37+ years of Leadership in the Gulf of Mexico

W&T was founded in 1983 by our Chairman and CEO, Tracy Krohn, and we have emphasized adherence to high Environmental, Safety and Governance standards since our inception. We became a public company in 2005 and our common stock is traded on the NYSE under the symbol “WTI.” Operating safely for the protection of our employees and for the environment is of paramount importance. Our operations are currently focused solely in the Gulf of Mexico (“GOM”) so our actions not only impact our employees but the lives of thousands of people who live along its shores and depend on it as a source of food and a basis for their livelihood.

In 2020, we created an ESG Task Force that is comprised of management representatives from Operations, Health, Safety, Environment and Regulatory (“HSE&R”), Legal, Human Resources, Investor Relations and Finance that is charged with the responsibility to monitor our adherence to our ESG standards and formally communicate their findings on an ongoing basis to our CEO and Board of Directors (the “Board”). This inaugural report is the result of their efforts to disclose our ESG performance record over the last three years and discuss our plans to continue to address these key issues in the future.
This report provides detailed information about W&T Offshore, Inc.’s (“W&T” or the “Company”) Environmental, Social and Governance (“ESG”) initiatives and related key performance indicators.

In the creation of this document, we consulted the Sustainability Accounting Standards Board’s (“SASB”) Oil and Gas Exploration and Production Sustainability Accounting Standard, the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), the Sustainable Development Goals (“SDG’s”) promulgated by the United Nations and other reporting guidance from industry frameworks and standards. W&T focuses on six of the 17 SDGs: gender equality; clean water and sanitation; decent work and economic growth; responsible consumption and production; life below water; and peace, justice, and strong institutions. Our actions and initiatives implemented throughout the year endeavor to help advance these SDG’s.

This document covers the three-year period of January 1, 2018 through December 31, 2020, unless otherwise noted. For more information about our ongoing ESG efforts, please visit our website, www.wtoffshore.com. Also, please see page 40 for our Forward Looking Statements commentary and disclaimer.
Letter to Stakeholders

“It is my pleasure to present W&T Offshore’s Inaugural Environmental, Social and Governance report. We founded W&T nearly 40 years ago with the same core values we have today that have guided our success and provided the foundation for W&T to grow into a trusted operator in the Gulf of Mexico. From day one, we have been committed to developing and producing oil and gas resources in a safe and environmentally responsible manner, while meeting or exceeding all regulatory requirements. Our people are our most valuable asset and HSE&R issues and requirements are treated with the utmost importance and respect. Regardless of the acronym you use to describe our corporate responsibility, one thing is clear, W&T has developed a good reputation as a trusted operator, generous partner to the communities where we operate and good stewards to the environment.

We believe that every employee has a responsibility to ensure that we operate with the highest regards toward ESG and we have empowered our management to allocate resources and tools necessary to create a working environment focused on accomplishing our ESG objectives. We have a Vice President of HSE&R who oversees our programs, processes and systems with the goal of making sure key aspects of our business are appropriately and effectively implemented and maintained. This includes HSE&R communication with all personnel, including Stop Work Authority, oil spill prevention, waste minimization, incident planning, contractor management, personnel training and coordinating with regulatory agencies and industry groups to keep W&T abreast of upcoming HSE regulations, industry trends and best practices. We have also adopted best-practice governance standards. We are proud of our multi-year track record in each of these key areas as demonstrated by the measurable results described in this report. We remain committed to implementing additional measures in the future to further address these obligations as we hope to continue powering America safely and in a more sustainable manner for another 40 years.”

Tracy W. Krohn  
Founder, Chairman, Chief Executive Officer and President
Who We Are

W&T Offshore, Inc. is an independent oil and natural gas producer with operations offshore in the GOM. The Company is active in the exploration, development and acquisition of oil and natural gas properties. Founded in 1983, we are focused on optimizing production and increasing reserves in a safe, profitable and prudent manner, while managing cash flows to meet our obligations and investment needs. Much of our production in the GOM is the result of acquisitions. The GOM is an area where we have developed significant technical expertise and where high production rates associated with hydrocarbon deposits have historically provided us the best opportunity to achieve a rapid return on our invested capital. We have leveraged our experience in the conventional shelf (water depths of less than 500 feet) to develop higher impact capital projects in the GOM in both the deepwater (water depths in excess of 500 feet) and the deep shelf (well depths in excess of 15,000 feet and water depths of less than 500 feet).
## Our Business

**Year Ending December 31,**

### Metric | 2018 | 2019 | 2020
---|---|---|---
**Production**
SASB EM-EP-000.A | Producing Fields | 48 | 51 | 43
Crude Oil, MBbbls/d | 18.4 | 18.3 | 15.4
NGLs, MBbbls/d | 3.6 | 3.5 | 4.6
Natural Gas, Mcf/d | 87.7 | 113.2 | 132.2
Equivalent, MBOE/d | 36.5 | 40.6 | 42.0
**Proved Reserves**
Crude Oil, MBbls | 39,101 | 37,767 | 32,196
NGLs, MBbls | 9,828 | 24,469 | 17,358
Natural Gas, MMcf | 210,515 | 571,117 | 569,269
Equivalent, MBOE | 84,015 | 157,422 | 144,432
**Number of Sites**
SASB EM-EP-000.B | Gross Acreage | 720,000 | 815,000 | 737,000
Gross Productive Wells | 201 | 240 | 213
Offshore Structures | 123 | 146 | 146
**Personnel**
Employees | 298 | 282 | 303
Contractors | 269 | 393 | 318

---

**Production (MBOE/d)**

- Crude
- NGL
- Natural Gas

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>18.4</td>
<td>18.3</td>
<td>15.4</td>
</tr>
<tr>
<td>NGL</td>
<td>3.6</td>
<td>3.5</td>
<td>4.6</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>87.7</td>
<td>113.2</td>
<td>132.2</td>
</tr>
</tbody>
</table>

**Proved Reserves (MBOE)**

- Crude
- NGL
- Natural Gas

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude</td>
<td>39,101</td>
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</tr>
<tr>
<td>Natural Gas</td>
<td>210,515</td>
<td>571,117</td>
<td>569,269</td>
</tr>
</tbody>
</table>
Our Core Values

Our core values guide how we do business while providing the foundation upon which trust is established and maintained with our employees, contractors, partners and investors. At W&T, we recognize these core values:

**People**
are our most valuable asset.

**HSE&R issues and requirements**
are treated with the utmost importance and respect.

**Integrity, honesty, and transparency**
are critical to the success of our business affairs and in communications with all employees, contractors, partners and investors.

**Developing and maintaining strong internal and external relationships**
is important to achieving expected performance results.

**Open communication**
(while embracing constructive feedback) enhances our chance for success.

**Embrace change**
where it makes good sense to do so.

**Trust, respect, innovation, raising concerns, learning and accountability**
are key aspects of our business success.
Environmental
We are committed to protecting and preserving the environment in all aspects of our business, including production operations, well work programs, and decommissioning activities. Supporting our efforts is a robust program of policies, procedures and continuous training that meets or exceeds all regulatory requirements, and we expect our contractors to have similar programs in place. We recognize that the production and use of fossil fuels can contribute to climate change, and we will look for opportunities to further reduce our greenhouse gas emissions, while continuing our multi-faceted initiatives to promote safety, prevent spills, minimize the use of fresh water, and limit direct interaction with marine life.
Health, Safety and Environmental Management System


Our Safety and Environmental Management Systems ("SEMS") program is a performance-based system designed to manage and mitigate safety and environmental risk throughout all aspects of our business. The SEMS program incorporates numerous elements in order to achieve the highest level of risk mitigation possible, including:

- Comprehensive, regular auditing of the program, including implementation of corrective actions that are applicable to audit findings;
- Continuous auditing of offshore platforms by Health, Safety and Environmental (HSE) compliance employees;
- Establishment of quantifiable goals with deadlines for continuous improvement of environmental protection and worker safety;
- Collecting, monitoring, measuring and trending of key environmental and safety data;
- Robust safety and environmental training programs and requirements for employees and contractors;
- Maintaining a Vice President in charge of safety and environmental, and assignment of roles and responsibilities for health, safety and environmental protection for all of the Company’s assets;
- Evaluation of products, activities and services that could have significant impacts on the environment;
- Communicating environmental management issues both internally and externally; and
- Complying with environmental regulations and industry standards.

Our third party SEMS audits are performed by Certified Audit Service Providers ("ASPs") in accordance with 30 CFR §250 Subpart S. There is an offshore Occupational Safety and Health Administration ("OSHA") equivalent in place – the Bureau of Safety and Environmental Enforcement ("BSEE") – that enforces 30 CFR §250. Additionally, there are numerous United States Coast Guard ("USCG") regulations we adhere to. These mostly apply to floating platforms, which are treated similar to vessels for regulatory purposes. Other USCG regulations pertain to life-saving and firefighting equipment.

We operate under SEMS, which is internally audited every year and audited by a certified third party and the BSEE every three years.
We are proud that we have operated for nearly 40 years without a major oil spill incident or spills affecting any shoreline or environmentally sensitive areas defined by the National Oceanic Atmospheric Administration (NOAA).

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hydrocarbon (Oil) Spills (#)</td>
<td>39</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Total Volume (Bbls)</td>
<td>1.19</td>
<td>6.44</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Our performance on BSEE Incidence of Non-Compliance (“INC”) to component (# production component inspected) ratio has been consistently better than industry average over the past three years. Our ratio for 2018 was 0.016 (GOM average was 0.020); 2019 was 0.012 (GOM average was 0.017); and 2020 was 0.009 (GOM average has not been reported as of the date of this report). Our business model includes the acquisition and operation of older fixed production platforms that may have been neglected operationally in the past due to economic performance. We have programs and practices to manage those risks but cannot eliminate the risk from operating older fixed platforms.

**BSEE INC. to Component Ratio**

*(BSEE Incidence of Noncompliance / # of Production Components Inspected)*

- GOM Average*
- WTI

* GOM Average for 2020 was not available as of the date of this report. Estimate shown is based on a projected trend line from 2018 to 2019.

We have formalized and expanded our compliance programs and have trained environmental professionals on staff to manage our environmental compliance matters. These individuals work with regulators to address environmental issues. Our environmental and safety efforts have shown demonstrable results as reflected in our BSEE inspection results, spill performance and overall compliance record.
Greenhouse Gas ("GHG") Emissions

SASB EM-EP-420a.4

Scope 1 emissions in calendar 2019 includes emissions for facilities acquired during the year, for which data from the previous owners of the facilities is not included in the amounts shown for calendar 2018.

W&T operates offshore where the venting of unburned gas and flaring of gas occurs infrequently. On limited occasions when it does occur, it is primarily for maintenance and safety purposes. We do not waste natural resources by flaring gas to produce oil with no means to transport the associated gas. We have recently implemented the use of infrared cameras on the platforms we operate to identify fugitive hydrocarbon emissions at all production facilities.

The figures in the tables on page 11 show the reportable facilities' carbon dioxide equivalents (CO2-e). Unless otherwise stated, CO2-e emissions in this report include carbon dioxide, methane and nitrous oxide (CO2, CH4, N2O, respectively), which were consolidated and calculated in accordance with published 100-year time horizon global warming potential ("GWP") values based on the Intergovernmental Panel on Climate Change ("IPCC") Fourth Assessment Report. We focus on CO2, CH4, and N2O GHG emissions because these are the most prevalent GHGs emitted from oil and natural gas industry operations.

The increase in Scope 1 emissions in calendar 2019 is associated with facilities acquired during the year, for which emissions data from the previous owners of the facilities is not included in the amounts shown for calendar 2018. For calendar 2019, we include emissions data from the previous owners of the facilities from the beginning of 2019 until we took over operations of the facilities, as well as emissions data through the end of the year. The acquired facilities included three offshore production platforms required to report CO2e emissions and a large onshore natural gas treatment plant. Also contributing to the increase in calendar 2019 was the addition of two Company-owned offshore production platforms that fell under the CO2e emissions reporting threshold in calendar 2018 but were required to report during 2019 due to additional wells coming online as a result the Company’s drilling program.

We have separated our onshore from offshore facilities because of the contrast in carbon intensities associated with gas plants (onshore) and offshore production platforms.
### Metric 2018 2019 2020

**Onshore Facilities**

| Scope 1 emissions, percentage methane (in metric tons CO2-e) |
|---|---|---|
| SASB EM-EP-110a.1 |
| 78,465 | 174,529 | 168,568 |

**Offshore Facilities**

| Scope 1 emissions, percentage methane (in metric tons CO2-e) |
|---|---|---|
| SASB EM-EP-110a.1 |
| 135,565 | 252,756 | 224,488 |

**Vessels and Helicopters**

<table>
<thead>
<tr>
<th>Scope 1 emissions (in metric tons CO2-e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>66,721</td>
</tr>
</tbody>
</table>

**Total Scope 1 emissions**

| 280,751 | 519,896 | 432,634 |

**Amount of gross global Scope 1 emissions from:**

1. (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions (in metric tons CO2-e)

| (1) 4,144 | (1) 22,839 | (1) 21,674 |
| (2) 130,559 | (2) 295,758 | (2) 269,017 |
| (3) 46,787 | (3) 47,834 | (3) 42,363 |
| (4) 16,575 | (4) 42,129 | (4) 43,139 |
| (5) 21,684 | (5) 26,959 | (5) 17,044 |

**Onshore Facilities**

<table>
<thead>
<tr>
<th>Scope 2 emissions (in kilowatt hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29,289</td>
</tr>
</tbody>
</table>

### Scope 1 GHG Emissions (Metric Tons of CO2-e)

- **Vessels & Helicopters**
- **Offshore Facilities**
- **Onshore Facilities**

---

1. We are reporting GHG emissions for platforms that produced approximately two-thirds of W&T’s total oil and gas production for 2018, 2019 and 2020, with the remainder of production for each of the respective three years associated with platforms that fell under the CO2e emission threshold for GHG reporting.

2. Represents the electricity purchased to provide power for our owned gas plants and shorebase facility in Mobile, Alabama. For our gas plants, while we routinely generate excess electricity where we can provide it to the grid as required by the utility, the above includes purchases of electricity during instances when our generators are temporarily down for maintenance or other issues.

*Projected. Assumes actual 2020 as a baseline and: (1) eliminates Yellowhammer facility (2) maintains current activity levels and (3) no impact from potential acquisitions.
Our emissions from vessels and helicopters decreased 57% from 2019 to 2020 (from 92,611 metric tons to 39,593 metric tons). This was in large part due to reducing our third-party provided air fleet by four helicopters and marine fleet by four boats. Supporting the decrease was the implementation of looping systems to monitor and supply our active and inactive facilities, which led to a reduction in the need for crew changes and operational support. In addition, during 2020 we eliminated two shorebases in our efforts to minimize and consolidate shorebase operations and lower our ongoing costs.

At our onshore natural gas treatment plants in Alabama at Yellowhammer, which we operated since 2011, and at our Onshore Treatment Facility (“OTF”), that we acquired in 2019 from ExxonMobil, we have generated enough electricity where we can provide it to the grid as required by the utility. Our two sites were consolidated into one at OTF in January 2021, which should further reduce emissions by approximately 57,000 CO2-e per year and lower our annual operating costs by approximately $5 million beginning in 2021.

During the course of the year, we continuously evaluate the business to identify risks and opportunities. We consider multiple pricing scenarios when forming our short-term forecast, one-year budget, and three-year long term plan. These same principles also apply as we pursue the acquisition of compelling producing assets generating cash flow at attractive valuations with upside potential and optimization opportunities. We take the input of experts from internal functional areas to ensure assumptions are rigorously vetted. While we do our best to look ahead, we also believe that being conservative, thoughtful, open and nimble are the best ways to run a responsible exploration and production company in light of today’s important environmental policy issues. From an investment and a policy point of view, managing the life expectancy of our proved reserves is a critical component to success in our sector.

Recent studies by the International Energy Agency (“IEA”) suggest that, even in a carbon-constrained future scenario, demand for natural gas will continue to grow for the next 10 years, and natural gas and oil will continue to make up approximately half of the overall energy mix for the next 20 years. In August of 2019, we acquired assets located in the shallow water offshore Alabama in the Outer Continental Shelf (“OCS”) that primarily produce natural gas. As a result, the Company’s production profile evolved from producing 40% natural gas to currently producing approximately 52% natural gas. We take pride in being a financially sound and safe operator that generates positive free cash flow, and we believe our multi-pronged efforts to reduce carbon risk enhances our image as a corporate citizen.
Air Emissions

SASB EM-EP-120a.1

Air emissions from our platforms are covered under our Exploration and Development Plans that we submit to various federal agencies for review and approval. These emissions are calculated using a Bureau of Ocean Energy Management (“BOEM“)/Offshore Operators Committee (“OOC”) spreadsheet that uses the distance of the facility to the shoreline as a limiting factor. Based on this distance, an allowable tonnage of certain air emitters are noted in the plan and are reviewed by the BOEM Environmental Section as part of the National Environmental Policy Act (“NEPA”) review.

Further limitations to our operations would be needed if we exceeded the calculated allowable tonnage. Those limitations would be to either utilize Best Available and Safest Technology (“BAST”) equipment or to conduct a modeling of the air emissions for all operations. This modeling would follow current BOEM regulatory compliance requirements.

<table>
<thead>
<tr>
<th>Air Emissions (in tons)</th>
<th>2018</th>
<th>2019</th>
<th>2020^3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen Dioxide (NOx)</td>
<td>45</td>
<td>265</td>
<td>234</td>
</tr>
<tr>
<td>Sulfur Dioxides (SOx)</td>
<td>61</td>
<td>218</td>
<td>226</td>
</tr>
<tr>
<td>Volatile Organic Compounds (VOCs)</td>
<td>26</td>
<td>35</td>
<td>11</td>
</tr>
<tr>
<td>Particulate Matter (PM10)</td>
<td>1</td>
<td>2</td>
<td>11</td>
</tr>
</tbody>
</table>

Water Management

SASB EM-EP-140.a.1

Our offshore water consumption is very minimal because we do not perform hydraulic fracturing on the massive scale that is performed onshore in the shale plays. The hydraulic fracturing we perform is limited to a small area with limited water and energy use, as compared to onshore fracturing. Water discharge to the GOM is regulated by the EPA and we follow all permit requirements. Any water that is produced offshore is processed and treated according to strict EPA regulations before it is discharged overboard or injected. Onshore at our natural gas treatment facility, onsite water wells, comprised of 100% groundwater as per U.S. Geological Survey definition, are used at OTF and were used at Yellowhammer for steam and other uses within the process areas. Both plants are not locations with High or Extremely High Baseline Water Stress as classified by the World Resource Institute’s (“WRI”) Water Risk Atlas tool (i.e., Aqueduct).

^3 VOCs and PM10 at our Yellowhammer and OTF plants are not quantified until June.
Combined withdrawals at OTF and Yellowhammer are approximately 65.5 million gallons per year, the equivalent of 247.9 thousand cubic meters. The OTF plant consumes approximately 33.5 million gallons (126.8 thousand cubic meters) per year and most of that water is used as cooling water and steam for various purposes. More than one-third (approximately 24 million gallons per year), of the water withdrawn from the OTF wells is pumped offshore for use in water washes on the wells. Potable water is purchased for personnel use at the plants and Mobile Bay and certain other offshore platforms.

Waste Management

We generate non-hazardous waste from production platforms, including domestic trash, recyclable waste (used oil) and other waste. During drilling operations, some spent drilling mud and cuttings are transported to shore and disposed of at facilities (typically landfarming facilities) that accept non-hazardous oilfield wastes. These facilities bioremediate the hydrocarbons and the remaining material is used as fill material. We do not generate hazardous waste. Below shows Company figures for Tier 1 process safety events (“PSE”) rates, as defined by the International Association of Oil & Gas Producers (“OGP”), for instances of loss of primary containment (“LOPC”). LOPC is defined as an unplanned or uncontrolled release of any material from primary containment, including nontoxic and non-flammable materials (e.g., steam, hot condensate, nitrogen, compressed CO2 or compressed air). For drilling operations, any unplanned or uncontrolled release to the surface (seabed or ground level) should be included.

<table>
<thead>
<tr>
<th>Topic</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSE rates for LOPC of greater consequence (Tier 1)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

SASB EM-EP-540a.1

Biodiversity and Decommissioning

SASB EM-EP-160.a.3

The decommissioning of offshore infrastructure in the GOM is regulated by the BSEE in accordance with 30 CFR §250 Subpart Q Decommissioning Activities.
Not long after production platforms are installed offshore, they act as artificial reefs, attracting significant marine life, which adds to the GOM’s healthy ecosystem. An offshore operator can apply to remove the platform at the end of its useful life or to convert all or part of it into an artificial reef habitat, either in its current location or by transporting it to an already-established artificial reef location.

There are several ways to take a production platform out of service. One method is to relocate the platform to a pre-approved reefing site. These sites are designated as reefing sites in order to be able to accept decommissioned platform jackets. Adding to these sites increases the habitat for marine life, thereby greatly benefitting the environment. Since 2005, we have relocated 15 platforms to pre-approved reefing sites.

The second method is to reef the platform in place. Although this method involves the most regulatory permitting and can be a cumbersome process, it is also the most protective of the environment and the habitat which supports the marine life living in the vicinity of the platform. Since 2006, we have ‘reefed in place’ six platforms, with three of the platforms located in or near the Flower Gardens National Marine Sanctuary. Notably, one of the platforms we decommissioned, HI-A-389-A, is home to dozens of common fish species as well as common benthic community species within Flower Garden Banks National Marine Sanctuary, which is one of 14 national marine sanctuaries and two marine national monuments protected by National Oceanic and Atmospheric Administration’s (“NOAA”) Office of National Marine Sanctuaries. It is the only production platform ever to have been located inside a National Marine Sanctuary and is the only sanctuary site located in the GOM.

HI-A-389-A, an eight-leg production platform, acquired by W&T Offshore, Inc. in 2002, was installed in 1981 at a location just outside the designated No Activity Zone for oil and gas production at the southeast corner of East Flower Garden Bank in the Flower Garden Banks National Marine Sanctuary. The platform’s location is about one mile from the coral reef cap. The platform continued to produce until 2012. In 2014, the Company initiated negotiations to establish the platform as an artificial reef as part of the Texas Parks & Wildlife (“TPWD”) Rigs-To-Reefs program. The process involved removal of the deck and the top portion of the platform to a minimum depth of 65 feet below the surface. The top portion was placed on the sea floor adjacent to the remainder of the platform, with both structures left in place to serve as an artificial reef.

Significant interest by the public and the Sanctuary Advisory Council led to the sanctuary’s willingness to accept the decommissioned platform within the sanctuary’s boundaries. On July 25, 2018, removal of the top portion of the platform and the deck (where production occurs) was completed, with the removed materials taken to shore for recycling or reuse.

The artificial reef is held under the liability of TPWD. Liability for the permanently plugged and abandoned pipelines and wells remains with W&T Offshore, Inc.
In late 2020, Steve Hamm, our Vice President of Health, Safety, Environmental and Regulatory (“HSE&R”), was appointed to one of two oil and gas seats on the Flower Gardens Banks National Marine Sanctuary Advisory Council.

We have significant obligations to plug and abandon all well bores and remove our platforms, pipelines, facilities and equipment, as well as restore the land or seabed at the end of oil and natural gas production operations. Per Securities Exchange Commission (“SEC”) reporting requirements, we record a liability for the present value of our asset retirement obligations (“ARO”). From 2003 to 2020, we performed approximately $900 million of decommissioning work while meeting all of our financial obligations and generating positive free cash flow during numerous price cycles. We took advantage of a low service cost environment in 2016 and 2017 to bring forward future decommissioning activities and significantly reduce our ARO burden. For 2021 through 2023, the Company estimates it will spend, on average, approximately $17 million per year on decommissioning work.

Certain flora and fauna that have been officially classified as “threatened” or “endangered” are protected by the federal Endangered Species Act, as amended (“ESA”). The ESA prohibits any activities that could “take” a protected plant or animal, or reduce or degrade its habitat area. Additionally, the U.S. Fish and Wildlife Service may make determinations on the listing of species as threatened or endangered under the ESA and litigation with respect to the listing or non-listing of certain species may result in more fulsome protections for non-protected or lesser-protected species. We currently do not have proved or provable reserves in or near sites with protected conversation status or endagered species habitat.

We have safely and economically conducted operations on leases in areas where certain species that are listed as threatened or endangered are known to exist and where other species that potentially could be listed as threatened or endangered under the ESA may exist. Unique regulations related to operations in a sanctuary include prohibition of drilling activities within certain protected areas, restrictions on the types of water and other substances that may be discharged, required depths of discharge in connection with drilling and production activities and limitations on mooring of vessels.
Social
We view our people as our most valuable asset, and we strive to provide a work environment that attracts and retains the top talent in the industry. We spend considerable time and resources to advance the safety, health, and continuous professional development of our workforce. We also pride ourselves on providing an attractive compensation and benefits program that allows our employees to view working at W&T not as simply a job, but developing a career. The key to our past and future success is promoting a workforce culture that embraces integrity, honesty, and transparency with everyone we interact with, as well as fostering a trusting and respecting environment that embraces changes that push our Company forward in an innovative and positive way. As important, we look forward to continuing to support the communities in which we operate. We recognize and appreciate the ongoing efforts of our employees in their personal commitments from both a time and financial perspective in enhancing the quality of life in our local communities.
In response to COVID-19, at our corporate office, we instituted 100% remote work on March 23, 2020, and subsequently reopened our offices and implemented actions to protect our employees including temperature checks, mask wearing, social distancing and limiting headcount of 50% or less in our offices during peak COVID-19 outbreaks in the community. For our field operations, we instituted screening, which includes a questionnaire and temperature check, of all personnel prior to entry into heliports and shorebases as well as our Alabama gas treatment plant. The Company conducts daily temperature screenings at all offshore facilities, implemented procedures for distancing and hygiene at its field locations and provides COVID-19 testing for field project crews.

We will continue to monitor the COVID-19 situation and follow the advice of government and health advisors. We are pleased that through year-end 2020, our operations were not materially impacted by COVID-19.

We are proud participants in the BSEE Safe Text Messaging Service wherein HSE, Operations, Legal and our CEO receive all Safety Alerts as soon as they are sent out by BSEE. These include Safety Alerts along with recommended solutions. This accelerates the awareness by operators of different accidents/incidents and allows for quicker implementation of certain safety procedures and processes.

At W&T, we emphasize training to support our culture of “beyond compliance” and continuous improvement. We believe that training aids in minimizing HSE risk and exposure improves education, increases knowledge, advances skills, and facilitates continuous improvement in performance. Our training program applies a variety of learning techniques and training methods such as classroom training, site-specific training, mock incident simulations, desk-top drills, field safety orientations, lessons-learned training, computer-based training, and train-the-trainer sessions. Within our lessons learned system, we leverage useful information through peer companies, trade industry associations, and regulators to assist with training and education.

We continuously invest in worker training to improve the SEMS program by increasing worker knowledge of safety and compliance trends, current or upcoming regulations and best industry practices from regulators and industry groups that we participate with. Training is administered through a variety of methods including face to face presentations and discussions, computer-based training and third-party training.

We currently employ two Certified Safety Professionals (“CSP”) to manage HSE programs at our facilities. We also utilize two employee compliance technicians that work across our GOM operations to conduct internal audits with respect to HSE compliance.
The following safety metrics may vary depending on the work activities and operational output in a given year.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
</table>
| Total recordable incident rate (TRIR) for (a) full-time employees, (b) contract employees, and (c) short-service employees | (a) Full-time: 0.30  
(b) Contract: 0.44  
(c) Short-service: 0.0 | (a) Full-time: 0.71  
(b) Contract: 0.74  
(c) Short-service: 0.0 | (a) Full-time: 0.33  
(b) Contract: 1.13  
(c) Short-service: 0.0 |
| SASB EM-EP-320a.1                                                      |            |            |            |
| Fatality rate for (a) full-time employees, (b) contract employees, and (c) short-service employees | (a) Full-time: 0.0  
(b) Contract: 0.0  
(c) Short-service: 0.0 | (a) Full-time: 0.0  
(b) Contract: 0.0  
(c) Short-service: 0.0 | (a) Full-time: 0.0  
(b) Contract: 0.0  
(c) Short-service: 0.0 |
| SASB EM-EP-320a.1                                                      |            |            |            |
| Near miss frequency rate (NMFR)³                                       | 3.11       | 3.79       | 0.91       |
| SASB EM-EP-320a.1                                                      |            |            |            |
| Average hours of health, safety, and emergency response training* for (a) full-time employees, (b) contract employees | Not available | Not available | (a) Full-time: 23.27  
(b) Contractors: 25.3 |
| SASB EM-EP-320a.1                                                      |            |            |            |

³ The Company reports one combined metric for near miss frequency rate for full workforce. The near miss frequency rate is calculated as the number of near miss incidents reported multiplied by 200,000 divided by total man hours.

⁴ The Company reports the average hours of health, safety and emergency response training for full-time and contract employees. These figures are not available for calendar years in retrospect.

**TRIR—Full-time Employees**

- **GOM Average**
- **WTI**

* GOM Avg for 2020 not available as of the date of this report. Estimate shown is based on a projected trend line from 2018 to 2019.
Employee Recruitment, Engagement & Retention

For nearly four decades, we have been a thriving independent operator. We take pride in offering excellent work and life balance, a strong community environment, and a diverse asset portfolio.

Our Company is based on family-friendly values and is committed to being a great place for our approximately 300 employees and more than 300 contractors to build a career. Our seasoned technical staff has an average of more than 31 years of industry experience and approximately seven years of service at W&T.

Our ability to succeed depends on recruiting and retaining top talent in the industry. We believe employees choose working at W&T in part due to our professional advancement opportunities, on the job training, engaging culture, and competitive compensation and benefits.

The Company keeps our employees and personnel actively engaged through the following mechanisms:

- Town hall employee meetings;
- Weekly CEO, CFO and EVP of GOM Operations meetings;
- SEMS safety steering committee;
- Press releases communicated to employees;
- Encouragement of employees to listen to quarterly earnings calls; and
- Each employee undergoes a formal performance review for all regular employees on an annual basis.

We have a comprehensive and competitive compensation and benefits package to attract and retain our employees. We present employees with a complete summary of their benefits at the time of employment. Some of our benefits include: Competitive Performance Based Incentive Compensation, 401(k), Term Life Insurance, Medical, Dental, Vision, Long Term Disability, Short Term Disability, Paid Parking, PTO, Vacation and a Company match program of 100% of 6% of Base Salary for 401(k) Contributions. The Company uses a professional compensation consultant as its compensation benchmarking consultant, with the goal to provide competitive compensation for all employees.

We also have targeted programs in place to develop and retain high-performing, diverse talent, which helps ensure our leadership reflects our workforce. We are committed to growing our leaders from within and training on best practices concerning inclusion and other employee-centric imperatives. Given the impact of COVID-19 and its impact on face-to-face interaction as well as an extremely active hurricane season in 2020, we saw an expected decline in these development activities but look forward to a full resumption of our efforts in the second half of 2021 based on the current outlook for vaccine distribution and related mitigation efforts.
W&T Offshore sponsors a number of certifications for its employees. For example, those for HSE&R and Operations roles include: Crane Operator, Rigger, Production Operator, Pipeline Operator, CPR/First Aid, OIM, Ballast Control Operator, Barge Supervisor, Able-bodied Seaman, Ordinary Seaman, Coxswain, Forklift Operator, Welder, Scaffold Supervisor, Fall Protection/Rescue Supervisor and Firefighting Team Member.

We encourage all employees to increase their job-related skills and knowledge through accredited educational programs that contribute to the employees’ professional development, including higher education opportunities for employees.

Diversity & Inclusion

We focus on promoting diversity and inclusion throughout our talent acquisition, management, and development practices. From recent graduates to experienced hires, we seek to attract and develop top talent to continue building a unique blend of cultures, backgrounds, skills, and beliefs that mirrors the world we live in. We have focused on creating an environment that embraces diversity and encourages employees to thrive.

As an equal opportunity employer, our policies and practices support diversity of thought, perspective, sexual orientation, gender, gender identity and expression, race, ethnicity, culture and professional experience, among others. We declare as a matter of policy that there shall be no unlawful discrimination among the entire body of employees or applicants for employment based on physical or mental impairments. While our Board does not have a formal policy of considering diversity when evaluating director candidates, the Board does believe that its members should reflect diversity in professional experience, cultural experience, gender and ethnic background. These factors, together with the director qualifications criteria noted in the Governance section of this report, are considered by the Nominating and Corporate Governance Committee in assessing potential new directors.
We take pride in maintaining an older and more experienced workforce while helping to develop and train younger and diverse employees onshore and offshore. W&T does not have a mandatory retirement age.

<table>
<thead>
<tr>
<th>EEO Category</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Diversity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exec/Sr. Manager</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Mid-Level Manager</td>
<td>17%</td>
<td>83%</td>
</tr>
<tr>
<td>Professionals</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>All Other</td>
<td>9%</td>
<td>91%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. Ethnicity</th>
<th>Exec/Sr. Manager</th>
<th>Mid-Level Manager</th>
<th>Professionals</th>
<th>All Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Racial / Ethnic Diversity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>40%</td>
<td>6%</td>
<td>12%</td>
<td>-</td>
</tr>
<tr>
<td>Black/African American</td>
<td>20%</td>
<td>8%</td>
<td>24%</td>
<td>5%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>-</td>
<td>2%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Native American</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Two or more races</td>
<td>-</td>
<td>2%</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>White</td>
<td>40%</td>
<td>82%</td>
<td>52%</td>
<td>86%</td>
</tr>
</tbody>
</table>

**Philanthropy & Community Development**

We actively support charitable organizations in the communities where we operate to improve the quality of life for those living in the area. This includes a primary focus on helping children and families most in need while aiding in the protection of the environment. Along with our corporate initiatives, we view the support of our employees who volunteer their time with these organizations as critical and we look forward to continuing to support their efforts.
In the local communities in which we operate, our charitable efforts have historically been focused on improving children’s education, eradicating homelessness, and enhancing storm preparedness along the Gulf Coast. Most recently, our Offshore Community Service program entailed the participation in several successful community sponsoring events, including donations, volunteerism and other charitable contributions for:

- Food drive for the Backpack Buddy Program with the Houston Food Bank, for which our employees helped pack more than 1,200 boxes of food;
- Families in need during the holiday season;
- Love for the Troops, benefiting our U.S. troops in Afghanistan;
- Habitat for Humanity project;
- High on the Hog Cookoff for Hogs for the Cause in New Orleans, Louisiana, raising money to support families of children undergoing treatment for pediatric brain tumors;
- Firefighters in Mobile, Alabama;
- United Way, contributing matching donations by the Company and our CEO;
- Small Steps, providing an exemplary early childhood program to instill and foster the social, emotional, physical, intellectual and spiritual growth of economically at-risk children and their families in the Houston area;
- Circle of Life Gala, benefiting Memorial Hermann Houston Hospital’s Life Flight program;
- Methodist Hospital, fundraising for programs throughout the hospital system and publicly recognize those community leaders who have left an indelible mark upon Houston Methodist throughout its 100 years of Leading Medicine; and
- Arms Wide Adoption Services, care of Steve Kennedy of Amegy Bank, to assist with fundraising to support child placement, adoption education and post permanency family support for those in need of a safe and nurturing adoptive family in the Houston and South Texas area.

Helping Others is a management-supported group of our employees whose purpose is to give back to the communities in which we live and work. The Helping Others program allows our employees to work together to help those less fortunate have a better life. In addition to providing financial resources, we offer our employees the opportunity to donate volunteer time during business hours.

Finally, in 2019 we acquired facilities in Alabama from ExxonMobil, who had a very large community presence. We are committed to being an active supporter of the local community where those assets are located.
Our Board and its committees are responsible for our strategy and governance. Our fundamental policy is to conduct our business with honesty and integrity in accordance with the highest legal and ethical standards, which we view as critical to our long-term success and sustainability. We expect all employees across the organization to exemplify the same perspective as they carry out their work activities and appreciate their collective efforts.
ESG Oversight

To further enhance the Company’s and Board’s governance of ESG matters, we have formed a managerial ESG Task Force composed of cross-functional management-level employees in Operations, HSE&R, Legal, Human Resources, Investor Relations and Finance. These individuals are responsible for evaluating risks and opportunities, developing policies, practices, information and communications, and providing reports to our Chairman/CEO and to the Board.

Board Composition

All of the directors on our Board are elected annually and we employ a one share – one vote equity structure that ensures voting power is aligned with economic interest.

Tracy W. Krohn serves as the Company’s Chairman, Chief Executive Officer and President and controls approximately 33.7% of the outstanding shares of Common Stock. The Board believes its leadership structure is justified by the efficiencies of having the Chief Executive Officer and President also serve in the role of Chairman of the Board, as well as due to Mr. Krohn’s role in founding the Company and his significant ownership interest in the Company. Stuart B. Katz is the independent director who has been elected to serve as the Presiding Director of the Board. Following the retirement of Mr. Katz as a director as of the 2021 Annual Meeting, it is expected that the Board will elect Virginia Boulet to serve as the Presiding Director.

The Board has three standing committees – the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, on which all directors are deemed “independent” under NYSE standards.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence (%)</td>
<td>80%</td>
</tr>
<tr>
<td>Key board committee independence (%)</td>
<td>100%</td>
</tr>
<tr>
<td>Gender diversity (%)</td>
<td>20%</td>
</tr>
<tr>
<td>Independent Presiding Director</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Currently, our Board embodies a diverse set of experiences, qualifications, attributes and skills as shown below:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Executive Leadership</th>
<th>Financial</th>
<th>Energy / Oilfield Services</th>
<th>International Operations</th>
<th>Past or Present CEO</th>
<th>Past or Present CFO</th>
<th>Outside Board Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virginia Boulet</td>
<td>●</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stuart B. Katz</td>
<td>● ● ● ● ● ●</td>
<td>● ● ● ● ●</td>
<td>● ● ● ● ● ●</td>
<td>● ● ● ● ● ● ● ● ● ● ● ●</td>
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<td></td>
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<tr>
<td>Tracy W. Krohn</td>
<td>● ● ● ● ● ●</td>
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<tr>
<td>S. James Nelson</td>
<td>● ● ● ● ● ●</td>
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<tr>
<td>B. Frank Stanley</td>
<td>● ● ● ● ● ●</td>
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</tbody>
</table>

**Board Practices**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive sessions</td>
<td>Yes</td>
</tr>
<tr>
<td>Board evaluations</td>
<td>Yes</td>
</tr>
<tr>
<td>Regular succession planning</td>
<td>Yes</td>
</tr>
<tr>
<td>Continuing education for Directors and orientating new Directors</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Compensation Practices**

Among the criteria in our executive’s annual incentive plan, the HSE&R Score considers Total Recordable Incident Rate (“TRIR”), Spill Ratio, and INC to Component Ratio (Number of Incidents of Non-Compliance divided by number of components inspected by the Bureau of Safety and Environmental Enforcement (“BSEE”). The Company intends to increase the weighting of its HSE&R Score in its executive’s annual incentive plan in the future.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Metric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock ownership guidelines for Executives and Directors</td>
<td>Yes</td>
</tr>
<tr>
<td>Clawback policy</td>
<td>Yes</td>
</tr>
<tr>
<td>Anti-hedging policy</td>
<td>Yes</td>
</tr>
<tr>
<td>ESG linked Executive compensation</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Our Code of Business Conduct and Ethics covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, officers, and directors of our Company in the conduct of its business. All of our employees, officers, and directors must conduct themselves accordingly. We encourage our agents, representatives, and consultants to be familiar with and follow this Code. Those who violate the standards in this Code will be subject to disciplinary action.

Our ethical standards are built on obeying the law, in letter and spirit. All employees, contractors, vendors, officers, and directors must respect and obey the laws of the cities, states, and countries in which we operate. Of note, 0% of W&T Offshore’s proved and probable reserves are in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index as of the date of publishing this report. We also include the following anti-bribery and corruption language in our Master Service Agreements:

Contractor warrants that neither it nor, to its knowledge, any other entity or person in Contractor Group (i) has given or will give any commissions, payments, gifts of substantial value, kickbacks, lavish or extensive entertainment, or other things of substantial value to a person known by Contractor to be an entity or person in the W&T Group, or (ii) has received or will receive same from any entity or person known by Contractor to be an entity or person in the W&T Group, in connection with the Work performed under this Contract. In addition, in the event an entity or person in the W&T Group requests or demands any such commission, payment, gift of substantial value, kickback, lavish or extensive entertainment, or other things of substantial value, Contractor should promptly notify W&T’s General Counsel, Shahid Ghauri, via email (sghauri@wtoffshore.com) or by phone (713) 624-7279. Contractor acknowledges that the giving or receiving of any such payments, gifts, kickbacks, extensive entertainment, or other things of substantial value is strictly in violation of W&T’s corporate policy. Progressive remedial action up to and including termination of the contractual relationship between W&T and Contractor (as well as pursuing any other remedy that may be otherwise legally available to W&T) shall result in the event (i) Contractor offers or gives any such payments, gifts, kickbacks, extensive entertainment, or other things of substantial value to any entity or person in the W&T Group in connection with the Work being performed by such Contractor for W&T, or (ii) such Contractor fails to notify W&T when any entity or person in the W&T Group requests or demands any commission, payment, gift of substantial value, kickback, lavish or extensive entertainment, or other things of substantial value from such Contractor.
Although not all employees, officers and directors are expected to know the details of these laws, each employee, officer and director should know enough to seek advice from supervisors, managers, other appropriate personnel, or the Company’s legal counsel when necessary. The Company promotes compliance with laws, rules and regulations, including insider-trading laws. We also hold training sessions, as necessary.

Our legal team has distributed the revised Code of Business Conduct and Ethics policy, with emphasis on the revised quarterly insider trading blackout periods. This policy may be found in the Corporate Governance subsection of the “Investor Relations” section within our website.

In addition, we have established procedures for any employee, contractor, consultant or any other person to register complaints or concerns about the Company’s conduct or activities or that of any employee of W&T. The Company provides a simple way for concerns to be reported anonymously and confidentially through an independent service provider, EthicsPoint. Concerns or complaints may be submitted at any time by telephone to EthicsPoint’s toll free help line (888) 564-8023 or via the Internet: www.ethicspoint.com. Offshore, workers are trained that they should report unsafe working conditions to platform management, and if the condition is not adequately addressed, they should then contact the BSEE directly to report the matter.

We have also adopted a procedure for employees, contractors or consultants to notify our corporate environmental compliance manager of any suspected unreported or unlogged environmental violations.

We have a zero-tolerance policy for any type of harassment or retaliation against its employees related to any complaint of harassment or discrimination.

The management of the Company encourages its employees, contractors or consultants to utilize the foregoing procedures where they have good faith complaints or concerns about the Company’s conduct or activities or that of any employee of the Company.

All of our reporting procedures can be found in the Corporate Governance subsection of the “Investor Relations” section within our website.

Management of the Legal & Regulatory Environment

SASB EM-EP-530a.1

General

Various aspects of our oil and natural gas operations are subject to extensive and continually changing regulations as legislation affecting the oil and natural gas industry is under constant review for amendment or expansion. Numerous departments and agencies, both federal and state,
are authorized by statute to issue, and have issued, rules and regulations binding upon the oil and natural gas industry and its individual members. The BOEM and the BSEE, both agencies under the U.S. Department of the Interior (“DOI”), have adopted regulations pursuant to the Outer Continental Shelf Lands Act (“OCSLA”) that apply to our operations on federal leases in the GOM.

The Federal Energy Regulatory Commission (“FERC”) regulates the transportation and sale for resale of natural gas in interstate commerce pursuant to the Natural Gas Act of 1938 (“NGA”) and the Natural Gas Policy Act of 1978 (“NGPA”). In 1989, Congress enacted the Natural Gas Wellhead Decontrol Act, which removed all remaining price and non-price controls affecting wellhead sales of natural gas, effective January 1, 1993. Sales by producers of natural gas and all sales of crude oil, condensate and NGLs can currently be made at uncontrolled market prices. The FERC also regulates rates and service conditions for the interstate transportation of liquids, including crude oil, condensate and NGLs, under various statutes.

The Federal Trade Commission (“FTC”), the FERC and the Commodity Futures Trading Commission (“CFTC”) hold statutory authority to monitor certain segments of the physical and futures energy commodities markets. These agencies have imposed broad regulations prohibiting fraud and manipulation of such markets. We are required to observe the market related regulations enforced by these agencies with regard to our physical sales of crude oil or other energy commodities, and any related hedging activities that we undertake. Any violation of the FTC, FERC, and CFTC prohibitions on market manipulation can result in substantial civil penalties amounting to over $1.0 million per violation per day.

These departments and agencies have substantial enforcement authority and the ability to grant and suspend operations, and to levy substantial penalties for non-compliance. Failure to comply with such regulations, as interpreted and enforced, could have a material adverse effect on our business, results of operations and financial condition.

Federal Leases
Most of our offshore operations are conducted on federal oil and natural gas leases in the OCS waters of the GOM. The DOI has delegated its authority to issue federal leases granted under the OCSLA to the BOEM, which has adopted and implemented regulations relating to the issuance and operation of oil and natural gas leases on the OCS. These leases are awarded by the BOEM based on competitive bidding and contain relatively standardized terms. These leases require compliance with the BOEM, the BSEE, and other government agency regulations and orders that are subject to interpretation and change. The BSEE also regulates the plugging and abandonment of wells located on the OCS and, following cessation of operations, the removal or appropriate abandonment of all production facilities, structures and pipelines on the OCS (collectively, these activities are referred to as “decommissioning”), while the BOEM governs financial assurance requirements associated with those decommissioning obligations.

Decommissioning and Financial Assurance Requirements
The BOEM requires that lessees demonstrate financial strength and reliability according to its regulations and provide acceptable financial assurances to assure satisfaction of lease obligations,
including decommissioning activities on the OCS. In 2016, the BOEM issued Notice to Lessees and Operators (“NTL”) #2016-N01 (“NTL #2016-N01”) to clarify the procedures and guidelines that BOEM Regional Directors use to determine if and when additional financial assurances may be required for OCS leases, rights of way (“ROWs”) and rights of use and easement (“RUEs”). NTL #2016-N01 became effective in September 2016, but in the Spring of 2017, the BOEM extended indefinitely the start date for implementation. This extension currently remains in effect; however, the BOEM reserved the right to re-issue liability orders in the future, including if it determines there is a substantial risk of nonperformance of the interest holder’s decommissioning liabilities. See Risk Factors in our latest Form 10-K for more discussion on decommissioning and financial assurance requirements.

Critical Incident Risk Management

SASB EM-EP-540a.2

Higher risk work activities require additional safety controls such as Management of Change (“MOC”), Permit to Work, Confined Space Entry, Energy Isolation, Hot Work, Work at Heights, Work over Water, etc. All operating employees and contractors receive training on these topics each year.

At a facility level, many processes are in place to identify and eliminate/reduce the possibility of a serious incident.

Any changes to the facility or process require an MOC, a pre-start up safety review and in many cases, a full Hazardous Operations (“HAZOP”) review led by a third-party process safety engineer.

Natural Gas Treatment Plant – Alabama

This is a Process Safety Management (“PSM”) facility. A hazard assessment is conducted every five years and a PSM audit is also conducted every five years. This plant processes natural gas containing hydrogen sulfide (“H2S”).

The plant is equipped with extensive H2S monitors and alarm and shutdown functions. These are all tested as per regulations and the plan is submitted to the State of Alabama. There is a call system in place that allows W&T to quickly notify all residents in the surrounding area if there is an emergency event at the plant that may impact areas outside of the plant perimeter. There is a siren system in place in areas outside of the plant that can be used as an emergency notification system.

Non-destructive testing is conducted on process piping and vessels to ensure mechanical integrity is maintained and corrosion inhibiting chemicals are used to eliminate or reduce internal corrosion. Corrosion monitoring is in place, such as coupons, in key process flow lines to indicate if internal corrosion is taking place.
Offshore Platforms

The major hazard on platforms is fire or explosion. Many control measures are in place to prevent or mitigate fires or explosions.

Fire and gas detectors are located through the facilities and are tested/calibrated on a regular basis. Corrosion surveys are conducted on process piping and vessels.

Personnel are trained in firefighting and process safety and firefighting equipment is located throughout our facilities and inspected monthly. Fire and abandon platform drills are held regularly and area safety classifications are strictly followed to ensure potential ignition sources are not located in or near process areas. Audits are conducted to ensure all safety measures are in place and functioning correctly.

Drilling

Prior to installing a rig on a platform or jacking up next to a platform, a risk assessment is conducted.

If a rig will be jacked up next to a platform, a bottom survey is conducted to ensure it is safe to use the rig and to identify the exact area to jack up and how firm the sea bottom is at that location. A safety audit is conducted on any new rig or drilling contractor. The audit is not only concerned with the equipment but also reviews personnel training and competencies.

A detailed Bridging Agreement is put in place for all contractor companies that clearly identifies which management system (drilling contractor vs. W&T) will be used for most operations.

A well control manual is in place and agreed upon by both companies and an emergency evacuation plan is in place and submitted to the U.S. Coast Guard for any drilling operation. Personnel receive third-party well control training specific to their drilling position/role.

A third-party company is used to conduct frequent inspections of the drilling rig and operations documentation. In some cases, a third-party inspector is maintained on the rig throughout the drilling program.

Trade Associations

W&T Offshore is a member or hold leadership positions in a number of industry associations, including American Petroleum Institute (API), Outer Continental Shelf (OCS) Advisory Board, Gulf Coast Carbon Center Bureau of Economic Geology (Corporate Sponsor), Flower Garden Banks National Marine Sanctuary Advisory Council and Offshore Operators Committee (OOC).
## Hurricanes

In 2020, we had a very active storm season during which eight named storms had direct impact on our operations. In response, we evacuated and shut down operations to protect our employees and assets and minimize any potential impact to the environment.

To protect against storms, our Offshore Operational Hurricane Response Plan provides all W&T employees and contractors with the information and procedures that they need to adequately plan, prepare and respond to a tropical disturbance. The plan was prepared by the W&T management team using the best information available, industry best practices and past experience dealing with storms. The plan focuses on ensuring the necessary precautions will be taken sufficiently in advance to prevent increased risk to personnel in shutting-in wells, securing equipment, transferring from boats or structures, evacuating the location, or any other activity inherent to preparing for hurricanes.

The effectiveness of these procedures depends upon the careful planning and close cooperation of several groups of people. In all cases, the primary considerations in implementing this program in order of importance are: Safety of Personnel, Prevention of Pollution, Protection of Equipment; and Maintenance of Production.

W&T’s VP, HSE&R or their designee is designated as the Hurricane Coordinator and is responsible for overall hurricane planning and preparedness and will monitor storm conditions and Hurricane Alert status. In the event conditions warrant, in accordance with the Hurricane Team Alert Status conditions, the Vice Presidents of Production Operations, Drilling, Completions, Facilities and HSE&R are responsible for evaluation of the tropical storm and hurricane forecasts and will determine the proper alert level (Phase I, etc.) for hurricane procedures.

W&T has always had risk-related pollution insurance coverage that has been more than adequate for every windstorm event since its inception, including such notable storms as Andrew, Katrina, Rita, Ike and most recently all the storms that impacted the GOM in 2020. W&T has never had to deploy pollution gathering equipment in the GOM after a named storm because safety systems have been efficiently operated and maintained.

## Blowout Prevention and Pollution Control Equipment

W&T is one of the original members of HWCG LLC (“HWCG”), which is a consortium of deepwater operators and non-operators that provides marine deployment of blowout control and pollution equipment in the GOM. We have provided leadership at HWCG for multiple years utilizing W&T professionals.
Data Security & Privacy

Technology is integrated into every aspect of our lives. The operational security for these software intensive systems depends on the practicality and techniques used during the design and development. Lifecycle processes must consider the security-related risks inherent in the operational environments where systems are deployed.

Increased consideration of operational security risk earlier in the acquisition and development processes provides an opportunity to tune decisions to address security risk and reduce the total cost of operational security. We provide key operational management approaches, methodologies, and practices for assurance of a greater level of software and system security, throughout the development and acquisition lifecycle.

Cyber-security is both about the insecurity created by and through the need to make it more secure. It refers to a set of activities and measures, both technical and non-technical, intended to protect the bioelectrical environment, including eye retina pattern, fingerprint and RFID chip access, and the data it contains and transports from all possible threats.

Systems cannot be constructed to eliminate security risk but must incorporate capabilities to recognize, resist, and recover from attacks. Initial acquisition and design must prepare the system for implementation and sustainment. As a result, assurance must be planned across the lifecycle to ensure effective operational security over time.
Forward Looking Statement Commentary and Disclaimer

This report contains 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, with respect to the implementation of Environmental, Social and Corporate Governance (“ESG”) practices. These forward-looking statements reflect our current views with respect to future events, based on what we believe are reasonable assumptions. Such statements include, among others, our ability to reduce our greenhouse gas emissions, our ability to reduce spills and minimize damage to marine life, estimates of future costs of our decommissioning activities, our ability to implement practices to monitor the implementation of our ESG Practices and the establishment of a workforce culture that attracts top talent. No assurance can be given, however, that these events will occur. These statements are subject to risks and uncertainties that could cause actual results to differ materially including, among other things, uncertainties inherent in oil and gas production operations, the success of our risk management activities, governmental regulations, uncertainties and other factors discussed in W&T Offshore’s Annual Report on Form 10-K for the year ended December 31, 2020 and subsequent Form 10-Q reports found at www.sec.gov or at our website at www.wtoffshore.com under the Investor Relations section. Investors are urged to consider closely the disclosures and risk factors in these reports.