



2018

# Sustainability Report







*When Williams' Gulf Connector project team discovered a bald eagle's nest near Transco's Station 30 in El Campo, Texas, they created a 660-foot, stop-work buffer zone around the area. No project work occurred inside the eagle zone until the eaglet left the nest.*





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# CEO Letter



Williams is proud to be a leading provider of large-scale energy infrastructure. Our deep-rooted operational discipline enables us to safely deliver the natural gas and natural gas products our customers and communities depend on while creating value for our shareholders. We touch 30 percent of the natural gas in the United States, which comes with significant responsibility—a responsibility

to positively contribute to the communities where we operate, to prudently manage environmental impacts and to safeguard our employees, contractors and the public. Williams' steadfast commitment to operating with integrity, honesty and transparency makes this possible.

## **Execute on our commitments exceptionally well.**

From coast to coast, we're deeply committed to reliably delivering clean natural gas to local utilities so consumers and businesses can enjoy affordable electricity, heat and air conditioning. In fact, every day, Williams provides more than half of New York City's natural gas and nearly 90 percent of Washington State's. And the natural gas liquids we produce at our processing plants—like ethane, propane and butane—become the building blocks for the manufacturing and petrochemical industries, which provide the modern consumer goods on which we all rely.

We work to keep our costs competitive while reducing emissions. Our strategy to connect the best supplies to the best markets means natural gas is traveling shorter distances, improving cost-effectiveness and significantly reducing emissions.

## **Operate safely in everything we do, every day.**

At Williams, we know that operating safely is vital to preserving our long-term business success. The Williams Integrated Management System coupled with our Core Values and Beliefs guide how we manage and reduce operational risk to people, assets and the environment. At the same time, we equip and empower all employees and contractors to create a culture of safety. Our continued focus on safety has reduced our total recordable incident rate by 38 percent since 2014.

## **Collaborate to rapidly deliver our best solutions.**

Collaborating with our diverse stakeholders positively impacts society while achieving our business objectives. We engage with communities, nongovernmental organizations, industry associations and government to conduct collaborative research, listen to different perspectives and share our position. We also recognize the important role natural gas can play in helping to address environmental concerns about air quality and climate change, particularly when it comes to displacing other higher-emission fuels. Williams is eager to do its part to help our country meet its climate goals with low carbon natural gas solutions that are ready now.

## **Grow our businesses, people and communities.**

As we work to meet the growing demand for cleaner fuel and feedstocks, we remain focused on our most important asset—our more than 5,000 employees. One of our primary goals is to attract and retain the very best talent in the energy industry, and we continually develop a knowledgeable and skilled workforce through robust training programs and strong employee engagement.

Effectively growing our business requires a steadfast commitment to maintaining positive relationships with the communities we serve. We do our best to minimize the impact on people and the environment by locating our pipelines along existing rights-of-way, roadways or other utility corridors. At the same time, we work to positively impact communities through local investments and charitable giving. In fact, in 2018, we contributed \$9.4 million to nearly 2,000 organizations across 45 states, and our employees volunteered more than 17,000 hours with nonprofit organizations.

Sustainability grounded in sensibility is nothing new at Williams. We've worked to create value responsibly since our humble beginnings more than 100 years ago. Along the way, we have always adapted as required to meet the needs of our many and diverse stakeholders. Running our business in a way that is sustainable is an expected behavior at Williams and earns us the social license to operate. This report gives the reader a transparent view of what this great company strives to be every day. I'm pleased to share this sustainability report, which provides qualitative and quantitative information related to our key environmental, social and governance efforts.

Alan S. Armstrong, President and Chief Executive Officer

# Our Story

At Williams, we make energy happen™. Our goal is to be the premier provider of large-scale energy infrastructure by connecting U.S. natural gas supplies to markets with growing demand for cleaner fuel and feedstocks. As we carry out this mission, we remain committed to doing the right thing. Our dedication to operational discipline extends to all aspects of the company. That means operating safely and responsibly every day while growing our businesses, developing our people and enhancing our communities.

For more than a century, Williams has built a legacy of operating safely and efficiently while actively engaging and strengthening the communities where we operate. But we did not become a Fortune 500 company overnight. Our roots have humble beginnings. In 1908, Miller and David Williams founded a construction company in Fort Smith, Arkansas. The two brothers immediately made a name for themselves as reliable and ambitious builders who simply promised “a good job on time.” Within a few years, they were building cross-country pipelines.

Since then, Williams has evolved into a modern energy infrastructure company focused primarily on natural gas. As an industry leader handling approximately 30 percent of the natural gas produced in the United States, our mission has never been more important. Every day, we safely deliver clean, reliable and affordable natural gas that people depend on for heat, electricity and modern consumer goods. We support domestic energy independence and stimulate local economies by harnessing the country's abundant supply of natural gas. In addition, we complement the growing renewable energy market since natural gas can provide power when wind and solar are not available. Increased natural gas production coupled with a growing renewable energy market have helped the United States reduce carbon emissions to the lowest levels since 1988.

Through a long history of acquisitions, expansions and divestments, Williams withstood the test of time and demonstrated a commitment to sustaining long-term business success. Looking forward, we will continue to respond to evolving market dynamics as we responsibly manage our environmental, social and governance performance and meet the financial expectations of our shareholders.

## Helping Reduce CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>x</sub> Emissions in the United States

The growth of natural gas-fired generation will create continued environmental benefit by reducing sulfur dioxide (SO<sub>2</sub>), nitrogen oxide (NO<sub>x</sub>) and carbon dioxide (CO<sub>2</sub>) emissions from the power generation sector. According to the U.S. Energy Information Administration, between 2005 and 2017, CO<sub>2</sub> emissions from the electric sector declined by 3,855 million metric tons. Simply put, related CO<sub>2</sub> emissions fell by 28 percent over that period.

More than 60 percent of this total (2,360 million metric tons) was attributed to natural gas replacing coal- and oil-based generation resources. Over the same period, the CO<sub>2</sub> emissions reduction attributable to gas-fired generation was greater than the reductions attributable to renewable energy and other non-carbon generation sources combined. Furthermore, since the mid-2000s, gas-fired generation has reduced SO<sub>2</sub> and NO<sub>x</sub> levels by 84 percent and 62 percent, respectively.

Sources:

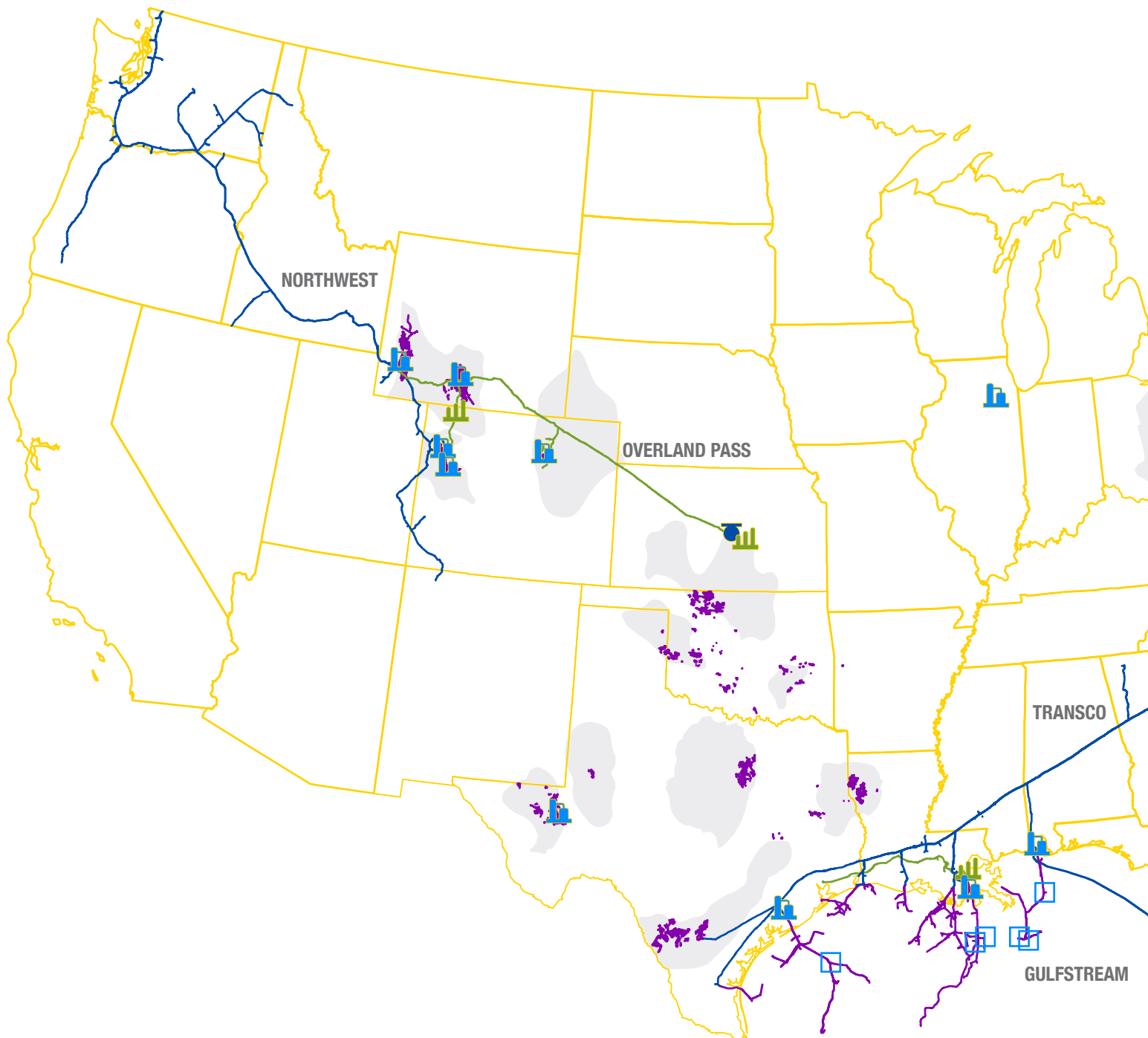
[The Role of Natural Gas in the Transition to a Lower-Carbon Economy](#), Interstate Natural Gas Association of America (2019)

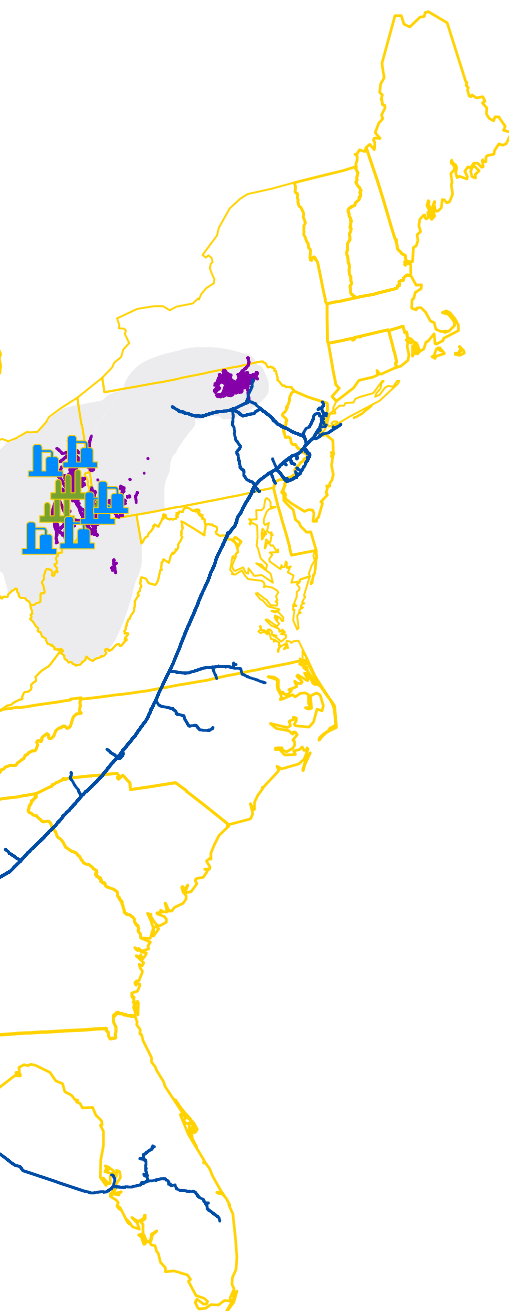
[U.S. Energy-Related Carbon Dioxide Emissions](#), U.S. Energy Information Administration (2017)








# About Williams

The Williams Companies, Inc., is a publicly traded energy infrastructure company with more than 5,400 employees. Based in Tulsa, Oklahoma, we own and operate midstream gathering, processing and transmission facilities in the United States, including the deepwater Gulf of Mexico, the Rockies, the Pacific Northwest and the Eastern Seaboard. Operating more than 30,000 miles of pipeline across 24 U.S. states, we deliver natural gas and natural gas liquids to the largest markets. As a responsible member of the energy industry, we support the Federal Energy Regulatory Commission in its mission to provide economically efficient, safe, reliable and secure energy to consumers. Our natural gas transmission, gas gathering and liquids pipelines serve utilities, power generators and processing plants in three operating areas: Atlantic-Gulf, Northeast and West.





## Williams Operations

- Interstate Natural Gas Pipeline
- Natural Gas Gathering Pipeline
- Natural Gas Liquids Pipeline
-  Fractionator
-  Gas Processing Plant
-  Offshore Platform
-  Underground Storage
-  Supply Area

# Core Values & Beliefs

Our Core Values and Beliefs are the foundation on which we conduct business. As shown below, our Core Values and Beliefs are woven into the fabric of our organizational culture and help guide everyday activities. Williams' right result, right way matrix is a two-dimensional approach to performance assessment that takes into consideration what employees accomplish and how they pursue those accomplishments. The right way dimension is tied to demonstrated, observable behaviors that represent our Core Values and Beliefs.

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## Integrity

Integrity must not be compromised. Honest relationships and trust are essential for long-term business success. We deal fairly in all our business relations.

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## Safety & Environmental Stewardship

We are fully committed to the health and safety of our workforce and the protection of our neighbors, the environment and our assets.

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## Investors

We are committed to providing our investors an attractive return over the long term.

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## Customers

We exist to help our external customers achieve their business objectives. To succeed, we must understand our customers' businesses and dependably deliver what they value most.

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## Employees

People are our most valuable resource. We possess immense powers of innovation, imagination, skill—and a desire to accomplish something significant. Working as a team allows all of us to realize our full potential.

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## Communities

We recognize and enthusiastically accept our responsibility to the communities we serve, through acting as a good neighbor and through involvement with and support for community activities.

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## Entrepreneurial Spirit

We maintain a corporate culture that values originality, invention and creativity, and that nurtures these qualities through openness and reverence for the entrepreneurial spirit.

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## Tolerance for Risk

Our willingness to take risks in deploying new technology and investing in large capital projects is central to our culture and success.

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## Efficiency & Effectiveness

We continuously collaborate with our customers and within our teams to discover and apply safer, better, faster and more cost-efficient ways to provide the services our customers value.

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## Change

We welcome change for the opportunities it offers.



# Williams Integrated Management System

The Williams Integrated Management System (WIMS) is the mechanism that brings to life our operational philosophy. It is the platform from which we provide policies, requirements, guidelines, procedures, standards, specifications and other documents to design, build, operate and maintain our assets. This enterprise-wide management system incorporates regulations, industry standards and best practices. It is also compliant with Occupational Safety and Health Administration, U.S. Environmental Protection Agency and Pipeline and Hazardous Materials Safety Administration requirements.

WIMS applies to all our employees, operating assets, projects and offices. Senior leadership within each operating area is responsible for implementing appropriate operating requirements, project standards and site-specific procedures to comply with company expectations and applicable regulations. We achieve compliance with the management system requirements through demonstrated completion of all training and use of all appropriate forms and procedural documentation. WIMS also enables us to incorporate environmental, health and safety goals into our business and ensures we employ appropriate measures.

WIMS consists of 12 elements that define how we manage and reduce operational risk to our people, assets and the environment. It defines common processes across the company to create efficiencies and we monitor key metrics to improve performance. There are many processes driving continuous improvement built into WIMS, including change requests, procedure reviews and internal and external audits. Additionally, many of the processes inherent to WIMS are critical to identifying, tracking and mitigating risk within our operations.

Williams Integrated Management System Framework					
Operating Requirements					
<b>ELEMENT 1</b> Leadership & Commitment	<b>ELEMENT 2</b> Safety	<b>ELEMENT 3</b> Environmental Stewardship	<b>ELEMENT 4</b> Training & Qualification	<b>ELEMENT 5</b> Contractor Management	<b>ELEMENT 6</b> Design & Construction
<b>ELEMENT 7</b> Operations & Maintenance	<b>ELEMENT 8</b> Public Awareness	<b>ELEMENT 9</b> Management of Change	<b>ELEMENT 10</b> Emergency Management	<b>ELEMENT 11</b> Incident Reporting & Investigation	<b>ELEMENT 12</b> Assurance & Continuous Improvement
Project Standards					
WIMS Project Standards	WIMS Standard Drawings		Midstream Engineering Standards	WilsOP Design Manual	
Pre-WIMS Sanctioned Drawings	Legacy Standard Drawings		PI - Welding/Radiographic Procedures		
Site-Specific Procedures					

We Make Energy Happen™

# Environment

As Williams develops and operates the large-scale infrastructure that makes energy happen, we incorporate environmental considerations into our decision-making. We want to preserve the environment for future generations while improving standards of living today. Williams takes care to reduce emissions, safeguard biodiversity and manage natural resources responsibly.

*The Liberty compressor station in Towanda, Pennsylvania. In addition to being responsible stewards of the environment, we're committed to connecting U.S. natural gas supplies to markets with growing demand for cleaner fuel.*





*“Williams is committed to the well-being of the communities in which it operates and to protection of the environment. The Atlantic Sunrise Environmental Stewardship Program in Pennsylvania is an exemplary model that recognizes the importance of working in a collaborative way to go above and beyond legally required mitigation to advance high value community projects. This is corporate leadership at its best.”*

LARRY SELZER, PRESIDENT AND CHIEF EXECUTIVE  
OFFICER OF THE CONSERVATION FUND



# Environmental Stewardship

Our intention is to protect the environment while providing access to reliable energy. We recognize that the assets we operate and the products we deliver can affect people, animals and the environment. Williams continuously manages environmental risk across our operations and meets or exceeds all applicable laws and regulations to minimize our environmental impacts. Williams is committed to facilitating full and open discussion to address responsible standards and practices where regulations do not exist. We want to achieve the greatest benefit for all our stakeholders.

Our [Environmental, Health and Safety Policy](#) outlines our commitment to protect the environment and integrate environmental considerations into our core business activities. Every employee and contractor is responsible for adhering to this policy. Williams' environmental, health and safety committee within the board of directors is responsible for governing our company-wide culture of environmental protection, as outlined in our Environmental, Health and Safety Policy.

The Williams Integrated Management System (WIMS) is how we put our Environmental, Health and Safety Policy into action. The management system serves as our company-wide platform for providing policies, requirements, guidelines, procedures, standards and specifications to manage and reduce operational risk, including environmental compliance and potential environmental impacts. Our employees use WIMS every day to conduct critical work and manage environmental risks. Updates to WIMS are driven by changing regulatory requirements and our steadfast commitment to continuous improvement. For more information about WIMS, see [page 9](#).

Our Environmental Assessment Program helps reduce the risk of noncompliance by establishing an evaluation process to systematically assess Williams' compliance with federal, state and local environmental regulations. The program also evaluates the effectiveness of our existing environmental programs.

The Environmental Assessment Program team consists of internal and third-party environmental professionals working collaboratively across the company to identify best practices and opportunities for improvement in environmental performance. In some cases, the assessment findings result in updates to applicable practices and WIMS procedures.

## Environmental Compliance

We are committed to operating with excellence by meeting or exceeding all applicable environmental laws and regulations. Diligent compliance with environmental and regulatory requirements is vital to managing our environmental impacts. The Williams Integrated Management System provides Williams-specific guidelines and policies for employees to follow, including compliance regulations and industry standards. As such, adherence to the management system serves as a company-wide platform for complying with regulations and company requirements.

Williams employs a formal review process to track and communicate laws, regulations and permit requirements at each of our facilities. As part of the process, we use an automated compliance calendar to manage and track completion of recurring environmental compliance tasks. Reminders associated with each task go out to relevant employees ahead of due dates. Additionally, a dashboard is sent to management each month that includes the percentage of regulatory and nonregulatory tasks completed. In 2018, we spent \$351,150 on 26 environmental-related notices of noncompliance.

We strive to reduce the number of notices of noncompliance to zero. In 2017, we set a goal to reduce notices of noncompliance by 15 percent. We achieved that goal in 2018 with a 42 percent reduction, and set a new goal to reduce notices of noncompliance by an additional 15 percent in 2019.





## Water Management

Williams recognizes that water is a precious resource and effectively managing any amount of water use is important. We conduct our operations in a manner that avoids negative impacts to water resources and ecosystems. Due to the nature of our operations, we do not consume material amounts of water. In fact, we discharge the majority of the water we use back into the original watershed.

Our operations are subject to federal and state regulations and permitting requirements. That means we must meet stringent water quality standards to discharge the water we do use. Water that does not meet applicable discharge standards is treated to acceptable standards before returning it to the ground or surface. The majority of our water use is for hydrostatic testing of pipelines to identify leaks. In most cases, we return water used from hydrostatic testing to the same basin from which it originated. In 2018, approximately 51 million gallons of water were used for hydrostatic testing.

Williams takes into account water resources when developing an asset or planning a new pipeline right-of-way. Our detailed routing and construction process enables us to identify the best route to minimize impacts to water resources. As part of the process, we seek to avoid forested wetlands and sensitive streams. For more information on managing potential impacts to land and biodiversity, see [page 23](#).

Williams protects water resources during construction, operation and retirement by managing environmental inspection and compliance programs to maintain compliance with applicable environmental laws, regulations and permit conditions, including those for water.

## Waste Management

Williams focuses on conducting our business safely, efficiently and reliably. In accordance with the Williams Integrated Management System, we proactively reduce waste from our operations and effectively manage the waste we do generate. Our Williams Integrated Management System establishes a standardized process for managing hazardous and nonhazardous waste at company sites that includes waste characterization, storage, handling, packaging, transporting and disposal. This process, combined with training and compliance audits, forms the basis of our waste management approach.

Williams' operations personnel manage day-to-day waste activities such as placing waste in oil drum containers, maintaining waste storage areas and conducting inspections. Our environmental specialists assist operations with waste classification, disposal and reporting. Common types of waste from our operations include used oil, pipeline coating, scrap metal and contaminated soils.

We manage chemical inventory reporting through the Williams Integrated Management System operating requirement for Tier II reporting and hazard communication. Environmental specialists prepare and submit Tier II chemical inventory reports to the appropriate regulatory agencies annually. Williams' Safety Data Sheets are publicly available to provide interested stakeholders with detailed information on using products in a safe and environmentally acceptable manner to meet local, state and federal requirements. Learn more about [Williams Safety Data Sheets](#).



## Noise Mitigation

It is our responsibility to mitigate the potential impact that elevated sound levels from our operations can have on the environment and humans. Noise control begins with the permitting and design of any noise-generating facility. We incorporate effective equipment and architectural acoustics to meet or exceed applicable federal, state and local noise regulations that establish maximum decibel levels.

We use a variety of technologies to reduce sound levels including exhaust silencers, low-speed fans and centrifugal compressor units. We complement technology and equipment with building and landscaping designs that make use of trees and noise walls for sound deflection and absorption. As our operations expand or the local landscape evolves, we adapt to ensure that we remain in compliance with noise regulations.

## Spill Performance

Williams is committed to preventing all unintended spills and releases. The Williams Integrated Management System includes company-wide procedures for preventing spills and mitigating the impacts of potential spills. If a spill does occur, we have processes in place for investigating root causes and subsequently improving program management and other controls to reduce the risk of future events.

Our spill prevention and response operating requirements help determine when spill plans are needed and how to develop, implement and maintain effective plans. The plans also ensure compliance with regulatory requirements for oil pollution prevention at our owned and operated assets. As part of our operations, we use tanks to store large quantities of hydrocarbon products, such as natural gas liquids. Williams has an extensive tank inspection and testing program that adheres to industry standards to prevent spills from our tanks. The program provides guidelines for tank inspections conducted by Williams personnel, as well as third-party certified tank inspectors.





In 2018, Williams experienced 44 reportable spills to soil and water representing 1,080 barrels of liquids. From 2017 to 2018, we reduced the number of reportable spills by 44 percent, and achieved the 2018 company-wide goal of a 15 percent year-over-year reduction in agency recordable reportable releases from 2017 levels. We take this commitment to continuous improvement seriously. Looking forward, the 2019 goal is to achieve an additional 15 percent reduction in agency recordable releases from 2018 levels. The bonus compensation opportunities we provide to operational employees are partially tied to achieving this reduction.



In 2018, we exceeded our target to reduce reportable spills by 15 percent from 2017 levels.

We started measuring and reporting a near-miss-to-incident ratio in 2018 to enhance how we investigate, mitigate and share lessons learned before an actual incident or spill occurs.

When laying pipelines, Williams may use horizontal directional drilling (HDD) to cross environmentally sensitive areas. To evaluate HDD feasibility and implement best practices, Williams employs dedicated HDD subject matter experts to oversee all aspects of the HDD project lifecycle. Williams also uses leading industry best practices and standards when evaluating, designing and constructing HDD projects. Our efforts led to zero reportable inadvertent drilling fluid releases to environmentally sensitive areas in 2018 when using the HDD construction method.

# Climate Change

Williams develops large-scale infrastructure that delivers the natural gas Americans depend on for heating and electricity. As we seek to maximize natural gas resources to meet growing demand, we are working to reduce greenhouse gas emissions from our operations. In addition to complying with applicable regulations, we support effective, voluntary programs to reduce emissions and increase transparency of greenhouse gas data.

Natural gas is a flexible, lower-emission fuel compared to other hydrocarbons such as coal or heating oil. Because the United States has an abundant supply of natural gas, using this local resource can help reduce the country's demand for foreign energy sources, create jobs and reduce emissions. Natural gas emits up to 60 percent fewer greenhouse gas emissions than coal. Natural gas is also the ideal partner for renewable energy sources like wind and solar power since it can quickly provide power when renewable energy sources are not available. This complementary role is the key to adding more renewable energy to the power grid in large volumes.

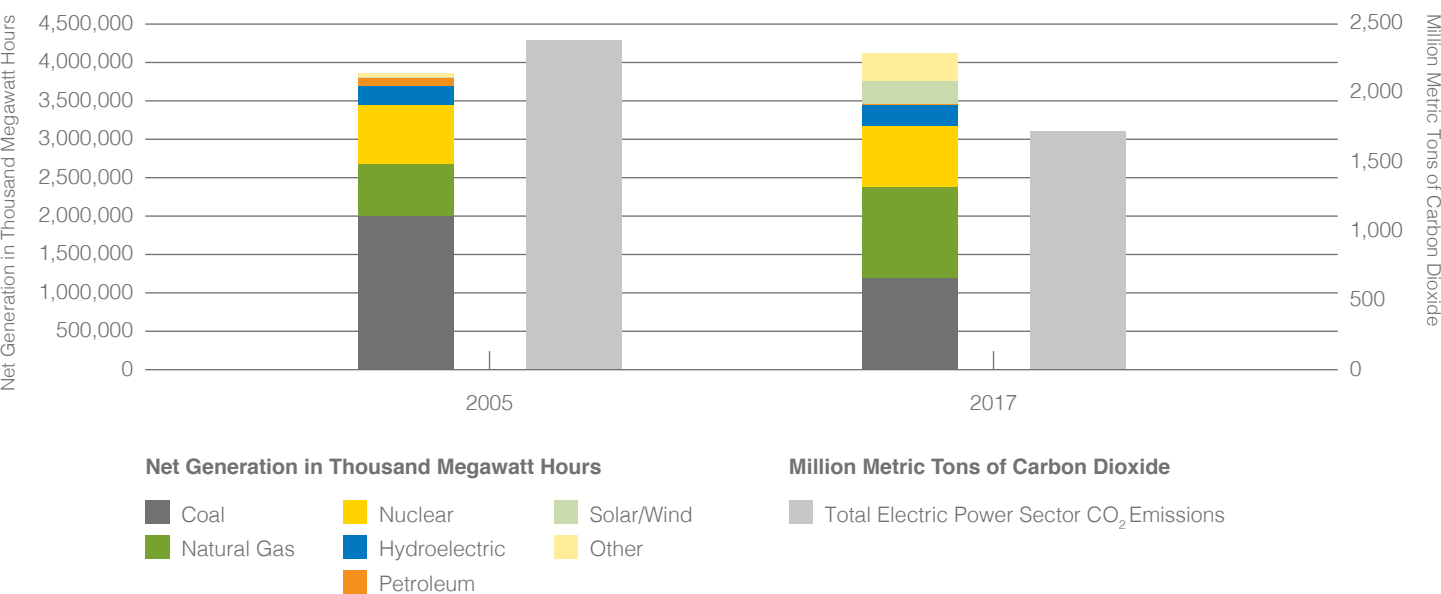
Our commitment to mitigating the risks of climate change extends to all levels of the organization, from operations managers to the board of directors. The nominating and governance committee within the board of directors has primary responsibility for providing oversight and guidance to the board of directors on environmental, social and governance matters.



“As one of the nation’s largest gatherers, processors and transporters of natural gas, Williams has played a critical role of bringing a clean and affordable resource to electric generation, industry and homes, resulting in cleaner air. We recognize the importance of reducing emissions at our facilities and pipelines and we do this by exploring, understanding and acting upon opportunities driven by energy efficiencies, and improving operational best practices. Our track record demonstrates we can reduce emissions while still growing our business.”

MICHEAL DUNN, EXECUTIVE VICE PRESIDENT  
AND CHIEF OPERATING OFFICER

Net Generation versus CO<sub>2</sub> Emissions in the US Power Sector





## Methane Reduction Initiatives

Methane made up 14 percent of our assets' greenhouse gas emissions profile in 2018. Since methane is a greenhouse gas, we pay particular attention to reducing methane emissions. In August 2018, Williams and other members of the Interstate Natural Gas Association of America made a commitment to continuously minimize methane emissions from interstate natural gas transmission and storage operations. The commitment focuses on reductions from pipeline blowdowns, pneumatic controllers, compressor packing and leaking components.

We have also been a member of the U.S. Environmental Protection Agency's Natural Gas STAR Program since its founding in 1993. The program is a voluntary partnership that encourages oil and natural gas companies to adopt cost-effective technologies and practices that improve operational efficiency and reduce methane emissions. As a Natural Gas STAR Program member, we successfully implemented and reported pressure-reduction using recompression to lower gas line pressure before pipeline maintenance. These measures help reduce methane emissions and make more natural gas available for sale. In 2018, when using recompression, pipeline blowdown greenhouse gas emissions were reduced by 83.5 percent. The gas recovered by utilizing recompression ahead of pipeline blowdowns in 2018 resulted in 53,160 metric tons of methane, or 1.33 million metric tons of carbon dioxide-equivalent emissions not being emitted.

Most recently, Williams joined Our Nation's Energy ONE Future Coalition, Inc., a group of natural gas companies working to voluntarily reduce methane emissions by identifying policy and technical solutions that better manage emissions associated with the production, processing, transmission and distribution of natural gas. ONE Future members set a goal to collectively reduce methane emissions in the natural gas supply chain to 1 percent by 2025.



## Northeast Supply Enhancement Project

The Northeast Supply Enhancement (NESE) project is a proposed \$1 billion enhancement of existing energy infrastructure in Pennsylvania, New Jersey and New York in time for the 2020 winter heating season. Once complete, the project will serve growing natural gas demand in the Northeast, including the 1.8 million customers served by National Grid in Brooklyn, Queens, Staten Island and Long Island. The project enhancements will help the existing pipeline system transport an additional 400 million cubic feet of natural gas supply per day to northeastern consumers through National Grid—the largest distributor of natural gas in the northeastern United States.

The project creates the energy infrastructure necessary for National Grid to continue its planned oil to natural gas conversion program. The project also allows customers to reduce local air emissions by 4,300 tons over the 15-year minimal life of the heating equipment. Within the first year, the project will result in an initial annual reduction of 300 tons of local air emissions that cause smog, acid rain and particulates that have negative health and environmental impacts. In addition, NESE aligns with New York's clean energy transition policy, which aims to achieve a 32-million-ton reduction in carbon emissions between 2015 and 2030. NESE will advance New York City nearly 10 percent toward meeting its carbon emissions goals by:

- Displacing 900,000 barrels of heating oil in year one of the project and 13 million barrels annually, after 15 years.
- Ultimately reducing CO<sub>2</sub> emissions by the equivalent of removing nearly 500,000 cars from the road.
- Decreasing CO<sub>2</sub> emissions in New York City and Long Island by 200,000 tons in the first year of the project and 3 million tons annually after the 15 years of conversions have been completed.



## Mitigating Greenhouse Gas Emissions

Our Williams Integrated Management System includes requirements for monitoring greenhouse gas emissions and complying with federal reporting requirements. We prepare and submit an annual greenhouse gas emissions inventory to the U.S. Environmental Protection Agency for our midstream gathering, natural gas processing and interstate transmission and storage operations. We also track and report Scope 1 and Scope 2 emissions data in accordance with the Greenhouse Gas Protocol, as shown on the right. Scope 1 emissions are those that come from operating our assets.

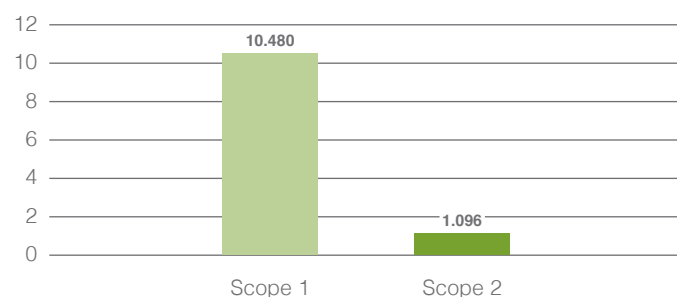
These emissions sources are the combustion of natural gas to drive our engines, process emissions, and vented and fugitive emissions. Scope 2 emissions are indirect emissions from purchased electricity to power our buildings and facilities. In 2018, we consumed 2.2 billion kilowatt-hours of energy at our Williams owned and operated assets.

Accurately tracking greenhouse gas emissions with measurable data enables us to identify opportunities to reduce energy consumption and increase operational efficiency. Our environmental specialists and operations managers use this data to develop and implement initiatives to mitigate greenhouse gas emissions at our compressor stations, processing plants and storage facilities. Examples include conducting leak detection and repair assessments, installing electric motors on compressors and installing emission combustion devices.

In part, due to these efforts we reduced our reported methane emissions from gas processing plants and transmission compressor stations more than 53 percent since 2012. Over the same period, the throughput at these facilities increased 21 percent.

As a show of commitment to increased transparency on greenhouse gas emissions, Williams will be responding to the CDP, formerly known as the Carbon Disclosure Project, in 2019. The CDP is an international organization that works with shareholders and corporations to disclose the carbon emissions of participating companies.

### 2018 Scope 1 and Scope 2 Greenhouse Gas Emissions (Million Metric Tons CO<sub>2</sub>e)\*



\*Gross direct (Scope 1) greenhouse gas emissions in millions of metric tons of CO<sub>2</sub>-equivalent. The consolidation approach is operational control and includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O. Emissions are based on calendar years and are calculated using the U.S. Environmental Protection Agency Mandatory Greenhouse Gas Reporting Rule methodology for all assets that Williams owned and operated for the full calendar year. Excludes emissions from office buildings and company vehicles. Global warming potential rates are 25 for CH<sub>4</sub> and 298 for N<sub>2</sub>O. Gross location based energy indirect (Scope 2) greenhouse gas emissions in millions of metric tons of CO<sub>2</sub>-equivalent. The consolidation approach is operational control. Emissions were calculated using U.S. Environmental Protection Agency Power Profiler Emissions Tool 2016, using emission factors from U.S. Environmental Protection Agency eGRID2016 multiplied by kWh energy use for all assets that Williams owns and operates. Corporate building energy use is excluded.



## Collaborating on Climate Change

One of our greatest challenges is to demonstrate our commitment to responsible energy infrastructure development in a way that is credible to all stakeholders, including those who oppose natural gas development. We engage with communities, nongovernmental organizations, industry associations and government to conduct collaborative research, listen to different perspectives and share our position.

Williams participated in a series of studies championed by the Environmental Defense Fund to better understand methane emissions from the entire U.S. natural gas supply chain. We directly participated in both the gathering and processing and the transmission and storage studies to develop new estimates of sector methane emissions. In addition to providing funding for both studies, we also provided requested facility data, hosted measurement crews at our facilities and actively participated on the project's technical and steering committees.

The results of these studies give greater insight into actual methane emissions sources and magnitudes, and show the need for updated emission factors for the U.S. Environmental Protection Agency greenhouse gas emissions inventory. These new datasets can be used by industry and governing agencies when assessing reduction targets and potential reduction strategies.

New climate change laws or greenhouse gas regulations could result in increased costs to operate and maintain our facilities, require the installation of new emission controls or change how we manage our greenhouse gas reporting. Williams engages with state and federal agencies during the rule-making process to ensure that proposed legislation and regulations related to climate change are common sense and technically feasible.

## Renewable Natural Gas

Williams has partnered with energy companies in Washington and Ohio, as well as a public utility district, to transport landfill-produced methane. Natural gas, specifically methane, is a byproduct of the waste decomposition process that occurs in landfills. Expertise in collecting and processing methane from landfills for consumption, paired with Williams' expertise in pipeline operations, makes for a win-win for all, including the environment.

The Roosevelt Regional Landfill near Bickelton in south central Washington, has a landfill gas-to-energy project that produces renewable electricity generated by burning landfill gases. In May 2017, the H.W. Hill Renewable Natural Gas meter station was constructed, which includes a 2.9-mile, dual six-inch pipeline interconnect with Williams' Northwest Pipeline. Williams also has worked for more than a decade with Puget Sound Energy and Bio Energy Washington at the Cedar Hills Landfill in Maple Valley, Washington. Renewable Natural Gas is considered by the Environmental Protection Agency to have the lowest "well-to-wheel" emissions of all transportation fuels, including electricity.

In the Northeast, we brought our first renewables project into service on our Flint Gas Gathering System in summer 2018. Partnering with Montauk Energy, Williams now operates a receipt point for natural gas produced by the Apex Landfill in Amsterdam, Ohio. Methane is captured by drilling hundreds of small wells across the landfill's surface, then gathered at an onsite treatment facility where the gas composition is brought to Williams' pipeline specifications. After ensuring the landfill-produced methane is pipeline quality, Williams receives and markets the gas on our system.



# Air Emissions

To be good stewards of the environment, we seek to responsibly manage our impact on critical natural resources. Williams recognizes the importance of controlling air emissions, including volatile organic compounds, sulfur dioxide, nitrogen oxides and particulate matter, which can pose environmental risk and impact human health. We manage air emissions from our operations by maximizing operational efficiency and ensuring compliance with federal and state legal requirements including permitting requirements.

Our air quality management procedure within the Williams Integrated Management System establishes a standard approach for the construction, operation and maintenance of assets that have the potential to emit regulated pollutants. The procedure outlines the required process for tracking and submitting air quality data to maintain compliance with applicable regulations and permits. We provide air quality permit training for employees who maintain our facilities and support capital projects.

Williams implements operational measures to reduce emissions where technically and economically feasible. These measures include routine equipment tuning and maintenance to improve fuel efficiency and operating practices such as using infrared cameras for leak detection and repair. Emissions testing on combustion units is performed to ensure the equipment is operating



**In 2018, we surpassed our target to reduce reportable air releases by 15 percent from 2017 levels by achieving a 21 percent reduction. In 2019, we aim to reduce reportable air releases 15 percent from 2018 levels.**

properly and in accordance with emission limitations. We also conduct ambient air monitoring programs and catalyst evaluation programs at select facilities. We continue to work toward year-over-year improvements.

Williams actively engages in industry research focused on reducing emissions. For example, we provided funding and technical expertise to research projects spearheaded by the Pipeline Research Council International and the Gas Machinery Research Council to increase operational and fuel efficiency. We also participate in industry associations that provide opportunities to discuss current and developing air emission technologies and work practices. Examples include the American Petroleum Institute, GPA Midstream Association, Southern Gas Association and Interstate Natural Gas Association of America.





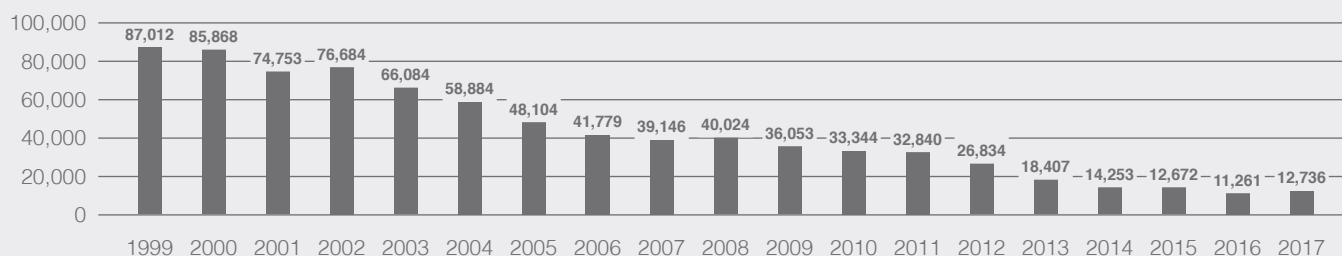
## Transco Emissions Reduction Program

In August 2018, Williams submitted a proposal to the Federal Energy Regulatory Commission to execute a voluntary Transco Emissions Reduction Program. Transco is a 10,200-mile interstate natural gas transmission pipeline system, extending from South Texas to New York City. The Transco pipeline system is a major provider of natural gas to the northeastern and southeastern states. Compressor stations help move gas along the Gulf Coast and to 12 southeastern and Atlantic seaboard states, including supplying natural gas to major metropolitan areas in New York, New Jersey and Pennsylvania.

The Transco Emissions Reduction Program will significantly reduce key air pollutants, particularly nitrogen oxides and methane emitted from compressor stations along the Transco pipeline system. Over a five-year period, we plan to replace approximately 138 natural gas-driven compressor units with gas turbine-driven or electric-motor-driven compressor units. The new units will be outfitted with state-of-the-art emission control technology. The Transco Emissions Reduction Program is projected to reduce nitrogen oxide emissions by an estimated 72 percent system-wide. We also anticipate a 55 percent reduction in methane emissions from the compressor units.

As shown in the graph below, Transco's system-wide NO<sub>x</sub> emissions (tons per year) decreased by approximately 55 percent by the NO<sub>x</sub> State Implementation Plans (SIP) Call's May 31, 2007 compliance deadline. Since that time, Transco's system-wide NO<sub>x</sub> emissions have continued a downward trend while Transco system throughputs have continued to increase. Contributors to this downward NO<sub>x</sub> emissions trend include additional upgrades and replacements of older compression equipment on a non-programmatic basis, installation of new, lower-emitting compression as part of expansion projects, and expanded customer access to shorter-haul natural gas sourcing options from Northeast production areas.

### Transco Total Reported NO<sub>x</sub> Emissions (Tons)







## Eastern Hellbender Salamander Partnership Project

Williams works with communities, nonprofit organizations and governmental agencies to conduct voluntary projects that help improve or preserve wildlife habitat in the areas where we operate. We focus on projects with the highest priority and greatest environmental benefit. A recent example is our involvement in the eastern hellbender salamander partnership project. The hellbender is a completely aquatic salamander and the largest of its kind in North America. Unfortunately, populations have declined dramatically throughout its range in recent years. The Ohio Division of Wildlife considers the hellbender salamander endangered.

Williams' voluntary contributions to the eastern hellbender salamander partnership project support critical conservation efforts to re-establish the population and preserve the habitat. Notably, our investment contributes to collecting wild hellbender salamander eggs, raising the salamanders for three years in secure facilities and then releasing the salamanders into the wild. The innovative project represents a collaborative effort between Williams, government agencies, zoo facilities, nongovernmental organizations and educational institutions to stabilize the declining eastern hellbender salamander population. As part of this effort, Williams partnered with Western Reserve Land Conservancy to conserve 131 acres in Yellow Creek, Ohio, which serve as a hellbender release point and youth habitat.



# Biodiversity & Land Use

## Protecting Biodiversity

We believe that developing natural gas infrastructure in a responsible way is vital to the sustainability of our company. To that end, Williams works to protect biodiversity through careful planning and management of our operations and assets. We strive to leave a better world for future generations. Our biodiversity practices are governed by regulatory and company-driven policies captured within the Williams Integrated Management System.

Williams uses a systematic approach to incorporate biodiversity into the planning process of all proposed projects. We conduct extensive research to identify sensitive habitats within a proposed project footprint. Our assessments include geographic information system analyses, computer-based reviews and site visits to pinpoint sensitive environmental and cultural resource areas. We pay attention to streams and wetlands; rare, threatened or endangered species; and culturally important sites.

Based on the results of our assessments, we implement site-specific management plans that avoid or minimize negative impacts to areas with high biodiversity, cultural significance or water resources. To the extent possible, we design our projects to use existing rights-of-way and avoid areas with the highest biodiversity. We follow the hierarchy of avoid, minimize and mitigate as required by federal permitting agencies on infrastructure development projects. Examples of such coordination activities are depicted below.

## Biodiversity Projects



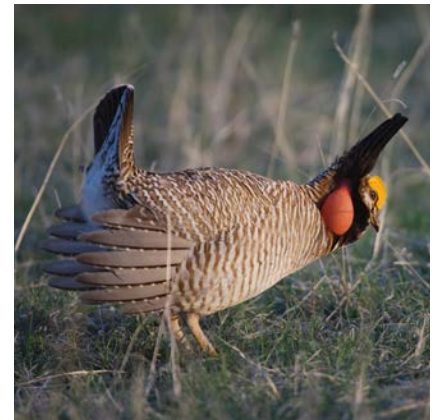
### Greater Sage-Grouse

In Wyoming, Williams is coordinating with upstream customers, the U.S. Bureau of Land Management and the Wyoming Game and Fish Department on oil and gas development plans that will identify avoidance, minimization and mitigation measures to protect greater sage-grouse habitat in the state.



### Forested Bat

In Georgia, Williams worked with the U.S. Fish and Wildlife Service and the Georgia Department of Natural Resources to develop multiple conservation and mitigation projects for the 113-mile Dalton Expansion pipeline that crossed portions of forested bat habitat. One of the projects involved Williams helping to underwrite an innovative program developed by researchers at Georgia State University to treat bats threatened by the deadly disease known as white-nose syndrome.



### Lesser Prairie Chicken

In western Oklahoma and the Texas panhandle, Williams is participating in the Western Association of Fish and Wildlife Agencies lesser prairie chicken Range-wide Plan and Candidate Conservation Agreement with Assurances to ensure that construction and operations are protective of lesser prairie chicken populations and habitat.



If sensitive areas cannot be avoided by rerouting during the design phase, Williams works closely with state and federal agencies to obtain the necessary permits and approvals to minimize impacts. We comply with all applicable regulations, including those regulations promulgated or enforced by the U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers and the Federal Energy Regulatory Commission. Common mitigation measures include revising timing, minimizing construction footprints and implementing specialized construction methods.

We develop these plans in collaboration with interest groups, biodiversity experts, community organizations and land management agencies. In 2018, 140 species were listed on the Conservation of Nature and Natural Resources (IUCN) Red List in counties where Williams operates, as shown below.

IUCN Red List Species	
Critically Endangered	26
Endangered	42
Vulnerable	30
Near Threatened	12
Least Concern	30

Portions of Williams’ northeast and northwest U.S. pipeline systems are located in sloped, landslide-susceptible terrain. Landslides that occur on a pipeline right-of-way can potentially impact pipeline integrity and the environment. Williams continually monitors and remediates landslides using field and aerial patrols along with innovative yearly light detection and ranging (LIDAR) surveys.

New and existing landslides are continually evaluated and repaired when necessary to prevent negative impacts. Williams also assesses landslide potential on proposed pipelines. We implement landslide mitigation measures during new pipeline construction to prevent landslides from occurring on new right-of-way.

Williams is committed to reducing the environmental impacts of pipeline construction in environments with steep slopes. Williams is one of eight companies that has committed to following The Nature Conservancy guidelines for [Improving Steep-Slope Pipeline Construction to Reduce Impacts to Natural Resources](#). The guidelines help reduce the risks of landslides, slips and erosion that occur as a result of tree clearing and earthwork performed to install pipelines.



## Land Use

We understand the importance of managing projects throughout the entire lifecycle of our operations. We responsibly retire and remediate our assets to preserve the land we use for our projects. We strive to return land to its original state and create opportunities for beneficial reuse. In 2018, Williams' Environmental Services team managed approximately 75 active remediation sites.

We are dedicated to remediating retired assets. Williams' Asset Retirement and Removal Obligation is a planning mechanism to establish and record liabilities for assets that will be retired in the future. The objective is to identify the environmental considerations and proposed costs of retiring an asset so we can proactively manage potential impacts.

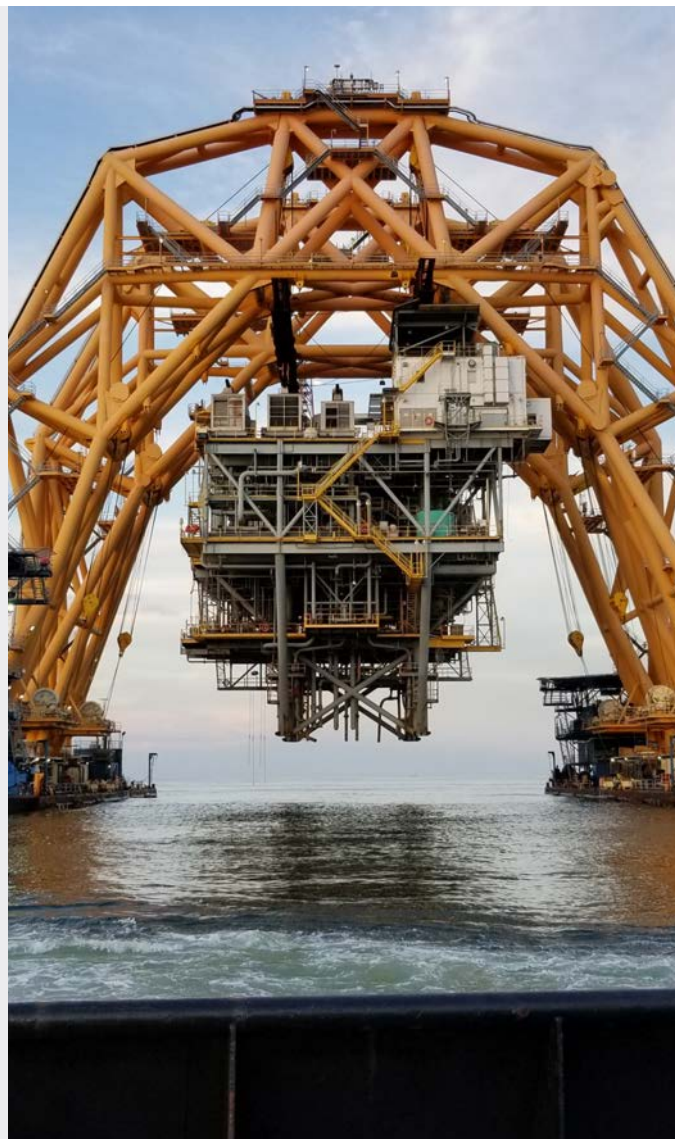
We initiate a property assessment and subsurface investigation prior to any demolition or abandonment activity. The findings from the assessments help determine the most appropriate approach for restoring land once it is no longer used as part of our operations.

All our facility and pipeline projects are committed to appropriately remediating the land used during our operations. We work to maintain and re-establish native plant and animal species, as well as the contours of the land to preserve soil and water resources. Our remediation plans meet both state and local regulatory standards. We also work to employ best practices that exceed regulatory compliance with these standards. For example, in 2018, we changed our restoration seed mixes at 109 northeast gathering locations to promote both plant and pollinator diversity. This policy is a voluntary effort to respond to global declines in pollinator species.

## Retiring the Canyon Station Platform

After nearly two decades of handling billions of cubic feet of natural gas, Williams' Canyon Station platform off the coast of Alabama was retired in 2018. We knew that completely dismantling the retired structure would disrupt the complex marine communities that inhabit the platform. Williams assembled a cross-functional team to decommission the platform so it could become part of an artificial reef program managed by the State of Alabama Marine Resources Division. In doing so, we were able to promote a thriving aquatic ecosystem and avoid costs associated with removing the infrastructure.

In 2018, the retired platform was disassembled into two massive pieces. The 3,600-ton topside was lifted and placed on a transportation barge to be sent to shore for scrapping, while the 1,200-ton steel frame supporting the deck (known as the jacket) was cut 110 feet below water line and lowered to the floor of the Gulf of Mexico. The jacket will become home to barnacles, mussels, sponges and other aquatic invertebrates, and will serve as a way station for migratory fish from red snapper to whale sharks seeking food and shelter.






**We Make Energy Happen™**

# Social

We could not make energy happen without our employees. We operate in a manner that protects our employees and contractors while safeguarding the public. We also recognize our responsibility to positively impact local communities through trusted relationships, meaningful investments and economic opportunities.

*Williams offers an Early Career Professional Development Program for business, engineering and information technology graduates to build technical skills and business acumen. These two engineers at the Markham gas processing plant in Texas are part of a three-year rotational program that accelerates learning and introduces employees to various facets of our business.*





*“Our employees are our most valuable resource at Williams, and we have a longstanding commitment to attracting, developing and retaining the very best talent in the industry. We take pride in our high-performing culture, and our low turnover rate—among the lowest in the industry—speaks to the value we achieve by investing in our people so they can reach their full potential.”*

DEBBIE COWAN, CHIEF HUMAN  
RESOURCES OFFICER

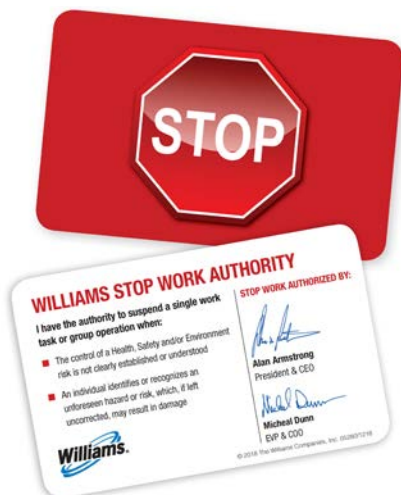
# Safety

## Personnel Safety

It is imperative that every employee and contractor return home from work safe and healthy each day. Protecting our workforce is not only the right thing to do, it is essential to preserving our long-term business success. Williams empowers all employees and contractors to stop work if they feel a situation is unsafe. This includes stopping employees and other third-party contractor personnel at any location. We regularly recognize our employees for their courage to ensure a safe work environment.

Our [Environmental, Health and Safety Policy](#) provides a framework for integrating safety performance into our core business activities. Every employee and contractor is responsible for implementing this policy. The environmental, health and safety committee within the board of directors is responsible for governance and oversight regarding environmental, health and safety matters, including compliance with applicable laws and regulations. The committee focuses on ensuring that the company maintains a safety culture focused on protecting the health and safety of employees, contractors, customers, the public and the environment. The Williams Integrated Management System (WIMS) is how we put our Environmental, Health and Safety Policy into action.

The system serves as our company-wide platform to manage and reduce risks in our operations, including safety risks. We use WIMS as a guide to design, build, operate and maintain our assets. For more information about WIMS, see [page 9](#).



"Williams' employees genuinely care about each other, which is the foundation of our safety culture. We're empowered to stop work if we recognize a hazard or risk that could result in damage or harm. Our strong reporting culture and focus on our Life Critical Operating Requirements drive learning and continuous improvement."

**CANDYCE FLY LEE, VICE PRESIDENT OF ROCKIES GATHERING AND PROCESSING**

## Training & Awareness

Williams is committed to maintaining operational excellence to mitigate the safety risks associated with our industry. As part of that commitment, Williams implements robust training programs regarding our policies and procedures to ensure employees can safely and successfully execute their responsibilities. We provide an annual training plan tailored to each employee based on the varying needs of office, field support and core field employees. All employees are placed in one of three required training tiers based on title and function in the organization. Additional training may be requested by the employee or employee's supervisor based on the specific needs of the job. We have processes in place to assess training proficiency, including written knowledge checks and performance-based evaluations.

We also implement behavior-based initiatives to minimize safety risks from human factors. For example, our Life Critical Focus Program is designed to promote a daily culture of ongoing awareness of our 12 life-critical operating requirements. In 2018, we decided to re-energize our focus on the life-critical operating requirements. Williams' leaders and employees received informational material each month designed to raise awareness of the 12 requirements. Using this information, senior management engaged employees with examples of how to apply the requirements in everyday activities.



## 12 Life Critical Operating Requirements



MANAGEMENT OF  
CHANGE (MOC)



PRE-STARTUP SAFETY  
REVIEW (PSSR)



DISABLING/BYPASSING  
A SAFETY  
CONTROL DEVICE



HOT WORK



LOCKOUT/TAGOUT



CONFINED  
SPACE ENTRY



JOB SAFETY  
ANALYSIS (JSA)



WORK PLANNING



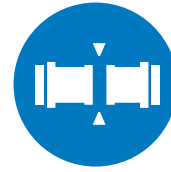
WORK PERMITTING



ELECTRICAL SAFETY



TRENCHING &  
EXCAVATING



LINE BREAK

### Incident Management

We maintain a strong safety culture by identifying, mitigating and communicating safety risks across the company. Williams expects every employee to report all incidents and near misses related to employee, process or contractor safety. We then compile the results and share them weekly and monthly with the entire company to stimulate continuous improvement. Our goal is to achieve zero recordable injuries, zero lost-time injuries and zero lost workdays.

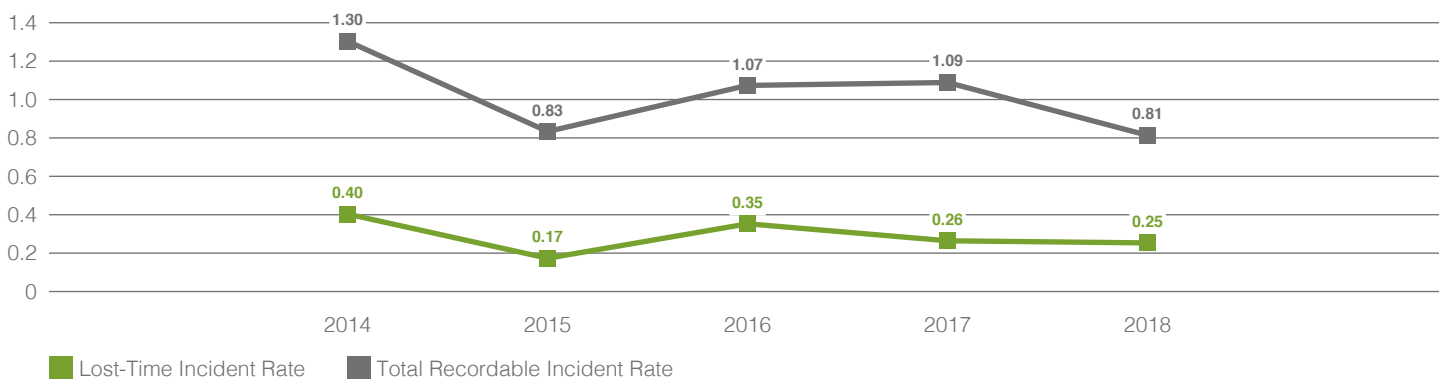
We remain disciplined in our approach to continuously improve safety culture and performance. We set a goal to reduce recordable injuries for employees by 15 percent and our actual performance beat that goal significantly with a reduction of 28 percent. We have this same 15 percent reduction goal for 2019.

### Motor Vehicle Safety

Motor vehicle safety continues to be a focus for Williams and the energy industry at large. We seek to eliminate preventable motor vehicle safety accidents through a combination of equipment updates and employee awareness.

In 2017, we installed telematics units on all employee fleet vehicles to track, measure and improve driver safety. We collect metrics on acceleration, cornering, speeding and braking, and share the data with employee leaders. We recognize employees who demonstrate safe driving behaviors, as evidenced by the data collected by the telematics units, and honor such employees at company-wide events. As a result of these efforts, we reduced our preventable motor vehicle accident rate from 2.34 per million miles driven in 2017 to 1.90 in 2018. We will continue working until we meet our target of zero motor vehicle incidents.

### Employee Lost-Time Incident Rate & Total Recordable Incident Rate Per 200,000 Work Hours\*



## Contractor Safety

Our dedication to safety extends to third-party suppliers and contractors. Every day, we work toward zero contractor safety incidents. Williams actively engages with contractors to support a safe work environment. We provide site- and project-specific orientation for all contractors at the start of each project. For larger projects, we conduct safety leadership workshops for contractors and employees to emphasize the importance of superior safety performance.

Our standard contract language includes expectations for contractor and subcontractor safety qualifications, performance and competency. Contractors are held accountable for satisfying contractual requirements and complying with all applicable laws, regulations and industry standards. As part of our commitment to contractor safety, we collect and evaluate contractor safety metrics. We expect contractors to report all incidents and share lessons learned by completing incident investigations.

Williams' contractor safety management plan helps us pre-screen contractors, ensure compliance with safety guidelines and monitor contractor safety performance. We use [ISNetworld's®](#) nationally recognized contractor safety management system to pre-screen contractors against our safety grading process prior to generating a service agreement.

Our safety grading process assesses contractors based on key performance areas including total recordable incident rate, number of fatalities, number of citations, drug and alcohol program compliance, and safety management system compliance. Contractors that do not meet our criteria do not work for Williams, unless they improve their formal risk mitigation plan, and prove their ability to comply with our criteria.

We also conduct contractor safety audits utilizing a third-party audit company and internal evaluations of our contractors to ensure they are meeting both regulatory and contractual requirements. Our environmental, health and safety specialists work with our contractors daily to ensure we maintain a safe and environmentally responsible work environment.



## Process Safety

Williams utilizes equipment and implements procedures to prevent the uncontrolled release of hydrocarbons and hazardous substances. The Williams Integrated Management System includes a comprehensive set of policies and standards to manage process safety, including management of change and pre-startup safety review policies, and process hazard analysis requirements.

We design and operate our facilities to manage process safety risks proactively while complying with all applicable regulations and industry standards. We follow [American Petroleum Institute Recommended Practice 754](#) to track process safety occurrences. We set a goal to reduce process safety incidents by 15 percent in 2018, and we exceeded that goal with 29 Tier 1 process safety incidents. We have the same goal to reduce process safety incidents by 15 percent in 2019. In recent years, we focused on reducing safety system activations and identifying safety critical equipment. In 2018, we made improvements to better recognize and report safety system activations, loss of primary containment and other process safety near misses.

Williams implemented a robust near-miss reporting program in 2018 to further assess our safety performance and identify areas for improvement. Near-miss identification and reporting provides significant leading indication into hazard recognition and mitigation for employee, contractor and process safety. Emphasizing near-miss reporting and management provides opportunities to investigate, mitigate and share lessons learned before an actual incident occurs. We also shared incident lessons learned across the company, as we always strive to do with any serious incident that occurs.



# Asset & Mechanical Integrity

## Asset Integrity

We operate more than 30,000 miles of pipeline across 24 U.S. states and offshore in the Gulf of Mexico. Our natural gas transmission, gas gathering and liquids pipelines serve utilities, power generators and processing plants in three operating areas: Atlantic-Gulf, Northeast and West.

We develop and maintain [integrity management](#) plans for our pipeline system to identify actual and potential precursor events that can result in pipeline incidents. The plans also provide a structured approach for evaluating risk and implementing risk-reduction activities such as integrity assessments and other actions to prevent or mitigate the effects of potential incidents. We employ qualified company and third-party personnel to conduct risk management activities.

One of the key elements of pipeline integrity is integrity assessments. Williams regularly completes integrity assessments of pipelines and repairs of identified defects. We monitor pipelines for flow, pressure, temperature and other factors through our dedicated control centers, which include automated system response to potential leak conditions. Technologies such as infrared, acoustic and lasers are also used to facilitate leak detection. We train pipeline control specialists to recognize abnormal conditions that could be the result of a pipeline leak and how to respond to potential leaks.

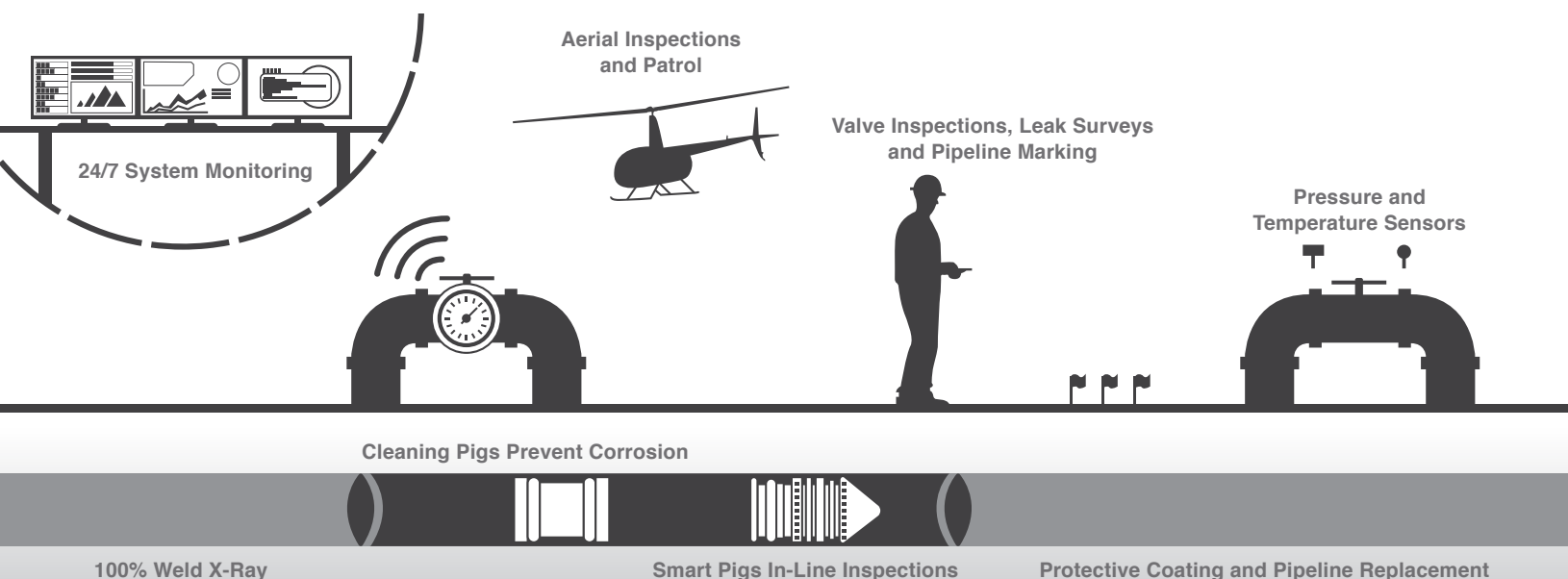
Williams completes aerial patrols at intervals prescribed by pipeline regulations, and in certain areas of more dense population, the patrols are completed more frequently than required. Williams runs cleaning pigs and uses in-line inspection tools when needed for flow assurance and to manage the threat of internal corrosion. We coat all new pipelines with modern coating systems that act as the primary barrier to corrosion. In addition, we apply cathodic protection as a second line of defense to prevent corrosion.

Annual performance evaluations assess all elements of the integrity programs, identify any opportunities for improvement and develop action items to track completion of recommended improvements. For more information on building and maintaining safe pipelines, see our [commitment to safety webpage](#).



In 2018, S&P Global Platts rated Williams #1 in America's oil and gas storage and transportation as part of its Top 250 Global Energy Company rankings.

## Williams' Pipeline Integrity Program





## Emergency Preparedness & Public Safety

### Emergency Preparedness

Preparing for and appropriately responding to a wide range of emergency situations is critical to the safety of Williams' workforce and the communities surrounding our operations. Our Williams Integrated Management System includes company-wide requirements for implementing midstream and pipeline emergency response procedures. We require our operating managers to establish site-specific emergency plans at our facilities and assets that follow those procedures.

Williams provides employees with annual safety drills and training to prepare for a wide range of emergencies, including accidental releases and security-related incidents. In the case of an emergency, our trained personnel will arrive at the incident site, notify appropriate emergency response officials and resolve the incident as soon as possible. We fully investigate the cause of all emergency incidents to prevent future occurrences. Our remediation management process establishes a standard method for managing post-emergency response cleanup at company sites.

We are active, engaged and responsible stewards of the communities where we operate. We regularly engage with firefighters, emergency management officials, law enforcement officers, public officials and planning agencies to review emergency response procedures and conduct annual emergency response drills. We also provide instructor-led training courses and web-based training programs to emergency responders through our online portal. Williams requires emergency responders to be included in relevant training exercises and drills at least every three years.

We conduct outreach efforts with emergency responders, including in-person meetings, facility tours and informational mailers. In 2018, Williams sent more than 19,000 public awareness mailers to emergency response agencies. We also provide an electronic newsletter to emergency responders who have participated in Williams' online training program. The newsletter includes relevant information related to our operations and best practices in emergency response.

### Mechanical Integrity

Williams operates gathering and processing facilities across the continental United States. Our goal is to operate our pipeline systems and facilities with no adverse effects on employees, the environment, the public or our customers.

We manage facility integrity through company-wide standards that align with applicable Occupational Safety and Health Administration and Pipeline Hazardous Material Safety Administration requirements. Our mechanical integrity requirements and guidelines are captured in the Williams Integrated Management System and outline company expectations for managing mechanical integrity quality assurance, data management and midstream inspections.

We conduct assessments and visual inspections on an interval-based schedule that employs a corrosion-based analytical process including special emphasis assessments at identified industry high-risk areas to ensure continuous monitoring of facilities. When new equipment is installed, a baseline inspection test is performed prior to, or within three months after, startup to assess mechanical integrity. We compile all historical design, inspection and testing information into one database for accurate inspection and data analysis. Through this process, we are able to determine low or poor performing assets that need attention. We also implement program maintenance through our continuous audit process that assists in annual planning.



Williams cares about the communities where we live and work. We provide regular financial contributions to support local emergency response teams. We also make charitable investments to communities affected by natural disasters. In 2018, we supported disaster relief efforts in Oklahoma, Maryland, North Carolina, South Carolina, Colorado and Pennsylvania. Additionally, our disaster relief program provides short-term assistance to employees experiencing severe financial need due to a disaster. For more information on community giving, see [page 38](#).

## Public Safety

Williams has ongoing procedures in place to proactively address public safety. These processes integrate best practices from the Common Ground Alliance, a member-driven association committed to preventing damage to underground infrastructure. One of the greatest single challenges to safe pipeline operations is the accidental damage caused by excavation, construction, farming activities and homeowner maintenance.

Education and engagement with local stakeholders help us prevent potential safety incidents and reduce third-party damage to pipelines. Individuals can always contact our 24-hour control centers to report an emergency or abnormal conditions at our pipelines and facilities.

In 2018, we created a public awareness steering committee to help communicate and implement our public awareness initiatives. We have designed our public awareness programs to enhance safety by increasing knowledge of pipeline locations and safety prevention measures.

Each year, we send a public awareness mailer to the public in areas where we operate detailing the importance of calling “811” at least three days before the start of any digging project. We also send a mailer to farming and ranching communities within 10 miles of our pipelines. In 2018, we implemented a damage prevention toolkit to equip field personnel with resources for identifying and preventing line strikes and near misses.

Williams works with a third-party vendor every four years to conduct a robust phone survey across our operating footprint. The survey results shed light on the public perception of Williams and provide insight into opportunities to communicate safety messages more effectively to the affected public, as well as to emergency officials, public officials and excavators.

## Supporting the National Petroleum Council

Williams served as the vice chair for a [National Petroleum Council \(NPC\) study](#) that examined the resiliency of natural gas and oil infrastructure in the event of a natural disaster. The report provides industry and government with advice to better prepare for significant disruptions to oil and natural gas supply chains caused by natural disasters such as hurricanes, earthquakes and floods. Although the study focuses on emergency scenarios caused by natural disasters, the outcomes from the study will also support best practices for responding to impacts from a broad range of potential incidents and vulnerabilities.

To continue this effort, Alan Armstrong, Williams’ president and chief executive officer, is currently leading a National Petroleum Council Study on energy infrastructure that was requested by the secretary of energy. Williams is dedicating significant resources to this 18-month effort. The purpose of the study is to determine the future need for U.S. oil and gas infrastructure under a broad variety of supply and demand scenarios. Additionally, the study seeks to address factors limiting infrastructure from being constructed in such a way that maximizes public access to plentiful, safe and low-cost energy. The study is intended to broaden public understanding of the benefits provided by existing infrastructure and identify the challenges to future infrastructure projects. Finally, the study will highlight the resiliency of our infrastructure today and recommend research and development opportunities that can take our industry to the next level of safety and efficiency.

# Community Engagement

## Community Relations

Williams enthusiastically accepts our responsibility to be a good neighbor in the communities we serve. We work to sustain productive relationships with the communities where we operate. This requires us to effectively engage a variety of stakeholders, from local business owners and community leaders to public officials and nongovernmental organizations. Our goal is to engage stakeholders throughout the lifecycle of our projects and asset operations so that we can listen to feedback and share our perspective.

Williams has multiple communication channels to promote dialogue with stakeholders, including digital platforms, in-person meetings, newsletters and open houses. Open lines of communication enable stakeholders to share feedback and voice concerns. We capture the feedback we receive, enter it into a centralized database and evaluate the feedback to better understand the issues and develop appropriate responses.

Williams' public outreach team serves as the central contact point for public outreach efforts related to pipeline projects. The team develops and maintains a project-specific public participation plan for major projects. The plans are implemented using our Public Outreach Strategy Guide that formally outlines Williams' approach to community engagement and consultation. The guide emphasizes the importance of early contact, continual communication and being flexible whenever possible. In 2018, we had hundreds of open houses, community events and public meetings.

Williams also employs the Federal Energy Regulatory Commission's voluntary pre-filing process to engage impacted stakeholders prior to the submittal of a formal project certificate application. Activities include public meetings and consultations with elected officials, community leaders and impacted landowners. We followed this process for our most recent projects, including Atlantic Sunrise, Dalton, Northeast Supply Enhancement, Hillabee and Virginia Southside.

In 2018, the International Association for Public Participation presented Williams with the Project of the Year award for the Atlantic Sunrise project, which expands our existing Transco pipeline to markets in the Mid-Atlantic and southeastern United States. The award reflects our efforts to engage and collaborate with the public and other stakeholders during the planning phase of the project. Public engagement efforts included a voluntary \$2.5 million environmental stewardship program designed to better protect the natural environment and support communities within the Atlantic Sunrise project area.

## Landowner Relations

Williams operates more than 30,000 miles of pipeline that transverse 24 U.S. states. It is critically important to maintain positive, lasting partnerships with landowners that grant us the privilege of establishing a permanent easement across their land. Without this easement, Williams could not deliver the natural gas supplies on which we all rely. Our goal is to treat landowners fairly through financial compensation, protecting and restoring their land and operating on their property with respect.



**We partner with nearly 85,000 landowners throughout the United States.**

Williams directly engages with our landowner partners on a regular basis through email, phone calls, open houses and in-person meetings. For existing assets on a landowner's property, we conduct an annual follow-up to ensure our infrastructure is operating safely and unobtrusively. For proposed pipeline projects, we apply a standardized approach for engaging potentially impacted landowners early in the process. Our focus on early engagement enables us to explain the project, obtain permission to survey the land and conduct a formal negotiation process. During this time, landowners can ask questions, voice concerns and communicate their preferences.





## Indigenous Peoples

Over the past century, we have learned the importance of investing time to understand different cultures, traditions and beliefs. Our goal is to build trust with all stakeholders through open communication and regular dialogue. Williams takes special care when working with Native American tribes in our areas of operation. We respect the tribal sovereignty of the 573 federally recognized Native American tribes in the United States and seek mutually beneficial outcomes.

As an interstate natural gas pipeline company regulated by the Federal Energy Regulatory Commission, we adhere to Section 106 of the National Historic Preservation Act. The Act requires consultation on all activities that may impact property of cultural or religious significance to tribes. As part of Section 106, tribes must have a reasonable opportunity to identify concerns about affected properties and to advise Williams on the identification and evaluation of these properties. We continually work to improve our communications with Native American tribes to reach mutual understanding and effective resolutions.

As part of our commitment to building a positive relationship with Native American tribes, we make meaningful investments in tribal communities. For example, we contribute to the Shoshone Bannock Tribes and Confederated Tribes of the Umatilla Indian Reservation scholarship funds. The scholarship funds help increase access to quality education for Native American youth. For more information on community giving, see [page 38](#).

In 2018, we developed a formal [Human Rights Policy and Statement](#) that outlines our commitment to respect human rights and avoid complicity in human rights abuses. The Statement includes respecting the rights of indigenous peoples. In 2018, Williams had no identified incidents of violations involving the rights of indigenous peoples.

Throughout the project planning process, Williams proactively circulates relevant project information to landowners, including company policies, frequently asked questions and steps for acquiring rights-of-way. When engaging with landowners, we abide by the Interstate Natural Gas Association of America's [Commitment to Landowners](#), which outlines the recommended behaviors that member companies agree to follow. We also adhere to applicable state regulations such as the [Texas Landowner Bill of Rights](#).

For projects certified by the Federal Energy Regulatory Commission, Williams is required to notify landowners up to half a mile from the proposed pipeline route. We distribute a brochure developed by the Federal Energy Regulatory Commission that describes what to expect if a project is proposed on a landowner's property.

We recognize that landowners can have concerns related to our projects and operations, including apprehension related to safety, property value and construction impacts. When planning a pipeline project, Williams does its best to minimize the impact on communities by locating the pipeline along existing rights-of-way, roadways or other utility corridors.

Our corporate philosophy is to only introduce eminent domain as a last resort. We try to reroute when possible to avoid property owners who do not want to work with us. For projects certified by the Federal Energy Regulatory Commission, we use a federal eminent domain process. As part of this process, Williams maintains a formal landowner complaint resolution procedure to identify concerns and determine an appropriate resolution in a timely manner.

## Local Economic Development

We believe we are responsible for strengthening our local communities. Williams supports economic development in the areas where we operate by creating jobs, investing in civic improvements and working with local service providers. We identify opportunities to improve local economic development through partnerships with local chambers, economic development groups and public officials.

For major infrastructure projects, we work with third-party organizations to determine the total economic impact of a project. For example, our Atlantic Sunrise project represents a \$3 billion private investment to expand Pennsylvania's energy infrastructure and spur economic growth in the state. An estimated 8,000 jobs were created as a result of the project, which supports

\$1.6 billion in additional wages, revenues and investments to the regional and state economies. The project created \$870 million in economic value during the construction period alone. During construction of our Atlantic Sunrise project, we also developed a mobile device program that enabled thousands of local businesses to sign up for our mobile application. The application helped our workforce easily find and procure local goods and services.

Williams cultivates positive relationships with organized labor, which provides a skilled, local workforce dedicated to delivering quality work that meets Williams' high expectations. Organized labor also serves as an important voice advocating for the necessary expansion of domestic energy infrastructure. For the Atlantic Sunrise project in Pennsylvania, Williams selected union contractors for the major pipeline construction spreads,



## Atlantic Sunrise Project

Williams operates a natural gas transmission pipeline, known as the Transco pipeline, which transports natural gas from production areas to utility companies and power plants in the eastern United States. The Atlantic Sunrise expansion project is designed to supply enough natural gas to meet the daily needs of more than 7 million American homes by connecting producing regions in northeastern Pennsylvania to markets in the Mid-Atlantic and southeastern states.

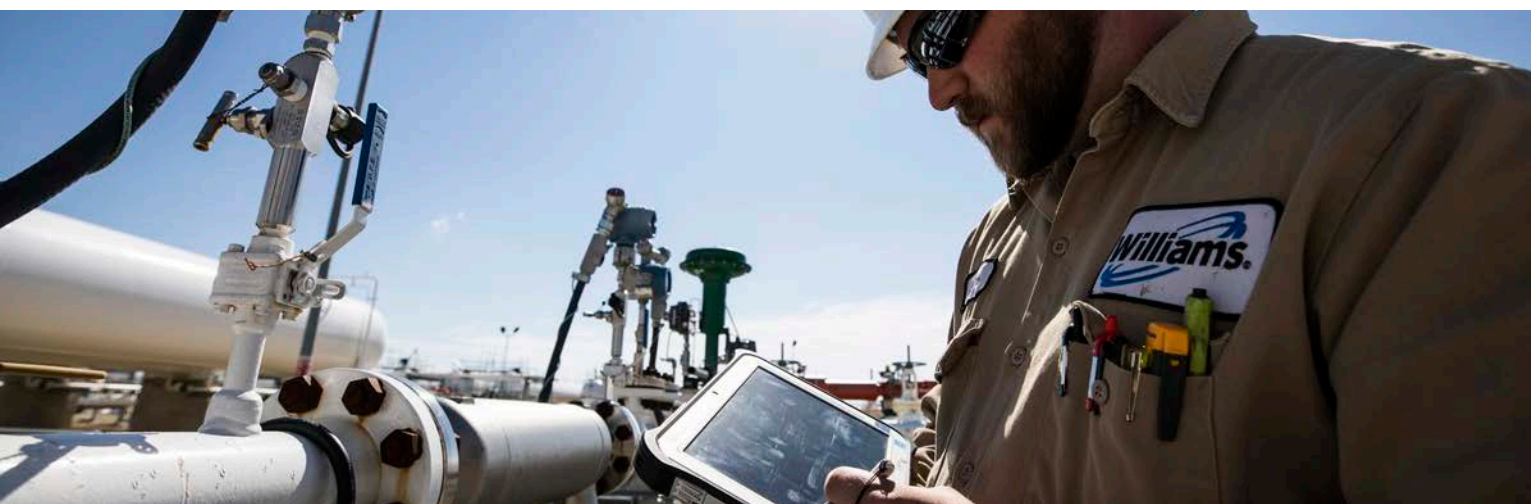
During the planning process for the Atlantic Sunrise project, Williams coordinated with 21 federally and nonfederally recognized tribes to determine locations of cultural significance. We also worked closely with the Pennsylvania Historic Museum Commission to conduct extensive fieldwork and data recording to ensure that no eligible prehistoric archaeological deposits were within the project construction footprint. In response to these efforts, we made modifications to the proposed route, project design and construction methodologies to ensure that significant cultural resources remained protected.



as well as two new compressor stations built for the project. The project was strongly supported by state and local organizations, including the Pennsylvania Chamber of Business and Industry and the Pennsylvania chapter of the National Federation of Independent Business.

Williams has a long-standing practice of assessing local talent first for all available job positions. Our efforts to hire locally include career fairs, employee referral incentive programs and hiring bonuses in remote areas. We also support technical schools, colleges and universities through partnerships and scholarships to develop a pool of future candidates. We provide locally hired individuals with opportunities to develop technical and leadership skills that will benefit them throughout their careers. For information on supporting local suppliers, see [page 40](#).

Williams provides local infrastructure investments tailored to address community-specific needs. Examples include medical centers, parks, libraries and sports complexes. We continually seek input from local leaders and other economic development entities to better understand the infrastructure needs of local communities. In addition to civic infrastructure improvements, Williams brings economic benefits to local governments through taxes. In 2018, we spent nearly \$158 million in property taxes across our locations. We have contributed nearly \$232 million in total Employer Federal Insurance Contribution Act taxes over the past five years.



## Opportunities for Local Talent

With operations spanning 24 states, more than half of our employees live and work in areas outside our main corporate locations, many in small communities. In numerous areas where we conduct business, we have long-standing partnerships with technical schools and universities, offering internships, scholarships and outreach opportunities to develop a pool of future candidates.

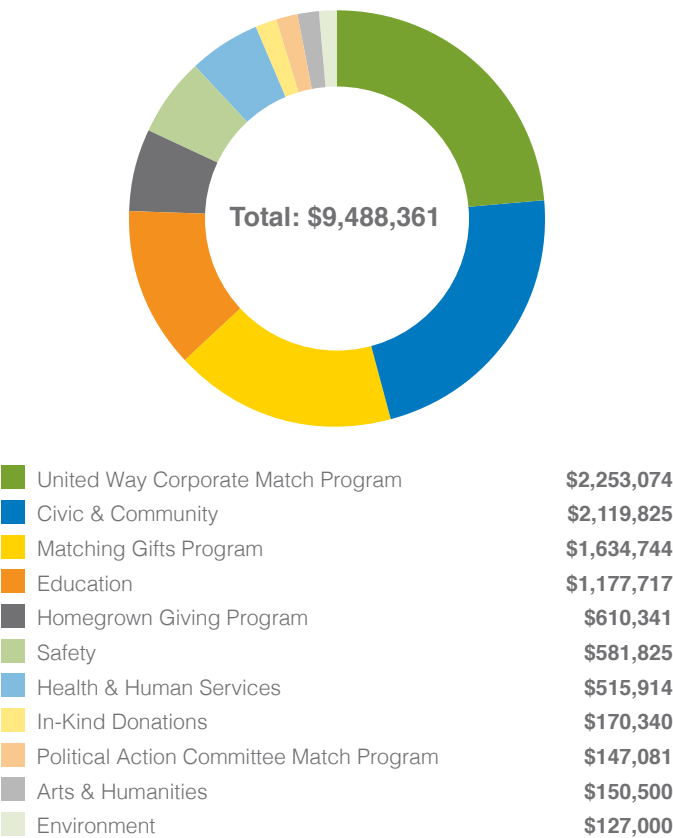
For example, Williams was instrumental in developing the Petroleum Natural Gas program at Lackawanna College in Scranton, Pennsylvania. Previously, the programming had primarily focused on the upstream exploration and production business. Williams helped shift the focus to be more inclusive of courses related to the midstream sector, allowing students to better prepare for broader opportunities. Additionally, we partner closely with identified technical schools to assist in developing programming related to skills gaps in our industry.

To sustain our business, we need talented individuals to fill the well-paying jobs in our field locations. As one of the larger employers in many of these smaller communities, we are pleased to offer job opportunities to local talent to allow them to stay and prosper in the communities they call home.

# Community Giving

For more than a century, Williams has strengthened the communities where we operate. Following the footsteps of the Williams family legacy, we continue to be active, involved and passionate community leaders. We center our community giving strategy on energizing and engaging employees while growing targeted skills, strengthening communities where we do business and increasing the odds of successful business execution. In 2018, we contributed \$9.4 million to nearly 2,000 organizations through our channels for community giving.

Community Giving by Program Area



## Williams Foundation

In 1974, we established the Williams Foundation to help guide our community giving. The Foundation is overseen by a thoughtful and engaged board that encourages volunteerism, community giving and board membership for nonprofit organizations across the country. The Williams Foundation board collaborates with executive leaders and our community relations team to develop and approve budgets for supporting specific charitable programs in the communities where our employees live and work. We developed the Williams Foundation bylaws and charitable contributions standard to outline our giving process and ensure the integrity of our contributions.

# Charitable Giving

One of our long-standing missions is to be an exceptional neighbor in the communities where employees live and our businesses operate. To support that mission, we established several methods of charitable giving at Williams. Our charitable giving initiatives make a difference through investments in the environment, education and arts to organizations that support basic human needs, such as United Way. Williams' operating area leaders are responsible for helping identify meaningful local community investments.

A key element of charitable giving at Williams is support for education. We know our ability to build high-quality and reliable energy infrastructure requires a talented workforce with skills in science, technology, engineering and math (STEM). Throughout the country, we are committed to helping our local schools prepare the next generation of employees in STEM fields. In 2018, we contributed approximately \$750,000 to STEM education. For example, Williams is a member of the STEM Funders Network, a diverse mix of more than 20 education-focused private and corporate foundations that work together to increase the knowledge and expertise of grant makers investing in STEM. We support STEM ecosystems in Tulsa and Pittsburgh, which provide the architecture for cross-sector learning. STEM ecosystems were identified as the top strategy for improving STEM literacy by the U.S. National Science and Technology Council in 2018.



"I love it when businesses and their employees step up to the plate for their communities. Williams

is one of United Way's best partners, fighting to make sure our future workforce is prepared for the jobs of tomorrow and creating greater opportunity for all. On behalf of the more than 160 United Ways that receive the generosity of Williams employees and the communities they support, thank you for your commitment and generosity."

BRIAN A. GALLAGHER, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF UNITED WAY WORLDWIDE



## Employee Participation

Our employees embrace Williams' culture of giving in a big way. Across the country, our employees serve on nonprofit boards and as mentors, coaches, committee members and volunteer firefighters. To help employees maximize their contributions to local communities, we established employee-driven charitable giving programs, including our homegrown giving and matching gifts programs. Our homegrown giving program enables employees to support the unique needs of their local communities through grants designed to support eligible, nonprofit organizations where Williams' employees are involved. We also established the Williams matching gifts program that annually matches contributions to eligible organizations up to \$10,000 per employee or board member and up to \$5,000 per retiree.

Williams supports volunteer efforts by granting employees time off to volunteer with charitable organizations. In 2018, Williams' employees volunteered 17,545 hours with charitable organizations.

Williams supports more than 160 local area United Way agencies through our company-wide efforts. As one of 125 Global Corporate Leadership companies, our partnership with United Way is one of many ways we take a leadership role in driving sustainable change through collaboration with strong community partners. 2018 marked the 29th consecutive year that we raised more than \$1 million for the Tulsa Area United Way. We are proud to be tightly woven into the fabric of communities across the United States through our partnership with United Way.



WE MAKE ENERGY HAPPEN™ SPOTLIGHT

## Tulsa's Gathering Place

Williams was the largest corporate funder of Gathering Place, a privately funded, public park along the Arkansas River in Tulsa, Oklahoma. Recently named the best new attraction in the country by USA Today, Gathering Place is an inclusive space to host events, dine at restaurants and participate in community activities. Williams pledged \$16 million over 10 years to support the development of Tulsa's Gathering Place. In September 2018, the \$465 million park opened to the public. Known as A Park for Everyone, Gathering Place serves as a vibrant community center and helps bolster local economic development.

# Supply Chain Management

Williams works with more than 3,000 suppliers across the United States to procure the materials, goods and services needed to support our operations. The conduct of our suppliers directly impacts our operational success.

We develop relationships with suppliers that share our commitment to operational discipline and uphold our Core Values and Beliefs. Williams' standard contractor language outlines our supplier expectations. We require suppliers to have their own policies and procedures that meet Williams' environmental, health and safety requirements. We also audit our suppliers' environmental, health and safety programs.

When surveying the market for potential suppliers, we use ISNetworld to procure qualified organizations that meet our safety, compliance and credit requirements. For existing suppliers, Williams uses a supplier relationship management process to segment suppliers and develop an appropriate management approach. Through the supplier relationship management process, we can identify Tier 1 suppliers with the highest spending, strategic value and potential risks. Tier 1 suppliers represent the top 80 percent of total spending.

We evaluate our Tier 1 suppliers twice a year to ensure compliance with company policies and regulatory requirements. In 2018, Williams conducted four Tier 1 supplier evaluations. Suppliers not meeting our expectations may be subject to contractual remedies, including termination.

Our ability to hire locally depends on the availability of appropriately qualified individuals. We make efforts to hire local suppliers to promote economic development in our areas of operation. Additionally, we support suppliers from historically underrepresented groups including women and minorities. In 2018, we began implementing an enterprise resource planning system that will enhance our process for identifying and partnering with diverse suppliers.

# Workforce Health & Development

## Employee Health & Wellness

Williams cares about the well-being of our employees. We offer comprehensive programs and services to support the health of employees during and after work, including robust medical plan benefits, disease management programs and weight-loss coaching. These benefits are available to most employees regardless of location.

As part of our commitment to employees, Williams offers a Williams Way to Wellness Program as a component of our employee total rewards package. The program is available to employees and eligible spouses and domestic partners. As part of the program, we provide annual biometric health screenings and well-being assessments to employees with a focus on assessing overall health and early identification of any possible medical risks. In 2018, 56 percent of registered employees completed health screenings, which resulted in discounts and incentives on healthcare benefits.

The program also includes challenges throughout the year related to a variety of health topics, from physical activity and healthy eating to financial planning.

We are dedicated to continuously improving the health and wellness of Williams' employees. We evaluate participation and engagement in existing programs to determine design enhancements and inform communications efforts. We integrate our employee health and wellness program and communication activities with our employee safety efforts to leverage the natural synergies that exist between employee health and safety. For information about personnel safety, see [page 28](#).



## Employee Attraction & Retention

Williams employs more than 5,000 people across 24 states. Our employees identify opportunities to reshape the future of energy and safely deliver the nation's supply of natural gas. We work to attract and retain the best talent by providing an environment where employees feel fulfilled and supported in their personal and professional development. Our efforts enabled Williams to maintain an industry-low voluntary turnover rate of 6.1 percent in 2018.

In 2018, we conducted an employee engagement survey to identify Williams' strengths and weaknesses from our employees' perspectives. More than 82 percent of employees participated in the survey. We continue to seek opportunities to improve how we engage employees. As we grow our company, we remain focused on creating a safe, inclusive workplace where employees feel valued and career development is encouraged.

### Talent Recruitment

We leverage various recruiting strategies to hire candidates that align with our business needs. Our primary recruitment platforms include external job boards and our [Williams Careers site](#). We offer a talent scout incentive program to enhance and broaden Williams' candidate pool through employee referrals. We also partner with universities and technical schools to recruit for entry-level opportunities and paid internships. Our internships provide meaningful work and resources to help interns prepare for entry-level needs in specific disciplines.

We know the military offers exceptional experience and rigorous technical training, and we value veterans. We strategically recruit military veterans through virtual career fairs, targeted social media campaigns, virtual information sessions and direct partnerships. In 2018, veteran employees made up 7 percent of the Williams workforce, and 8 percent of management roles were held by veteran employees.

When hiring for a position, we also look internally to identify potential candidates. Williams' internal human resources system allows employees to view and apply to all currently posted requisitions. We fill approximately 30 percent of all open positions internally.



On average, 1 in 14 of our employees  
is a military veteran.

### Employee Benefits

Our employees are our greatest asset and we want to offer them a leading benefits package. Williams offers a comprehensive total rewards program that includes base salary, an all-employee annual incentive plan, comprehensive retirement benefits and a health and wellness program. Our benefits program exceeds the benchmarks for both our segment of the industry and the energy industry as a whole. Employees receive company-paid retirement benefits regardless of their personal decision to save in our 401(k) plan or not.

We want to recognize and reward our employees who play a critical role in our company's success. Williams' discretionary annual incentive program is an important component of our total rewards offering to all employees. This program uses enterprise-wide business performance, safety metrics and individual performance to drive business results, enhance collaboration and motivate employees.

We believe that by having a stake in the success of the company, employees will find more opportunities to make Williams stronger. To that end, Williams provides an employee stock purchase plan to purchase company stock at a 15 percent discount. As of 2018, 46 percent of employees elected to participate in the program.



# Employee Development

Our employees drive our strategic and operational business results. We develop a knowledgeable and skilled workforce through robust training programs and strong employee engagement. Our goal is to develop the very best talent in the energy industry.

Williams offers corporate and technical training programs that support professional development. Additional training is provided based on the position, regulatory environment and specific employee needs. On average, Williams' employees completed 31 hours of corporate and technical training in 2018. We continually look for opportunities to improve our training programs. In 2018, we enhanced our frontline operations training programs with supplemental instructor-led courses, web-based courses and targeted on-the-job training to enrich specific technical skills.



**In 2018, we spent \$3.5 million on training for employees.**

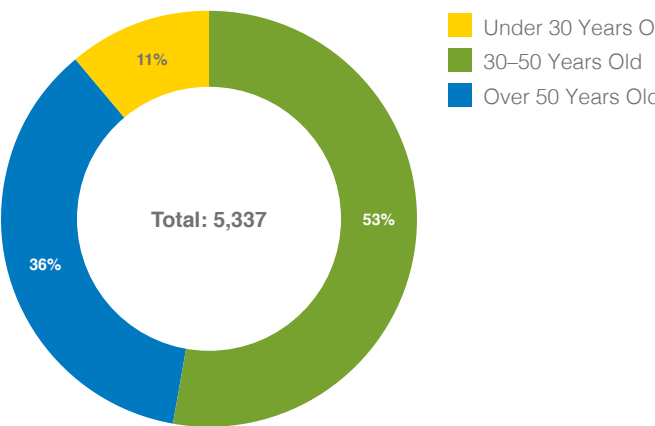
We encourage employees to engage in open dialogue regarding their professional development through one-on-one meetings with supervisors and during formal performance reviews. One hundred percent of employees received a performance assessment in 2018. One of the unique aspects of the Williams talent development process is the right result, right way matrix, a two-dimensional approach to performance assessment that takes into consideration what employees accomplish and how they pursue those accomplishments.

Williams provides development opportunities for all employees, from recent graduates to senior leadership. Our Early Career Professional Development Program enables post-graduate employees to participate in an intensive three-year rotational or non-rotational program to build technical expertise. Williams' Talent Pipeline Leadership Development Program is intended to develop future leaders. Eligible employees who exhibit high potential for senior roles within seven to 10 years are selected to participate in the program to accelerate career development. And, our Frontline Supervisor Essentials and Leading for Results programs help support current leaders in their development by providing tools and training resources to promote success in their roles.

We strive to make sure that we have the right people in the right roles at the right time. Williams engages in talent review and succession planning to assess our organizational capability and ensure ongoing talent capacity.

Our talent management processes enable us to evaluate talent across the company, calibrate accordingly and provide the opportunity for leaders to think strategically about the broader spectrum of development needs and themes. Aligning these themes to the strategic priorities of the organization helps ensure that succession and development plans support the growth of individuals and the business. As part of our succession analysis, we look at the demographics of our potential successor pool. The table below shows a breakdown of Williams' employees by age group in 2018.

**Percent of Employees by Age Group**







“Diversity and inclusion at Williams is about more than numbers on a page—inclusion is the foundation of how we build a highly engaged and innovative workforce. When employees feel connected and accepted, they do their best work. Our commitment to building an inclusive workforce enables us to meet evolving workforce demands and is paramount to business success.”

SHAGAH ZAKERION, SENIOR DIVERSITY AND INCLUSION CONSULTANT

## Diversity & Inclusion

In alignment with our Core Values and Beliefs, we want all employees to be respected and valued for their contributions and encouraged to achieve their full potential. Our philosophy is that each employee contributes to building an inclusive culture. Through education and leadership accountability, we embed diversity and inclusion in every part of our organization.

Williams has several policies that reinforce our commitment to an inclusive workplace. Our [Code of Business Conduct](#) includes expectations related to our work environment, including guidelines to prevent workplace harassment. Williams' [Equal Employment Opportunity Policy](#) guides our approach to providing equal employment and advancement opportunities for all. Our [Prohibiting Workplace Discrimination and Harassment Policy](#) defines our requirements for creating a workplace free of discrimination and harassment. We provide ongoing diversity and inclusion training, including integration into all leadership development programs.

Williams considers diverse perspectives and backgrounds as a competitive advantage in the marketplace. We continue to focus on growth and collaboration by striving for diverse representation at all levels through our talent management practices and employee development. Williams works to cast a wide net of potential employees to ensure we are considering all qualified applicants. We recruit diverse talent through digital platforms and direct outreach.

We also partner with universities and technical schools to support the education of diverse students. In 2018, women and ethnically diverse employees represented 51 percent of our engineering, business and information technology internship participants.

Our Early Career Professional Development Program provides opportunities for high-performing and high-potential college graduates to obtain full-time, entry-level positions at Williams. The program is designed to accelerate development and engagement through robust work assignments, technical training, individual development planning and mentoring. The program consistently achieves strong representation across diversity dimensions, helping build a robust pipeline of future talent.

We are committed to helping all employees elevate into leadership positions in our company by creating a more equitable playing field. Through strategic partnerships with organizations such as Catalyst and Women's Energy Network, we are accelerating leadership development and expanding business and operational knowledge critical to leader success. In 2018, women and ethnically diverse employees represented 27 percent of management roles at Williams.

We have three active business resource groups at Williams to support networking and professional development opportunities for veterans, women and LGBTQ employees. The business resource groups also help expand our network of diverse individuals outside of Williams.

An aerial photograph of a natural gas processing plant situated in a valley. The plant features several large storage tanks and industrial structures. The surrounding landscape includes rolling hills, some covered in dense green forest and others with sparse, dry vegetation. The sky is a deep blue with scattered white clouds.

**We Make Energy Happen™**

# Governance

We believe it takes more than good business results to be a great company. To make energy happen, we act ethically and with integrity. We actively engage with shareholders and other stakeholders to communicate our viewpoints and performance on topics that impact our business results. Our efforts are underpinned by the Williams board of directors.

*Williams' Willow Creek natural gas processing plant in Rio Blanco County, Colorado. Located in the Piceance Basin, the plant can process 500 million cubic feet of natural gas per day and recover nearly 30,000 barrels of natural gas liquids per day to meet customer demands.*



*“I’m pleased that oversight for the company’s ESG efforts resides with the board and its various committees. The collective experience and diverse perspectives of the board are valuable resources for the company to draw upon.”*

ALAN ARMSTRONG, PRESIDENT  
AND CHIEF EXECUTIVE OFFICER



# Ethics & Integrity

For more than a century, Williams has created a legacy of operating with ethics and integrity. Our Core Values and Beliefs help drive our commitment to ethical conduct and guide our everyday activities. Williams is committed to upholding the highest standards of ethics and compliance through effective policies and training programs.

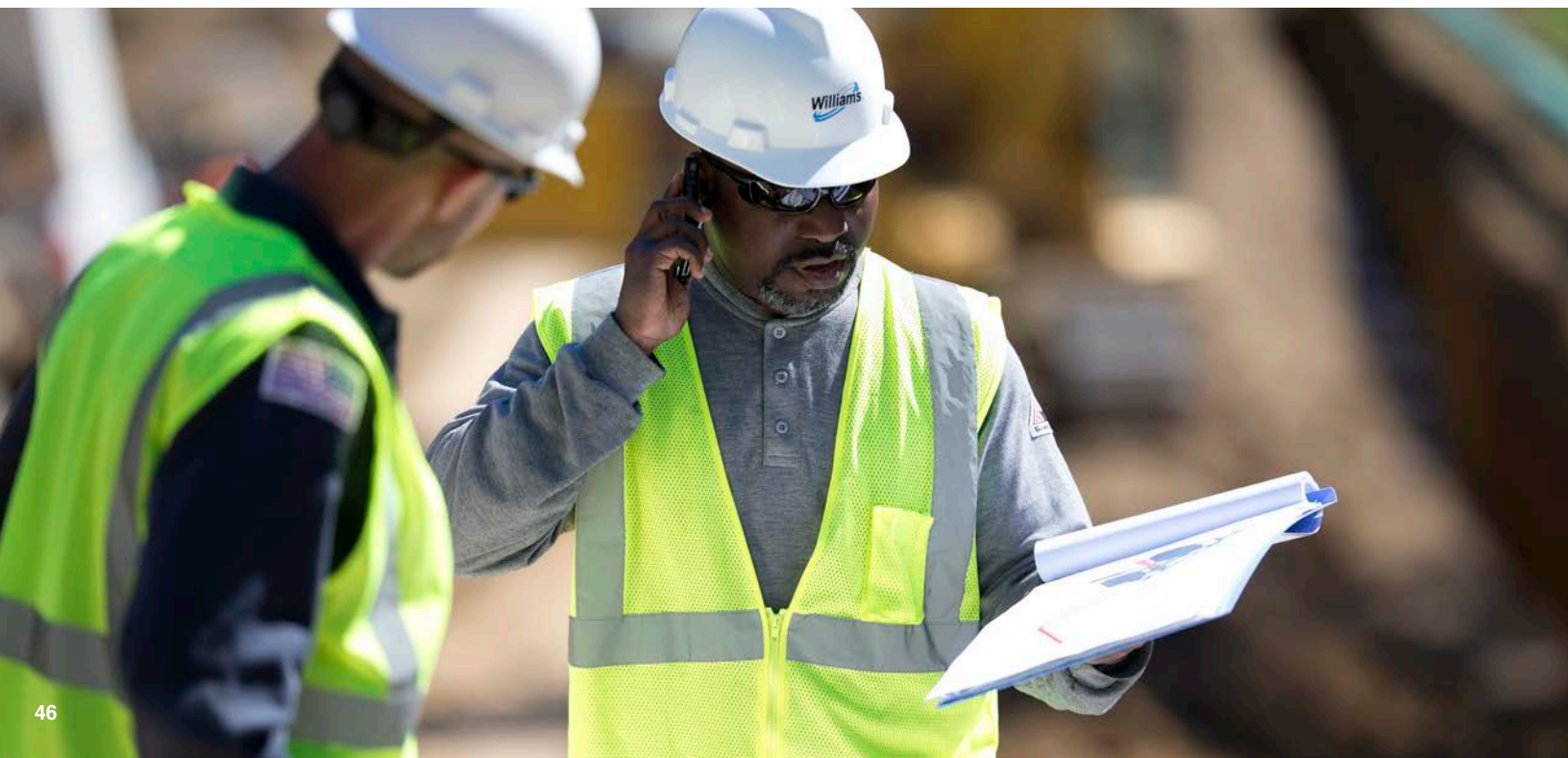
We designed the Williams Ethics and Compliance Program to effectively communicate and manage key elements of ethics and integrity, including our Core Values, Code of Business Conduct and guidelines for reporting suspected violations. Williams' chief ethics and compliance officer has oversight responsibility for our Ethics and Compliance Program.

The Williams ethics advisory panel is tasked with assessing the effectiveness of the program and recommending enhancements as necessary. In coordination with the Ethics Advisory Panel, subject matter experts and internal audit team, we conduct an annual risk assessment to review compliance with our ethics policies.

Our [Code of Business Conduct](#), approved by the Williams board of directors, sets the ethical conduct expectations for officers, directors and employees at all levels. It also applies to Williams' subsidiaries and in certain cases, our joint ventures. The Code of Business Conduct serves as a practical guide for complying with all laws, avoiding conflicts of interest, maintaining a safe and inclusive workforce and reporting ethical concerns. We also have supplemental policies to support compliance with U.S. regulations, including antitrust, insider trading and commercial bribery.

All employees must complete our Code of Business Conduct ethics and compliance training annually. As part of the computer-based training, employees must acknowledge that they have read and understand the Code of Business Conduct expectations. In addition, senior leadership must complete an 11-question certification to confirm their understanding of Code of Business Conduct expectations. New employees must complete the training within the first 30 days of employment. In 2018, 100 percent of Williams' employees completed compliance and ethics training courses.

We strictly prohibit any act of corruption, including practices such as bribery, facilitation payments, fraud, extortion, conflict of interest and the giving or receiving of gifts. The Williams board of directors audit committee has established procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.





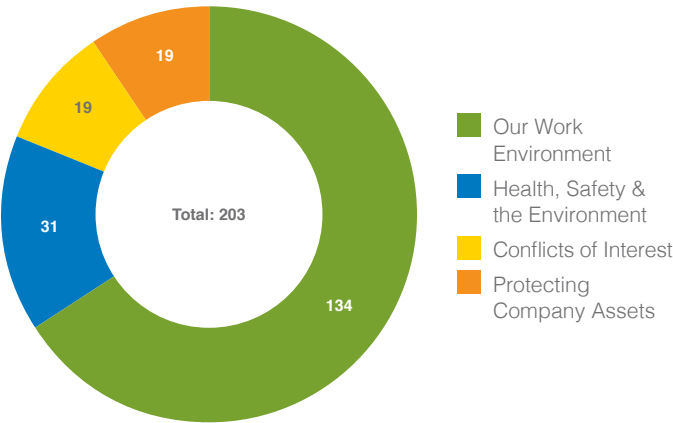
# Reporting Violations

We encourage our employees to report suspected violations of any law, regulation or company policy. Williams offers several confidential mechanisms for reporting, including the Williams Business Ethics Resource Center, the Williams Action Line and our online ethics mailing address. The Williams Action Line is available to our employees 24 hours a day, 7 days a week, and is operated by an independent third party to ensure confidentiality.

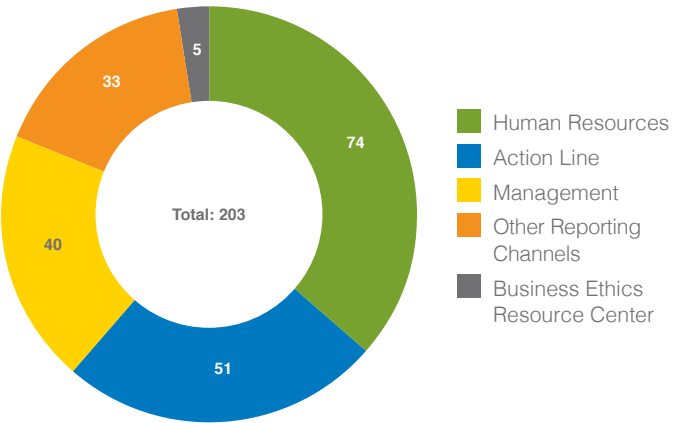
We proactively communicate these resources through the Williams Ethics and Compliance Program and on our internal and external websites. It is against company policy for employees to engage in or tolerate retaliation or any form of harassment directed against an employee who reports a suspected problem in good faith.

Williams will evaluate all alleged violations of law or company policies and will assess the need for and level of investigation. Williams will determine the appropriate next steps, and where warranted, take appropriate corrective action including disciplinary actions, up to and including dismissal. The Williams board of directors annually reviews the Code of Business Conduct and receives quarterly reporting regarding the Ethics and Compliance Program.

2018 Concerns by Code of Business Conduct Category



2018 Concerns by Reporting Channel



# Respecting Human Rights

We recognize our responsibility to respect human rights and avoid causing or contributing to human rights infringements through our business actions. We support principles aimed at protecting internationally recognized human rights.

In 2018, we developed a formal [Human Rights Policy and Statement](#) that outlines our commitment to respect human rights and avoid complicity in human rights abuses. This Statement includes our expectations related to workplace discrimination, diversity and inclusion, workplace conditions, freedom of association and indigenous peoples. Our commitment applies to everyone involved in Williams' operations including employees, officers, contractors, leased workers, suppliers, vendors and customers. In situations where Williams does not have overall control of operations, we will take reasonable steps to ensure that involved parties follow human rights best practices.

Williams strives to respect human rights through its supply chain by encouraging actions that are consistent with our Code of Business Conduct and by partnering with suppliers that share our corporate values and beliefs. Specifically, we encourage suppliers to follow best practices in the areas of freely chosen employment, working hours, respect in the workplace, wages and benefits, and health and safety. For information on supply chain management, see [page 40](#).

# Board Leadership

Good governance is the foundation for long-term business success. The Williams board of directors is responsible for establishing broad corporate policies and overseeing overall company performance. Board members are kept informed about the business through discussions with the chief executive officer and other officers, regular reports and board and committee meetings. In 2018, the board met 10 times.

The board of directors is responsible for influencing organizational planning, strategy and risk management. As part of this effort, the board conducts an annual strategy session based on key topics of interest. The top 10 risks are identified and a risk tolerance is assigned for each. The risks often directly or indirectly correspond with sustainability topics for the company. For more information on risk management, see the spotlight to the right.

## Board Structure

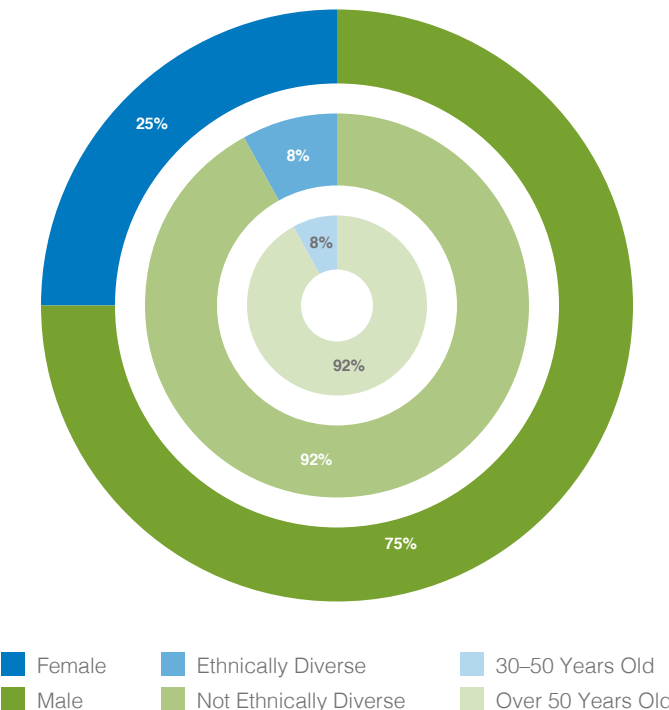
In 2018, the Williams board of directors consisted of 10 accomplished and capable directors. All of the directors are independent with the single exception of our president and chief executive officer. At this time, the board’s current preferred governance structure is to have an independent director serve as chairman of the board. The board of directors is required to stand for election at our annual meeting of stockholders. Our [Corporate Governance Guidelines](#) serve as a framework for governing the board of directors.

The Williams board has four standing committees: audit; compensation and management development; nominating and governance; and environmental, health and safety. Each standing committee includes at least three independent directors. The committees provide updates at each regular board meeting to keep the entire board of directors abreast of pertinent information. For detailed information on each board committee, please see the [board committees and charters page of our website](#).

While sustainability topics can arise in the context of all committees and the full board, the nominating and governance committee has primary responsibility for providing oversight and guidance on environmental, social and governance matters. Additionally, the environmental, health and safety committee is responsible for reviewing, monitoring and reporting to the full board on the company’s environmental, health and safety performance, including reviewing key metrics and reviewing compliance with applicable regulations.

Sustainability topics of particular interest to the board of directors include cybersecurity, process safety and asset integrity. The nominating and governance committee receives progress updates on the development of our Sustainability Report during regularly scheduled committee meetings.

2018 Board Demographics





## Board Selection Process

We value a diverse board of directors that provides a range of viewpoints and perspectives. We seek highly qualified, non-employee candidates with, among other qualities, demonstrated leadership abilities, a reputation for honesty and integrity and a commitment to represent shareholder interests. The nominating and governance committee is responsible for recommending new directors to the board who reflect an appropriate balance of experience, skills and characteristics.

We annually assess diversity in regard to geography, race, gender, ethnicity and age as part of our director selection and nomination process. Our goal is to maintain a board of directors with diverse occupational and personal backgrounds to obtain a range of perspectives.

The board, in conjunction with the compensation and management development committee, maintains a process for planning orderly succession for the chief executive officer and other executive positions. The mandated retirement date for a director is the first annual meeting of stockholders following the director's 75th birthday, unless otherwise voted on. The performance of the board and its committees is annually evaluated through a self-assessment survey.

## Executive Compensation

The compensation and management development committee oversees the establishment and administration of Williams' compensation programs, including incentive compensation and equity-based plans. In coordination with the full board of directors, the committee works to ensure our compensation programs align the interests of our executives with those of our long-term shareholders.

In connection with the company's 2018 annual meeting, more than 97 percent of the votes cast in respect of the stockholder advisory vote on executive compensation were cast in favor of the company's executive compensation program. Safety metrics comprise 10 percent of the annual incentive program targets for all employees, including our executives. For more details on our executive compensation program, see the [2018 Proxy Statement](#).

## Risk-Based Prioritization

As part of the board's oversight of the risk management process, Williams utilizes a risk-based prioritization system to ensure that dollars are invested in the opportunities that provide value across all key areas of risk. We record pre-project risk ranking across five categories of risk: business impact, public health and safety, environment, compliance and regulatory, and employee health and safety. The pre-project and estimated post-project risk ranks provide an estimate of the risk reduction that can be achieved if each opportunity is executed. This risk reduction is factored against the estimated cost of each opportunity along with other meaningful prioritization factors to arrive at a proposed selection of opportunities to execute within a budget year.

The inclusion of risk-rank and risk-reduction information across the entire universe of project opportunities provides Williams with a tremendous ability to ensure our dollars are spent where they can affect meaningful and measurable risk reduction. Opportunities that carry higher risk and are considered for deferment are elevated to higher levels in the organization to ensure visibility into the associated risks that are being accepted if spend is deferred.



# Shareholder Relations

We value the direct engagement we have with shareholders on a variety of topics. Our corporate governance policies and activities are designed to provide our shareholders with company information that is accurate, timely and meaningful. Williams' philosophy is to focus our efforts on areas that are significant to the long-term sustainability of our business. We believe this focus will best serve all stakeholders, including shareholders, employees and the communities where we do business.

Our dialogue with shareholders allows us to address issues, share relevant information and align on facts. Williams frequently engages with investors relating to our company's business strategy and financial performance. We also discuss environmental, social and governance matters, including executive compensation and safety performance.

In 2018, members of our executive management team attended nine investor conferences, engaged in six non-deal roadshows and hosted our annual analyst day. During our analyst day, Williams' management gave in-depth presentations covering all the company's energy infrastructure businesses.

We also host a quarterly earnings call, during which our executive management team responds to analyst questions regarding both historical results and forward-looking information. Our dedicated investor relations group receives and responds to shareholder telephone calls and other communications. Shareholders can also communicate directly with our board of directors by contacting our corporate secretary or the chairman of the board.

Williams actively works to incorporate feedback from our shareholders. In recent years, some of Williams' investors have asked the company to offer more insight into our sustainability practices. With this feedback in mind, Williams is working to increase transparency related to our environmental, social and governance performance, including developing this 2018 Sustainability Report. Williams will also be responding to the CDP, formerly known as the Carbon Disclosure Project, in 2019. The CDP is an international organization that works with shareholders and corporations to disclose the carbon emissions of participating companies.



“Williams appreciates that environmental, social, governance is a concern to our stakeholders, as it is to people who invest in our company. How we minimize and mitigate ESG associated risks is a top business priority for us.”

**JOHN CHANDLER, SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER**



# Government Relations

Government support for energy infrastructure and natural gas markets in the United States is an important component of the future growth of the company. Williams works with government stakeholders and regulatory agencies at the federal, state and local levels on policies that impact our current and future operations. Our government affairs and outreach team educates policymakers and other government stakeholders on our projects and policy positions. In 2018, we engaged on a variety of issues, including energy infrastructure, pipeline project permitting, pipeline safety and tax policies.

## Political Contributions

Williams makes political contributions that support the advancement of the company's interests and those of our industry. Williams' political action committee (WILLCO PAC) giving and corporate political giving include bipartisan contributions to federal and state campaign committees and candidates for elected office. When Williams makes contributions to campaigns for candidates, as well as WILLCO PAC contributions, our legal department reviews to ensure adherence with applicable laws and regulations.

In 2018, Williams' corporate political contributions included \$460,000 in total disbursements to the Democratic Governors Association and the Republican Governors Association; \$250,000 to the Senate Majority Fund of Colorado; and \$42,100 to various state-level candidates and organizations. WILLCO PAC is an independent, nonpartisan entity that raises voluntary contributions from eligible Williams' employees to support candidates for congressional and state offices where permitted by law. Employee participation in WILLCO PAC is strictly voluntary.

The nominating and governance committee of the board of directors annually reviews the company's political contributions, including spending related to trade associations and other tax-exempt organizations. For additional information, please see our [political contributions webpage](#).

*The 2018 Williams political action committee board*





## Trade Associations

Williams belongs to a number of trade associations at the national, state and local levels. Active membership in trade associations helps us amplify the industry voice and collectively work on public policy priorities. We serve in lead roles on technical and public policy committees at various associations and participate in association advocacy and public education efforts. The primary trade associations we engage with include the following:

- American Petroleum Institute
- American Society of Mechanical Engineers
- American Society of Safety Engineers
- Association of Oil Pipelines
- GPA Midstream
- Interstate Natural Gas Association of America
- Marcellus Shale Coalition
- National Petroleum Council
- National Society of Professional Engineers
- Northwest Gas Association
- Southern Gas Association
- Tulsa Regional Chamber of Commerce

In 2018, the GPA Midstream Association presented awards to a select group of individuals and member companies contributing to the midstream industry. Alan Armstrong, president and chief executive officer of Williams, received the Hanlon Award for efforts to elevate the association's advocacy presence. The Hanlon Award is the association's highest honor.

These associations have varied positions on key public policy issues that are often, but not always, aligned with those of Williams. Williams discloses all expenditures of corporate funds to these associations used for nondeductible lobbying and political expenditures on our political contributions webpage.





# Cybersecurity

Effectively managing cybersecurity risks is crucial to protecting our facilities, operations and business-critical information from cyberattacks. Williams implements preventive measures, company-wide policies and training courses to avert unauthorized access to our physical locations and computerized systems. In 2018, we blocked more than 198 million emails, internet access attempts and malicious actions.

We conduct regular internal audits and risk strategy sessions to assess cybersecurity threats and respond accordingly. To complement this effort, Williams contracts with a third party to perform facility penetration tests and maturity assessments of our corporate and operations networks. We develop a quarterly Cybersecurity Board Report to communicate our performance and any identified risks to the board of directors.

Williams has several policies in place related to cybersecurity, from data classification and protection to password management. Our cybersecurity incident

response policy provides a structured and systematic response process for incidents that can impact Williams and any applicable third parties. The policy includes step-by-step guidelines for establishing a timely, consistent response to mitigate the effects of any security incidents on our customers, partners and employees.

Our cybersecurity awareness and training standard helps ensure that all employees, contractors and vendors are aware of cybersecurity risks. We require everyone with a Williams network identification to complete annual cybersecurity training to reduce risk exposure. We also deploy simulated phishing emails to practice identifying and responding to email attacks. Employees or contractors that fail a phishing email test are required to complete additional training. In 2018, 99 percent of our employees completed cybersecurity training.

Williams supplements training programs with awareness initiatives that call attention to cybersecurity through posters, presentations, newsletters and events. Every October during national Cybersecurity Awareness Month, we host a Know Williams event intended to inform employees about the different types of cybersecurity risks. Our 2018 event focused on identity theft.



The background of the entire page is a photograph of a natural gas compressor station, identified as the Crawford Trail station in Garfield County, Colorado. The station is located in a valley, surrounded by steep, layered rock cliffs and green vegetation. In the foreground, there are industrial structures including a large tan building, various pipes, valves, and a tall vertical vent stack. The sky is a clear, bright blue.

**We Make Energy Happen™**

# About This Report

The 2018 Williams Sustainability Report details our environmental, social and governance performance. The topics covered in this report are informed by the results of our materiality process. To further help interested stakeholders access our performance, we map relevant Global Reporting Initiative indicators in our content index and show trends over time in our performance data table.

*The Crawford Trail compressor station in Garfield County, Colorado, is part of our Parachute natural gas gathering system in the Piceance Basin.*





# Materiality Assessment

In 2018, we conducted a materiality assessment to better understand the sustainability topics that are most critical to Williams and our stakeholders. As part of this process, we surveyed a cross-functional group of Williams subject matter experts, interviewed senior leadership and reviewed internal documents to identify priority topics for the business. We conducted desktop research to understand the perspectives of external stakeholders, including a media review, peer company benchmark and reporting framework evaluation. We also reviewed the alignment between the topics we identified and the United Nations Sustainable Development Goals. The outcome of this assessment resulted in 13 material topics under the pillars of environment, social and governance, which are detailed in this report.

Environment	Social	Governance
Air Emissions	Community Engagement	Board Leadership
Biodiversity & Land Use	Safety	Cybersecurity
Climate Change	Supply Chain Management	Ethics & Integrity
Environmental Stewardship	Workforce Health & Development	Government Relations
		Shareholder Relations

# Stakeholder Engagement

We engage with stakeholders on a variety of sustainability topics so we can understand different perspectives, share our viewpoints and resolve issues. We interact with our diverse stakeholders using a variety of mechanisms, including in-person meetings, social media, open houses and community events. We have provided examples of engaging with stakeholders and their primary areas of interest throughout this report.

Our main stakeholder groups are as follows:

- Customers
- Employees
- Shareholders
- Communities
- Governments
- Suppliers
- Landowners

We take stakeholder feedback seriously and work to develop appropriate responses. In recent years, some of Williams' investors have asked for more insight into our sustainability practices. With this feedback in mind, Williams is working to increase transparency related to our environmental, social and governance performance, including development of our 2018 Sustainability Report.



# Reporting Guidelines

This 2018 Sustainability Report uses both qualitative descriptions and quantitative metrics to describe our policies, programs, practices and performance. The report covers Williams' operations from January 1, 2018, through December 31, 2018, unless otherwise indicated. The report reflects the most accurate information available to us at the time of publishing. In this report, Williams (which includes The Williams Companies, Inc., and our subsidiaries) is at times referred to in the first person as "we," "our" or "the company." We referenced the Global Reporting Initiative (GRI) Standards to guide the development of this report. To help interested stakeholders easily access our key sustainability indicators, we have mapped relevant GRI indicators on [page 60](#). For more information, or to offer comments and suggestions about this report, contact [WilliamsContact@williams.com](mailto:WilliamsContact@williams.com).

This report of The Williams Companies, Inc. (Williams) may contain or incorporate by reference statements that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements relate to anticipated financial performance, management's plans and objectives for future operations, business prospects, outcome of regulatory proceedings, market conditions and other matters. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included herein that address activities, events or developments that we expect, believe or anticipate will exist or may occur in the future, are forward-looking statements.

Forward-looking statements can be identified by various forms of words such as "anticipates," "believes," "seeks," "could," "may," "should," "continues," "estimates," "expects," "forecasts," "intends," "might," "goals," "objectives," "targets," "planned," "potential," "projects," "scheduled," "will," "assumes," "guidance," "outlook," "in-service date" or other similar expressions. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements can be found in the "Risk Factors" and "Forward-Looking Statements" sections included in Williams's Annual Report on Form 10-K filed with the SEC on February 21, 2019, and in Part II, Item 1A. Risk Factors in our Quarterly Reports on Form 10-Q. Given the uncertainties and risk factors that could cause our actual results to differ materially from those contained in any forward-looking statement, we caution investors not to unduly rely on our forward-looking statements. We disclaim any obligations to, and do not intend to, update any particular forward-looking statement included in this report or announce publicly the result of any revisions to any of the forward-looking statements to reflect future events or developments.

# Performance Data

We track and report key metrics for our material environmental, social and governance topics to help stakeholders understand our performance and drive continuous improvement. We report our data over a five-year period to demonstrate performance trends over time.

Performance Data*	2014	2015	2016	2017	2018
<b>Environment</b>					
Scope 1 greenhouse gas emissions (CO <sub>2</sub> e), million metric tons <sup>1</sup>	N/A	N/A	13.20	12.27	10.48
Scope 1 greenhouse gas emissions intensity (Scope 1 CO <sub>2</sub> e/MMcf) <sup>2</sup>	N/A	N/A	1.06	1.09	0.92
Carbon emissions intensity (Scope 1 CO <sub>2</sub> e/revenue, dollars) <sup>3</sup>	N/A	N/A	1760	1528	1207
Methane emissions intensity (CH <sub>4</sub> /MMcf) <sup>4</sup>	N/A	N/A	0.0060	0.0066	0.0052
Direct greenhouse gas emissions reported to GHGRP (CO <sub>2</sub> e), million metric tons <sup>5,6</sup>	9.29	10.32	12.82	11.75	9.91
Direct greenhouse gas emissions constituents reported to GHGRP, million metric tons <sup>5,6</sup>					
CO <sub>2</sub> (excluding emissions from exported power and heat)	8.87	9.93	11.22	10.13	8.64
Methane (CO <sub>2</sub> -equivalent)	0.42	0.39	1.59	1.62	1.27
N <sub>2</sub> O (CO <sub>2</sub> -equivalent)	0.0043	0.005	0.0062	0.005	0.0045
Sulfur dioxide (SO <sub>2</sub> ) emitted, tons <sup>7</sup>	571	696	695	671	488
Nitrogen oxides (NO <sub>x</sub> ) emitted, tons <sup>7</sup>	33,582	31,372	29,408	30,696	29,756
Volatile organic compounds (VOCs) emitted, tons <sup>7</sup>	13,992	14,334	14,213	13,173	9,490
Environmental-related notices of noncompliance	42	37	15	45	26
Total dollars spent on environmental penalties and fines, dollars	783,834	171,847	638,642	299,891	351,150
Total reportable spills and releases <sup>8</sup>	246	183	126	139	92
Total reportable spills to soil or water <sup>8</sup>	N/A	N/A	49	78	44
Volume of reportable spills to soil or water (thousands of barrels) <sup>8</sup>	N/A	N/A	N/A	1.57	1.08
Environmental accrual for remediation, millions of dollars <sup>9</sup>	43.6	39.2	41.5	39.5	36.7
<b>Social</b>					
Lost-time incident rate per 200,000 work hours—employees <sup>10</sup>	0.4	0.17	0.35	0.26	0.25
Total recordable incident rate per 200,000 work hours—employees <sup>10</sup>	1.3	0.83	1.07	1.09	0.81
Fatalities—employees	0	0	1	0	0
Fatalities—contractors	0	4	0	1	0
Fatality rate per 1,000 employees	0	0	0.18	0	0
Total preventable motor vehicle accidents—employees (per 1,000,000 miles) <sup>11</sup>	2.19	2.59	2.32	2.34	1.90
Process Safety Tier 1 Events (API RP 754 guidance)	N/A	N/A	N/A	57	29
Number of Department of Transportation reportable releases as a result from third-party damages	0	1	0	1	0
Number of regular employees at year end	5,200	6,686	5,670	5,460	5,337
Percent men	75	76	78	79	79
Percent women	25	24	22	21	21
Percent ethnic diversity	17	16	16	16	15



Performance Data*	2014	2015	2016	2017	2018
Percent of women and minorities in management roles	28	24	24	23	27
Number of new-hire employees	567	582	215	578	583
Voluntary termination rate	5.2	5.7	6.9	6.6	6.1
Percent of employees under collective bargaining agreements at year end	0	0	0	0	0
Total corporate and technical training hours completed by employees, thousands	55	111	114	182	172
Total corporate and technical training hours completed per employee	11	17	20	33	32
Total corporate and technical training expenditures, millions of dollars	5.13	6.57	2.92	3.71	3.54
Community investments, millions of dollars	9.2	11.2	10.1	9.5	9.4
Governance					
Total spending on taxes, millions of dollars <sup>12</sup>	276	246	265	308	307
Number of inquiries received through ethics reporting channels	N/A	265	212	215	203
Percent votes for the company's executive compensation program <sup>13</sup>	98.49	97.78	88.87	96.85	97.29

<sup>1</sup> Gross direct (Scope 1) greenhouse gas emissions in millions of metric tons of CO<sub>2</sub>-equivalent. The consolidation approach is operational control and includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O. Emissions are based on calendar years and are calculated using the U.S. Environmental Protection Agency Mandatory Greenhouse Gas Reporting Rule methodology for all assets that Williams owned and operated for the full calendar year. Excludes emissions from office buildings and company vehicles. Global Warming Potential rates are 25 for CH<sub>4</sub> and 298 for N<sub>2</sub>O.

<sup>2</sup> The Scope 1 greenhouse gas emissions intensity metric normalizes total annual Scope 1 CO<sub>2</sub>-equivalent (metric tons) to Williams' annual natural gas throughput (millions of cubic feet of gas). The gas throughput is the sum of the gas throughputs for gathering, processing, and transmission sectors that were reported to U.S. Environmental Protection Agency for the Greenhouse Gas Reporting Program. Refer to Footnote 1 for Scope 1 calculation details. Purchased electricity emissions are defined as Scope 2 emissions, and therefore are excluded from this intensity metric. A Scope 2 intensity is not included in this performance data table because Scope 2 emissions represent less than 10 percent of Williams' emissions profile.

<sup>3</sup> Gross direct (Scope 1) greenhouse gas emissions in metric tons of CO<sub>2</sub>-equivalent, divided by revenue. Includes CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

<sup>4</sup> The methane emissions intensity metric normalizes total annual Scope 1 methane (metric tons) to Williams' annual natural gas throughput (millions of cubic feet of gas). The gas throughput is the sum of the gas throughputs for gathering, processing, and transmission sectors that were reported to U.S. Environmental Protection Agency for the Greenhouse Gas Reporting Program. Refer to Footnote 1 for Scope 1 calculation details.

<sup>5</sup> Direct greenhouse gas emissions are reported annually to the Environmental Protection Agency in accordance with the U.S. Environmental Protection Agency Mandatory Greenhouse Gas Reporting Rule, if annual emissions for a facility exceed 25,000 metric tons of CO<sub>2</sub>-equivalent. Emissions reflect asset acquisitions and divestitures: 2015 was the first year of reporting Access Midstream under Williams; 2018 emissions do not include the Four Corners Area.

<sup>6</sup> The U.S. Environmental Protection Agency Greenhouse Gas Reporting Program was updated in 2016, which resulted in a large increase in reported emissions sources by adding the Gathering and Boosting Sector and Transmission Pipeline Blowdowns Sector. Decrease in 2018 can be mostly attributed to the asset sale of the Four Corners Area.

<sup>7</sup> Emissions are calculated according to permit requirements. If no annual emissions inventory or rolling 12-month emissions recordkeeping is required, the facilities' permitted potential to emit was used in its place.

<sup>8</sup> Agency reportable is defined as requiring reporting to federal, state or local agency.

<sup>9</sup> Accrued liabilities related to environmental cleanup, remediation and monitoring activities.

<sup>10</sup> Incidents include both injuries and illnesses.

<sup>11</sup> A preventable incident is one in which the driver failed to do everything reasonable to avoid the incident and could include: backing, hitting a fixed object, running into a vehicle ahead, striking a pedestrian, misjudging available clearance, not driving at a speed consistent with the existing conditions of the road, weather, traffic or sight distance.

<sup>12</sup> Includes Social Security, Medicare, FICA, state franchise, property, federal, state and foreign taxes paid. ACMP property taxes only included in 2017 and 2018. Excludes property tax amounts for assets sold by Williams.

<sup>13</sup> Percentage is calculated based on votes reported in the applicable Form 8-K. Percentage is calculated as votes "for" divided by the sum of votes "for" plus votes "against" plus "abstain" votes.

\*Data in the report and performance data table represent best available information at the time of publication. Performance data are reported for our affiliates and those operations under direct operational control. N/A indicates that data are not available.

# Global Reporting Initiative Index

The topics covered in this Sustainability Report are informed by the results of our 2018 materiality assessment. The Report references the Global Reporting Initiative (GRI) Standards. We map relevant GRI disclosures to help interested stakeholders access our performance. Williams lists the GRI disclosures that the company fully or partially reports on in the table below.

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