

DIVERSIFIED
energy

CLIMATE POLICY

This policy statement is driven in part by our Company Values, which form the foundation upon which our company was started and the standards to which each Director, officer and employee of Diversified is expected to adhere. As per these Company Values, we will conduct our business and deliver value to our stakeholders based upon ethical standards and beliefs that:

- ❖ Value the dignity and worth of all individuals
- ❖ Act with personal and business integrity
- ❖ Commit to excellence in our performance;
- ❖ Respect environmental stewardship as we make business decisions;
- ❖ Exhibit courage of convictions, challenge the status quo and strive to create value;
- ❖ Seek opportunities for continuous learning and improvement; and
- ❖ Serve and support our teams and communities with passion and enthusiasm.

Energy is at the core of the global economy, providing an essential ingredient for almost all human necessities and activities. Therefore, ensuring this much-needed energy is produced responsibly is the foundation of Diversified Energy Company's ("**Diversified**") strategy and efforts toward effective climate focused action.

We recognize the importance of addressing climate changes and are committed to reducing the impact of our operations by investing in our processes, equipment and capabilities. This commitment includes a specific responsibility to take action to address climate change causes and to protect our employees, assets and the environment against its potential impacts as the world actively explores and effectuates mechanisms to manage a transition to lower carbon energy sources. Representing a significant tool in achieving this action, our business model is focused primarily on natural gas production, which aligns with current long-term global and US natural gas demand projections and therefore represents a key component of a lower carbon energy transition.

We recognize that climate changes are complex global issues that require governments, businesses and communities to work together on appropriate, achievable policies, and we are committed to playing our part to provide energy to a lower carbon world. Specifically, we are committed to helping the US do its part in meeting the world's methane emission reduction aspirations, and this commitment begins with establishing and effectuating a climate change strategy to achieve our own methane intensity reduction targets and net zero greenhouse emissions goal.

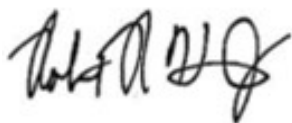
We also recognize the physical and social impacts of a changing climate, such as water scarcity, may impact our operations and our communities. Therefore, this policy sets out the principles that will inform our approach to the challenge of climate change and the management of the risks and opportunities associated with it. As a responsible steward of valuable resources, we are committed to the following principles, actions and performance.

Specifically, we will:

- proactively develop and continuously update and communicate a climate strategy and our progress towards achieving our 2040 net zero Scope 1 and 2 greenhouse gas emissions goal;
- identify, manage and mitigate climate related risks, both Physical (acute and chronic) and Transition (market, reputational, technology, regulatory, policy, legal and financial), for our business activities;
- identify and pursue, where relevant, appropriate climate-related technologies and other opportunities to reduce greenhouse gas emissions in further support of achievement of emissions goals;
- continue active deployment of Smarter Asset Management initiatives in tandem with identified emissions reductions initiatives to reduce our methane emissions intensity by 30% by 2026 and 50% by 2030 (2020 baseline);
- maintain policies, programs and procedures which include climate oversight that enables evaluation, analysis, management and further reduction of emissions and climate-related matters;

- embed climate risk and opportunity analyses, including developing and applying carbon price utilization processes for portfolio decisions due diligence and capital allocation processes;
- conduct baseline emission studies for impact on the portfolio at the time of all acquisitions and establish emissions reduction and energy efficiency investment strategies throughout integration and ongoing operations;
- link executive and employee remuneration to annual and long-term climate related goals;
- avoid unnecessary flaring and gas venting across all our assets;
- maintain active leak detection and repair programs for fugitive emissions across both upstream and midstream assets;
- routinely and transparently communicate our understanding of climate related risks and their relevance and the Company's climate strategy to investors and other stakeholder groups, and aim to align our reporting to the recommendations of the Task Force for Climate-related Financial Disclosures and other regulatory reporting regimes;
- share our commitment to tackling climate impacts with our business partners and seek to include climate related criteria within the selection process;
- contribute our skills and knowledge to assist governments and other stakeholders in the development of responsible public policy and regulation; and
- ensure an appropriate level of awareness of climate across our organization, including the Board of Directors and all employees, and build strategic, operational and technical capacity within Diversified to meet our objectives.

Under the oversight of the full Board and the Sustainability and Safety Committee of the Board, executive responsibility and accountability for the Company's environmental and climate change approach lie with the Chief Executive Officer ("**CEO**"). The CEO, supported by the executive management team, is responsible for identifying and assessing business climate-related risks and opportunities, including those related to energy transition, defining the strategy and approving action plans suitable to control and mitigate any identified risks.



Rusty Hutson, Jr.
Co-Founder and Chief Executive Officer