Clean Energy', 'Emissions Management', 'Energy Management', and Climate Risk and Opportunity Report	<ul style="list-style-type: none"> <li>■ Launched Talos Low Carbon Solutions business</li> <li>■ Scope 1 GHG Emissions reduction efforts including a FLIR program and venting reduction projects</li> <li>■ ESG-linked compensation</li> </ul>	<ul style="list-style-type: none"> <li>■ Established the TLCS business</li> <li>■ On August 25, 2021, we announced winning first and only bid for GLO offshore CCS lease called Bayou Bend.</li> <li>■ On November 15, 2021, we announced the execution of a letter of intent to develop a CCS project, the Freeport LNG CCS project ("FLNG CCS")</li> <li>■ 30% of management's incentive compensation is dependent upon the achievement of Strategic Initiatives (20%) and ESG Initiatives (10%)</li> </ul>
 <b>SDG 8: DECENT WORK &amp; ECONOMIC GROWTH</b> PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL	Refer to 'Supporting the United Nations SDGs - Goal 8: Decent Work & Economic Growth', 'Our Company', and 'Human Capital Management'	<ul style="list-style-type: none"> <li>■ Equal employment opportunity employer, in compliance with applicable affirmative action requirements for federal contracts</li> <li>■ Vendor compliance with labor standards in Vendor Code of Conduct</li> <li>■ Human Rights Policy covering all employees, partners, vendors, and suppliers</li> <li>■ Life insurance and disability benefits</li> <li>■ Competitive salaries and benefits</li> <li>■ Robust performance review and career development process</li> <li>■ Employee engagement surveys</li> <li>■ Tuition reimbursement for higher learning</li> <li>■ STEM Internships for students</li> </ul>	<ul style="list-style-type: none"> <li>■ Combined TRIR: 0.5 (a 25% Y-o-Y reduction since 2018)</li> <li>■ Combined LTIR: 0.1 (a 36% Y-o-Y decrease since 2018)</li> <li>■ Combined NMFR: 0.9 (a 24% Y-o-Y decrease since 2018)</li> </ul>
 <b>SDG 11: SUSTAINABLE CITIES &amp; COMMUNITIES</b> MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT, AND SUSTAINABLE	Refer to 'Support for the United Nations SDGs - Goal 11: Sustainable Cities & Communities', 'Community Involvement', and 'Management of the Legal & Regulatory Environment - Industry Associations'	<ul style="list-style-type: none"> <li>■ Participation with non-profits like the Wounded Warrior Project, the American Cancer Society, Kids Meals, Girls Inc, and Trees for Houston</li> <li>■ Matching for up to \$500 of employee donations per employee, per year</li> <li>■ Support of employee volunteer efforts</li> </ul>	<ul style="list-style-type: none"> <li>■ \$340,000 was raised to support community organizations &amp; programs in 2021</li> <li>■ \$21,000 of employee donations in 2021</li> <li>■ 300 hours of employee volunteering in 2021</li> </ul>
 <b>SDG 12: RESPONSIBLE CONSUMPTION &amp; PRODUCTION</b> ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS	Refer to 'Supporting the United Nations SDGs - Goal 12: Responsible Consumption & Production', 'Environmental Impact of Supply Chain', and 'Social Impact of Supply Chain'	<ul style="list-style-type: none"> <li>■ Waste management hierarchy</li> <li>■ Education of employees on waste disposal</li> <li>■ Waste Management and Minimization Field Guides</li> <li>■ Contracted waste management services</li> <li>■ Recycling both in our offices and in our offshore operations</li> </ul>	<ul style="list-style-type: none"> <li>■ Initiated a recycling program in Houston headquarters</li> <li>■ Developed a company-wide recycling plan to be implemented in 2022</li> </ul>

# Sustainability in Action (Continued)

Goal	Location	Initiatives	Progress
 <b>SDG 13: CLIMATE ACTION</b> TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS	Refer to 'Supporting the United Nations SDGs - Goal 13: Climate Action' and Climate Risk and Opportunity Report	<ul style="list-style-type: none"> <li>Collect, analyze, and track Scope 1 GHG emissions data</li> <li>Scope 1 GHG emissions intensity reduction target of 30% reduction by 2025</li> <li>Talos Low Carbon Solutions: At full scale, we estimate that our current CCS portfolio will have the capacity to permanently sequester more than 50x the annual equivalent of our own upstream operations for our industrial customers</li> <li>ESG-linked compensation</li> </ul>	<ul style="list-style-type: none"> <li>Issuance of inaugural Climate Risk and Opportunity Report</li> <li>Hiring of a Chief Sustainability Officer in 2021</li> <li>Spent \$267,000 on various Scope 1 GHG emissions reduction projects</li> <li>Between 2020 and 2021, our Scope 1 GHG emissions intensity decreased by 8.8%, placing us in the top 20% of peers in the pace of Scope 1 GHG emissions intensity reduction</li> <li>30% of management's incentive program targets are dependent upon the achievement of Strategic Initiatives (20%) and ESG Initiatives (10%)</li> </ul>
 <b>SDG 14: LIFE BELOW WATER</b> CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT	Refer to 'Supporting the United Nations SDGs - Goal 14: Life Below Water', 'Environmental Impact', and 'Water Management'	<ul style="list-style-type: none"> <li>Scheduled inspections of our subsea infrastructure</li> <li>Subsea leak detection equipment that is proven technology that monitors subsea equipment integrity and prevents spills in the unlikely event of a subsea leak</li> <li>Incident Reporting Tool (IRT)</li> <li>Oil Spill Response Plan (OSRP) approved by the Bureau of Safety and Environmental Enforcement</li> <li>Tabletop drills pursuant to our OSRP and annual spill notification exercises for all manned facilities</li> <li>Preparation for Response Exercise Program (PREP) oversees incident response drills</li> <li>Offshore Operators Committee's Restricted Areas &amp; Fisheries sub-committee member</li> <li>All structural platform components are cut instead of using explosives when decommissioning</li> </ul>	<ul style="list-style-type: none"> <li>Less than 1 bbl of oil spilled offshore in 2021 (Actual - 0.57 bbls)</li> <li>Low waste intensity (Total waste mT/Gross Production MBOE) – 0.26</li> <li>Low offshore spill ratio (Barrels spilled/Mbbl of Oil produced) – 0.04</li> <li>Offshore employees received over 11,270 hours of combined HSE training and office employees received almost of 2,200 hours combined HSE training</li> <li>132 government inspections performed involving our production facilities or operational activities where 3,708 safety components were individually tested. Our INC to Component ratio was 0.009 which was 55% better than the average Gulf of Mexico operator</li> <li>In 2021, decommissioned 365,434 ft of pipeline, permanently plugged 17 wellbores, and removed 4 platform structures</li> </ul>

SUPPORTING THE  
UNITED NATIONS  
SUSTAINABLE  
DEVELOPMENT GOALS



# Seeking Alignment with the TCFD Framework: Climate-Related Disclosure

This year, Talos is issuing its first Climate Risk and Opportunity Report which is seeking alignment with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD).

The report outlines our Governance, Strategy, and Risk Management related to climate change, as well as the Metrics & Targets we use to measure our impact on the climate and our performance towards our stated climate-related targets.

A summary of our TCFD reporting can be found in Appendix D – TCFD Index, and our 2022 TCFD Climate Risk and Opportunity Report can be found on our website.

## *Core Elements of Recommended Climate-Related Financial Disclosures*

### **Governance**

The organization's governance around climate-related risks and opportunities

### **Strategy**

The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning

### **Risk Management**

The processes used by the organization to identify, assess, and manage climate-related risks

### **Metrics and Targets**

The metrics and targets used to assess and manage relevant climate-related risks and opportunities







# ENVIRONMENT

We are striving to protect the environment in which we operate and approach this responsibility in numerous ways. Operationally, we seek awareness of policies, procedures, risks, and mitigation plans through our Safety and Environmental Management System. In the field, we are continually looking for ways to reduce our Scope 1 GHG emissions by conducting simultaneous operations, Forward Looking InfraRed Radar (FLIR) surveillance, and equipment modifications.

Our dedication is further reflected in our spill prevention and spill response planning, as well as our decommissioning efforts.

We expect that our CCS business will play a role in large-scale industrial decarbonization efforts for industrial partners. We are proud of our innovation, leadership, and efforts to protect the environment and provide responsible energy, which enables modern life.



# Environmental Management System

Our Safety and Environmental Management System (SEMS) is a core part of our ESG strategy. It aims to make sure our facilities meet required safety and environmental regulations, our workers are made aware of our safety and environmental policies and procedures, and everyone complies with our training requirements. By following the specific guidelines of SEMS, we seek to ensure that our employees and contractors are operating safely while minimizing negative environmental impacts.

Our SEMS is in full compliance and exceeds federal regulations 30 CFR 250. Under this regulation, all facilities are equipped with safety and pollution prevention equipment including shut-in safety valves that are certified in accordance with 30 CFR 250.801 to aid in preventing spills. Additionally, Talos has a fully operational Oil Spill Response Plan (OSRP) which is evaluated by government officials at least once a year during a real-life scenario-based exercise that may include deployment of response assets.

Environmental protection is integrated in all aspects of our daily operations, drilling, decommissioning, and well work through our Job Safety & Environmental Analysis (JSEA). Our JSEA documents are a tool used to communicate accepted safety practices and environmental mitigations associated with a certain process, job, or procedure. For every job, the JSEA is reviewed by the individual work crews before work beginning. It is also signed off by the Person In Charge (PIC) of the facility to authorize and approve the work prior to the job beginning.

Topics covered by the JSEA are related to spill prevention and minimization, how to prevent foreign objects from going overboard, and how to maintain overboard water handling equipment like sumps, float cells, and separators. All of our environmental data is tracked for internal use and compiled into reports for regulators.



Health, safety, and welfare is our number one priority and our top core value. Our work is never so important or urgent that we cannot take the time to do it safely.





# Emissions Management

We believe expectations are changing for energy companies. Our stakeholders don't want to just read about a company that produces oil and gas. Stakeholders want to know how you are doing it responsibly while proactively contributing to the broader energy ecosystem.

To this end, we have set an ambitious Scope 1 GHG intensity goal. Initially, we had aimed to reduce our Scope 1 GHG emissions intensity by 30% from our 2018 baseline year by 2025. In 2020, we were pleased to achieve a 20% reduction and updated our targets to include a stretch goal of 40% reduction by 2025. In 2020, we also conducted an in-depth review of how we can best utilize our skill sets to contribute to the energy transition.

Our expertise in conventional geology combined with our operational capabilities made CCS a natural fit. Therefore, we established TLCS to be able to apply our core skill sets to develop large-scale decarbonization projects and reduce industrial emissions. We plan to play a vital role in the Net Zero energy evolution through CCS for industrial and future lower carbon economies. Our establishment of TLCS illustrates our ethos of making a difference with a sense of urgency, creativity, and diligence.

## *Bayou Bend CCS – Jefferson County, TX*



TALOS LOW CARBON  
SOLUTIONS BUSINESS

## *CCS Environmental, Social Benefits A Local and Global Positive Impact*



**Enabling CO<sub>2</sub> Emissions  
Reduction at a Scale of  
Multi-Million Tons Per Year**



**Allowing for New, Sustainable  
Industry Developments  
and Low-Carbon Economies**



**Safeguarding  
Existing Jobs**



**Introducing New Industries  
and Employment Opportunities**



**Providing Economic Growth to  
Communities Near CCS Projects**



**Utilizing Existing Skill Sets  
with Creative Problem Solving**

# Managing Emissions

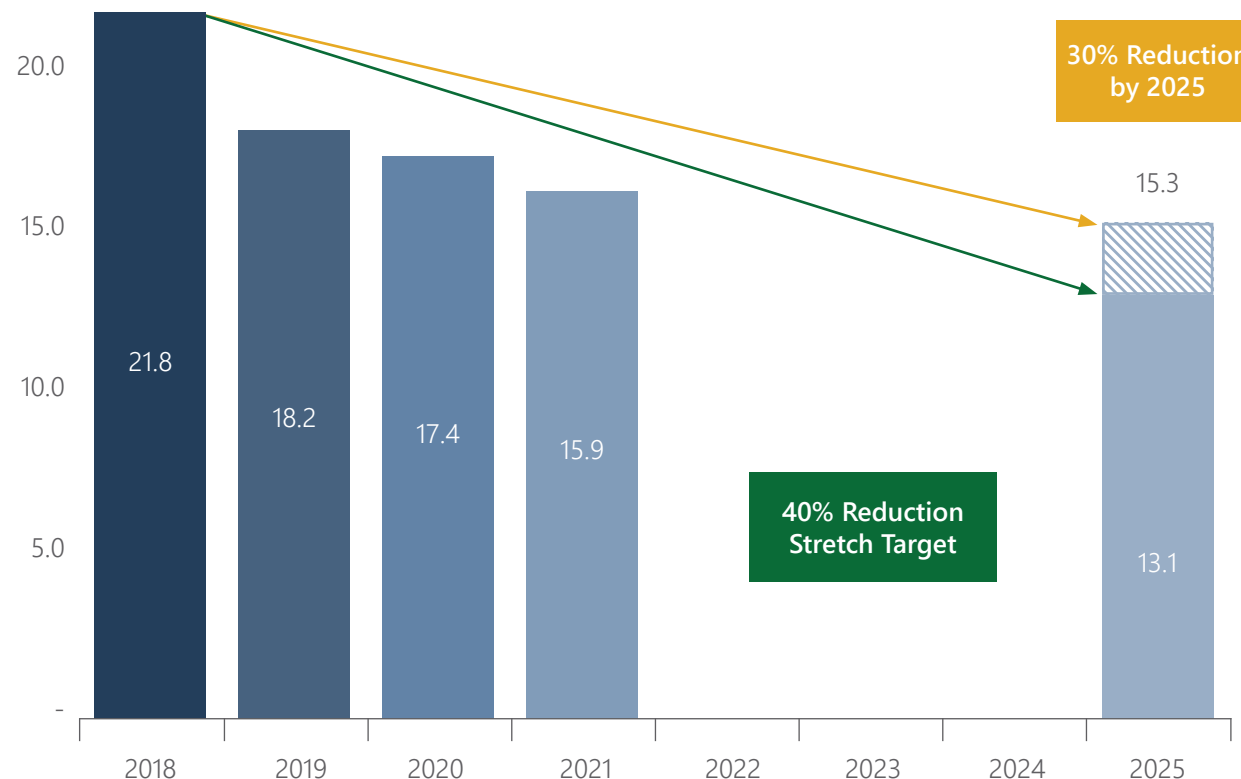
To track our Scope 1 and 2 emissions, Talos identifies all emissions sources from equipment to operational activities associated with each office location or platform. Throughout the year, relevant data is collected, such as run times, fuel usage, equipment modifications, and throughput volumes.

Data is assimilated and verified by our dedicated emissions team and third-party consulting firm. Emissions are calculated and tracked on a quarterly basis. We calculate CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and Hazardous Air Pollutants (HAPs). In 2021, our Scope 1 GHG emissions intensity was 15.9 mT CO<sub>2</sub>/MBoe<sup>(1)</sup>. A substantial portion of our operations fall within the regulatory jurisdiction of both the U.S. Environmental Protection Agency (EPA) and the Bureau of Ocean Energy Management (BOEM). At the federal level, greenhouse gases are regulated under Title 40, Part 98, Subpart W-Petroleum and Natural Gas Systems, Offshore Oil and Gas Production of the Code of Federal Regulations (CFR), commonly referred to as the Greenhouse Gas Reporting Program. The program mandates annual reporting of GHG emissions from sources that emit 25,000 metric tons or more of CO<sub>2</sub>e per year and prescribes specific procedures for data gathering and emission calculation methodologies to be used for reporting to the EPA.

BOEM regulations 30 CFR 550.303(k) and 550.304(g) require operators of facilities on Outer Continental Shelf (OCS) leases to collect and submit comprehensive activity information and related emission sources data into BOEM's Outer Continental Shelf Air Quality System (AQS) (formally known as GOADS). The AQS software calculates and reports emissions as part of the triennial OCS emissions inventory program. Emissions reported through AQS serve as the basis of our Scope 1 emissions. Additional sources, not required by the EPA or BOEM's triennial OCS emission inventory program, are also calculated and added to provide a more accurate picture of our emissions profile. We are continuing to evaluate ways to expand our reporting scope to increase completeness and transparency.

## Driving Down Scope 1 GHG Emissions Intensity<sup>(1)</sup>

Gross Operated Production, MT CO<sub>2</sub> Equivalent/MBoe



<sup>(1)</sup> Scope 1 GHG intensity reduction targets calculated from 2018 baseline. Please see footnotes on page 27 for a detailed description of emissions data and calculations. The 100-year global warming potential (GWP) values were used to convert methane (GWP of 25) and nitrous oxide (GWP of 298) to carbon dioxide-equivalents (CO<sub>2</sub>e). Emission changes between 2018 and 2019 reflect the updated BOEM Gulfwide Offshore Activity Data System (GOADS) emissions inventory and/or Talos operating practices. 2020 emissions were calculated using the same GOADS methods and requirements as 2019 emissions. 2021 emissions were calculated using BOEM Air Quality System (AQS) reporting requirements and then adjusted to be consistent with previous reporting years.



# Our Performance – Emissions Management

Scope 1 GHG emissions are generated directly from our operations. Most of Talos's Scope 1 GHG emissions come from combustion sources, such as engines or compressors. Process, vented, and fugitive emissions comprise the remainder of our Scope 1 GHG emissions.

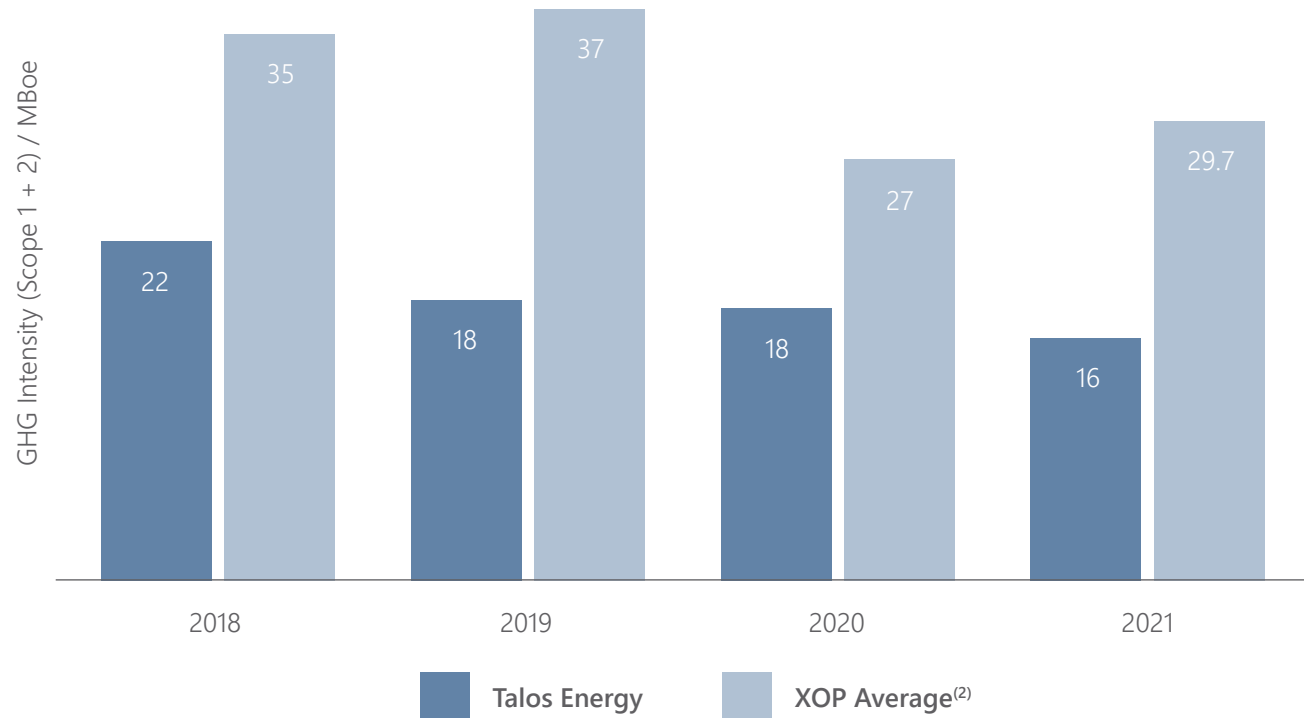
Our emissions reporting methodology uses the AQS emissions methodology for calculations unless otherwise stated in our footnotes. Total Scope 1 emissions in 2021 were 444,763 metric tons of CO<sub>2</sub>e and increased on an absolute basis by 9.5% from 2020 due to a 20% increase in production.

Our Scope 1 GHG emissions intensity was 15.9, which is a 9% reduction compared to 2020. Talos has reduced our Scope 1 emissions intensity by approximately 27% compared to our 2018 baseline.

Scope 2 GHG emissions are indirect emissions that are generated from the purchase of electricity by our Company. Talos does not directly acquire energy such as electrical steam, heat, or cooling that has been generated offsite.

Talos uses a location-based methodology for calculating Scope 2 GHG emissions using factors provided by the EPA's eGRID data tables for U.S.-based and International Energy Agency (IEA) emissions factor database for Mexico. We first reported our Scope 2 GHG emissions in 2020. In 2021, we expanded our reporting efforts by providing 2018-2021 data. Talos achieved a 16% reduction from last year primarily by optimizing office space in Lafayette, Louisiana.

## *Talos Exhibits Lower GHG Intensity than the Benchmark<sup>(1,2)</sup>*



(1) GHG intensity is calculated as metric tons of Scope 1 and Scope 2 emissions in CO<sub>2</sub> equivalents divided by gross operated production, which is inclusive of our handling of 3rd party volumes through our platforms. Please see footnotes on page 27 for a detailed description of emission data and calculations.

(2) XOP is the SPDR S&P Oil & Gas Exploration & Production ETF, used as a proxy for an upstream benchmark. This index is comprised of Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. ESG metrics for XOP holdings were accessed through Bloomberg.

# Our Performance – Emissions Management<sup>(1)</sup>

## Environmental Data – Greenhouse Gas Emissions<sup>(2)</sup>

Combustion	2018	2019	2020	2021
CO <sub>2</sub>	264,523	286,443	231,182	229,102
CH <sub>4</sub>	132	141	213	12,678
N <sub>2</sub> O	174	181	159	1,093
<b>SCOPE 1 COMBUSTION EMISSIONS (mT CO<sub>2</sub>e)</b>	<b>264,829</b>	<b>286,765</b>	<b>231,554</b>	<b>242,873</b>
Flaring				
CO <sub>2</sub>	7,117	10,332	10,282	17,569
CH <sub>4</sub>	194	1,527	1,511	2,678
N <sub>2</sub> O	37	54	54	89
<b>SCOPE 1 FLARING EMISSIONS (mT CO<sub>2</sub>e)</b>	<b>7,348</b>	<b>11,913</b>	<b>11,847</b>	<b>20,336</b>
Fugitives				
CO <sub>2</sub>	0	0	0	0
CH <sub>4</sub>	71,884	57,682	43,962	46,168
N <sub>2</sub> O	0	0	0	0
<b>SCOPE 1 FUGITIVE EMISSIONS (mT CO<sub>2</sub>e)</b>	<b>71,884</b>	<b>57,682</b>	<b>43,962</b>	<b>46,168</b>
Venting				
CO <sub>2</sub>	106	117	88	66
CH <sub>4</sub>	204,921	151,476	118,624	135,320
N <sub>2</sub> O	0	0	0	0
<b>SCOPE 1 VENTING EMISSIONS (mT CO<sub>2</sub>e)</b>	<b>205,027</b>	<b>151,593</b>	<b>118,712</b>	<b>135,387</b>
Totals				
<b>SCOPE 1 EMISSIONS (mT CO<sub>2</sub>e)<sup>(3,4)</sup></b>	<b>549,088</b>	<b>507,953</b>	<b>406,075</b>	<b>444,763</b>
<b>SCOPE 2 EMISSIONS (mT CO<sub>2</sub>e)<sup>(5)</sup></b>	<b>1,636</b>	<b>1,237</b>	<b>946</b>	<b>794</b>
<b>GROSS OPERATED PROD. (MMBOE)<sup>(6)</sup></b>	<b>25.2</b>	<b>27.9</b>	<b>23.3</b>	<b>28.0</b>
<b>SCOPE 1 GHG EMISSIONS INTENSITY (mT CO<sub>2</sub>e/MBOE)<sup>(6)</sup></b>	<b>21.8</b>	<b>18.2</b>	<b>17.4</b>	<b>15.9</b>
<b>GHG EMISSIONS INTENSITY (mT CO<sub>2</sub>e/MBOE)<sup>(6,7,8)</sup></b>	<b>21.9</b>	<b>18.3</b>	<b>17.5</b>	<b>15.9</b>

(1) Environment data for 2018 reflect partial year production starting May 10, 2018 from Stone assets acquired by Talos. Environmental data for 2019, 2020, and 2021 include full-year production from Stone assets.

(2) Scope 1 GHG emissions include engine and turbine fuel combustion used to drive equipment and provide onsite electricity, fugitive emissions from equipment, and the venting or flaring of natural gas when necessary to protect worker safety during upset conditions or when pipeline access is temporarily unavailable due to repairs.

(3) Total Scope 1 GHG emissions for 2018, 2019, 2020, and 2021 include nitrous oxide, in addition to CO<sub>2</sub> and methane.

(4) Includes GHG emissions (Scope 1) from Talos-operated U.S. production platforms in Federal and State waters (Limited to MP72). Also includes emissions that are below the EPA GHG Reporting Program threshold that would otherwise go unreported. Does not include emissions associated with drilling activities or the HP-1 floating propulsion system. 100-year global warming potential (GWP) values were used to convert methane (GWP of 25) and nitrous oxide (GWP of 298) to carbon dioxide-equivalents (CO<sub>2</sub>e). Emission changes between 2018 and 2019 reflect the updated BOEM Gulf-wide Offshore Activity Data System (GOADS) emission inventory and/or Talos operating practices. 2020 emissions were calculated using the same GOADS methods and requirements as 2019 emissions. 2021 emissions were calculated using BOEM Air Quality System (AQS) reporting requirements and then adjusted to be consistent with previous reporting years.

(5) Talos first calculated Scope 2 emissions in 2020. In 2021, we went back and calculated 2018-2021 to include all offices in Mexico, Texas, and Louisiana causing a restatement of prior 2022 Scope 2 data.

(6) Gross Operated Production figures for 2018 and 2019 are updated from figures reported in Talos's 2020 ESG Report to include production operated by others that are processed at Talos's platforms. This also resulted in updated GHG emissions intensity for 2018 and 2019.

(7) GHG emissions intensity is calculated as metric tons of Scope 1 and Scope 2 GHG emissions in CO<sub>2</sub> equivalent divided by gross operated production which is inclusive of our handling of 3rd party volumes through our platforms.

(8) GHG Emissions Intensity includes Scope 1 and Scope 2. Otherwise a clarification will be placed before GHG to identify the Scope.



# Emissions Reduction Initiatives

Our employees work to ensure we are identifying emission reduction projects that will have the biggest impact.

All project ideas and opportunities are recorded and analyzed for possible implementation.

At the end of each year, we select and budget projects to be executed in the coming year with the goal of further minimizing our Scope 1 emissions. In 2021, we executed various initiatives to help reduce our Scope 1 emissions and methane profile. A gas leak detection surveillance program using Forward-Looking Infrared Radar (FLIR) was established at each of our Gulf of Mexico platforms to identify and resolve leaks and reduce methane emissions. All our platforms are surveyed annually, and our major platforms are inspected semiannually. In addition, we converted our emergency upset systems from cold vents to flares on two of our major platforms. The flaring systems will combust methane during upset conditions prior to release which will significantly reduce overall Scope 1 GHG emissions. A pilot program to test wind/solar compressor units on two unmanned platforms was also executed in 2021. Additional expansion of these units to other platforms is being evaluated. As we look to build the energy company of tomorrow, we are in the initial stages of researching wind, ocean waves, and geothermal energy opportunities.

## OTHER AIR EMISSIONS



### Key Initiatives Conducted in 2021



**Established leak detection (FLIR) survey program for every platform (33 total surveys)**



**Converted venting systems to flaring systems for upset condition on two major platforms**



**Installed pilot wind/solar compressor units on two unmanned platforms**



**Invested ~\$562,000 on emissions focused initiatives**



**Enhanced production software to automate field emissions data collection**

This is our first year to report other air emissions including nitrogen oxide (NO<sub>x</sub>), sulfur oxide (SO<sub>x</sub>), and volatile organic compounds (VOCs). These air emissions are produced as a result of our operations from engines, construction equipment, or flaring activities. In 2021, our NO<sub>x</sub>, SO<sub>x</sub>, and VOC emissions were 2,367 metric tons, 7 metric tons, and 1,830 metric tons, respectively.

# Ways We Seek to Protect the Environment

Biodiversity refers to the number, genetic variability, and a variety of species and biological communities in a given area. Talos recognizes biodiversity is needed to support clean air, fresh water, good quality soil, and crop pollination around the world. We understand our responsibility to serve as environmental stewards in the areas we operate, strive to minimize our impact, and preserve biodiversity.

Talos approaches our commitment to environmental protection and biodiversity preservation in several ways. We participate in a number of trade organizations, which allows us to collaborate, share best practices, and collectively work together to impact a larger area. An example of this is our membership in the Offshore Operators Committee (OOC), and its Restricted Areas & Fisheries subcommittee, as well as the National Ocean Industries Association (NOIA) ESG Committee.

In addition, Talos works closely with three main regulatory agencies to ensure we meet all requirements to operate sustainably. These agencies include the Bureau of Ocean Energy Management (BOEM), the Bureau of Safety and Environmental Enforcement (BSEE), and the Environmental Protection Agency (EPA). We incorporate all regulatory requirements and additional best practices learned through BSEE Safety Alerts/Lesson Learned and industry working groups into our Safety & Environmental Management System (SEMS). Our SEMS also covers spill prevention and minimization, how to prevent foreign objects from going overboard, and how to maintain overboard water handling equipment like sumps, float cells, and separators.

## *Ways We Aim to Protect the Environment*

- **Regularly Inspecting** our subsea infrastructure
- **Leveraging Proven Subsea Leak Detection** equipment that monitors subsea equipment integrity and prevents spills in the unlikely event of a subsea leak
- **Monitoring and Responding** to incidents using our Incident Reporting Tool (IRT)
- **Maintain Our Oil Spill Response Plan (OSRP)** approved by BSEE
- **Conducting Tabletop Drills** under our OSRP and annual spill response exercises for all manned facilities
- **Conducting Incident Response Drills** overseen by our Preparation for Response Exercise Program (PREP)
- **Sharing Best Practices** through OOC's Restricted Areas & Fisheries sub-committee



# Environmental Protection Through Decommissioning

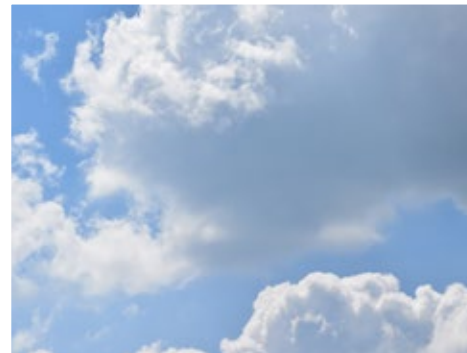
When decommissioning our offshore wells and infrastructure, we design operations to help us to minimize the disruption of ocean biodiversity around our operations, reduce risk, and adhere to all federal regulations.

All wells are sealed and cemented to protect against the risk of potential future leaks. Once the wells are plugged and abandoned, the topside is severed from the platform by making one cut, which greatly reduces the amount of debris and structural material that needs to be carried away. Next, we remove the underwater structure, called the jacket. Rather than using explosives, all underwater structural pieces are mechanically cut and lifted out of the water to minimize any disturbance to the environment and ecosystem.

In 2021, Talos spent \$66 million (net to Talos) on plugging and decommissioning operations. These operations consisted of the temporary abandonment of 34 wells, permanently plugging and abandoning 17 wells, the removal of 4 platforms, and decommissioning 46 pipelines in the Gulf of Mexico.

Year	Structures Removed	Wells Permanently Plugged	Wells Temporarily Plugged	Pipelines Decommissioned	Length of Pipelines Decommissioned (ft)	Net Decommissioning Costs (\$MM)
2015	2	2	37	16	138,980	\$40
2016	8	27	9	14	210,780	\$37
2017	8	14	14	28	240,933	\$26
2018	16	21	31	12	159,781	\$142
2019	12	28	41	22	59,576	\$75
2020	10	18	36	12	79,834	\$42
2021	4	17	34	46	365,434	\$66
<b>TOTAL</b>	<b>60</b>	<b>127</b>	<b>202</b>	<b>161</b>	<b>1,255,318</b>	<b>\$428</b>

## PLUGGING AND ASSET RETIREMENT



# Offshore Spill Management

One of Talos's primary focuses in being a responsible environmental steward is to protect the oceans, where we operate through spill prevention and protection. We comply with applicable regulations at all facilities and utilize subsea leak detection equipment and technology to seek to help prevent releases of hydrocarbons from subsea wells.

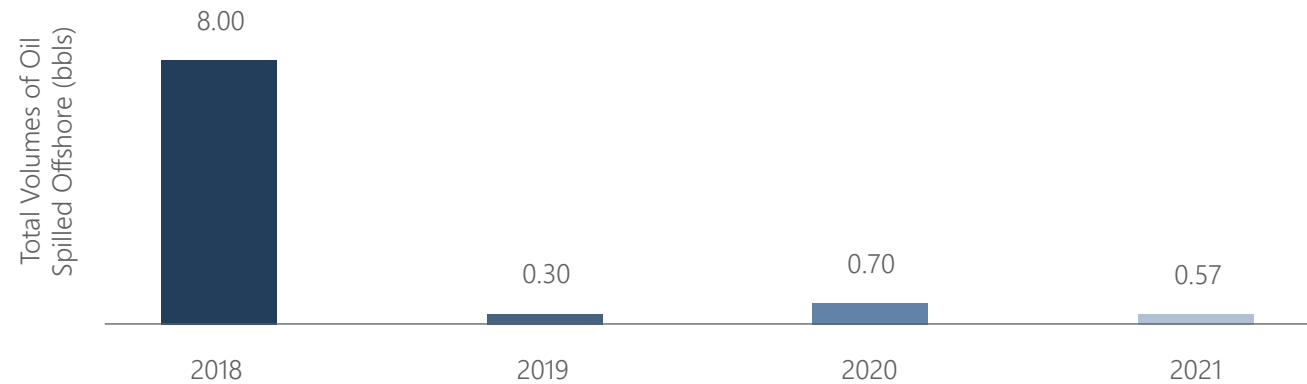
As part of our ongoing effort to be more transparent and reflect our commitment to ESG, we have implemented new procedures to estimate and track all of our waste streams to report data in seeking alignment with the recommendations of SASB and GRI.

Additional drill details can be found using the Talos Incident Reporting Tool (IRT). In the event of a spill, the OSRP outlines the steps to mitigate impacts, including notification of the Incident Management Team and control and spill cleanup procedures.

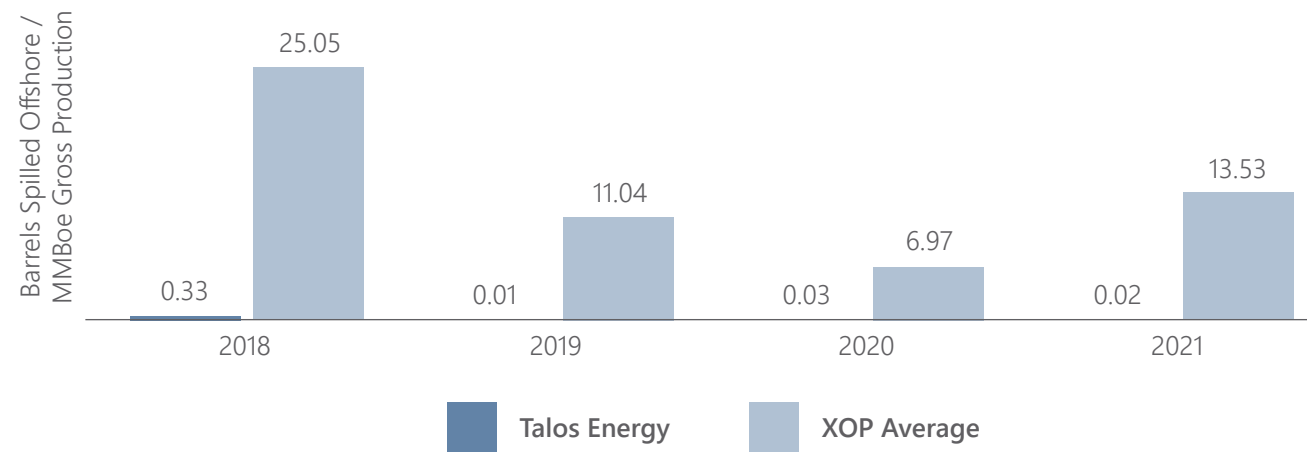
In 2021, Talos produced ~24.0 million gross barrels of oil equivalent and only released a total of 0.57 barrels offshore<sup>(1)</sup>. BSEE published a yearly Gulf of Mexico average oil spill ratio based on the ratio of oil spill volumes per one million barrels of oil produced, the latest publication shows the 2020 Gulf of Mexico average ratio was 0.82.

<sup>(1)</sup> Does not include a 2021 spill of approximately 120 bbls of condensate at an onshore Texas asset because the Company also sold the asset in 2021. The Company completely remediated the spill in accordance with all applicable regularity guidelines and requirements prior to its disposition. No fines were issued.

## Talos Low Offshore Spill Volumes



## Talos Offshore Spill Volume Ratio: Fraction of Benchmark Average



Note: XOP is the SPDR S&P Oil & Gas Exploration & Production ETF, used as a proxy for an upstream benchmark. This index is comprised of Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. ESG metrics for XOP holdings were accessed through Bloomberg.



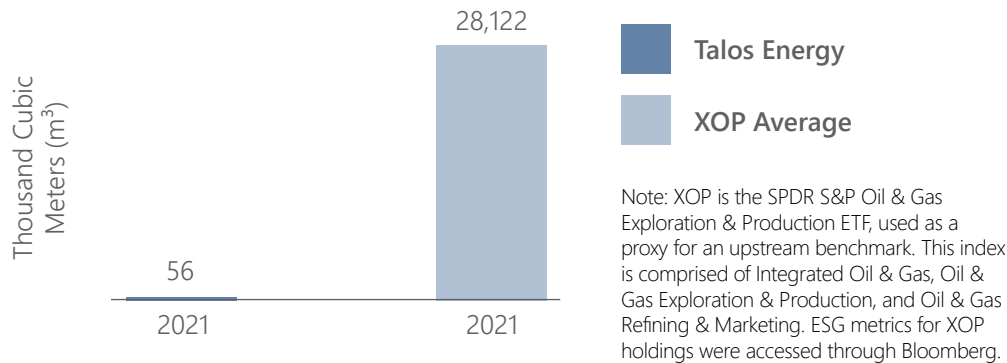
# Water Management

Water is an essential resource for human life and our business. In our efforts to build the energy company of tomorrow, Talos is committed to improving our water management, stewardship, and conservation in all areas where we operate. To do this, we think of water in three categories: potable water, seawater, and produced water.

## Potable Water

Potable water is water that comes from surface and ground sources and is treated to levels that meet state and federal standards for consumption. Talos purchases fresh water from vendors and transports it from the shore for use by offshore personnel. In addition to being used by personnel, this water may also be used to supplement drilling or completion fluids for well operations. We are able to limit potable water use by using other sources of water for most activities.

## Talos Utilizes Less Freshwater Used than Benchmark



## Seawater

Seawater is used for desalination, equipment cooling, and well completions operations. Several of our platforms are equipped with desalination units, which allows us to make additional non-potable water offshore for washing down decks, fire water systems, sanitation water and deluge. Desalination allows us to further manage our carbon footprint by reducing the number of boat trips required to deliver potable water to platforms. Seawater is also used for equipment cooling. Seawater is directly pumped from the ocean through cooling loops to various equipment throughout the platform. The water is in an isolated system and is not mixed with any other fluids before being returned to the ocean.

Onshore, many U.S. operations leverage hydraulic fracturing for significant reservoir stimulation due to the low porosity and permeability associated with shale reservoir rock.

The U.S. Geological Survey agency estimated onshore hydraulic fracturing uses anywhere between 35,000 to 380,000 barrels of water per well.

In the Gulf of Mexico, seawater is mixed with an environmentally safe gel and injected into completion zones for the purpose of sand control to stabilize and prevent the sand near the wellbore (less than 50 feet) from moving. This completion operation utilizes, on average, approximately 1,500 to 2,000 barrels of either freshwater or seawater-based fluids per well. As a result, these completion operations use 98% less water than the average hydraulic fracturing of an onshore shale oil and gas well.

## Produced Water

Produced water is saline water found in the reservoir with the hydrocarbons we produce and is a byproduct of our offshore hydrocarbon production. Talos collects and treats its produced water at each facility before discharging it into the Gulf of Mexico in accordance with a National Pollutant Discharge Elimination System (NPDES) permit approved by the EPA. To ensure the quality of the treated water meets compliance, we have a water policy in place requiring monthly water sampling. The monthly samples are sent to third-party laboratories for testing and the results are forwarded to the EPA at the end of each quarter to facilitate our compliance with all applicable standards.

# Materials and Waste Management

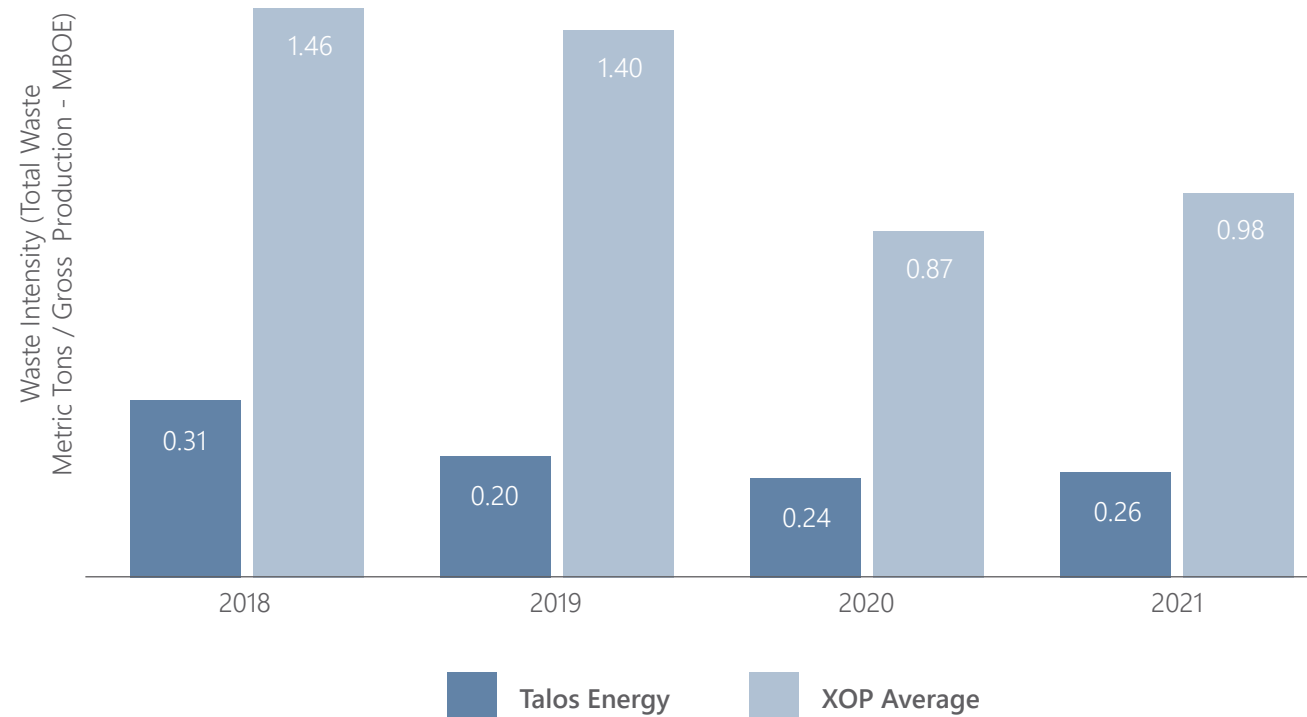
Talos generates both hazardous and non-hazardous waste from production platforms, including domestic trash, recyclable waste, and other waste. Before 2021, we tracked and reported limited waste data around non-hazardous waste and naturally occurring radioactive materials.

As part of our ongoing effort to be more transparent and reflect our commitment to ESG, we have implemented new procedures to estimate and track all of our waste streams to report data in alignment with the recommendations of SASB and GRI.

A third-party compliance firm oversees the audit of our waste numbers. Our total waste reported is a combination of hazardous waste, naturally occurring radioactive material, E&P waste, and universal waste. In 2021, we generated 6,250 metric tons of total waste, resulting in waste intensity of 0.26<sup>(1)</sup>.

## EXPANDING REPORTING EFFORTS

### *Talos Exhibits Low Waste Intensity Relative to Benchmark*



Note: XOP is the SPDR S&P Oil & Gas Exploration & Production ETF, used as a proxy for an upstream benchmark. This index is comprised of Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. ESG metrics for XOP holdings were accessed through Bloomberg.  
(1) Waste intensity is calculated as total waste (metric tons) divided by gross production (MBOE).

# Material and Waste Management (Continued)

Our operations can result in hazardous waste.

Hazardous wastes generated offshore are either sampled and characterized offshore or sent into the shore base for sampling and characterization. An approved third-party waste handling company reviews the material and sends the waste to the final EPA approved Treatment, Storage, and Disposal Facility (TSDF) for permanent disposal.

## Natural Occurring Radioactive Material (NORM) Waste

During normal drilling and completion activities, NORM waste can be brought to the surface. Our facilities have Trussco decontaminate equipment to properly store and transport this waste to an EPA-approved facility for proper permanent disposal.

## E&P Waste

Our operational waste streams also include non-hazardous waste, such as completion fluids, oil-based drilling fluids, production pit sludges, storage tank sludges, washout water, and water-based drilling fluids.

PROPER DISPOSAL  
OF WASTE FOR  
ENVIRONMENTAL  
STEWARDSHIP

## Talos Exhibits Low % of Hazardous Waste Relative to Benchmark

Hazardous Waste (% of Total Waste)	2018	2019	2020	2021
<b>TALOS</b>	0.02%	0.13%	0.10%	0.09%
<b>XOP AVERAGE</b>	26.19%	28.34%	21.78%	31.54%

Note: XOP is the SPDR S&P Oil & Gas Exploration & Production ETF, used as a proxy for an upstream benchmark. This index is comprised of Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. ESG metrics for XOP holdings were accessed through Bloomberg.

Fluid waste can be injected into a permitted E&P injection well or transported to an R-360-permitted treatment/disposal facility for recycling and reuse. At the treatment/disposal facility, the delivered waste is treated according to the Louisiana Department of Natural Resources' regulation Statewide Order 29-B until it meets reuse criteria.

## Universal Waste

Additionally, we have universal waste streams from our corporate offices and our offshore facilities, including domestic trash and recyclable waste. Trash from our offshore facilities is taken to the shore base for pickup, and trash from our corporate offices is collected by trash management services and transported to landfills.

Recyclable waste is captured in separate storage containers and taken away by a separate vendor for recycling.

## Waste Reduction

To responsibly manage Talos's impact on the environment and reduce landfill waste, we strive to continue to improve reuse and recycling in our daily operations. We have developed a waste management and handling program at our offshore facilities. As part of this program, we minimize waste by educating employees on disposal procedures in multiple waste streams. Employees utilize Waste Management and Minimization Field Guides for guidance and conduct audits to evaluate our compliance with waste regulations. In addition, Talos implemented an office-level recycling initiative in 2021 which has expanded companywide in 2022.



# Energy Management

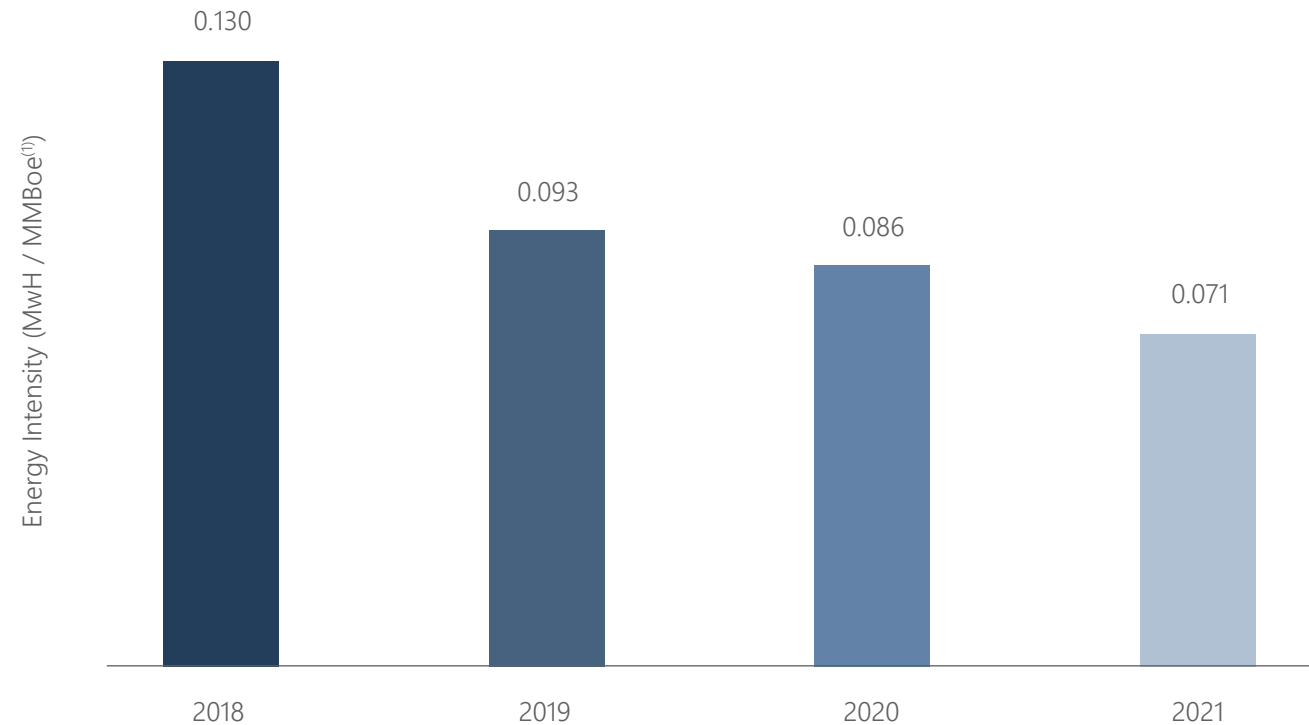
As a part of our overall climate strategy, Talos strives to lower our carbon footprint by improving our energy efficiency, reducing Scope 1 & 2 emissions, and leveraging renewable energy technology. Nearly all our facilities in the Gulf of Mexico are equipped with solar panels used to power platform fog lights and fog horns.

Late in 2020, we conducted a study to evaluate power inefficiency on several platforms. In 2021, we were able to successfully shut down duplicate generators and run one generator more efficiently on two different platforms, reducing our emissions and fuel usage. We also utilized additional metering and actual engine load data to better understand areas for improvement and replaced fuel gas as a power source on several platforms. On the renewable energy front, we piloted a wind- and solar-powered air compressor program for two satellite platforms in 2021.

In addition to enhancing our energy efficiency and integrating renewable energy technologies in our operations, we've optimized the energy efficiency of our headquarters by selecting a building that is both LEED Gold Certified and Energy Star rated. These certification programs help us increase energy efficiency and improve occupant health and safety.

We are proud of our efforts and will continue to focus on energy efficiency and ways to incorporate more renewable energy sources as we build the energy company of tomorrow. In 2021, our energy intensity was 0.07 megawatt hours of energy consumed per MMBoe<sup>(1)</sup>.

## *Energy Intensity has Decreased Over Time* *Achieving Steady Progress*



(1) Energy intensity is a function of MwH of energy consumed divided by gross operated production, including third party volumes.



# SOCIAL

Talos’s business principles and practices are designed to foster an innovative and collaborative culture – a culture that embodies integrity and safety, cultivates mutual accountability, encourages thinking as an owner, and embraces diversity and inclusion.

Our culture is the foundation of our social promise to our people, partners, contractors, and communities.

We are proud of the progress we have made in 2021 to improve safety, increase training, enhance the employee experience, give back to our communities, and strengthen our partner relationships.

Through our actions, we are building the energy company of tomorrow.

# Culture of Safety

At Talos, ensuring the safety, health, and wellbeing of our stakeholders, which include employees, contractors, vendors, and the community, is a core value. Our employees and contractors are empowered to promote a safety-first culture across our operations. Every person has the authority and the obligation to stop a job if a risk is perceived.

Talos operates in one of the most technically challenging and uniquely complex offshore marine environments in the industry, and our priority is the protection of people and the environment. Our skilled offshore employees work together with highly specialized contractors that are engaged to perform various operations and tasks on our facilities. The contractors we engaged are fully screened to ensure the Company's safety programs and statistics meet Talos's Health, Safety and Environmental (HSE) requirements. Talos requires contractors to attend our provided The contract employees are screened to ensure they meet all Talos prescribed training qualifications including drug and alcohol requirements.

## *HSE Operating Principles*

*At Talos, we believe that:*

- Every worker has the right to **Stop the Job**
- **Carefully Planning and Communicating Each Activity** will identify and mitigate jobsite risks
- Our operations should be conducted in an **Environmentally Sound** manner at all times
- **Compliance with Regulatory Requirements** is our non-negotiable license to operate
- **Transparent Reporting, Investigation, and Corrective Actions** can prevent recurrence of unplanned events
- **Open and Honest Communication** can drive continuous improvement throughout our operations
- **Unmitigated Risks** should not, and will not, be taken to increase production or progress
- **The Worker is More Important than the Work** and we continuously reflect this in our decisions and actions

COMMITMENT TO  
SAFE OPERATIONS





# Regulatory Compliance

Talos executes our operations pursuant to and in strict compliance with rigorous federal regulations and permitting requirements, which include 30 CFR 250, 30 CFR 254, 30 CFR 550, 30 CFR 556, and 40 CFR 122, as well as state regulations and permitting requirements under Louisiana Title 43.

The BSEE and the U.S. Coast Guard conduct numerous inspections of our offshore infrastructure, including drilling rigs, platforms, and facilities to ensure that we are fully compliant, safe, and operating in an environmentally protective manner. Incidents of Non-Compliance (INC) are issued by the inspection agency if an issue is observed.

In 2021, 132 government inspections were performed involving our production facilities or operational activities where 3,708 safety components were individually tested.

Our INC to Component ratio was 0.009, which was **55% better than the average Gulf of Mexico operator<sup>(1)</sup>**.

In addition, we also comply with the rules and regulations of the National Hydrocarbons Commission of Mexico, Comision Nacional de Hidrocarburos (CNH) for our Mexico Offshore assets.

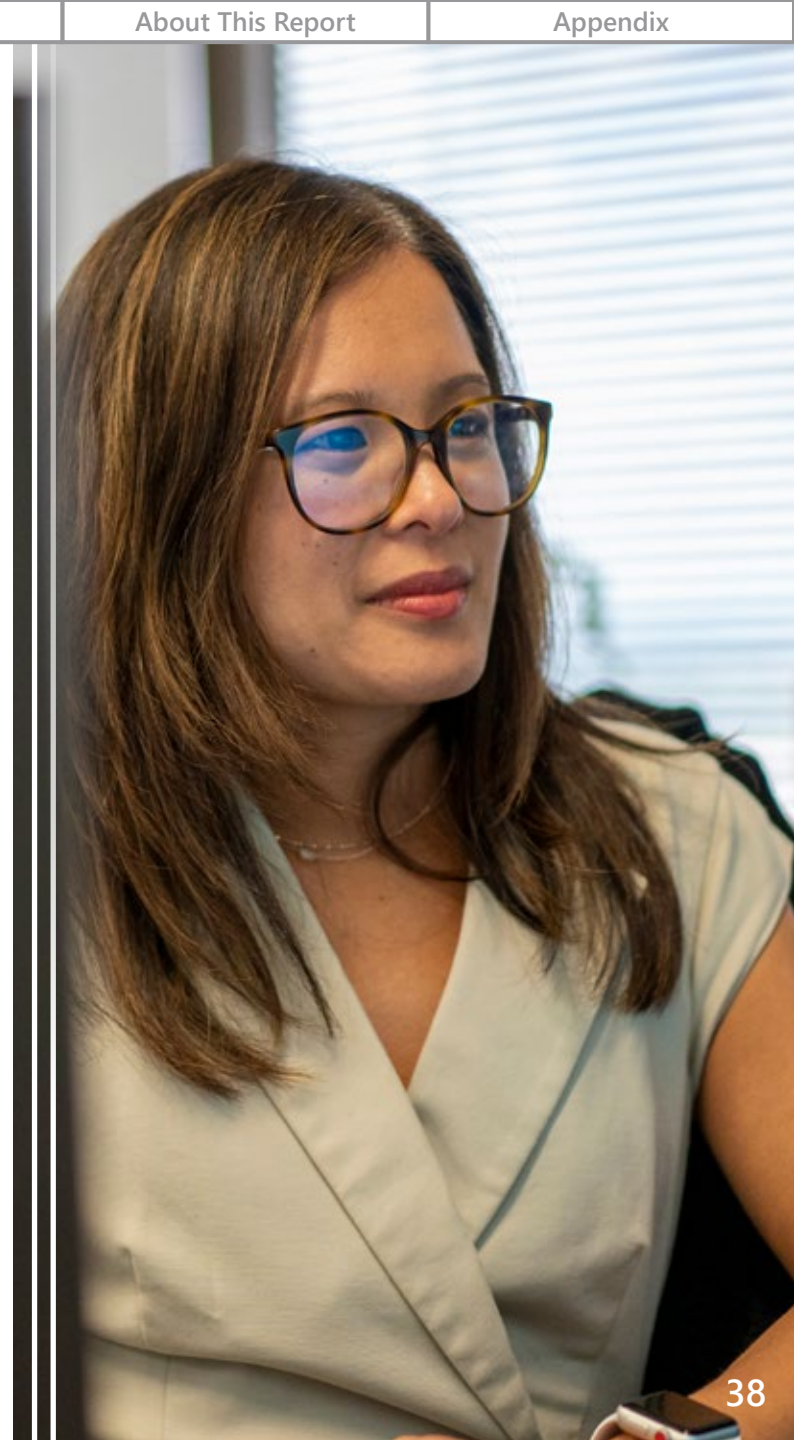
In 2021, we had limited operational activity and currently have no active offshore production facilities in Mexican waters.

(1)The Gulf of Mexico region INC/Component ratio for 2021 was 0.02 as provided by BSEE Field Operations – OSM on 11/14/2022.

## Compliance by the Numbers

**132***Gov. Inspections***0.009***INC to Comp. Ratio***3,708***Components Tested*

TRACK RECORD  
OF EXCELLENCE IN  
OFFSHORE REGULATORY  
COMPLIANCE



# Safety Tools

Our commitment to the health, safety, and welfare of our employees, contractors, visitors, and the public is foundational to our culture of safety. We believe that all incidents are preventable and that working incident and injury-free is possible.

The Talos Safe Operating Practices (TSOP) Manual and Safety and Environmental Management System are the foundation of our comprehensive framework for safety and environmental management oversight.

The TSOP Manual provides detailed information on specific tasks, roles and responsibilities for operations, and provides clear guidance for incident response and operational risk mitigation. The TSOP is reviewed annually by our Director of HSE and Senior VP of Operations. To continuously improve our safety efforts, we also empower employees to work with supervisors to address situations not covered by the TSOP.

## ***Talos Safety Tools***

### ***Multiple Avenues to Empower All on the Job***

- Stop Work Authority (SWA)
- Behavior Safety Observation Card Program
- Risk Assessments
- Management of Change Process
- HSE Drilling Operations Scorecard
- Annual Safety Trainings
- Emergency Preparedness and Crisis Management Team
- Office and Offshore Based Hurricane Action Plans
- Employee Residence Mapping Program for Hurricanes and Storms

COMMITTED TO  
SAFE PRACTICES  
AND STOP WORK  
AUTHORITY



# Involvement in HSE Trade Associations and Knowledge Sharing Groups

Talos is involved in a variety of trade associations and knowledge-sharing groups focused on health and safety. Our Director of HSE participates in an offshore HSE leaders group, which is a group of HSE leaders from mid-size offshore operators that share information and best practices.

Additionally, several leaders are involved in Offshore Operators Committee (OOC) working groups, including the Marine Safety & Security Working Group and the Safety and Environmental Management Systems (SEMS) Working Group. Other committees and working groups in which we participate include: the Marine Preservation Association, Marine Spill Response Corporation (MSRC), National Ocean Industries (NOIA), Health-Safety-Security-and Environmental committee, and Helix Well Containment Group (HWCG) consortium. In 2021, our CEO was the Chairman of NOIA and several of our employees co-chair the executive committees of OOC and HWCG.





# Safety and Environmental Management System

The Safety and Environmental Management System provides a day-to-day guide for safety practices and facilitates continuous improvement for all the Talos operations. The SEMS promotes employee, contractor, and vendor safety along with environmental protection during exploration, development, construction, and production activities.

Whether in federal or state waters, we meet or exceed Occupational Safety and Health Administration (OSHA) standards through federal regulations or state regulations. Talos's SEMS is in compliance with federal regulations including 30 CFR 250 subpart S and API RP-75.

Per 30 CFR 250 subpart S, a third-party audit of our SEMS is required every three years. In compliance with regulations, we performed this audit in 2021. Talos had zero non-conformances from the audit.

## *Elements of the SEMS*

### *Promoting Employee, Contractor, and Vendor Safety*

- Leadership and Accountability
- Safety and Environmental Information
- Hazards Analysis and Management
- Management of Change
- Operating Procedures
- Safe Work Practices
- Training and Qualification
- Quality Assurance and Mechanical Integrity
- Pre-Startup Review
- Emergency Response and Control
- Investigation of Incidents
- Records and Documentation
- Audit of SEMS Program Elements

ENSURING SAFETY  
AND COMPLIANCE  
EXCELLENCE



# Assessing Safety Risks

To maintain Talos's industry-leading safety performance, we conduct frequent risk assessments at both the enterprise and job task levels utilizing our risk assessment tool. We created this tool to involve each worker in identifying hazards before, during, and after performing specific tasks.

This tool promotes synergies created by incorporating existing hazard identification tools (e.g., Job Safety Analysis, Behavior-Based Observations, Incident Investigations, Management of Change) into a risk assessment and mitigation methodology.

In addition to risk assessments, all Talos employees and contractors are empowered by the CEO & COO to exercise their Stop Work Authority (SWA) without fear of retaliation when an unsafe condition, act, or event could result in risk or danger to people, the environment, the facility, or the equipment.

Situations where the use of an SWA could reasonably be implemented may include observed unsafe conditions, near miss incidents, changes in the safety of work conditions and the presence of a noted hazard. When a stop work order has been initiated, all workers must comply and may not return to work until the Ultimate Work Authority Personnel on the facility approves the work to resume.

ZERO COMPROMISE  
TOWARDS SAFETY







# Real-Time Monitoring

During offshore drilling operations, Talos collects vital data from subsea blowout preventers (BOP) control and monitoring systems, the drilling rig's active fluid circulation system, rig instrumentation, and downhole tools measuring well properties. The data is continuously monitored and analyzed by on-site rig personnel to ensure operational integrity and support decision making.

This vital data is also transmitted onshore in real time where, during critical operations, it is monitored for safety by qualified onshore, discipline-specific personnel. This further enhances the ability to detect and react to changing conditions as the well is being drilled.

In addition, Talos stands ready to respond to all incidents in our operations with a thorough readiness plan consisting of a 24/7 Incident Reporting Line where call takers will immediately coordinate with on-call management representatives and evaluate levels of response required. Talos's fully tested Operational Response Team stands ready to respond with a fully functional Operational Response Center in our Houston and Lafayette offices.

When it comes to storm season in the GOM, Talos has a Special Weather Action Team (SWAT) that evaluates all storms identified through our contracted meteorologist and evaluates the storms' potential for entering the GOM and affecting Talos operations.

When a storm is identified to have potential impacts on Talos operations, the SWAT team uses a 4-phase approach from preparing for a storm's arrival, to evacuating personnel and re-manning of facilities following the storm.

Talos has created specialized Employee Weather Maps and tracking tools, where Talos can identify employees' residences in the path of a storm and can provide assistance to those affected employees and the surrounding communities. Talos's emergency alert system can instantly message employees and receive real-time responses from employees during any crisis.

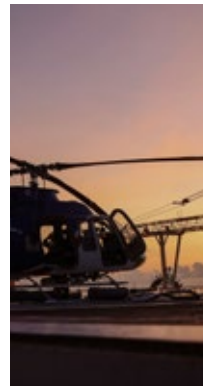
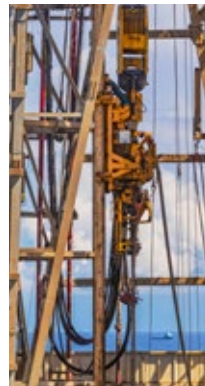
# Utilizing Risk Assessment Data

In 2019, Talos initiated the use of an HSE drilling operations scorecard to identify and guide responses to leading and lagging safety indicators and to provide audit results and follow-up guidance. Our methodology focused on key indicators, behavior-based observation data, and audit results.

Now in its third year, the program has resulted in improved performance and enhanced target-setting capabilities for our drilling operations. Building on the success of the Talos HSE drilling operations scorecard, we have continued to review observation and audit data to identify safety indicators across all operations. Talos also incorporates our Safety Observation Card (SOC) program, which is a program that communicates feedback from field employees and contractors on safety observations observed, whether they were safe or unsafe acts.

Data from SOC cards are collected and utilized during the audit and review process as leading indicators to identify safety trends and behavior. Our ongoing critical indicator data review and analysis has allowed us to continue building and refining our response guidance programs.

MONTHLY DRILLING  
SCORECARD TRACKS  
KEY DATA FOR TALOS



# Responsibility for Oversight

Talos's HSE organization is led by the Director of HSE, who provides updates to the Board of Directors through the Safety, Sustainability, and Corporate Responsibility (SSCR) committee on a quarterly basis. The Director of HSE is also a key member of the ESG Committee and collaborates with other business leads on safety and environmental initiatives.

Three managers report to the Director of HSE, including the Operational & SEMS Manager, HSE Manager of Projects, and HSE Manager of Contractors and Training. The Operational & SEMS Manager supervises offshore HSE supervisors as well as six full-time HSE advisors, who ensure our policies and procedures are followed.

The HSE Manager of Projects oversees HSE in our drilling, asset retirement obligations, construction projects and subsea HSE campaigns and conducts project hazard analyses. Last, the HSE Manager of Contractors and Training is responsible for contractor-SEMS, and ISNetwork Management System (ISN) training and audits. Behavioral and safety training specialists report to this manager.

**SAFETY AND  
ACCOUNTABILITY  
AT ALL LEVELS**

Board of Directors		
AUDIT COMMITTEE	SSCR COMMITTEE	COMPENSATION COMMITTEE
The committee regularly reviews with management the enterprise risk management framework and policies and procedures for risk assessment, including those risks pertaining to HSE.	The committee reviews the safety programs and policies and recommends any proposed changes at least annually. On an ongoing basis, the committee monitors compliance with safety programs and policies and reviews safety statistics.	The committee exercises oversight of the incentive compensation plans, including those measures pertaining to HSE performance.

Executive Management
ENTERPRISE RISK MANAGEMENT STEERING COMMITTEE
Provides cross-functional oversight of ESG and HSE-related risk facing Talos.

HSE Organization
DIRECTOR OF HSE
The Director of HSE reports up to the SSCR Committee of the Board on a quarterly basis. The Director of HSE is also a key member of the ESG Committee and collaborates with other business leads on safety and environmental initiatives.

Managerial				
MANAGER - OPERATIONAL HSE & SEMS	MANAGER - PROJECTS HSE	MANAGER - CONTRACT HSE	MANAGER - MEXICO HSE	ENVIRONMENTAL SPECIALIST
The Operational & SEMS Manager supervises offshore HSE supervisors as well as six full-time HSE advisors.	Supervises all third party contract HSE advisers.	The HSE Manager of Contractors and Training oversees contractor, SEMS, and ISN audits. Behavioral and safety training specialists report to this manager.	The HSE manager oversees all Mexico Country specific safety and regulatory requirements in our Mexico operations.	Environmental Specialist is responsible for reporting, documenting and tracking environmental records, and creating environmental policies and procedures.

Supervisory and Advisory		
HSE SUPERVISORS & ADVISORS	3RD PARTY HSE ADVISORS	TRAINING & BEHAVIORAL SPECIALISTS
Responsible for the day-to-day safety of operations in the Production and project based operations in the US GOM.	Drilling, completions, decommission	Oversees the Talos Safety Observation Program and is responsible for all employee qualification training and ongoing training refreshers.



# Contractor Management

At Talos we require the same safety commitment from the contractors working at our facilities as we do from our employees. Contractors participate in a combination of annual safety trainings, eLearning courses, and our annual Safety Culture Survey.

To track adherence to our safety training requirements, we established a contractor and subcontractor audit process, using ISNetworld to ensure our contractors meet our minimum training requirements every time a contractor mobilizes offshore. Compliance with our training requirements is verified by the ISN scan card process at kiosks at our heliports and docks. To continue advancing our safety efforts with contractors, we added a new required contractor training matrix to our ISNetworld platform in 2021.



# Safety Performance

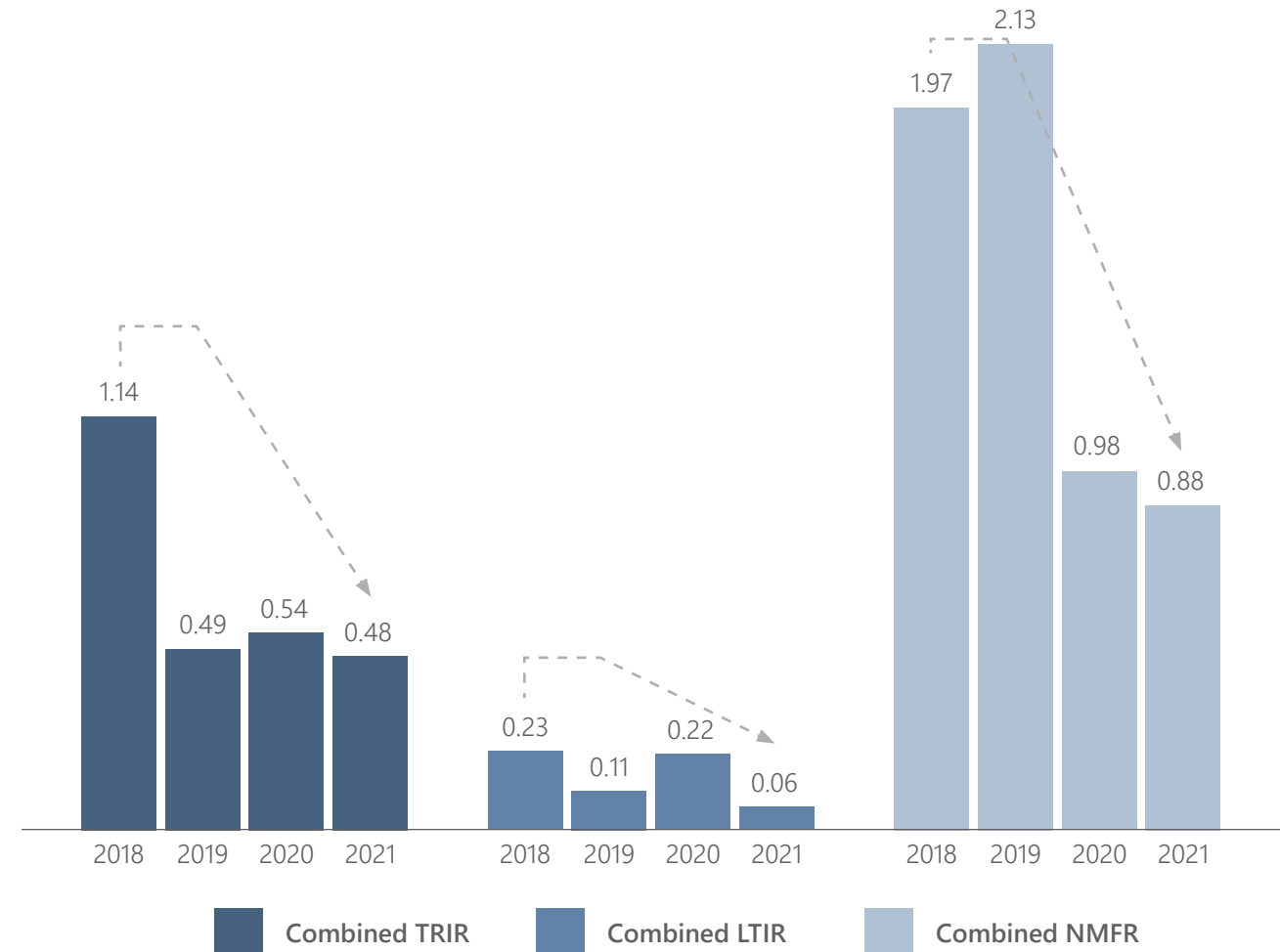
Talos monitors and reports on our safety performance and the effectiveness of our safety initiatives using a variety of tools and metrics, including total recordable incident rate (TRIR), lost-time incident rate (LTIR), near-miss frequency rate (NMFR), and average hours of health and safety training.

Trends identified are used to shape our training programs, risk assessments, and mitigation frameworks. An example of this is a trend in recordable hand incidents from operations. Once the trend was identified, our HSE leaders put together a field safety campaign related to hand injuries. Since the implementation of this campaign, hand injuries decreased from 25 injuries (3 recordables) in 2020 to 12 injuries (3 recordables) in 2021.

Talos's proactive and continuously evolving approach to HSE management has resulted in improved incident rates, including a 58% reduction in combined workforce TRIR, a 74% decrease in combined workforce LTIR, and a 55% reduction in combined workforce NMFR (compared to the 2018 baseline).

DRIVING TOWARDS  
ZERO INCIDENTS

## Incident Rates Have Improved Over Time





# Safety Trainings

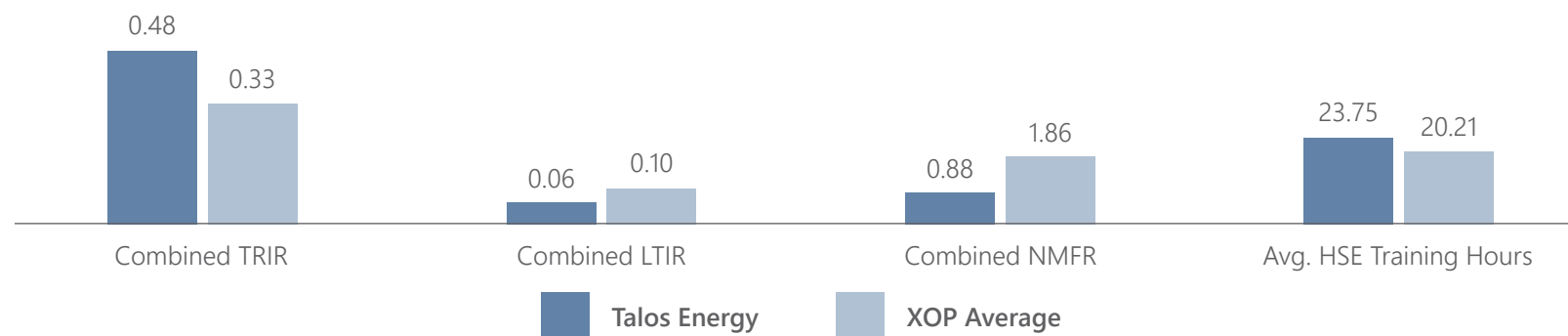
Talos conducts regular safety trainings to proactively address the dynamic nature of offshore operational risk and promotes a robust culture of offshore safety. Custom-designed annual trainings are administered through our eLearning platform, and we partner with a third-party training expert to conduct live, hands-on training.

Training sessions are divided into two categories. The first category includes core training required by all personnel – delivered on our eLearning platform. All offshore employees, as well as a number of office personnel, receive eLearning classroom trainings on TSOP and SEMS. Additional core trainings may include topics like water survival, scaffolding awareness, and firefighting.

The second category of training includes non-core trainings that are job specific. Additional trainings include piping and vessel isolation and production safety systems. Hands-on training includes fall protection, firefighting, and first aid.

Mandatory emergency training includes a minimum of one hurricane, fire, well control, ship collision, man-overboard and abandon platform drill - per hitch and facility. Drills are conducted bimonthly for a total of 24 drills annually per facility. In 2021, our offshore employees received over 11,270 hours of HSE training and office employees received almost 2,200 hours of HSE training.

## 2021 HSE Benchmarking



Note: XOP is the SPDR S&P Oil & Gas Exploration & Production ETF, used as a proxy for an upstream benchmark. This index is comprised of Integrated Oil & Gas, Oil & Gas Exploration & Production, and Oil & Gas Refining & Marketing. ESG metrics for XOP holdings were accessed through Bloomberg.





# Ongoing Safety Initiatives and Campaigns

In addition to mandatory trainings, leaders in the HSE organization conduct weekly field meetings, bi-weekly safety meetings, monthly safety keystones highlights and frequent internal communications on BSEE/USCG Safety Alerts, Lessons Learned, Company Safety Alerts, and Rapid Incident Alerts.

Seeking continuous improvement on our safety programs and initiatives, we engage with our employees and contractors through an annual Safety Culture Survey and conduct safety campaigns throughout the year.

## *Keystones to Safety Campaign Artwork*

### *Safety Campaign Examples*



#### **High-Pressure Releases**

The goals for this campaign were to (1) provide a selection of topics relevant to unwanted or unexpected releases of high pressure, (2) provide within each topic examples of incidents, incident reviews, industry alerts, etc., (3) encourage participants to broaden awareness and understanding of this type of hazard and (4) proactively engage deficiencies in the field.



#### **Hand Injuries**

The goal for this campaign was to mitigate the risk of hand injuries by reinforcing the importance of staying out of the line of fire.



#### **Hot Work and Fires**

The goal of this campaign was to provide training on (1) gas meters and calibration requirements, (2) hot work permits, (3) fire classification, (4) fire extinguisher storage, inspection, testing, and maintenance and (5) incident reporting tools and corrective actions.





# Human Capital Management

**At Talos, we believe that culture, leadership, and talent development are all fundamental to building an engaged workforce whose commitment drives the success of the Company.**

To best understand our employees' engagement and perspective on topics impacting the entire Company, we frequently communicate with employees through CEO-led town halls, shared intranet sites, internal surveys, community service activities, and regular team events. Additionally, our employees are externally surveyed through the Houston Chronicle Top Workplaces. We are immensely proud that we have been chosen as a Top Workplace in Houston every year by the Houston Chronicle, directly based on the positive survey results received from our employees. These results help us understand the needs of our workforce and develop actionable insights.

In 2021, Talos conducted a robust analysis of employee and management feedback to create the Talos Energy Culture Roadmap. We engaged a DEI consultant to partner with Human Resources and our Employee Diversity Committee to conduct a comprehensive cultural assessment through one-on-one interviews, and focus groups.

This resulted in the Talos Energy Culture Roadmap with five defined pillars to shape the employee experience with purpose, including: (1) Define and Integrate the Talos Culture, (2) Develop an Internal Communication Strategy, (3) Establish a Leadership Development Program, (4) Create an Employee Engagement Plan and (5) Strengthen Diversity and Inclusion.

We further defined the fifth and final pillar through the Diversity & Inclusion Roadmap that includes six key areas to strengthen inclusivity by focusing on culture, skill development, talent development, offshore, community, and our diversity committee. Our executive leadership team is fully engaged and championing the process as we began to implement these roadmaps and related initiatives.

***Continuously Selected as a Houston Chronicle Top Workplace  
Ten Consecutive Years, Every Year Since the Company's Founding***



# Recruiting Top Talent

To identify and attract top talent, Talos leverages online recruiting platforms, referrals, universities and colleges, networking organizations, and professional recruiters. We also tap into a strong pipeline of qualified candidates through our long-established relationships with third-party service providers.

We continue to focus on broadening our candidate pool by establishing new relationships with more universities, trade schools, professional associations, and diversity networks.

In addition to our proactive efforts to expand our candidate pool, we attract and retain our current talent by offering competitive compensation and generous benefits that are designed to meet the varied and evolving needs of our employees and their families.

## TALOS ENERGY INTERNSHIP PROGRAM



### ***Talos Benefits Overview***

- Competitive Salaries and Incentive Programs
- Health Insurance Benefits Including Medical, Dental, Vision, and Prescription Drug Benefits
- Life Insurance, Short-term and Long-term Disability Benefits at No Cost to Employees
- 401K Plan with Company Matching
- Access to Confidential Support Through our Employee Assistance Program
- Work-From-Home Program and Flexible Schedules
- Subsidy Reimbursement for Gym Memberships
- No-cost Flu Shots Provided for our Employees On-site Annually
- Free Parking or Park-and-Ride Reimbursement
- Paid Time Off and Maternity/Paternity/Adoption Leave
- Tuition Reimbursement for Higher Education at Accredited Institutions
- Reimbursement for Attending Seminars, Conferences, and Pursuing Continued Professional Education and Certifications
- \$500 Annual Charitable Contribution for Employees
- Annual Volunteer Day

At Talos, we are very proud of our 10-week internship program, which runs from early June to mid-August. College students are provided challenging work and opportunities to learn through impactful projects in various departments across the Company. They also participate in a variety of team building events to learn more about different parts of the business including visiting our offshore platforms. Interns conclude their internship with a final presentation to demonstrate the results of their work, relay their experience at Talos, and share what they learned over the summer.



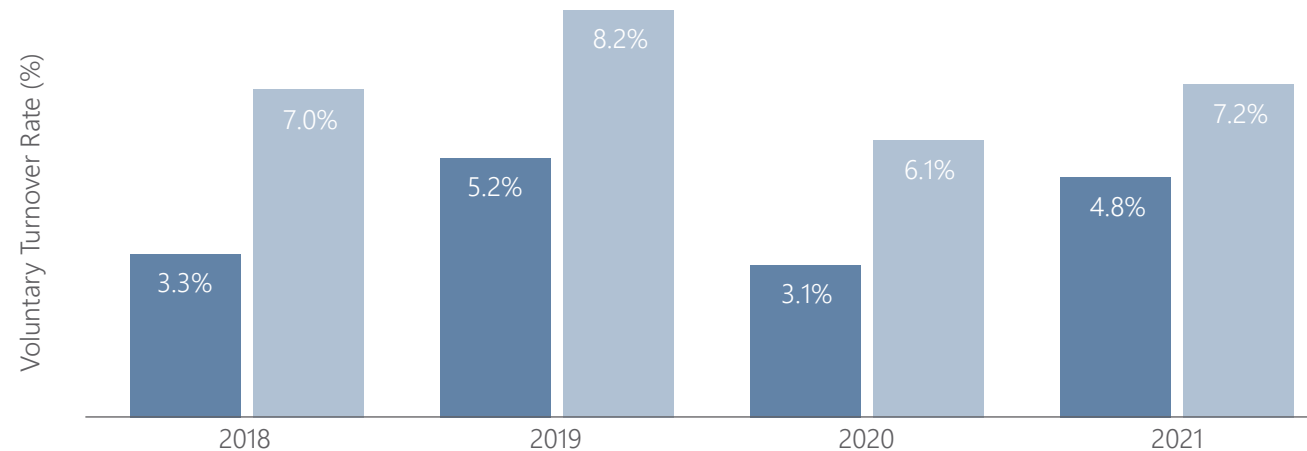
# Retaining and Engaging Our Talented Employees

Talos aims to foster an inclusive culture where open communication is encouraged, employees' opinions are heard, and the results of their efforts are recognized. We believe that our culture is a driving force behind our low employee voluntary turnover rate relative to the benchmark. Our voluntary turnover rate in 2021 was 4.8%.

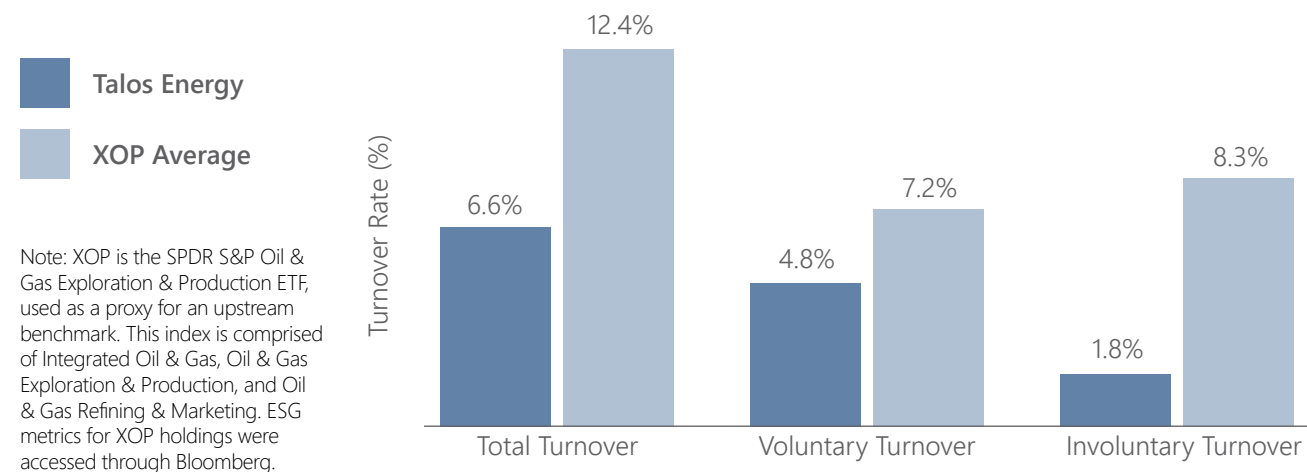
## Employee Engagement

We know that creating opportunities for our employees to spend time together is key to building relationships and strong engagement. We utilize our monthly newsletter to highlight upcoming opportunities, the interests and families of our employees, introduce new hires, share volunteer opportunities, recognize our employees' achievements, educate on wellness, and many other fun topics. Our employees also take the initiative to create groups such as the Talos Run Club that meets Wednesdays to promote health and fitness.

## Talos Exhibits Low Voluntary Turnover Relative to the Benchmark



## 2021 Employee Turnover Rates



CONSISTENTLY  
ATTRACTING AND  
RETAINING TOP TALENT

# Opportunities for Career Development

Talos also attributes our high employee retention to our demonstrated focus on the professional growth of our employees. We are committed to investing in the advancement of our employees and believe that a strong employee development program helps to achieve greater job satisfaction, an ability to maintain elevated levels of performance, and Company success.

With this goal in mind, Talos provides employees a range of learning opportunities. In addition to our mandatory compliance training program, employees can choose from a variety of online courses, seminars, conferences, and classes that support their individual growth and professional development. Company-specific trainings are housed on our Learning Management System (LMS), which is our internal eLearning platform.

INVESTING IN  
OUR EMPLOYEES'  
PROFESSIONAL  
GROWTH

We leverage the LMS for the automated administration, documentation, tracking, and reporting of education. To encourage education externally, we offer our full-time employees reimbursement for continued professional education and advancement, including seminars, conferences, and receiving certification for training programs. Additionally, our tuition reimbursement program supports employees seeking advancement at accredited higher education institutions.

Employees are encouraged to own their career development through our robust performance review process, which includes the creation of performance goals and development plans to help drive growth. Employees are actively engaged in their own performance and advancement through a culture of continuous communication and feedback. The latest round of annual reviews resulted in a 96% completion rate in 2021, and we increased the cadence of our performance review process to include a mid-year review.





# Diversity, Equity, and Inclusion

**DEI is a key element of Talos's strategy and one of the five pillars of the Talos Culture Roadmap. Our goal is to a diverse and equitable workplace that fosters inclusivity.**

We know diversity of backgrounds, perspectives, and experiences will contribute to our continued success. Talos believes meaningful change is cultivated when employees feel supported and heard. Our employee-led Diversity Committee allows employees to work together to develop initiatives that drive inclusion throughout the organization. This committee serves as an ambassador to influence and create an inclusive culture, make meaningful connections to support underserved groups in our community, and assist in developing our overall strategy to ensure employees feel heard and have a sense of belonging.

At Talos, we do not tolerate discrimination or harassment on the basis of race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion, or any other status protected by applicable law.

## Talos Promotes Diversity Across Employee Base



We continue to evolve our recruitment practices to attract and promote a diverse selection of candidates. During the hiring process, we are committed to recruiting and hiring people in all jobs without regard to race, color, religion, age, sex, national origin, physical or mental disability, veteran status or any other protected characteristic under applicable law. Additionally, we base our hiring decisions on furthering the principles of equal employment opportunity whenever possible.

We administer all personnel actions such as compensation, benefits, transfers, layoffs, company-sponsored training, education, tuition assistance, and social and recreational programs without regards to race, color, religion, sex, age, national origin, physical or mental disability, or veteran status. Finally, we continue to network with diverse organizations through our DEI Consultant and other professionals to connect with racial and/or ethnic groups, women, veterans, and qualified persons with physical or mental disabilities and encourage such individuals to apply as opportunities arise.





# Community Involvement

Talos actively engages and supports the communities where we live and work. Our employees are proud of the positive impact we make and look forward to growing those efforts in the future.

Our community engagement is led by the Community Committee, made up completely of employees who organize initiatives that support charitable fundraising, volunteer opportunities and employee assistance. We want our community connections to have a meaningful impact and demonstrate the integrity we stand for as a Company. Additionally, Talos comes together to collectively help colleagues that have been financially impacted by severe weather or a tragic circumstance. In 2021, Talos was able to provide financial relief of approximately \$147,000 to our employees who lost power or suffered damage to their homes during the Houston freeze or turbulent hurricane season along the Gulf Coast. Our employees rallied together to raise money and supplies for those that were impacted by Hurricane Ida. Ida was one of the most destructive hurricanes causing devastating flooding, destroying whole communities and shutting down nearly all production in the U.S. Gulf of Mexico.

## EMPLOYEE-LED CHARITABLE GIVING AND ENGAGEMENT

### Community Engagement Metrics

Category	2018	2019	2020	2021
<b>EMPLOYEE DONATIONS</b>	\$16,520	\$21,981	\$28,365	\$75,437
<b>CORPORATE MATCHES</b>	N/A	N/A	\$16,565	\$48,937
<b>CORPORATE DONATIONS</b>	\$50,000	\$55,000	\$27,291	\$191,296
<b>CHARITABLE GOLF TOURNAMENT</b>	\$55,000	\$140,000	N/A	N/A
<b>CORPORATE RELIEF DONATIONS</b>	N/A	N/A	\$56,000	\$146,940
<b>TOTAL SOCIAL INVESTMENT</b>	<b>\$121,520</b>	<b>\$216,981</b>	<b>\$128,221</b>	<b>\$462,611</b>

Pledge Commitments	2022	2023	2024	2025
<b>2019 LA-1 HIGHWAY FUND PLEDGE (\$808,357 Over 4 Years)</b>	\$202,089	\$202,089	\$202,089	\$202,089
<b>SOCIETY OF PETROLEUM ENGINEERING STUDENT SCHOLARSHIPS (\$80,000 Over 5 Years)</b>	\$16,000	\$16,000	\$16,000	\$16,000
<b>TOTAL PLEDGE COMMITMENTS</b>	<b>\$218,089</b>	<b>\$218,089</b>	<b>\$218,089</b>	<b>\$218,089</b>





# Community Events and Support



FIGHTING CHILDHOOD HUNGER  
RIGHT AT THEIR DOORSTEPS



Talos planned and participated in many events throughout 2021 to support organizations such as the American Cancer Society, Kids' Meals, Second Harvest, Houston Children's Charity, and Trees for Houston. Whether it was volunteering to plant trees that support a more sustainable future or growing mustaches in 'Movember' to support cancer research, we always took advantage of the opportunity to spend time together and be a positive influence in our community. In total, Talos and our employees raised and donated approximately \$300,000, and contributed over 300 hours of their time to support these organizations, as well as other community programs.

One event that we are particularly proud of in 2021 is Jeans in June for Kids' Meals. Our employees and contractors set a new record for Talos fundraising, donating \$35,000 to wear jeans in June and show their support for Kids' Meals.

That amount was matched by Talos for a total donation of \$70,000. We are proud to support a local organization whose mission is to end childhood hunger by delivering free healthy meals to the doorstep of pre-school aged children and provide resources to help end childhood hunger. Talos also wants to help and support our employees who donate to organizations they are passionate about. We provide each of our employees up to \$500 per year to donate to charitable organizations of their choice.

In 2021, donations were made to impactful charities like Easter Seals, Sky High for St. Jude's, and the Hispanic Scholarship Fund. Twenty-seven distinct organizations received a donation from our employees totaling more than \$21,000. Employees also donated their time and volunteered throughout the year. In addition, we provide one paid volunteer day for employees to donate their time to an organization of their choice.

# Human Rights

Human Rights are embedded in Talos's core values, and we work to safeguard human rights in all aspects of our business. Our Human Rights Policy was developed using the United Nations Guiding Principles (UNGP) on Business and Human Rights. The UNGP are a set of guidelines designed to prevent, address, and remedy human rights abuses committed in business operations.

Talos acknowledges our responsibility to respect human rights and address negative impacts within our operations. As a U.S.-based company, Talos is subject to numerous applicable labor laws. While we do not consider our operations to pose a significant risk to human rights, we are vigilant in monitoring for such risks. Our Board of Directors, including our CEO, oversees the implementation of our Human Rights Policy. If any incidents were to occur related to our operations, we are committed to complying with the law and helping to facilitate their fair and equitable remediation.

## INDIGENOUS RIGHTS



All individuals involved in our operations are required to comply with our Human Rights Policy. This includes our employees, suppliers, vendors, and independent contractors.

Our policy also addresses areas of potential concern including respecting employees' rights to all types of associations without fear of discrimination, employees' right to be paid a living wage, as well as the prohibition of forced labor. Talos also expects its vendors and suppliers to share and uphold its human rights principles.

In our Vendor Code of Conduct, we incorporate our expectations for potential vendors or suppliers that work for our Company, as well as requirements regarding compliance with wage and non-discrimination laws and the prevention of underage labor.

We require that any violation or concern be communicated to a Talos representative or be reported anonymously using our hotline, detailed in our Vendor Code of Conduct as well as our Code of Business Conduct and Ethics.

While our operations are predominantly offshore, we nonetheless strive to embody a commitment to respect the rights of indigenous people. Talos is committed to completing all operations in compliance with applicable national laws and treaties. Talos recognizes the importance of respecting indigenous peoples and communities.



# Supply Chain and Contractor Management

Talos's suppliers are critical to our business, and we strive to build a responsible supply chain that upholds our standards. We aim to partner with suppliers that are transparent in their operations as well as mirror our standards of compliance.

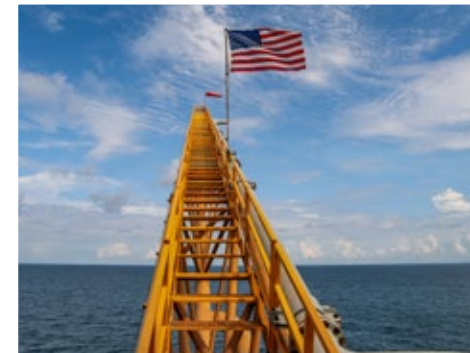
Our supply chain is overseen by our Executive Vice President & Chief Operating Officer, and expectations are set in place by our Vendor Code of Conduct. The Vendor Code of Conduct requires that our suppliers and vendors, together with their representatives, abide by our labor practices, working conditions, ethics, and environmental policy. The employees, agents, and subcontractors employed by these suppliers and vendors are also covered by the Code. Talos conducts supplier audits or assessments and monitors the performance of every supplier that works with our Company. We assess each supplier or vendor's training record, including HSE training, and safety incident rates. If we find a vendor or supplier is not adhering to our Code and abiding by our standards, we will take appropriate actions to modify, remove, or terminate the contract.

All suppliers that meet our requirements will be added to our Approved Vendor List, which our project managers are required to utilize during the vendor selection process.

If a project manager elects to work with a supplier that is not on our approved vendor list, a Management of Change process is initiated, in which the supplier's HSE Improvement Plan, HSE statistics, injuries, HSE Programs, and Workers Compensation Experience Modifier Rate are carefully evaluated against our expectations and requirements. After the assessment, if the supplier meets our standards and Talos's Executive Management and Director of HSE approves, they may work with Talos.

Suppliers must learn about our Company, safety procedures, and environmental risks as part of the onboarding process. Once a supplier is onboarded, they are required to attend a mandatory orientation as well as complete, or demonstrate compliance with, all our training requirements necessary for our offshore operations. To ensure our suppliers are meeting minimum training requirements over time, training is tracked in our ISNetwork Management System. If requirements are not fulfilled, the supplier will not be allowed to travel to our offshore operations. We value our relationship with our vendors and suppliers. Our enterprise-wide supply chain strategy has helped us to build strong relationships based on the culture of safety, compliance, and transparency with all the vendors we work with.

OUR PARTNERS  
ARE CRITICAL  
TO OUR SUCCESS







# GOVERNANCE

At Talos, we are committed to building the energy company of tomorrow and that means we must continue to expand policies, advance risk assessment, improve diversity and enhance our transparency.

Our governance structure embodies our core value commitment to safety, ethics and the environment, and maintains our entrepreneurial culture in everyday action.

Our dedication to our employees, the environment, and stakeholders starts at the top of our organization.

We believe that sound governance policies and frameworks help establish high ethical standards and methods throughout our operations.

# Board Overview



Neal P. Goldman



Paula R. Glover



Timothy S. Duncan



John "Brad" Juneau



Charles M. Sledge



Robert M. Tichio



Donald R. Kendall, Jr.

## BOARD OVERSIGHT OF ESG

Since becoming a public company in 2018, our Board has evolved, providing greater independence, expanding committee responsibilities, and increasing diversity through the nomination of Directors with varied skillsets, experiences, cultural backgrounds, ethnicities, and genders.

Talos's governance practices and policies are outlined in our Corporate Governance Guidelines posted on our Corporate Governance page of our Company website. We continuously assess our corporate governance principles and practices to strive to conduct our business in accordance with the highest ethical standards. Each committee is responsible for overseeing certain aspects of our ESG strategy and conducting annual self-evaluation assessments to allow for improvements.

Our Audit Committee assists the Board in monitoring financial reporting, effectiveness of audit functions, and oversees the ERM framework and policies and procedures for risk assessment. The ERM framework includes a review of all our legal, regulatory, compliance, financial reporting, operational, climate and cybersecurity-related risks along with the strategies to monitor and mitigate those risks. Any complaint or issue that arises regarding accounting, internal controls, or audit matters are also overseen by this committee.

## Board Oversight

*Talos's Board of Directors has 4 Committees*

- Audit Committee
- Nominating and Governance Committee
- Safety, Sustainability, and Corporate Responsibility Committee
- Compensation Committee

Our Nominating and Governance Committee oversees and reviews the Company's compliance programs and policies, including the Company's Code of Business Conduct and Ethics, and meets at least annually with senior management to ensure the implementation and effectiveness of the Company's compliance programs and policies. The SSCR Committee is responsible for oversight of our safety programs and policies, as well as for overseeing strategies, policies, and procedures for addressing material environmental, social, sustainability and other Corporate Social Responsibility (CSR) matters.

Lastly, our Compensation Committee is responsible for overseeing the evaluation and approval of employee, officer and director compensation to ensure that it aligns with the goals and objectives we have set forth. The linking of compensation to our sustainability goals also falls under the responsibility of this committee.

Note: Data reflects Board as of January 2022.



# Board of Directors Skillsets and Diversity

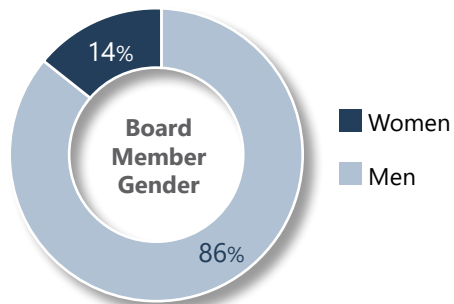
Talos remains committed to diversity at the board level, recognizing the importance of different backgrounds, perspectives, experiences, and views. Having a Board comprised of directors from different backgrounds and a range of perspectives helps us maintain better decision-making abilities and promotes innovation within our Company.

As noted in our 2021 ESG Report, one of our larger long-term private owners elected to exit their Talos equity position and their appointed directors resigned, which has enhanced Board independence. Talos has seven members on the Board with different experiences and knowledge regarding the energy industry, human capital management, and financial acumen. Six of our seven Directors are independent. Our Co-Founder and CEO serves as our seventh Director. Consistent with our ongoing commitment to strive to implement best-in-class governance, our recently announced EnVen acquisition provides an opportunity to continue to improve. Upon the closing of the transaction, the Board of Directors will have no private equity representation and we will expand to eight seats consisting of six Talos directors (CEO and five independents) and two independents from the EnVen Board.

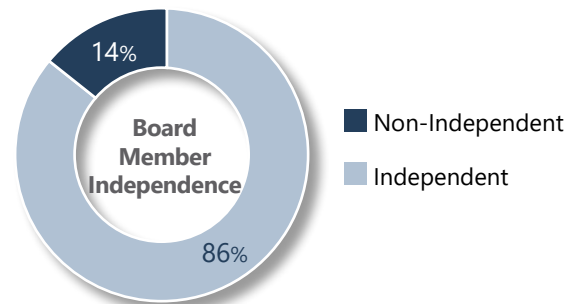
Experience Category	Board Members	Percent of Board	Goldman	Glover	Duncan	Sledge	Tichio	Juneau	Kendall
<b>OTHER BOARD EXPERIENCE</b>	7	100%	✓	✓	✓	✓	✓	✓	✓
<b>INDUSTRY EXPERIENCE</b>	6	86%	✓	✓	✓	✓	✓	✓	
<b>CEO / BUSINESS HEAD</b>	5	71%	✓	✓	✓			✓	✓
<b>HUMAN CAPITAL MGT. / COMPENSATION</b>	5	71%	✓		✓	✓		✓	✓
<b>FINANCE &amp; ACCOUNTING</b>	6	86%	✓		✓	✓	✓	✓	✓
<b>EXPLORATION</b>	2	29%			✓			✓	
<b>M&amp;A &amp; BUSINESS DEVELOPMENT</b>	6	86%	✓		✓	✓	✓	✓	✓
<b>OIL &amp; GAS OPERATIONS</b>	3	43%			✓	✓		✓	
<b>ACADEMIC / ADVISORY</b>	5	71%	✓	✓	✓		✓		✓

Note: Three members of Talos's Board of Directors resigned from the Board at the end of 2021, including two women Directors and one diverse Director. In connection with the announcement of the pending merger with EnVen, the Company and certain of its current and prospective shareholders have agreed that upon closing of such merger Robert Tichio will resign from the Talos Board and Shandell Szabo and Richard Sherrill will be appointed to the Board as representatives of EnVen.

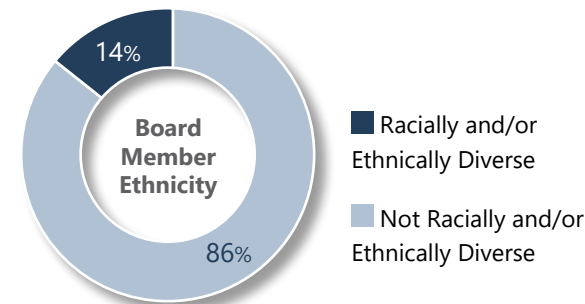
## Board Gender Diversity



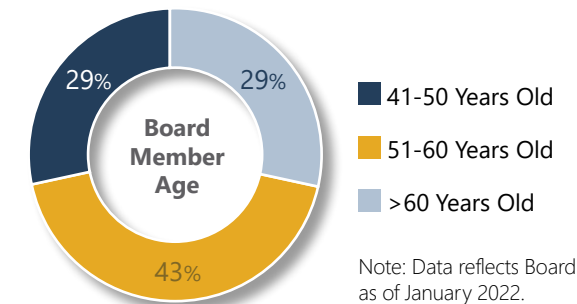
## Board Independence



## Board Diversity



## Board Age Diversity



Note: Data reflects Board as of January 2022.

# ESG Oversight

In early 2021, Talos renamed and expanded our SSCR Committee to better reflect the Company's commitment to sustainability and corporate responsibility. This committee is responsible for overseeing our safety, environment, and social programs and policies, monitoring compliance, and actively reviewing pending regulatory issues or trends.

Before each Board meeting, the SSCR Committee meets with internal subject matter personnel who provide an update on current efforts, progress, and/or risks (operational, environmental, climate, and social) identified in relation to ESG. Educational or informative sessions are also held to keep Board members up to date on topics like cybersecurity, proposed regulations, and reporting standards.

We host third-party experts to speak to our Board and have our employees speak about a specific program like our Scope 1 GHG reduction efforts or our diversity strategy. Our Board meets a minimum of four times a year, as does the SSCR Committee. Day-to-day ESG execution is overseen by the Talos executive management team.

## Interdisciplinary Approach to ESG

In addition, Talos formed an internal ESG Committee in 2021 to enhance our oversight and management of significant ESG-related efforts and initiatives. The committee has a formal charter and is chaired by our Executive Vice President, Low Carbon Strategy and Chief Sustainability Officer (CSO).

The Committee is comprised of representatives responsible for 10 different priorities and is responsible for grass roots development of ESG recommendations, actions, and implementation. Since its establishment, the ESG Committee helped enact change and drive forward our strategy, largely due to its engaged leadership and collaborative approach.

## 10 ESG Committee Focuses

- GHG Emissions
- Business Continuity (Inclusive of Cyber Security)
- Climate Policy Impact
- Community Engagement
- Diversity & Inclusion
- Energy Advocacy
- External ESG Ratings
- Talos Low-Carbon Solutions
- Safety and Waste Management

## AN INTEGRATED APPROACH TO ESG

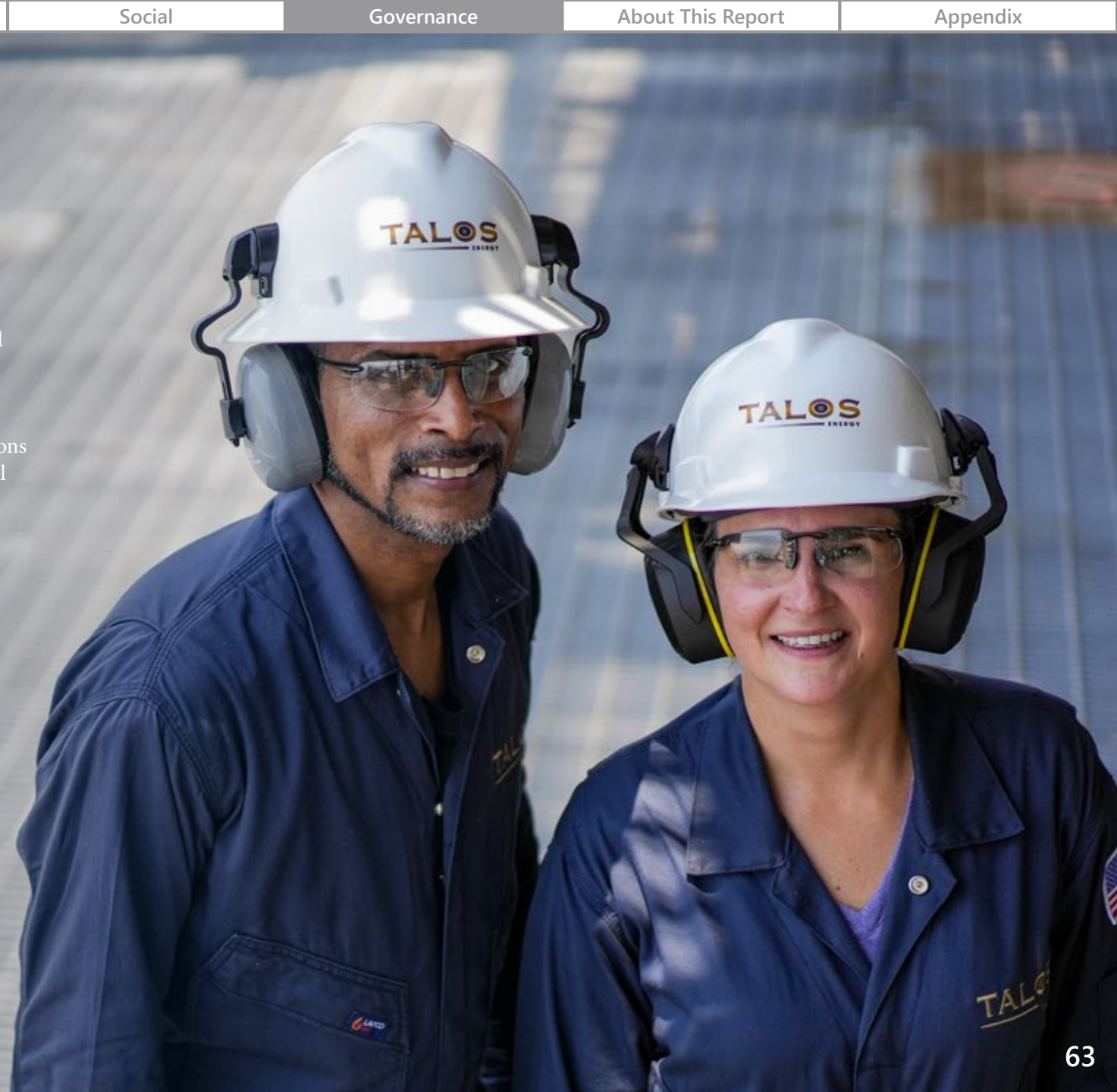


# ESG Tied to Compensation

Talos is committed to advancing sustainable practices and believes that everyone plays an important role in the success of these endeavors.

To underscore this commitment, in 2021, our Compensation Committee modified the Company's annual incentive program and increased the weighting of ESG-related metrics for the Company's Annual Incentive Program (AIP) from 10% to 20%.

The ESG component of compensation fosters a shared commitment to advance our ESG efforts. It was specifically based on our goals to reduce our Scope 1 GHG emissions intensity by 30% by 2025, compared to 2018, and our Health, Safety & Environmental (HSE) performance related to total recordable incident rate. HSE performance was weighted at 10% and progress on emissions reduction was weighted at 10%.





# Ethics and Compliance

Ethics and compliance are core values that govern our day-to-day operations. Our commitment to integrity, trustworthiness, and excellence is built on the principle of fair and ethical conduct.

Our policies and compliance procedures are informed by our Code of Business Conduct and Ethics (Code) and our Vendor Code of Conduct policies. Both documents reinforce a culture of compliance by setting the standard and expectation of acceptable behavior for our workforce. All Talos employees, officers, and directors are responsible for knowing and complying with our Code, as well as applying it to the work they do and the decisions they make.

Talos's contractors and vendors are required to acknowledge and comply with our Vendor Code of Conduct. Talos's ethics and compliance program is overseen by our Executive Vice President & General Counsel who serves as our Chief Compliance Officer (CCO).

CLEAR GUIDANCE IS  
A FOUNDATION OF  
A STRONG COMPANY

The CCO is responsible for implementing our program, conducting training, and communicating issues and risks to our Board of Directors.

Our Code of Business Conduct and Ethics outlines strict policies regarding conflicts of interest, insider trading, anti-money laundering, non-discrimination, freedom of association, health, safety & environment, record-keeping and retention, confidentiality, and whistleblower protections. Employees are required to read and acknowledge compliance with the Code.





# Ethics and Compliance Policy Information

## Anti-Bribery & Corruption Policy

Talos has policies and practices designed to prevent corruption and anti-competitive practices or behaviors within our workplace. We are committed to conducting our business the right way. Outlined in our Anti-Bribery & Corruption Policy are acceptable behaviors for interaction with government officials, interactions with third parties, and our policy on political and charitable contributions. All employees who work with international aspects of our business are required to attend annual Anti-Bribery and Corruption training.

Our CCO is responsible for overseeing this training program, assessing risks, investigating possible violations, and providing an annual report to the Board on the Company's compliance with the policy. Potential violations of our policy are investigated and are subject to discipline. Further details on our Anti-Bribery and Corruption Policy can be found on our Company website.

## Whistleblower Policy & Hotline

Talos takes violations of our Code and Anti-Bribery & Corruption Policy seriously and employees are required to report suspected violations. Our ethics and compliance hotline is managed by a third party and is available to all our employees seven days a week, twenty-four hours a day. Our goal is to provide employees with a confidential yet effective way to raise concerns so that we can appropriately investigate issues and resolve them.

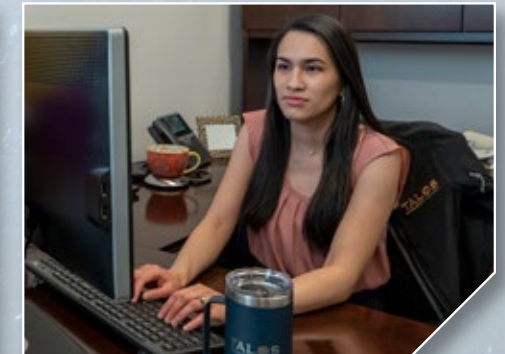
Our hotline provides a means to report any concerns anonymously, and we prohibit any form of retaliation against employees who report in good faith. We make employees aware of our hotline when they read and acknowledge our Code annually, and we also proactively remind employees about the hotline throughout the year. Employees can report a concern by calling (844) 283-9315 or online at [reportlineweb.com/talosenergy](http://reportlineweb.com/talosenergy)

## Training, Awareness, & Compliance

At Talos, we are continuously working to promote a culture of high ethical standards. Training and communicating Talos's Code and Anti-Bribery & Corruption Policy are key elements of our ethics program.

Throughout our offices, we have posters with the compliance hotline number to call should an employee have or need to report a concern.

ENSURING  
A BETTER  
WORKPLACE



# Enterprise Risk Management

An integral component of Talos's overall business resilience strategy is our ERM framework. The objective of the ERM framework is to clearly define our risk management vision, goals, and objectives as well as establish a consistent approach to the identification, assessment, mitigation, and reporting of risks and opportunities throughout the organization.

The ERM process enables the Board and executive leadership to consider risks when establishing short-, medium-, and long-term strategic objectives. It allows us to integrate analysis risk our into business, operational, and capital structures when planning activities. Our ERM framework is broken out into five strategic pillars each with its own set of tactical objectives. To ensure implementation and oversight of the ERM framework, Talos has established a risk management governance structures that formally defines the authority, responsibility and accountability for risk management, and acknowledges that risk management is not the sole responsibility of one person but rather is supported at all levels of the organization. Within the framework, the Board of Directors is responsible for understanding the key risks that affect the business and how those risks are being managed.

The Audit Committee is responsible for oversight of the ERM program to ensure the cycle of risk identification, response and reporting is sufficient. Talos's interdisciplinary ERM Steering Committee is responsible for oversight of risk identification, assessment, and reporting process as well as monitoring and reporting the status of risk mitigation initiatives to executive leadership and the Board. The cornerstone of our risk management program is our enterprise-wide risk assessment process designed to identify and prioritize risks that could impact our operational and strategic objectives. Our ERM Steering Committee meets quarterly to ensure new or emerging risks and opportunities are identified and incorporated into our corporate risk register. Annually, risks undergo an impact and likelihood assessment utilizing pre-defined rating scales which include dimensions that help aid in reducing bias. Risk response plans for high-priority risks are presented to the Board or the designated committee throughout the year to facilitate the understanding of key strategic risks and oversight.



## Strategy and Objective Setting

Align ERM goals and objectives with Talos's strategic objectives.



## Risk Identification

Identify strategic, operational, legal, financial, technological, organizational, and climate-related risks throughout the organization.



## Risk Assessment

Assess risks using a formal set of criteria to identify those risks that have the greatest impact to the achievement of strategic objectives.



## Risk Response

Document and assess the effectiveness of risk mitigation activities and develop strategies to enhance mitigation and/or monitoring activities.



## Monitor and Report

Periodic monitoring and reporting of risk and status of risk mitigation strategies.



# Cybersecurity and Digital Innovation

Due to the critical nature of our infrastructure, operations, and assets, cybersecurity is a key risk that is overseen by leaders at all levels of the organization. Talos leverages the National Institute of Standards and Technology (NIST) Cybersecurity Framework to guide our cybersecurity program.

The full-time cybersecurity team meets bi-weekly to discuss cybersecurity risks and the most recent advances in risk mitigation technology. The risks and strategic recommendations are then taken back to inter-department meetings with Information Technology. Our Director of Information Technology sits on the ERM Steering Committee and reports on our cybersecurity roadmap, current risk landscape, and status of cybersecurity trainings to the Board's Audit Committee on a quarterly basis. In addition to the oversight provided by our cybersecurity team, Information Technology leads, the ERM Steering Committee, and the Audit Committee, we also utilize a managed detection and response partner for additional monitoring and threat hunting, providing 24/7 coverage. Talos maintains a cybersecurity risk insurance policy which may defray the cost of a breach.

PROTECTING  
OUR ASSETS  
IS A 24/7 JOB

In addition, we participate in a variety of information sharing groups, such as the Oil and Gas Information Sharing and Analysis Center (ONG-ISAC). There are roughly 90 member companies in the Oil and Natural Gas ISAC. Each year, ONG-ISAG recognizes the top 10 participants. Talos received 6th place and 9th place in 2021 and 2020, repetitively. We are proud to continue to be recognized as a top contributor.

Talos also recognizes the importance of our people in executing our cybersecurity and cyber resilience strategy. We invest in cybersecurity awareness training for all employees and contractors. Quarterly, cybersecurity awareness training is provided to all users and we routinely perform simulated phishing campaigns.

We track those incidents when personnel fail to report to simulate phishing and provide remedial training to ensure greater awareness and protection. In addition to regular phishing email trainings, we regularly conduct in-person cyber safety trainings and cybersecurity lunch & learns. In 2021, our employees and contractors received 525 hours of cybersecurity training.



# Management of the Legal and Regulatory Environment

Talos strives to abide by the stringent federal, state and/or local laws regulating our operations in the United States and Mexico. As such, we comply with the regulations of, and report to the EPA, BOEM, BSEE, and OSHA in the U.S., and the Agencia de Seguridad Energía y Ambiente and the Comisión Nacional de Hidrocarburos in Mexico.

We are subject to extensive environmental regulations that relate to protecting against the release or disposal of materials into the environment, the acquisition of a permit or other approval before drilling or other regulated activity commences, restricting the types of substances that can be released into the environment and limiting, or prohibiting exploration or drilling activities on certain lands lying within protected areas or that may affect certain wildlife. We are also subject to social regulations that pertain to employee health and safety and equal opportunity employment.

Some examples of the laws to which we are subject to include the Outer Continental Lands Act, Clean Water Act, Oil Pollution Act, National Environmental Policy Act, Endangered Species Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation and Liability Act, Clean Air Act and Occupational Safety and Health Act.

## Lobbying Activities

The policies and regulations to which we are subject are constantly changing. The impact associated with policy or regulatory changes depends on the nature and timing of such changes. Talos carefully monitors new proposed legislation and regulations related to our business and engages with policymakers and regulators. Talos complies with all applicable laws and regulations pertaining to our advocacy efforts with government officials.

In 2021, we allocated \$410,000 for lobbying and engaged with agencies such as the Department of Interior, Bureau of Ocean Energy Management, Bureau of Environmental Enforcement, Department of State, Department of Commerce, Department of Energy, Department of Treasury, U.S. Trade Representative, U.S. Senate, U.S. House of Representatives, National Security Council, National Economic Council, Office of the Vice President of the United States, and the White House Office.

Topics for engagement have included U.S. and Mexico offshore exploration and production, carbon capture and sequestration, and decommissioning regulations.

Because Talos is a U.S.-based company, we are regulated by the U.S. Foreign Corrupt Practices Act (FCPA), which prohibits giving, making, offering, promising, or authorizing the payment or transfer of anything of value, directly or indirectly, to a foreign official to obtain or retain business improperly. Therefore, we train our employees working on our international assets on risks and actions covered by FCPA laws and related policies on an annual basis.

# Approach to Taxes

**Because Talos has operations in multiple jurisdictions, including jurisdictions in which the tax laws (or their interpretation or their administration) may change, our tax obligations and related filings are complex and are subject to the risk that after-tax profitability could be lower than anticipated.**

Talos takes a strategic approach to managing our state, federal, and foreign tax responsibilities. We are subject to income tax based on current tax laws and regulations of the jurisdictions in which we operate. We record in our financial statements our U.S. state, federal, and foreign income taxes in accordance with accounting for income taxes under Generally Accepted Accounting Principles (GAAP). This results in deferred tax assets and liabilities resulting from temporary differences between the book carrying amounts and the tax basis of assets and liabilities. They are measured using expected tax rates for the years when those assets are expected to be recovered or liabilities are expected to be settled.

Talos understands that we have a social responsibility to satisfy tax obligations in the jurisdictions in which we operate and that governments have the sovereign right to determine their tax policies and rates. Consistent with our strategy relating to management of our legal and regulatory environment, our tax compliance obligation in every country where we create value is to pay the right amount of tax at the right time. Our Code of Business Conduct and Ethics applies to our tax-related functions. As described in the Anti-Bribery & Corruption Policies section, we have a compliance hotline in place for all employees to raise concerns and report instances of potential noncompliance with tax-related policies and regulations.

Regarding the tax implications and considerations of executive compensation, our Compensation Committee and the Board review and consider the tax, accounting, and securities law implications of our executive compensation program when making determinations.

As a public corporation, we are subject to the deduction limitations that prohibit deductions for compensation paid in excess of \$1 million during a single fiscal year to certain executive officers. The Compensation Committee is mindful of these limitations but reserves the right to pay non-deductible compensation to our executive officers if the Compensation Committee determines that such compensation is in the best interests of Talos. Additionally, when it comes to our management compensation, we prohibit tax gross ups.

Finally, the Audit Committee has appointed Ernst & Young LLP (“EY”) as our independent registered public accounting firm to provide audit and tax services. In 2021 and 2020, we paid \$90,000 and \$142,724 respectively in tax-related fees to EY.

## Other Payments to the Government

Most of our oil and gas leases are related to submerged lands in the deep and shallow waters on the U.S. Outer Continental Shelf and issued by the U.S. Department of the Interior’s BOEM.

We pay royalties to the Office of Natural Resources Revenue (ONRR) for U.S. Outer Continental Shelf leases. The deposits with ONRR represent our estimated federal royalties payable. We adjust deposits on a monthly basis, based on actual royalty payments remitted to the ONRR. In 2021, we paid the ONRR a total of \$220,139,097 for federal royalties.

We also have some mineral leases in state waters which require royalty payments to the state. In 2021, we paid \$12,356,016 to the state of Louisiana for royalties.



# Industry Associations

Talos actively engages in and partners with key organizations, trade associations, and peer networks. Trade associations often represent a diverse membership of companies, and their policy views may not always be representative of Talos's views, or applicable to Talos.

Association	Description
<b>ASOCIACIÓN MEXICANA DE EMPRESAS DE HIDROCARBUROS</b>	■ AMEXHI is an association of oil and gas investors and operators interested in investing in Mexico and committed to carrying out safe, responsible, and sustainable operations.
<b>GULF ENERGY ALLIANCE</b>	■ GEA is a coalition of leading independent producers and operators and allied organizations devoted to supporting policies and regulations that encourage investment, innovation, and job creation in the offshore energy industry in the Gulf of Mexico.
<b>HWCG</b>	■ HWCG is a consortium of deepwater operators and non-operators in the Gulf of Mexico who have joined together to expand capabilities to quickly and comprehensively respond to a subsea well containment event to protect people, property, and the environment.
<b>INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA</b>	■ IPAA serves as an informed voice for the exploration and production segment of the industry and advocates its members' views before the United States Congress, The White House, and federal agencies.
<b>LA-1 COALITION</b>	■ LA-1 Coalition supports the LA-1 Improvement Project, which seeks to improve the highway infrastructure from U.S. Highway 90 at Mathews, LA to Port Fourchon/Grand Isle.
<b>LOUISIANA OIL &amp; GAS ASSOCIATION</b>	■ LOGA was organized to represent the independent and service sectors of the oil and gas industry in Louisiana. The primary goals are to create incentives, challenge burdensome regulations, and educate the public and government of the importance of the oil and gas industry.
<b>NATIONAL OCEAN INDUSTRIES ASSOCIATION</b>	■ NOIA serves the offshore oil, gas, wind, and ocean minerals industries and provides value to its members by uniting and advancing the business and professional interests of its members and the industry.
<b>NATIONAL OCEAN INDUSTRIES ASSOCIATION ESG NETWORK</b>	■ NOIA's ESG Network is a programmatic effort to share and develop best practices in Environmental, Social, and Governance principles across the offshore energy industry.
<b>OCS ADVISORY BOARD</b>	■ OCSAB is a non-profit that focuses on Outer Continental Shelf issues related to oil and gas exploration, development, and production.
<b>OFFSHORE OPERATORS COMMITTEE</b>	■ OOC is committed to being the primary technical advocate for the offshore energy industry for topics such as safety, regulation, exploration, development, and production on the Outer Continental Shelf.





# ABOUT THIS REPORT

This is the third annual ESG report for Talos. In this report, we disclose information about our environmental, social, and governance policies and programs that we believe is of value to our stakeholders. Unless otherwise noted, the information and data in this report cover the company's operated assets for the calendar year that ended on December 31, 2021. This report includes results for 2018, 2019, 2020 and 2021.

Reported financial highlights were drawn from the Talos Energy Inc. Form 10-K for the fiscal year ended Dec. 31, 2021, filed on February 25, 2022.

We are Building the Energy Company of Tomorrow that is advancing an energy future to meet the needs of the world. We are proud to present this sustainability report describing our Environmental, Social, and Governance endeavors and commitments.



# Reporting Scope, Boundaries, and History

Talos's ESG information provided in this report is essential to our business, strategy, and planning. Our disclosures are mapped to the Sustainability Accounting Standards Board (SASB) Oil & Gas-Exploration & Production Sustainability Accounting Standard and reference the Global Reporting Initiative (GRI) Standards.

In addition, our disclosures in this report and our 2022 TCFD Climate Risk and Opportunity Report follow many of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and align with those United Nations Sustainable Development Goals (UN SDGs) that are most relevant to our industry and our carbon capture and sequestration operations.

## Reporting Boundaries

As used in this ESG Report and unless otherwise indicated or the context otherwise requires, references to “we,” “us,” “our,” “Talos Energy Inc.,” “Talos,” “Talos Energy,” and the “Company” refer to Talos Energy Inc. and its consolidated subsidiaries and business units, including the Talos Low Carbon Solutions business (TLCS). This report covers all our operated activities, including our exploration, development, production, and decommissioning operations.

We have reported data related to calendar year 2021, beginning 1/1/2021 and ending 12/31/2021, unless otherwise noted. In some cases, data and information related to our corporate responsibility and sustainability priority areas include programs and activities underway or introduced through the third quarter of 2022, ending 9/30/2022. The currency used in our disclosures is the United States Dollar (USD). We utilized operational control boundary methodology for both accounting, emissions, and other ESG metric reporting.

## Reporting History

This is Talos's third annual ESG Report. Our inaugural ESG report was published in September 2020. Disclosures in the inaugural report covered the calendar year beginning 1/1/2019 and ending 12/31/2019. Disclosures were shaped by a materiality assessment conducted in October 2019 and referenced the GRI standards.

The second installment of ESG reporting was published in December 2021 and expanded upon the disclosures in the inaugural report. With the second ESG report, we added references to the UN SDGs and expanded the disclosures with reference to the GRI Standards and the SASB Oil & Gas – Exploration & Production Sustainability Accounting Standard.





# Assurance and Restatements

Talos recognizes the importance of providing our stakeholders with complete and accurate data and information. Talos has reviewed the content of this report through an internal review process, including executive oversight of subject matter reviews and validation.

Our review process included both discussions with data owners to obtain a high-level understanding of the systems and tools used to record and consolidate the data, as well as working to verify that the data adequately substantiates the information disclosed in this report.

Our ESG reporting is also subject to executive oversight by our CSO, Director of ESG, and multidisciplinary leads for the teams involved in the preparation of this report. Finally, the Board of Directors has reviewed this report.

## Restatements

As we improve our sustainability reporting yearly, we note that there may be a need to restate our data. Reasons for restatements could include changes in reporting boundaries, metric definitions or calculation methodologies, regulatory changes, or other reasons. For the sake of transparency, we will highlight any restated items and reasons for restatement.

## Contact

We appreciate your interest in Talos and welcome any feedback on how we can improve. Please direct questions and comments on this report, or topics related to our corporate responsibility and sustainability disclosures to [sustainability@talosenergy.com](mailto:sustainability@talosenergy.com)







# APPENDICES

Appendix A – KPI Data Tables

Appendix B – GRI Index

Appendix C – SDGs Index

Appendix D – SASB Index

Appendix E – TCFD Index

Appendix F – Referenced Documents

Appendix G – Forward-Looking Statement



# Appendix A – KPI Data Tables

## Overview Data

Metric	Units	2018	2019	2020	2021
<b>COMPANY OVERVIEW</b>					
<b>TOTAL FULL-TIME EMPLOYEES</b>	#	366	421	420	443
Women Full-Time Employees	#	57	65	65	71
Racially and/or Ethnically Diverse Full-Time Employees	#	52	62	64	78
<b>FINANCIAL OVERVIEW</b>					
<b>REVENUE</b>	\$USD	891,288,000	908,064,000	575,936,000	1,244,540,000
<b>TAX EXPENSE / (TAX BENEFIT)</b>	\$USD	2,922,000	(36,141,000)	35,583,000	(1,635,000)
<b>OPERATIONAL OVERVIEW</b>					
<b>TOTAL (GROSS) PRODUCTION VOLUMES</b>	MBoe	24,270	26,992	21,060	23,978
Total Production Volumes: Oil (MBbls)	MBbls	11,771	13,847	13,665	16,159
Total Production Volumes: Natural Gas (MMcf)	MMcf	22,771	23,306	28,652	32,795
Total Production Volumes: NGL (MBbls)	MBbls	1,176	1,228	1,559	1,875
<b>TOTAL (GROSS) OPERATED PRODUCTION VOLUMES (INCLUDING THIRD PARTY HANDLING)</b>	MBoe	25,203	27,883	23,289	27,965
<b>TOTAL PROVED RESERVES</b>	MBoe	151,739	141,735	163,033	161,591
Proved Developed Reserves	MBoe	115,528	97,979	127,120	136,286
Proved Undeveloped Reserves	MBoe	36,211	43,756	35,913	25,305

# Appendix A – KPI Data Tables (Continued)

## Environmental Data

Metric	Units	2018	2019	2020	2021
<b>EMISSIONS MANAGEMENT</b>					
<b>TOTAL SCOPE 1 EMISSIONS</b>	Metric Tons CO <sub>2</sub> e	549,088	507,953	406,075	444,763
Scope 1 Carbon Emissions	Metric Tons CO <sub>2</sub>	271,746	296,892	241,552	246,737
Scope 1 Methane Emissions	Metric Tons CH <sub>4</sub>	11,085	8,433	6,572	7,874
Scope 1 Nitrous Oxide Emissions	Metric Tons N <sub>2</sub> O	1	1	1	4
Scope 1 Intensity per Operated Production	Metric Tons CO <sub>2</sub> e/MBoe	21.79	18.22	17.44	15.90
Scope 1 Intensity per Sales	Metric Tons CO <sub>2</sub> e/Sales \$MM	616.06	559.38	705.07	357.37
<b>TOTAL SCOPE 2 EMISSIONS</b>	Metric Tons CO <sub>2</sub> e	1,636	1,237	946	794
Scope 2 Carbon Emissions	Metric Tons CO <sub>2</sub>	1,628	1,231	941	790
Scope 2 Methane Emissions	Metric Tons CH <sub>4</sub>	0.12	0.09	0.07	0.05
Scope 2 Nitrous Oxide Emissions	Metric Tons N <sub>2</sub> O	0.02	0.01	0.01	0.01
Scope 2 Intensity Per Operated Production	Metric Tons CO <sub>2</sub> e/MBoe	0.06	0.04	0.04	0.03
Scope 2 Intensity Per Sales	Metric Tons CO <sub>2</sub> e/Sales \$MM	1.84	1.36	1.64	0.64
<b>TOTAL GHG EMISSIONS (SCOPE 1 &amp; 2)</b>	Metric Tons CO <sub>2</sub> e	550,724	509,190	407,021	445,557
Total GHG Intensity Per Operated Production	Metric Tons CO <sub>2</sub> e/MBoe	21.85	18.26	17.48	15.93
Carbon Dioxide Intensity Per Operated Production	Metric Tons CO <sub>2</sub> e/MBoe	10.85	10.69	10.41	8.85
Methane Intensity Per Operated Production Production	Metric Tons CO <sub>2</sub> e/MBoe	11.00	7.56	7.06	7.04
GHG (Scope 1&2) Intensity Per Sales	Metric Tons CO <sub>2</sub> e/Sales \$MM	617.90	560.74	706.71	358.01
Carbon Intensity Per Sales	Metric Tons CO <sub>2</sub> e/Sales \$MM	306.72	328.31	421.04	198.89
Methane Intensity Per Sales	Metric Tons CO <sub>2</sub> e/Sales \$MM	310.94	232.17	285.30	158.17
<b>NO<sub>x</sub> EMISSIONS</b>	Metric Tons	N/A	N/A	N/A	2,367
<b>SO<sub>x</sub> EMISSIONS</b>	Metric Tons	N/A	N/A	N/A	7
<b>VOC EMISSIONS</b>	Metric Tons	N/A	N/A	N/A	1,830
<b>OZONE-DEPLETING SUBSTANCES</b>	Metric Tons	N/A	N/A	N/A	N/A
<b>PARTICULATE EMISSIONS</b>	Metric Tons	N/A	N/A	N/A	28



# Appendix A – KPI Data Tables (Continued)

## Environmental Data

Metric	Units	2018	2019	2020	2021
<b>ENVIRONMENTAL IMPACT</b>					
<b>NUMBER OF OIL SPILLS OFFSHORE</b>	#	24	44	40	41
<b>AMOUNT OF OIL SPILLED OFFSHORE</b>	Bbls	8.00	0.30	0.70	0.57
<b>OIL SPILLS RECOVERED OFFSHORE</b>	Bbls	0.00	0.00	0.00	0.00
<b>NUMBER OF ENVIRONMENTAL FINES RELATED TO OFFSHORE SPILLS</b>	#	9	23	8	6
<b>AMOUNT OF ENVIRONMENTAL FINES RELATED TO OFFSHORE SPILLS<sup>(1)</sup></b>	\$USD	\$6,500	\$28,042	\$3,750	\$2,762
<b>NUMBER OF OTHER REGULATORY FINES</b>	#	0	0	0	3
<b>REGULATORY FINES<sup>(2)</sup></b>	\$USD	\$0	\$0	\$0	\$124,700
<b>NET SPENDING ON PLUGGING, ABANDONING, AND DECOMMISSIONING OPERATIONS</b>	\$MM USD	142.00	75.00	42.00	66.00
Temporarily Abandoned Wells	#	31	41	36	34
Permanently Plugged and Abandoned Wells	#	21	28	18	17
Platforms Removed	#	16	12	10	4
Pipelines Decommissioned	#	12	22	12	46
Length of Pipelines Decommissioned	Feet	159,781	59,576	79,834	365,434
<b>WATER MANAGEMENT</b>					
<b>WATER WITHDRAWAL TOTAL</b>	Thousand Cubic Meters (m <sup>3</sup> )	N/A	58.98	53.40	56.05
Potable Water Purchased from Third Parties <sup>(3)</sup>	Thousand Cubic Meters (m <sup>3</sup> )	N/A	58.98	53.40	56.05
<b>TOTAL WATER CONSUMED</b>	Thousand Cubic Meters (m <sup>3</sup> )	N/A	58.98	53.40	56.05
<b>TOTAL PRODUCED AND FLOWBACK WATER<sup>(4)</sup></b>	Thousand Cubic Meters (m <sup>3</sup> )	3,387.68	3,708.88	3,433.25	3,588.70
Percent of Produced Water Discharged	Percentage	N/A	N/A	N/A	100%
Percent of Produced Water Injected	Percentage	N/A	N/A	N/A	0%
Percent of Produced Water Recycled	Percentage	N/A	N/A	N/A	0%
Hydrocarbon Content in Discharged Water	Metric Tons	N/A	N/A	N/A	25.77

(1) Restatement of data. Changed calculation methodology to align with year of payment in accordance with industry best practices.

(2) Regulatory fines paid to Bureau of Safety and Environmental Enforcement.

(3) Potable water includes all water brought onsite for use by employees. Talos did not track potable water in 2018.

(4) Produced water is reported on a gross basis and is collected, treated onsite, and discharged in accordance with NPDES permits.

# Appendix A – KPI Data Tables (Continued)

## Environmental Data

Metric	Units	2018	2019	2020	2021
<b>ENERGY MANAGEMENT</b>					
<b>ENERGY CONSUMED</b>	MWH	3,271	2,586	2,009	1,994
Energy Intensity	MWH/MBoe	0.13	0.09	0.09	0.07
Percent Renewable Energy Used	Percentage	29%	27%	27%	27%
<b>INVESTMENT IN RENEWABLE ENERGY</b>	Reporting Currency	N/A	N/A	N/A	\$267,000
<b>MATERIALS &amp; WASTE MANAGEMENT<sup>(1)</sup></b>					
<b>TOTAL WASTE</b>	Metric Tons	7,570.67	5,485.23	4,997.00	6,972.87
Hazardous Waste	Metric Tons	1.60	7.07	5.00	6.00
Non-Hazardous Waste <sup>(2)</sup>	Metric Tons	7,562.00	5,448.16	4,944.00	6,906.20
E&P Waste	Metric Tons	7,562.00	5,448.16	4,944.00	6,183.00
Universal Waste	Metric Tons	N/A	N/A	N/A	723.20
Naturally Occuring Radioactive Material	Metric Tons	7.07	30.00	48.00	60.67

## Social Data

Metric	Units	2018	2019	2020	2021
<b>DIVERSITY, EQUITY, &amp; INCLUSION</b>					
<b>WOMEN % TOTAL EMPLOYEES</b>	Percentage	16%	16%	16%	16%
Women % of Executives & Senior Managers	Percentage	15%	17%	18%	19%
Women % of Managers & Professionals	Percentage	25%	24%	24%	24%
Women % of Other Staff	Percentage	8%	9%	10%	11%
<b>RACIALLY AND/OR ETHNICALLY DIVERSE % TOTAL EMPLOYEES</b>	Percentage	14%	15%	15%	18%
Racially and/or Ethnically Diverse % of Executives & Senior Managers	Percentage	15%	13%	11%	13%
Racially and/or Ethnically Diverse % of Managers & Professionals	Percentage	23%	23%	23%	27%
Racially and/or Ethnically Diverse % of Other Staff	Percentage	7%	8%	11%	13%

(1) Waste data in prior reports was reported in barrels. All data was converted to metric ton in 2022.

(2) Data includes completion fluids, oil base drilling waste, pipeline water/waste, production pit sludges, production sands and solids, storage tank sludges, washout pit water, washout water, and water base drilling waste.



# Appendix A – KPI Data Tables (Continued)

## Social Data

Metric	Units	2018	2019	2020	2021
<b>HUMAN CAPITAL MANAGEMENT</b>					
<b>TOTAL TURNOVER</b>	Percentage	14%	11%	11%	7%
Voluntary Turnover	Percentage	3%	5%	3%	5%
Involuntary Turnover	Percentage	11%	6%	8%	2%
<b>PERCENT OF EMPLOYEES RECEIVING REGULAR PERFORMANCE REVIEWS</b>	Percentage	N/A	97%	96%	96%
<b>HEALTH, SAFETY, &amp; ENVIRONMENT</b>					
<b>COMBINED TOTAL RECORDABLE INCIDENT RATE (TRIR)</b>	Per 200,000 Hours Worked	1.14	0.49	0.54	0.48
Employee Total Recordable Incident Rate (TRIR)	Per 200,000 Hours Worked	0.53	0.00	0.16	0.16
Contractor Total Recordable Incident Rate (TRIR)	Per 200,000 Hours Worked	1.37	0.67	0.74	0.64
<b>COMBINED LOST TIME INJURY RATE (LTIR)</b>	Per 200,000 Hours Worked	0.23	0.11	0.22	0.06
Employee Lost Time Injury Rate (LTIR)	Per 200,000 Hours Worked	0.00	0.00	0.16	0.16
Contractor Lost Time Injury Rate (LTIR)	Per 200,000 Hours Worked	0.32	0.15	0.25	0.00
<b>COMBINED NEAR MISS REQUENCY RATE (NMFR)</b>	Per 200,000 Hours Worked	1.97	2.13	0.98	0.88
Employee Near Miss Frequency Rate (NMFR)	Per 200,000 Hours Worked	1.07	3.21	0.65	0.32
Contractor Near Miss Frequency Rate (NMFR)	Per 200,000 Hours Worked	2.33	1.72	1.15	1.20
<b>COMBINED FATALITIES</b>	#	1	0	0	0
Employee Fatalities	#	0	0	0	0
Contractor Fatalities	#	1	0	0	0
<b>PROCESS SAFETY EVENT RATE</b>	Rate	0.52	0.38	0.42	0.22
<b>AVERAGE TOTAL HSE TRAINING HOURS</b>	Average	N/A	N/A	N/A	23.75
<b>AVERAGE OFFICE HSE TRAINING HOURS</b>	Average	N/A	N/A	N/A	6.60
<b>AVERAGE OFFSHORE HSE TRAINING HOURS</b>	Average	N/A	N/A	N/A	47.90

# Appendix A – KPI Data Tables (Continued)

## Social Data

Metric	Units	2018	2019	2020	2021
<b>COMMUNITY INVOLVEMENT</b>					
<b>TOTAL SOCIAL INVESTMENT</b>	\$USD	\$121,520	\$1,025,338	\$128,220	\$462,611
Employee Donations	\$USD	\$16,520	\$21,981	\$28,365	\$75,437
Corporate Matches	\$USD	N/A	N/A	\$16,565	\$48,937
Corporate Donations	\$USD	\$50,000	\$55,000	\$83,290	\$191,296
2019 LA-1 Highway Fund Pledge (To be Paid in Installments from 2022-2026)	\$USD	N/A	\$808,357	N/A	N/A
Charitable Golf Tournament	\$USD	\$55,000	\$140,000	N/A	N/A
Corporate Relief Donations	\$USD	N/A	N/A	N/A	\$146,940

## Governance Data

Metric	Units	2018	2019	2020	2021
<b>BOARD OVERSIGHT</b>					
<b>% BOARD OF DIRECTORS IN THE "&gt;60" AGE GROUP</b>	Percentage	20%	20%	20%	29%
<b>% BOARD OF DIRECTORS IN THE "&lt;60" AGE GROUP</b>	Percentage	80%	80%	80%	71%
<b>INDEPENDENT % BOARD OF DIRECTORS</b>	Percentage	90%	90%	90%	86%
<b>RACIAL OR ETHNIC MINORITIES % BOARD OF DIRECTORS</b>	Percentage	10%	10%	10%	20%
<b>WOMEN % BOARD OF DIRECTORS</b>	Percentage	20%	20%	20%	30%
<b>COMPENSATION</b>					
<b>COMPENSATION RATIO</b>	Ratio	N/A	N/A	N/A	42.00

# Appendix A – KPI Data Tables (Continued)

## Governance Data

Metric	Units	2018	2019	2020	2021
<b>ETHICS</b>					
<b>PERCENT OF ACTIVE FOREIGN WORKFORCE COVERED UNDER COLLECTIVE BARGAINING AGREEMENTS</b>	Percentage	N/A	N/A	N/A	18%
<b>PERCENT OF CORPORATE EMPLOYEES ACKNOWLEDGING CODE OF CONDUCT</b>	Percentage	N/A	N/A	N/A	85%
<b>PERCENT OF CORPORATE EMPLOYEES ACKNOWLEDGING FCPA TRAINING</b>	Percentage	N/A	N/A	N/A	85%
<b>PERCENT OF PROBABLE RESERVES IN COUNTRIES THAT HAVE THE 20 LOWEST RANKINGS IN TRANSPARENCY INTERNATIONAL'S CORRUPTION PERCEPTION INDEX</b>	Percentage	0%	0%	0%	0%
<b>PERCENT OF PROVED RESERVES IN COUNTRIES THAT HAVE THE 20 LOWEST RANKINGS IN TRANSPARENCY INTERNATIONAL'S CORRUPTION PERCEPTION INDEX</b>	Percentage	0%	0%	0%	0%
<b>GOVERNMENT PAYMENTS AND ADVOCACY EXPENSES</b>					
<b>POLITICAL CONTRIBUTIONS</b>	\$USD	\$0	\$0	\$0	\$0
<b>LOBBYING EXPENSES</b>	\$USD	N/A	\$110,000	\$420,000	\$410,000
<b>FEDERAL ROYALTIES PAID</b>	\$USD	\$171,229,850	\$162,542,805	\$86,418,388	\$220,139,907
<b>STATE OF TEXAS ROYALTIES PAID</b>	\$USD	\$0	\$0	\$0	\$0
<b>STATE OF LOUISIANA ROYALTIES PAID</b>	\$USD	\$3,783,540	\$3,794,433	\$2,302,856	\$12,356,016
<b>STATE OF TEXAS SEVERANCE TAXES PAID</b>	\$USD	\$78,563	\$43,952	\$36,726	\$83,741
<b>STATE OF LOUISIANA SEVERANCE TAXES PAID</b>	\$USD	\$2,046,006	\$1,972,889	\$1,167,103	\$4,278,299



# Appendix B – GRI Index

## STATEMENT OF USE

Talos has reported the information cited in this GRI content index for the period 1/1/2021 to 12/31/2021 with reference to the GRI Standards.

## GRI 1 USED

GRI 1: Foundation 2021

Standard Type	GRI Standard	Disclosure	Location
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-1 Organizational details	"Our Company"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-2 Entities included in the organization's sustainability reporting	"About this Report"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-3 Reporting period, frequency and contact point	"About this Report"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-4 Restatements of information	"About this Report"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-5 External assurance	"About this Report"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-6 Activities, value chain and other business relationships	"Our Company"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-7 Employees	"Our Company"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-8 Workers who are not employees	"Our Company"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-9 Governance structure and composition	"Board Overview", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-10 Nomination and selection of the highest governance body	"Board Overview", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-11 Chair of the highest governance body	"Board Overview", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-12 Role of the highest governance body in overseeing the management of impacts	"Board Overview - ESG Oversight"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-13 Delegation of responsibility for managing impacts	"Board Overview - ESG Oversight"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-14 Role of the highest governance body in sustainability reporting	"Board Overview - ESG Oversight"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-15 Conflicts of interest	"Board Overview" Code of Business Conduct and Ethics, Corporate Governance Guidelines
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-16 Communication of critical concerns	"Board Overview", "Ethics - Whistleblower Policy & Hotline"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-17 Collective knowledge of the highest governance body	"Board Overview", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-18 Evaluation of the performance of the highest governance body	"Board Overview", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-19 Remuneration policies	"Executive Management - Compensation", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-20 Process to determine remuneration	"Executive Management - Compensation", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-21 Annual total compensation ratio	"Executive Management - Compensation", 2021 Proxy Statement
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-22 Statement on sustainable development strategy	"Letter to Stakeholders"

# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-23 Policy commitments	"Governance"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-24 Embedding policy commitments	"Governance"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-25 Processes to remediate negative impacts	"Environmental Impact"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-26 Mechanisms for seeking advice and raising concerns	"Ethics - Whistleblower Policy & Hotline"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-27 Compliance with laws and regulations	"Management of the Legal & Regulatory Environment"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-28 Membership associations	"Management of the Legal & Regulatory Environment" - Industry Associations
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-29 Approach to stakeholder engagement	"Stakeholder Engagement"
<b>UNIVERSAL STANDARDS</b>	GRI 2: General Disclosures 2021	GRI 2-30 Collective bargaining agreements	KPI Data Table
<b>UNIVERSAL STANDARDS</b>	GRI 3: Material Topics 2021	GRI 3-1 Process to determine material topics	"Materiality Assessment"
<b>UNIVERSAL STANDARDS</b>	GRI 3: Material Topics 2021	GRI 3-2 List of material topics	"Materiality Assessment"
<b>UNIVERSAL STANDARDS</b>	GRI 3: Material Topics 2021	GRI 3-3 Management of material topics	"Materiality Assessment"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-1 GHG emissions	"Emissions Management"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-2 Climate adaptation, resilience, and transition	TCFD Climate Report
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-3 Air emissions	"Emissions Management"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-4 Biodiversity	"Environmental Impact"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-5 Waste	"Materials & Waste Management"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-6 Water and effluents	"Water Management"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-7 Closure and rehabilitation	"Environmental Impact"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-8 Asset integrity and critical incident management	"Enterprise Risk Management"
<b>SECTOR STANDARDS</b>	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-9 Occupational health and safety	"Health, Safety & Environment (HSE)"

# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-10 Employment practices	"Human Capital Management"
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-11 Non-discrimination and equal opportunity	"Diversity, Equity, & Inclusion (DEI)", Code of Conduct
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-11 Non-discrimination and equal opportunity	Code of Conduct
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-12 Forced labor and modern slavery	"Human & Indigenous Rights", Human Rights Policy
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-13 Freedom of association and collective bargaining	"Human & Indigenous Rights", Human Rights Policy
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-14 Economic impacts	"Our Company", 2021 Annual Report
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-15 Local communities	"Community Involvement"
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-16 Land and resource rights	"Community Involvement"
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-17 Rights of indigenous peoples	"Human & Indigenous Rights", Human Rights Policy
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-18 Conflict and security	"Human & Indigenous Rights", Human Rights Policy
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-19 Anti-competitive behavior	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-20 Anti-corruption	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-21 Payments to governments	"Management of the Legal & Regulatory Environment - Other Payments to Government"
SECTOR STANDARDS	GRI 11: Oil & Gas Sector Standards 2021	GRI 11-22 Public policy	"Management of the Legal & Regulatory Environment - Other Payments to Government"
TOPIC STANDARDS	GRI 201: Economic Performance 2016	GRI 201-1 Direct economic value generated and distributed	"Our Company", 2021 Annual Report



# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
<b>TOPIC STANDARDS</b>	GRI 201: Economic Performance 2016	GRI 201-2 Financial implications and other risks and opportunities due to climate change	"Our Company", 2021 Annual Report
<b>TOPIC STANDARDS</b>	GRI 201: Economic Performance 2016	GRI 201-3 Defined benefit plan obligations and other retirement plans	2021 Annual Report
<b>TOPIC STANDARDS</b>	GRI 201: Economic Performance 2016	GRI 201-4 Financial assistance received from government	2021 Annual Report
<b>TOPIC STANDARDS</b>	GRI 202: Market Presence 2016	GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not Available
<b>TOPIC STANDARDS</b>	GRI 202: Market Presence 2016	GRI 202-2 Proportion of senior management hired from the local community	Corporate Leaders
<b>TOPIC STANDARDS</b>	GRI 203: Indirect Economic Impacts 2016	GRI 203-1 Infrastructure investments and services supported	2021 Annual Report
<b>TOPIC STANDARDS</b>	GRI 203: Indirect Economic Impacts 2016	GRI 203-2 Significant indirect economic impacts	2021 Annual Report
<b>TOPIC STANDARDS</b>	GRI 204: Procurement Practices 2016	GRI 204-1 Proportion of spending on local suppliers	"Social Supply Chain Management"
<b>TOPIC STANDARDS</b>	GRI 205: Anti-corruption 2016	GRI 205-1 Operations assessed for risks related to corruption	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
<b>TOPIC STANDARDS</b>	GRI 205: Anti-corruption 2016	GRI 205-2 Communication and training about anti-corruption policies and procedures	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
<b>TOPIC STANDARDS</b>	GRI 205: Anti-corruption 2016	GRI 205-3 Confirmed incidents of corruption and actions taken	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
<b>TOPIC STANDARDS</b>	GRI 206: Anti-competitive Behavior 2016	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	"Ethics - Anti-Corruption & Anti-Bribery", Anti-Corruption & Corruption Policy, Code of Business Conduct and Ethics, Corporate Governance Guidelines
<b>TOPIC STANDARDS</b>	GRI 207: Tax 2019	GRI 207-1 Approach to tax	"Management of the Legal & Regulatory Environment - Approach to Taxes"
<b>TOPIC STANDARDS</b>	GRI 207: Tax 2019	GRI 207-2 Tax governance, control, and risk management	"Management of the Legal & Regulatory Environment - Approach to Taxes"
<b>TOPIC STANDARDS</b>	GRI 207: Tax 2019	GRI 207-3 Stakeholder engagement and management of concerns related to tax	"Management of the Legal & Regulatory Environment - Approach to Taxes"
<b>TOPIC STANDARDS</b>	GRI 207: Tax 2019	GRI 207-4 Country-by-country reporting	"Management of the Legal & Regulatory Environment - Approach to Taxes"
<b>TOPIC STANDARDS</b>	GRI 301: Materials 2016	GRI 301-1 Materials used by weight or volume	"Materials & Waste Management"

# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
TOPIC STANDARDS	GRI 301: Materials 2016	GRI 301-2 Recycled input materials used	"Materials & Waste Management"
TOPIC STANDARDS	GRI 301: Materials 2016	GRI 301-3 Reclaimed products and their packaging materials	"Materials & Waste Management"
TOPIC STANDARDS	GRI 302: Energy 2016	GRI 302-1 Energy consumption within the organization	"Energy Management"
TOPIC STANDARDS	GRI 302: Energy 2016	GRI 302-2 Energy consumption outside of the organization	"Energy Management"
TOPIC STANDARDS	GRI 302: Energy 2016	GRI 302-3 Energy intensity	"Energy Management"
TOPIC STANDARDS	GRI 302: Energy 2016	GRI 302-4 Reduction of energy consumption	"Energy Management"
TOPIC STANDARDS	GRI 302: Energy 2016	GRI 302-5 Reductions in energy requirements of products and services	"Energy Management"
TOPIC STANDARDS	GRI 303: Water and Effluents 2018	GRI 303-1 Interactions with water as a shared resource	"Water Management"
TOPIC STANDARDS	GRI 303: Water and Effluents 2018	GRI 303-2 Management of water discharge-related impacts	"Water Management"
TOPIC STANDARDS	GRI 303: Water and Effluents 2018	GRI 303-3 Water withdrawal	"Water Management"
TOPIC STANDARDS	GRI 303: Water and Effluents 2018	GRI 303-4 Water discharge	"Water Management"
TOPIC STANDARDS	GRI 303: Water and Effluents 2018	GRI 303-5 Water consumption	"Water Management"
TOPIC STANDARDS	GRI 304: Biodiversity 2016	GRI 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	"Environmental Impact"
TOPIC STANDARDS	GRI 304: Biodiversity 2016	GRI 304-2 Significant impacts of activities, products and services on biodiversity	"Environmental Impact"
TOPIC STANDARDS	GRI 304: Biodiversity 2016	GRI 304-3 Habitats protected or restored	"Environmental Impact"
TOPIC STANDARDS	GRI 304: Biodiversity 2016	GRI 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	"Environmental Impact"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-1 Direct (Scope 1) GHG emissions	"Emissions Management"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-2 Energy indirect (Scope 2) GHG emissions	"Emissions Management"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-3 Other indirect (Scope 3) GHG emissions	"Emissions Management"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-4 GHG emissions intensity	"Emissions Management"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-5 Reduction of GHG emissions	"Emissions Management"

# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-6 Emissions of ozone-depleting substances (ODS)	"Emissions Management"
TOPIC STANDARDS	GRI 305: Emissions 2016	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	"Emissions Management"
TOPIC STANDARDS	GRI 306: Waste 2020	GRI 306-1 Waste generation and significant waste-related impacts	"Materials & Waste Management"
TOPIC STANDARDS	GRI 306: Waste 2020	GRI 306-2 Management of significant waste-related impacts	"Materials & Waste Management"
TOPIC STANDARDS	GRI 306: Waste 2020	GRI 306-3 Waste generated	"Materials & Waste Management"
TOPIC STANDARDS	GRI 306: Waste 2020	GRI 306-4 Waste diverted from disposal	"Materials & Waste Management"
TOPIC STANDARDS	GRI 306: Waste 2020	GRI 306-5 Waste directed to disposal	"Materials & Waste Management"
TOPIC STANDARDS	GRI 308: Supplier Environmental Assessment 2016	GRI 308-1 New suppliers that were screened using environmental criteria	"Environmental Supply Chain Management", Vendor Code of Conduct
TOPIC STANDARDS	GRI 308: Supplier Environmental Assessment 2016	GRI 308-2 Negative environmental impacts in the supply chain and actions taken	"Environmental Supply Chain Management", Vendor Code of Conduct
TOPIC STANDARDS	GRI 401: Employment 2016	GRI 401-1 New employee hires and employee turnover	"Human Capital Management"
TOPIC STANDARDS	GRI 401: Employment 2016	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	"Human Capital Management"
TOPIC STANDARDS	GRI 401: Employment 2016	GRI 401-3 Parental leave	"Human Capital Management"
TOPIC STANDARDS	GRI 402: Labor/Management Relations 2016	GRI 402-1 Minimum notice periods regarding operational changes	"Human Capital Management"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-1 Occupational health and safety management system	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-2 Hazard identification, risk assessment, and incident investigation	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-3 Occupational health services	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-5 Worker training on occupational health and safety	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-6 Promotion of worker health	"Health, Safety & Environment (HSE)"
TOPIC STANDARDS	GRI 403: Occupational Health and Safety 2018	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Health, Safety & Environment (HSE)"



# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
<b>TOPIC STANDARDS</b>	GRI 403: Occupational Health and Safety 2018	GRI 403-8 Workers covered by an occupational health and safety management system	"Health, Safety & Environment (HSE)"
<b>TOPIC STANDARDS</b>	GRI 403: Occupational Health and Safety 2018	GRI 403-9 Work-related injuries	"Health, Safety & Environment (HSE)"
<b>TOPIC STANDARDS</b>	GRI 403: Occupational Health and Safety 2018	GRI 403-10 Work-related ill health	"Health, Safety & Environment (HSE)"
<b>TOPIC STANDARDS</b>	GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	"Human Capital Management"
<b>TOPIC STANDARDS</b>	GRI 404: Training and Education 2016	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	"Human Capital Management"
<b>TOPIC STANDARDS</b>	GRI 404: Training and Education 2016	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	"Human Capital Management"
<b>TOPIC STANDARDS</b>	GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	"Diversity, Equity, & Inclusion (DEI)", Code of Conduct
<b>TOPIC STANDARDS</b>	GRI 405: Diversity and Equal Opportunity 2016	GRI 405-2 Ratio of basic salary and remuneration of women to men	"Diversity, Equity, & Inclusion (DEI)", Code of Conduct
<b>TOPIC STANDARDS</b>	GRI 406: Non-discrimination 2016	GRI 406-1 Incidents of discrimination and corrective actions taken	"Diversity, Equity, & Inclusion (DEI)", Code of Conduct
<b>TOPIC STANDARDS</b>	GRI 407: Freedom of Association and Collective Bargaining 2016	GRI 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	"Human & Indigenous Rights", Human Rights Policy
<b>TOPIC STANDARDS</b>	GRI 408: Child Labor 2016	GRI 408-1 Operations and suppliers at significant risk for incidents of child labor	"Human & Indigenous Rights", Human Rights Policy
<b>TOPIC STANDARDS</b>	GRI 409: Forced or Compulsory Labor 2016	GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	"Human & Indigenous Rights", Human Rights Policy
<b>TOPIC STANDARDS</b>	GRI 410: Security Practices 2016	GRI 410-1 Security personnel trained in human rights policies or procedures	"Human & Indigenous Rights", Human Rights Policy
<b>TOPIC STANDARDS</b>	GRI 411: Rights of Indigenous Peoples 2016	GRI 411-1 Incidents of violations involving rights of indigenous peoples	"Human & Indigenous Rights", Human Rights Policy
<b>TOPIC STANDARDS</b>	GRI 413: Local Communities 2016	GRI 413-1 Operations with local community engagement, impact assessments, and development programs	"Community Involvement"
<b>TOPIC STANDARDS</b>	GRI 413: Local Communities 2016	GRI 413-2 Operations with significant actual and potential negative impacts on local communities	"Community Involvement"
<b>TOPIC STANDARDS</b>	GRI 414: Supplier Social Assessment 2016	GRI 414-1 New suppliers that were screened using social criteria	"Social Supply Chain Management", Vendor Code of Conduct

# Appendix B – GRI Index (Continued)

Standard Type	GRI Standard	Disclosure	Location
<b>TOPIC STANDARDS</b>	GRI 414: Supplier Social Assessment 2016	GRI 414-2 Negative social impacts in the supply chain and actions taken	"Social Supply Chain Management", Vendor Code of Conduct
<b>TOPIC STANDARDS</b>	GRI 415: Public Policy 2016	GRI 415-1 Political contributions	"Management of the Legal & Regulatory Environment - Political Contributions"
<b>TOPIC STANDARDS</b>	GRI 416: Customer Health and Safety 2016	GRI 416-1 Assessment of the health and safety impacts of product and service categories	Not Applicable
<b>TOPIC STANDARDS</b>	GRI 416: Customer Health and Safety 2016	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
<b>TOPIC STANDARDS</b>	GRI 417: Marketing and Labeling 2016	GRI 417-1 Requirements for product and service information and labeling	Not Applicable
<b>TOPIC STANDARDS</b>	GRI 417: Marketing and Labeling 2016	GRI 417-2 Incidents of non-compliance concerning product and service information and labeling	Not Applicable
<b>TOPIC STANDARDS</b>	GRI 417: Marketing and Labeling 2016	GRI 417-3 Incidents of non-compliance concerning marketing communications	Not Applicable
<b>TOPIC STANDARDS</b>	GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	"Cybersecurity & Digital Innovation"

# Appendix C – SDGs Index

## Goal

## Location



### SDG 3: GOOD HEALTH & WELLBEING

ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Refer to 'Supporting the United Nations SDGs - Goal 3: Good Health & Wellbeing', 'Health, Safety & Environment (HSE)', and 'Human Capital Management'



### SDG 4: QUALITY EDUCATION

ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

Refer to 'Supporting the United Nations SDGs - Goal 4: Quality Education', 'Human Capital Management', and 'Community Involvement'



### SDG 5: GENDER INEQUALITY

ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS

Refer to 'Supporting the United Nations SDGs - Goal 5: Gender Inequality' and 'Diversity, Equity & Inclusion'



### SDG 6: CLEAN WATER & SANITATION

ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

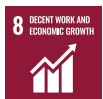
Refer to 'Supporting the United Nations SDGs - Goal 6: Clean Water & Sanitation' and 'Water Management'



### SDG 7: AFFORDABLE & CLEAN ENERGY

ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL

Refer to 'Supporting the United Nations SDGs - Goal 7: Affordable & Clean Energy', 'Emissions Management', 'Energy Management', and 'Climate Risk and Opportunity Report'



### SDG 8: DECENT WORK & ECONOMIC GROWTH

PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Refer to 'Supporting the United Nations SDGs - Goal 8: Decent Work & Economic Growth', 'Our Company', and 'Human Capital Management'



# Appendix C – SDGs Index (Continued)

## Goal

## Location



### **SDG 11: SUSTAINABLE CITIES & COMMUNITIES**

MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE

Refer to 'Support for the United Nations SDGs - Goal 11: Sustainable Cities & Communities', 'Community Involvement', and 'Management of the Legal & Regulatory Environment - Industry Associations'



### **SDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION**

ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

Refer to 'Supporting the United Nations SDGs - Goal 12: Responsible Consumption & Production', 'Environmental Impact of Supply Chain', and 'Social Impact of Supply Chain'



### **SDG 13: CLIMATE ACTION**

TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS

Refer to 'Supporting the United Nations SDGs - Goal 13: Climate Action' and Climate Risk and Opportunity Report



### **SDG 14: LIFE BELOW WATER**

CONSERVE AND SUSTAINABLY USE THE OCEANS, SEAS AND MARINE RESOURCES FOR SUSTAINABLE DEVELOPMENT

Refer to 'Supporting the United Nations SDGs - Goal 14: Life Below Water', 'Environmental Impact', and 'Water Management'

# Appendix D – SASB Index

Topic	Accounting Metric	Unit of Measure	Code	
GREENHOUSE GAS EMISSIONS	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	Metric tons CO <sub>2</sub> e Percentage (%)	EM-EP-110a.1	Scope 1 Emissions: 444,763 MT CO <sub>2</sub> e Percentage Methane: 44% Percentage Covered Under Emissions-Limiting Regulations: 0% Emissions-Limiting Regulations: 0%
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	Metric tons CO <sub>2</sub> e	EM-EP-110a.2	(1) Scope 1 Emissions from Flared Hydrocarbons: 20,336 MT CO <sub>2</sub> e (2) Scope 1 Emissions from other combustion: 242,873 MT CO <sub>2</sub> e (3) Scope 1 Emissions from process emissions: N/A (4) Scope 1 Emissions from other vented emissions: 135,387 MT CO <sub>2</sub> e (5) Scope 1 Emissions from fugitive emissions: 46,168 MT CO <sub>2</sub> e
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	EM-EP-110a.3	Refer to "Emissions Management"
AIR QUALITY	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	Metric tons (t)	EM-EP-120a.1	(1) NO <sub>x</sub> Emissions: 2,367 MT (2) SO <sub>x</sub> Emissions: 7 MT (3) VOC Emissions: 1,830 MT (4) Particulate Matter Emissions: 28.18
WATER MANAGEMENT	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters, Percentage (%)	EM-EP-140a.1	(1) Fresh Water Withdrawn: 56.05 Thousand Cubic Meters (2) Fresh Water Consumed: 56.05 Thousand Cubic Meters (3) Percentage in High Stress Regions: 0%
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	Thousand cubic meters, Percentage (%), Metric tons (t)	EM-EP-140a.2	Volume of Produced Water: 3,589 (1) Percentage Discharged: 100% (2) Percentage Injected: 0% (3) Percentage Recycled: 0%
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	EM-EP-140a.3	Not Applicable, Talos does not use hydraulic fracturing in its processes
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	EM-EP-140a.4	Not Applicable, Talos does not use hydraulic fracturing in its processes
BIODIVERSITY IMPACTS	Description of environmental management policies and practices for active sites	N/A	EM-EP-160a.1	Refer to "Environmental Management System" and "Environmental Impact"
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Number, Barrels (Bbls)	EM-EP-160a.2	Number of Hydrocarbon Spills: 41 Volume of Hydrocarbon Spills: 0.57 Barrels Volume in Arctic: 0 Volume Impacting Shorelines with ESI Rankings: 0 Volume Recovered: 0
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	EM-EP-160a.3	(1) Percentage of Proved Reserves: 1.5% (2) Percentage of Probable Reserves: 2.9% * Based on USGS Protected Areas data

# Appendix D – SASB Index (Continued)

Topic	Accounting Metric	Unit of Measure	Code	
<b>SECURITY, HUMAN RIGHTS &amp; RIGHTS OF INDIGENOUS PEOPLES</b>	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	EM-EP-210a.1	(1) Percentage of Proved Reserves: 0% (2) Percentage of Probable Reserves: 0%
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	EM-EP-210a.2	(1) Percentage of Proved Reserves: 0% (2) Percentage of Probable Reserves: 0%
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	N/A	EM-EP-210a.3	Refer to "Human & Indigenous Rights" and Human Rights Policy
<b>COMMUNITY RELATIONS</b>	Discussion of process to manage risks and opportunities associated with community rights and interests	N/A	EM-EP-210b.1	Refer to "Community Involvement"
	Number and duration of non-technical delays	Number, Days	EM-EP-210b.2	Number: 0 Days: 0
<b>WORKFORCE HEALTH &amp; SAFETY</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Rate, Hours (h)	EM-EP-320a.1	(1) Total Recordable Incident Rate (TRIR): 0.48 (a) Employee TRIR: 0.16 (b) Contractor TRIR: 0.64 (c) Short Service Employee TRIR: N/A (2) Fatality Rate: 0 (a) Employee Fatality Rate: 0 (b) Contractor Fatality Rate: 0 (c) Short Service Employee Fatality Rate: 0 (3) Near Miss Frequency Rate (NMFR): 0.88 (a) Employee NMFR: 0.32 (b) Contractor NMFR: 1.2 (c) Short Service Employee NMFR: N/A (4) Average HSE Training Hours: 23.8 (a) Employee Average HSE Training Hours: 23.8 (b) Contractor Average HSE Training Hours: N/A (c) Short Service Employee Average HSE Training Hours: N/A
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	N/A	EM-EP-320a.2	Refer to "Health, Safety & Environment (HSE)"



# Appendix D – SASB Index (Continued)

Topic	Accounting Metric	Unit of Measure	Code	
<b>RESERVES VALUATION &amp; CAPITAL EXPENDITURES</b>	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	MMbbls,MMscf	EM-EP-420a.1	Not Available
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons COe	EM-EP-420a.2	Not Available
	Amount invested in renewable energy, revenue generated by renewable energy sales	Reporting	EM-EP-420a.3	Amount Invested in Renewable Energy: \$267,000
	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	N/A	EM-EP-420a.4	Refer to our TCFD Climate Report
<b>BUSINESS ETHICS &amp; TRANSPARENCY</b>	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	EM-EP-510a.1	(1) Percentage of Proved Reserves: 0% (2) Percentage of Probable Reserves: 0%
	Description of the management system for prevention of corruption and bribery throughout the value chain	N/A	EM-EP-510a.2	Refer to "Ethics"
<b>MANAGEMENT OF THE LEGAL &amp; REGULATORY ENVIRONMENT</b>	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	N/A	EM-EP-530a.1	Refer to "Management of the Legal and Regulatory Environment"
<b>CRITICAL INCIDENT RISK MANAGEMENT</b>	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	EM-EP-540a.1	Process Safety Event Rate: 0.22
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	N/A	EM-EP-540a.2	Refer to "Environmental Management System", "Health, Safety & Environment (HSE)", and "Enterprise Risk Management"
<b>ACTIVITY METRICS</b>	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Mbbls/day; MMscf/day	EM-EP-000.A	Total Oil Production Volumes: 16,159 MBbls Total Natural Gas Production Volumes: 32,795 MMcf Total NGL Production Volumes: 1,875 Mbbls
	Number of offshore sites	Number	EM-EP-000.B	62
	Number of terrestrial sites	Number	EM-EP-000.C	0

# Appendix E – TCFD Index

Pillar	Topic	Response
GOVERNANCE	(a) Describe the boards oversight of climate	<p>"At Talos, we are Building the Energy Company of Tomorrow and we believe management of climate-related risks and opportunities is core to the success of our business. Board oversight, executive management, and organizational capabilities allow us to employ an integrated approach to better inform decisions, implement business strategies, understand impacts, and manage climate related risks and opportunities over short-, medium-, and long-term horizons.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>
	(b) Describe management's role in addressing climate related risks and opportunities	<p>"Executive and senior management are responsible for understanding and managing the climate-related risks affecting the Company's ability to achieve its strategic and operational objectives, and for keeping the Board informed of the nature of critical risks and how they are being managed. Talos has dedicated functions at the management level for oversight of climate-related risks and opportunities, including a Chief Sustainability Officer, Director of ESG, and interdisciplinary ESG Committee.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>
STRATEGY	(a) Climate Related Risks	<p>"Talos recognizes that the world is facing substantial challenges in order to address climate change. Our Company provides affordable energy to our customers from the Gulf of Mexico which has some of the lowest GHG intensity within the industry. We are committed to ensuring the long-term success of our Company by integrating risks and opportunities related to climate change and the global energy transition into our business strategy. At Talos, our approach focuses on assessing potential positive and negative impacts, understanding the risk climate change poses to our Company and our Company may present to climate change, and how we can minimize our direct impact through our operations. Through continual process improvement and strategic planning, we look to strengthen and broaden our efforts in this area by identifying and mitigating climate-related risks and opportunities.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>
	(b) Climate Related Opportunities	<p>"With the transition to a low carbon economy unfolding, Talos has proven to be a best-in-class offshore operator as well as a carbon capture and sequestration leader. We recognize that the energy transition is a rapidly evolving landscape which requires organizations to stay abreast of technology developments and competitive positions to safeguard existing business models, identify ways to expand the CCS portfolio, and pursue adjacent technologies to deliver incremental value. As a result, climate-related opportunities are integrated into our broader business strategy over the short-, medium-, and long-term through continual evaluation of existing and emerging low carbon technologies for offshore operations, carbon management solutions to enhance existing CCS solutions, and identifying emerging, adjacent low carbon opportunities along the value chain.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>

# Appendix E – TCFD Index (Continued)

Pillar	Topic	Response
RISK MANAGEMENT	(a) Describe the organization's processes for identifying and assessing climate-related risks and opportunities	<p>"An integral component of Talos's climate resilience strategy is our Enterprise Risk Management ("ERM") framework. The objective of the ERM framework is to clearly define Talos's risk management vision, goals and objectives as well as establish a consistent approach to the identification, assessment, mitigation and reporting of critical risks and opportunities, including those that are climate-related, throughout the organization. The ERM process enables the Board and executive leadership to consider climate-related risks and opportunities, when establishing short, medium, and long-term strategic objectives and allows us to integrate them into business, operational and capital structure planning activities. Our ERM framework is broken out into five strategic pillars each with its own set of tactical objectives.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>
	(b) Describe the organization's processes for managing climate-related risks	<p>"Annually, climate-related risks alongside other critical risk factors undergo an impact and likelihood assessment utilizing our pre-defined rating scales which include several dimensions that help aid in reducing bias. To assist the Board and its standing committees with understanding key strategic risks and oversight of our risk management practices, management presents detailed risk response plans for critical risks with the Board committee responsible for oversight of the risk pursuant to their Charter throughout the year.</p> <p>Fundamentally, the potential financial impacts of climate change on Talos are driven by the specific climate-related risks and opportunities affecting our business and the strategic and risk management decisions we make to manage those risks and capitalize on those opportunities. Through our ERM process, climate-related risks and opportunities are identified, evaluated, and a mitigations strategy developed to be incorporated into Talos's short, medium, and long-term strategic objectives and allows Talos to integrate risk assessments into business, operational and capital structure planning.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>
	(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	<p>"Climate-related risks are assessed alongside other business risks through our enterprise-wide risk assessment, which evaluates the impact and likelihood of these critical risks on the achievement of Talos's operational or strategic objectives.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report."</p>



# Appendix E – TCFD Index (Continued)

Pillar	Topic	Response
METRICS & TARGETS	(a) Disclose the metrics by the organization to assess climate related risks and opportunities in line with its strategy and risk management process	<p>"Talos monitors a variety of environmental data points, going back to a baseline year of 2018. In terms of those metrics that are directly related to risks and opportunities of climate change, Talos tracks and reports Scope 1 and Scope 2 greenhouse gas (GHG) emissions. To see other environmental metrics relevant to our business, please review the KPI Data Tables in our 2022 Annual ESG Report.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report"</p>
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	<p>"In 2021, Talos increased the weighting of ESG-related metrics for management's Annual Incentive Program (AIP) from 10% to 20%. Health, Safety &amp; Environmental (HSE) performance was weighted at 10% and progress on ESG initiatives was weighted at 10%. In addition, strategic initiatives were weighted at 20% for the 2021 API, which included the establishment of our CCS business.</p> <p>In 2021, Talos strengthened our ESG commitments with the establishment of medium-term emissions reduction targets and further linkage of executive compensation to ESG performance. We instituted a target of 30% reduction (with a stretch target of 40% reduction) in Scope 1 GHG emission intensity by 2025 from the baseline 2018 levels established in our 2020 ESG report.</p> <p>Long-term goals at Talos are related to our vision of Building the Energy Company of Tomorrow. Our goal for the CCS business is to contribute to broad industrial decarbonization well beyond our own Upstream Scope 1 emissions. At full scale, we estimate that our current CCS portfolio will have the capacity to permanently sequester over 50x our annual GHG emissions of our Upstream operations<sup>(1)</sup>.</p> <p>For further detail, please visit our TCFD Climate Risk and Opportunity Report.</p> <p>(1) Upstream data based on offshore operated production plus third-party operated wells flowing through Talos production facilities. Existing CCS portfolio sequestration based on an estimated midpoint of gross annual injection rates from existing announced projects. Permanently sequestered CO<sub>2</sub> estimates are subject to achievement of full-scale CCS operations, which is subject to many uncertainties and may not be achieved on the timeline currently contemplated or at all, and are shown compared to current annual emissions, which may fluctuate or increase over time."</p>

# Appendix F – Referenced Documents

## Committee Charters

Audit Committee Charter

Compensation Committee Charter

Nominating & Governance Committee Charter

Safety, Sustainability & Corporate Responsibility Committee Charter

## Corporate Governance Documents

A&R Bylaws of Talos Energy Inc.

Corporate Governance Guidelines

## Policies

Anti-Bribery & Corruption Policy

Code of Business Conduct and Ethics

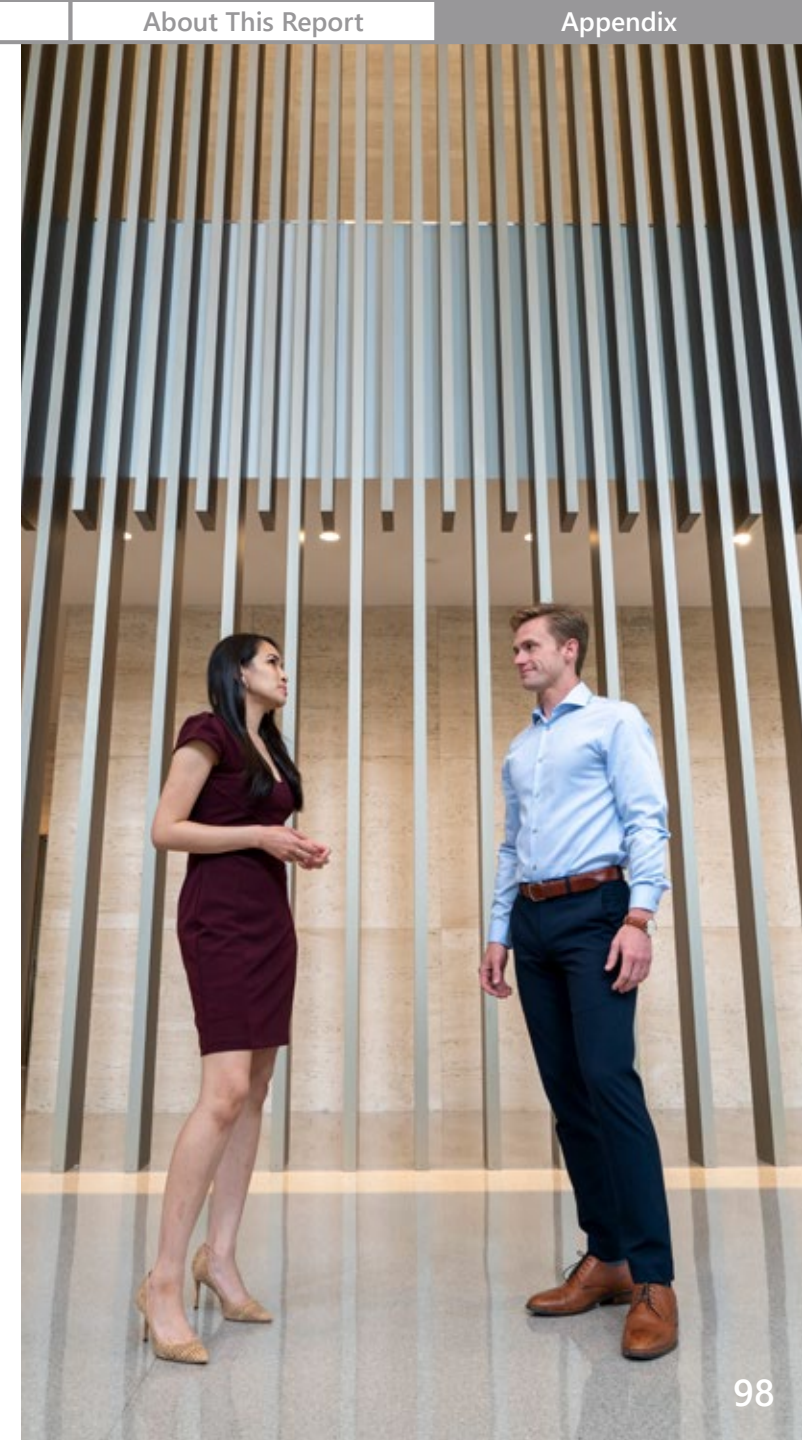
Human Rights Policy

Vendor Code of Conduct

## Historical Reports

2021 ESG Report

2020 ESG Report



# Appendix G – Forward-Looking Statements

This communication may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this ESG Report, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans, objectives of management, and climate-related targets, strategies, priorities, and initiatives, including, among others, those related to GHG emissions reduction, low-carbon technologies, and our carbon capture and storage opportunities are forward-looking statements. When used in this ESG Report, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “forecast,” “may,” “objective,” “plan,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

We caution you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, commodity price volatility due to the continued impact of the coronavirus disease 2019 (“COVID-19”), including any new strains or variants and governmental measures related thereto on global demand for oil and natural gas and on the operations of our business; the ability or willingness of OPEC and other state-controlled oil companies (“OPEC Plus”) to set and maintain oil production levels; the impact of any such actions; lack of transportation and storage capacity as a result of oversupply, government and regulations; lack of availability of drilling and production equipment and services; adverse weather events, including tropical storms, hurricanes and winter storms; cybersecurity threats; inflation; environmental risks; failure to find, acquire or gain access to other discoveries and prospects or to successfully develop and produce from our current discoveries and prospects; geologic risk; drilling and other operating risks; well control risk; regulatory changes; the uncertainty inherent in estimating reserves and in projecting future rates of production; cash flow and access to capital; the timing of development expenditures; potential adverse reactions or competitive responses to our acquisitions and other transactions; the possibility that the anticipated benefits of our acquisitions are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of acquired assets and operations and the other risks discussed in Part I, Item 1A. Risk Factors of our 2021 Annual Report.

Should one or more of the risks or uncertainties described herein occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, included in this ESG Report are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this ESG Report and in Part II. Item 1A of our subsequent Quarterly Reports.

## Forward-Looking Statements May Include Statements About

- business strategy
- reserves
- exploration and development of drilling prospects, inventories, projects and programs
- our ability to replace the reserves that we produce through drilling and property acquisitions
- financial strategy, liquidity and capital required for our development program and other capital expenditures
- realized oil and natural gas prices
- timing and amount of future production of oil, natural gas and NGLs
- our hedging strategy and results
- The proposed transaction with EnVen and anticipated future performance of the combined company
- future drilling plans
- availability of pipeline connections on economic terms
- competition, government regulations and political developments
- our ability to obtain permits and governmental approvals
- pending legal, governmental or environmental matters
- our marketing of oil, natural gas and NGLs
- leasehold or business acquisitions on desired terms
- costs of developing properties
- general economic conditions, including the impact of continued inflation and associated changes in monetary policy
- political and economic conditions and events in foreign oil, natural gas and NGL producing countries, including embargoes, continued hostilities in the Middle East and other sustained military campaigns, the war in Ukraine and associated economic sanctions on Russia, conditions in South America, Central America and China and acts of terrorism or sabotage
- credit markets
- impact of new accounting pronouncements on earnings in future periods
- estimates of future income taxes
- our estimates and forecasts of the timing, number, profitability and other results of wells we expect to drill and other exploration activities
- the success of our carbon capture and storage opportunities
- our ongoing strategy concerning our Zama asset
- uncertainty regarding our future operating results and our future revenues and expenses
- plans, objectives, expectations and intentions contained in this ESG Report that are not historical, including those related to, among other things, GHG emissions reduction





## 2022 TALOS ENERGY ESG REPORT

### CORPORATE OFFICE

333 Clay St., Suite 3300

Houston, TX 77002

Phone: 713-328-3000

[www.talosenergy.com](http://www.talosenergy.com)