



DIVERSIFIED  
energy

# Winning Through Collaboration

2024 Sustainability Report



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# Diversified at a Glance

NYSE:DEC | LSE:DEC

Diversified Energy Company (“Diversified”) is a leading publicly traded energy company focused on U.S. onshore natural gas and liquids production, transport, marketing, and well retirement. Through our differentiated business strategy, we play an important role in the energy landscape by serving as a:

- proven consolidator of existing, long-life assets,
- committed investor in the improved environmental and operational performance of our assets, and
- responsible lifecycle owner until retiring those assets in a safe and environmentally secure manner.

Headquartered in Birmingham, Alabama, our operations span nine U.S. states and our diverse customer base includes energy marketers, U.S. LNG export facilities, gathering and processing facilities, other producers, local municipalities and utilities, commercial and industrial end users, and direct retail customers.

Recognized by ratings agencies and organizations for our sustainability leadership, our solutions-oriented, stewardship approach makes Diversified *the Right Company at the Right Time* to responsibly produce energy, reliably deliver free cash flow, and consistently generate economic and environmental stakeholder value.

FOR THE YEAR ENDED DECEMBER 31, 2024

NET PRODUCTION

791

MMcfepd

PRODUCTION MIX

96%

Natural Gas and NGLs

PROVED RESERVES

3,628

Bcfe (SEC Pricing)

PROVED RESERVES

\$1.6 Billion

PV10 (SEC Pricing)

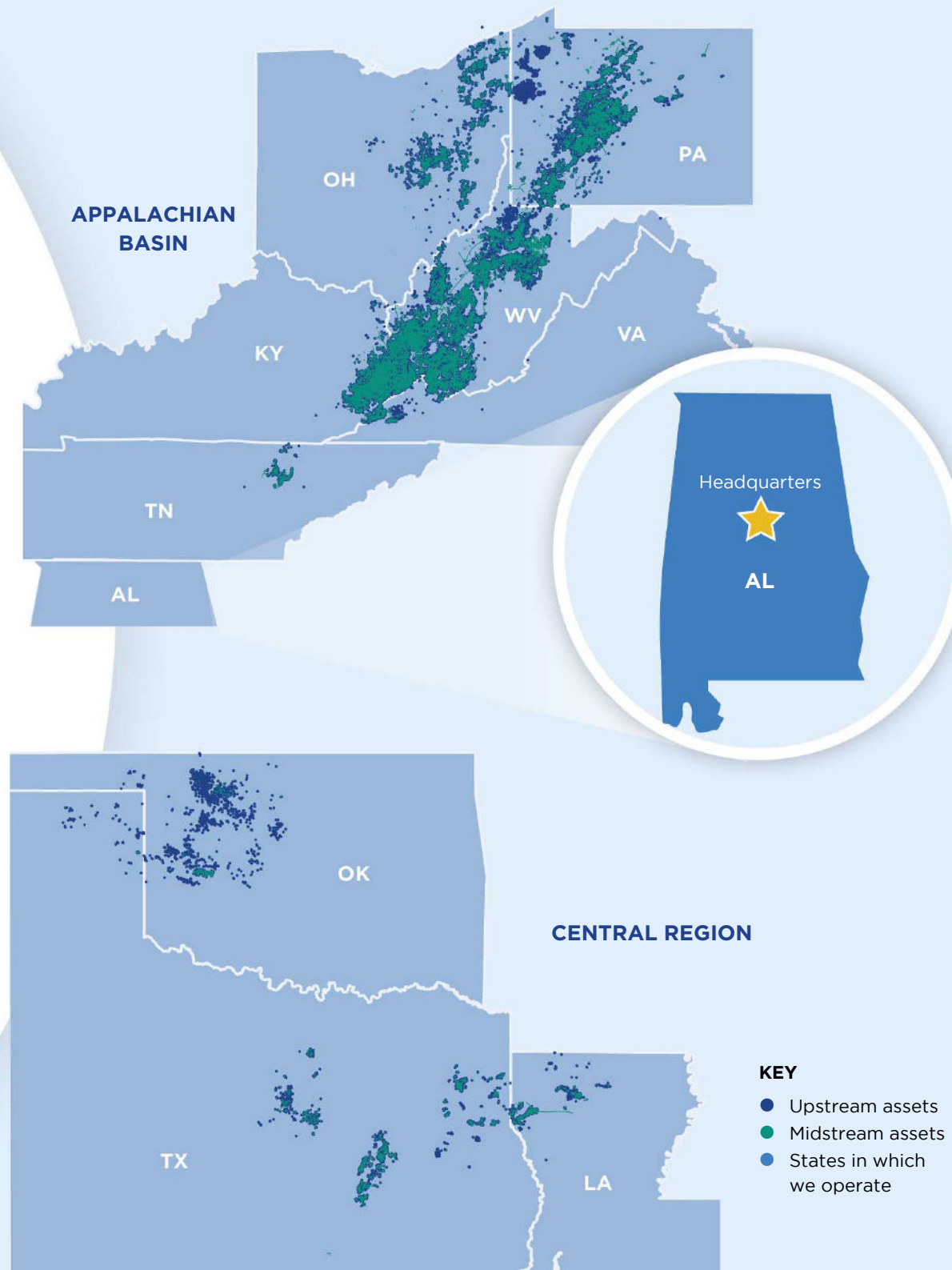
TOTAL REVENUES

\$795 Million

Unhedged

EMPLOYEES

1,589



KEY

- Upstream assets
- Midstream assets
- States in which we operate



# A Message from Our CEO

It's an exciting time to be in the energy business, with energy demands continuing to grow and forecasts for 2025 among the highest levels in the past two decades.<sup>1</sup> Even more exciting are the results the Diversified team is achieving every day, with a focus on both the near- and long-term, to unlock value from existing assets while creating new, differentiated opportunities to drive further value and sustainability.

In 2024, we truly felt and saw our OneDEC culture come alive as Diversified's employees demonstrated the power of innovative approaches, the spirit of collaboration, and a commitment to knowledge sharing - collectively fostering an environment that allowed ideas to thrive and transform into actionable solutions. Even in the face of new and challenging environmental regulations during the year that continued to shape the oil and gas industry, our team remained focused on advancing our operational and environmental performance, as evidenced by further strong reductions in our methane intensity and a third-year OGMP 2.0 Gold standard recognition.

With our unique Smarter Asset Management approach to asset stewardship, combined with the inherent benefits of natural gas, Diversified is well-positioned to meet modern energy challenges while providing the dependable, lower-carbon energy necessary to bridge the gap between the growing demand and the need for innovation in energy supply.

Beyond the core benefits of our asset stewardship model, our capital investments, site-level pilot projects, industry partnerships, and consistent dialogue with third-party organizations continue to unlock innovative programs and strategies that progressively further our environmental and sustainability goals - at times, contributing to added financial benefits through contractual instruments, and new market developments. Notably, Diversified's entry in 2024 into coal mine methane capture provides the opportunity to generate revenue through carbon credits while providing a valuable solution to a third-party source of methane to the atmosphere. We continue to explore additional low-carbon solutions, opportunistically expanding into adjacent markets and non-traditional operations, including alternative uses for our wellbores and expanded well retirement services.

At Diversified, our employees are at the heart of our success, which is why we seek first to prioritize their health, safety, and well-being and why we were pleased to record improvements in our primary safety metrics. We also recognize and value the important role employees play in driving the Company's efforts to financially and physically support and serve the communities in our areas of operations.

We wholly acknowledge our responsibility to our employees, communities and the environment, as well as the role we can play as a leader in our industry. Diversified is focused on what matters operationally - being a responsible steward of our assets, reducing our emissions footprint, and rehabilitating and retiring wells - while supporting communities and economies with essential energy through safe operations and local employment.

Diversified's operating model well positions the Company to serve its business goals, its stakeholders, and the environment. We are the 'Right Company at the Right Time' to serve the U.S. energy market with reliable and affordable energy, while continuing to advance sustainability across the industry. This positioning is best evidenced in our ongoing achievements as reflected herein.

We are pleased to present you with this annual Sustainability Report in which we demonstrate how we are '*Winning through Collaboration*' and share a glimpse of the strong and sustainable performance and execution excellence of our team in 2024.

**Robert R. "Rusty" Hutson, Jr.**  
Chief Executive Officer



“  
By fostering a culture that values innovation and collaboration, we empower our teams to drive meaningful progress and deliver on our sustainability and operational goals.”

## 2024 SUSTAINABILITY HIGHLIGHTS

### METHANE INTENSITY

**0.7**  
MT CO<sub>2</sub>e/MMcfe

**56%**  
reduction vs.  
2020 baseline

### OIL AND GAS METHANE PARTNERSHIP 2.0

**Gold**  
3rd consecutive year

### DRIVER SAFETY - PMVA RATE

**0.34**  
incidents per million miles driven

### PERSONAL SAFETY - TRIR

**30%**  
year-over-year improvement

### COMMUNITY OUTREACH

**\$2.1 million**  
across 10-state footprint

### ECONOMIC IMPACT: GDP

**\$1.0 billion**  
direct & ancillary contribution

<sup>1</sup> Source: U.S Energy Information Administration, "Short Term Energy Outlook", December 10, 2024  
<https://www.eia.gov/outlooks/steo/report/natgas.php>



# Sustainability Approach

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# Our Differentiated Stewardship Model

Sustainability and responsible stewardship are at the core of our operations. Our sustainability strategy is built on the pillars of risk management, asset integrity, employee safety, environmental protection, emissions reduction and community engagement. From the wellhead to the boardroom, we are committed to our role as responsible stewards of the natural resources we manage, the people we employ and the environment in which we operate. Implementing data-driven practices and programs to drive collaboration and innovation, inform decision making, and optimize our daily activities has allowed us to integrate sustainability and safety into our operational strategy across our upstream, midstream and well retirement operations.

## SUSTAINABILITY APPROACH

We are committed to addressing key climate and environmental issues for our **PLANET** and, likewise, relevant social issues for the **PEOPLE** we engage across our operations, and doing so with a constant focus on the values and **PRINCIPLES** under which we were founded and continue to operate.



### Smarter Asset Management

We built Diversified to focus on the efficient production and operation of our wells and midstream assets, and our internally-developed Smarter Asset Management program fully supports this foundational focus. Representing the critical integration of sustainability into our operational priorities, the program is designed to reduce fugitive emissions, improve production, and lower per-unit operating costs. We see Smarter Asset Management as simply good business: wise stewardship of existing assets and highly aligned with our goals to have a positive environmental and social impact.

### Stewardship through the Asset Life Cycle

Our unique acquisition-driven business model, coupled with a commitment to environmental stewardship, necessitates a comprehensive lifecycle approach to asset management. From due diligence at acquisition to end of life retirement, we prioritize sustainable practices and operational excellence. Every decision made during an asset's life cycle is underpinned by data from our growing portfolio of technological and operational solutions, and this modern field management approach further enables and optimizes decision making at the well tender level. The volume of information we monitor and manage ensures that we have access to the information needed to optimize our business.

### Commitment to Sustainability Leadership and Transparency

As a company, we work diligently to foster a culture of sustainability leadership and transparency. Our daily efforts have focused on taking prudent actions that enhance the integrity, reliability and value of our asset portfolio while supporting both organizational and societal sustainability. We continue to advance our sustainability initiatives and make progress towards related targets, partnered with a sustained level of transparency in our reporting.

### In recognition of our demonstrated actions and disclosure transparency, in 2024 we:



Achieved the **OGMP 2.0 Gold Standard Pathway** for the third consecutive year, and accomplished efforts to satisfy Level 4 status on all OGMP categories (pending OGMP confirmation in spring/summer 2025)



Received **shortlist honors** from ESG Awards for our **2023 Sustainability Report** for both ESG Report of the Year and Carbon Footprint ESG Performance of the Year



Received an **MSCI AA-rating** for the second consecutive year<sup>1</sup>

<sup>1</sup> The use by Diversified Energy Company plc of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Diversified Energy Company plc by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# Stakeholder Engagement

We gather and incorporate feedback from internal and external stakeholders to highlight topics that are of greatest priority to them, which in turn helps to inform our approach to sustainability. Engaging these stakeholder groups provides Diversified with unique perspectives and feedback that allow us to prioritize our sustainability actions, thus increasing our accountability and responsiveness to stakeholder interests. We focus on clear, effective and transparent communications with all stakeholder groups in order to facilitate and strengthen our engagements.

## Feedback Channels

Our stakeholder groups include employees, equity and debt investors, communities, governments, customers, and business partners. Feedback channels with each of these groups are essential to how we maintain open communication and visibility around the views of this broad range of our stakeholders.

### HOW WE ENGAGE

**Applicable to all stakeholders:** Diversified Central Call Center, company website, digital and multimedia campaigns, active social media presence, company presentations and public materials.

#### EMPLOYEES

- Daily direct interactions and communications
- DEConnection intranet
- Employee Relations and EHS policies
- Code of Business Conduct & Ethics
- Dedicated compliance hotline & website
- Non-Executive Director Employee Representative on the Board
- Town hall meetings and field visits with executive and senior management
- Performance management system
- Engagement surveys
- Career development programs
- Safety meetings
- Health & wellness programs

#### EQUITY & DEBT INVESTORS

- Dedicated Investor Relations access
- Management engagement with investors and credit facilities
- Investor presentations and conferences
- Engagement with analysts and portfolio managers
- Annual general meeting of shareholders
- Annual and interim financial filings
- Annual Sustainability Report publication
- Press releases

#### COMMUNITIES

- Socio-Economic and Biodiversity policies
- Formal Community Giving Program
- Employee volunteerism
- Company and employee financial contributions, including company match program
- Sponsorships and participation in community events
- Local hiring
- Tax revenue and GDP contributions
- First responder & public safety training events

#### GOVERNMENTS

- Advocacy and policy development
- Representation in trade and industry associations
- Tax Policy
- Regulatory audits
- Regulatory compliance in active and retirement operation of assets
- States' partner in orphan/abandoned well retirement programs
- Field tours

#### CUSTOMERS

- Dedicated owner relations access
- Marketing attendance at industry events and conferences
- Call Before You Dig program
- Pipeline awareness programs

#### BUSINESS PARTNERS

- Business Partners Policy
- Online compliance website
- Contractor risk management via Veriforce
- Competitive bidding program



For more information on how we engage with stakeholders, please refer to Section 172 Companies Act Statement within our [2024 Annual Report](#).

## Land and Mineral Owners

Given the nature of the interest and ownership model in the U.S. oil and gas industry, we recognize that our business necessitates prompt, open and transparent communication with our royalty and surface owners in order to maintain long-term, productive relationships. These stakeholder groups are critical to our business as we are reliant upon them to attain access to the very land or minerals they own that we in turn lease and manage through our operations.

In 2024, landowner interactions included more than 33,000 inquiries through our corporate call center and a multitude of personal visits by our field personnel. During the year, we also provided our owners with an electronic alternative to monthly paper revenue statements. This initiative significantly reduces our carbon footprint and helps protect ecosystems, which fosters a healthier planet for current and future generations. Aside from the positive environmental impacts, eliminating paper statements has also allowed our process to be more efficient and streamlined.

Our Oklahoma operations in the Central Region include certain wells located in close proximity to or on designated Native American lands. At December 31, 2024, less than 0.3% of the Company's total net proved reserves were from wells located near or on these lands. Our engagement approach with this stakeholder group seeks to prioritize and respect their allotted trusts on lands and leases where we operate.

Diversified's operations on or near indigenous lands do not include new development or drilling and therefore have not required relocation or reimbursement initiatives with these people groups. We also work closely with government entities at the national, state and local levels to remain compliant with public land usage and regulations.

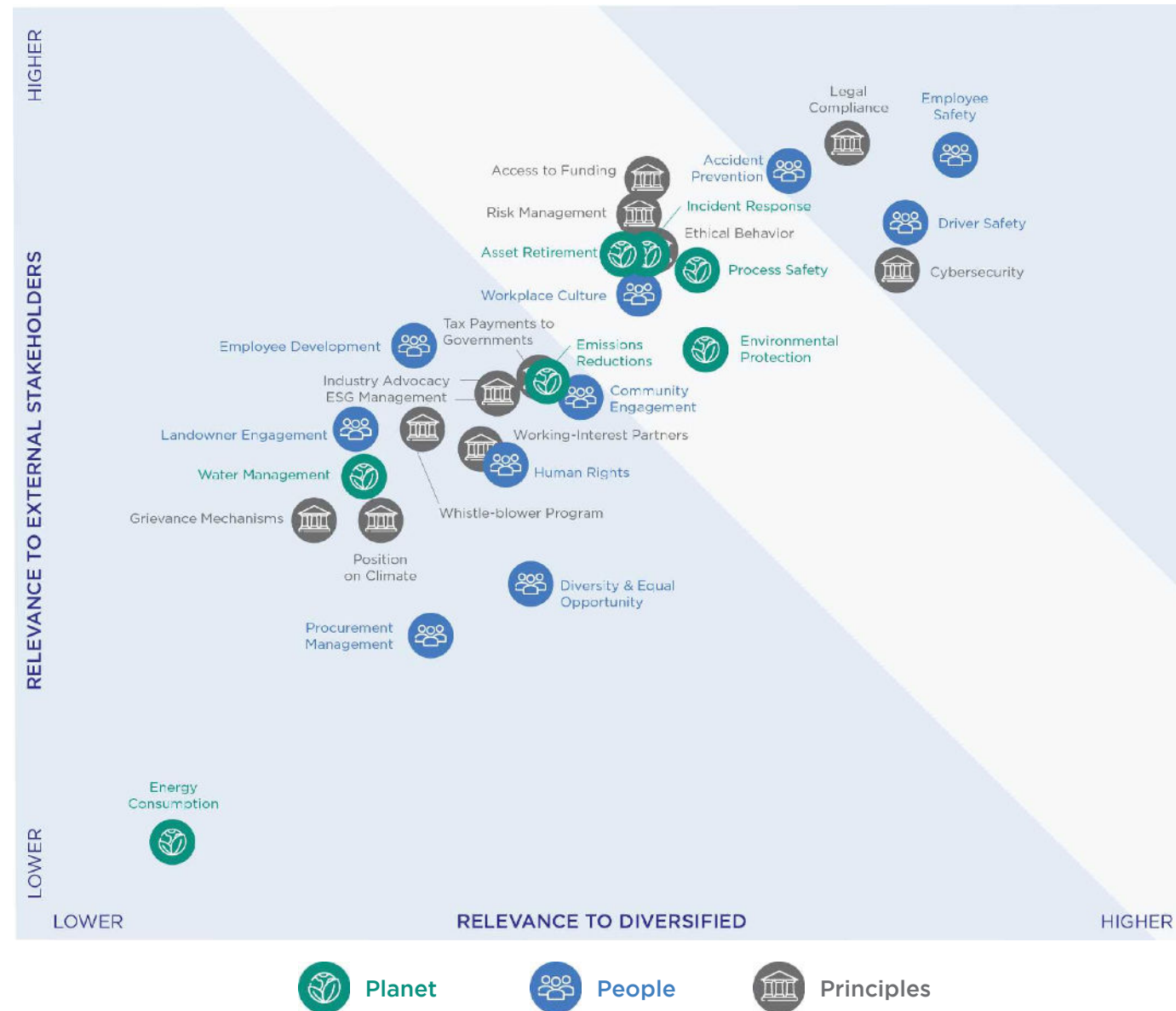


# Issues that Matter the Most

Diversified’s sustainability program is an extension of our business strategy. Proactively managing our impact on the planet, engaging the people we encounter, and living out the principles under which we operate help us reduce risks and capitalize on opportunities that create value for our business and our stakeholders.

In 2023, Diversified completed a multi-stakeholder materiality assessment that informed our sustainability strategy and related initiatives undertaken during 2024. Our materiality assessment was conducted to monitor and assess potential shifts in issues or topics that enable stakeholders to assess our company performance and which could have significant sustainability impact for the Company.

The 29 issues evaluated through the formal assessment were ranked and grouped across the environmental, social and governance spectrum. We further incorporated these topics into our broader corporate Enterprise Risk Management (“ERM”) process, which can be referenced within our [2024 Annual Report](#).



### The Assessment Process

- IDENTIFY STAKEHOLDERS**
- SELECT MATERIAL TOPICS UTILIZING:**
  - prior assessments
  - stakeholder outreach
  - peer benchmarking exercises
- DESIGN MATERIALITY ASSESSMENT**
- LAUNCH & COMPILE ASSESSMENT SURVEY**
- ANALYZE MATERIAL ISSUES AND CREATE STRATEGIES/METRICS**

For more information on our most recent Materiality Assessment process, please refer to our [2023 Sustainability Report](#).





# Sustainability: 2024 Progress & 2025 Targets

To reflect our evolving management approach, we streamlined this year’s sustainability objectives to focus primarily on quantitative metrics and measurable outcomes. In addition, we continue to reference the United Nations’ 2030 Agenda and Sustainable Development Goals to ensure our sustainability approach aligns and contributes to the global sustainability agenda. The following tables outline our progress against our 2024 objectives and our forward looking plans for 2025.



KEY TOPIC	2024 OBJECTIVES	2024 PROGRESS	2025 OBJECTIVES
<b>Climate</b>	Methane intensity target of 0.76 MT CO <sub>2</sub> e/MMcfe	✓ <b>0.7 MT CO<sub>2</sub>e/MMcfe</b> achieved, 8% below target	<ul style="list-style-type: none"> <li>Maintain &gt;97% no-leak rate on assets owned at year-end 2024 through continuing LDAR efforts; expand similar efforts to acquisitions closed in early 2025</li> <li>Establish Methane Slip Task Force; assess &amp; quantify emissions for 100% of lean-burn engine fleet</li> <li>Continue efforts with Pneumatics Task Force to reduce natural gas-driven pneumatic valve count</li> <li>Advance 2024 emission reduction grant awards and related projects</li> <li>Continue progress on a new methane emissions baseline and interim targets inclusive of 2025 planned reduction efforts, new and forthcoming emissions reporting regulations, and recent step-change acquisitions</li> </ul>
	Establish Pneumatics Task Force to provide strategy and effectuate plan to abate emissions from company-wide natural gas-powered pneumatic controllers and pumps	✓ <b>ENGAGED &amp; ACTIVE</b> , trialing new technologies and scaling up alternative solutions, primarily in the Central Region	
	Evolve frequency of leak surveys on upstream assets to align with production contributions and revised EPA regulations to maintain >95% no-leak rate	✓ <b>98% NO-LEAK RATE</b> achieved	
	Advance OGMP efforts to attain Gold Standard Compliance in selected operated production areas	✓ <b>ON TRACK</b> to attain in all areas, pending OGMP approval of updated plan (to be submitted in summer 2025)	
	Perform LDAR for midstream facilities not currently covered	✓ <b>COMPLETED</b> utilizing new LDAR technology, FLIR Si2-LD Acoustic Imaging device	
<b>Environmental and Resource Management</b>	Continue to evolve Spill Prevention focus group to further spill reductions in volume and frequency	✓ <b>9% REDUCTION</b> in reportable spill volumes, 13% increase in frequency	<ul style="list-style-type: none"> <li>Achieve 10% reduction in spill intensity rate</li> <li>Improve recycle rate of fresh &amp; produced water use by 10%</li> <li>Update plan for waste management streams in Appalachia</li> <li>Retire 225 Diversified-operated wells</li> <li>Physically or financially replant 2x the number of trees as compared to the combined number of retired Diversified wells and felled trees resulting from pipeline expansions or other surface work</li> </ul>
	Execute third year of Bridger aerial emission detection program in Appalachia with potential expansion to Central Region	✓ Substantial <b>VALUE CREATION</b> through Bridger work in Appalachia with <b>EXPANSION UNDERWAY</b> in Central Region in early 2025	
	Retire at least 200 Diversified wells	✓ Exceeded goal with <b>215 DIVERSIFIED-OPERATED</b> wells retired	
	Continue to pursue third-party asset retirement work to assist other operators and state & federal orphan well programs	✓ <b>85 THIRD-PARTY</b> wells retired during the year	
	Implement digital ticket water management solution to gain operational insights	✓ <b>&gt;95% IMPLEMENTED</b> by year end, yielding uniform data management, more accurate volume measurement, and billing hour reductions	



People



KEY TOPIC	2024 OBJECTIVES	2024 PROGRESS	2025 OBJECTIVES
<b>Health &amp; Safety</b>	Improve 3-year average safety performance for personal safety (TRIR and LTIR) and driver safety (PMVA)	<ul style="list-style-type: none"> <li>✓ <b>TRIR: 30% REDUCTION</b> YOY, 19% reduction in 3-year rolling average</li> <li>✓ <b>LTIR: 63% REDUCTION</b> YOY, 22% reduction in 3-year rolling average</li> <li>✓ <b>PMVA: 38% REDUCTION</b> YOY, 18% reduction in 3-year rolling average</li> </ul>	<ul style="list-style-type: none"> <li>• Total company annual safety targets (per 200,000 work hours):                             <ul style="list-style-type: none"> <li>• TRIR - 0.87</li> <li>• LTIR - 0.62</li> <li>• PMVA - 0.49</li> </ul> </li> <li>• Expand/enhance repository of safe standard operating procedures</li> </ul>
	Create and empower new Safety Strategy Committee to address safety culture survey findings, including to identify and advance specific areas for improvement and accountability	<ul style="list-style-type: none"> <li>✓ <b>ENGAGED &amp; ACTIVE</b>, including creation and roll out of Short Service Employee and Hand Safety focus programs</li> </ul>	
	Establish foreman- and manager-level performance objectives to foster a broader culture of Good Catch/Near Miss reporting and safety improvement	<ul style="list-style-type: none"> <li>✓ Localized performance <b>OBJECTIVES ESTABLISHED; 77% INCREASE</b> in Good Catch/Near Miss reporting</li> </ul>	
	Evolve safety training delivery to a smaller group engagement model	<ul style="list-style-type: none"> <li>✓ <b>ESTABLISHED</b> small group safety engagement methods, contributing to <b>IMPROVED</b> safety performance during the period</li> </ul>	
<b>Employee Engagement &amp; Development</b>	Identify participants and launch new classes of leadership development programs, including new LinkedIn Learning program	<ul style="list-style-type: none"> <li>✓ <b>86% PARTICIPATION RATE</b> in LinkedIn Learning programs; Franklin Covey Leadership program renewed and underway</li> </ul>	<ul style="list-style-type: none"> <li>• Utilize expanded LinkedIn Learning participation to curate and promote quarterly themed professional and leadership development experiences</li> <li>• Target 20 students for summer internship program, including Bridge Valley Earn and Learn students</li> </ul>
	Utilize LinkedIn Learning program to facilitate diversity and belonging compliance training	<ul style="list-style-type: none"> <li>✓ <b>QUARTERLY</b> diversity &amp; belonging training included in minimum courses</li> </ul>	
	Launch Employee Recognition and Reward Program to encourage performance, create a culture of appreciation and celebrate contribution	<ul style="list-style-type: none"> <li>✓ <b>SUCCESSFUL</b> launch and employee acceptance/utilization of DEConnection platform</li> </ul>	
	Continue summer internship program, including expanded Bridge Valley Earn and Learn program	<ul style="list-style-type: none"> <li>✓ <b>18 SUMMER INTERNS</b> in 2024; hired full-time one of four Bridge Valley participants</li> </ul>	
<b>Socio-Economic Value Creation</b>	Contribute ~\$2 million to community education and stakeholder giving and engagement through Community Giving and Engagement Programs, with at least 25% targeting programs located in diverse and/or socioeconomically disadvantaged geographic regions	<ul style="list-style-type: none"> <li>✓ <b>\$2.1 MILLION CONTRIBUTED</b> to communities in our operating areas, with &gt;25% distributed to diverse and/or socio-economically disadvantaged geographic regions</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake community engagement efforts in each of Diversified's current core operating states (10), and implement enhanced reporting of measurable impacts for top 25% of recipients</li> </ul>



# Protecting Our Environment

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# Environmental Management System

Environmental stewardship is a cornerstone of Diversified’s operational strategy, driven by our commitment to serve growing energy demands while managing natural resources responsibly. This commitment is realized through the expertise of our employees and the innovative solutions which are enabled by data, amplified across our OneDEC culture, and deployed through our Smart Asset Management approach and daily decision making.

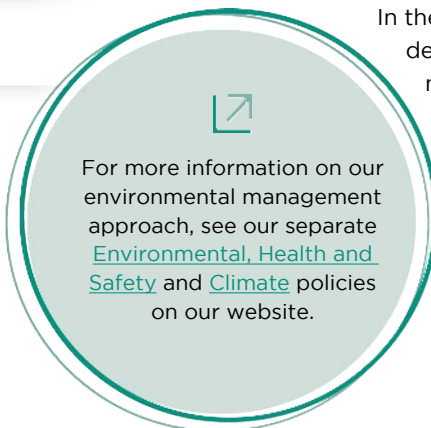
Our Environmental Management System (“EMS”) consists of a range of programs, tools and actions implemented across our upstream, midstream, and well retirement activities, and designed to responsibly manage natural resources, support regulatory compliance, encourage innovation, and promote responsibility and ownership of actions.

**We are committed to:**

-  **Achieving net zero GHG emissions**
-  **Eliminating fugitive natural gas releases**
-  **Decreasing fresh water consumption**
-  **Reducing waste**
-  **Preventing spills**
-  **Increasing energy efficiency**
-  **Protecting biodiversity**

As an integral aspect of Diversified’s EMS, our modern field management approach is underpinned by a top-tier IT and OT cloud-first/wireless-first technology stack that supports real-time, data-driven analytics and creates a seamless flow of information from the wellhead to the boardroom. Developed over multiple years through the integration of many acquisitions and technology solutions, and supported by our 24/7 Gas Control and Integrated Operations monitoring centers for both upstream and midstream assets, this increasingly robust approach seeks to prevent and rapidly respond to environmental incidents and to increase efficiency in the field by making timely, decision-useful data available to employees who can best effectuate change.

Alongside our proven Smarter Asset Management operating approach and specific recent actions to bolster our spill prevention efforts, we have invested in creating a leading emission reduction program, recognized by the industry and governmental agencies in the U.S. and abroad for its robust leak detection and repair (“LDAR”) applications, innovative natural gas-driven pneumatic replacement solutions, and efficiency-driven approach to equipment rationalization, conversion and elimination.



In the following pages, we provide a detailed report of 2024 efforts and management practices across our environmental stewardship programs that reflect how we our **‘Winning through Collaboration’**.

# Greenhouse Gas Emissions

We have long acknowledged the ongoing challenge facing the energy industry to meet the world’s growing energy demands with affordable and reliable energy while addressing the need to reduce carbon emissions.

We also recognize the business risks that can be associated with the world’s emphasis on a lower-carbon economy. Although the composition, scale and timing of these changes are not known with certainty, we are proactively taking deliberate actions to manage these risks as we remain steadfast in our focus to reduce our carbon footprint.

Our comprehensive, multi-pronged strategy for managing and reducing our emissions footprint is continuously evolving to incorporate emerging or best practice technologies and solutions. As we continue to expand existing initiatives or to develop innovative in-house solutions, we also seek to identify evolving technologies or new projects to pilot for potential integration into our arsenal of emission reduction tools and programs.

With an intentional near-term focus on methane emission reduction given methane’s global warming potential as compared to carbon dioxide (“CO<sub>2</sub>”), our robust programs and focused approach have enabled us to make significant strides in the last five years toward reducing our methane emissions footprint, setting the stage for continued progress in the years ahead.

Our employee expertise combined with frequent, and largely voluntary, LDAR inspections have been integral to the success of our emissions reduction strategy. Fully supported by our leadership and backed by prudent investments in technology, our team’s innovative spirit has driven meaningful outcomes. These achievements have positioned Diversified as a leader in emissions management, enabling collaboration with industry peers, U.S. agencies, and global stakeholders to share knowledge and drive progress in reducing emissions worldwide.

## ROADMAP TO EMISSIONS REDUCTION

True to our sustainability and stewardship commitment to ‘Identify-Improve-Monitor’ our performance, we have developed and operationalized a roadmap for emissions reduction that guides our team’s daily efforts in this regard:

- 1 Assess the source(s) of emissions**
- 2 Establish workflows, from the field to the system of record**
- 3 Develop emissions profile by equipment type**
- 4 Define and prioritize the reduction strategy**
  - Diversified’s Priorities**
    - Fugitive leaks (facilities & pipelines)
    - Pneumatic devices and pumps
    - Engines
    - Other (compressors, tanks, dehydrators, liquids unloading)
- 5 Implement reductions and process changes**
- 6 Utilize fit-for-purpose technology to identify and measure emissions**
- 7 Continually improve accuracy to inform decisions and next steps**



# Reduction Programs & Strategies

By definition, ‘innovation’ means creating or introducing something **new**; but for Diversified, it also means to do what you’ve always done but do it in a **different** way, or simply **better**, than before. This is where our teams excel. While Smarter Asset Management (“SAM”) has long been a part of our daily operational efforts to increase efficiencies and drive value, it also empowers our workforce to create daily successes through collaboration, innovative thinking and ownership of field-level results. This is our OneDEC culture.

Our approach to emissions reduction is much the same, where “Every Molecule Counts” for Diversified. Our year-over-year progress in emissions reduction is driven by our daily SAM operating practices to identify and address emission sources (**better**), to design and adopt innovative emission reduction solutions (**different**), and to broaden and expand our portfolio of leak detection and quantitative tools and technologies (**new**). A portion of these emission reduction actions and advancements are highlighted below.



## Smarter Asset Management

Diversified’s SAM program is in our DNA - it is the heart of our operational priorities and what we do on a daily basis to reduce methane emissions while delivering improvements in production and margins. The program facilitates our work to improve assets from acquisition to retirement, with the goal of optimizing performance across our footprint. With our emissions reduction program in mind, our SAM efforts included, in part, the following projects in 2024.

### SIMPLIFIED GAS SAMPLING

As our Central Region teams know firsthand, emission reduction technology doesn’t have to be complicated. The Central teams, accompanied by our EHS summer intern, utilized calibrated Tedlar bags and the SEMTECH® HI-FLOW 2 sampler to quantify emissions from pneumatic pumps to better inform decisions about emission reduction opportunities and to support additional measurement-based reporting. The results of this sampling will also allow us to identify and prioritize higher emitting pneumatic pumps for retrofit or replacement.

### Well Review Process

A key element of our upstream SAM approach is the annual well review process, where every well on a route is thoroughly evaluated in a collaborative session that includes, at a minimum, the lease operator, production foreman, and manager. These sessions include a comprehensive review of each well’s historical production (gas, oil and water), down time from well turn on, completion method, gross profit, well maintenance and service records, production lift method (such as plunger lift, pumping unit, etc.), and more.

While it is the responsibility of every lease operator to maximize production by minimizing bottom hole pressure in the well, it is the responsibility of management to ensure that the operator has the knowledge, tools, and support to make this happen. This review process supports that opportunity and further creates accountability for all parties by establishing a functional list of recommended changes with timelines for completion and follow-up by supervision.

## PNEUMATIC PUMP RETROFIT/ELIMINATION

In addition to removing from service certain pneumatics pumps in our Central Region, we also retrofitted a sampling of pneumatic chemical injection pumps, turning emitting devices into non-emitting devices. Piloting solutions fit for purpose, certain pumps at sites with minimum required pressure differentials received vapor recovery recycle kits where methane exhaust from the pump was piped back into the well flow line and on to sales rather than vented to the atmosphere. Where requisite pressure differentials were not present, we instead replaced the pumps with non-emitting solar-electric pumps. We continue to monitor these solutions and appropriately expand their applications through our SAM program.

## COMPRESSION OPTIMIZATION

As part of our mainstay compression maintenance and monitoring efforts, compression optimization can include right-sizing, conversion to electric, or elimination of the combustion engine from the fleet. Each of these alternatives, along with routine maintenance through our SAM program, supports our efforts to reduce GHG emissions through the elimination of methane exhaust and the reduction in natural gas-driven pneumatic controls.

### BY THE NUMBERS

In 2024, we removed from operations 41 natural gas-driven compressors representing nearly

**15,000**

horsepower and some

**56,000**

MT CO<sub>2</sub>e in reported emissions.





## Employee-Led Innovation

Born largely out of the very essence of our ‘Smarter’ Asset Management philosophy and combined with our Company Values that read, in part, to **‘challenge the status quo and strive to create value’**, our teams have a natural drive to support and even create our future blueprint for success. We saw this innovation momentum continue in 2024 through the following innovative solutions that were developed, tested, and put into practice, as applicable:

### VALVE REPLACEMENT

Carrying forward and expanding our prior year efforts at replacing natural gas-driven dump valves with electric valve solutions, we partnered with a vendor in 2024 to field test both high and low pressure electric valves and to identify opportunities for product improvement. These valve solutions require significantly less electric power than other electrically-actuated valves and actuate without venting carbon emissions. Further, these new valves operate only in fail safe mode through a ‘fail close’ feature that eliminates emissions previously associated with devices that continued to emit in failure mode under a ‘fail open’ perspective.

### EQUIPMENT REPURPOSING

Our Appalachia teams identified a half dozen open flow or manual operation, low production rate wells for conversion to plunger lift in an effort to increase production. Rather than installing natural gas-driven pneumatics on these wells, the team inexpensively repurposed unused separator vessels into compressed air tanks as the energy source for the pneumatics, resulting in significant production uplift in both oil and gas and reduced emissions. We will be expanding this repurposing/conversion project to additional wells in 2025.

### IN-HOUSE DESIGN & BUILD

Upstream teams in both our Appalachia and Central regions have been actively collaborating, designing, building and testing instrument air system solutions to power well site pneumatics on both single well and multi-well pads. The Central team ultimately sourced parts and built three prototypes on custom skids and then retrofitted all natural gas-driven pneumatics on the test sites to air-drive design. The fit-for-purpose skid designs incorporate solar-driven air compression or electrically-driven air compression, based on location, pad size, and access to existing electricity sources.

### BY THE NUMBERS

In 2024, we eliminated, or converted to non-emitting,

# 459

pneumatic devices or pumps through the work and oversight of our Pneumatics Task Force and the effort of our field teams.



## Pneumatics Task Force

Delivering on our stated 2024 objectives, and with a focus on eliminating methane emissions, we established a company-wide cross-functional Pneumatics Task Force to provide strategy and effectuate a plan to abate emissions from the Company’s natural gas powered pneumatic controllers and pumps. Once established, the task force quickly began the assimilation of a pneumatics project library with an emphasis on fit-for-purpose solutions at the regional level that would be essential to the development of a roadmap for this effort.

One example of their strategy is simple process changes that eliminate entirely the need for a pneumatic controller without any detrimental impact

to production. The task force also spent considerable time field testing solutions such as mini combustors, but ultimately determined this device was not large enough to handle the pump exhaust in this application. Even this seeming defeat was valuable to the team and their strategy portfolio because it not only created an opportunity to test ideas but also solidified that other solutions would better benefit Diversified. The execution of other identified projects is currently underway, under the oversight of this task force. The work of this group also led to the additional efforts for pneumatic pump eliminations or conversions, as noted in the Smarter Asset Management narrative above.





## Driving Improvement through Technology

Our teams actively evaluate emerging and improved leak detection and quantification technologies as they come to market. In some instances, Diversified has been asked to take a leadership role in field trials of the technology to aid in its development before coming to market, or we have been the first company in the world to utilize such marketed technology. We fully embrace the application of this technology in a fit-for-purpose manner, whether it is new to the market and to Diversified or an existing technology of which we are expanding use within our asset portfolio and footprint.

Both our upstream and midstream fugitive emissions detection and measurement programs continue to benefit greatly from the technological capabilities and use of existing handheld devices that include the GT-44, FLIR Si124, Heath RMLD-CS™, FLIR GF320 infrared camera, SEMTECH® HI-FLOW 2, and Opgal EyeCSite® QOGI. However, a 'one size fits all' approach does not work for our needs given the ranges of composition, location, maturity and ownership history of our asset portfolio and the regulatory compliance environment under which we report emissions.

### BY THE NUMBERS

152,000

voluntary LDAR surveys completed in 2024, maintaining a 98% no-leak rate

100%

of Appalachia & Central Region midstream compressor stations voluntarily surveyed

>24,000

cumulative miles of pipelines aerially surveyed with LiDAR in the last three years

Therefore, with the continued advancement of handheld fugitive detection and quantification technologies, in 2024 we further expanded our technology toolbox to include these additional handheld devices:

### ICI TDL 220

This compact, pocket-sized laser device detects methane at distances up to 20 meters and concentration volumes up to 100,000 PPM. Useful in both upstream and midstream applications, our teams find this device especially useful due to its compact size where it can be used to quickly identify an emission then partnered with an OGI camera to confirm concentrations.

### FLIR Si2 LD

Capable of identifying and quantifying minimal pressure differentials created by gas and air leaks from up to 200 meters away, this advanced leak detection device quickly and easily supports leak surveys on midstream assets, including pipelines, compressor units, dehydration units, and more. The efficiency and accuracy afforded by this device, even within confined or loud spaces, is very well suited for our midstream compressor station assets.

Abiding by our fit-for-purpose blueprint, we intentionally seek to pair our use and application of these and all leak detection devices across our upstream and midstream portfolio in a manner that not only provides validation of findings but also supports our goal to increase the use of actual measurement for use in emissions reporting for both EPA 40 CFR part 98, Subpart W ("Subpart W") and OGMP.



**In addition to these technologies, we offer this update on our use and application of previously shared laser-based technologies that continue to deliver significant results in our emissions detection and measurement efforts:**

### LiDAR

2024 marked the third year of our successful collaboration with Bridger Photonics ("Bridger") to aerially survey our assets. Using advanced Light Detection and Ranging ("LiDAR") technology, these surveys first focused on our Appalachian midstream assets then moved into our Central Region in 2024 to surveil production and midstream assets in Louisiana and Texas. Partnering with Bridger has significantly improved our ability to detect, and ultimately repair, fugitive emissions across our expansive Appalachia pipeline system and at applicable well pads in the Central Region. Given the success of this collaboration, we are continuing this voluntary survey program in 2025.

### Laser OGI

In 2024, we expanded our use of leak detection and quantification technology from Xplorobot to include leak surveys and measurements of existing Central Region assets to help satisfy our OGMP Level 4 leak quantification goals. We also utilized this technology when onboarding newly acquired East Texas assets to include actual measurements (vs. default factors) in our EPA Subpart W reporting. We have hosted regulators from Pennsylvania, West Virginia and Kentucky for demonstrations of Xplorobot's precision and capabilities. We continue to collaborate with Xplorobot to help advance processes for real-time data automation.



**In early 2025, U.S. EPA approved Qube continuous monitoring, Bridger gas mapping LiDAR, and Xplorobot laser-based methane detection technologies as Alternative Test Methods for New Source Performance Standards OOOO a/b/c periodic leak inspections. This approval creates an exciting opportunity to revolutionize our leak survey programs moving forward.**

### CONTINUOUS MONITORING

Continuous monitoring devices at the facility level, such as Qube and Project Canary, permit 24/7 methane emissions monitoring through our Integrated Operations Centers ("IOC"), supporting prompt verification, and correction as warranted, by the well tender. Beyond supporting efforts to reduce fugitive emissions, the IOCs also monitor tanks and liquids production on approximately 80% of the Central Region's upstream and midstream assets, and our 24/7 centralized Gas Control center also monitors some 1,750 miles of regulated midstream assets across six states and can remotely control flows when necessary. Collectively, these real-time data centers are strategically supporting our efforts to avoid unintended environmental impacts.



# 2024 Emissions Performance

As compared to our original 2020 baseline Scope 1 methane intensity of 1.6 MT CO<sub>2</sub>e/MMcfe, the compounding impact of our actions to reduce our methane emissions has delivered a 56% reduction in methane intensity to year end 2024, where we recorded a 0.7 MT CO<sub>2</sub>e/MMcfe methane intensity. During this four-year period of time, we've also strategically grown the Company through ten upstream and midstream acquisitions that included our entry into a new operating area - the Central Region. Subsequent growth in this region has driven a more than 40% increase in average daily net production (December 2024 exit rate).

### CUMULATIVE IMPACT OF METHANE REDUCTIONS (VS. 2020 BASELINE)

**~78 thousand**  
homes' annual energy use (CO<sub>2</sub>e emissions)

**~512 thousand**  
passenger electric vehicles driven for one year (GHG emissions)

**~9.6 million**  
tree seedlings grown for 10 years (carbon sequestered)

**In the last four years alone, we have cumulatively eliminated more methane emissions than we took on through acquisitions, demonstrating our commitment and actions toward environmental stewardship.**

## Scopes 1 and 2 GHG Emissions

For assets owned at year end 2023, our total absolute Scope 1 and Scope 2 GHG emissions decreased in 2024 by 115 thousand MT CO<sub>2</sub>e (or 7%) to 1,507 thousand MT CO<sub>2</sub>e, reflecting the durability and effectiveness of our emission reduction initiatives.

As expected, Scope 1 emissions made up the majority of total year end emissions, representing some 96%, or 1,454 thousand MT CO<sub>2</sub>e, while the remaining 4% Scope 2 declined slightly to 53 thousand MT CO<sub>2</sub>e. This stability in Scope 2 emissions highlights our efforts to manage energy consumption effectively while focusing on other high-impact areas of emissions reduction.

As anticipated, acquisitions during 2024 contributed to an increase in Scope 1 and Scope 2 emissions of 139 thousand MT CO<sub>2</sub>e, leading to a year-end absolute total emissions of 1,646 thousand MT CO<sub>2</sub>e.

In 2024, due to changes in EPA Subpart W reporting methods, we elected to use Method 3 for intermittent bleed pneumatic devices which incorporates the concept of malfunctioning devices. Under this methodology, all intermittent bleed devices must receive at least one survey during the calendar year to verify they are properly functioning. Properly functioning devices and malfunctioning devices each have their own set of emission factors to account for the increased emissions when the devices are not working as designed. As a result, our emissions data is in alignment with EPA Subpart W and the Intergovernmental Panel on Climate Change ("IPCC"), with the exception of motor vehicle fuel use which the EPA does not classify as a Scope 1 emissions.

 Below we provide a brief summary of significant adjustments in our GHG emissions profile during 2024. For a complete picture of our emissions portfolio, please visit our [Performance Data Table](#) in the Appendix of this report.

## METHANE EMISSIONS

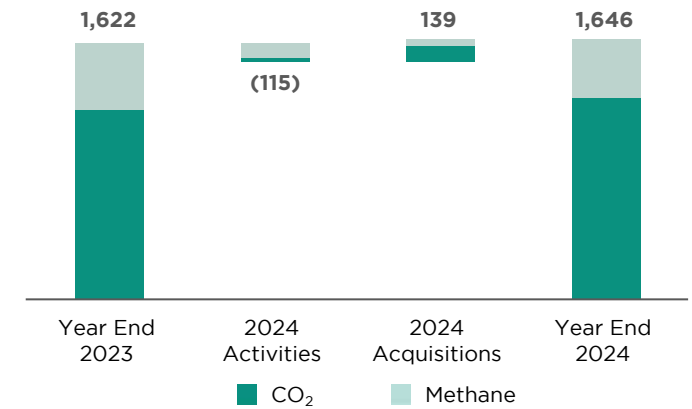
In 2023, we successfully achieved our ambitious goal of a 50% reduction in Scope 1 methane emissions intensity, marking a major milestone in our emissions reduction journey, seven years ahead of target. In 2024, we continued to build on this success by expanding the coverage of our LDAR programs in both Appalachia and the Central Region, expanding midstream LDAR surveys, and advancing the elimination or replacement of natural gas-driven pneumatic devices and pumps. These initiatives were more than enough to offset the addition of methane emissions through acquisitions during the year. At year-end 2024, Scope 1 methane intensity inclusive of acquisitions, totaled 0.7 MT CO<sub>2</sub>e/MMcfe.

Look for more information in 2025 on our work to advance a new emissions baseline.

Total Scope 1 and Scope 2 absolute methane emissions declined 20% year-over-year, excluding the impact of acquisitions, to 336 thousand MT CO<sub>2</sub>e. Acquisitions during the period added 27 thousand MT CO<sub>2</sub>e, reducing the year-over-year decline to a still strong 13% overall reduction. Inclusive of acquisitions, methane emissions as a percent of our total emissions portfolio continued its year-over-year decline to now just 22% of total GHG emissions as compared to 44% in 2020 when we first embarked on our broad-scale emission reduction journey.

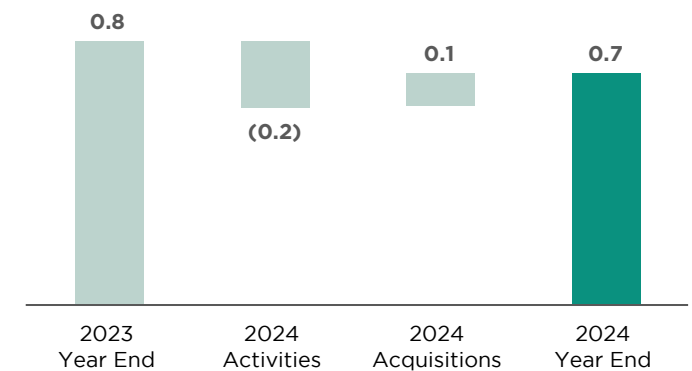
As shared in our historical annual Sustainability Reports, we previously elected to utilize the IPCC method of emissions reporting which we believed better represented our emissions portfolio given IPCC's permitted use of best engineering estimates as compared to EPA's mandated use and over-reliance on outdated emission factors. Recent changes in EPA's Subpart W reporting allow for direct measurement and company-specific emission factor development. We believe these new methodologies better align with both IPCC's intention of default factor avoidance and the expectations of reporting under the OGMP 2.0 framework.

**TOTAL SCOPE 1 AND SCOPE 2 GHG EMISSIONS**  
(thousand MT CO<sub>2</sub>e)



Note: Total figures above include minimal N<sub>2</sub>O emissions though not visible at this scale

**SCOPE 1 METHANE INTENSITY**  
(MT CO<sub>2</sub>e/MMcfe)



Importantly, acquisitions in 2024 are expected to be accretive to methane intensity reductions in future periods. However, due to timing of their close late in this year's reporting cycle and therefore reduced ability to conduct previously incomplete voluntary LDAR activities, a slight increase in intensity was recorded at year end.



The following table depicts the year-over-year change in our methane emissions profile.

**CHANGE IN SCOPE 1 AND SCOPE 2 METHANE EMISSIONS**  
(including 2024 acquisitions)

AMOUNT (THOUSAND MT CO <sub>2</sub> e)	SOURCE CATEGORY	DESCRIPTION
<b>420</b>		<b>2023 Year End</b>
80	Pneumatic Devices/Pumps	<ul style="list-style-type: none"> <li>Increased device inventory, primarily through acquisitions</li> <li>Updated EPA Subpart W factors and malfunctioning surveys</li> <li>Partially offset by increased use of measurement</li> </ul>
(78)	Fugitive Emission Gas Service	<ul style="list-style-type: none"> <li>Increased maturity of voluntary LDAR programs                             <ul style="list-style-type: none"> <li>Upstream: 98% no-leak rate maintained</li> <li>Midstream: introduction of compressor station surveys</li> </ul> </li> <li>Updated GT44 survey emission factors</li> <li>Partially offset by new acquisitions</li> </ul>
(43)	Atmospheric Storage Tanks	<ul style="list-style-type: none"> <li>Application of ProMax<sup>®</sup> 6.0 modeling for all tanks (not previously allowed under Subpart W)</li> </ul>
(26)	Pipeline Fugitives	<ul style="list-style-type: none"> <li>Reallocation of pipeline mileage classification between Production and Gathering &amp; Boosting</li> </ul>
11	All Other	
<b>364</b>		<b>2024 Year End</b>

**ProMax<sup>®</sup> 6.0**

We utilize Bryan Research and Engineering’s ProMax<sup>®</sup> 6.0 process simulation software solution to calculate methane emissions through mass balance and equation of state approaches. The software simulates the process to determine the flow rate and composition of each flow stream, including emissions. This technology has been a crucial development in our methane emissions calculations for dehydrators and storage tanks, most importantly contributing to the accuracy of our disclosures for OGMP and the recognition of our gas as differentiated for certain areas. The data exchange tool in ProMax<sup>®</sup> 6.0 facilitates accurate calculations in bulk for thousands of emission sources.

**CO<sub>2</sub> EMISSIONS**

While methane remains our primary focus for near-term emissions reduction, we continue to achieve incremental improvements in CO<sub>2</sub> emissions through our ongoing SAM initiatives. Scope 1 and Scope 2 CO<sub>2</sub> emissions declined 3% year-over-year, excluding the impact of 2024 acquisitions, to 1,169 thousand MT CO<sub>2</sub>. Reflective of our SAM efforts, we realized significant reductions in our compressor combustion sources due to eliminations in fleet horsepower from the release of oversized or redundant compression units and the application of fuel measurement solutions to replace the use of factors in our reporting.

These reductions were more than offset by two key additions to our CO<sub>2</sub> emissions profile during the year. First, to increase our exposure to favorable Gulf Coast pricing outlets and support our financial sustainability efforts, we expanded by 5x the inlet gas to our Black Bear natural gas processing plant in Louisiana, causing the emissions from this plant to exceed the Subpart W threshold for reporting. Previously, these emissions fell below the EPA threshold and were therefore only partially reported. When combined with emission increases due to acquisitions during the period, total Scope 1 and Scope 2 CO<sub>2</sub> emissions increased 7% year-over-year to 1,281 thousand MT CO<sub>2</sub>.



**Emissions Review & Assurance**

We engage in a three-step process aimed at verifying the accuracy and completeness of our annual emissions prior to reporting under the IPCC and EPA GHG Reporting Program (“GHGRP”).

**1 Internal Review**

First, under the leadership of our Senior Vice President of EHS, our internal emissions and air quality “Air Force” teams engage in significant quality control and assurance over each contributing component to our emissions.

**2 Independent Review**

Upon completion, the data is submitted to an independent third party, Montrose Environmental Group Inc. (“Montrose”), to review our GHG input data and calculations and attest to its compliance with industry practice and standards.

**3 Independent Assurance**

Following Montrose’s review, we engage ISOS Group, Inc. (“ISOS”), an independent third-party assurance group, to assess our Scope 1 and Scope 2 GHG emissions data, calculations and related metrics, for which ISOS provides a moderate Level 2 (limited) assurance in accordance with the AccountAbility 1000 Assurance Standard (v3) on the accuracy and completeness of our reported emissions.



# Climate Reporting Transparency

## OGMP 2.0

As a member of the OGMP 2.0 framework, we have committed to disclosing measurement-based methane emissions data, which supports further transparency in the market for differentiated gas. In 2024 and for the third consecutive year, we were again awarded the Gold Standard Pathway recognition, having attained Level 4 on eight of 10 required categories. Our actions this year have intentionally focused on taking the necessary steps to attain Level 4 on the remaining two categories (noted below) and attain OGMP's Gold Standard Compliance rating while also advancing efforts to achieve Level 5.

- **Methane slip:** Methane slip is caused by uncombusted methane used as a fuel in internal combustion engines. Prior to 2024, the emission factor-based approach implied that methane slip was not a significant source of emissions, but actual measurement data has allowed us to realize that it can be, in fact, a significant emission source. Therefore, during 2023 and 2024, we performed more than 100 measurements of methane slip in our compressor engine fleet to help satisfy the requirements of Level 4 for basins with reporting due by May 2025.
- **Leak quantification:** We engaged in multiple measurement campaigns this year to advance this requirement. For example, both internal teams and external environmental consultants utilized technologies such as the SEMTECH® HI-FLOW 2 sampler and Xplorobot to survey and measure emissions from both prior year existing assets across our footprint and newly acquired assets in the Central Region. The result of these efforts was that we obtained enough leak measurements to achieve our Level 4 goal for all production and gathering & boosting basins.

We believe we are well-positioned to attain Level 4 on these categories in all required basins in our next OGMP annual review, expected spring/summer of 2025.

## Climate-Related Financial Disclosures Framework

Our climate reporting transparency includes annual Climate Risk and Resilience disclosures that follow the former Task Force on Climate-related Financial Disclosures ("TCFD") framework (subsumed in 2024 under the International Sustainability Standards Board). Below is a brief summary of our climate-related disclosures under this framework, with more detailed TCFD disclosures found within our Annual Report.

### GOVERNANCE

Utilizing both a top-down and bottom-up approach, our strong governance embeds a sustainability and climate focus across the organization, including engagement, ownership and accountability at every level of the Company.

Primarily through the oversight of the Board's Sustainability & Safety Committee, the Board routinely addresses climate-specific risk management and mitigation issues and their potential impact on our growth strategy and risk profile. As part of this oversight, the Board annually reviews and approves a corporate climate policy and has established corporate KPIs for climate and sustainability.

The executive management team oversees development, execution, assessment and reporting of climate and sustainability initiatives. Employees and departments across the organization play key unique, but collaborative, roles in ensuring climate considerations remain at the forefront of our daily operational actions.

### STRATEGY

In support of both climate and business resiliency, and as a key part of our practical approach to decarbonizing our operations, we remain focused on reducing near-term methane emissions while advancing other lower carbon initiatives. This focus has centered, in part, on ongoing voluntary leak detection and quantification programs that promote expanded use of actual emission measurements; adoption of fit-for-purpose technologies; and innovative emission reduction solutions as part of our proven Smarter Asset Management operating program.

We have developed a high-graded list of climate-related risk and opportunities relevant to our business, as defined by greatest likelihood of occurrence and/or highest financial impact. We assessed the impact of transition and physical climate risks on our portfolio, which shows the resilience of our portfolio even in a Net Zero climate scenario.

### RISK MANAGEMENT

Under the oversight of the Board's Audit & Risk Committee, our Senior Leadership Team developed an enterprise risk management process which includes the identification, assessment, response to and reporting of current and emerging risks, inclusive of climate risk. Our risk management framework is designed around our risk appetite, as determined by our Board.

Similar to our climate strategy development process, we assess both financial and non-financial risks of climate to our business by utilizing a scorecard approach that includes likelihood, potential impact, and speed of impact. Through our risk management internal control framework, climate risk is assigned to the Senior Vice President of Sustainability who is responsible for developing mitigating controls and communicating these controls and related actions to management and the Board.

### METRICS & TARGETS

As reflected throughout this sustainability report, we use a variety of metrics to assess Diversified's exposure to climate-related risks and opportunities as well as the impact of our activities on external stakeholders, society and the planet. In line with certain SASB reporting guidelines and with proposed climate-related disclosures under the IFRS S2 requirements (awaiting public consultation followed by final adoption by the UK government as of this report's April 2025 publication), we highlight within this TCFD framework both GHG emissions and water management metrics.

Our commitment to climate and business resiliency is reflected, in part, in our compensation plans for executives and senior leaders where, depending on their respective roles at the Company, these leaders have a proportion of their variable pay each year tied to the delivery of sustainability and climate-related targets such as emissions intensity.



For more information on our Climate Risk and Resilience, please refer to our [2024 Annual Report](#).



# Looking Ahead

In 2024, through mindful and efficient operating programs, innovative solutions, expanded collaborations, and new technologies, we celebrated continued progress in methane intensity reductions. Moving ahead in 2025, we remain committed to further advancing emissions reduction initiatives, with particular attention to pneumatic devices and fugitive emissions which continue to represent more than half of our Scope 1 methane emissions.

Aligned with corporate reduction initiatives, shaped by new and forthcoming EPA regulations, and informed by data analytics to enhance precision and effectiveness in addressing emissions, we will continue to prioritize (i)targeted leak detection supported by advanced leak detection technologies, (ii)efficient repairs partnered with innovative solutions, and (iii)strategic elimination of natural gas-driven pneumatic devices or phased replacement with alternative solutions tailored to site-specific needs.

As we continue to progress our emission reduction strategies, we are mindful of having already met our previous interim methane intensity reduction goals for both 2026 and 2030 (versus a 2020 baseline), and therefore the need to set new interim targets. However, we must first address the need for a new emissions baseline which should incorporate several external or other influences in 2024 and 2025 that could have a significant impact on our reported emissions, including the integration of recently closed 2025 acquisitions (see [Acquisition Integration](#) below). As discussed in more detail below, it is our aim to integrate these influences into our emissions framework so that we are best equipped to adopt a new baseline and interim targets following the reporting of our GHG emissions for Reporting Year (“RY”) 2025.

## Regulatory Landscape

Evolving requirements for federal emissions reporting can change our emissions inventory, presenting challenges that may affect reported progress against our established emission reduction goals. We actively monitor regulatory changes to adjust our practices, ensure compliance, and support implementation processes.

In May 2024, the U.S. EPA promulgated significant changes to its GHGRP in Subpart W for the oil and gas industry. These changes were made from the direction of the 117<sup>th</sup> United States Congress under the Inflation Reduction Act of 2022 (“IRA”) to transition Subpart W to be primarily measurement-based to facilitate a Waste Emissions Charge (“WEC”) on excess methane emissions. Accordingly, EPA added several new emission source categories to Subpart W, revised previous emission calculation methodologies to allow for measurement-based approaches, and updated several emission factors. Reporters are allowed to voluntarily use certain new measurement-based methods for RY2024 while all new methods become mandatory for RY2025.

We utilized the new measurement methods for several emission sources in RY2024, including pneumatic devices, pneumatic pumps, and storage tanks. These approaches allowed us to achieve zero excess emissions under the thresholds established by WEC program for RY2024. While the WEC program was rescinded by Congress in March 2025, we would not have been required to pay any WEC fees for the first year under the original program.

We expect the remaining changes to Subpart W that took effect on January 1, 2025, to significantly impact our reported emissions under the GHGRP. It is difficult to initially gauge the magnitude and direction of the impact due to the sheer number of changes promulgated. The most impactful categories for Diversified include

combustion slip, crank case venting, fugitive components, pipeline fugitives, pneumatic devices, and pneumatic pumps. We have already implemented new processes to track the additional data necessary and to obtain a significant number of direct measurements.

As of the April 2025 publication date of this report, though the WEC rule was rescinded and approved by President Trump, the Congressional statute that created the WEC remains in place pending further legislative action. We will continue to closely monitor developments in the U.S. court system, Congress, and EPA as they pertain to the future of the WEC program.

Meanwhile, several other regulatory changes have recently occurred that may impact our sustainability efforts and emissions reporting. We have taken a proactive role to partner and collaborate with State regulators, other operators, and industry partners to support regulatory advancement while addressing the challenges that come with it.

- **New Source Performance Standard (“NSPS”) OOOOb:** This regulation will not have a significant impact on our methane emissions disclosures given the relative maturity of our assets and the rule’s applicability to new and modified facilities. To date, and across our entire portfolio of several thousand well pads and midstream facilities, we have had less than 10 sites trigger the applicability of OOOOb pneumatic conversion requirements and fewer than five sites trigger the applicability of the OOOOb fugitive monitoring requirements.
- **Emissions Guidelines (“EG”) OOOOc:** EPA developed a model rule for which the States may choose to enact the requirements as written or to develop their own regulations. States must submit their OOOOc implementation plan by March 2026, and affected

sources must be in compliance no later than March 2029. While NSPS OOOOb applies to new facilities and those modified after December 6, 2022, EG OOOOc impacts existing unmodified sources prior to that date. OOOOc includes a focus on universal LDAR programs and phasing out of natural gas-driven pneumatic devices. We expect EPA’s model rule, as written, to have a significant though yet unquantifiable impact on our business. As it relates to OOOOc, we are also:

- Collaborating with State regulators across our footprint to inform their rule making through hands-on technology demonstrations in the field and white papers on matters that we handle on a daily basis. In particular, we are advocating that States recognize the challenges faced at marginal well sites and therefore deviate from EPA’s model rule of a one-size-fits-all approach.
- Sharing with smaller companies best practices and low cost approaches to compliance.
- Working with industry partners to innovate and identify solutions for more efficient and accurate ways for reporting.
- Continuing to innovate and develop expertise in economical pneumatic device replacements and LDAR programs.
- **Bureau of Land Management (“BLM”) Waste Prevention Rule:** Beginning in December 2025, this regulation will subject several hundred surface sites, currently under BLM jurisdiction, to required OGI camera/Method 21 LDAR programs on a quarterly basis.





## MERP and Other Grant Initiatives

The Methane Emissions Reduction Program (“MERP”), authorized by the IRA, was created to help reduce methane and other GHG emissions from the oil and gas sector, particularly focusing on providing financial and technical assistance to improve monitoring practices in the industry.

In 2024, Diversified placed a heavy focus on leveraging this program to advance our capabilities. In particular, we collaborated with various groups to draft and apply for 11 different projects under MERP, for which we were successful on five of the 11 grant applications. On two of the projects, we were part of a larger consortium seeking funding for bespoke projects, while the remaining three awards were direct grants for emission reduction projects in partnership with three different technology providers. Separately from MERP, we are working with the U.S. Department of Energy (“DOE”) National Energy Technology Laboratory and other DOE grant recipients on measurement of emissions and emissions reduction technology, respectively.

As of the April 2025 publication of this report, disbursement of funds under the MERP program has been placed on hold pending further review by President Trump’s administration. Regardless of the outcome of this review, we were very pleased to have had these projects recognized as beneficial efforts to advance emissions monitoring and reduction practices and will continue to seek opportunities to engage in these and other important advancements.



## Acquisition Integration

In January 2025, Diversified announced definitive agreements to acquire EIG-portfolio company [Maverick Natural Resources](#) (“Maverick”) as well as certain other assets from [Summit Natural Resources](#) (“Summit”). With both Summit and Maverick now closed as of the first quarter of 2025, these transactions will add to the absolute GHG emissions profile of Diversified and impact methane intensity metrics.

However, our pre-acquisition diligence identified several opportunities to reduce the emissions profile of both acquisitions, starting with the application of proven SAM operational programs and processes, and the standing up of voluntary LDAR programs which support the use of actual measurements in emissions reporting. Additionally, we plan to continue the voluntary pneumatic device replacement programs already in place at Maverick. The integration of these acquisition assets will inform the work we undertake during 2025 to develop a new methane reduction plan, emissions baseline and interim reduction targets.

## New Energy Ventures

Diversified has always demonstrated a commitment to identifying and implementing innovative solutions to reduce emissions while ensuring energy remains accessible and reliable for the communities we serve. Amid the growing momentum toward a lower-carbon economy, our robust stewardship model guides and supports our sustainable progress as we continue to stay at the forefront of evaluating new technologies and developing solutions for a lower-carbon economy.

In concert with our internal innovative efforts to reduce emissions, we also continue to consider other low-carbon opportunities which can contribute to both our near-term goals to reduce emissions and our longer-term goals to create carbon offsets or insets. One such opportunity is our previously announced and yet nascent step into the adjacent market of capturing coal mine methane vented to the atmosphere via third-party assets. This methane capture creates simultaneous opportunities for Diversified to support non-affiliated methane reduction activities while generating additional revenue from the sale of the captured natural gas and the generation of alternative energy credits for use or sale.

New opportunities such as this, as well as emerging technologies, are consistently being evaluated through our marginal abatement cost curve analysis for potential implementation. The projects under consideration are expected to position Diversified strategically in the carbon economy, not only delivering the potential to provide differentiated gas and better environmental performance, but also realizing financial benefits in the near-term that come with such projects.

As we continue to chart our path forward to comply with evolving regulations and the Company’s long-term carbon reduction goals, we are also poised to thoughtfully and strategically amend our business offering in a manner that allows us to participate in evolving low-carbon opportunities. We are not setting out to reinvent our business model through these initiatives, but rather seeking avenues to advance existing strategic objectives for emissions reduction and shareholder value creation while also pursuing opportunities for optionality in ways to achieve those objectives. Recognizing the challenges ahead, we understand that achieving these goals will require collaboration and partnership across industry stakeholders—an effort we are committed to for the benefit of our business and the planet.

**As we continue to chart our path forward to comply with evolving regulations and the Company’s long-term carbon reduction goals, we are also poised to thoughtfully and strategically amend our business offering in a manner that allows us to participate in evolving low-carbon opportunities.**






# Air Quality

In 2024, we continued our commitment to minimizing air emissions across our operational footprint. Many of our efforts to reduce methane emissions have the co-benefit of also reducing emissions of other criteria pollutants. As part of our ongoing work to improve air quality, we focused on refining emissions measurement techniques and updating calculation methodologies to ensure accuracy and comparability.

Before accounting for 2024 acquisitions, we achieved an approximate 11% reduction on combustion pollutants (NOx, CO, PM). This reduction was largely related to increased usage of direct fuel metering and optimization of our compression fleet through decommissioning redundant units and right-sizing others.

After accounting for acquisitions, we saw a net increase of 6% in these pollutants, demonstrating that the optimization efforts we have undertaken nearly offset acquired horsepower until we are able to optimize those assets in the future through our SAM operating practices.

We also recorded a 24% reduction in year-over-year VOCs, inclusive of acquisitions, driven largely by the use of improved methodologies resulting from ongoing voluntary fugitive emission surveys, the expanded use of the EPA-approved ProMax® 6.0 emission modeling software for tanks, elimination of device counts, and reductions in pipeline fugitive mileage.

  
 Refer to our [Performance Data Table](#) in the Appendix for comparative prior year air quality metrics.

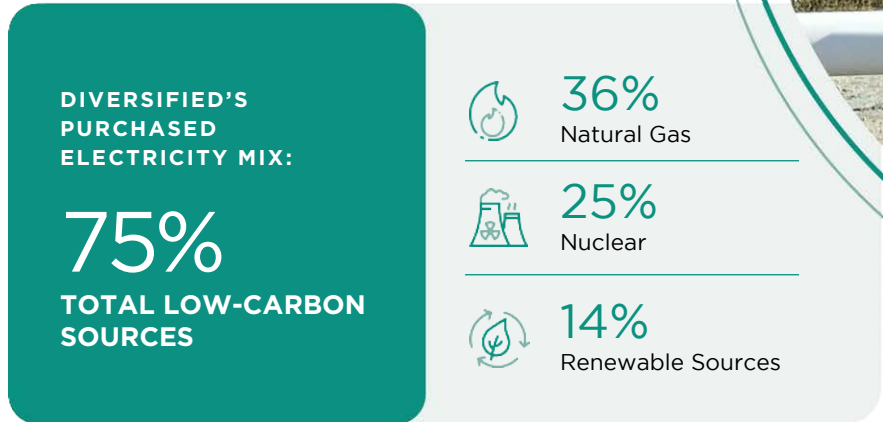


# Energy Efficiency & Renewables

While Diversified has no plans to stray from a business model centered on oil and gas production and operations, we do seek to partner our emission reduction efforts with opportunities to drive energy efficiency throughout our operations.

As discussed herein, these efforts have included a multi-year program that seeks to eliminate pneumatic devices that use natural gas as the prime energy source in favor of compressed air or renewable solar energy sources and the use of electric valves where we have access to grid power. Additionally, renewable energies such as solar and small wind turbines have supported our operations in reaching remote areas where electric power sources do not readily or cost-effectively exist. Further, we also utilize continuous monitoring technologies that provide verifiable methane emissions data and therefore support differentiated, or lower carbon, natural gas supplies.

During the year, we sourced 130 million kilowatt hours of grid electricity for our expanded portfolio. Low-carbon electricity, including natural gas, nuclear and renewables, accounted for 75% of Diversified's total electricity mix, a reflection of our belief that future energy demands must be met from multiple, well-balanced energy sources beyond abundantly available low-carbon natural gas.





# Well Retirement

Responsibly retiring wells is a critical aspect of our overall business strategy as well as a key component of our EMS through the lifecycle management and stewardship of those wells. Utilizing our in-house well retirement capabilities through our wholly-owned Next LVL Energy (“Next LVL”) subsidiary, we are able to reduce our reliance on third-parties, achieve economies of scale, and generate revenue through third-party contracts to help offset the costs of retiring Diversified’s own wells. Our asset retirement team positions us as one of the most active well retirement companies in Appalachia.

Next LVL’s well retirement practices include conducting leak detection scans before and after the well is plugged as well as focusing on equipment recycling, soil remediation and the restoration of habitats around the retired assets. These practices are just a portion of the full service capabilities of our retirement business, which supports comprehensive environmental construction, retirement, and reclamation solutions for the states in our footprint and the industry at large. During the year, we further expanded these capabilities, with 18 rigs and teams operating at year end.



### Next LVL’s Full Service Capabilities

- Asset retirement
- Project management
- Construction and trucking services
- Facility installation

## Well Retirement Commitments and Planning

In four of our Appalachia operating states, Diversified has established long-term commitments that set out a minimum number of well retirements per year in each state. The most far-reaching of these agreements extends into 2034. Since inception of those agreements, we have met or exceeded those annual commitments.

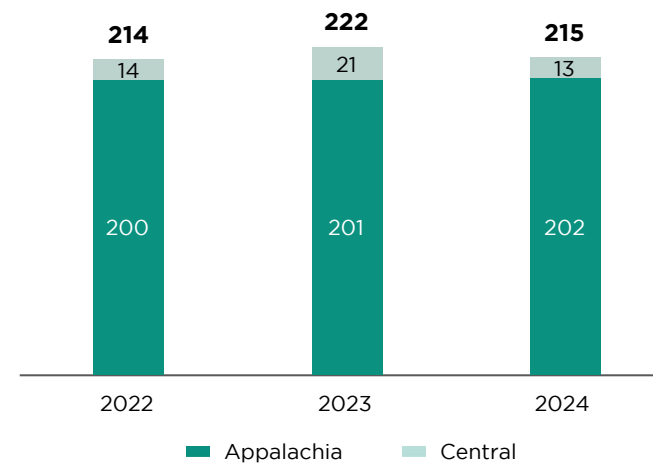
Closely aligned with these commitments is our Sustainability & Safety Committee’s 2024 in-depth review of our asset retirement operations and long-term strategy for growth. Importantly, this review included scenario analysis modelling that considered, in part, financial asset retirement obligations of the existing well portfolio; annual retirement commitments; current and projected costs to plug; projected third-party retirement needs; financial, physical and human capital requirements; and alternative uses of existing wellbores. This kind of Board-level analysis helps ensure we strategically advance both our asset retirement capabilities and business model.

## Performance and Outlook

Through Next LVL and third-party contractors, we retired a total of 215 Diversified-operated wells during 2024, reaching for the third consecutive year our near-term goal to plug at least 200 owned wells and, in doing so, again meeting or exceeding all of our long-standing commitments with the States. Next LVL also retired 85 third-party wells in 2024, bringing total direct or managed well retirement activity by Diversified to 300 wells during the year.

Fewer third party well retirements in 2024, as compared to 182 retirements in 2023, were directly attributable to the delays and challenges that the States faced in receiving additional funding from the federal orphan programs. However, we remain optimistic that the Appalachia states will offer more orphan well packages in 2025 to be retired under the federal programs, and we are well-positioned to support the retirement of those assets given our expanded capabilities. We currently anticipate that Diversified’s well retirement activities for third parties in 2025 could match activity levels in 2023. Further, we are committed to increasing annual retirements of Diversified-operated wells up to 250 wells per year by 2028.

DIVERSIFIED WELLS RETIRED



Since acquiring Next LVL Energy in 2021, we have directly retired or managed the retirement of **~1,075** wells in the Appalachia Basin.



# Water & Waste Management

## Water Management

Water is a finite and shared resource. We recognize our responsibility to manage water withdrawal, use and disposal responsibly and therefore monitor the water scarcity of the areas in which we operate.

**With this responsibility in mind, we apply water management policies and practices across our organization with the following goals:**



limit freshwater use,



responsibly manage produced water to minimize environmental impact, and



seek to expand recycling and reuse of produced water.

### BY THE NUMBERS

Spanning 10 states and 180 counties,

# 96%

of our operated locations are within areas that qualify as Low Overall Water Risk, with the remaining

# 4%

within areas that have Low to Medium Overall Water Risk.<sup>1</sup>

**In 2024, we consumed no water in High or Extremely High water stressed areas.**

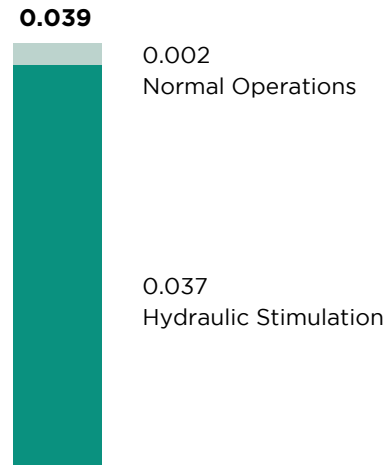
## WATER USE IN OPERATIONS

Water is a significant input for many companies within the energy sector, particularly those companies engaged in significant drilling programs. In contrast, our historical strategic focus on acquisitions limits our overall water consumption. Beyond domestic use, we use water in well maintenance, asset retirement and, as noted below, limited hydraulic stimulation activities. We source this water from multiple outlets, including freshwater outlets, municipalities, or recycled produced water.

In 2024, we did participate as contract operator on 14 new drilled natural gas wells, though we own an -10% working interest in only five of those wells. As operator of record, we included all of the water consumed in the hydraulic stimulation of these wells in our water consumption activities for the year. During the year, we also incurred additional water use in our well retirement operations, primarily in our retirements for certain of the States' orphan wells in which we were required to drill into the wells before actually plugging in order to correct bottom hole issues in the wellbore that would support permanent closure.

One way we demonstrate our approach to water management is through a water consumption intensity metric, as shown in the chart on the right. This metric also reflects the impact that the inclusion of these stimulation volumes can have on our water consumption intensity. Including these stimulation volumes produced a total intensity metric of 0.039 barrels of water consumed per BOE of gross production in 2024. Alternatively, excluding those volumes would reduce the total intensity by more than 95% to a negligible rate of 0.002 barrels of water consumed per BOE of gross production.

## 2024 TOTAL WATER CONSUMPTION INTENSITY (Bbl water consumed per BOE gross production)



In 2024, we returned more than

# 1.6 million

gallons of collected stormwater in our Central Region operations to the hydrological cycle, thereby avoiding more than

# 320

truckloads of water disposal.



<sup>1</sup> World Resources Institute's Aqueduct Water Risk Atlas, assuming oil and gas industry-specific weighting scheme



## MANAGING WASTEWATER

Wastewater is a natural by-product of our oil and production operations and represents the primary waste generated in our upstream activities. As our portfolio of oil and gas producing assets has grown through acquisition, so too has our volume of wastewater. To manage this effluent, our portfolio includes certain wastewater pipeline infrastructure, central processes and UIC Salt Water Disposal programs. The pipeline infrastructure, in particular, allows Diversified to have more control over the assets that our operations rely upon to transport and dispose of this waste stream. The pipelines also dramatically reduce truck traffic and related vehicle emissions. For example, in 2024, 54% of our produced water was piped, eliminating some 113,600 truck loads of produced water for disposal from being on the road.

Our framework for managing effluents focuses first on safety, with the aim to avoid any environmental incidents or impacts and to protect the safety of employees, contractors and surrounding communities. Then, we focus on operational efficiencies to reduce volumes of wastewater through processes such as recycling and reuse.

In support of our reuse efforts, we are a member of the Marcellus Logistics Group, an informal group of water management professional within our Appalachia states of Pennsylvania, Ohio and West Virginia.

Promoting a collaborative avenue for operators seeking to acquire or dispose of produced water, this organization supports Diversified's efforts to source our produced water to other operators for their drilling and development operations. Even still, the majority of our wastewater is injected into salt water disposal wells as per common industry practice.

## SMARTER WELL MANAGEMENT THROUGH WATER MANAGEMENT

Diversified's expanding use of field-level technology extends to our produced water management practices. In 2024, we implemented digital ticketing platforms for all upstream water hauling. This GPS-tracked system processes data in real-time and with greater accuracy than previously utilized manual processes.

The digital metered application supports:

- standardized processes and data aligned with our OneDEC approach to unify language, procedures, and reporting;
- connections to Diversified's internal systems to create time and cost efficiencies, increase accuracy, and improve verification; and
- increased employee and public safety as well as vendor accountability.

## Waste Management

With a business model focused on optimizing existing assets rather than sustaining large drilling and development programs, we deal almost exclusively with non-hazardous waste, and in relatively low volumes, which means we can target our waste management efforts on the specific non-hazardous or industrial materials that result from our operations.

## DEVELOPING A CENTRAL REGION WASTE PLAN

In 2024, we significantly advanced a regional waste management plan targeted at various waste streams in our Central Region. The plan is designed to ensure the safe, efficient and environmentally responsible handling, treatment and disposal of waste, and enables Diversified to make targeted improvements to our processes and policies around a variety of waste, thereby decreasing our direct waste.

The plan recognizes state-specific procedures for waste classification, interim storage methods, and approved disposition methods. Designed to avoid or reduce environmental harm, disposal alternatives include (i) reuse, (ii) recycling, or (iii) treatment methods that recover useful materials, reduce contamination, or minimize waste volume. We plan to utilize our revised waste management plans from the Central Region to inform the process for updating our Appalachia waste management plans in 2025.

## Reuse, Reduce, Recycle

While we aim first to reduce waste, the reuse and recycling of materials from our operations also assists us in remaining a responsible operator to the communities surrounding our operations. In 2024, our Appalachia team demonstrated this exact mindset of reuse when they repurposed an excess, unused separator tank as a compressed air tank in support of our methane emission reduction efforts (see GHG [Reduction Programs & Strategies](#) above).

The Central teams share this philosophy toward waste management, as noted here, and found an opportunity to partner their actions in support of community. In February 2024, Central employees saw firsthand the impact of devastating wildfires in Canadian, Texas where we have an operating presence. In addition to donating funds for the local volunteer fire department, the Central team donated 152 joints of otherwise scrap pipe to the student chapter of the Woodward, Oklahoma Future Farmers of America. During the school year, the students built approximately 150 H-braces from the pipe for the ranchers affected by the fires.





# Spills

Our commitment to safeguarding the integrity of our assets while protecting the environment and the public is underpinned by effective daily operating procedures. Essential to environmental and biodiversity protection, spill prevention and management is one such practice that plays an integral role in our overall environmental management system as we seek first to avoid and mitigate spills.

## Preventive Actions

Through a variety of programs, we have created a strong employee culture that places an emphasis on the importance of preventing spills and protecting the environment. We have worked to further strengthen this culture with the creation of monthly foreman-led safety meetings focused on meaningful interactions, mentorship, amplification of good leadership traits, accountability, and recognition and rewards.

We have established the following preventive actions as part of the holistic approach we take to monitor, inspect and manage our assets:

### INSPECTIONS AND REMOVALS

Our spill prevention inspections are focused on our liquids products, including oil and produced water. We conduct regular inspections at all oil sites in compliance with regulatory and environmental requirements. We also complete additional periodic voluntary inspections through our daily SAM efforts and we make every effort to remove from service unnecessary or aged equipment which could inadvertently contribute to spills.

### SPILL PREVENTION FOCUS GROUP

Our Spill Prevention Focus Group convenes at least monthly to review root cause analyses of inadvertent spills, discuss trends, and share anecdotes as means to systemically address spills, share learnings, and develop best practice preventive actions. Importantly, this collaborative knowledge sharing creates opportunities to adopt successful spill mitigation techniques across operating regions.

### GOOD CATCH/NEAR MISS REPORTING

Our Good Catch/Near Miss reporting program allows field personnel to note potential incidents in advance, where a condition that could have developed into a spill is identified early and addressed before a leak occurs. Some 30% of our Good Catch/Near Miss reports in 2024 related to spills.

### INTEGRATED OPERATIONS CENTERS

An increasingly important component of our preventive measures is the continuous monitoring afforded through our IOCs. With real-time monitoring, our IOCs have a view to abnormal events that could lead to spills if those events are not addressed timely. Examples include high fluid tank levels due to malfunctioning pumps or automation, or delayed water hauling.

## Preparedness and Response

Diversified has a keen focus on training personnel on employee readiness and, when needed, incident response best practices. This training starts with annual Spill Prevention, Control and Countermeasure (“SPCC”) training designed to educate personnel to first prevent spills but also to control them if they occur and to implement countermeasures to mitigate their impact. We have established regional, site and unit level emergency response teams to cover the entirety of our operations.

## 2024 Spill Performance

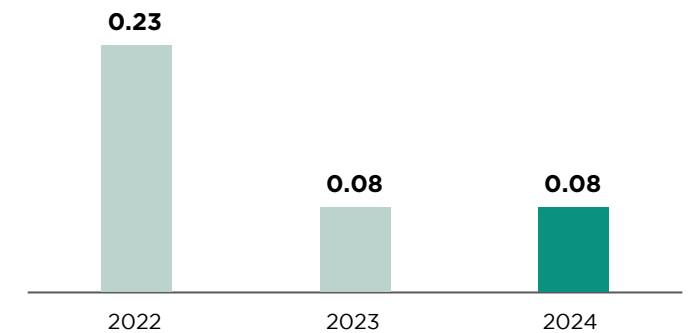
In 2024, we incurred a 9% reduction in the total volume of reportable spills as compared to 2023 though our total reportable incidents increased 13%, largely in our Central Region where we continue to bring on new assets and personnel through acquisitions during the year. We continue to diligently address incident occurrence through actions such as those noted herein.

Our actions during the year generated a spill intensity rate of 0.08 barrels per thousand barrels of gross liquids production, unchanged from 2023 and some 65% better than reported spill intensity in 2022.



### SPILL INTENSITY

(Bbl Spill Volume per MBbl Gross Liquid Production)



In 2024, we focused our spill reduction efforts on the following activities:



Reducing equipment failure



Decreasing opportunities for vandalism which can lead to spills



Managing and preventing equipment corrosion



Lowering total spill volumes



# Biodiversity

At Diversified, we prioritize strong oversight, risk management and standardized procedures to support sustainable operations.

Responsible resource development and environmental stewardship are inherently linked to Diversified's differentiated business model and drive our efforts to create positive biodiversity impacts. We typically acquire pre-developed assets rather than developing new sites, reducing disruption to ecosystems. As the Company continues to acquire additional assets, including through expansion to new operating regions or areas, we remain committed to avoiding ecosystem degradation and to protecting habitats through specific environmental management and biodiversity policies.



## Governance

Diversified's biodiversity efforts are managed by our environmental specialists and overseen by our Senior Vice President of EHS with broad oversight by our Executive Vice President of Operations. These specialists engage regularly with local regulators and government agencies as environmental projects come to forefront, and they take the lead in planning and guiding site reviews and assessments as a part of our asset acquisition diligence.

**We respect legally designated protected areas, such as national parks and nature reserves, where strict nature conservation is the management objective, and we do not operate in designated World Heritage sites.**

## Stewardship in Action

When considering new acquisitions or projects, Diversified's analysis includes a review of the biodiversity footprint and potential ecosystem impacts. One example is our midstream team when considering pipeline expansions, such as our Louisiana natural gas processing plant's reroute pipeline installation in 2024. The project included a robust Wetland and Waters Delineation and a Threatened and Endangered ("T&E") Species Habitat Assessment, conducted by an independent natural resource consultant and completed before any action was taken. The objectives of the surveys were to identify wetland and other waters (streams, open waters, etc.) and potential T&E habitat that may be present within the designated project area. We then leveraged this assessment to construct both a fully informed development plan that first avoided then minimized any potential negative impacts to the surrounding environment and ecosystems, as well as a reclamation plan upon completion of work.

## Strategy

Our biodiversity strategy is centered around four key principles - Avoid, Mitigate, Restore and Offset. Each principle guides a different aspect of our biodiversity priorities while working collectively to achieve our goal of minimizing impact on habitats, waterways and sensitive species. Diversified's primary objective is to avoid any actions across our operations that could harm the environment. Collaboration between regulators within U.S. fish, wildlife and forestry services and our environmental specialists allows us to explore and better mitigate potential impacts of new work before any action is taken by creating tailored approaches to the expected work to be performed. When work is complete, our reclamation teams seek to restore sites in a way that promotes flourishing ecosystem health and growth.

We employ a portfolio of initiatives and strategies to achieve our biodiversity goals aimed at protecting and preserving the environment, including but not limited to:

- Desktop research and online tools
- Cross-team and regulatory collaboration
- Waterbars and other sediment or erosion control systems
- Mobile bridges for stream crossing access
- Strategic on-site equipment placement
- Well-pad downsizing when appropriate
- Use of existing rights-of-way or easements
- Hydro-seeding and native seed mixes for restoration
- In situ soil remediation and treatment to minimize digging and hauling
- Staggered windrows, habitat rejuvenation and restorative contouring
- Avoidance of migratory, nesting, mating or hibernation seasons

### AVOID

Protection of endangered species through a commitment to avoid disruption of critical habitat and waterways

### MITIGATE

Commitment to replace any disturbed forest in partnership with university researchers and environmental specialists

### OFFSET

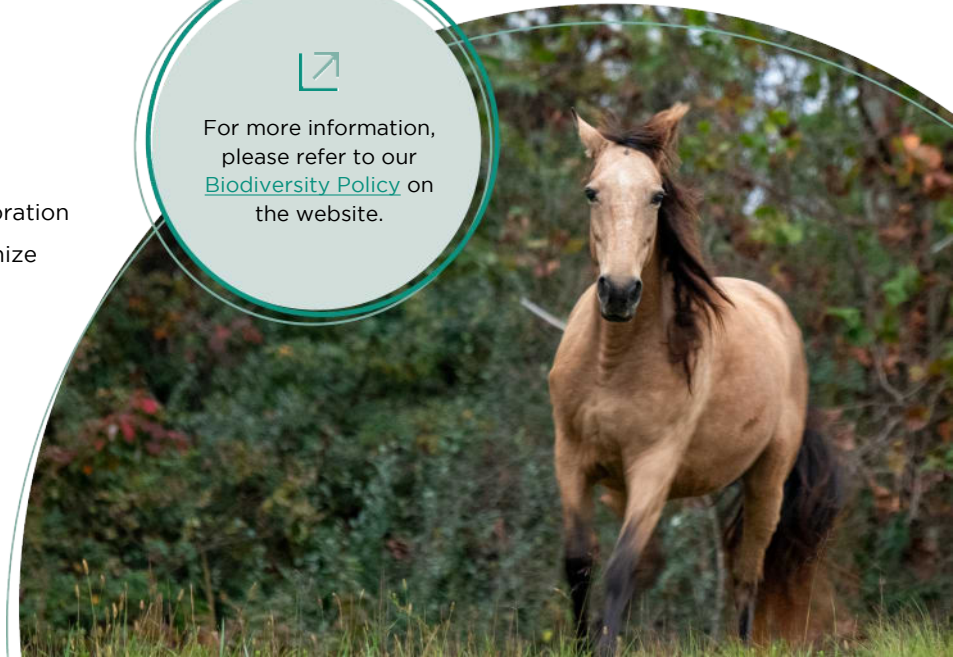
Coordination with third-party groups to extend our impact around conservation and protection of biodiversity

### RESTORE

Use of approved native seed mixes and plantings during restoration



For more information, please refer to our [Biodiversity Policy](#) on the website.





# Supporting Our Employees

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# Focus on Safety

Diversified operates with an uncompromising commitment to safety. With a workforce and assets that span 10 U.S. states at year end 2024, we consistently invest in creating a culture where safety comes first — seeking to protect individuals with whom we engage while enhancing asset operational integrity and performance. Prioritizing safety is central to our employees’ daily activities, and we reinforce our goal of a net-zero harm working environment through a number of programs and internal initiatives.

## An Integrated Approach to Safety

Our commitment and approach to health and safety combines rigorous management practices with proactive data-driven insights generated through our automated monitoring systems. Under the direction of the EHS team and through cross-functional collaboration, regular dissemination of knowledge and best practices, and comprehensive safety trainings, the team seeks to create a safe working environment for all – employees, communities, business partners and the environment. By advancing data and automation systems, we continuously improve workflows to proactively address safety considerations across our extensive operational footprint in order to enhance personal, process and pipeline safety.

Diversified deploys a comprehensive suite of practices and tools to support our employees, assets, and systems with the goal of achieving zero-harm through operational excellence and emergency preparedness:

- Comprehensive training
- Integrated Operation and Gas Control centers
- Automated data systems
- EHS metrics monitoring
- Frequent communications via varied delivery methods
- Contractor and supplier engagement

### SAFETY CULTURE

*Safety-No Compromises* — it’s our number one daily priority and encompasses our employees, business partners and communities. We recognize that building a high-performance safety culture takes a constant investment to continually reinforce habitual safety actions and strong performance expectations. Therefore, we utilize a combination of management systems, technology, best practice-based operational

standards, documented work processes and programs, and a multitude of safety training methods for maximum effectiveness.

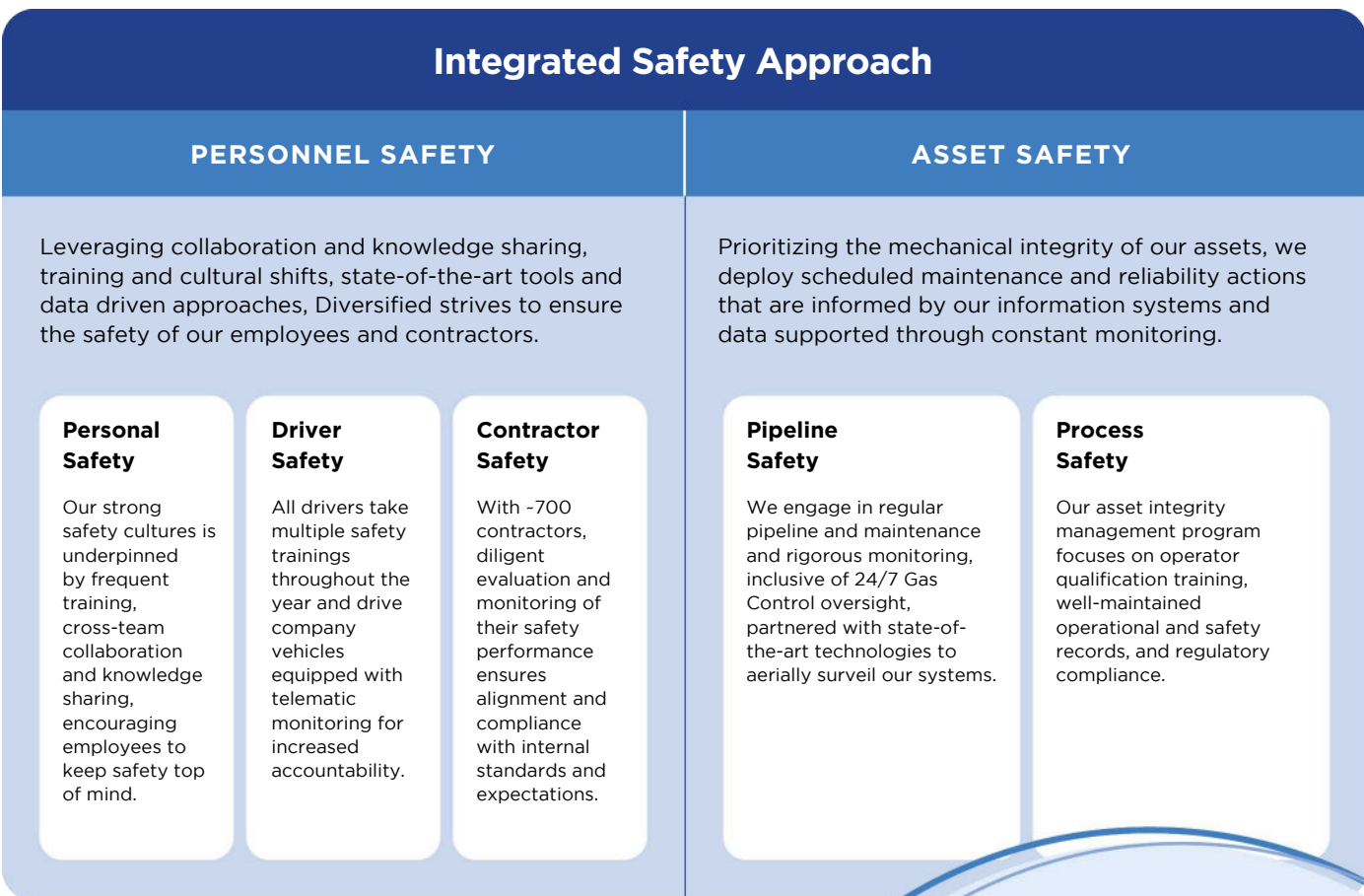
Through all of these actions, and to reinforce our OneDEC emphasis, we recently realigned our approach to safety to create ownership through front line engagement with the use of foremen-led safety instruction and a newly created short-service employee program. We consider safety and risk management the responsibility of all employees and thus have empowered them to continually enhance our processes and procedures.

### INCIDENT PREVENTION AND REPORTING

A significant tool in our safety culture is our employee-driven, amnesty-protected Good Catch/Near Miss reporting program that aims to identify and prevent potential safety incidents. If an incident or injury does occur, employees and contractors are responsible for promptly reporting it. We actively document and track both prevented and actual incidents and injuries to identify trends and opportunities for improvements and to assist in corrective actions and future training. After an in-depth review of reported incidents with the Board’s Sustainability & Safety Committee, the EHS team integrates the lessons learned across our entire suite of operations and personnel.

### SAFETY OVERSIGHT

Our EHS team takes primary responsibility for all Diversified’s occupational health and safety matters. In collaboration with our EHS team, the Sustainability & Safety Committee provides Board-level oversight of these activities and related performance across all operations. Personal and process safety metrics and activities are shared by senior leadership with the Committee at each of its meetings and addressed accordingly.



### Stop Work Authority

Every employee is empowered and obligated to use their ‘stop work authority’ to intervene or stop work when they perceive or observe an at-risk situation or unsafe behavior that is not appropriate for the task at hand, no matter the work location or size of the task.



## 2024 Safety Initiatives

In addition to our established EHS program and activities which we continue to practice as part of our daily operations, the EHS team rolled out several new initiatives and updated procedures in 2024. Certain of these new initiatives were intentional actions to address the prior year's increase in 2023 of personal safety incidents.

### FOREMAN-LED TRAININGS

As an extension of a new Safety Task Force formed in 2024, we launched a series of foreman-led trainings to enhance the efficacy of our safety program, expand the sharing of safety and operational best practice knowledge, and encourage a culture of leadership and accountability across each functional level and team. These trainings led to meaningful, direct one-on-one and small group interactions, which characterize the collaboration and learning processes that underpin Diversified's approach to safety. These foremen-led trainings and the broader Safety Task Force, combined with other continuous efforts, helped drive significant improvements in our safety performance in 2024, including delivering results better than our stretch targets for our primary safety metrics.



Refer to the [2024 Safety Performance](#) details below for more information on our the results of 2024 safety actions.

### SHORT-SERVICE EMPLOYEES PROGRAM

In addition to the roll out of its Hand Safety focus program, the EHS team and bespoke Safety Task Force also developed and rolled out a new program for short-service field employees inclusive of specific safety requirements and supplemental job site support. With the support and feedback of senior leadership, the program was developed from ground zero through interactive focus sessions with foremen, contributing to employee buy-in and helping to establish well understood accountability measures. The program's thorough coverage includes assigned mentors, uniform evaluation forms, self-assessments, safety expectations, and, as applicable, an exemption process.

### EMERGENCY PREPAREDNESS

While our safety program is designed to help prevent incidents from happening, we also prepare to respond quickly and effectively to any actual or threatened emergency that may occur, by engaging employees positioned at the wellhead and up to executive management in emergency preparedness and response exercises that simulate potential emergency events. Our emergency preparedness practices involve designated crisis communication teams; engagement with government, regulatory officials and communities; and various operational emergency response plans that aim to keep our employees and communities safe.

These response plans include, in part, identification of potential risks requiring an emergency response; protocols for communicating with external stakeholders; and established regional, site or unit level emergency response teams. This preparedness served our teams wells in 2024 during instances of extreme winter weather and flooding where prompt action and communication minimized potential impacts. We periodically revisit and refresh these plans to consider actual events, as applicable, or other potential sources of emergencies.

### Crisis Management Policy ("CMP")

This year the Crisis Management Team ("CMT") updated and adjusted the CMP in line with newly considered scenarios to refine the identification of potential risks that require emergency response and to improve protocols for communicating with stakeholders about such emergencies. This plan covers a broad range of risk categories, including environmental, personal safety, legal and regulatory, data security, and operational disruptions, among others. By updating this plan, we aim to increase the efficacy of our communications and enable an effective response by emergency responders.

### Business Continuity Plan ("BCP")

In addition, the CMT can also authorize and activate the BCP. This plan is focused on localized disasters such as fires, floods, or the disruption of Diversified's digital networks and seeks to ensure the development and continuous improvement of response protocols for disruptions to critical business functions, while creating targeted plans to restore specific operations effectively.

### Supplier Safety Screening

Beyond our internal processes, we play a proactive role in maintaining a safe and ethical supply chain, which is expected to meet our high EHS standards. We leverage the Veriforce platform to screen our contractors and suppliers for a variety of critical standards, engaging with suppliers as needed based on their responses to specific safety and sustainability screening criteria.

In 2024, we restructured our evaluation process, seeking to identify and prioritize active suppliers and contractors in our database, and thus minimize or eliminate the Company's use of inactive or underscoring contractors. In addition, we sought to create an equitable grading system and balanced scorecard for both large and small contractors (as measured by employee count) by recategorizing contractors by size and established safety metrics.

As a result, we attained an immediate 52% reduction in contractors with a high TRIR score, realized a 10% increase in insurance compliance, and improved compliance with our Masters Services Agreement. We have also since extended our revised screening criteria and process to potential suppliers ahead of doing business to ensure all utilized contractors are equally aligned on performance criteria.

We attained an immediate

**52%**

reduction in contractors with a high TRIR score, realized a **10% increase** in insurance compliance, and improved compliance with our Masters Services Agreement.

### TRAINING EXERCISE

## Control Room Management and Emergency Preparedness

As part of our Control Room Management Plan this year, Diversified conducted an unannounced "mock drill" simulating a mass communications outage requiring a coordinated management and field response to ensure safe system operations. As expected, the exercise included engagement from a number of company teams, including Gas Control, Pipeline Operations, Field Gas Measurement, Information Technology, Compliance and Executive Management.

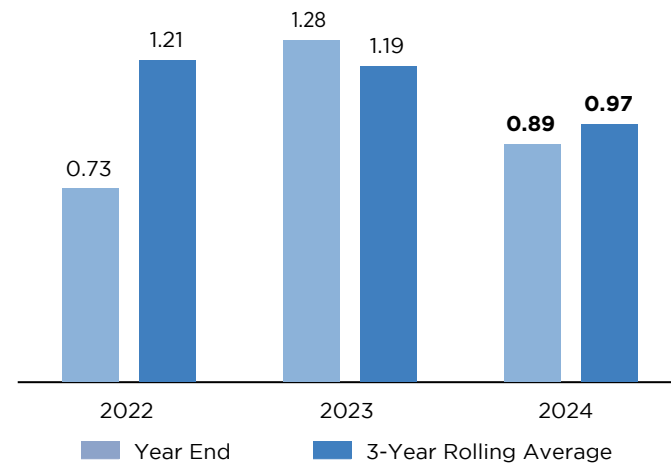
This exercise offered valuable insights into our teams' understanding of critical emergency response procedures and provided a realistic measure of communications abilities and response times, both of which are essential for effective emergency response. We are pleased to report that the drill confirmed the robustness of our current emergency response procedures, with no significant updates needed.





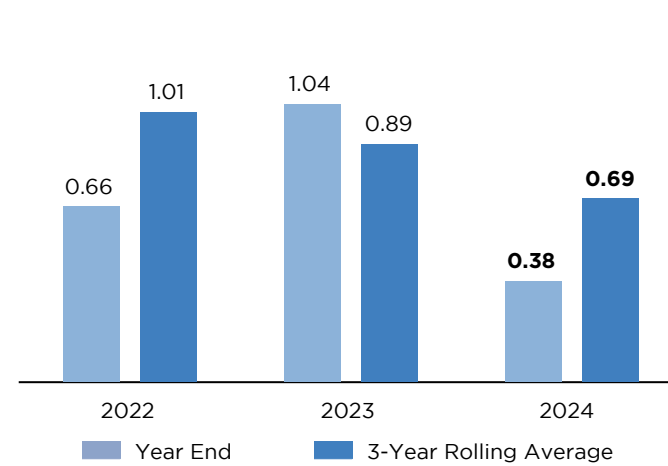
### 2024 Safety Performance

**TOTAL RECORDABLE INCIDENT RATE**  
(per 200,000 Work Hours)



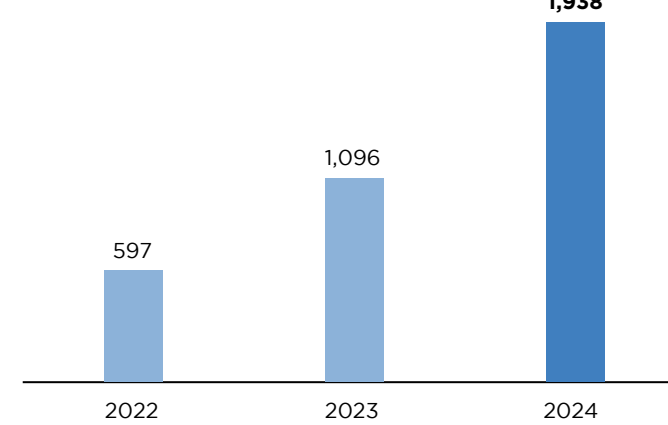
We reduced our Total Recordable Incident Rate (“TRIR”) by 30% this year, improving performance across the Company through targeted and strategic safety improvement initiatives such as foreman-led safety interactions and a new short-service employee program. Last year, injuries were predominant among short-term employees with less than one year of work with DEC. This year’s initiatives were designed to address these incidents as we continually strive to achieve zero-harm for all of our employees.

**LOST TIME INCIDENT RATE**  
(per 200,000 Work Hours)



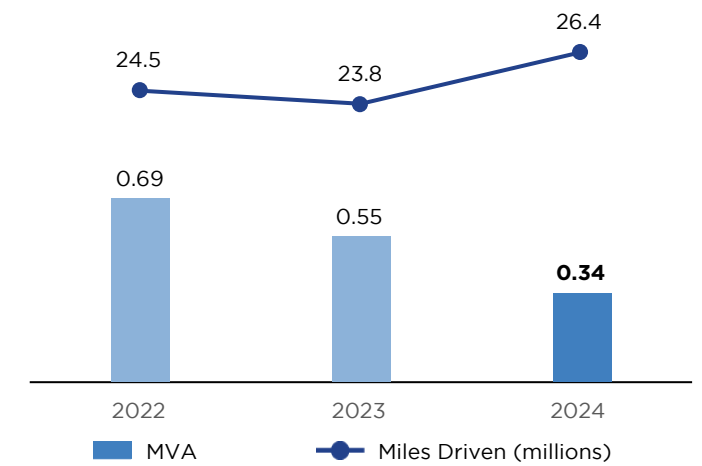
We also realized a significant 63% reduction in our Lost Time Incident Rate (“LTIR”) during the year, improving our three-year average LTIR to 0.69 and attributable to the same emphasized program initiatives as for TRIR. As we have noted in previous reporting, industry safety consensus is shifting from TRIR as a valid safety indicator to the incorporation of other metrics. Thus, in 2024 we intentionally added LTIR as a personal safety metric in our incentive compensation plans.

**GOOD CATCH/NEAR MISS**  
(Number of Reports)



Our employee-led, amnesty-based Good Catch/Near Miss reporting program continues to play a central role in our safety culture, and this year was no exception as both the quality and quantity of these reports increased in 2024. We realized a 77% year-over-year increase in the number of Good Catch/Near Miss reports, thus reducing the number of potential incidents that could have led to an injury. Our safety teams regularly review these reports to identify potential trends, promote the prevention of future incidents, and refine the focus of our safety efforts.

**PREVENTABLE MOTOR-VEHICLE ACCIDENTS**  
(per Million Miles Driven)



Our desire is to have zero preventable motor vehicle accidents (“PMVA”). We are pleased to report that for 2024 our PMVA further declined some 38% to 0.34 incidents per million miles, even with a nearly 11% increase in total miles driven by an expanding employee base as a result of acquisitions completed during the year. This year’s PMVA performance marks the fourth consecutive year of improvement.

**DID YOU KNOW?**

~55%

of our reporting districts have been incident-free for more than five years



95%

of our vehicle fleet is equipped with telematics that track driver safety metrics which are shared with drivers’ supervisors, leading to higher accountability, development of performance metrics, targeted training, and corrective action, as warranted.



# Talent Acquisition & Management

Using a broad array of sources to create a diverse applicant pool and equitably applying the unconscious bias training provided to our talent acquisition teams, Diversified seeks to hire local and diverse talent within the communities where we operate. We aim to offer long-term opportunities that provide access to both financially stable employment and related economic development across our operating footprint. Then, through various avenues of continuous employee engagement and a supportive corporate culture, Diversified seeks to retain the talented staff that help drive our success as a business.

## Building an Employee Pipeline

Diversified understands the importance of meaningful recruitment initiatives as we remain focused on providing attractive jobs with competitive salaries and building a talent pipeline from which to hire locally.

### iCIMS SYSTEM

After implementing the iCIMS applicant tracking system in 2023, this system has enabled our talent team to better identify qualified candidates for the open positions we offer. Offering scalability and improved recruiting metrics, this system has the ability to build metrics and benchmark recruiting standards at a more granular level, thus providing managers with a streamlined process from which to select possible candidates without bias and to support our efforts to hire the most qualified candidate.



For more information on the cumulative impact of employment within our operating regions, see our [State-by-State Economic Analysis](#) herein.

## THIRD-PARTY RECRUITMENT

Leveraging third-party recruitment sources to increase applicant pool size can have the added benefit of increasing the diversity of the candidate pool from which we hire. A specific example of this is our most recent effort to expand our LinkedIn Learning platform to also include recruiting through the LinkedIn Hiring network.

Offering an integrated approach to both talent recruitment (potential employees) and retention (current employees), this enterprise program utilizes real-time trends and AI-assisted features to automatically pair LinkedIn users with targeted Diversified job vacancies based on the user's skills, experience and interests as discoverable through their member profiles and job searches within LinkedIn. This system further supports our goal of unconscious bias in hiring by helping our recruitment team source candidates based solely on qualifications.

## Internship Program

Over recent years, we have expanded our internship program and welcomed a growing population of interns to support a variety of business functions across Diversified. In 2024, we hired 18 total interns. Fourteen of the interns were general summer interns working across various divisions throughout the Company, including Human Resources, Information Technology, EHS, Sustainability, Finance & Accounting, Land, Legal, and Engineering.

The remaining interns participated in our ongoing partnership with West Virginia's Bridge Valley Community & Technical College's Earn and Learn program. The Earn and Learn program is a workforce development initiative that allows students to take technical courses toward a credentialed degree while gaining paid, hands-on work experience in the oil and gas industry. Our intentional engagement in this program, expanding from just one intern in our inaugural 2022 participation to four interns this year, seeks to provide training in high demand occupational fields within our industry, such as welding or instrumentation, measurement and control.

Diversified aims to source qualified candidates from the local community to support local hiring efforts. In 2024,

# 97%

of our new hires were from the local communities in which we operate.

“The DEC internship program with Bridge Valley really jump started my future. It helped academically because it gave me hands on experience in conjunction with what I was learning in the classroom. Also, the internship was paid which helped with the cost of going to school. I really appreciate all the support and help I have received at Diversified.”

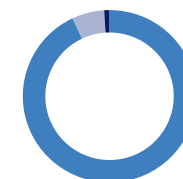
— LAYNE

## Workforce Diversity

We seek to hire the most-qualified candidate for each position while also aiming to employ a workforce reflects the diversity of the communities in which we work.

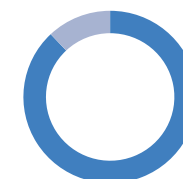
### Workforce Composition at December 31, 2024

#### RACIAL DIVERSITY



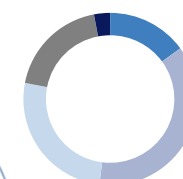
- Non-Minority 93%
- Minority 6%
- Declined to Identify 1%

#### GENDER DIVERSITY



- Male 88%
- Female 12%

#### AGE DIVERSITY (IN YEARS)



- 18-30 15%
- 31-45 37%
- 46-55 26%
- 56-65 19%
- 66+ 3%





# Employee Training & Development

Diversified provides multiple opportunities for all employees to continue both personal and professional development, including through targeted development programs, expanded training, educational assistance, and performance reviews. These areas are in full support of our Company Values **'to seek opportunities for continuous learning and improvement'** while also supporting our aim to build a workplace that fosters equitable growth opportunities as well as human capital and career development for all employees. By promoting a culture of learning and development, we seek to inspire employees to grow in their roles, improve their performance, and stay engaged in their work.

## Opportunities for Development

### LEADERSHIP IMPACT TRAINING

Through the FranklinCovey platform, more than two dozen managers from across the Company participated in a year-long Leadership Impact Training program with access to facilitated coaching, on-demand micro-courses, and self-paced learning content focused on personal and professional effectiveness, leadership and ethical behavior. Direct interaction with FranklinCovey coaches and 360° feedback assessments provide a holistic and personalized development program for each participant.

### EDUCATIONAL ASSISTANCE PROGRAM

As part of Diversified's many benefits, the Company offers an Educational Assistance Program to all employees that provides tuition reimbursement for continuing education through an accredited program that offers growth in an area either related to the employee's current position or that may lead to promotional opportunities for the employee.

“

"Diversified's Educational Assistance Program was a true blessing to me as I began my career. Through the program, I was able to fully fund my MBA debt free. I love working for a company that wants to help me grow in my career."

— ISAIAH

### LINKEDIN LEARNING

Driven by the success of the program in 2023, we continued to expand our online LinkedIn Learning program to over 500 employees at the start of 2024, then to 575 employees in the fourth quarter of the year, and now up to 750 licenses available at the start of 2025. This program offers employees, from individual contributors to executive leaders, access to 10,000+ expert-led courses ranging from technical skills to leadership and management.

During 2024, we attained an 86% course completion rate with more than 6,500 full courses and 91,600 unique videos completed. Additionally, participants earned more than 1,875 Continuing Education Credits utilizing this platform.

Throughout the year, employees were assigned tailored training covering a new theme in each quarter: Q1-Communication, Q2-Engagement, Q3-Psychological Safety, and Q4-Empathy & Trust. Each of these themes had bespoke lesson plans and course offerings depending on the employee's position within the Company. Employees also independently and regularly access additional courses that both reinforce these themes and offer exposure to other leadership and professional development opportunities. These trainings offer our employees opportunities to enhance existing skills, learn new competencies and stay up to date with the latest industry and corporate trends.

## Mentor Training

It has been stated that we remember just 20% of what we hear and 80% of what we personally experience. Our leadership team works hard to close that gap even further by seeking to train and equip our personnel to retain 100% of what they hear, see and experience so that safety is never compromised. Beyond safety, equipping employees with relevant and ongoing training is one of the best ways to foster professional development, upgrade skills, and improve performance.

One example of this training is the role that seasoned industry veteran and Diversified employee, Bob Cayton, Senior Manager of Upstream Operations, played during 2024 in mentoring and training up the next generation of hard-working team members and energy professionals. Bob has spent his entire career in the oil and gas business and came to Diversified in our 2017 acquisition of assets from Atlas Resource Partners. From his very first role as a well tender to his pinnacle leadership role as Senior Vice President of Upstream Operations for Diversified, Bob took every opportunity in his 40+ years in the industry to keep learning, build relationships, and teach others as they all worked toward a common goal - showcasing what our OneDEC culture represents.

In addition to helping develop a formal lease operator training program and manual for Diversified, Bob helped to establish a [well review process](#) that has been the cornerstone of our SAM stewardship approach to operations. Bob's mantras of "Get to the well and do something!" and "You can't out-think us and you can't out-work us!" have served his teams well over the years, as we've seen this demonstrated time and again in the results of lease operators' actions and their wells' performance.

After a long, hard-working career in this industry and on the eve of retirement, Bob sought the opportunity to step out of his management oversight role and into a hands-on mentor role for the younger or new-to-Diversified employees where he could, in part, pass along his expertise in plunger lift operations, a major component of Diversified's production operations. Whether in one-on-one or group settings, in the classroom or in the field, Bob's role has not only supported our corporate goal to create opportunities for professional development and growth, but also significantly supported our safety-first approach, especially among short-service employees which was a stated objective in 2024.





# Engagement & Culture

Diversified's workforce is instrumental in the execution of our programs and the achievement of our strategic objectives. In addition to an open-door policy and encouraged communication between all levels within the organization, we provide various opportunities for employee engagement, including town hall meetings, employee experience surveys, and new hire/exit interviews. The lessons learned from these communications help to develop ongoing human capital objectives and initiatives for the following year. Ongoing efforts seek to strengthen our OneDEC culture, which is characterized by integration, collaboration, performance, and accountability.

## Employee Intranet



Our employee engagement programs have informed ongoing updates to the ways we engage our workforce. One highlight of

this year was the addition of DEConnection, a tailored company intranet visible as the automatic landing page on all company computers and intended to optimize employee communications, knowledge-sharing, and daily collaborations. This communication hub allows employees to find everything they need in one place, from internal benefits plans to current industry updates and career development opportunities.

### The key benefits of DEConnection include:



**Employee Communications** to connect and inform field-based, on-site and remote employees with information generated and updated by their peers



**Employee Recognition & Reward** to create a culture of peer-to-peer recognition, celebrate contributions, and maintain morale



**Employee Growth & Development** to promote personal and professional understanding and development opportunities



**Employee Well-being** to help support all pillars of employee wellness

## We Are OneDEC

Our employees drive performance and innovation across our assets, contributing creative solutions while simultaneously driving daily operational improvements. We empower our employees, through a host of cloud-based applications and resources such as DEConnection, to connect with Diversified teammates across our footprint to share best practices and new solutions to everyday issues across the organization. This kind of sharing and collaboration portrays the strength that our OneDEC culture of innovation and ingenuity offers our operations. Examples of knowledge sharing that have been exchanged across teams include:

### CADDO COLLABORATION

On a pipeline extension for our Black Bear natural gas processing plant in Louisiana, a DEConnection posting highlighted successful collaboration between the Central and Appalachia Midstream Operations teams. Best said by our own Wes Smith, "When the Kentucky pipeline team caught wind of the Louisiana team's needs, they did not hesitate to jump in and help. Two welders, David Gilliam and Eugene Tackett, got together and did what they do best - burn rods and fabricate! They custom-built an engineered pig launcher and receiver for the Caddo NGL liquids pipeline." Thereafter, the Kentucky team drove 900 miles to deliver and help install the launcher and receiver before making the return trip to Appalachia with surplus Central compression engines to be overhauled and redeployed within our Appalachian equipment fleet. As Wes shared, "Not only did this project affirm the OneDEC model, but it also exemplifies our four fundamentals for success: Safety, Production, Efficiency and Enjoyment."

## MATERIALS MANAGEMENT

Our Central upstream team was looking for an opportunity to strategically redeploy tubing strings recovered from plugged wells to other workover projects to minimize waste, save cost and better manage well lifecycles. The redeployment of the tubulars was greatly limited by the damage to the pipe from bending that can occur during extraction efforts, thus rendering the pipe useless and otherwise deemed non-hazardous waste. The Engineering and Operations teams collaborated and discovered a creative, mobile solution to straighten the pipe for significantly less than the equivalent cost of new pipe, making the recovered pipe reusable and "finding value out of something that would have previously been discarded as junk," as team member Dillon Storer shared via DEConnection.





# Health & Well-Being

Diversified employees are vital to the success of our company. We are dedicated to providing comprehensive benefits that support the health and wellness of our employees and their eligible dependents, with an emphasis on physical, mental, and financial health. We actively review and modify our benefits packages to ensure they meet the evolving needs of our growing workforce. Collectively, benefits programs, human resources policies and competitive salaries are central to our strategy of attracting and retaining talent while continuing to foster a supportive culture at Diversified.

In addition to comprehensive health and wellness insurance plans, we offer a wide variety of other benefit programs for full-time employees, including but not limited to:

- Assistance programs:
  - Counseling services
  - Educational and professional development
  - Emergency or non-recurring hardship
  - Family adoption
- Paid vacation and sick leave with rollover plan
- Short-term and long-term disability insurance
- Retirement savings plan with up to 7% company match
- Financial wellness webinars with independent financial advisories
- Employee Stock Purchase Plan
- Financial scholarships for dependents of employees
- Hybrid work policy
- Charitable donation match and volunteer time off

## Physical & Mental Wellness Programs

It has been well documented that poor mental health in the workplace can lead to high rates of burnout, turnover, and sick leave. From a business perspective, promoting awareness and offering mental health programs are effective ways to support our employees and help our company manage mental health risks.

Our physical wellness program provides a variety of health insurance offerings, telemedicine services, and pharmacy discounts, but our primary focus is on healthy habits and preventive actions. To encourage preventive health behaviors, we offer a financial incentive to employees who voluntarily complete a health risk assessment and biometric screening. Employees can earn a \$480/year health insurance premium discount and an additional \$480/year if their qualified spouse or partner also completes the assessment and screening. In 2024, more than 50% of employees participated in this incentive.

## METABOLIC DISORDERS NEW

In 2024, employees and their dependents gained free access to a personalized health care program inclusive of unlimited personal coaching with 24/7 support and designed to make diabetes, blood pressure, weight, and more easier to manage.

## MUSCULOSKELETAL HEALTH NEW

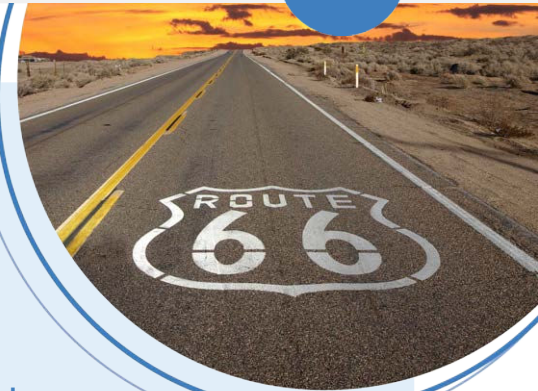
In 2024, Diversified also added access to a free, personalized musculoskeletal care program tailored to physical function through muscle and joint health. An associated exercise therapy program is designed to help employees reach health goals, recover from injury or surgery, and find strategies to stay healthy and pain-free.

## COUNSELING AND GUIDANCE RESOURCES

Diversified offers employees and family members a free, confidential Employee Assistance Program which includes counseling, legal and financial consultation, work-life assistance, and crisis intervention services.

## Financial Wellness Programs

In addition to receiving comprehensive and competitive salary and benefits programs, we are encouraged that some 96% of employees take advantage of our 401(k) retirement savings program, for which we provide a dollar-for-dollar match up to 7% of employee contributions. We partner this savings plan with a series of independently-led, monthly financial planning seminars which seek to address both the current and future financial health of Diversified's employees and their families. We offer access to a direct investment Employee Stock Purchase Plan designed to support employee ownership of Diversified common stock shares at a discounted rate as another avenue to support financial savings and to enhance employee retention by fostering a sense of direct ownership and loyalty.



## Route 66 Employee Wellness Challenge

Following on from the fun and success of our 2021 'virtual' walk challenge along the Appalachian Trail in our eastern U.S. footprint, we challenged employees in 2024 to virtually walk the 2,448 miles of Route 66. Arguably one of the most famous roads in the U.S., Route 66 traverses through parts of our Central Region footprint, including Oklahoma and Texas. Like the previous challenge, our 'Get Yours Kicks on Route 66' challenge was again intended to provide an easily accessible and sustainable exercise program that also supported employees' physical and mental health through exercise regimes and changes in lifestyle.



**This Route 66 Walking Challenge has kept me active and motivated me to keep moving. It also motivated my wife to join in with me and then prompted us to look more closely in to understanding where we need to be health wise as a couple in our mid 50's. We plan to continue this routine even when the Route 66 challenge ends."**

— DAVEY

We also offer a number of free wellness resources to support employees' comprehensive physical and mental health journeys, including chronic disease management, lifestyle modifications, and empowering education.





# Serving Our Communities



36 State-by-State Economic Impact

37 Community Giving & Engagement

**Smarter Asset Management**  
 Diversified remains focused on the efficient production and flow from our wells and midstream assets. The results in increasing operating efficiency, decreasing operating costs, improve asset integrity and generate higher free cash flow management.

**Who We Are**  
 Our focus is to create long-term value for all stakeholders and to maximize shareholder returns through our differentiated strategy of acquiring, optimizing and managing existing natural gas and oil assets. In recent years, Diversified has grown rapidly by capitalizing on opportunities to acquire and enhance producing assets, leverage the operating efficiencies that result from economies of scale, and advance peer-leading sustainability programs.

**Our Strategy**  
 Our growth and capital return framework stems from our unique business model and successful execution of straight-forward, low-risk and proven operating techniques. We focus on acquiring existing long-life, low-decline producing wells and, at times, their associated midstream assets, and then efficiently managing the assets to improve or restore production, reduce unit operating costs, reduce emissions and generate consistent Free Cash Flow before safely and permanently retiring those assets at the end of their producing lives.

**Benefits of**  
 Diversified serves both needs with reliable, affordable natural gas, critical resource in the energy supply.

Given its focal position in demand, natural gas continues to provide both sides of global development through reliable energy. Combined with the country's most expansive supply. We know that our carbon economy, so we're as a responsible steward of manage, working to lower footprint.

**Affordable**  
 Affordable natural gas can help reduce the cost of electricity while maintaining the reliability of our nation's power grid.

**Reliable**  
 Natural gas is an essential energy source for our nation's economy and infrastructure.



# State-by-State Economic Impact

Diversified prioritizes supporting the communities within our operating footprint. Through the provision of employment opportunities and related benefits, tax revenues, royalty payments, and other direct and indirect investments, we proudly contribute to the economic vitality of these areas.

The following table illustrates both the direct and ancillary benefits we provide to the states in which we operate, and is reflective of activities and operations during 2024. As compared to 2023, lower natural gas prices in 2024 drove a decrease in royalty payments and a corresponding yet modest decrease in ancillary jobs supported. Despite these fluctuations in the market, which underpin the year-to-year changes in our economic impact, Diversified is proud to offer consistent and far-ranging economic benefits within our operating footprint and to the broader U.S. economy.

	U.S.*	Alabama	Kentucky	Louisiana	Ohio	Oklahoma	Pennsylvania	Tennessee	Texas	Virginia	West Virginia
<i>All dollars in millions</i>											
<b>GDP Contribution</b>	<b>\$1,022.1</b>	<b>\$36.1</b>	<b>\$87.9</b>	<b>\$58.0</b>	<b>\$74.5</b>	<b>\$123.9</b>	<b>\$101.4</b>	<b>\$11.7</b>	<b>\$236.5</b>	<b>\$15.6</b>	<b>\$120.9</b>
Diversified (direct)	\$355.0	\$13.2	\$30.1	\$22.7	\$27.1	\$58.6	\$43.9	\$1.9	\$85.4	\$4.4	\$64.7
Ancillary	\$667.1	\$22.9	\$57.8	\$35.3	\$47.4	\$65.3	\$57.5	\$9.8	\$151.1	\$11.2	\$56.2
<b>Jobs &amp; Employment</b>	<b>7,033</b>	<b>315</b>	<b>735</b>	<b>379</b>	<b>540</b>	<b>716</b>	<b>647</b>	<b>101</b>	<b>1,385</b>	<b>123</b>	<b>968</b>
Diversified (direct)	1,589	90	199	65	161	130	206	14	187	36	484
Ancillary	5,444	225	536	314	379	586	441	87	1,198	87	484
<b>Gross Wages &amp; Income</b>	<b>\$667.7</b>	<b>\$25.7</b>	<b>\$58.8</b>	<b>\$30.9</b>	<b>\$45.3</b>	<b>\$80.1</b>	<b>\$70.4</b>	<b>\$8.2</b>	<b>\$161.6</b>	<b>\$10.8</b>	<b>\$79.2</b>
Diversified (direct)	\$169.3	\$12.5	\$20.8	\$7.7	\$18.6	\$17.6	\$16.2	\$1.4	\$20.0	\$3.8	\$48.1
Ancillary	\$498.4	\$13.2	\$38.0	\$23.2	\$26.7	\$62.5	\$54.2	\$6.8	\$141.6	\$7.0	\$31.1
<b>State &amp; Local Tax Revenue</b>	<b>\$73.4</b>	<b>\$2.1</b>	<b>\$6.9</b>	<b>\$5.7</b>	<b>\$4.3</b>	<b>\$8.5</b>	<b>\$7.9</b>	<b>\$0.7</b>	<b>\$15.1</b>	<b>\$1.3</b>	<b>\$8.0</b>
Diversified (direct)	\$14.9	\$0.1	\$1.3	\$1.8	\$0.4	\$2.5	\$2.7	\$0.0	\$3.1	\$0.3	\$2.6
Ancillary	\$58.5	\$2.0	\$5.6	\$3.9	\$3.9	\$6.0	\$5.2	\$0.7	\$12.0	\$1.0	\$5.4
<b>Federal Tax Revenue</b>	<b>\$149.7</b>	<b>\$3.9</b>	<b>\$13.0</b>	<b>\$14.1</b>	<b>\$8.8</b>	<b>\$21.0</b>	<b>\$12.1</b>	<b>\$1.8</b>	<b>\$36.6</b>	<b>\$2.4</b>	<b>\$13.3</b>
Diversified (direct)	\$59.5	\$0.8	\$5.3	\$9.7	\$2.8	\$12.8	\$4.1	\$0.3	\$16.1	\$0.8	\$6.7
Ancillary	\$90.2	\$3.1	\$7.7	\$4.4	\$6.0	\$8.2	\$8.0	\$1.5	\$20.5	\$1.6	\$6.6
<b>Other Payments</b>											
Capital Expenditures	\$80.0	\$6.2	\$7.6	\$10.4	\$5.6	\$5.1	\$8.3	\$0.7	\$17.1	\$1.4	\$17.5
Royalty Payments	\$166.9	\$0.0	\$7.4	\$19.6	\$12.9	\$46.7	\$13.8	\$0.7	\$50.6	\$1.6	\$13.6

Totals may not sum due to rounding.

\* U.S. includes Diversified's operating footprint (shown above) and all other states, as may be applicable

In 2024, we contributed to **more than 7,000 direct and ancillary jobs** and supported nearly **\$500 million in ancillary labor income**.

From 2022-2024, Diversified paid nearly **\$500 million in direct compensation to ~1,600 employees** (on average) and supported another **\$1.5 billion in ancillary compensation**.

Through direct and ancillary payments, we have consistently contributed **more than \$1 billion to the U.S. GDP in each of the last three years**,





# Community Giving & Engagement

## Here to Stay

Recognizing the privilege and social license to operate in our 10-state corporate footprint, we are committed to supporting the communities where we work and live. We understand the long-lasting, positive impact of giving back and strive to do so because we see firsthand the difference our support makes. Each year, we prioritize our giving toward local organizations, believing true impact begins at home in our communities.

Our community engagement focuses on volunteering and corporate philanthropy through our 1,589 employees, who understand the local needs and challenges. Employees embedded in their communities participate in Diversified's Community Relations Committee ("CRC"), identifying and addressing local needs through formal giving efforts.

Diversified's philanthropic activities are guided by community feedback and employee input, allowing employees to lead and directly engage with the causes that improve their local communities. Our dollar-for-dollar matching gift program further increases support for these causes.

## Servant's Heart Award

The annually bestowed Servant's Heart Award was first created in 2022 to recognize one or more employees who exemplify our Company Values and provide outstanding service to the community. This year's recipient is Jason Mounts, Director of Upstream Operations in Pennsylvania.

Jason epitomizes a key tenet of our Company Values - **to serve and support our teams and communities with passion and enthusiasm**. His passion for Diversified and his co-workers is evidenced by his daily focus on delivering outstanding operational results through dedicated, hard work while taking every opportunity to mentor and train fellow employees in operational best practices.

Likewise, he is equally committed to serving and bettering the communities surrounding him. From the start of our focused corporate community giving efforts, Jason has been a member of the CRC and spent the last four years spearheading and cultivating our partnership with the Washington County Fair as well as various food banks and pantries within our Pennsylvania operating area. His community passions also include helping and supporting local police departments, first responders, 4-H centers, and so much more.

Thank you, Jason, for your outstanding contributions to Diversified and to the community you call home!



## Industry Award for Community Outreach

During the year, Diversified was pleased to receive the Community Outreach Award given by the Virginia Department of Energy in recognition of the Company's physical and financial contributions and positive impact to communities in the state. Employees led and participated in events that included, in part, the annual community-cherished Virginia-Kentucky District Fair, Ronald McDonald House Charities, Back-to-School Teacher Supply Drive, and a Toys for Tots "Swinging Up Christmas in July" event meant to provide assistance to individuals and families facing financial hardships throughout the year.



During 2024, we contributed

**~\$2.1 million**

to local, state and national charitable, civic, and non-profit organizations.

In the last three years, we have donated more than

**\$6.5 million**

to these causes.



A supportive avenue for our local giving is our Community Giving and Engagement Program, which provides financial grants focused on three primary areas:

- 1 Community Enrichment
- 2 Employee & Workforce Development
- 3 Environment



For more information, see the [Community Giving grant application](#) on our website.



### EDUCATION

We believe supporting education is pivotal to shaping a better, brighter future for everyone. By enriching student learning experiences, we lay a strong foundation for tomorrow’s innovators to drive change and improvement for the betterment of all. Our 2024 giving included an emphasis on equipping primary education teachers and classrooms with necessary supplies to foster an environment where students can thrive and includes supporting STEM-based curricula and opportunities which help prepare young minds for tomorrow’s challenges.

Our scholarship and internship programs further supported our mission of transformative impact in our communities by providing students access to higher education and opportunities for enhanced workplace skills which are vital for career readiness and lifelong success. Our contributions supported mentoring programs, in some cases specifically designed for minority and female-student athletes, to provide tailored support and empower achievement. In 2024, we provided scholarships to 24 students attending 11 different universities across our footprint.



### COMMUNITY ENRICHMENT

We believe supporting community enrichment and development is a vital responsibility that fosters positive social impact and strengthens community ties. By investing in our communities through financial support and volunteer resources, we address critical needs and enhance community well-being.

In 2024, we contributed to multiple community food pantries to help ensure basic food security for our neighbors. Due to wildfires and floods in some operating areas, we supported first responder organizations and local churches to help facilitate response and recovery efforts, providing much needed clothing, food, and supplies.

A highlight of the year was our Christmas campaigns where our Kentucky teams worked with the U.S. Marine Corp Toys for Tots program to distribute 30,000 toys across nine counties. Our Central teams assembled and delivered dozens of children’s bicycles, and employees across multiple states enthusiastically shopped and served to ensure Christmas for dozens of underserved children.



### CHILDHOOD WELL-BEING

We believe providing essential resources is crucial for the mental and physical growth and development of children. In 2024, our outreach efforts focused on two main programs.

To support a safe and nurturing environment for children in unexpected life circumstances, Diversified offices held donation drives for our Foster Care Awareness Campaign. These drives supplied nearly a dozen local foster homes or organizations with items children need when they first arrive into foster care. Our offices also provided meals to the families and residents in these homes.

We also partnered with the national nonprofit Operation Warm to distribute more than 2,700 winter coats to under-resourced children, bringing our total distribution through this program to nearly 9,000 coats since 2020. In 2024, more than 225 employees across eight states volunteered 950 hours for these events. We also provided financial resources to many of the schools to support their broader efforts to provide other warm clothes, shoes, and food to the families of the students.



# Governing Our Actions

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# Governance Framework

Our governance framework ensures top-down oversight combined with bottom-up engagement, fostering a culture of accountability and shared commitment to responsible practices and transparency thereof. This structure enables us to remain responsive to our stakeholders and aligned with our sustainability goals across the organization.

## Board of Directors

To promote value creation for the long-term viability and success of Diversified, the Board is responsible for defining the Company's business model and strategic direction, setting an accompanying relative risk appetite, and overseeing corporate performance as measured by key performance indicators.

Our Directors' unique backgrounds, professional experiences and diverse skill sets add significant value to the strategic decision making and oversight they provide for Diversified.

To continuously improve our governance practices and to stay abreast of trends that may impact our business, the Board annually engages in Board- and Committee-level effectiveness evaluations. In 2024, each Board member completed a committee-level self-evaluation to assess the effectiveness of their respective committees and to identify areas for enhancement or added focus. Additionally, each Board Committee re-evaluated its respective charter to align with the NYSE, U.S. SEC, and UK LSE rules and best practices, and updated its charter accordingly.

The Board completed training on corporate governance and regulatory updates across both U.S. and UK jurisdictions, and this training supported the Board's annual review and approval of all corporate policies. The Board also reviewed and updated, accordingly, succession plans at the Board and senior executive levels.



**David E. Johnson**  
Non-Executive Chairman,  
Independent upon Appointment

1 3 4 6



**Sandra M. Stash**  
Independent Non-Executive  
Director and Non-Executive Director  
Employee Representative

1 2 4 5 6 7



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

1 2 3 5 6 8



**Martin K. Thomas**  
Non-Executive Vice Chair

1 4 7 8



**Sylvia Kerrigan**  
Senior Independent  
Non-Executive Director

1 2 4 5 6 7 8 9



**David J. Turner, Jr.**  
Independent Non-Executive Director

1 3 4



**Kathryn Z. Klaber**  
Independent Non-Executive Director

1 2 4 5 6 7

**BOARD EXPERIENCE & SKILLS MATRIX**

1 Senior Executive/Leadership	6 Sustainability
2 Energy Industry	7 Legal/Regulatory
3 Financial & Accounting	8 M&A
4 Risk Management	9 Technology/Cybersecurity
5 Environmental	



For more information on Board composition and its members' skills and qualifications, refer to our [2024 Annual Report](#) or [website](#).

## Board Diversity at December 31, 2024

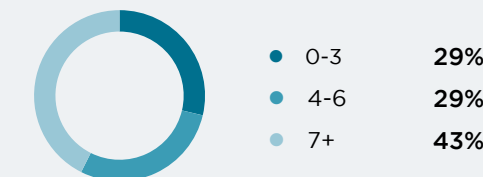
### INDEPENDENCE



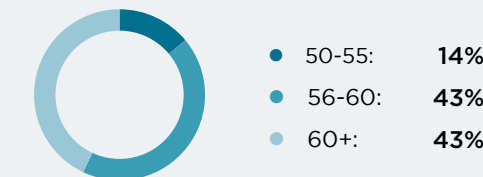
### GENDER



### TENURE (IN YEARS)



### AGE (IN YEARS)



Ms. Kerrigan, subsequently and in good standing, resigned her position on the Board effective January 24, 2025.



## Broad Sustainability Oversight

Sustainability is embedded in every level of the organization at Diversified, and is best achieved through active engagement, broad communication and collaborative team efforts. While all Board committees have a role to play in supporting Diversified’s sustainability journey, the Sustainability & Safety Committee is at the center of these initiatives, working in collaboration with the remaining committees (top-down) and with leaders and team members across the Company (bottom-up) to effectuate our sustainability strategies.



For more information on Diversified’s Board committees, please visit our [website](#).

### Key Corporate Governance Initiatives:

#### Sustainability and Safety Performance Metrics

- Provides the ability to report progress toward strategic objectives and communicate plans related to longer-term goals
- Integrates sustainability into compensation plans for employees
- Incorporates sustainability in corporate long-term financial debt instruments
- Receives independent third-party assurance (GHG emissions)

#### Sustainability Conversations and Education

- Includes frequent internal discussions, via town hall meetings with executives or other management/employee interactions, of how Diversified’s daily operating priorities help drive operational and financial sustainability
- Includes employee-led desktop and routine field trainings in key areas of environment, safety and cyber governance
- Includes in-person executive meetings with employees across the Diversified’s footprint to celebrate progress on interim methane emissions targets and to develop future strategies

#### Effective and Actionable Corporate Policies

- Annually reviewed and approved by the Board, then made publicly available
- Support ethical and complaint behaviors while driving broader corporate sustainability efforts
- Cover a myriad of sustainability issues, including a focus on employee relations, EHS, climate, biodiversity, and socio-economic actions

#### Supply Chain Management

- Utilizes our risk management platform, Veriforce, to evaluate, score and manage contractors on key environmental and safety issues

## OVERSIGHT FRAMEWORK

### 1 Board of Directors

#### Sustainability & Safety Committee

Monitors the Company’s social, ethical, environmental and safety practices and performance, and the reporting of these issues across all regulatory jurisdictions. Oversees all sustainable development issues on behalf of the Board.

#### Nomination & Governance Committee

Ensures a balance of skills, knowledge, independence, experience and diversity on the Board and its committees. Monitors the Company’s governance structure.

#### Audit & Risk Committee

Supports the Board in monitoring the integrity of the Company’s financial statements. Reviews the effectiveness of the Company’s internal controls and risk management systems.

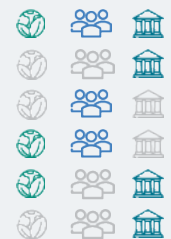
#### Remuneration Committee

Responsible for the Company’s remuneration policy, and for setting pay levels and bonuses for senior management in line with individual performance. Ensures safety and sustainability KPIs are included in remuneration packages.

### 2 Executive Management

- Oversees development, execution and delivery of sustainability initiatives
- Provides ongoing sustainability updates to the Board and its committees
- Assesses and communicates to stakeholders the related operational and financial impacts

President & Chief Financial Officer  
 Senior EVP & Chief Legal & Risk Officer  
 EVP & Chief Human Resource Officer  
 EVP Operations  
 EVP Business Development  
 EVP Marketing



### 3 Senior Leadership

- Drives sustainability strategies across the Company
- Provides ongoing sustainability updates to Executive Management and, in certain instances, to the Board’s committees

Senior VP Sustainability  
 Senior VP EHS & Regulatory  
 Senior VP Upstream Operations  
 Senior VP Midstream Operations  
 VP Plugging Operations



### 4 Business Departments and Advisory Working Groups

- Implements key sustainability strategies, programs and plans

All departments and employees



Denote a primary area of oversight or engagement in Planet, People and Principles matters, respectively



# Compliance & Ethics

We are committed to conducting our business with the highest standards of integrity and ethical conduct and in compliance with applicable laws and regulations. Every Diversified employee, officer and Board member is expected to conduct our business and deliver value to our stakeholders based upon Diversified's heightened ethical standards and beliefs.

We developed four Core Values - Commitment, Accountability, Respect, Excellence - that embody the responsibility we have as stewards of our stakeholders' interests and allow us to continue to earn the trust that gives us our license to operate. Living out these Core Values helps us reach our highest potential as individuals and contributors to Diversified while also serving as a reminder of the boundaries within which we all must work every day.



## COMMITMENT

- Seek opportunities for continuous learning and improvement
- Serve and support our teams and communities with passion and enthusiasm

## ACCOUNTABILITY

- Act with personal and business integrity

## RESPECT

- Value the dignity and worth of all individuals
- Respect environmental stewardship as we make business decisions

## EXCELLENCE

- Commit to excellence in our performance
- Exhibit courage of convictions, challenge the status quo and strive to create value

## Compliance & Ethics Program Policies

Within Diversified's suite of corporate policies, we maintain several key policies that support our commitment to ethical conduct:

- Anti-Bribery and Corruption
- Business Partners
- Compliance Hotline and Whistleblowing
- Human Rights
- Modern Slavery
- Securities Dealing

Through our commitment to strong governance practices, we annually review all our publicly-posted, corporate policy statements, making any relevant updates under the oversight Sustainability & Safety Committee before review and approval of the full Board. Considerations related to our recent dual listing on the LSE and the NYSE were incorporated into this year's annual review to ensure that our policies and strategy best fit our business and represent our changing regulatory landscape.

## Code of Business Conduct & Ethics

Upon hire with Diversified, we provide all new employees with the Code of Business Conduct & Ethics ("Code") alongside the Employee Handbook, where these employees must review and confirm receipt of the documents during onboarding. Collectively, then, 100% of current employees have received and reviewed these documents, which remain continuously and directly accessible to employees via our intranet. The Code is accompanied by a variety of policies that guide corporate behavior across all parts of our company. These policies, in conjunction with our risk management efforts, guide corporate practices across our business.

## Anti-Corruption Program

We expect employees to comply with the requirements of our Anti-Bribery and Corruption Policy and thus avoid all manner of corrupt activities, including but not limited to bribery, conflicts of interest, anti-competitive behavior and price fixing, embezzlement, collusion and other fraudulent behaviors. We require employees to annually acknowledge an understanding of this policy.

While all our employees are encouraged to speak with their immediate supervisors or Human Resources representative if they have questions or concerns related to ethics and the Code, our related Whistleblower Policy provides guidance on how employees can anonymously raise concerns and outlines protections and principles to avoid prohibited retaliation against workers who report such concerns. Further, we educate our employees on the internal practices and procedures around whistleblower protections, and post signage throughout our offices with details of our whistleblowing hotline.

Hosted by an independent third-party vendor, a dedicated compliance hotline is also available 24 hours per day, 7 days per week and can be accessed at +1 (800) 261-9132 or online at [compliance.dgoc.com](https://compliance.dgoc.com). All calls are addressed by the Company's General Counsel and in consultation with the Chair of the Audit & Risk Committee, as applicable. On a regular basis, a summary report on all whistleblowing disclosures, and any subsequent actions taken by management, is provided to the Board by the General Counsel.

## Compliance Audits

One of the many ways that Diversified's financial and operational activities are held to high ethical standards is through independent assurance. For example, largely under the U.S. Sarbanes-Oxley Act of 2002 framework, our Internal Audit ("IA") department is responsible for reviewing and testing our financial business processes and procedures, inclusive of risk and application controls, and fraud management. IA exists under the office of the Chief Financial Officer and works in conjunction with our external auditors but reports its compliance findings directly to the Audit & Risk Committee of the Board on a quarterly basis. We are pleased to share that our 2024 financial audit did not identify any material weaknesses in internal controls.

Diversified also routinely interacts with federal and state regulatory authorities to conduct in-depth inspections of all programmatic and procedural requirements related to our midstream assets. These interactions occur annually throughout our operating states and encompass a variety of our asset maintenance and integrity programs. All interactions involve highly detailed records keeping verifications and most include an onsite inspection component. We are pleased to share that we had no outstanding regulatory enforcement actions to disclose from the 12 midstream compliance audits in 2024.



To view our corporate policies, including our Code of Business Conduct & Ethics, please visit our [website](#).





## Political & Corporate Advocacy

We believe participating in the political process is an essential part of advancing the meaningful exchange of information and views on issues that directly affect our company and therefore our stakeholders. The Company responsibly engages in the political process at the national, state and local levels through corporate contributions where allowed by law; the activities of its employee political action committee, trade associations, and political organizations; and by engaging in public policy debates and advocacy on specific issues.

### TRADE ASSOCIATIONS

We actively participate in and contribute to various natural gas and oil industry associations at the local, regional, and national levels. Involvement in these organizations allows us to help shape industry best practices and sector advancement, while providing valuable leadership and professional development opportunities for our team. We seek to align our company with trade associations that are consistent with our commitments to sustainability.

All these activities are subject to oversight by our Board of Directors, CEO, General Counsel, and Vice President of Government Affairs.

## Risk Management

Under the oversight of the Board’s Audit & Risk Committee, our Senior Leadership Team developed an Enterprise Risk Management (“ERM”) process which includes the identification, assessment, response to and reporting of current and emerging risks that could arise as a result of a change in circumstances or new developments impacting our company.

Developed to improve resilience to anticipated risks, minimize unexpected risks, support the achievement of strategic objectives, and create sustainable value for our stakeholders, this risk management process is complemented by a number of corporate policies and operational standards which support our sustainability efforts.

Our commitment to sustainability is embedded in our business strategy as illustrated by the range of environmental, reputation and safety concerns considered through our ERM risks. We believe that effective risk identification and control is a key component to the successful execution of our business strategy and objectives.



## Information Systems & Cybersecurity

Our information technology strategy places reliability, efficiency and sustainability at the heart of our operating priorities in order to drive operational performance. Our information systems and cybersecurity defenses run on a 100% cloud platform, allowing us to operate with heightened efficiency. Tailored to our growth and acquisition model, this agile cloud-based approach enables company-wide data aggregation in one platform and facilitates the integration and standardization of newly acquired assets. This centralized data management approach also enhances our capacity to accurately measure and report emissions and sustainability KPIs, facilitating informed decision making at Diversified.

To further streamline the collection, standardization and dissemination of timely and decision-useful data, we continue to improve our IOCs, which are now surveilling our upstream and midstream assets 24/7, primarily in the Central Region. Centralized data management through our IOCs enhances our SCADA system for improved remote monitoring, reduced data entry workload, and data consistency. As part of our ongoing efforts, we continue to add remote monitoring on as many of our wells as we can, while exploring other remote monitoring technologies for the wells that do not have SCADA installations.

Recognizing the significance of cybersecurity in fortifying our company’s durability and accomplishments, the responsibility for this oversight is entrusted to the Audit & Risk Committee of the Board to whom our Chief Information Officer (“CIO”) provides periodic updates on prevailing security issues and technological developments, as needed. Spearheading an internal Information Security Management Team (“ISMT”), the CIO chairs meetings at least quarterly with executive management, conveying insights into security incidents, projects, risks, and enhancements. Furthermore, the CIO annually presents a comprehensive recapitulation of ISMT proceedings and other security affairs to the entire Board.

We seek to equip all personnel with thorough and rigorous training to fend off cyber assaults like phishing and targeted hazards. To this end, every staff member is mandated to participate in quarterly, online cyber training sessions. We achieved >98% employee response in each quarterly cyber training session during 2024, less than 100% largely attributable to employee turnover during the respective quarter.

The cloud-first technology approach signifies that our entire infrastructure, information systems, and applications are virtually operated, thereby diminishing the avenues for cyber threats given the limited presence of vulnerable hardware on site. The values derived from an AllCloud IT ecosystem environment encompass:

- Safeguarding day-to-day operations where the utilization of a Zero-Trust Architecture coupled with software-defined segmentation, which augments security through added layers, collectively mitigates and isolates potential impacts of cyberattacks.
- Operational resilience, underpinned by uninterrupted data backup capabilities where, in the face of potential security breaches, enables swift threat isolation to minimize downtime while also exercising control over and fortification of sensitive information.
- Real-time, region-to-region business continuity strategy, ready for deployment in the event of a catastrophic incident.



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# Glossary

<b>Bbl</b>	Barrel
<b>Bcf</b>	Billion cubic feet
<b>CO</b>	Carbon Monoxide
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>DART</b>	Days Away, Restricted, or Transferred
<b>DOE</b>	Department of Energy
<b>-e</b>	equivalent
<b>EHS</b>	Environmental, Health and Safety
<b>EPA</b>	Environmental Protection Agency
<b>ERM</b>	Enterprise Risk Management
<b>GDP</b>	Gross Domestic Product
<b>GHG</b>	Greenhouse Gas
<b>GHGRP</b>	Greenhouse Gas Reporting Program
<b>IOC</b>	Integrated Operations Center
<b>IPCC</b>	Intercontinental Panel on Climate Change
<b>IT</b>	Information technology

<b>KPI</b>	Key Performance Indicator
<b>LNG</b>	Liquefied Natural Gas
<b>LSE</b>	London Stock Exchange
<b>LTA</b>	Lost Time Accident
<b>LTIR</b>	Lost Time Incident Rate
<b>MBbl</b>	Thousand barrels
<b>Mcf</b>	Thousand cubic feet
<b>MMcf</b>	Million cubic feet
<b>MT</b>	Metric ton
<b>N<sub>2</sub>O</b>	Nitrous Oxide
<b>NGL</b>	Natural Gas Liquids
<b>NGSI</b>	Natural Gas Sustainability Initiative
<b>NO<sub>x</sub></b>	Nitrogen Oxide
<b>NYSE</b>	New York Stock Exchange
<b>OGI</b>	Optical Gas Imaging
<b>OGMP</b>	Oil and Gas Methane Partnership 2.0

<b>OSHA</b>	Occupational Safety and Health Administration
<b>OT</b>	Operational technology
<b>-pd</b>	per day
<b>PM</b>	Particulate Matter
<b>PMVA</b>	Preventable Motor Vehicle Accident
<b>PPM</b>	Parts per million
<b>PV10</b>	Present Value of cash flows, discounted at 10%
<b>RMLD</b>	Remote Methane Leak Detector
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SEC</b>	Securities and Exchange Commission
<b>SO<sub>x</sub></b>	Sulfur Oxide
<b>TRIR</b>	Total Recordable Incident Rate
<b>UIC</b>	Underground Injection Control
<b>UK</b>	United Kingdom
<b>U.S.</b>	United States
<b>VOC</b>	Volatile Organic Compounds





## About This Report

Diversified voluntarily publishes this annual Sustainability Report to keep our stakeholders and other interested parties apprised of our actions and progress on our commitments toward relevant environmental, social and governance issues. This 2024 report, the sixth such report of this nature, complements our [2024 Annual Report](#) by further showcasing our teams' initiatives and the programs that are helping us achieve our sustainability goals. Information on our sustainability journey can also be found on our website at [www.div.energy](http://www.div.energy).

This report was developed by our team of employee experts, managers and experienced advisers, and was subsequently reviewed and approved by the Sustainability & Safety Committee of the Board of Directors. Absent an explicit indication otherwise, the scope of this report encompasses all company operations through the 12-month period ended December 31, 2024.

This report is built on the basis of our most recent materiality assessment (completed in 2023) and in alignment with internationally recognized sustainability frameworks. The material topics identified from our stakeholder engagement process informed the key issues outlined in this report, reflecting those issues that have the greatest potential to significantly affect our business performance and the communities we serve and support.

Our report was developed in reference to several well-established reporting standards and frameworks:

- Global Reporting Initiative (“GRI”) Universal Standards and Sector Standard for Oil and Gas
- Sustainability Accounting Standards Board (“SASB”)
- Task Force on Climate-Related Financial Disclosures (“TCFD”) (formerly)

A complete report in response to the recommendations of the TCFD is also included in our [2024 Annual Report](#).

## Performance Data Table

The data reported below is as of December 31, 2024 for all operations unless explicitly stated otherwise.

	UNIT	2024	2023	2022
<b>ECONOMIC IMPACT</b>				
<b>Financial</b>				
Annual Revenue (unhedged)	\$ millions	\$ 795	\$ 868	\$ 1,919
Adjusted EBITDA	\$ millions	\$ 472	\$ 547	\$ 503
Free Cash Flow	\$ millions	\$ 170	\$ 219	\$ 218
Dividends paid	\$ millions	\$ 84	\$ 168	\$ 143
Dividends paid <sup>(a)</sup>	\$/share	\$ 1.75	\$ 3.50	\$ 3.40
Royalty Payments	\$ millions	\$ 167	\$ 237	\$ 407
Employee Wages, Salaries and Benefits	\$ millions	\$ 162	\$ 157	\$ 137
Employee Payroll Taxes	\$ millions	\$ 10	\$ 10	\$ 10
Production Taxes (Severance, Property, Other)	\$ millions	\$ 36	\$ 61	\$ 74
Total Federal, State and Local Taxes Paid	\$ millions	\$ 86	\$ 89	\$ 134
Federal Taxes	\$ millions	\$ 19	\$ 15	\$ 29
State and Local Taxes	\$ millions	\$ 67	\$ 74	\$ 105
Natural Gas & Oil Properties, Net	\$ millions	\$ 2,906	\$ 2,490	\$ 2,556
Property & Equipment, Net (Midstream & Other)	\$ millions	\$ 450	\$ 456	\$ 463
<b>Operational</b>				
Active Presence in U.S. States	#	10	10	10
Total Daily Production (Gross)	MMcfepd	1,389	1,442	1,509
Total Production (Gross)	MMcfe	508,230	526,177	550,909
Total Production (Gross)	MBoe	84,705	87,696	91,818
Total Daily Production (Net)	MMcfepd	791	821	811
Total Production (Net)	MMcfe	289,586	299,632	296,121
Total Production (Net)	MBoe	48,264	49,939	49,354
Natural Gas	MMcf	244,298	256,378	255,597
Natural Gas Liquids (NGLs)	MBbl	5,980	5,832	5,200
Oil	MBbl	1,568	1,377	1,554
Unconventional Production as % of Total Production (Net)	%	41	42	45
Total Proved Reserves (SEC Pricing)	Bcfe	3,628	3,850	5,050
Total Proved Reserves (SEC Pricing)	MMBoe	605	642	842
Natural Gas	Bcf	2,896	3,200	4,350
Natural Gas Liquids (NGLs)	MMBbl	103	96	102
Oil	MMBbl	19	13	15





		UNIT	2024	2023	2022
<b>ECONOMIC IMPACT</b>					
<b>Operational</b>	% of Total Proved Reserves				
	In or Near Areas of Conflict	%	0	0	0
	In Countries with 20 Lowest Rankings in Transparency International's Corruption Perception Index	%	0	0	0
	In or Near Indigenous Lands	%	0.29	0.20	0.23
<b>PLANET (ENVIRONMENT)</b>					
<b>Air Quality<sup>(b)</sup></b>	Nitrogen Oxide (NOx, excluding N <sub>2</sub> O)	metric tons	22,736	21,520	21,546
	Carbon Monoxide (CO)	metric tons	19,457	18,448	18,530
	Sulfur Oxide (SOx)	metric tons	53	61	108
	Volatile Organic Compounds (VOC)	metric tons	2,366	3,108	4,421
	Particulate Matter (PM Total)	metric tons	145	137	140
<b>GHG Emissions<sup>(b)(c)</sup></b>	Scope 1 Emissions - Production	thousand MT CO <sub>2</sub> e	739	606	875
	Carbon Dioxide	thousand MT CO <sub>2</sub>	505	337	338
	Methane	thousand MT CO <sub>2</sub> e	233	268	536
	Nitrous Oxide	thousand MT CO <sub>2</sub> e	1	1	1
	% Methane	%	32	44	61
	Scope 1 Emissions - Gathering & Boosting	thousand MT CO <sub>2</sub> e	810	958	945
	Carbon Dioxide	thousand MT CO <sub>2</sub>	680	805	792
	Methane	thousand MT CO <sub>2</sub> e	129	152	151
	Nitrous Oxide	thousand MT CO <sub>2</sub> e	0.3	0.4	2
	% Methane	%	16	16	16
	Scope 1 Emissions - Processing <sup>(d)</sup>	thousand MT CO <sub>2</sub> e	44	—	—
	Carbon Dioxide	thousand MT CO <sub>2</sub>	43	—	—
	Methane	thousand MT CO <sub>2</sub> e	1	—	—
	Nitrous Oxide	thousand MT CO <sub>2</sub> e	0.01	—	—
	% Methane	%	3	—	—
	Scope 1 Emissions - Total Company	thousand MT CO <sub>2</sub> e	1,593	1,563	1,820
	Carbon Dioxide	thousand MT CO <sub>2</sub>	1,228	1,142	1,130
	Methane	thousand MT CO <sub>2</sub> e	363	420	686
	Nitrous Oxide	thousand MT CO <sub>2</sub> e	1	1	4
	% Methane	%	23	27	38
Scope 1 - Total Company - GHG Emissions Attributable to					
Production	%	46	39	48	
Gathering & Boosting	%	51	61	52	
Processing	%	3	—	—	

		UNIT	2024	2023	2022
<b>PLANET (ENVIRONMENT)</b>					
<b>GHG Emissions<sup>(b)(c)</sup></b>	Scope 1 - Total Company - Methane Emissions Attributable to				
	Production	%	64	64	78
	Gathering & Boosting	%	36	36	22
	Processing	%	0	—	—
	Scope 1 Emissions Attributable to	thousand MT CO <sub>2</sub> e	1,593	1,563	1,820
	Flared Hydrocarbons	thousand MT CO <sub>2</sub> e	1	0	0
	Other Combustion	thousand MT CO <sub>2</sub> e	1,253	1,181	1,173
	Process Emissions	thousand MT CO <sub>2</sub> e	76	92	67
	Other Vented Emissions	thousand MT CO <sub>2</sub> e	140	63	182
	Fugitive Emissions	thousand MT CO <sub>2</sub> e	123	228	399
	Scope 1 GHG Intensity	MT CO <sub>2</sub> e/MMcfe	3.1	3.0	3.3
	Scope 1 GHG Intensity	MT CO <sub>2</sub> e/MBoe	18.8	17.8	19.8
	Scope 1 Methane Intensity	MT CO <sub>2</sub> e/MMcfe	0.7	0.8	1.2
	Scope 1 Methane Intensity	MT CO <sub>2</sub> e/MBoe	4.3	4.8	7.5
	Scope 1 Methane Intensity (NGSI) <sup>(e)</sup>	%	0.10	0.11	0.21
	Scope 2 Emissions - Total Company	thousand MT CO <sub>2</sub> e	53	58	59
	Carbon Dioxide	thousand MT CO <sub>2</sub>	53	58	59
	Methane	thousand MT CO <sub>2</sub> e	0.1	0.1	0.1
	Nitrous Oxide	thousand MT CO <sub>2</sub> e	0.2	0.2	0.2
	% Methane	%	0.2	0.2	0.2
Scope 1 and Scope 2 Emissions - Total Company	thousand MT CO <sub>2</sub> e	1,646	1,622	1,879	
Carbon Dioxide	thousand MT CO <sub>2</sub>	1,281	1,200	1,189	
Methane	thousand MT CO <sub>2</sub> e	364	420	686	
Nitrous Oxide	thousand MT CO <sub>2</sub> e	2	2	4	
% Methane	%	22	26	37	
Scope 1 and Scope 2 GHG Intensity	MT CO <sub>2</sub> e/MMcfe	3.2	3.1	3.4	
Scope 1 and Scope 2 GHG Intensity	MT CO <sub>2</sub> e/MBoe	19.4	18.5	20.5	
Scope 1 and Scope 2 Methane Intensity	MT CO <sub>2</sub> e/MMcfe	0.7	0.8	1.2	
Scope 1 and Scope 2 Methane Intensity	MT CO <sub>2</sub> e/MBoe	4.3	4.8	7.5	
<b>Spills</b>	Reportable Spills (Number)	#	71	63	59
	Oil	#	26	27	22
	Produced Water	#	45	36	37
	Reportable Spills (Volume)	Bbl	2,464	2,706	5,938
	Oil	Bbl	508	198	350
	Produced Water	Bbl	1,956	2,508	5,588



		UNIT	2024	2023	2022
<b>PLANET (ENVIRONMENT)</b>					
<b>Spills</b>	Recovered Spills (Volume)	Bbl	955	350	417
	Oil	Bbl	246	14	26
	Produced Water	Bbl	709	336	391
	Produced Liquids Volumes (Oil & Water)	MBbl	30,179	33,019	25,937
	Spill Intensity Rate <sup>(f)</sup>	Bbl spill per MBbl gross liquid production	0.082	0.082	0.229
<b>Water Management</b>	Operating Regions in High or Extremely High Overall Water Risk <sup>(g)</sup>	%	0	0	0
	Fresh Water Consumed in Regions with High or Extremely High Overall Water Risk <sup>(g)</sup>	%	0	0	0
	Water Consumption by Type	MBbl	3,327	879	2,817
	Municipal Water Supply	MBbl	79	99	91
	Fresh Water:	MBbl	3,225	737	2,630
	Surface Water (lakes, rivers, etc.)	MBbl	3,225	737	2,630
	Groundwater	MBbl	0	0	0
	Recycled Produced Water	MBbl	23	43	96
	Water Consumption by Activity	MBbl	3,327	879	2,817
	Domestic Use <sup>(f)</sup>	MBbl	79	80	79
	Hydraulic Stimulation	MBbl	3,126	636	2,694
	Well Operations/Asset Retirement	MBbl	122	163	44
	Total Water Consumption Intensity	Bbl per Boe gross production	0.039	0.010	0.031
	Fresh Water Consumption Intensity	Bbl per Boe gross production	0.038	0.008	0.029
	Disposition of Produced Water	MBbl	27,758	30,444	22,742
	Injected	MBbl	27,357	30,060	22,207
	Recycled/Reused	MBbl	395	368	521
Discharged	MBbl	6	16	14	
Sold	MBbl	0	0	0	
Transportation of Produced Water					
Trucked	%	46	60	47	
Piped	%	54	40	53	
<b>Asset Retirement</b>	Total Wells Retired During the Year	#	300	404	286
	Diversified Wells Retired During the Year	#	215	222	214
	Appalachia	#	202	201	200
	Central	#	13	21	14
	Third-Party Wells Retired During the Year	#	85	182	72

		UNIT	2024	2023	2022
<b>PEOPLE (SOCIAL)</b>					
<b>Workforce and Employee Composition</b>	Total Employees at Year End December 31	#	1,589	1,603	1,582
	Executive Committee	#	10	9	9
	Male	#	7	6	6
	Female	#	3	3	3
	Direct Reports & Senior Management	#	82	95	83
	Male	#	49	63	54
	Female	#	33	32	29
	All Other Employees	#	1,497	1,499	1,490
	Male	#	1,332	1,351	1,356
	Female	#	165	148	134
	Total Male Employees	#	1,388	1,420	1,416
	Total Male Employees	%	87	89	90
	Total Female Employees	#	201	183	166
	Total Female Employees	%	13	11	10
	Total Production Employees	#	1,187	1,214	1,220
Male	#	1,168	1,198	1,204	
Female	#	19	16	16	
Total Production Support Employees	#	402	389	362	
Male	#	220	222	212	
Female	#	182	167	150	
Minorities in the Workforce (self-identified)	%	6.0	2.4	3.6	
Veterans in the Workforce (self-identified)	%	4.3	6.4	6.3	
Employees under Collective Bargaining Agreements	%	14.7	15.3	12.4	
<b>Employee Retention</b>	New Employee Hires, net	#	(14)	21	156
	Voluntary Turnover Rate including Retirements	%	10.1	13.8	14.0
	Total Turnover Rate	%	14.1	17.1	17.6
<b>Executive Compensation</b>	Executive Compensation Tied to ESG/EHS				
	Short-Term	%	25	30	30
	Long-Term	%	20	20	20



		UNIT	2024	2023	2022
<b>PEOPLE (SOCIAL)</b>					
<b>Safety - Employees</b>	Fatalities from Work-Related Injury	#	0	0	0
	Serious Incidents	#	3	1	0
	Total Workforce Injuries (OSHA Recordable)	#	14	18	11
	Days Away Restricted Time (DART) Incidents	#	9	13	10
	Lost-time Accidents (LTA)	#	6	12	9
	Restricted Duty or Transferred	#	3	1	1
	Total Recordable Incident Rate (TRIR)	per 200,000 work hours	0.89	1.28	0.73
	Lost-time Incident Rate (LTIR)	per 200,000 work hours	0.38	1.04	0.66
	Near Miss Frequency Rate (NMFR)	per 200,000 work hours	123.07	77.87	39.58
	Preventable Motor Vehicle Accident Rate (PMVA)	per million miles	0.34	0.55	0.69
	Miles Driven	millions	26.4	23.8	24.5
Total Safety Training & Development Provided	hours	37,567	36,586	34,657	
Employees Receiving this Training	#	1,210	1,150	1,110	
<b>Safety - Contractors</b>	Contractor Base	#	701	675	548
	Fatalities on/related to DEC Work Sites	#	0	0	0
	Three-Year Average Contractor Performance				
	Lost Time Case Rate (LTCR)	per 200,000 work hours	0.21	0.20	0.21
	Days Away, Restricted Work, Job Transfer (DART)	per 200,000 work hours	0.35	0.38	0.39
Total Recordable Incident Rate (TRIR)	per 200,000 work hours	0.69	0.62	0.64	
<b>Process Safety</b>	Pipeline Safety Audits	#	12	16	14
	Cited Process Safety Events - Tier 1 and Tier 2	#	0	0	0
<b>Contributions</b>	Charitable & Community Giving	\$ millions	\$ 2.1	\$ 2.1	\$ 2.5
	Industry Membership Association Dues	\$ millions	\$ 0.6	\$ 0.5	\$ 0.3
	Political Contributions	\$ millions	\$ 0.0	\$ 0.0	\$ 0.0

**Disclaimer:**

GHG emissions results were calculated per IPCC/GHGRP reporting guidance, which permits best engineering estimates for certain emissions metrics and which may vary from the prescriptive measures applied under U.S. EPA reporting standards.

The information and source data used in calculating our GHG emissions and other performance data were accurate and complete, to the best of our knowledge, at the time they were gathered and compiled, but our processes and data collection continue to evolve. If new data or corrections to existing data are discovered, or our methodologies change, the Company may update emissions and other data calculations as permitted or appropriate, including and in accordance with industry standards and expectations. Such updates will be included in future reporting and posted to our website where such posts may take place without notice.

		UNIT	2024	2023	2022
<b>PRINCIPLES (GOVERNANCE)</b>					
<b>Board Composition</b>	Independent Board Chair	Yes/No	Yes	Yes	Yes
	Board Composition				
	Total	#	7	7	8
	Independent	#	5	6	5
	Minority	#	0	0	0
<b>Risk Management</b>	Annual Audit Plan Approved by the Board of Directors	Yes/No	Yes	Yes	Yes
	Annual Risk Management Assessment	Yes/No	Yes	Yes	Yes
<b>Corporate Policies and Compliance</b>	Anti-Bribery and Corruption	Yes/No	Yes	Yes	Yes
	Biodiversity	Yes/No	Yes	Yes	No
	Business Partners	Yes/No	Yes	Yes	Yes
	Climate	Yes/No	Yes	Yes	Yes
	Code of Business Conduct & Ethics	Yes/No	Yes	Yes	No
	Employee Relations	Yes/No	Yes	Yes	Yes
	Environmental, Health & Safety	Yes/No	Yes	Yes	Yes
	Human Rights	Yes/No	Yes	Yes	Yes
	Modern Slavery	Yes/No	Yes	Yes	Yes
	Securities Dealing	Yes/No	Yes	Yes	Yes
	Socio-Economic (Corporate Responsibility)	Yes/No	Yes	Yes	Yes
	Tax	Yes/No	Yes	Yes	No
	Whistleblowing	Yes/No	Yes	Yes	Yes
Compliance Hotline Calls	#	5	4	0	

Note: totals may not sum due to rounding

- a) 2022 dividends per share have been retroactively adjusted to reflect a 20-for-1 consolidation of outstanding shares effective December 5, 2023.
- b) Emissions are reported under a modified Intergovernmental Panel on Climate Change ("IPCC") report format for EU investors.
- c) Methane emissions are based on a 100-year global warming potential of 28, in line with IPCC's Fifth Assessment Report (AR5).
- d) Prior to 2024, processing facility emissions were not reported under the Processing category as they fell short of the EPA reporting threshold for such facilities.
- e) To support direct comparability among the industry's producers, NGS methane intensity represents methane emissions from production assets only (therefore, excluding gathering & boosting and processing facilities) divided by gross natural gas production.
- f) To improve year-over-year comparability, 2022 volumes were revised in 2023 to reflect updated reporting assumptions for domestic water use which assumes eight gallons of water use per day per employee, for employees as at year end December 31 for 261 total business days during the respective year. Corresponding intensity metrics were updated accordingly.
- g) Uses oil and gas weighting scheme for weighted average overall water risk as per World Resources Institute's Aqueduct Water Risk Atlas.



# Emissions Assurance

## To the Management Team of Diversified Energy Company PLC:

ISOS Group, Inc. [“ISOS” or “we”] were engaged by Diversified Energy Company PLC [“Client” or “Diversified Energy”] to conduct moderate level type 2 assurance of environmental data [“Reported Information”] to be reported in its 2024 Annual and Sustainability Reports (“Reports”), covering the period beginning January 1, 2024 and ending December 31, 2024 (“FY24”).

We have performed our moderate assurance engagement in accordance with the AccountAbility 1000 Assurance Standard v3 (“AA1000AS”). Our review was limited to the Reported Information comprising of:

- Total Scope 1 and Scope 2 (location-based) Greenhouse Gas Emissions

We have not performed any procedures with respect to other sustainability-related information and, therefore, no conclusion on information outside of this scope of work is expressed.

### REPORTING CRITERIA

The Reported Information has been prepared according to the United States Environmental Protection Agency 40 CFR Part 90, Subparts C, W, and NN, and the Intergovernmental Panel on Climate Change (IPCC) Tier 3 Guidelines (“Reporting Criteria”) as outlined in Diversified Energy’s IPCC Scope 1 and Scope 2 Carbon Emissions Report. The Reported Information should be read together with the Reporting Criteria.

### INHERENT UNCERTAINTY

The nature of non-financial information and the methods used to determine non-financial information allow for different, but acceptable measurement techniques which can result in materially different measurements and can impact accuracy and comparability. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

The Reported Information has been measured applying the Reporting Criteria which has been adopted solely for the purpose of providing this non-financial information. As such the Reported Information may not be suitable for another purpose. Where significant assumptions or deductions are utilized, they are disclosed. Where direct data was unavailable, the company used industry standards as estimates. The assurance provided therefore does not guarantee or provide certainty over the completeness of reported data.

### DIVERSIFIED ENERGY’S RESPONSIBILITIES

The Company’s management are responsible for:

- Preparing the data in accordance with generally accepted reporting practices,
- The accuracy and completeness of the Reported Information,

- The design, implementation and maintenance of internal controls relevant to the preparation of the report to provide reasonable assurance that the report is free from material misstatement, whether due to fraud or error,
- Ensuring the Reported Information is fairly stated in accordance with the Reporting Criteria and for the content and statements contained therein.

### ISOS GROUP’S RESPONSIBILITIES

- Our responsibility is to express a moderate assurance conclusion in accordance with AA1000AS whether the Reported Information has been properly prepared in accordance with the Reporting Criteria and to provide this in a report to Diversified Energy Company.

### WORK PERFORMED

The procedures we performed were based on our professional judgment. Our work included, but was not limited to:

- Assessing the appropriateness of the Reporting Criteria for the Reported Information,
- Carrying out interviews via questionnaire with key personnel to understand the systems and controls in place during the reporting period,
- Assessing the systems, processes, and controls to collate, aggregate, validate and report the data,

### INDEPENDENT ASSURANCE STATEMENT

Provided by ISOS Group, Inc.



- Reviewing a selection of factors and formulae used and calculations performed over the Reported Information,
- Considering the appropriateness of the Reported Information provided by Diversified Energy Company and any third-party service providers,
- Testing a sample of records against underlying records which were either individually material or where there was potential for errors to accumulate to material amounts,
- Reperforming a selection of calculations of the Reported Information.

The relative effectiveness and significance of specific control procedures and their effect on assessment of control risk at a facility level are dependent on their interaction with the controls and other factors present at individual facilities. We have not performed any procedures to evaluate the effectiveness of controls at individual facilities. We have not conducted any work outside the agreed scope and therefore restrict our conclusion to the above-mentioned subject matter.



**APPLICATION OF THE AA1000AP**

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles:

<b>Inclusivity</b>	Diversified Energy identifies its key stakeholder groups with whom they regularly engage via formal and informal methods of communication as listed in its Reports.
<b>Materiality</b>	Diversified Energy clearly outlines and prioritizes its relevant sustainability topics. Its latest materiality assessment was conducted in 2023 and is updated every two years.
<b>Responsiveness</b>	Diversified Energy publishes its detailed Reports annually, outlining its commitment and approach to managing its material sustainability topics with reference to several of the leading sustainability standards and frameworks including GRI, SASB, the UN SDGs and TCFD.
<b>Impact</b>	Diversified Energy outlines its annual performance and short-term objectives in its Reports and has set long-term goals such as its net zero carbon by 2040 commitment.

**CONCLUSION**

Based on the process and procedures conducted, there is no evidence that the Reported Information is not materially correct and provides a fair representation of the Client’s environmental impacts in accordance with the Reporting Criteria.

PARAMETER	2024
Total Scope 1 GHG Emissions (thousand MT CO <sub>2</sub> e)	1,593
Total Scope 2 (location based) GHG Emissions (thousand MT CO <sub>2</sub> e)	53

**OBSERVATIONS**

- Data is reported in accordance with the Reporting Criteria; however, evolving methodologies and assumptions, within reasonable limits, pose challenges to year-over-year performance comparability. For an understanding of the sources driving improvements in emissions performance, users are encouraged to consult Diversified Energy’s Sustainability Report.
- Diversified Energy has included GHG emissions from onshore natural gas processing in its 2024 results, which has been excluded in prior years, due to the operations exceeding the U.S. EPA Subpart W threshold for reporting.

**RESTRICTION OF USE**

This assurance report is provided exclusively to the Client under the terms of our engagement, including agreed disclosure arrangements. Our work is intended solely to address the matters outlined in this moderate assurance report and is not intended for any other purpose. This report is not suitable for use or reliance by any party other than the Client. Any third party, accessing or relying on this report, does so at its own risk. To the fullest extent permitted by law, we disclaim any responsibility or liability to any party other than the Client for our work, this report, or the conclusions stated herein.

**STATEMENT OF COMPETENCY AND INDEPENDENCE**

ISOS Group is an independent professional services firm that specializes in sustainability reporting and is a provider of external assurance services. ISOS Group is a Global Reporting Initiative Certified Training Partner and a CDP Silver Solutions Partner. Our team of experts have the technical expertise and competency to conduct assurance to the AA1000 assurance standard, which meets the criteria for assurance of sustainability information.

No member of the assurance team has any business relationship with the Client, its directors or managers beyond the scope of this assignment. We conducted this assurance independently and, to our knowledge, without any conflicts of interest. ISOS Group upholds a strong code of ethics, ensuring high professional standards in all business activities. The assurance team has extensive experience in conducting assurance engagements over sustainability-related information, systems and processes.

Further information, including a statement of competencies, can be found at [www.isosgroup.com](http://www.isosgroup.com).

**Signed on behalf of ISOS Group:** San Diego, California – USA, March 26, 2025.

**BRIAN NOVECK**  
CSAP Practitioner





# GRI Content Index

Our Sustainability Report has been prepared with reference to the Global Reporting Initiatives' Universal and Sector Standards, and the following table maps our report against these GRI reporting guidelines. All page disclosure references below are to page numbers within our 2024 year-end reports which may be found at [www.div.energy](http://www.div.energy) and for which we have utilized the following abbreviated references: Sustainability Report (SR) and Annual Report (AR).

GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE
<b>GRI 2: GENERAL DISCLOSURES</b>		
<b>The Organization and its Reporting Practices</b>		
2-1	Organizational details	SR: 3
2-2	Entities included in the organization's sustainability reporting	SR: 3, 46
2-3	Reporting period, frequency and contact point	SR: 46, 60
2-4	Restatements of information	Not Applicable
2-5	External assurance	SR: 17, 50
<b>Activities and Workers</b>		
2-6	Activities, value chain, and other business relationships	SR: 3
2-7	Employees	SR: 3, 31, 36, 49 AR: 7, 20, 107
2-8	Workers who are not employees	SR: 49
<b>Governance</b>		
2-9	Governance structure and composition	SR: 40-41 AR: 37-40, 42-44
2-10	Nomination and selection of the highest governance body	SR: 40-41 AR: 38-39, 50-52
2-11	Chair of the highest governance body	SR:40
2-12	Role of the highest governance body in overseeing the management of impacts	SR: 40-41 AR: 32-35, 37-39, 40-41, 46-47, 49-50
2-13	Delegation of responsibility for managing impacts	SR: 41, 43
2-14	Role of the highest governance body in sustainability reporting	SR: 18, 28, 41-42, 46
2-15	Conflicts of interest	SR: 51 AR: 48
2-16	Communication of critical concerns	SR: 7, 42 AR: 48, 49
2-17	Collective knowledge of the highest governance body	SR: 40 AR: 39, 42-44

GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE
<b>GRI 2: GENERAL DISCLOSURES</b>		
<b>Governance</b>		
2-18	Evaluation of the performance of the highest governance body	SR: 40 AR: 50
2-19	Remuneration policies	SR: 41 AR: 57-77
2-20	Process to determine remuneration	SR: 41 AR: 57-77
2-21	Annual total compensation ratio	AR: 75
<b>Strategy, Policies and Practices</b>		
2-22	Statement on sustainable development strategy	SR: 4, 6
2-23	Policy commitments	SR: 42 AR: 40, 46-47 See also <a href="http://www.div.energy">www.div.energy</a> where all policy statements, as approved by the Board and signed by our CEO, are posted for stakeholder access.
2-24	Embedding policy commitments	SR: 42 Our <a href="#">Human Rights</a> , <a href="#">Modern Slavery</a> , and <a href="#">Business Partner</a> policies help to embed our policy commitments within our operations as well as our approach to supplier relationships. Through our policies we are aligned with the UN Universal Declaration of Human Rights and UN Guiding Principles on Business and Human Rights.
2-25	Processes to remediate negative impacts	SR: 7-30
2-26	Mechanisms for seeking advice and raising concerns	SR: 7, 30, 42
2-27	Compliance with laws and regulations	SR: 42, 43
2-28	Membership associations	SR: 43
<b>Stakeholder Engagement</b>		
2-29	Approach to stakeholder engagement	SR: 7-10 AR: 20-22, 48-49
2-30	Collective bargaining agreements	SR: 48



GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE	OIL & GAS REFERENCE NO.
<b>GRI 3: MATERIAL TOPICS</b>			
3-1	Process to determine material topics	SR: 8	
3-2	List of material topics	SR: 8	
3-3	Management of material topics	SR: 9-10	
<b>MATERIAL TOPIC STANDARDS</b>			
<b>Economic Performance</b>			
201-1	Direct economic value generated and distributed	SR: 36, 46-48 AR: 45, 91-92, 94, 105-108, 142-143	11.21.2
201-2	Financial implications and other risks and opportunities due to climate change	Refer to Climate Risk and Resilience Report in <a href="#">2024 Annual Report</a> , pages 7-19.	11.2.2
201-4	Financial assistance received from government	AR: 28, 109	11.21.3
<b>Market Presence</b>			
202-2	Proportion of senior management hired from the local community	We provide the proportion of total hires from local communities on SR: 31 though we do not currently track senior management specifically.	11.14.3
<b>Indirect Economic Impact</b>			
203-1	Infrastructure investments and services supported	SR: 14-17, 20, 24	11.14.4
203-2	Significant indirect economic impacts	SR: 36-38	11.14.5
<b>Procurement Practices</b>			
204-1	Proportion of spending on local suppliers	SR: 36 We do not currently track and aggregate local supplier spending on a transaction-by-transaction basis. Using state-level financial data, our state-by-state economic analysis models the economic impact of our business across the 10 states where we have operations.	11.14.6
<b>Anti Corruption</b>			
205-1	Operations assessed for risks related to corruption	SR: 7, 42-43	11.20.2
205-2	Communication and training about anti corruption policies and procedures	SR: 7, 42-43 AR: 40, 46, 55	11.20.3
205-3	Confirmed incidents of corruption and actions taken	Not reported	11.20.4
<b>Anti-Competitive Behavior</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Anti-Bribery and Corruption Policy</a> SR: 42-43 We do not currently report on specific legal actions.	11.19.2

GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE	OIL & GAS REFERENCE NO.
<b>MATERIAL TOPIC STANDARDS</b>			
<b>Tax</b>			
207-1	Approach to tax	AR: 28, 34, 100, 102, 108-111, 142-143 Refer also to our <a href="#">Tax Policy</a>	11.21.4
207-2	Tax governance, control, and risk management	AR: 34, 52-57, 100, 102, 108-111	11.21.5
207-3	Stakeholder engagement and management of concerns related to tax	AR: 21	11.21.6
207-4	Country-by-country reporting	AR: 1, 7, 83, 91-95, 137-138	11.21.7
<b>Energy</b>			
302-1	Energy consumption within the organization	SR: 16, 21	11.1.2
302-2	Energy consumption outside of the organization	Not reported	11.1.3
302-3	Energy intensity	Not reported	11.1.4
<b>Water and Effluents</b>			
303-1	Interactions with water as a shared resource	SR: 23	11.6.2
303-2	Management of water discharge-related impacts	SR: 23-24	11.6.3
303-3	Water withdrawal	SR: 23, 48	11.6.4
303-4	Water discharge	SR: 48	11.6.5
303-5	Water consumption	SR: 23, 48	11.6.6
<b>Biodiversity</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR: 26	11.4.2
304-2	Significant impacts of activities, products, and services on biodiversity	SR: 26	11.4.3
304-3	Habitats protected or restored	SR: 26	11.4.4
<b>Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	SR: 16-17, 47	11.1.5
305-2	Energy indirect (Scope 2) GHG emissions	SR: 16-17, 47	11.1.6
305-3	Other indirect (Scope 3) GHG emissions	Not reported	11.1.7
305-4	GHG emissions intensity	SR: 16, 47	11.1.8
305-5	Reduction of GHG emissions	SR: 16-22, 47	11.2.3
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	SR: 21, 47	11.3.3



GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE	OIL & GAS REFERENCE NO.
<b>MATERIAL TOPIC STANDARDS</b>			
<b>Waste</b>			
306-1	Waste generation and significant waste-related impacts	SR: 24	11.5.2
306-2	Management of significant waste related impacts	SR: 24	11.5.3
306-3	Waste generated	SR: 24, 47-48	11.5.4
306-4	Waste diverted from disposal	SR: 24, 47-48	11.5.5
306-5	Waste directed to disposal	SR: 24, 47-48	11.5.6
<b>Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	SR: 29	
308-2	Negative environmental impacts in the supply chain and actions taken	SR: 29	
<b>Employment</b>			
401-1	New employee hires and employee turnover	SR: 31-33, 48	11.10.2
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: 34	11.10.3
401-3	Parental leave	SR: 34	11.10.4
<b>Labor Management Relations</b>			
402-1	Minimum notice periods regarding operational changes	Not reported	11.10.5
<b>Occupational Health and Safety</b>			
403-1	Occupational health and safety management system	SR: 28-30 The importance of safety across our operations is reflected in our number one daily priority - "Safety - No Compromises" as well as the continued expansion of our EHS team to support our safety focus and efforts in both the Appalachia and Central regions.	11.9.2
403-2	Hazard identification, risk assessment, and incident investigation	SR: 28-30	11.9.3
403-3	Occupational health services	SR: 28-30	11.9.4
403-4	Worker participation, consultation, and communication on occupational health and safety	SR: 28-30	11.9.5
403-5	Worker training on occupational health and safety	SR: 29	11.9.6
403-6	Promotion of worker health	SR: 28-30, 34	11.9.7

GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE	OIL & GAS REFERENCE NO.
<b>MATERIAL TOPIC STANDARDS</b>			
<b>Occupational Health and Safety</b>			
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR: 28-30	11.9.8
403-8	Workers covered by an occupational health and safety management system	SR: 28 All direct Diversified employees are managed through our occupational health and safety system.	11.9.9
403-9	Work-related injuries	SR: 30, 49	11.9.10
403-10	Work-related ill health	SR: 30, 49 We do not currently distinguish reportable incidents from work-related injuries vs. ill-health.	11.9.11
<b>Training and Education</b>			
404-1	Average hours of training per year per employee	SR: 49 (note that training hours are tracked for field employees only, thus the fewer number of employees receiving the training vs. employed at year end)	11.10.6
404-2	Programs for upgrading employee skills and transition assistance programs	SR: 32	11.10.7
404-3	Percentage of employees receiving regular performance and career development reviews	SR: 32 (100%)	
<b>Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	SR: 31, 40, 48-49 AR: 7, 39-40	11.11.5
405-2	Ratio of basic salary and remuneration of women to men	Not reported	11.11.6
<b>Non-Discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken	Not reported	11.11.7
<b>Freedom of Association and Collective Bargaining</b>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not reported	11.13.2
<b>Forced or Compulsory Labor</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Human Rights Policy</a> <a href="#">Modern Slavery Policy</a>	11.12.2



GRI CODE	DESCRIPTION	DISCLOSURE REFERENCE	OIL & GAS REFERENCE NO.
<b>MATERIAL TOPIC STANDARDS</b>			
<b>Security Practices</b>			
410-1	Security personnel trained in human rights policies or procedures	Not applicable. Diversified does not directly employ or contract with security personnel.	11.18.2
<b>Rights of Indigenous People</b>			
411-1	Incidents of violation involving rights of indigenous peoples	SR: 7	11.17.2
<b>Local Communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	SR: 37-38	11.15.2
413-2	Operations with significant actual and potential negative impacts on local communities	SR: 7	11.15.3
<b>Supplier Social Assessment</b>			
414-1	New suppliers that were screened using social criteria	SR: 29	11.10.8
414-2	Negative social impacts in the supply chain and actions taken	SR: 29	11.10.9
<b>Public Policy</b>			
415-1	Political Contributions	SR: 49 AR: 49	11.22.2
<b>Customer Health and Safety</b>			
416-1	Assessment of the health and safety impacts of products and service categories	SR: 3-4	11.3.3





# SASB Content Index

The topics covered in our 2024 Sustainability Report have also been informed by the Sustainability Accounting Standards Board's reporting guidelines which have been mapped below. Unless explicitly stated otherwise below, all referenced page numbers are to our 2024 Sustainability Report.

TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL &amp; GAS - EXPLORATION &amp; PRODUCTION</b>					
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-EP-110a.1	Quantitative	Metric tons CO <sub>2</sub> -e (t), Percentage (%)	1,593,000 23% We do not differentiate the percentage covered under emissions-limiting regulations.
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	EM-EP-110a.2	Quantitative	Metric tons CO <sub>2</sub> -e	(1) 1,000 (2) 1,253,000 (3) 76,000 (4) 140,000 (5) 123,000
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-EP-110a.3	Discussion & Analysis	-	We understand the importance of achieving lower GHG emissions via an orderly transition of energy sources and have embarked on our own important path to carbon neutrality. For information on our plans, targets and performance, please refer to pages 12-20. Further climate-related detail is also provided in our <a href="#">2024 Annual Report</a> on pages 7-19.
<b>Air Quality</b>	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	EM-EP-120a.1	Qualitative	Metric tons (t)	(1) 22,736 (2) 53 (3) 2,366 (4) 145
<b>Water Management</b>	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-EP-140a.1	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%)	Please note, we capture and analyze water management performance in barrels. (1) 3,225 MBbls, 0% (2) 3,225 MBbls, 0% Further information to water management and performance is provided on pages 23-24, 48.
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	EM-EP-140a.2	Quantitative	Thousand cubic meters (m <sup>3</sup> ), Percentage (%), Metric tons (t)	Please note, we capture and analyze water management performance in barrels. Total produced water: 27,758 MBbls (1) 6 MBbls, 0% (hydrocarbon content N/A) (2) 27,357 MBbls, 99% (3) 395 MBbls, 1%

TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL &amp; GAS - EXPLORATION &amp; PRODUCTION</b>					
<b>Water Management</b>	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	EM-EP-140a.3	Quantitative	Percentage (%)	In 2024, we participated as contract operator on 14 new drilled natural gas wells, though we own an ~10% working interest in just five of those wells. As required by law, we publicly reported 100% of the known stimulation fluid chemicals for all these wells.
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	EM-EP-140a.4	Quantitative	Percentage (%)	For the states where we drilled and/or completed wells in 2024, baseline water quality was not assessed as it was not required by law.
<b>Biodiversity Impacts</b>	Description of environmental management policies and practices for active sites	EM-EP-160a.1	Discussion & Analysis	-	We are committed to protecting the environment through responsible operations and our EHS management system made up of three levels; policies, program documents and field operating procedures.  Through our long-standing, well-proven Smarter Asset Management program, we have an active EHS group that daily seeks to increase asset efficiency and integrity.  Signed by our CEO, our <a href="#">Environmental, Health and Safety Policy</a> is guided by the principles of corporate accountability and leadership, risk preparedness, collaboration and transparency. As noted in our <a href="#">Business Partners Policy</a> , we expect a similar commitment from our suppliers and business partners with whom we conduct business.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160a.2	Quantitative	Number, Barrels (bbls)	Please see pages 25 and 47-48 for spill performance data. In 2024, we incurred 26 hydrocarbon incidents, spilling 508 barrels of oil of which we recovered 246 barrels.  We do not operate in the Arctic, and we had no spills impacting shorelines with ESI rankings 8-10.
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-EP-160a.3	Quantitative	Percentage (%)	We do not capture this information.



TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL &amp; GAS - EXPLORATION &amp; PRODUCTION</b>					
<b>Security, Human Rights &amp; Rights of Indigenous Peoples</b>	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-EP-210a.1	Quantitative	Percentage (%)	Our operations are wholly U.S.-based, thus we do not operate near any areas of conflict. Please refer to pages 3 and 47.
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-EP-210a.2	Quantitative	Percentage (%)	We operate certain wells located on or near Native American lands in Oklahoma. As of December 31, 2024, these wells make up less than 3% of our total net reserves for Oklahoma and less than 0.29% of total net reserves for the Company. Please refer to page 7 for additional detail.
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-EP-210a.3	Discussion & Analysis	-	We do not operate near any areas of conflict. As a responsible employer, we seek to uphold and protect the human rights of all our employees and contractors, as outlined in our <a href="#">Human Rights Policy</a> and <a href="#">Business Partners Policy</a> . Our supply chain risk management provider, Veriforce, monitors our contractors' compliance with OSHA regulation, modern slavery and human rights and other relevant and applicable labor laws in the U.S.
<b>Community Relations</b>	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-EP-210b.1	Discussion & Analysis	-	Our EHS team is responsible for overseeing all environmental considerations as well as community-related health and safety matters. On our senior management team, our head of EHS reports directly to the Executive Vice President of Operations and is a regularly invited guest and active participant at meetings of the Board's Sustainability & Safety Committee. Please see page 7 for more information on our stakeholder feedback channels.
	Number and duration of non-technical delays	EM-EP-210b.2	Quantitative	Number, Days	We have not incurred any non-technical delays.
<b>Workforce Health &amp; Safety</b>	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-EP-320a.1	Quantitative	Rate, Hours (h)	For all full-time employees, irrespective of when placed in the assigned job: (1) 0.89 (per 200,000 work hours) (2) 0 (3) 123 (per 200,000 work hours) (4) 37,567 training hours for 1,210 full-time field employees only (training hours for non-field employees not recorded)  For contract employees: (1) 0.69 (reported only as 3-year average, per 200,000 work hours) (2) 0 (3) not recorded (4) not recorded  We do not separately record this information for short-service employees.

TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL &amp; GAS - EXPLORATION &amp; PRODUCTION</b>					
<b>Workforce Health &amp; Safety</b>	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EM-EP-320a.2	Discussion & Analysis	-	Our operating principles reflect our foremost commitment to safety and sustainability. The Sustainability & Safety Committee reviews EHS performance and operating data at every committee meeting. To enable more robust management of our supplier network, we utilize a leading supply chain risk management firm, Veriforce, to prescreen for contractors with preferred safety performance records. For more information on our safety culture, please refer to pages 28-30.
	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	EM-EP-420a.1	Quantitative	Million barrels (MMbbls), Million standard cubic feet (MMscf)	Please refer to the <a href="#">Portfolio Resilience</a> discussion included within our Climate Risk and Resilience Report in our <a href="#">2024 Annual Report</a> (page 14).
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	EM-EP-420a.2	Quantitative	Metric tons (t) CO <sub>2</sub> -e	We have not calculated this information.
	Amount invested in renewable energy, revenue generated by renewable energy sales	EM-EP-420a.3	Quantitative	Reporting currency	We have not calculated this information.
<b>Reserves Valuation &amp; Capital Expenditures</b>	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	EM-EP-420a.4	Discussion & Analysis	-	Please refer to our <a href="#">Strategy</a> section included within our Climate Risk and Resilience Report in our <a href="#">2024 Annual Report</a> (page 10).
	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-EP-510a.1	Quantitative	Percentage (%)	As a company with existing operations only in the Appalachian Basin and Central Region of the U.S., 0% of our reserves are in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.
	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510a.2	Discussion & Analysis	-	Our <a href="#">Anti-Bribery and Corruption Policy</a> adheres to all relevant laws and regulations, including compliance with the UK Bribery Act 2010, and falls under the direct oversight of our General Counsel. Our approach applies across all parts of our business, including our supply chain, and regular training is provided, as necessary, to all employees who engage with our external stakeholders.
<b>Business Ethics &amp; Transparency</b>					



TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL &amp; GAS - EXPLORATION &amp; PRODUCTION</b>					
<b>Management of the Legal &amp; Regulatory Environment</b>	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530a.1	Discussion & Analysis	-	We believe in the value of engaging with and participating in natural gas and oil industry associations. See more on our participation in and with industry associations on page 43.
<b>Critical Incident Risk Management</b>	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	EM-EP-540a.1	Quantitative	Rate	In 2024, we did not incur any Tier 1 process safety events. We report process safety events for our processing facilities under the safety standards regulated by the U.S. Department of Labor and the Occupational Safety and Health Administration.
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-EP-540a.2	Discussion & Analysis	-	Refer to discussions above on safety training and our how company promotes a safety-focused culture that emphasizes our top daily priority: "Safety-No Compromises" (pages 28-30). We also have Crisis Management and Business Continuity plans in place that are reviewed for efficacy, clarity and relevance at least twice annually by senior leadership (page 29). Thus, we actively train and prepare for potential incidents to ensure that our teams are ready to respond effectively and confidently if and when a catastrophic incident may occur. Our internal Enterprise Risk Management process also helps align corporate preparedness and action in these instances (page 43).
<b>Activity Metric</b>	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	EM-EP-000.A	Quantitative	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf/day)	We report annual quantities of net production: (1) 1,568 MBbls (2) 244,298 MMcf (3) None (4) None  We also produced 5,980 MBbls of natural gas liquids during the year. Total net production was 791 MMcfe per day.
	Number of offshore sites	EM-EP-000.B	Quantitative	Number	We do not operate any wells offshore.
	Number of terrestrial sites	EM-EP-000.C	Quantitative	Number	At year end 2024, we operated -64,900 gross wells, including 56,300 wells in the Appalachian Basin and 8,600 wells in the Central Region.

TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL AND GAS - MIDSTREAM</b>					
<b>Greenhouse Gas Emissions</b>	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-MD-110a.1	Quantitative	Metric tons CO <sub>2</sub> -e (t), Percentage (%)	1,593,000 23% We do not differentiate the percentage covered under emissions-limiting regulations.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MD-110a.2	Discussion & Analysis	-	Please refer to SASB metric EM-EP-110a.3. For further information on our plans, targets and performance, refer to pages 12-22. Additional detail is also provided within our Climate Risk and Resilience Report in our <a href="#">2024 Annual Report</a> on pages 7-19.
<b>Air Quality</b>	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	EM-MD-120a.1	Quantitative	Metric tons (t)	(1) 22,736 (2) 53 (3) 2,366 (4) 145
<b>Ecological Impacts</b>	Description of environmental management policies and practices for active operations	EM-MD-160a.1	Discussion & Analysis	-	We are committed to protecting the environment through responsible operations. Our EHS management system is made up of three levels: policies, program documents and field operating procedures. We focus on reducing risks, maintaining compliance and seeking best practices and continuous improvement in all our EHS and operational processes.
	Percentage of land owned, leased, and/ or operated within areas of protected conservation status or endangered species habitat	EM-MD-160a.2	Quantitative	-	We do not capture this information.
	Terrestrial acreage disturbed, percentage of impacted area restored	EM-MD-160a.3	Quantitative	-	With a business model focused on acquiring existing assets, we take over operations that do not require terrestrial disturbance. When we permanently retire those assets, or possibly extend a short pipeline, we restore all the sites to their natural condition.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	EM-MD-160a.4	Quantitative	-	We do not operate pipelines in the Arctic. In 2024, there were no hydrocarbon spills from pipelines in the Arctic or USAs.
<b>Competitive Behaviour</b>	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	EM-MD-520a.1	Quantitative	-	There were no losses due to legal proceedings associated with federal pipeline and storage regulations.



TOPIC	METRIC	SASB CODE	CATEGORY	UNIT	2024 RESPONSE
<b>OIL AND GAS - MIDSTREAM</b>					
<b>Operational Safety, Emergency Preparedness &amp; Response</b>	Number of reportable pipeline incidents, percentage significant	EM-MD-540a.1	Quantitative	-	We had no reportable pipeline incidents in 2024. We report pipeline safety events for our facilities under the safety standards regulated by PHMSA.
	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	EM-MD-540a.2	Quantitative	-	(1) We operate -3,218 miles of natural gas pipelines subject to the standards of 49CFR192 and -41 miles of hazardous liquids pipelines subject to the standards of 49CFR195. Of this amount, -8% are functionally classified as Transmission assets and -27% as Gathering assets, Type A, B or C. During 2024, 100% of these assets were subject to various required and voluntary inspections. Diversified routinely completes a variety of industry best practice and regulatory required inspections of our pipelines and related facilities. In 2024, we completed strategic aerial surveillance on DOT and non-DOT pipeline assets of -4,700 miles of midstream and -4,500 facilities. (2) During 2024, we completed required inspections of 100% of our single, highly volatile liquid operated pipeline, including completion of a required internal inspection of a high consequence area (HCA).
	Number of (1) accident releases and (2) nonaccident releases (NARs) from rail transportation	EM-MD-540a.3	Quantitative	-	We do not use rail transportation within our operations.
	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	EM-MD-540a.4	Discussion & Analysis	-	Our operating principles reflect our foremost commitment to safety and sustainability, as reflected in our primary guideline: Safety-No Compromises. The Sustainability & Safety Committee also reviews EHS performance and operating updates at each of its committee meetings.  We have a standing Crisis Management Plan and separate Business Continuity Plan in the potential event of a crisis. Please refer to page 29.  To enable more robust management of our supplier network, we utilize a leading supply chain risk management firm, Veriforce, to prescreen for contractors with high safety performance records. Refer to page 29.
<b>Activity Metric</b>	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	EM-MD-000.A	Quantitative	-	(1) Our natural gas is transported via pipelines. (2) Our crude oil production is trucked by third-parties. (3) We do not refine petroleum products and therefore none is transported.  We do not report transported volumes in metric ton-kilometers. Refer to EM-EP-000.A above for net production information.





# Additional Resources

[2024 Sustainability Highlights](#)



[2024 Performance Data Table](#)



[2024 Annual Report](#)



[GRI Content Index](#)



[SASB Content Index](#)



[TCFD Content Index](#)



[Corporate Policy Statements](#)



[Diversified Energy website: \[www.div.energy\]\(http://www.div.energy\)](#)



[Sustainability Report Archive](#)



# Contact Us

We appreciate your review of our annual Sustainability Report. If you would like to request more information, provide us with feedback on this report, or have other inquiries regarding Diversified, here are a few ways that you can contact us:

## Diversified Energy Company

1600 Corporate Drive  
Birmingham, AL 35242  
[www.div.energy](http://www.div.energy)

## Chief Governance Office

Attn: Chief Legal & Risk Officer  
[legalnotice@dgoc.com](mailto:legalnotice@dgoc.com)

## Investor Relations

[IR@dgoc.com](mailto:IR@dgoc.com)

## Board of Directors

c/o Office of the Corporate Secretary  
[bsullivan@dgoc.com](mailto:bsullivan@dgoc.com)

## Media Relations

[media@dgoc.com](mailto:media@dgoc.com)

## Customer Service/General Inquiries

Attn: Diversified Energy Service Center  
1-205-408-0909

## Social Media

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 [DiversifiedEnergyCoPLC](#)





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## Forward-Looking Statements

This Sustainability Report (“Report”) contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) regarding Diversified Energy Company plc and its wholly owned subsidiaries (“Diversified”). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Our forward-looking statements can be identified by words such as “anticipate”, “believe”, “intend”, “estimate”, “expect”, “may”, “will”, “seek”, “continue”, “aim”, “forecast”, “goal”, “target”, “projected”, “plan”, “goal”, “achieve” or other similar expressions. These statements reflect Diversified’s beliefs and expectations and are based on numerous assumptions regarding Diversified’s present and future business strategies and the environment Diversified will operate in.

There can be no assurance that these statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Diversified undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws.

These forward-looking statements include, without limitation, statements regarding our emission goals, including those related to Scope 1 & Scope 2 methane emissions and combustion-derived CO<sub>2</sub>; water management; spill prevention; biodiversity and ecosystem protection; diversity; community outreach and engagement; ESG goals; and risk management. The forward-looking statements contained in this Report are not an indication that they are material to investors or are required to be disclosed in our filings with the Securities and Exchange Commission (“SEC”).

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. These risks and uncertainties include those set forth under “Risk Factors” in Diversified’s Annual Report on [Form 20-F](#) for the year ended December 31, 2024, filed with the SEC.

As noted in our Climate Risk and Resilience Report, separately published within the Company’s [2024 Annual Report](#), our climate risk analysis and related strategies are under development and the data underlying our analysis remains subject to evolution over time. As a result, we expect certain disclosures made in this Report are likely to be amended, updated or restated in the future as the quality and completeness of our data and methodologies continue to improve.

