

2023 Sustainability Report

PIONEER
NATURAL RESOURCES





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Our Company

Pioneer is a large independent U.S. oil and gas exploration and production company headquartered in Dallas, Texas.

The company's primary field operations take place on private lands in the heart of the Permian Basin of West Texas. The company operates 964,000 gross acres and has a drilling inventory of high rate-of-return locations of greater than 20 years. In 2022, the company's production averaged 650,000 barrels of oil equivalent per day. Pioneer employs more than 2,000 full-time workers.

MIDLAND

DALLAS

964,000 gross acres

650,000 barrels

2,000+ employees

R ESPECT AND INCLUSION

We respect one another and the communities we call home through a culture dedicated to diversity, inclusiveness and different perspectives.

E THICS AND HONESTY

We are ethical, honest and committed to upholding our strong reputation.

S AFETY AND STEWARDSHIP

Safety and environmental stewardship are our collective responsibility, and we take pride in doing our work the right way every time, for ourselves, our communities and our planet.

P ERSONAL ACCOUNTABILITY

We are disciplined and personally accountable for our decisions, actions, attitudes and results.

E NTREPRENEURSHIP AND INNOVATION

We have an entrepreneur's mindset, driving consistent innovation and leveraging the latest technology while striving for excellence in all we do.

C OMMUNICATION AND TRANSPARENCY

We communicate transparently, authentically and professionally among all levels within our organization, while being sensitive to unique communications styles and platforms.

T EAMWORK

We believe in and consistently celebrate diverse perspectives, direct experiences, new ideas and genuine collaboration toward common objectives within a can-do, inclusive and fun work environment.

Our Mission

Pioneer's mission is to be America's leading independent energy company, focused on value, safety, the environment, technology and our greatest asset, our people. The company's long-term investment thesis is centered around the following strategic objectives:



Maintaining a strong balance sheet and financial flexibility



Returning free cash flow to shareholders via a strong and growing base dividend, a variable dividend and share repurchases



Utilizing the company's scale and technology advancements to reduce costs, improve efficiency and create value



Delivering profitable production and reserve growth through drilling, completion and production improvement activities



Setting high expectations for employees and contractors to perform their jobs in a safe manner

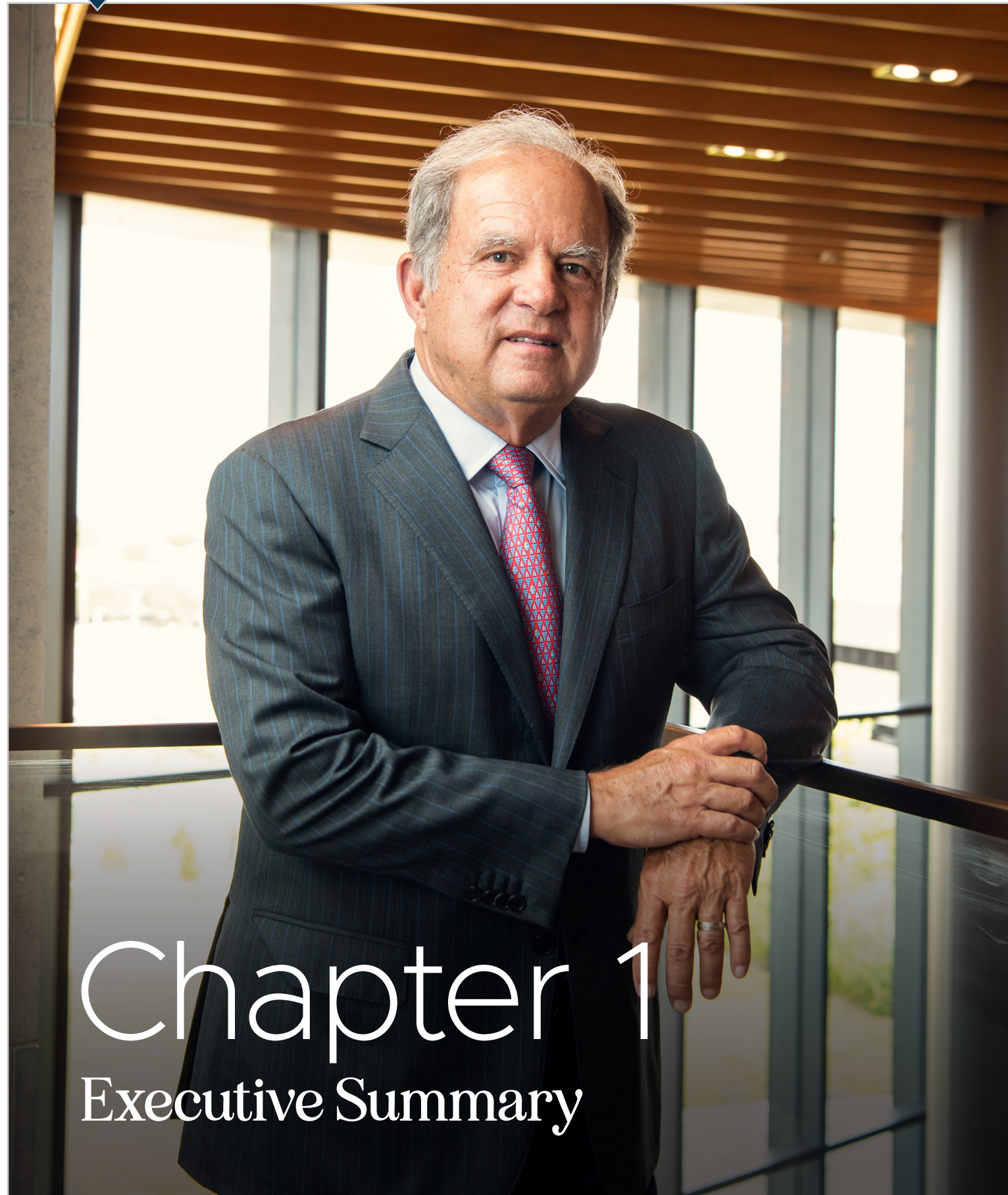


Maintaining industry-leading sustainable development and environmental stewardship efforts that mitigate climate change risks



Adopting leading governance and employee engagement practices, including embracing diversity and inclusion and supporting the communities in which we live and operate

Pioneer's long-term strategy is anchored by our interest in the long-lived Spraberry/Wolfcamp oil field located in the Midland Basin in West Texas, which has an estimated remaining productive life in excess of 50 years.



Chapter 1

Executive Summary

“

As one of the most active drillers and the largest oil producer in the state of Texas, we take our responsibility to provide low-cost, low-emission products seriously.

- Scott Sheffield, Chief Executive Officer

RESPECT for Our Planet, People and Future

We are pleased to present our 2023 Sustainability and Climate Risk Report.

In 2022, we celebrated our 25th anniversary. As we look ahead to the next 25 years, we are steadfast in our commitment to the Environmental, Social and Governance (ESG) practices that have guided us since our founding.

In this – the seventh edition of our annual Sustainability Report – we begin with the RESPECT values that have always been, and will continue to be, at the core of our company:

RESPECT for the Planet: Our planet's resources are precious and finite. We must treat them as such.

RESPECT for All People: Every person can make a difference. We must include diverse thoughts, experiences and backgrounds in all we do to achieve our best.

RESPECT for the Future: Every day is a new opportunity to do better and be better. We must embrace every challenge and opportunity to improve. Continuous improvement is an ever-changing process at Pioneer.



Pioneer maintains one of the lowest energy breakeven costs in the world, along with a low carbon dioxide (CO₂) intensity (per barrel equivalent) – enabling us to deliver responsible and low-cost energy.

We are one of the first U.S. operators to commit to the Oil and Gas Methane Partnership 2.0 (OGMP), a voluntary, multi-stakeholder initiative launched by the United Nations Environment Programme.

- Scott Sheffield, Chief Executive Officer

We are invested in the work we have done to advance our ESG priorities and align them with our values – and we plan to do even more. Our 2,000+ employees embody the ‘can do’ and ‘will do’ spirits that have brought Pioneer to our current industry leadership position, and they are working hard every day to fulfill our mission: to be America’s leading independent energy company, focused on value, safety, the environment, technology and our greatest asset, our people.

This year, we have incorporated our Climate Risk Report into the Sustainability Report for the first time, reinforcing our view that sustainability and our climate go hand-in-hand.

As one of the most active drillers and the largest oil producer in the state of Texas, we have a responsibility to provide low-cost, low-emission products. Our financial discipline supports our ability to do so, while also allowing us to weather market and economic challenges. In recent years, the overall cost of doing business has increased, from supply chain disruptions to escalating prices on raw materials, combined with increased volatility in the commodities market as a result of the Russian invasion of Ukraine and increased global recession concerns.

It is important to note that, in this reporting year, we have been investing significantly to align our most recently acquired assets – DoublePoint Energy and Parsley Energy – with our operational standards. We will complete that integration by mid-2023.

Reducing Emissions and Freshwater Use

Pioneer intends to achieve net-zero Scope 1 and Scope 2 emissions in our operations by 2050. To achieve this, we have set ambitious goals to reduce greenhouse gas emissions (GHG) intensity 50% by 2030 and methane emissions intensity 75% by 2030. We will also sustain an annual flaring intensity of less than 1% and end routine flaring by 2025.

Pioneer maintains one of the lowest energy breakeven costs in the world, along with a low carbon dioxide (CO₂) intensity (per barrel equivalent) – enabling us to deliver responsible and low-cost energy.

We are one of the first U.S. operators to commit to the Oil and Gas Methane Partnership 2.0 (OGMP), a voluntary, multi-stakeholder initiative launched by the United Nations Environment Programme. OGMP is a comprehensive, measurement-informed reporting framework for the oil and gas industry that improves the accuracy

and transparency of methane emissions reporting. As part of this commitment, we established a short-term, measurement-informed methane intensity target of 0.20% of natural gas produced by 2025. This short-term target complements our longer-term methane emissions goals and puts Pioneer on the path to achieving the OGMP “Gold Standard” designation.

As you will see in this report, we aim to use renewable, low-cost energy in our Permian Basin operations to mitigate Scope 2 emissions.

We continue to move specific operations to the electricity grid as power load and infrastructure become available. Later this year, we will conduct a trial moving one of our completions fleets to the grid and powering it partially with electricity. We have partnered with other leading Permian oil and gas operators to forecast future electricity grid demand, enabling accelerated transmission upgrades and infrastructure build-out. In addition, we plan to transition other completions fleets to cleaner fuel.

You will find an extensive discussion of water management in this report. Access to clean water is a growing global priority, and we plan to reduce freshwater in completions to 20% by the end of 2026. We believe our program to manage freshwater is the most sustainable in the Permian Basin, and we disclose all freshwater consumed in our completions operations. In 2022, we used freshwater in 23% of our completions operations, putting us well on our way to meeting our goal.

Accountability from the Top Down

We place tremendous value and emphasis on ensuring data accuracy in our reporting, and we focus significant time and effort on getting it right. Pioneer is committed to the principles set forth by the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD sets out a framework to assess the climate resiliency of corporate business strategies over the short, medium and long term, given various physical and transition risks.

The significance of these metrics and their importance to our organization are embodied by our Board of Directors and senior leadership team. Our ESG priorities are approved and overseen by our Board of Directors through our Sustainability and Climate Oversight Committee. Our senior leadership team actively oversees the ESG Task Force. Both the task force and committee meet multiple times per year to review progress and make recommendations for continued advancement.

Prioritizing Diversity, Equity and Inclusion (DEI)

We are a better company when we consider different ideas, experiences and strategies, ensuring that our teams have diverse representation companywide:

- 42% of our Board and 44% of our Executive Committee are women or hail from historically underrepresented communities.
- Pioneer earned a spot on the 2022 DiversityInc Top Regional Companies list in our second year of participating in that organization's benchmarking survey.
- We scored 90 (out of 100) on the Human Rights Campaign Corporate Equality Index, which measures workplaces on LGBTQ+ equality.
- Our commitment to human rights is reflected in our formal support for the Ten Principles of the United Nations Global Compact.

Building ESG into Our Supply Chain

In 2021, Pioneer became one of the first oil and gas companies to incorporate transparent, measurable and accountable ESG performance into our supply chain management.

Our Supplier Diversity Commitment demonstrates our dedication to advancing stewardship and inclusivity within our supplier base. Pioneer maintains high ethical standards regarding safety, environmental stewardship and human rights, and we expect the same from companies that do business with us. Our Supply Chain team continues to fine-tune the procurement process, focusing on bringing more small, minority-owned and women-owned businesses into the company's supplier base. In 2022, Pioneer spent \$140 million with our diverse suppliers, and we plan to continue this investment in the years to come.

Giving Back

Our company has always believed in the importance of giving back to the communities that give us so much. In 2022, we provided nearly \$8 million social investments and employee-led giving to hundreds of charities in the Permian Basin and the Dallas-Fort Worth area. Additionally, we extended our giving internationally, donating \$20 million to assist with humanitarian efforts in war-torn Ukraine.

We continue to work closely with other operators in leading the Permian Strategic Partnership. Formed in 2017, this unprecedented coalition of oil and gas companies is improving the quality of life for Permian Basin residents in healthcare, education, infrastructure/roads, affordable housing and workforce development. Since its inception, the partnership has leveraged ~\$125 million in member funds into \$1 billion in collaborative investments with other stakeholders. We are proud to be a founding member of this important initiative and look forward to continuing to work with our partners to make a lasting positive impact in the region.

RESPECT for All

The subsequent chapters of this report provide more details related to the highlights in this letter, and we believe our deeply held commitment to sustainability will be apparent at all levels of our business, from the leadership teams to our roots in the oil fields.

To achieve our ESG goals, we are committed to maintaining a strong balance sheet, generating strong investment returns for our shareholders and operating efficiently to ensure that we thrive and make a positive impact in the years ahead.

Thank you for your continued support of Pioneer and our sustainability journey.

J. Kenneth Thompson

Chairman of the Board of Directors

Scott D. Sheffield

Chief Executive Officer



ESG COMMITMENT

Pioneer is committed to being a low-cost, low-emission producer of U.S. oil and gas. The energy industry is evolving rapidly and we consider our commitment to responsible and sustainable development paramount to the future of Pioneer. Through continuous assessment and improvement and adoption of leading ESG practices, we believe we are positioned to continue delivering long-term value to our stakeholders.



ENVIRONMENTAL

As the energy industry continues to evolve, Pioneer remains committed to leading environmental practices and stewardship of our areas of operation. We are continually focused on reducing our emissions intensity, use of freshwater and physical footprint on the land.



SOCIAL

At Pioneer, we respect one another and support the communities we call home. Through a culture dedicated to diversity, equity, inclusiveness and transparent communication, we consistently embrace differences and promote honesty and teamwork throughout our company. We call these our RESPECT Values.



GOVERNANCE

Our Board and executive management team recognize that robust corporate governance and Board-level oversight of our ESG initiatives drive alignment with our company's strategic ESG vision and the long-term interests of our shareholders.

Climate Change Position

Addressing climate change is an important priority at Pioneer. We strive to proactively limit emissions of methane and other greenhouse gases from our operations while assessing and managing the impacts of climate change on our business. We believe our strategy, capital discipline, operational excellence and best-in-class assets positively position Pioneer to meet these challenges. We are committed to working with all stakeholders to address our impacts on the environment, while providing a sustainable supply of abundant, affordable, responsibly produced energy.



GOVERNANCE

See pages 11-14

Describes our governance structure, including the role of the Board of Directors and executive management in identifying, assessing and mitigating climate-related risks and opportunities.

About TCFD

Pioneer believes the TCFD recommendations are an important step toward establishing a widely accepted framework for climate-related financial risk disclosure, which should allow companies to be assessed on a comparable and consistent basis. Pioneer understands the importance of communicating climate resiliency to stakeholders and believes that utilizing the TCFD framework will enhance our long-term business strategy and outlook.



STRATEGY

See pages 15-21

Outlines our planning time horizons, illustrates how climate risks and opportunities are integrated into our planning and strategy processes, and details our analysis of climate-related scenarios and business resiliency.



RISK MANAGEMENT

See pages 22-30

Explains the processes used to identify, assess and manage climate-related risks and opportunities, demonstrating how they are integrated into our enterprise risk management (ERM), planning and strategy processes, and opportunities.



METRICS AND TARGETS

See pages 31-45

Discloses the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

WHY ESG?



Strengthens operational efficiencies



Drives innovation and problem-solving



Solidifies Pioneer's position as a strong corporate citizen



Creates a unifying purpose for employees



Provides long-term value to shareholders

TARGETS AND 2022 PERFORMANCE

Ambition to achieve Net Zero Scope 1 and Scope 2 GHG emissions by 2050

GHG INTENSITY

Reduce *GHG emissions* intensity
50% by 2030

22% reduction from 2019 baseline

METHANE INTENSITY

Reduce *methane emissions* intensity
75% by 2030

64% reduction from 2019 baseline | **New OGMP 2.0 Target**
 <0.20% of produced gas in 2025

FLARING INTENSITY

Limit annual *flaring intensity* to
less than 1%

46% lower than our 1% limit

ROUTINE FLARING

zero routine flaring
 by 2025 in accordance with the World Bank Initiative

0.93 million cubic meters routine flaring volume
 (1% of total flaring)

FRESHWATER USE

Reduce *freshwater* in completions to
20% by 2026

23% freshwater use in completions

SUPPLY CHAIN

Diverse spend greater than

\$155 million

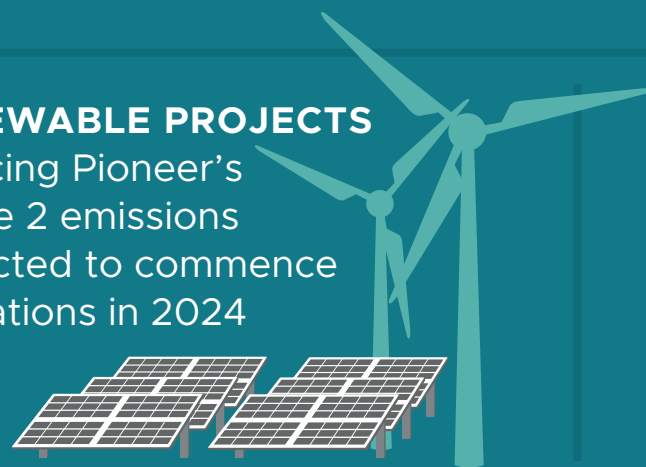
85%
of PXD-managed spend with suppliers that have been onboarded to EcoVadis

24% of spend was in the Permian Basin,
85%
of spend with suppliers headquartered in Texas

HIGHLIGHTS

RENEWABLE PROJECTS

reducing Pioneer's Scope 2 emissions expected to commence operations in 2024



METHANE REDUCTION ACTIVITIES

- Diligently retrofitting gas-driven pneumatic controllers
- Installing fixed sensors to monitor 80% of our gas production
- 3 aerial methane surveys of all assets annually

Newly PUBLISHED ESG POLICIES

- Biodiversity commitment
- Spill management policy
- Approved contractor process policy
- Corporate computing policy

SUSTAINABLE DEVELOPMENT GOALS

Pioneer supports the Sustainable Development Goals (SDGs)

OUR PEOPLE



Awarded the 2022 Texas Employer Traffic Safety Award by The National Safety Council (NSC) and the Texas Department of Transportation

90 out of 100 on Human Rights Campaign Corporate Equality Index

LEADERSHIP

42%
diverse Board

44%
diverse Executive Committee



Commitment to *train all employees on human rights* by the end of 2023

More than

\$28 million
in charitable contributions to more than
500 nonprofit organizations



The Board takes an active role in overseeing the design and implementation of our ESG strategy, while working with management to cultivate our Health, Safety and Environmental (HSE) culture.

Pioneer’s Board and Executive Committee recognize that strong corporate governance drives alignment with the interests of our shareholders and other stakeholders, strengthens our culture, provides accountability and risk oversight, and ensures the sustainability of our organization.

Board of Directors

The Board is responsible for overseeing the company’s assessment of major risks, and the measures taken to prepare for and manage such risks. The company and the Board view sustainable development as a multidisciplinary approach to our business, which balances economic growth, environmental stewardship and social responsibility. In addition, the Board takes an active role in overseeing the design and implementation of our ESG strategy, while working with management to cultivate our HSE culture.

Further, Pioneer leadership believes consideration of climate-related risks and opportunities should be integrated into our policies, processes and culture. As a company, we employ an integrated approach to managing climate-related risks and opportunities to better inform decisions and implement business strategies that are reviewed against climate impacts across short-, medium- and long-term time horizons. The Board seeks to be apprised of the latest climate issues by periodically participating in discussions with management, outside experts and stakeholders on a variety of oil and gas supply-and-demand scenarios, climate change and energy transition topics. Continuing director education is an important part of our Governance process and is provided via two primary avenues: (1) during regularly scheduled Board and committee meetings; and (2) during specifically scheduled director education sessions. Education provided during regularly scheduled Board and committee meetings focuses on topics that assist the Board in discharging its duties, including updates on specific matters covered by each committee, such as ESG and climate.

Additional detail on our directors' qualifications and recent actions resulting from Pioneer's external engagement process can be found in our latest *Proxy* and on our **Governance** page. Pioneer's Governance practices are described in our **Corporate Governance Guidelines**.

Board Diversity

Pioneer is committed to having a Board comprised of diverse backgrounds, skills and professional experience in areas relevant to Pioneer's business and strategy.

In assessing the composition of the Pioneer Board and during recruitment of new Board members, the Board and our Nominating and Corporate Governance Committee strive to achieve an overall balance of diversity of backgrounds and experience at policymaking levels, with a complementary mix of skills and professional experience in areas relevant to the company's business and strategy. The Nominating and Corporate Governance Committee achieves that balance through Board

representation in the areas of oil and gas engineering and operations; midstream and downstream segments of the energy industry; climate change; environmental policy; alternative energy; regulatory matters; ESG oversight; safety; accounting; capital markets; corporate finance; corporate governance; human resources; diversity, equity and inclusion; and other areas. The Nominating and Corporate Governance Committee also regularly assesses the company's evolving needs in light of our strategy and evaluates additional skills, experiences and backgrounds that should be considered for future Board refreshment efforts.

Additionally, two members of the Board, Phoebe A. Wood and Maria S. Dreyfus, serve on the Board of Directors of Invesco Ltd. and CDPQ, respectively. This experience with large asset management firms provides the Board with insight into topics important to large institutional investors.

Pioneer's Board currently consists of 12 individuals, four of whom self-identify as women, and two self-identify as individuals from communities that are traditionally underrepresented in our industry (Black, African American, Hispanic, Latino, Asian, including the Middle East, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identify as gay, lesbian, bisexual or transgender), resulting in 42% aggregate Board diversity.

More information on Pioneer's Board and its committees can be found in our most recent annual *Proxy*.

Board Committees

Sustainability and Climate Oversight Committee

The Sustainability and Climate Oversight Committee oversees the Pioneer climate strategy and annual Sustainability Report publication. The Chairman of the Board leads the committee, whose membership includes the chairpersons of the Board's other four standing committees and directors with experience in ESG and the energy transition.

The committee meets regularly with leaders and employees to provide oversight and strategic direction to those responsible for managing and implementing targets, goals, actions and reporting sustainability and climate matters.



From left to right: Phillip Gobe, Lori George Billingsley, Royce Mitchell, Stacy Methvin, Scott Sheffield, Kenneth Thompson, Maria Jelescu Dreyfus, Richard Dealy, Edison Buchanan, A.R. Alameddine, Matthew Gallagher, Phoebe Wood.

Health, Safety and Environment (HSE) Committee

The HSE Committee oversees the company's HSE practices, including:

- Management efforts to create a culture of safety and environmental protection
- Review and approval of Pioneer HSE goals
- Periodic performance-improvement progress reports

In addition to providing oversight into our HSE practices, HSE Committee members periodically visit Pioneer operational facilities and speak with employees, learning firsthand about Pioneer field operations and how our Board members can support HSE efforts.



Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee oversees Board and committee composition and succession planning, changes/improvements, self-evaluation processes, and risks and opportunities related to governance structures and processes.

Committee responsibilities include assisting the Board with identifying, evaluating and monitoring trends in the areas of social, governance, political, human rights, public policy and climate change. The committee also implements sustainability and corporate responsibility governance structures and processes with the potential to affect the business and reputation of Pioneer.

Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee oversees our human capital management. Its responsibilities include Pioneer succession planning and talent development; development activities for executive officers and other key executives; strategies, initiatives and programs related to enhancing our company culture; talent recruitment, development and retention; employee engagement; diversity, equity and inclusion; and general health and welfare benefits. The committee is also responsible for aligning executive compensation with company performance, including the incorporation of sustainability, climate-related and social goals as part of the company's overall ESG goals.

In 2022, Pioneer increased weighting for ESG and HSE metrics within our executive leadership annual cash bonus incentive program to 15% and 5%, respectively.

Audit Committee

The Audit Committee oversees financial and accounting risks; reporting processes; policies and practices; controls; and audits. Additionally, the Audit Committee monitors the U.S. Securities and Exchange Commission's (SEC) Rules on Auditor Independence, which requires that "lead" and

"concurring" audit partners rotate off an engagement after a maximum of five years in either capacity or, upon rotation, remain off the engagement for five years. The committee also oversees the company's cybersecurity risks as they relate to financial risk exposures and the security of data and information technology systems. Also, as the disclosure of climate-related data is further regulated, the Audit Committee will oversee the resulting controls Pioneer implements.

Reserves Committee

The Reserves Committee oversees the proved reserves estimation process. The committee meets with Pioneer executives and employees responsible for developing the company's proved reserves estimates prior to our annual Form 10-K filing with the SEC.

More information on Pioneer's Board and committees can be found in our most recent annual *Proxy* and our **Governance** page.

Executive ESG Leadership

Executive Committee

A focus on sustainability begins with strong governance and committed leadership. Pioneer's Executive Committee includes the chief executive officer, president and chief operating officer, chief financial officer, and six additional senior officers. This core leadership team is responsible for establishing and executing the company's strategy as overseen by the Board, including assessing climate-related risks and opportunities. Operationally, the Executive Committee and the ESG Task Force drive Pioneer ESG efforts.

A key function of the Executive Committee is overseeing HSE and ESG strategy, annual goal-setting, and performance reviews. Consistent with all Pioneer employees, members of the Executive Committee have financial incentives (through our annual bonus program) tied to continuous improvements in the areas of health and safety, air emissions, and climate issues, among others. During annual goal-setting, the Executive Committee, with input and approval from the Board, defines measures of success for each goal.

This proactive, incentive-based approach focuses on key HSE and ESG goals that ultimately position Pioneer to achieve long-term objectives and targets.



The Executive Committee has established two multidisciplinary sustainability groups to assist with the tactical aspects of strategy development and operational execution of Pioneer's climate-related initiatives:



ESG Task Force

Established in 2020, the ESG Task Force comprises a subset of the Executive Committee, officers, key leaders and subject matter experts from various disciplines across the company. Pioneer's ESG Task Force is responsible for shaping our long-term ESG strategy and overseeing Pioneer's corporate ESG goals and related reporting. The ESG Task Force ensures project resources are available and provides strategic direction and expert advice. ESG Task Force meetings occur periodically throughout the year. The ESG Task Force assesses, develops and progresses the following goals, which are aligned with our ESG standards, stakeholder feedback and industry-leading practices:

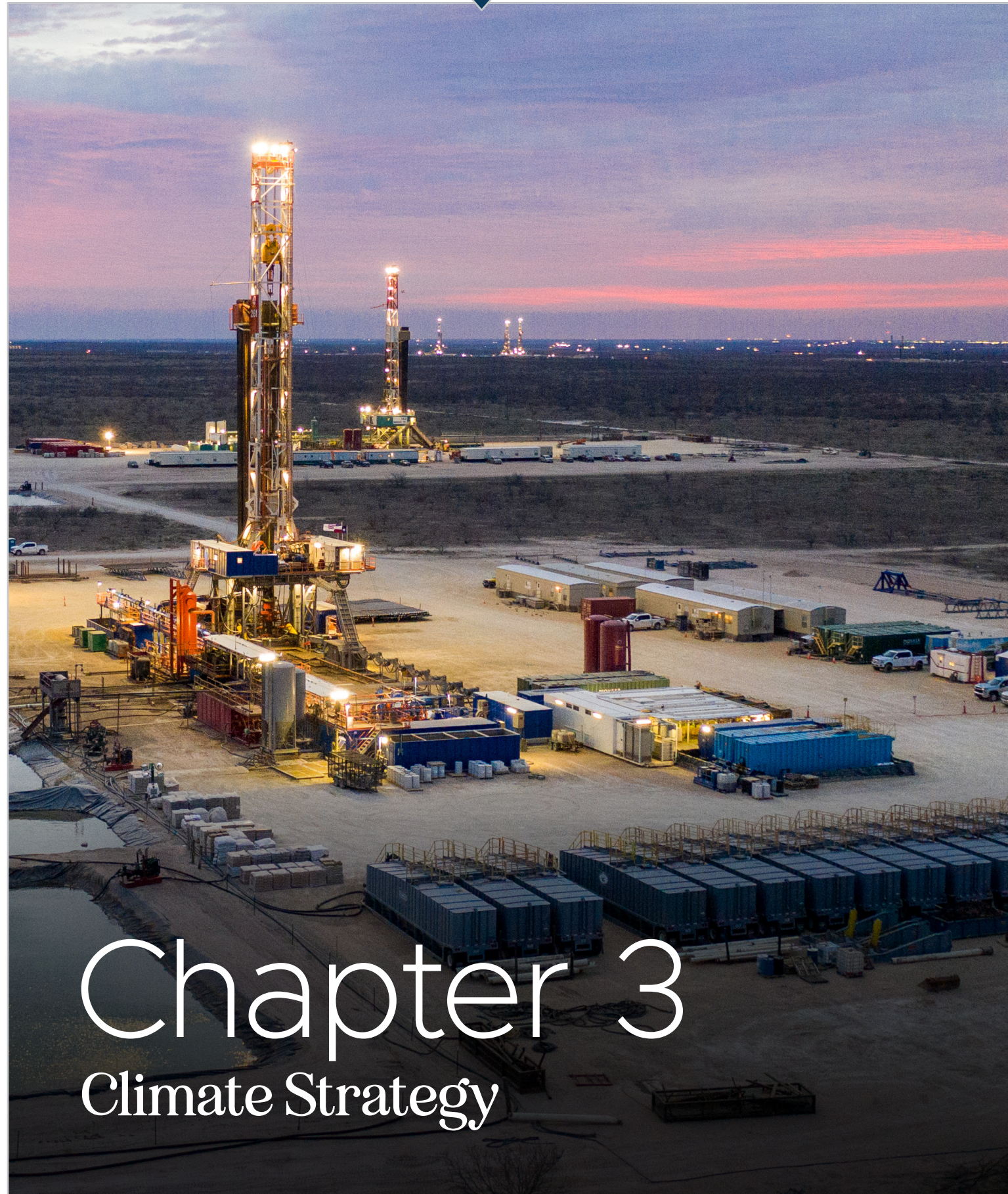
- Updating the Board and its committees on ESG strategy and progress
- Progressing Pioneer's long-term net zero ambition, complemented by interim emissions-intensity targets for GHGs and methane, flaring intensity, and freshwater use
- Aligning Pioneer risk management and decision-making processes with voluntary reporting frameworks, including TCFD and Sustainability Accounting Standards Board (SASB) principles
- Driving strategic and operational activities that position Pioneer to meet long-term ESG continuous improvement targets, including DEI goals

- Confirming the accuracy of data collection and reporting of key ESG measures, particularly for GHG emissions (and its constituent parts), including emissions-target performance tracking
- Approving third-party audits to provide emissions and intensity data assurance
- Advancing our supply chain performance review of our contractors, suppliers and service-providers related to ESG and human rights
- Commissioning, completing and auditing the Sustainability Report

Executive HSE Committee

Pioneer's Executive HSE Committee (HSEC) sets the company's HSE vision and strategy for our operations. Executive leadership incorporates ESG objectives into annual HSE goal-setting sessions for all operational functions, and tracks and reports progress to the Executive Committee and the HSEC. Executive, technical and field staff participate in the cross-functional HSEC. The HSEC convenes monthly to manage HSE issues, regulatory compliance and related opportunities, providing quarterly updates to the Board HSE Committee.

The development and implementation of the HSEC initiatives lie with four subcommittees that work to enhance our HSE programs: Proactive HSE, Hazard Identification and Risk Assessment, Safe Driving Hazard Identification and Risk Assessment, and Management of Change.



Chapter 3

Climate Strategy

Pioneer believes that continued robust climate scenario analysis is an important step in assessing the resiliency of our assets.

The global energy landscape is undergoing a transformational shift to a lower-carbon future. While the direction of the energy transition is clear, recent global events have complicated the precise pathway and the length of time this transition will take.

The Russia-Ukraine conflict has exacerbated existing energy shortfalls and shifted international focus away from the energy transition and towards energy security, as nations reassess supply arrangements and seek to secure energy supply from reliable and sustainable sources, combined with combating the inflationary effects of supply chains disrupted by the Russian-Ukraine war and global pandemic. Historical underinvestment in finding and developing new energy sources, including low-carbon sources, has led to rising energy prices around the globe, pushing developed and developing nations alike to fall back on higher-emission intensity energy sources like coal in certain instances. To overcome these challenges, there is a clear need for reliable and responsibly developed energy sources in the U.S. and abroad.

Pioneer seeks to meet this need by providing low-cost, responsibly sourced energy to the world. Pioneer's business strategy is to be the leading independent energy company, which includes maintaining industry-leading sustainable development and environmental stewardship efforts. We are proactively managing climate-related risks by employing leading operational practices, deploying emissions-reduction solutions, collaborating with companies throughout our value chain and investing in emerging technologies to enable Pioneer to thrive during the energy transition.

These recent market shifts highlight the importance of conducting scenario-planning to ensure that Pioneer's capital investment decisions are made after evaluating a variety of future scenarios and under various commodity price environments. As our internal processes mature, Pioneer seeks to continue building on TCFD scenario analysis, further incorporating climate-related considerations into our existing processes, business strategy, decision-making and culture.

Key components of this strategy include:

- Implementing a \$50 per tonne CO₂e internal carbon price on Scope 1 and Scope 2 emissions in our capital investment decision process and standardizing the evaluation process of carbon-reduction initiatives throughout the company
- Reporting results of our risk assessment to determine the physical climate risk exposure of our asset position over a variety of risk perils, using varying climate scenarios over multiple time horizons
- Executing our energy transition investment strategy that seeks to advance energy technologies through direct investment and partnerships with select, energy transition-focused funds

Pioneer's approach to strategic planning is designed to enable better decision-making throughout the energy transition, while positioning the company to deliver long-term shareholder value through the responsible deployment of capital and talent.

Carbon Pricing

Pioneer's assets are in the Permian Basin of West Texas and therefore not currently subject to a regulated carbon price. Nevertheless, Pioneer believes that setting an internal price on carbon is an important step in assessing the resiliency of our assets. In 2022, we implemented an internal \$50 per tonne price on Scope 1 and Scope 2 GHG emissions to assess investment decisions and test the financial resiliency of our assets in a

shifting regulatory landscape. The price was based on a benchmarking study that evaluated large E&Ps, existing carbon markets, public climate scenarios from the IEA and government standards like the U.S. Social Price of Carbon. In addition to setting an internal price on carbon, Pioneer also utilizes third party carbon price scenarios to assess potential future impacts to our business.

Integrating Climate into Strategy and Planning Processes

Pioneer leverages a robust strategic planning process divided into short-, medium-, and long-term perspectives. These timeframes allow for future action plans to be prioritized and aligned around a cohesive strategy that includes:

- Maintaining a strong balance sheet and financial flexibility
- Returning free cash flow to shareholders via dividends and share repurchases
- Utilizing the company's scale and technology advancements to reduce costs, improve efficiency and create value
- Delivering profitable production and reserve growth through drilling, completion and production improvement activities
- Setting high expectations for employees and contractors to perform their jobs in a safe and environmentally responsible manner
- Maintaining industry-leading sustainable development and environmental stewardship efforts that mitigate climate change risks, with a focus on the company's operational activities
- Adopting leading governance and employee engagement practices, including embracing diversity and inclusion, and supporting the communities in which we live and operate
- Partnering with suppliers that are committed to maintaining their environmental stewardship efforts
- Leveraging private equity and venture capital partnerships that focus on carbon emissions reduction, efficiency improvements and the energy transition

Planning Time Horizons

We utilize the following short-, medium- and long-term time frames for our risk assessment and strategy and planning processes:

SHORT-TERM (0–3 YEARS)

Driven by our near-term operational budgeting and planning schedule

MEDIUM-TERM (3–10 YEARS)

Aligns with the timeframe of our strategic and financial planning process

LONG-TERM (10+ YEARS)

Reflects a variety of supply and demand scenarios, underpinned by broader changes to the macro environment, such as potential structural changes to supply and demand fundamentals, technology advancements and emerging trends

SHORT-TERM STRATEGY (0–3 YEARS)

Pioneer's approach to budgeting and planning utilizes a bottom-up methodology, with detailed scheduling of activity on a well-by-well basis. Over many years, we have built a variety of in-house tools and leveraged external software to provide visibility into an operationalized three- to five-year development plan. This capability lets Pioneer forecast drilling, completions, facility, gathering, processing, power, water and other infrastructure requirements to mitigate GHG emissions, as well as oil and gas takeaway options and other constraints on a location-specific basis.

This also enables us to assess potential risks to execution and capital efficiency, allowing the company to select the most economic and operationally feasible drilling locations. The plan also provides the flexibility to accommodate operational or acute risks (e.g., extreme weather events, infrastructure availability and supply chain constraints) and efficiency improvements.

Additional examples of short-term planning that mitigate emissions risks include Pioneer refraining from placing a well on production without the necessary infrastructure being connected to allow gas to be gathered and flow to sales points. The company also employs robust leak detection and mitigation practices, including flying over our acreage footprint in search of leaks, which helps identify fugitive emissions as soon as possible. The company's annual planning processes includes associated capital and resources necessary to achieve our emissions reduction targets through a combination of: (1) electrification of our operations to reduce CO₂ emissions, (2) improvement of production and gathering facilities and leak detection technologies to reduce methane leaks, venting and flaring and (3) use of renewable power generation to reduce Scope 2 emissions. Other near-term considerations include the potential for abrupt policy risks associated with changes in environmental standards. We strive to be best-in-class environmental stewards, and we invest in development programs that help meet our efficiency goals as well as our environmental and safety standards.

As standards are modified by federal or state regulators, we are confident that our track record and operational philosophy will allow the company to meet or exceed regulatory requirements, while leading the industry in environmental practices. For example, we have been a consistent leader in advocating for the federal regulation of methane emissions during the Obama and Biden administrations and opposing the rollback of methane emissions regulations that were proposed by the Trump administration. In addition, we have supported the Texas Railroad Commission's work to limit flaring and have designed our facilities to maintain this leadership position. Finally, we engage with prominent non-governmental organizations (NGOs) and others to jointly define key performance indicators (KPIs) in the near-term for leading sustainability practices for exploration and production companies.

MEDIUM-TERM STRATEGY (3-10 YEARS)

Early in 2020, Pioneer established an internal scenario planning process whereby an extensive list of forces affecting Pioneer and the broader energy industry over the next decade were compiled and ranked in terms of impact and uncertainty (i.e., oil supply and demand; potential regulatory changes, including adoption of carbon abatement regulations; and the pace of the energy transition). These forces were identified in a collaborative working session that included a cross-functional team and

the Executive Committee, with regular reporting to the Board. These scenarios were then used to develop four distinct future states with each scenario, including several medium-term climate-related risks. See the **Risk Management** chapter of this report for more details.

To inform Pioneer's future world view, the company continues to monitor key leading indicators associated with these scenarios, which are shared on a case-by-case basis with the Board and the Executive Committee. Through this process, Pioneer seeks to stress-test our business strategy and identify opportunities to improve the resiliency of the business over a medium-term timeframe. Examples of these improvements include our focus on reducing GHG emissions and freshwater use through electrification of our field operations and enhanced recycling of produced water. This will lead to an increase in our future electricity consumption and associated electric infrastructure investments in the Permian Basin, initially supporting the conversion of drilling rigs and completions fleets from diesel and natural gas fuel to electric power. With increased field electrification, Pioneer is focused on enhancing our electricity supply with renewable power to reduce our Scope 2 emissions. See the **Emissions Management** chapter of this report for more details.

Additionally, in conjunction with the medium-term strategy review process, the company conducts a financial impact assessment by stress-testing our corporate 10-year financial model under a variety of climate scenarios, further detailed below. The result of this medium-term financial impact assessment is presented to both the Board and the Executive Committee, and a summary of that analysis is provided in this report.

LONG-TERM STRATEGY (10+ YEARS)

On an annual basis, Pioneer conducts a long-term strategy review, with active involvement from the Board and the Executive Committee. We compare a variety of well-recognized, long-term energy scenarios published by government agencies, large energy companies and research firms. We select a subset of scenarios that we believe best represent the range of potential outcomes and utilize the assumptions from each of the selected scenarios to stress-test Pioneer's full inventory development model, resulting in net asset value (NAV), resource and inventory impact assessments. Additionally, Pioneer leverages external experts, such as research, think tank, private equity and venture capital firms, to gain insights into how the ever-changing energy landscape may impact

our scenario and strategic planning process. Pioneer's scenario and strategic planning process is not designed to predict a given outcome. Instead, the process is intended to test the company's strategic plan in a variety of future scenarios and identify opportunities to improve the resiliency of the business.

In 2022, Pioneer developed a series of long-term models to understand the inventory resiliency and growth of the Permian Basin as a whole, worldwide oil demand and even physical climate risks in the Permian Basin (in collaboration with a third-party analysis), and these models were updated in 2023 based on current factors. Building and updating these foundational models provides a better understanding of the potential risks and opportunities to an asset that is geographically concentrated and oil-centric.



Climate Scenario Analysis and Resiliency Assessment

Pioneer’s strategic planning process for the medium- to long-term future leverages a combination of internal proprietary scenarios in conjunction with expert analysis to assess potential implications to our business model. The scenarios reported below are from the International Energy Agency’s (IEA) World Energy Outlook (WEO) 2022, which examine a wide range of future pathways including consumer behavior, supply-and-demand, and related commodity and carbon pricing.

Since 1993, the IEA has provided medium- to long-term energy projections using the World Energy Model (WEM) – a large-scale simulation model designed to replicate how energy markets function. The WEM is the principal tool used to generate detailed sector-by-sector and region-by-region projections for WEO scenarios. We utilized the most current 2022 IEA scenarios in the company’s scenario analysis described in this report. We updated the scenarios published in last year’s Climate Risk Report with the current IEA scenarios and will continue to leverage this data in the future to forecast the potential impact on our company.

Additionally, Pioneer engages private commodity market research firms that provide industry outlooks and economic projections, which are used to test management’s assumptions of future business conditions. These tools are leveraged to assess potential impacts on global fossil fuel demand and our long-term business prospects, including key aspects of climate-related risks and opportunities.

Scenario Planning

The following scenarios were used for the purposes of the financial impact assessment summarized in this report. These scenarios reflect a production growth rate and cost structure that aligns to our publicly stated guidance and sustainability goals.

Pioneer Base Case

The PXD Base Case assumes a Brent oil price of \$55 per barrel and NYMEX gas price of \$2.50 per one million British Thermal Units (MMBTUs). The premise behind this scenario is supported by the view that oil and gas will remain a significant long-term source of global energy. This case is more conservative than current global pricing as we seek to ensure our investments are resilient even in a volatile pricing environment. Additionally, the PXD Market Case also includes Pioneer’s internal carbon price of \$50 per tonne CO₂e.

Pioneer Market Case

In 2022, we established a PXD Market Case that assumes a Brent oil price of \$70 per barrel and NYMEX gas price of \$4 per MMBTU that better reflects current commodity prices. This scenario is built on the premise that current trends of energy undersupply, inflation and lack of cohesive global emissions policies continue. The PXD Market Case also includes Pioneer’s internal carbon price of \$50 per tonne CO₂e.

IEA Stated Policies (STEPS)

The STEPS scenario reflects the direction in which current policy ambitions would likely take the energy sector. The scenario, updated in October 2022, only considers the specific policy initiatives announced to date, leading to a long-term temperature rise of 2.5 degrees Celsius in 2100.

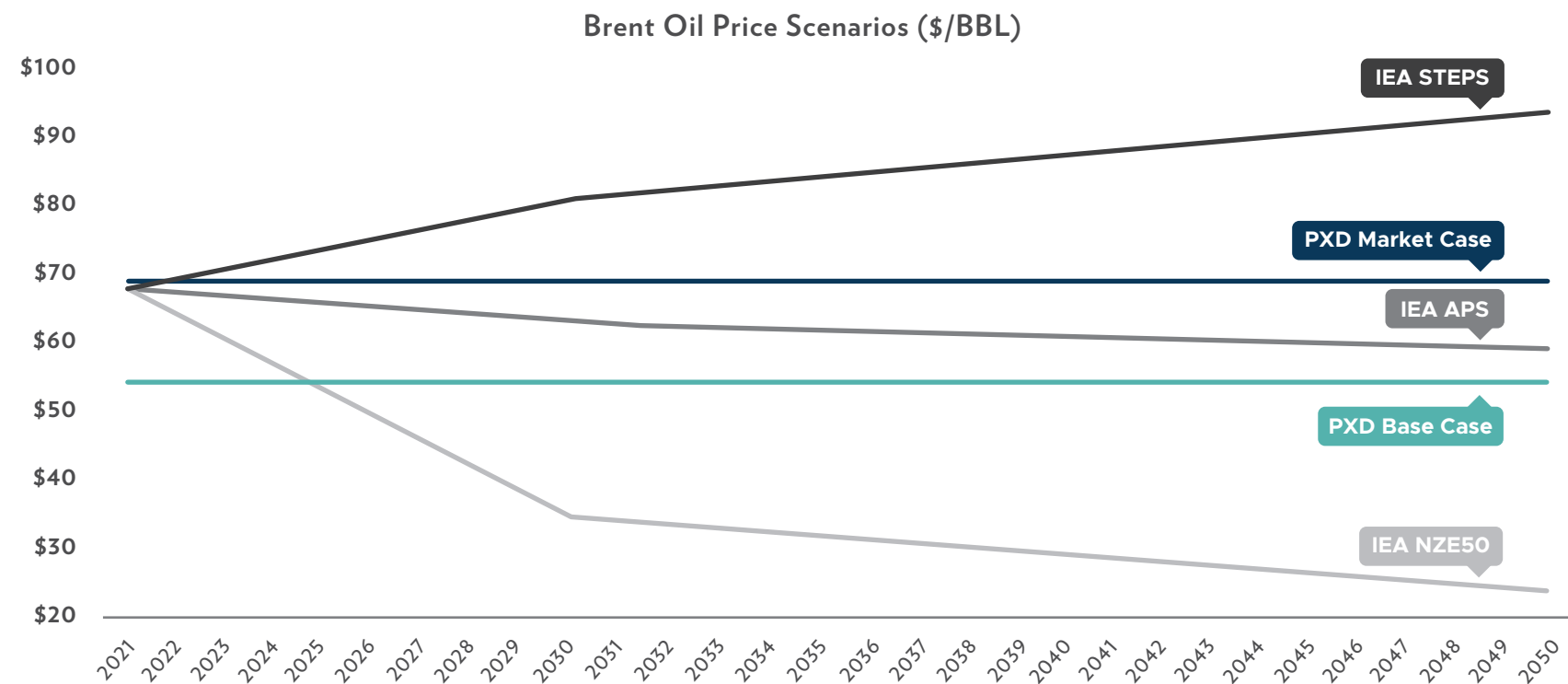
IEA Announced Pledges (APS)

The APS scenario reflects the direction in which current government-announced pledges and targets would likely take the energy sector.

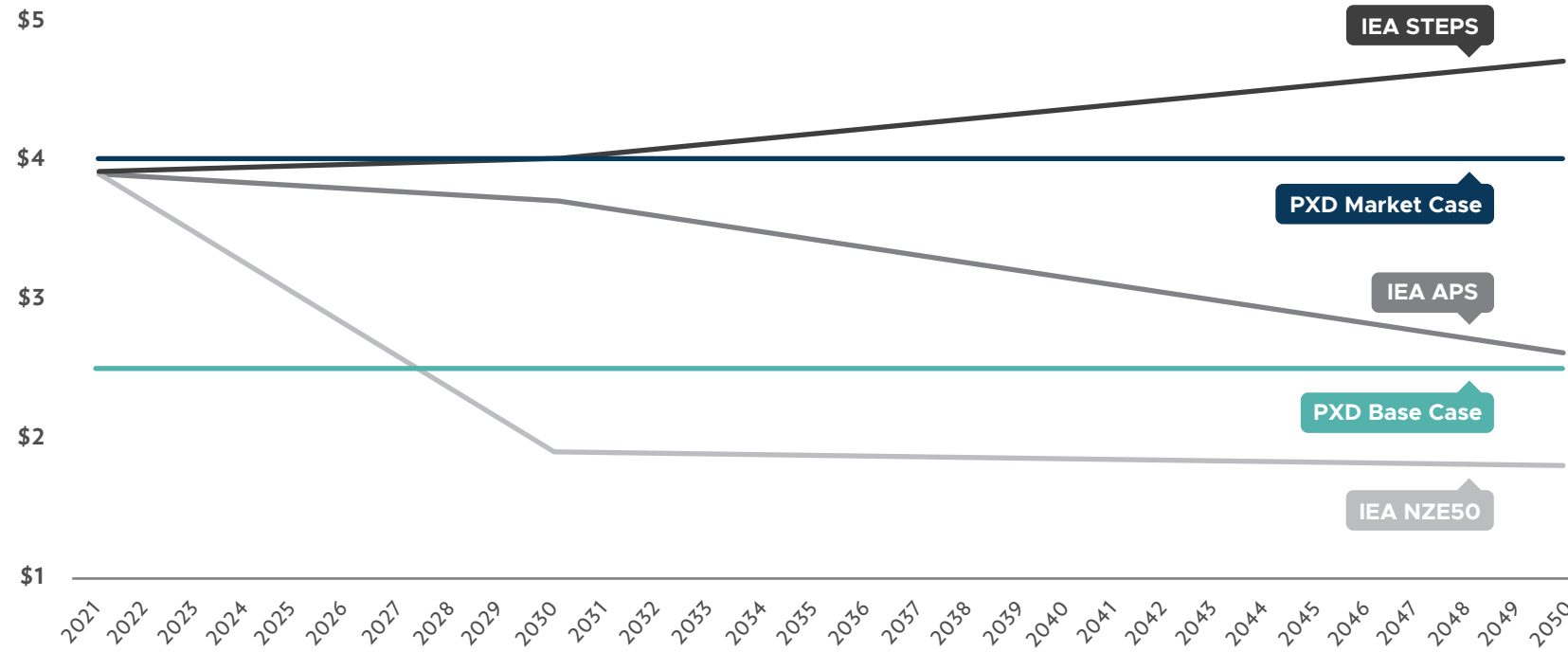
APS differs from STEPS because it assumes governments meet these targets regardless of having current policies in place to achieve them. The scenario, updated in October 2022, only considers the specific government pledges announced to date, leading to a long-term temperature rise of 1.7 degrees Celsius in 2100.

IEA Net Zero (NZE50)

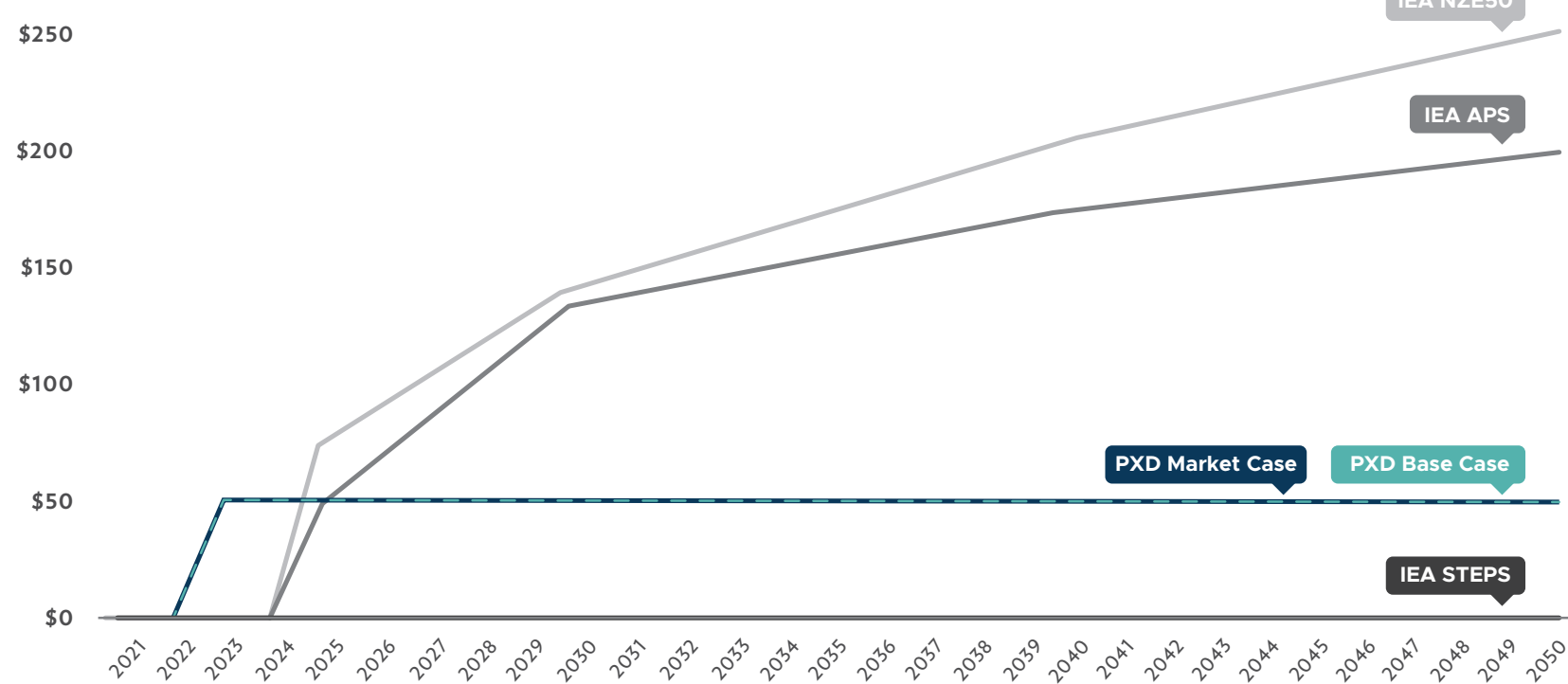
The NZE50 scenario examines what additional measures would be needed beyond APS over the next 10 years to put global CO₂ emissions on a pathway to net zero emissions by 2050. It is in line with the pathways used by the Intergovernmental Panel on Climate Change for the Special Report on Global Warming of 1.5 degrees Celsius (IPCC SR1.5). According to the IEA, the primary goal of the NZE50 scenario is to inform policy makers, as they have the greatest capability to move the world closer to its climate goals, and commitments made to date fall significantly short of what is required by the net zero pathway.



NYMEX Gas Price Scenarios (\$/MMBTU)



Carbon Tax Price Scenarios (USD/metric tonne)



Results of Scenario Planning

Pioneer leveraged the selected scenarios to assess the resiliency of our business model and key financial metrics. We disclose the impact to revenue, EBITDAX per barrel of oil equivalent (BOE), net debt, and net asset value (NAV) relative to the PXD Base. We believe these metrics give a holistic picture of Pioneer's inventory longevity and long-term financial health in a wide range of possible oil, gas and carbon pricing environments. The table below highlights key observations.

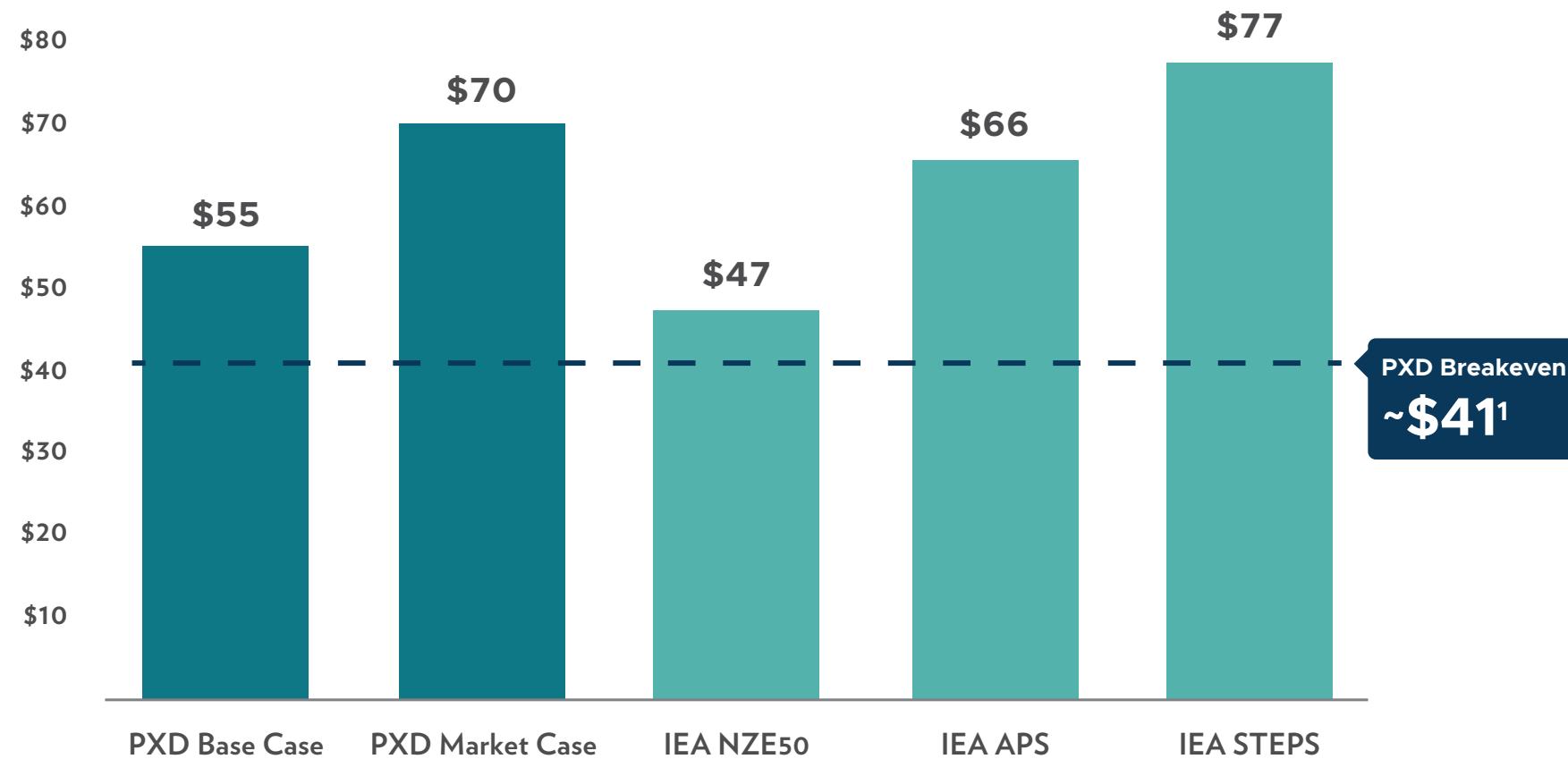
Impact Compared To Base Case Scenario

	10-Year Average			
	Revenue	EBITDAX/BOE	Net Debt	NAV
PXD Base Case	—	—	—	—
PXD Market Case	■	■	■	■
IEA STEPS	■	■	■	■
IEA APS	■	■	■	■
IEA NZE50	■	■	■	■

■ Positive Impact ■ Negative Impact

The largest effect to these financial metrics is associated with commodity pricing. Pioneer maintains a conservative PXD Base case utilizing an oil price of \$55 per barrel as we seek to test our investments against shifting pricing environments. Only the IEA NZE50 climate-focused scenario forecasts lower long-term commodity prices and, by extension, shows a negative impact to Pioneer's future asset viability. To enhance our analysis, we include a Market Case that is more reflective of current market prices and serves as a comparison to the STEPS and APS scenarios. Pioneer may reassess its PXD Base and PXD Market commodity price assumptions in future reports as the market evolves.

Pioneer Breakeven Cost Below 10-Year Average Oil Price in All Scenarios



1) 2022 Enverus 20:1 Breakeven pulled 3/16/23

The viability of Pioneer’s long-term business strategy was positively impacted by PXD Market Case, STEPS and APS scenarios. The company was most negatively impacted in the NZE50 scenario. This scenario focuses on outlining an ambitious pathway to keep global warming significantly below 2 degrees Celsius by 2050. Nevertheless, Pioneer seeks to comprehensively stress-test our business strategy. Evaluating net zero pathways is an important measure towards understanding the robustness of our assets across a wide range of pricing environments and assessing alternative business strategies in the case that primary energy demand shifts nearer to this pathway.

In contrast to commodity pricing, carbon pricing had only a minor impact on EBITDAX per BOE due to Pioneer’s focus on minimizing its carbon emissions. Pioneer has one of the lowest Scope 1 and Scope 2 emissions intensities among producers in North America. Our emissions intensity

is expected to further improve as we progress our emissions-reduction strategies. It is important to note that Pioneer’s carbon pricing analysis is attributed only to Scope 1 and Scope 2 GHG emissions (not Scope 3).

Pioneer’s 2022 wellhead breakeven price is below the 10-year average oil price in all the modeled scenarios. As continued efficiencies and benefits of scale are realized, Pioneer’s assets are expected to remain competitive even in volatile pricing environments, implying Pioneer should be able to produce our assets profitably over the short- and medium-term.

Low-Cost, Low-Emission Resiliency

While the IEA scenarios offer potential future outcomes, they are not the only possible outcomes. There remain a wide range of climate policy, technical innovation and geopolitical forces that could shape future commodity prices. For that reason, Pioneer uses other internal and

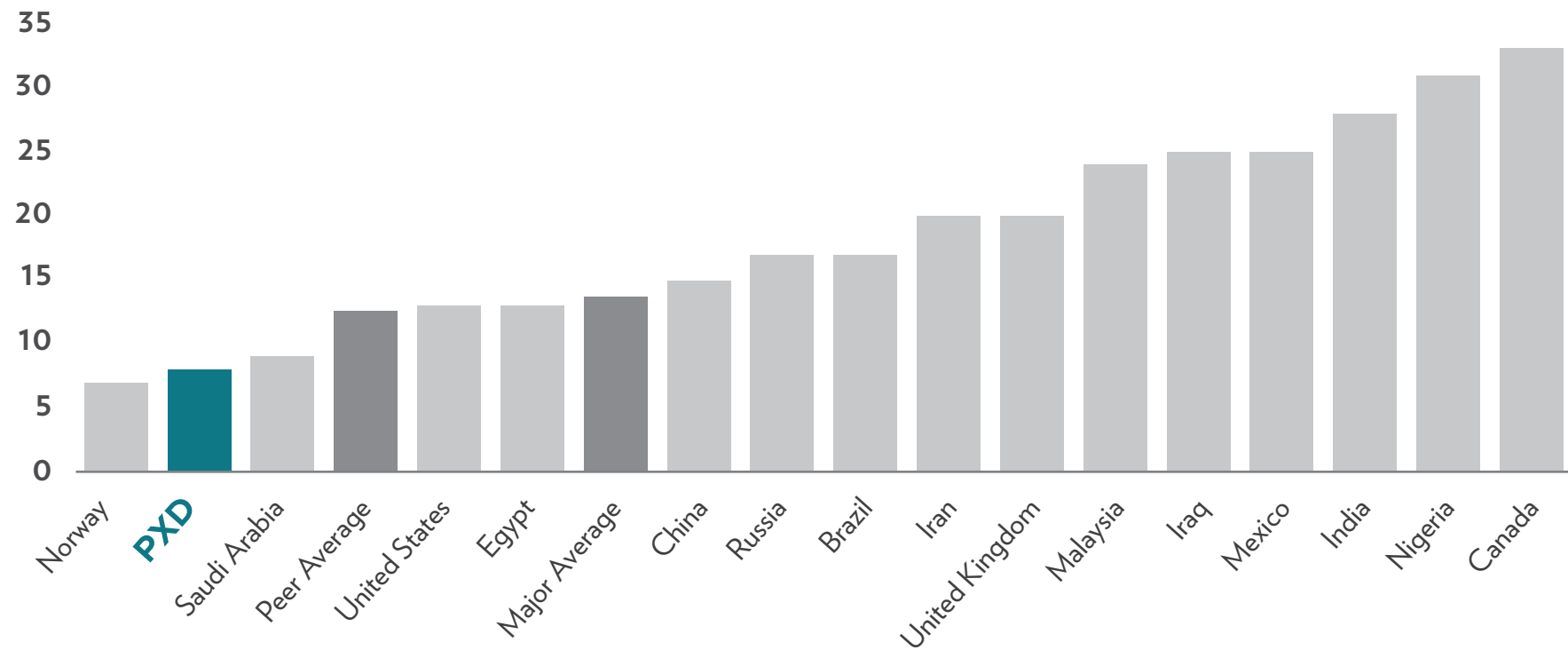
external forecasts to test its strategy. Based on our robust scenario planning, we believe Pioneer is in a strong position to navigate future scenarios due to the quality of our assets paired with our strong balance sheet, low-cost structure, low emission intensity, and ambition for net zero Scope 1 and Scope 2 GHG emissions by 2050.

Additionally, Pioneer seeks to reflect the results of these scenarios in our corporate strategy. We take climate-related issues into account in our strategic planning by:

- Establishing an internal carbon price of \$50 per tonne CO₂e on Scope 1 and Scope 2 emissions to test the resiliency of our investments against shifting regulation and to support our emissions targets
- Focusing on low-cost, low-carbon-intensity assets that will remain competitive and return value to investors even in volatile pricing environments
- Evaluating acquisition opportunities that demonstrate continued growth in a low-carbon world
- Developing long-term global demand models for oil and gas to assess the impact of evolving energy transition technologies
- Investing in key energy transition technologies through (i) partnerships with third-party investment funds focused on energy transition opportunities and (ii) contracting for renewable power
- Electrifying our operations to reduce emissions
- Performing routine risk assessments to identify and evaluate the impact of emerging climate challenges on our business model and operations, including enhancing our physical risk assessment process

Many of the scenarios forecasted a continuing need for responsibly sourced oil and gas in the coming decades, and it is those companies with the lowest-cost, lowest-emission-intensity barrels that are expected to retain their social license to operate. As shown in the chart on p. 21, Rystad Energy estimates that Pioneer has one of the lowest CO₂ intensities per barrel equivalent in the world.

CO2 Intensity (kg/boe)



Majors: BP, CVX, SHEL, TTE, XOM. Peers: APA, COP, CTRA, DVN, EOG, FANG, HES, MRO, OVV, OXY

Combining this with our low breakeven price is critical when evaluating Pioneer’s viability in a decarbonizing world. In the most carbon-constrained scenario analyzed, NZE50, the IEA forecasts that oil prices will decline over the next several decades and that global oil production will decline to 22 million barrels of oil per day (MMBOPD) in 2050 compared to 90 MMBOPD in 2021. This implies that only the lowest-cost, lowest-emissions-intensive producers like Pioneer will remain viable in NZE50.

Additionally, Pioneer believes that we can maintain our low-cost leadership by combining our top-tier acreage position in the Permian Basin with our top-quartile drilling, completions, operations and supply chain performance, as well as industry-leading corporate overhead and interest costs. We expect to continue to improve our

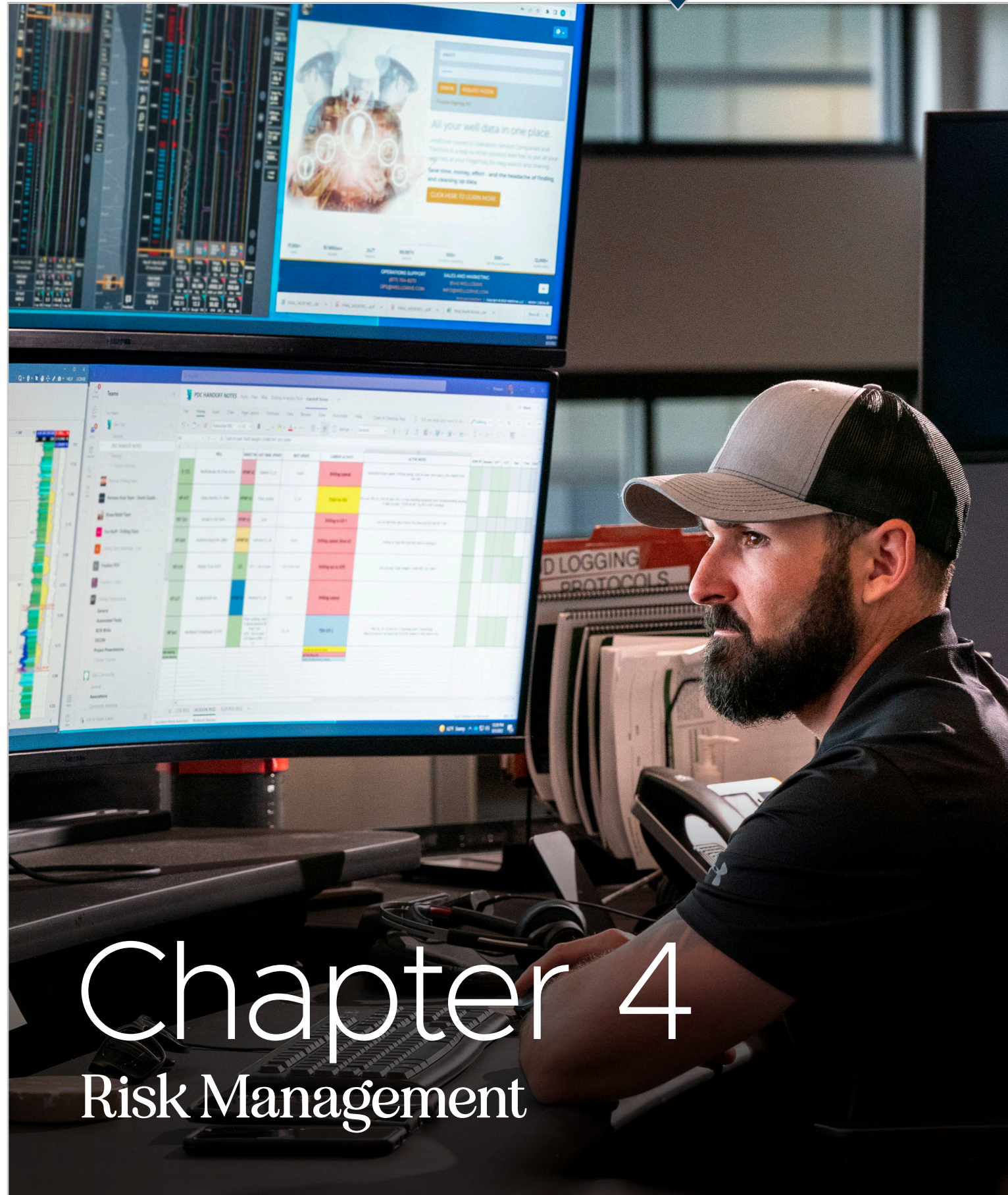
cost structure through efficiency improvements and adoption of new technologies in our operations, allowing Pioneer to remain resilient even if demand erodes as the energy transition gains momentum.

While our short- to mid-term strategy focuses on maintaining industry-leading margins and low-emissions-intensive operations, our long-term strategy also includes establishing an investment program to capitalize on opportunities arising from the energy transition. Pioneer is partnering with select firms that have expertise in evaluating, executing and managing alternative energy investments. Through capital committed to these partnerships, as well as opportunistic direct investments, Pioneer seeks to participate in energy transition opportunities driven by the energy transition and capture business opportunities by funding early-stage companies and piloting emerging

technologies aimed at reducing emissions and improving efficiencies. Our investments center on key transition pillars, including battery storage; wind and solar renewable energy; hydrogen; carbon capture, utilization and storage; and carbon offset generation. We believe these investments are a crucial step towards seeding the next generation of low-carbon opportunities for the company and paving the way for a responsible, sustainable energy transition.

While we plan to continue building our investment strategy, Pioneer has already dedicated capital to select opportunities that include:

- Providing seed funding to one of the largest designers and integrators of battery storage solutions in North America
- Leveraging our existing surface ownership position to evaluate and develop renewable energy projects, such as wind and solar generation to be utilized by our operations as well as the electrical grid in the state of Texas
- Pursuing a field electrification strategy that includes expanding on our legacy electric infrastructure in order to move to field-related activities to a grid-power driven, low-carbon field of the future, with a near-term focus on electrifying drilling and completions operations
- Providing funding for the development of nature-based carbon credit exchanges and accreditation mechanisms to support long-term, scalable carbon-capture solutions
- Piloting technologies to desalinate produced water as part of our holistic approach to environmental stewardship that may allow for reuse opportunities beyond oil and gas, including agricultural uses



Chapter 4

Risk Management

Pioneer recognizes that climate change is a global issue that will impact the way we operate our business. As such, we continue to seek ways to improve our understanding of climate-related risks and opportunities and integrate these variables into our overall risk management process.

ERM Process

Pioneer utilizes a comprehensive ERM process to identify, assess, manage and report our risks and opportunities, with the objective of integrating our risk management policies and procedures into our strategy.

The Board oversees Pioneer's ERM program, while the Executive Committee evaluates, manages and executes day-to-day management activities across the major risk categories comprised of general business and industry, operational, financial, HSE, and regulatory risks. Each principal risk identified has an assigned owner, generally an officer of the company. Each owner is responsible for managing the overall risk and the associated mitigation plan in conjunction with relevant management or external support.

Our ERM process is summarized below:

- **Company Strategy:** Align company goals and risk identification with the strategic objectives of the Executive Committee and Board
- **Risk Identification:** Identify uncertainties/risks that could impact the achievement of the company's business objectives
- **Risk Assessment:** Evaluate the risks identified and the possible impact to the company
- **Risk Response:** Determine risk mitigation plans and responses to address identified risks
- **Monitor and Report:** Report identified risks in the ERM matrix and continuously monitor those risks and associated mitigation plans and responses

Our Internal Audit organization facilitates an annual risk identification and assessment process that includes input from all business groups and corporate functions. During this process, existing risks are evaluated for continued relevance and new risks are identified and discussed based on company, industry, global and regulatory developments. During this process, risk ratings, the likelihood and potential impact of all identified and assigned risks, as well as mitigation plans, are reassessed and updated by the owners. The updated ERM matrix is then distributed to the Executive Committee for a holistic review to achieve alignment on risk identification, assessment and response. Following the review by the Executive Committee, the updated ERM matrix is presented to the Board. Although the risk identification and assessment processes are formally executed on an annual basis, the ERM program is embedded into our day-to-day culture and the risk assessment is updated throughout the year as needed.

Integration of Climate-related Risk Assessment into the Overall Risk Management Process

Pioneer recognizes that climate change is a global issue that will impact the way we operate our business. As such, we continue to seek ways to improve our understanding of climate-related risks and opportunities and integrate these variables into our overall risk management process.

Pioneer believes the most effective approach to managing climate-related risks is by integrating the assessment of these risks into our existing ERM process. The company reviews each principal risk for associated climate-related risk. Potential climate-related risks are further divided into transition risks that stem from the world's transition to a lower-carbon economy or physical risks that result from acute and chronic physical impacts of climate change. Many of the physical risks (e.g., increased frequency and severity of storms) and transition risks associated with climate change have been previously identified as part of our ERM process and categorized according to the underlying risk to the company. We believe the most robust management of enterprise risks occurs by fostering a corporate culture that encourages regular discussion and consideration of identified and emerging risks.

To capture the increasing importance of climate-related risks in the company's risk assessment, Pioneer has identified the following key focus areas:



HSE CULTURE

Promoting a strong HSE culture through employee engagement activities, training and communication. These programs are used to educate, empower and encourage Pioneer employees to focus on safety and environmental stewardship in their daily lives, both at work and at home. See **Chapter 8: HSE Culture**.



EMISSIONS MITIGATION PRACTICES

Designing and constructing infrastructure, implementing operational best practices, and incorporating new technologies that provide better and more efficient emission control. See **Chapter 5: Emissions Management**.



WATER MANAGEMENT

Minimizing the use of freshwater in completion activities by using reclaimed water and reusing produced water. See **Chapter 6: Water Management**.



LANDSCAPE STEWARDSHIP

Engaging with third parties, including government agencies, researchers, consultants and others to source and explore new solutions for protecting local habitats and species in the areas where we operate. See **Chapter 7: Landscape Stewardship**.



INDUSTRY COLLABORATION

Working in a collaborative and transparent manner with industry peers and other energy companies to discuss climate-related risks and promote alignment on policies and procedures, should an event occur. See **Chapter 5: Emissions Management - Advocacy and Stakeholder Collaboration**.



SUPPLY CHAIN MANAGEMENT

Working with providers whose core values and climate-related policies align with our own. Our supplier onboarding process now incorporates EcoVadis, which provides data that benchmarks our suppliers on a variety of ESG criteria, including human rights, social and governance standards, as well as environmental policies and sustainable procurement methods. This program is designed to identify suppliers who are aligned with our ESG goals and policies and to monitor the relationship between our spend with those suppliers and their ESG scores. See **Chapter 9: Supplier Onboarding**.

Pioneer factors climate-related risks into our corporate decision-making processes, including the evaluation of potential acquisitions or other business development opportunities. In evaluating acquisitions, we complete due diligence procedures assessing the impact on our GHG emissions, emission-intensity reduction targets and flaring-reduction commitments. We consider the historical emissions performance of prospective companies or assets and how those align with our own. We also evaluate the type of mitigation efforts that would need to be implemented following the potential acquisition.

Climate-related Risks and Opportunities

The energy transition will change Pioneer’s operational environment in a variety of ways, with the impact dependent upon the speed and scope with which the transitional elements occur. When considering the climate-related risks, TCFD identifies two categories of climate-related risks: physical and transitional. These risk categories include the potential financial impacts of climate change and are used to assist investors and companies as they evaluate longer-term strategic decisions regarding where and how to most efficiently allocate capital.

Physical Risks

Having operated in the Permian Basin for decades, we have experienced and put measures in place to effectively mitigate most physical risks that affect our assets, including, but not limited to, severe storms or drought. Regularly assessing emergency preparedness and operational resiliency in areas related to equipment design, field staff tools and training, supply chain planning and flexibility, and downstream diversification is integral to mitigating physical risks.

The following table reflects a subset of the climate-related risks identified in the company’s ERM process, specifically those that are believed to have the potential to impact our business.

Physical Risk Assessment

Pioneer has a long history in the Permian Basin, providing significant experience in identifying climate-related physical risks and developing proactive mitigation strategies. Pioneer’s production facilities, gathering and water management infrastructure are planned, designed and operated to withstand the physical operating conditions in the Permian Basin. However, it is important to understand the magnitude of potential future

	Risk Driver	Potential Time Horizon	Potential Financial Impact	Risk Driver and Ongoing Mitigation Strategies
ACUTE	Increased severity of extreme weather events	Short-, medium- and long-term	Increased operating expenses and capital costs	Extreme weather events such as winter storms or flooding may negatively impact drilling, completions and production operations, midstream infrastructure and power providers, along with many other services. Risk mitigation efforts include: <ul style="list-style-type: none"> • Maintaining robust business continuity programs and a regularly tested crisis management response team • Designing and installing production facilities and power distribution systems to minimize the potential impacts of extreme weather • Developing standard operating procedures for harsh weather conditions that prioritize employee safety and environmental safeguards • Utilizing Pioneer’s remote operations monitoring system (SCADA) to provide real-time data, allowing our personnel to monitor operations safely during adverse weather and to efficiently dispatch resources to impacted locations
CHRONIC	Shift in climate patterns	Medium- and long-term	Increased operating expenses	Sustained changes to the climate can present operational challenges such as prolonged periods of excessive heat or drought. Risk mitigation efforts include: <ul style="list-style-type: none"> • Monitoring the impacts of weather conditions on equipment performance to better understand the challenges posed by sustained changes in climate patterns • Leveraging supplier relationships, including strategic relationships with key suppliers for casing and tubular goods, sand and reclaimed municipal water

climate-related physical risks on the company’s assets in order to improve our long-term planning. For this reason, Pioneer engaged Jupiter Intelligence™, a leader in physical climate risk analytics, to conduct a baseline physical risk assessment. This effort has increased our awareness of the future physical risks of climate change that could affect our workforce, local communities and assets.

Following TCFD guidance, we utilized three physical risk scenarios (low/intermediate/very high) based on the Shared Socioeconomic Pathways (SSP) that were produced to support the International Panel

on Climate Change (IPCC) Sixth Assessment Report, published in 2021. Our physical risk assessment was completed by applying the SSP – 4.5 scenario results to a selection of Pioneer locations in the Permian Basin. Scenario SSP – 4.5 is the intermediate scenario, with emissions peaking in 2040 and then falling through 2100. The physical risk assessment was based on selected locations representing the majority of our daily production at the end of 2022 and was distributed across Pioneer’s total acreage position within the Permian Basin.









Based on these criteria, Jupiter Intelligence™ modeled five-year periods from 2020 to 2100, which provide Pioneer with more than 7,000 individual climate-related metrics for each location. The scenario results provide a clear picture of the site-specific, physical-climate-related risks that may increase, decrease or remain stable from our 2020 baseline. Pioneer locations appear relatively stable within their risk categories for the long-term, and we do not expect significant shifts in overall risk categorization ranking over the time periods evaluated. The results

for extreme heat, drought and severe thunderstorm categories show that Pioneer will need to continue efforts to design and operate our assets with these risks in mind. For example, Pioneer’s progress and commitment to reduce utilization of freshwater in our operations is designed to mitigate the risks associated with potential drought conditions in the Permian Basin. Our production facilities are also designed to withstand extreme thunderstorms. The Jupiter Intelligence™ models also indicate that exposure to extreme cold

temperature events in the company’s operating areas is likely to decrease by the end of the decade and continue to decrease significantly by 2050.

The following table presents the results of the 2022 physical risk assessment completed for Pioneer’s assets utilizing the Jupiter Intelligence™ models (as described above). The results illustrate that our physical risk exposure is relatively stable over the long-term.

2022 Baseline Physical Risk Assessment Results – Magnitude of Forecast Climate Change

	 Flood 100-year event depth of water			 Wind 100-year event max sustained wind speeds			 Precipitation 100-year event max precipitation			 Wildfire Potential local wildfires			 Cold Annual days below 32°F			 Severe Thunderstorms Annual days conducive for storm formation			 Drought Water demand divided by watershed supply			 Extreme Heat Days exceeding 95°F		
PXD 2020 Baseline Measurement	0.1 feet			54-55 miles per hour			5-6 inches			4 per 1,000 years			18-20 days			35-37 days			10.2-10.4			58-60 days		
IPCC Scenario	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050	2020 Baseline	2030	2050
Low SSP1-2.6 (1.8 °C)	Stable			Stable			Decrease			Stable			Decrease			Stable			Stable			Increase		
Intermediate SSP2-4.6 (2.7 °C)	Stable			Stable			Decrease			Stable			Decrease			Stable			Stable			Increase		
Very High SSP5-8.5 (4.4 °C)	Stable			Stable			Decrease			Stable			Decrease			Stable			Stable			Increase		

Projected Risk Trend
Intermediate Scenario
Average Percent Difference

Stable 0% Stable 0% Stable -1% Stable -1% Decrease -3% Stable +1% Stable +1% Increase 9% Decrease -8% Decrease -22% Stable +1% Stable +2% Stable -2% Stable -2% Increase +8% Increase +25%

IPCC Scenario Risk Category Shading
Risk Categories determined by relative risk to the Global Climate Model

Highest	>10 feet	Highest	>111 mph	Highest	>10 inches	Highest	>20	Highest	>100 days	Highest	>30 days	Highest	>0.8	Highest	>30 days
High	7-10 feet	High	74-111 mph	High	8-10 inches	High	8-20	High	60-100 days	High	20-30 days	High	0.6-0.8	High	20-30 days
Medium	3-7 feet	Medium	56-74 mph	Medium	6-8 inches	Medium	4-8	Medium	15-60 days	Medium	10-20 days	Medium	0.4-0.6	Medium	10-20 days
Low	0.8-3 feet	Low	39-56 mph	Low	4-6 inches	Low	2-4	Low	2-15 days	Low	5-10 days	Low	0.2-0.4	Low	5-10 days
Lowest	<0.8 feet	Lowest	<39 mph	Lowest	<4 inches	Lowest	<2	Lowest	<2 days	Lowest	<5 days	Lowest	<0.2	Lowest	<5 days

1) All metrics presented are outputs from Jupiter Intelligence Climate Model, ClimateScore Global version 2.6. 2) Model result average values for all assessed tank battery locations (n=82).

Transitional Risks

Transitional risks present various challenges when it comes to addressing the mitigation and adaptation requirements related to climate change. These risks have the potential to shift the supply and demand for fossil fuels, due to changes in consumer preferences, regulatory requirements, technology or other areas of impact. As shown in the table below, we evaluate and assess transitional risks on an ongoing basis. Pioneer believes our business and risk management practices reduce the risk of damage to the company over time.

	Risk Driver	Potential Time Horizon	Potential Financial Impact	Risk Driver and Ongoing Mitigation Strategies
MARKET	Energy and financial market volatility	Short-, medium- and long-term	Decreased revenue	<p>Commodity prices may fluctuate widely in response to relatively minor changes in supply and demand fundamentals and as result of consumer preferences towards less carbon-intense energy sources.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Maintaining low operating, corporate overhead and interest costs, and preserving a strong balance sheet to ensure financial, strategic and operational flexibility • Accessing global oil and gas markets • Consider (dependent on market environment) derivative contracts to (i) reduce the effect of price volatility and (ii) support the company’s annual budget and expenditure plans • Conduct scenario planning efforts to evaluate the company under a variety of different market conditions
	Carbon price implementation	Medium- and long-term	Increased operating expenses	<p>We are not currently affected by carbon pricing; however, carbon pricing or carbon taxes exist in certain regions of the world. Pioneer could become subject to carbon prices if future policy actions are enacted.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Implementing an internal carbon price of \$50 per tonne on Scope 1 and Scope 2 emissions • Monitoring emerging legislation and policy trends • Delivering on the company’s Scope 1 and Scop 2 GHG emissions intensity reduction targets
POLICY AND LEGAL	Restrictive regulatory regime	Short- and medium-term	Increased capital expenditures, operating expenses and cost of capital	<p>The oil and gas industry is regulated by numerous federal, state and local authorities. New climate-related legislation could affect the oil and gas industry by increasing the regulatory burden.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Delivering on the company’s Scope 1 and Scope 2 GHG emissions-intensity reduction targets • Engaging with policymakers to advocate for practical emission regulations • Continuing to implement operational policies and best practices that reduce Scope 1 and Scope 2 GHG and methane emissions ahead of regulatory requirements

	Risk Driver	Potential Time Horizon	Potential Financial Impact	Risk Driver and Ongoing Mitigation Strategies
TECHNOLOGY	Technology advancements accelerate energy transition	Medium- and long-term	Decreased revenue	<p>Continued cost reductions in alternative energy technologies or the emergence of breakthrough technologies could accelerate fossil fuel substitution.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Maintaining low operating, corporate overhead and interest costs • Preserving a strong balance sheet to ensure financial, strategic and operational flexibility • Investing in energy-transition technologies
REPUTATIONAL	Attract and retain talented workforce	Medium- and long-term	Increased operating and overhead expenses	<p>The success of the company is dependent on its ability to identify, attract, develop, motivate, adequately compensate and retain highly skilled and qualified employees and management, which could be impacted by a negative perception of the company and/or the industry.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Maintaining a recruiting presence at higher education institutions and local trade schools • Maintaining and communicating Pioneer’s RESPECT values and Pioneer’s focus on sustainability • Promoting the company’s diversity, equity and inclusion (DEI) workforce policies • Fostering open communication about the role of Pioneer as a leader in the energy transition
	Negative perception of the company	Medium- and long-term	Increased cost of capital	<p>ESG criteria are an increasingly popular way for investors and other stakeholders to evaluate the company’s risk profile around ESG issues and influences the public perception of Pioneer.</p> <p>Risk mitigation efforts include:</p> <ul style="list-style-type: none"> • Maintaining a leading ESG strategy that is responsive to stakeholder feedback • Delivering on the company’s Scope 1 and Scope 2 GHG emissions intensity reduction targets and other key ESG goals • Publishing a Sustainability Report and other related publications that enable quantitative and qualitative ESG analysis • Communicating regularly with the stakeholder community and soliciting feedback • Continuing our long-standing practice of supporting local communities through the Pioneer Corporate Giving program and maintaining our involvement in the Permian Strategic Partnership, which works to improve local communities in our areas of operation

Climate-related Opportunities

Climate-related opportunities can arise through efforts to mitigate and adapt to climate change, including improving resource efficiency, securing lower-emission energy sources, and producing differentiated oil and gas products for emerging markets. Climate-related opportunities can include efficiencies that result in an increase in revenue and reduced operating and capital costs. Some of the climate-related opportunities that Pioneer has identified are noted below.

Resource Efficiency

Increase revenue through improved methane capture by:

- Upgrading legacy equipment to minimize emissions
- Maximizing vapor recovery and minimizing fugitive emissions
- Reducing flaring
- Utilizing methane detection technologies (aerial and fixed-sensor monitoring)
- Engaging with gas processors to improve schedule visibility and enabling sufficient takeaway capacity

Increase production efficiencies and lower overall energy intensity by:

- Utilizing technology for remote monitoring and route optimization
- Contracting electric drilling and completions equipment for improved efficiencies and lower emissions
- Electrifying field production activities as feasible

Improve water management flexibility through additional non-freshwater sourcing by:

- Expanding produced and reclaimed water reuse infrastructure
- Evaluating potential opportunities for desalination and water commercialization
- Investing in wastewater treatment facilities and securing long-term affordable reclaimed water supplies

Energy Sourcing

Reduce energy costs and improve reliability by:

- Increasing field electrification through a combination of grid power utilization and renewable energy
- Evaluating compressed natural gas and hydrogen to replace diesel
- Exploring opportunities to deploy in-field battery power storage solutions
- Expanding more than 3,500 miles of power infrastructure owned by Pioneer

Products, Markets and Investments

Improve product pricing by:

- Pursuing opportunities to certify lower-carbon intensity production that could potentially command premium pricing
- Bolstering relevant global markets access by producing responsibly extracted oil and gas
- Continuing to transport product to the Gulf Coast allowing access to the global markets

Resilience & Diversification

Invest in and increase exposure to the energy transition and low-carbon technologies by:

- Working with leading investment firms to gain knowledge and market insight in the renewable and energy transition industries, developing renewable energy projects and pursue investment opportunities that could provide broader diversification opportunities in the energy transition
- Evaluating opportunities to advance energy transition technologies by leveraging our water infrastructure and water supply and disposal systems
- Advancing subsurface technical understanding of carbon capture opportunities and progressing enhanced oil recovery (EOR) pilot programs

Emergency and Crisis Management

Pioneer’s Emergency and Crisis Management program prepares our employees to mitigate, respond to and recover from emergencies and disasters. Pioneer employs an Incident Command System (ICS) designed to enable effective and efficient domestic incident management by integrating a combination of facilities, equipment, personnel, procedures and communications operating within a common organizational structure.

ICS is a key feature of the National Incident Management System (NIMS) and used by all levels of government – federal, state, local and tribal – as well as by many private-sector and nongovernmental organizations. Our management system is used to organize both near-term and long-term field and office operations for a broad spectrum of emergencies, from small to complex incidents, both natural and man-made.

Potential Risks Requiring Emergency Response:



Death/Injury



Airborne Release



Oil or Chemical Spill



Fire/Explosion



Terrorism



Natural Disasters



Well Blowout



Evacuation



Cyber Attacks



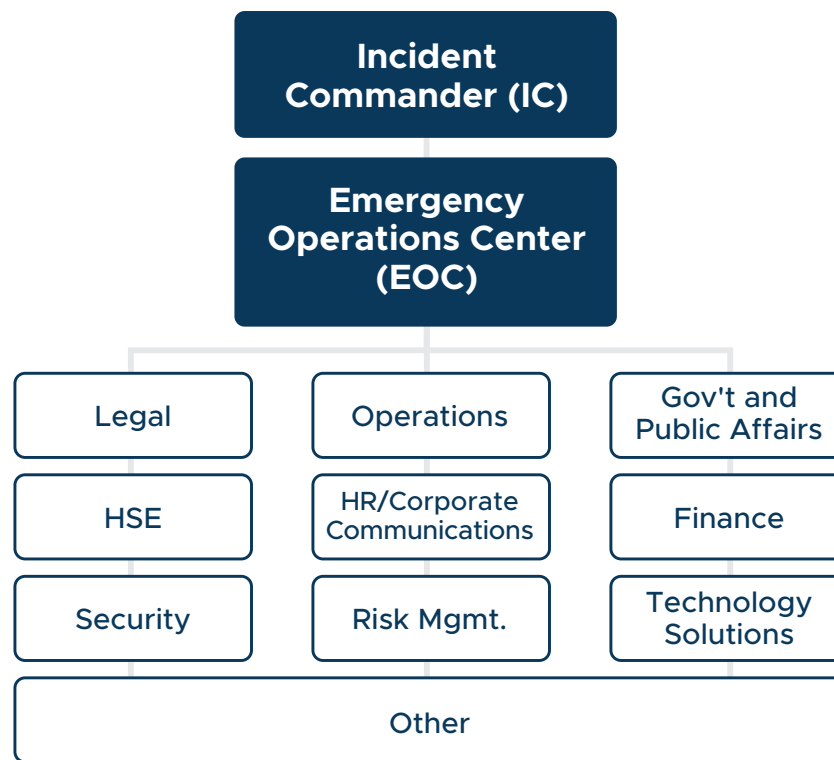
Health/Illness



Kidnapping



Violence in the Workplace



Our Emergency and Crisis Management Plan, led by executive management and supported by functional leaders, extensively outlines Pioneer protocol for crisis management, roles and responsibilities of Pioneer personnel and management, and governance of our management system and Emergency Operations Center (EOC).

At ground level, our employees are trained to refer to site-specific Emergency Action Plans in the case of an emergency.

Emergency Action Plans

- Our various Emergency Action Plans are customized by facility and region, companywide
- Each Emergency Action Plan contains a “responders list” with names and contact information for Pioneer’s site-specific emergency response teams plus external contacts, such as local hospitals, police departments and fire stations, that employees can contact in case of emergency
 - Pioneer operations are entirely within areas of 24-hour coverage by public, regional or local emergency response organizations

- Pioneer conducts annual training and updates of our Emergency Action Plans.

As outlined in our Emergency and Crisis Management Plan, Pioneer protocol for communicating with external stakeholders stipulates that, in the event of an incident that immediately threatens the safety of people, Pioneer employees are delegated authority to communicate warnings to everyone at potential risk.

COVID-19 Response

COVID-19 tested the effectiveness of our Emergency and Crisis Management program and our business continuity plans, performing extraordinarily well under these challenging circumstances. Our primary concern, as always, was the health and safety of our employees, contractors and their families. During 2022 and the first half of 2023, the majority of our office employees were back in the office through a disciplined workplace re-entry program. Pioneer continues to monitor and respond to issues as needed.

Cybersecurity

Information security is the responsibility of our Technology Solutions team and is managed by our Chief Information Security Officer. The Executive Committee and Cybersecurity Steering Committee are engaged in information security/cybersecurity strategies and, along with our Board, provide the associated oversight. Our Chief Information Security Officer provides regular updates to the Board and committees on company practices and mitigation strategies.

The Audit Committee provides oversight of the company’s cybersecurity risks as they relate to financial risk exposure and the security of the company’s data and information technology systems.

The HSE Committee provides oversight concerning operational technology cybersecurity risks and threats (i.e., field systems and related automation projects).

Pioneer's Information Security team is comprised of highly trained security professionals who work with external partners in federal and local law enforcement and utilize expert cybersecurity firms and resources, all of which allow Pioneer to actively evaluate cyber threats and the ever-changing threat landscape.

Policies, procedures, and communication and training campaigns inform employees of the importance of information security and cybersecurity, potential threats, and appropriate preventive actions. Our **Corporate Computing Policy** is available to all employees, and they are required to acknowledge and observe the policy. Violation of this policy can result in disciplinary consequences, including termination. Responsible use of Pioneer information systems and data is also described in our Code of Business Conduct and Ethics. Cybersecurity awareness training is required of all employees and contractors, with specific training for teams that have access to sensitive data. Additionally, we frequently communicate with our employees and contractors about cybersecurity best practices.

We mitigate our cybersecurity risks by aligning our cybersecurity program governance to the National Institute of Standards and Technology Special Publication 800-171. Pioneer performs regular cybersecurity incident response training and Disaster Recovery testing. Third-party assessments are conducted on our business and operational technology environments and our internal controls over financial reporting that are audited annually. Vulnerability analysis performed against these systems includes simulated hacker attacks. In 2022, Pioneer had no material financial or data losses from a cybersecurity incident.

Data Governance and Management

Pioneer employees responsible for information and data governance actively assess master data domains and reports for suppliers, purchasers, cost centers and operational information. By using enterprise resource planning tools and oil and gas data governance standards, we create data-quality standards, business rules and data-quality monitoring to prevent interruptions. In addition, our data specialists continue to develop tools for more detailed data glossaries and robust data traceability.

Pioneer has a comprehensive HSE information management system used by departments throughout the company. The primary benefits of the system are:

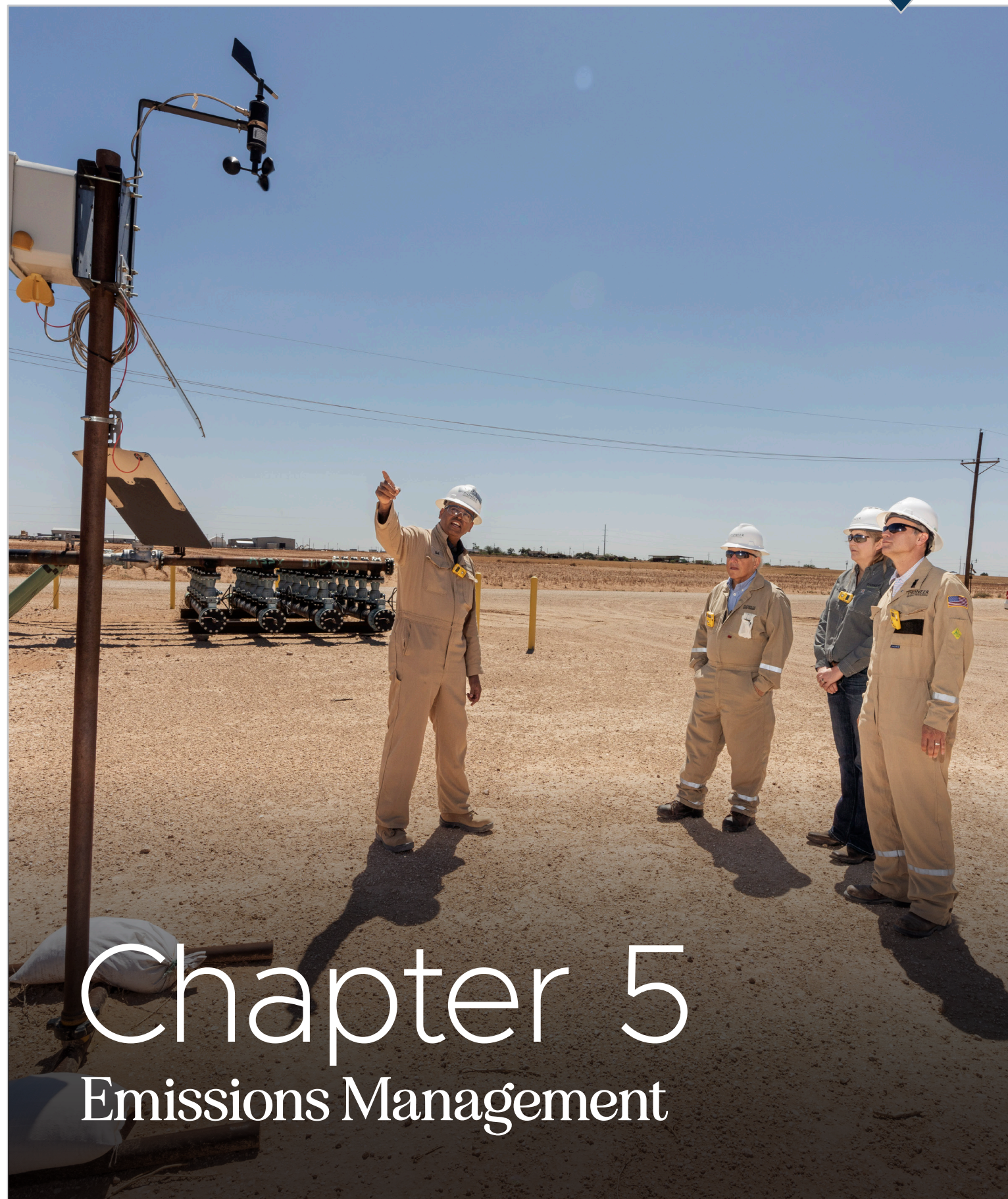
- Improvements in visibility and accountability for HSE compliance and culture throughout the organization
- Establishment of an enterprise-level platform to enable Pioneer to continue standardizing and improving our HSE risk management processes
- Demonstration of our commitment to HSE and sustainability through investment in tools that raise the level of employee and management engagement
- Enhanced sharing of lessons learned and proactive HSE indicators with our employees and contractors
- Reduction of technology costs and risks by moving to an industry-leading, cloud-based solution

Security Personnel and Programs

Security is a critical component of mitigating risk for the oil and gas industry. Pioneer takes a proactive security approach against risks that are present within our operations. Pioneer participates in the **Energy Security Council**, the premier energy security networking organization established to protect the energy industry from emerging physical and cyber threats. We are also active members of the **Permian Basin Oilfield Crime Committee** and the **North Texas Crime Commission**. These organizations promote collaboration among outside industries, oil and gas company security departments, and law enforcement agencies. Additionally, our security professionals maintain strong working relationships with federal, state and local law enforcement officials,

as well as state and federal prosecutors. These relationships support our communities and are critical to conducting our business ethically and safely. They also allow for collaboration and assistance in deterring, detecting, investigating and prosecuting oilfield thefts. Pioneer employs security personnel to protect our staff, property and other proprietary assets, including:

- Risk management
- Theft prevention
- Data loss protection
- Physical security
- Fraud prevention
- Forensic auditing
- Business practices
- Drug and alcohol compliance
- Commercial kickback prevention
- Travel compliance
- Site assessment and protection
- Entertainment and gift compliance
- Personnel protection
- Invoicing controls
- Illegal dumping protection and prevention
- Code of conduct investigations
- Conflict-of-interest management
- Workplace violence prevention
- Due diligence investigations
- Internet threats



Chapter 5

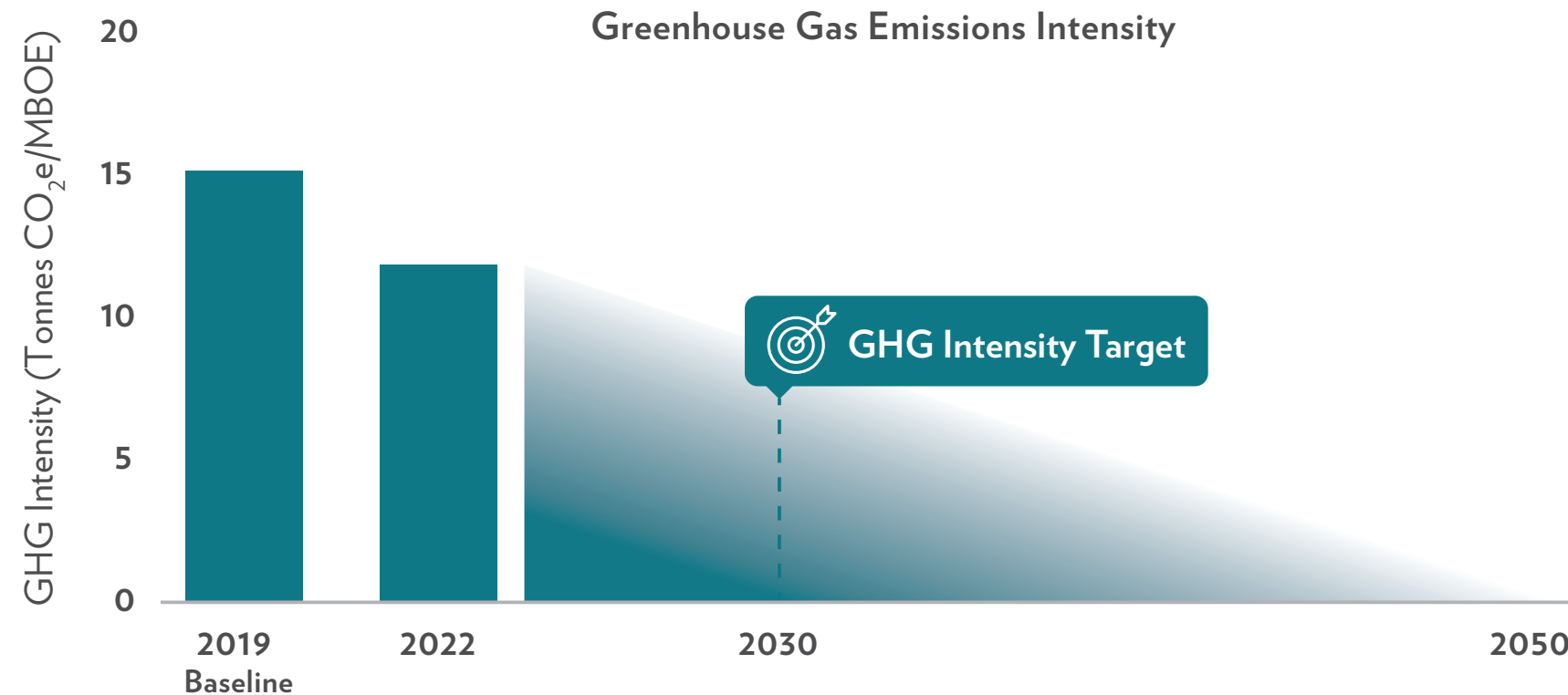
Emissions Management

Climate change is a priority at Pioneer, and we strive to reduce emissions of methane and other greenhouse gases from our operations, while assessing and managing the impacts of climate change on our business.

Pioneer recognizes the goals of the Paris Agreement to limit a global temperature increase to well below 2 degrees Celsius and pursue efforts to limit it to 1.5 degrees Celsius. Climate change is a priority at Pioneer, and we strive to reduce emissions of methane and other greenhouse gases from our operations, while assessing and managing the impacts of climate change on our business. Our actions support the aims of the Paris Agreement to reduce emissions and our goal to produce low-cost, low-emission oil and gas.

Pioneer also limits emissions of non-GHG emissions from our operations, including volatile organic compounds (VOC), nitrogen oxides (NO_x), sulfur dioxide (SO₂) and other pollutants. These emissions are subject to Texas air permitting programs that are intended to protect regional air quality near oil and gas operations. We utilize best practices and take a holistic approach to reducing emissions. Our emissions practices not only aim to ensure regulatory compliance but also deliver emission reductions well beyond what is required by federal and state regulations.

We believe our strategy, capital discipline, operational excellence and best-in-class assets positively position Pioneer to meet these challenges. We are committed to working with all stakeholders to address our impacts on the environment, while providing a sustainable supply of abundant, affordable and responsibly produced energy.



GHG intensity in carbon dioxide equivalents (CO₂e) includes CO₂, CH₄, and N₂O emissions.

Our Net Zero Pathway and Interim Targets

Pioneer set targets to reduce our Scope 1 and Scope 2 GHG emissions intensity by 50% and our methane emissions intensity by 75% by 2030, which, once achieved, would align with Pioneer's planned path to achieve net zero GHG emissions by 2050. Our 2030 targets are based on current development plans. In 2023, we further demonstrated our commitment to emissions reduction by setting an additional short-term target to achieve a measurement-informed methane intensity of 0.20% or less in 2025.

We fully understand that we operate in a dynamic environment, and we will continue to review and revise our emission-reduction plans accordingly. We are proactive in communicating and planning with third parties, especially where externalities, such as materials availability, equipment supply, technology development, changed regulations, and gas-gathering and power infrastructure can affect our progress.

Pioneer's overall strategy to manage GHG emissions comprises the following actions:

- Reduce methane emissions through facility design, field operations and leak management

- Eliminate routine flaring and minimize flaring in emergency, upset or maintenance circumstances
- Minimize emissions through electrification of field operations
- Secure purchase power agreements (PPAs) for renewable energy and associated renewable energy certificates (RECs)

This strategy underpins our vision for both reducing existing emissions and curtailing growth of potential future emissions over the next eight years and beyond. The impact of these cumulative actions will not only significantly decrease our baseline emissions forecasted for 2030, but also align with our trajectory towards net zero Scope 1 and Scope 2 emissions by 2050.

Pioneer's primary objective is to manage emissions from our own operations. We do not intend to rely on carbon offsets to meet our emissions targets in the near term. However, Pioneer is investigating carbon-reduction technologies and nature-based solutions that may play a role in helping us neutralize residual Scope 1 GHG emissions and realize our net zero ambition in the longer term. In addition, Pioneer anticipates securing field-supported (bundled) RECs to help minimize our Scope 2 GHG emissions.

Interim Emissions-intensity Targets

To support our Scope 1 and Scope 2 net zero ambition and drive incremental progress, we have established targets to:

- Reduce our Scope 1 and Scope 2 GHG emissions intensity 50% by 2030 from our 2019 baseline
- Reduce our methane emissions intensity 75% by 2030 from our 2019 baseline

This year, as part of our OGMP2.0 commitment, we established a short-term, measurement-informed methane emissions intensity target to:

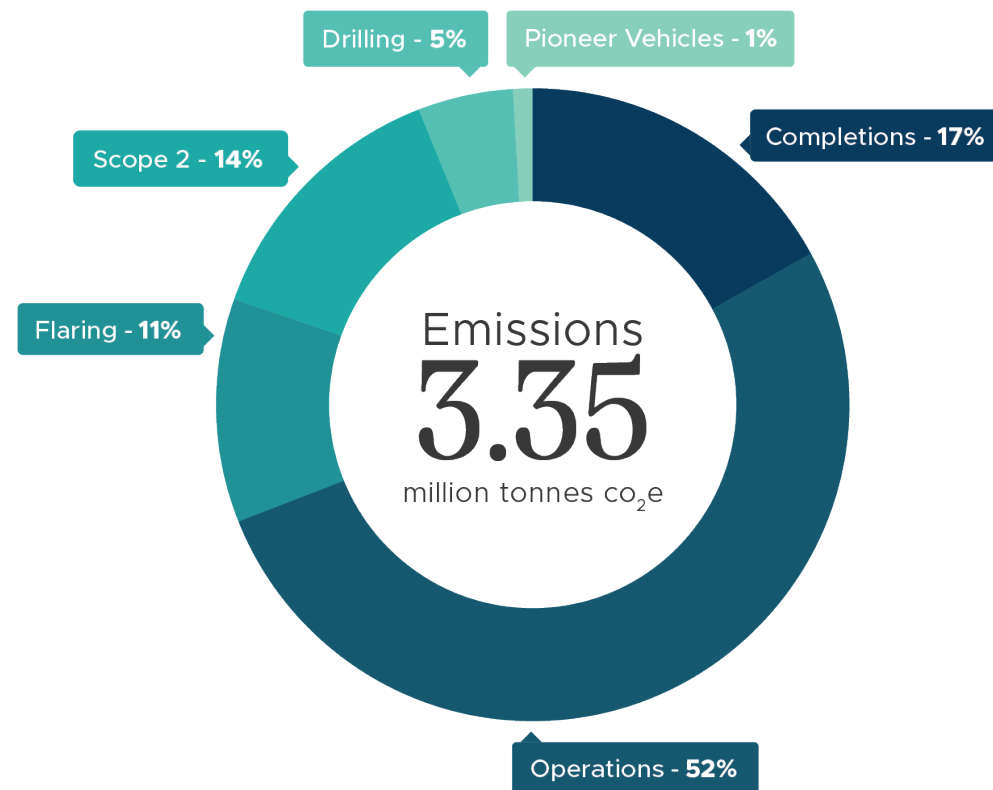
- Reduce our methane emissions intensity to ≤0.20% of produced natural gas in 2025

Methodology

These targets represent emission reductions from our operated assets from a full-year 2019 emissions baseline, where applicable. Quantifying and reporting our emissions on an intensity basis is the best way to demonstrate progress and accountability in the near term given the dynamic nature of upstream oil and gas assets. Pioneer will report our performance progress against these targets annually, consistent with our reporting principles.

- GHG emissions intensity performance will be based on Scope 1 and Scope 2 GHG emissions divided by gross oil and gas production in terms of tonnes CO₂e divided by MBOE (emission in tonnes CO₂e/MBOE)
- Methane emissions intensity performance will be based on methane emissions in terms of CO₂e divided by gross oil and gas production (emissions in tonnes CO₂e/MBOE)
- Measurement-informed methane emissions intensity performance will be based on methane emissions in terms of Mcf divided by gross gas production (emissions in Mcf/Gross gas production Mcf)

2022 Emissions Source Distribution



Pioneer's methane emissions intensity in 2022 decreased from 2021 levels, while total GHG emissions intensity remained constant. We worked diligently to manage our activity, while bringing acquired assets in line with our operational standards by adding vapor recovery units, converting pneumatic controllers to instrument air and other modifications. Focusing on methane emission reductions in the near term enables us to make progress on our targets, while allowing time to address the more complex task of reducing CO₂ emissions through field electrification. In 2022, we are reporting a:

- 64% reduction in methane emissions intensity from our 2019 baseline
- 22% reduction in Scope 1 and Scope 2 GHG emissions intensity from our 2019 baseline

Flaring Reduction Targets

Pioneer also established two targets specific to production flaring:

- Limit our annual flaring intensity to less than 1% of our natural gas produced
- Zero routine flaring by 2025, five years earlier than our original 2021 commitment of zero routine flaring by 2030

Methodology

Flaring intensity performance will be based on natural gas volumes flared during production operations (in MCF) divided by gross natural gas production in MCF.

Year over year, Pioneer has maintained low levels of flaring, even while integrating two newly acquired assets into Pioneer's ongoing operations. In 2022, our annual flaring intensity was 0.54%, which is 46% lower than our 1% threshold commitment and 54% lower than the Permian Basin average of 1.18% reported by Rystad Energy.

Pioneer endorses the World Bank's Zero Routine Flaring (ZRF) by 2030 Initiative, and we have established processes to identify, quantify and manage routine and non-routine flaring. In 2022, Pioneer reported 0.93 million cubic meters of natural gas routinely flared (approximately 1% of our total flaring) to the World Bank.

Methodologies and Definitions

Detailed information on our emission inventory methodologies, as well as definitions of Scope 1, Scope 2 and other air emissions, are provided in Pioneer's *Methodologies and Definitions*.

Direct GHG (Scope 1) Emissions Reductions

Direct emissions are from sources that are owned or controlled by Pioneer. Pioneer's GHG emissions inventory and emissions reduction

targets include Scope 1 emissions under our operational control.

To achieve our emissions targets, we are developing proactive strategies around operational best practices, technological innovation, applied research and industry partnership.

Through collaboration, we leverage the varied skillsets of our teams to create innovative approaches to minimize emissions and mitigate emission-related risks. We reinforce this alignment through incentive compensation policies established by the Board. Reducing GHG and non-GHG emissions, while increasing the capture of salable product, are key considerations in how Pioneer drills and completes our wells; designs, builds and operates our facilities; and manages our relationship with third-party midstream providers who gather, process and transport our oil and natural gas.



Summary: Emission-Reduction Actions Supporting Our Targets

ACTION	BEST MANAGEMENT PRACTICES
Drilling and Completions	<ul style="list-style-type: none"> Reducing diesel fuel combustion Minimizing venting and flaring Driving technology improvements to improve efficiency
Facility Construction and Operations	<ul style="list-style-type: none"> Constructing modern facilities for new oil and gas production Requiring natural gas sales connections prior to placing a well on production to prevent flaring Partnering with gas processors to minimize flaring due to operational upsets Installing VRUs to capture tank emissions that can be routed to sales Actively monitoring flares and emission controls Expanding use of instrument air with pneumatic devices Capturing facility maintenance blowdown emissions Updating acquired facilities to Pioneer standards Plugging and reclaiming uneconomic wells
Monitoring, Reporting and Verification	<ul style="list-style-type: none"> Detecting and repairing methane and non-GHG emissions leaks Monitoring facilities with aerial, fixed site and regional methane technologies Working to improve emissions quantification

Methane Emissions

Prioritizing Vapor Recovery – Pioneer prioritizes gas capture over venting and flaring and installs vapor recovery units (VRUs) at our horizontal well tank batteries. These tank batteries handled more than 98% of our oil and gas production in 2022, making VRUs an important means of managing facility emissions. Pioneer VRUs captured 6.6 million tonnes of methane (in CO₂e). This practice, along with constructing adequate gas takeaway infrastructure prior to initiating production from a well and continuing our comprehensive Leak Detection and Repair (LDAR) activities, enhances Pioneer’s ability to capture and sell a maximum volume of gas, while reducing our emissions footprint.

Designing and Operating Top-tier Facilities – Pioneer incorporates emissions reduction as a criterion in its facility design. Pioneer also strives for excellence in how we operate and maintain our production facilities. The following tables highlight some of the initiatives that have driven our reductions in flaring, venting and emissions.

Top-tier Design: Emissions-focused Engineered Solutions

EQUIPMENT	BENEFITS
Storage Tanks Install high-pressure-rated tanks	Increase capability to maintain tank pressures without the need to flare or vent
Thief Hatches Improve quality and performance range	Decrease venting; improve hatch re-seating after upset condition to maintain tank pressures and prevent oxygen introduction
Tank Vapors Route gas to flare	Increase capability to maintain tank pressures and, in upset situations, route captured gas to flare for combustion instead of venting
Flare Design Dual tip flares	Manage low- and high-pressure volumes with fewer flares and pilots in operation
Flare Design Combustion efficiency testing	Actively manage flare performance and improve data accuracy
Flare Design Monitor remotely	Minimize potential for unlit flares; minimize response time through timely notification to production operations personnel
Pneumatic Controllers Install or retrofit with instrument air systems at tank batteries and well pads	Reduce or eliminate the need for natural gas to actuate controllers while improving on-site safety

Operational Excellence: Facility Operations and Maintenance Programs

ACTIVITY	BENEFITS
Truck Loading Capture and route truck-loading vapor to low-pressure flare	Combustion of emissions rather than venting of emissions
Automatic Tank Gauging Measure tank levels without introducing oxygen into the system	Prevent introduction of oxygen that must be purged by flaring; mitigate venting that would occur with manual gauging; eliminates need to open tanks
Oxygen Minimization Implement processes to minimize oxygen introduction into system	Reduce purchaser shut-ins and decrease venting by sending gas to flare for combustion when oxygen levels are out of specification due to malfunction
Blanket Gas Install blanket gas for storage vessels	Prevent oxygen introduction that must be purged by venting or flaring
Compressor Blowdowns Capture and route gases to sales pipelines	Depressurize gas to closed system prior to maintenance to reduce venting
Engine Catalyst Maintenance Install higher-performing elements and conduct routine maintenance	Increase the life and efficiency of catalysts leading to greater reduction of carbon monoxide and VOCs

Reducing Pneumatic Controller Emissions – Pioneer has reduced emissions by changing to “instrument air” pneumatic controllers from gas-driven pneumatic controllers. Instrument air pneumatic controllers are included in our standard design for new horizontal tank batteries. In addition to converting existing controllers at acquired facilities, Pioneer is executing a three-year program to install air compressors to operate pneumatic controllers at its legacy horizontal tank batteries and targeted well pads.

The Benefits of Instrument Air

Pneumatic controllers traditionally use pressurized natural gas to actuate facility equipment, then intermittently or slowly emit the working gas, resulting in methane and non-GHG emissions. An instrument air system replaces natural gas with compressed atmospheric air, eliminating those emissions and providing additional safety benefits.

Monitoring for Fugitive Emissions – We use various techniques such as audio, visual and olfactory (AVO) inspections, optical gas imaging (OGI) cameras, portable gas detectors, and aerial methane detection across Pioneer operations to monitor facilities for fugitive emissions leaks. Pioneer employs a team of thermographers with OGI cameras to survey our facilities, including well pads, tank batteries and associated gathering pipelines. Infrared sensors in OGI cameras enable instant detection and visualization of emissions. Each Pioneer thermographer receives biennial OGI training to review proper safety protocols, operation of the camera, gas identification techniques and limiting environmental conditions.

While our Leak Detection and Repair (LDAR) program emphasizes detection of methane, emissions of other non-GHGs, such as VOCs and hydrogen sulfide (H₂S), are also mitigated when leaks are found and repaired. Pioneer currently surveys all facilities multiple times per year. In 2022, Pioneer performed more than 23,000 site surveys using OGI and aerial technologies at Pioneer well pads and tank batteries. Any leaks detected were promptly repaired.

Carbon Dioxide Emissions

Minimizing Flaring – Pioneer seeks to minimize the flaring of gas in all our operations and continues to lead by example, having set an annual flaring intensity target of less than 1% of produced natural gas and a commitment to zero routine flaring by 2025. To achieve these ambitious targets, we have performed cross-departmental analyses, pilot testing and a thorough analysis of the root causes of conditions that can lead to flaring in our operations. Pioneer senior management is actively engaged in decision-making with the goal of keeping flaring to a minimum, adhering to our flaring intensity commitments.

Pioneer remotely monitors flaring through our supervisory control and data acquisition (SCADA) system, which triggers alerts for deviations in normal operating conditions. The system then directs a technician to quickly respond. Designated Pioneer operations personnel receive a daily log of actionable alerts and the response actions. Pioneer conducts monthly inspections and performs preventative maintenance to ensure the proper operation of flaring systems.

Pioneer requires wells to be connected to gas takeaway infrastructure before they are placed on production. We partner with third-party gathering, processing and pipeline operators to secure firm capacity and abate impacts from flow constraints. Together, we review production forecasts, system pressure models and project schedules, sharing responsibility to meet production demands and ensure emissions control. To further enhance our takeaway flexibility, Pioneer encourages our gas gatherers to interconnect gathering systems to provide incremental gas processing redundancy should parties have downtime. Pioneer also enters long-term commitments for firm transportation of oil, gas and natural gas liquids to markets outside the Permian Basin, including the U.S. Gulf Coast, U.S. West Coast, Mexico and international markets to mitigate the risk of oversupply in the Permian Basin.

Pioneer’s gas-gathering and processing agreements contain performance incentives and penalties, including requirements to maintain adequate system pressures to minimize emission events and contractual obligations to connect to new facilities prior to a well being placed on production.

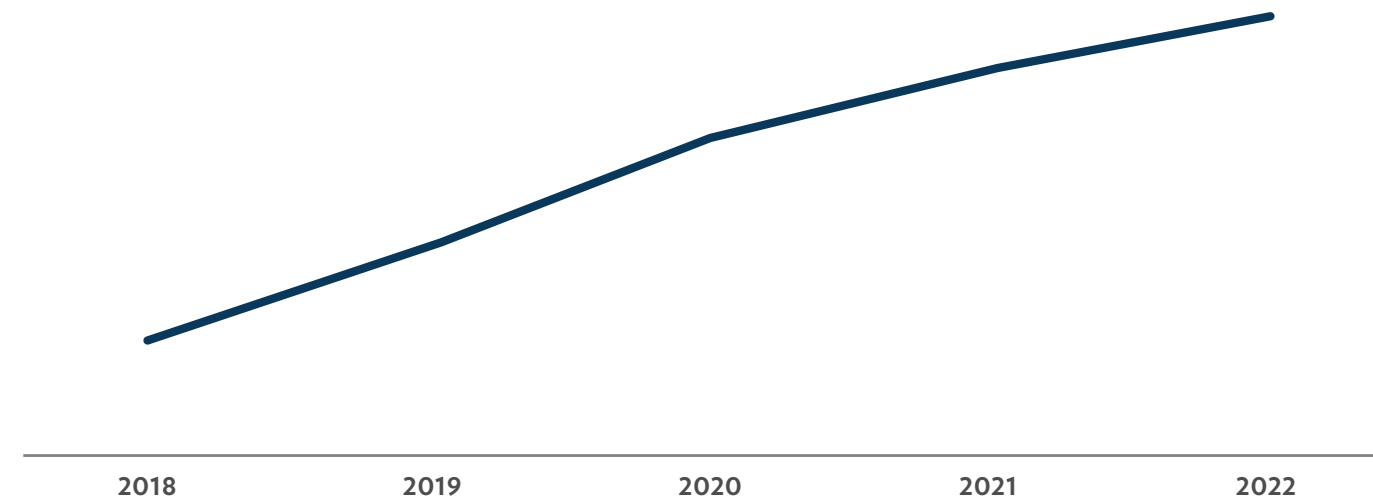
Performance incentives include exclusive rights to gather and process production from high-volume areas as well as advanced notice of new producing areas to allow adequate time to build necessary infrastructure.

Penalties include the release of production to third parties if a gatherer cannot maintain adequate pressure rates to take all production at a battery or financial penalties if pressures exceed predetermined levels for a set period of time.

Reducing Diesel Fuel Combustion – Drilling and completing longer lateral wells more efficiently reduces the number of drilling rigs and pressure-pumping fleets which lowers the overall emissions required to place the same amount of lateral footage on production each year. Our drilling and completion operations continue to utilize technology and a culture of continuous improvement to increase operational efficiency. This, combined with a concentrated effort on supplying our fleets with more environmentally friendly power sources, has allowed us to drive significant reductions in GHG and non-GHG emissions. Also, by exploring new technologies, we are able to reduce emissions in the near-term as we plan for the transition to grid power as infrastructure allows in 2023 and beyond.

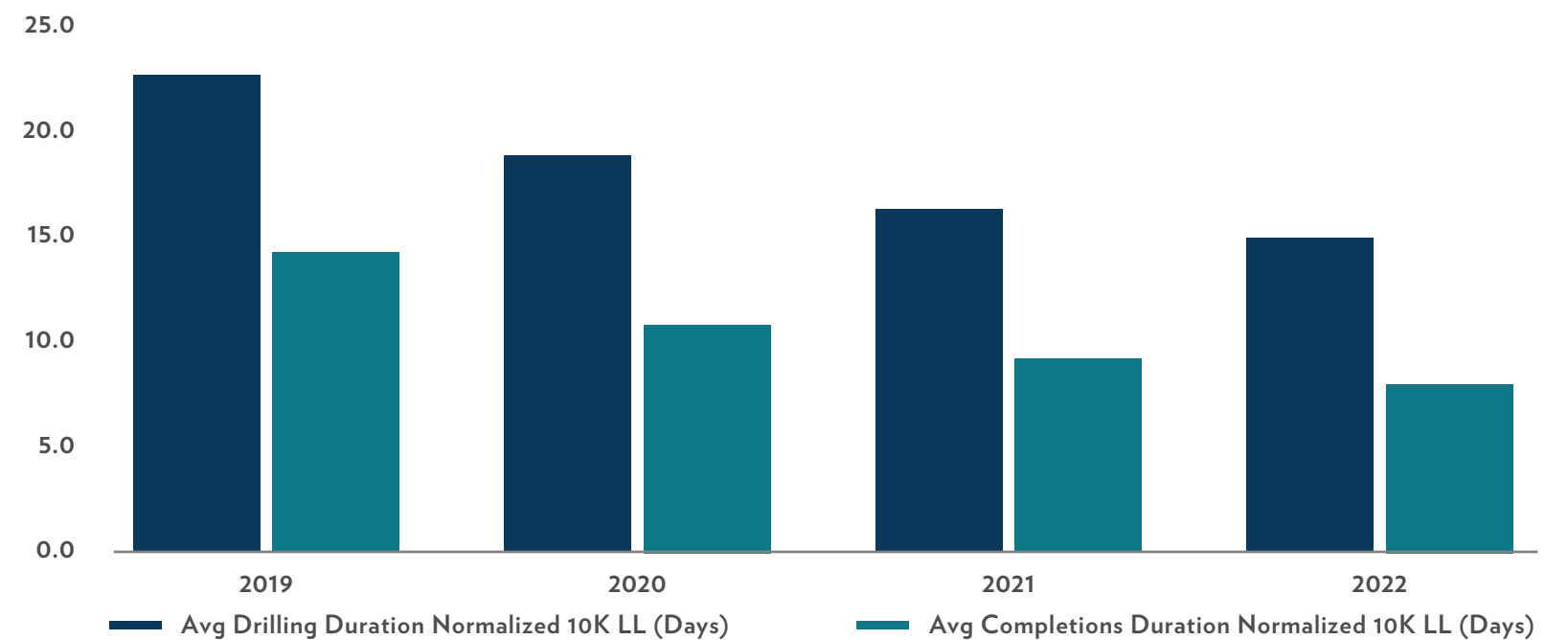
Over the last several years, the drilling team leveraged advancements in downhole technology and the use of our best-in-class remote operations center to make data-driven performance decisions. These technologies provided improvements in drilling efficiency, while also unlocking our ability to drill longer lateral lengths, as we saw our average lateral length drilled increase by 13% from 2021 to 2022. Additionally, the team has moved completely towards the use of a “spudder” rig to drill the surface-hole sections of our wells. This spudder rig is a much smaller drilling rig and thus generates lower emissions than our standard horizontal rig. This results in an overall reduced emissions profile for every well we drill. Lastly, through coordination and partnership with Pioneer’s drilling contractors, we identified and implemented further reductions in diesel generator emissions by utilizing digital technology and automation to improve rig engine efficiency. These efforts resulted in 4% fewer drilling-related emissions from 2021 to 2022, decreasing emissions per lateral foot by 4% since 2021 and increasing drilling efficiencies by 8% over the same time period.

Lateral Feet Per Day
(Reflects average of drilled lateral length per well divided by total days on well)



Our Completions team has also continued to deliver operational and emissions efficiencies by increasing average feet per day completed by 10% and decreasing emissions per lateral foot by 8% since 2021.

Drilling and Completions Efficiency Improvements



Driving Technology Advancement

Pioneer is an industry leader in advancing drilling and completion techniques and operational efficiencies. We invest annually in drilling and completions technology enhancements and participate in industry consortia. We have also implemented various digital field equipment enhancements to improve employee safety, lower capital and operating costs, refine field data capture, and reduce Pioneer's overall environmental footprint.

Our drilling organization has successfully leveraged data science, statistics and engineering disciplines to automate various workflows that reduce operational variability and increase capital efficiency. By effectively merging predictive alerts, advanced models and 24/7 remote engineering support, we have digitized our workflows to make faster, more proactive and informed decisions.

Our Completions organization has partnered with software providers to design and build a customized, proprietary solution to livestream data from location, allowing engineers to monitor wells from any location and provide better support to operations. In addition to operational efficiency focus, we have deployed technologies to evaluate and modify completion designs that benefit capital efficiency. The utilization of technologies such as perforation imaging and fiber optics has allowed for data accessibility that has increased our knowledge of effective fracture placement and contributed to our design improvements.

In addition to efficiency gains, our Completions team is pursuing the advanced technology of e-fleets. Presently, we are on pace to continue this trend of improvement having onboarded two dual-fuel fleets, powered by both compressed natural gas and diesel, in late 2022. These dual-fuel fleets primarily utilize engines that significantly reduce NO_x, CO and particulate matter (PM) emissions [Environmental Protection Agency (EPA) Tier IV standards] and are expected to displace up to 65% of the fleet's diesel consumption with cleaner-burning natural gas. Additionally, we have plans to continue exploring and integrating new, emission-focused technologies into our program by transitioning our dedicated fleets to electric or dual-fuel powered pumps in 2023.

Reducing Completions Flaring – We have reduced flaring in our completions operations. Since 2018, the duration of circulating time (the phase of completions operations during which the well has the most potential to flare gas) has been shortened by more than 63%. As part of this practice, we have also transitioned 75% of drill-out flare utilization to on-pad-contained combustors. This increases our overall combustion efficiency and decreases our resultant emissions.

Electrifying Field Operations – Pioneer's ability to achieve our net zero ambition is centered on being able to electrify our drilling, completions and production operations. Challenges exist for all operators in the Permian Basin as it pertains to electric transmission and generation, which may limit our ability to fully electrify our operations. Pioneer is actively partnering with our local utility provider to develop a long-term power delivery strategy that is essential to the success of field electrification. In addition, we have taken the following notable steps to begin implementing these progressive solutions:

- Compiled operational lessons learned from a 2021 multi-well pad drilled using 100% high-line power in preparation for expanded high-line drilling

- Reviewed drilling rig power requirements and lessons learned from a 2021 pilot test of a hybrid rig using battery storage for peak load shaving
- Performed in depth, cross-disciplinary planning for increased utilization of high-line power for drilling operations as infrastructure allows
- Built on learnings from previous electric completions fleet trials by sourcing 40% electric fleets and gas-powered generators for dedicated utilization in 2023
- Leveraged high-line power to support auxiliary equipment for completions and post-completions activities on a trial basis
- Continued planning for opportunities to use high-line power for completions operations as infrastructure allows



Indirect GHG (Scope 2) Emission Reductions

Emissions from the generation of purchased electricity consumed by Pioneer are Scope 2 emissions. Pioneer's GHG emissions inventory and emissions targets include location-based Scope 2 emissions for electricity purchased to power facilities and equipment under our operational control.

Renewable Energy

Given the combination of Pioneer's large contiguous ownership position of surface acreage in the Permian Basin and associated plans to electrify our field operations, we are well-suited to support the development of wind and solar power generation projects.

Pioneer is working with a subsidiary of NextEra Energy Resources, LLC to develop a 140-megawatt (MW) wind generation facility on Pioneer-owned surface acreage in Midland County. This project is supported by a power purchase agreement with Pioneer, in which Targa Resources Corporation (Targa) will participate and is expected to be operational in 2024. NextEra Energy Resources, LLC is the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage. Additionally, Pioneer is also a participant in the 160 MW Concho Valley Solar project through Targa's power purchase agreement, which commenced delivering renewable electricity in October 2022.

The renewable electricity sourced from these projects will provide a portion of the power required to operate Pioneer and Targa's jointly owned Midland Basin natural gas processing infrastructure (operated by Targa), as well as Pioneer's field operations, enhancing each company's emission-reduction initiatives through renewable electricity purchases and credits. In addition, Pioneer will receive renewable energy credits from these projects to reduce our Scope 2 emissions and aid in meeting our GHG-intensity targets.

We also plan to participate in other renewable energy projects in the future to further offset our Scope 2 emissions.

Renewable Energy Benefits

By participating in these projects, Pioneer and Targa exemplify their commitments to be industry leaders in reducing emissions throughout the Midland Basin. From a Pioneer perspective, these projects not only support our efforts to minimize our carbon footprint, but they also have potential to provide clean, sustainably generated power to the electrical grid in Texas. We expect these projects to offset a portion of our Scope 2 emissions.

Monitoring, Reporting and Verification

Recent advancements in methane sensor technology and related data analytics are beginning to strengthen our understanding of our methane emission rates, volumes and durations. Continued development and application of this technology will help Pioneer, and the oil and gas industry, better understand fugitive emissions beyond the current regulatory methodology that is based on equipment counts and generic emissions factors. By refining our quantification of methane emissions, we can develop customized emission-reduction solutions. Pioneer has invested time and effort into research and development which will collectively help all operators across the basin successfully tackle the methane challenge. We continue to invest in sensor research and development to improve our ability to detect methane emissions and remediate any leaks.

Technology Deployment

Aerial Methane Monitoring – Aerial methane monitoring is an integral part of Pioneer's methane-reduction strategy. Beginning in 2018, Pioneer conducted an annual full-field methane survey of our operations. Based on the learnings and success of our past surveys, Pioneer expanded our aerial campaign to three full-field surveys per year beginning in 2022.

To conduct aerial surveys, a fixed-wing aircraft is equipped with onboard methane sensors, optical cameras and a global positioning system (GPS). Methane concentration data is overlaid with simultaneously collected optical images to form a single, georeferenced image of methane leaks. This information is then used to direct on-ground thermography inspections.

This more efficient process allows our teams to spend less time finding leaks and more time focused on leak prevention. Pioneer is consistently building on our experience with aerial methane detection. While our initial aerial technology deployment identified high-probability methane sources, we benefited from improved technology starting in 2021. Our detection capabilities now identify smaller sources of methane, which have allowed us to gain a deeper understanding of our methane emissions.

Fixed-site Monitoring – In 2020, Pioneer began evaluating several continuous monitoring technologies at our large, horizontal facilities. As every oil and gas site is unique, pilot trials can help identify the appropriate technologies and implementation plan for each location. With the benefit of experience gained both independently and collaboratively, we are planning to scale up deployment at these sites. In 2023, Pioneer plans to install fixed-site, continuous methane monitoring sensors at tank batteries comprising 80% of our gas production. These sensors are designed to alert our field personnel of identified methane emissions at the site.

To help support our efforts, Pioneer collaborated in Project Falcon, led by Scientific Aviation, developer of Systematic Observation of Facility Intermittent Emissions (SOOFIE) sensors, along with six other oil and gas operators: Chevron, ConocoPhillips, Devon Energy, ExxonMobil, Shell and TRP Energy. Project Falcon commenced in 2021 to test and optimize implementation of real-time methane monitoring at the facility level. The objective of the project was to study the reliability of the continuous monitors and develop best practices for deployment (e.g., placement and density) and management (e.g., alarming and notification processes). The project is now complete, and, with the benefit of experience gained both independently and collaboratively from this project, we are installing these methane sensors at our tank batteries in 2023.

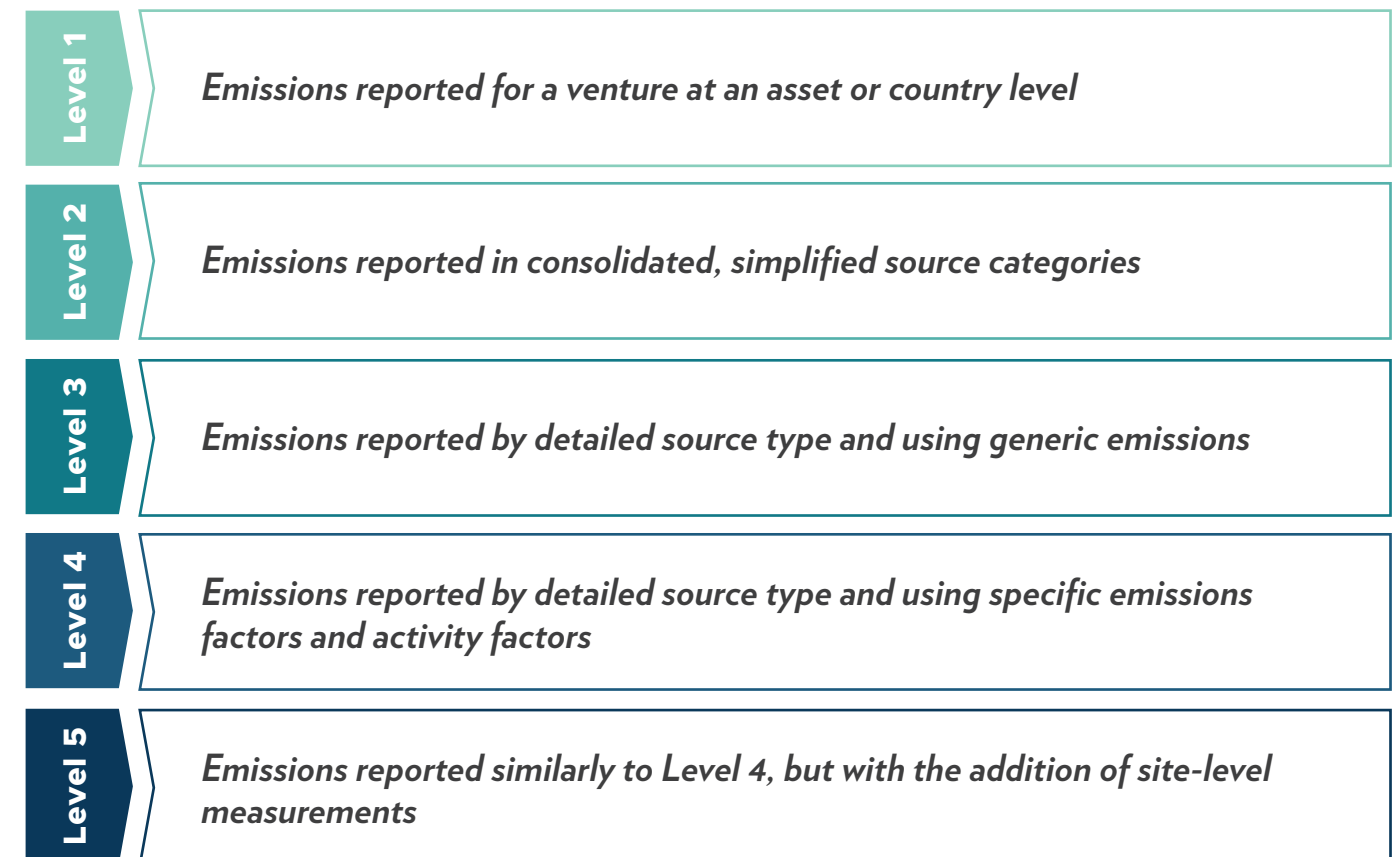
Collaborative Projects – Pioneer actively works with industry, academia and other stakeholders to advance technology deployment and the science of emissions measurement. These collaborative efforts include:

FOCUS AREA	ORGANIZATION	DESCRIPTION
Emissions Monitoring and Technology Deployment	Project Astra	A University of Texas at Austin-led collaboration aimed at reducing methane releases into the atmosphere. The team is developing an innovative sensor network that is intended to harness advances in methane-sensing technologies, data sharing and data analytics to provide near-continuous emissions monitoring across oil and gas facilities in the Permian Basin and feed information into decision tools. Pioneer is participating in the technical design of the study and will provide access to production facilities for installation of sensors. For more information about Project Astra, visit: https://dept.ceer.utexas.edu/ceer/astra/ .
Emissions Measurement and Quantification	Veritas	A GTI Energy Differentiated Gas Measurement and Verification Initiative designed to accelerate actions that reduce methane leakage from natural gas systems. The effort brings together scientists, academics, environmental organizations, certification organizations and industry participants to demonstrate emission reductions in a consistent, credible and transparent way. For more information about the Veritas initiative visit: https://veritas.gti.energy/protocols .
	Cheniere Energy QMRV Demonstration	A collaboration of natural gas producers and leading academic institutions to implement quantification, monitoring, reporting and verification (QMRV) of GHG emissions performance at natural gas production sites. The engagement is intended to improve the overall understanding of upstream GHG emissions and further the deployment of advanced monitoring technologies and protocols. For more information about this study visit: https://pubs.acs.org/doi/10.1021/acs.est.2c06211 .
	Collaboratory to Advance Methane Science (CAMS)	CAMS is a research collaboration on methane science directed by some of the world’s top leaders in energy development and administered by GTI Energy, a leading research, development and training organization. For information about CAMS research, including the Permian Basin Survey and Methane Emission Estimate Tool, and other studies, visit: methanecollaboratory.com .

Emissions Reporting

Oil and Gas Methane Partnership 2.0 – In 2022, Pioneer joined the OGMP 2.0, a multi-stakeholder initiative launched by United Nations Environment Programme. Currently, OGMP 2.0 has 77 international operators as members and is continuing to grow.

To accelerate methane emission reductions, measurement-informed emissions inventories and transparent reporting are critical. By joining OGMP 2.0, Pioneer plans to inform its emissions reporting utilizing representative scientific studies and field measurements. Participating companies are expected to achieve the “gold standard” for emissions reporting in three years for operated assets and five years for non-operated assets. Gold standard is defined by achieving Level 4/Level 5 as described below:



Progression through the various reporting levels requires increasing granularity, increased rigor and reduced uncertainty in reported figures. The United Nations Environment Programme has established the International Methane Emissions Observatory to aggregate and maintain global estimates of methane emissions and will also incorporate data reported by companies to OGMP 2.0. For more information about the OGMP 2.0 initiative visit: ogmpartnership.com.

Advocacy and Stakeholder Collaboration

As an onshore operator on private lands in Texas, we believe Pioneer’s operational footprint limits the company’s exposure to national and international political and regulatory risks. Nevertheless, we remain committed to serving as a leader in climate and environmental stewardship issues. We seek to mitigate our climate-related risks by setting aggressive emission-intensity reduction targets, industry-leading flaring commitments and other emission-reduction actions described in this chapter. We actively assess pertinent regulatory and legislative actions and the increasingly growing number of formal climate-related policy proposals from both political parties at the state, national and international levels. We partner with trade associations, think tanks, academia and other stakeholders to engage in public-policy dialogue regarding climate change. Pioneer continually evaluates our trade association affiliations to ensure their respective public policy positions are consistent with the company’s commitments. Our current partnerships are included below.

Advocacy and Stakeholder Collaboration	The Environmental Partnership	The Environmental Partnership provides a forum for participants to share information and analyze best practices and technological breakthroughs in order to help improve our understanding of emissions and how best to reduce them. For more information on how our actions are contributing to these industry goals, visit: theenvironmentalpartnership.org/annual-reports/2022-annual-report/ .
	Zero Routine Flaring Initiative	The World Bank ZRF Initiative commits governments and oil companies to end routine flaring by no later than 2030. The initiative aims to support cooperation between all relevant stakeholders so that solutions to gas flaring can be found through appropriate regulation, application of technologies and financial arrangements.
	Texas Methane and Flaring Coalition	To better assess the issues of methane emissions and flaring and develop industry-led solutions, a voluntary coalition of companies and organizations have joined together to form the Texas Methane and Flaring Coalition. The coalition will collectively identify and promote operational and environmental practices recommended to minimize flaring and methane emissions.

Methane Emission Regulation

Pioneer actively supports effective and efficient industrywide methane regulation and has been a leader among independent oil and gas exploration and production companies in advocating our position. Throughout the past two years, Pioneer has engaged with the EPA, industry peers, and academic and non-government organizations, including the Environmental Defense Fund, on the Biden administration’s proposed methane regulations to foster thoughtful, creative solutions to lower methane emissions. Sensible methane regulation that balances the benefits of domestic natural gas production with environmental protection is necessary to elevate natural gas as a cleaner energy solution, thereby strategically positioning this valuable resource for growth and viability in the future. We seek reasonable regulations that provide certainty, incentivize action, drive performance improvements, support operational flexibility, facilitate proper enforcement, and encourage technological innovation, particularly in the rapidly evolving area of methane leak detection.

Scope 3 GHG Emissions

Scope 3 GHG emissions are an estimate of the indirect GHG emissions that are neither generated by Pioneer’s operations (Scope 1) nor by the energy purchased by the company (Scope 2). Scope 3 GHG emissions occur from sources owned or controlled by other entities in the company’s value chain, both upstream and downstream. The bulk of Scope 3 GHG emissions are created from the transportation, processing and end-use of a company’s products and are outside the company’s direct control. Nonetheless, we recognize that Scope 3 GHG emissions are an important consideration for many of our stakeholders. Therefore, we have decided to disclose our emissions in categories 9, 10 and 11 as they make up the majority of our Scope 3 GHG emissions inventory.

Following GHG Protocol and International Petroleum Industry Environmental Conservation Association (IPIECA) guidance, we use an operational control approach, consistent with our Scope 1 and Scope 2 accounting, to determine Scope 3 GHG emissions. Pioneer’s Scope 3 GHG emissions for categories 9, 10 and 11 are estimated to be 162 million tonnes CO₂e in 2022. We estimate that these categories comprise approximately 98% of our total Scope 3 GHG emissions.

Scope 3 Emissions Categories	Million Tonnes CO ₂ e
9 Downstream Transportation and Distribution	13
10 Processing of Sold Products	31
11 Use of Sold Products	118

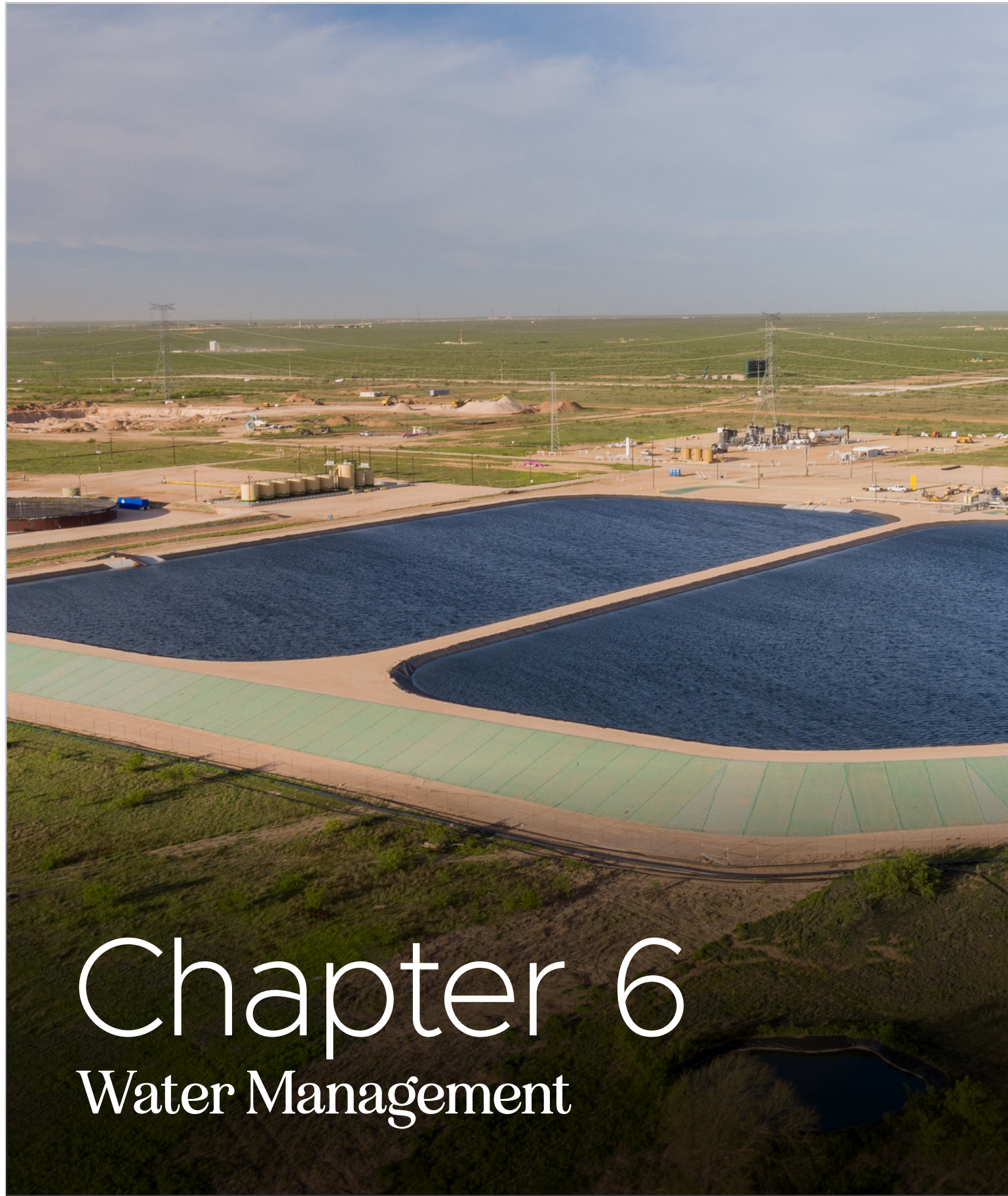
Evaluating a company’s Scope 3 GHG emissions can be challenging due to inconsistent reporting methodologies, potential duplication and the inaccuracies that may occur when estimating emissions that are the result of activities within the value chain, but not owned by the reporting organization. Pioneer engaged the services of a leading environmental consultant to advise on best practices in quantifying Scope 3 GHG emissions.

Because Pioneer’s influence over Scope 3 GHG emissions is limited, we exclude these emissions from our intensity targets. Nonetheless, Pioneer is taking the following steps to reduce GHG emissions:

- Collaborating with industry peers to promote alignment on climate policies, such as the elimination of routine flaring and increased field electrification
- Investing in select energy transition technologies that drive efficiency and support future emission reductions
- Incorporating ESG data into our supplier onboarding process, helping us identify business partners whose core values align with our own

In addition, Pioneer’s Scope 3 GHG emissions are Scope 1 and Scope 2 GHG emissions of other entities which like Pioneer, are committed to reducing those emissions over time.

Additional details on Scope 3 GHG emissions are provided in *Pioneer’s Methodologies and Definitions*.



Chapter 6

Water Management

Water is essential to hydrocarbon production, and Pioneer diligently manages our efforts around this critical resource using a team that specializes in responsible water management and strategic approaches to conservancy.

Water: A Pioneer Priority – Responsible sourcing, production and protection

Water is essential to hydrocarbon production, and Pioneer diligently manages our efforts around this critical resource using a team that specializes in responsible water management and strategic approaches to conservancy. Pioneer has a straightforward strategy: “Maximize oil and gas production through responsible management of water sourcing and takeaway that provides flexibility and optionality, while protecting the communities and environments in which we operate.”

There are three main ways that water relates to hydrocarbons.

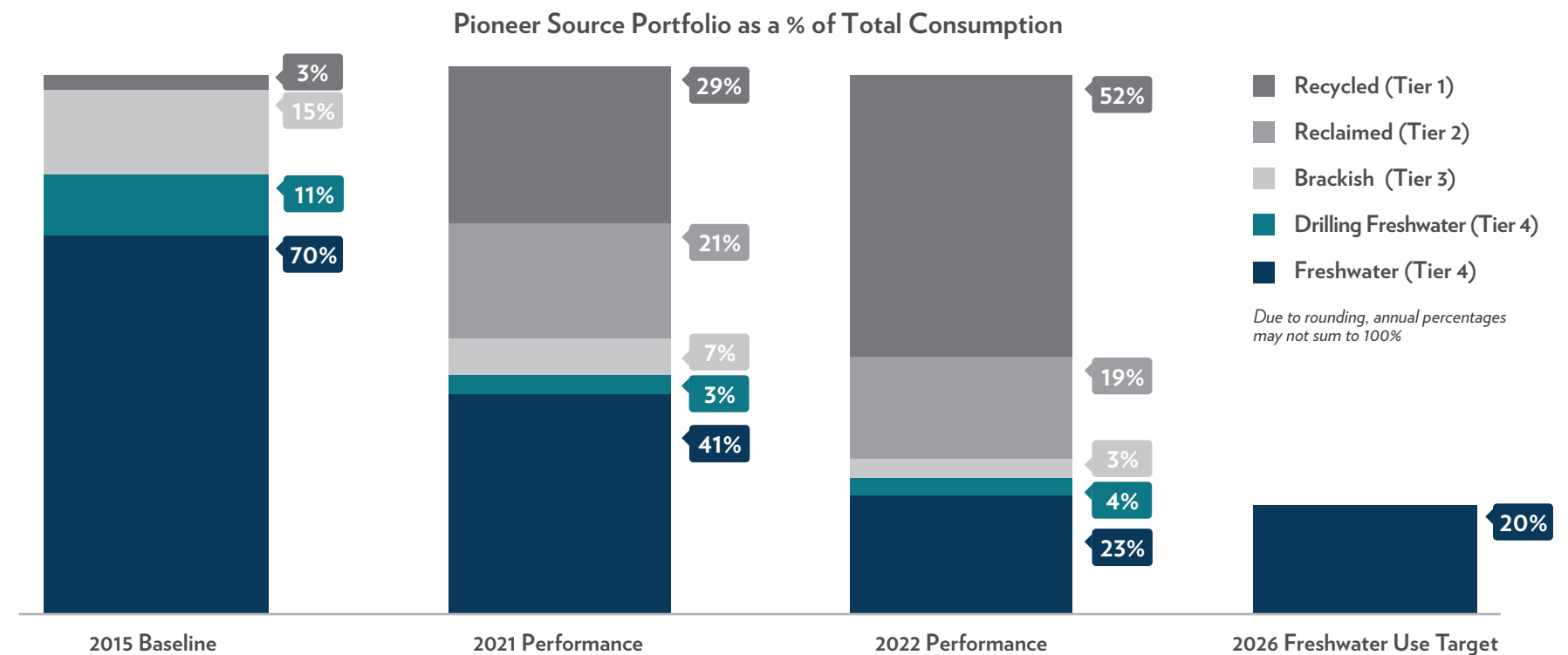
- 1 Water sourcing is needed to carry out hydraulic fracturing, the process by which water and sand are pumped into a wellbore to enlarge fractures in the rock in order to extract hydrocarbons. Pioneer became the largest oil producer in the state of Texas, supported by our use of both horizontal drilling and hydraulic fracturing to unlock unconventional reservoirs within our extensive Permian Basin acreage position.
- 2 Producing hydrocarbons results in produced water. The produced water, which is separated from the hydrocarbons, requires responsible handling. Formerly limited to disposal, there are now multiple options for responsibly produced water management or “takeaway.”
- 3 The processes of drilling, completing (hydraulic fracturing), and producing oil and gas wells each include steps to protect precious groundwater resources in our areas of operations. Pioneer employs industry-leading water management practices in terms of sourcing and takeaway of water related to hydrocarbon production. By its very nature, responsible water management helps sustain or improve our communities, our environment, our people and our business.

Responsible sourcing is measured with our freshwater reduction target, which is explained further in this section. Water shortages in West Texas, whether due to drought or competition for resources, could significantly affect our operations. Climate change could decrease groundwater availability. Pioneer understands the critical need to carefully manage freshwater use in a world of increasing demand. Freshwater is found in lakes, rivers, wetlands and groundwater aquifers below the surface. Pioneer does not use surface-water resources.

Recycling produced water for use in oil and gas operations, otherwise known as reuse water, is our top priority, because it simultaneously improves both water sourcing and takeaway in a sustainable way. Additionally, Pioneer secures strategic sources of treated municipal (or “reclaimed”) wastewater. Our innovative public-private infrastructure projects with the cities of Midland and Odessa promote preservation of freshwater through our use of reclaimed water in drought-prone West Texas. After produced water reuse and reclaimed municipal water, Pioneer then accesses brackish groundwater wells that are drilled deeper to avoid the shallow groundwater used for drinking and irrigation. Pioneer seeks to expend every effort to avoid using freshwater in hydraulic fracturing, preserving this critical resource for local residential and agricultural use, as well as for drilling operations that require using freshwater in order to protect groundwater.

Responsible takeaway includes expanding our options. While reuse is the top priority, it is not the sole answer, and we actively implement other supplemental strategies. Beyond the additional options for proper disposal and reuse, produced water management has improved through cooperative operations with other companies. These efforts include achieving greater reuse of produced water, monitoring seismicity and mitigating injection concerns, accessing new zones for responsible injection, and, finally, treating produced water to clean water standards that are safe for beneficial reuse outside of oil and gas operations, such as irrigation and industrial cooling. For more information on these topics, see the sections: **Managing Produced Water, Produced Water Recycling and Avoiding Seismicity Risks.**

The third element of groundwater protection is accomplished by all company operations, including responsible drilling and completions practices, responsible operating practices and spill prevention, and



Pioneer is pleased to report that our focus on recycling produced water, along with our unparalleled capability to supplement with reclaimed water, has significantly preserved groundwater resources in our areas of operations resulting in only 30% of water sourced from groundwater in 2022, which represents a significant reduction compared to our baseline year of 96% groundwater sourcing in 2015.

responsible water management. For more information, see the section: **Groundwater Protection.**

Freshwater Use Reduction Target

At Pioneer, we are committed to maximizing our use of non-fresh water sources. This shows in our aggressive target to reduce our freshwater usage to 20% or less of total completions operations by the end of 2026. Using treated produced water for hydraulic fracturing is the most effective way to preserve groundwater resources and simultaneously minimize the need for disposal. Therefore, we prioritize this method above others. If we are unable to source treated produced water, whether from our own operations or neighboring operators, we further preserve groundwater by using reclaimed water as our preferred second source. We have access to brackish groundwater wells, and lastly fresh

groundwater wells, but minimize their use in sourcing water for hydraulic fracturing. Freshwater is necessary for drilling until surface casing is set, in order to protect groundwater while drilling through it. This is the area of operations where fresh groundwater use is appropriate, and we preserve groundwater resources consistent with this strategy.

We use freshwater in both drilling and completion operations; however, our freshwater usage reduction target is focused on the use of freshwater within our completions operations. We are also actively pursuing methods of reducing freshwater use in drilling operations consistent with regulatory requirements. Additional information on our use of freshwater in drilling is provided in the **Groundwater Protection** section of this chapter.

Our freshwater reduction targets are supported by our actions, which include:

- Investing in infrastructure that allows us to better utilize non-freshwater sources, including reuse of treated produced water and reclaimed water from the cities of Midland and Odessa
- Avoiding surface water resources
- Continuously monitoring our production and consumption of groundwater
- Maximizing recycled, reclaimed and non-freshwater resources in our operations

Each type of water is ranked by priority, with Tier 1 representing the highest priority. Our ability to decrease our freshwater sourcing as a percent of total consumption to 23% provides evidence that this strategy is effective and viable. Pioneer has prioritized our water sources using the following tiers:

- Tier 1 – Recycled Water (Most Sustainable)
- Tier 2 – Reclaimed Water
- Tier 3 – Brackish Groundwater
- Tier 4 – Fresh Groundwater (2026 Reduction Target)
- Not Used – Surface Freshwater

While other operators define freshwater as less than 1,000 mg/L total dissolved solids (TDS) or less than 2,000 mg/L TDS, Pioneer defines freshwater using a more stringent standard of less than 3,000 mg/L TDS. While we recognize 1,000 mg/L TDS is sometimes suitable, this limit does not realistically capture how water is used in the Permian Basin.

The primary groundwater aquifers used for residential drinking and agriculture throughout the Permian Basin are often higher than 1,000 mg/L TDS. When it comes to protecting groundwater resources, the Texas Commission on Environmental Quality (TCEQ) defines freshwater

as 3,000 mg/L TDS as does the Texas Railroad Commission Groundwater Advisory Unit to define “usable-quality water.” Lower TDS value definitions lack equivalently relevant references, and attempts to cite drinking water standards often leave out that TDS is a voluntary recommendation for municipal providers focused on taste and appearance, not health or usability. While lower TDS makes sense for drinking water taste, it is not an appropriate measure to define where freshwater is sourced, particularly when its use excludes reporting consumption of primary water sources.

Pioneer diligently protects groundwater with required surface casing at the top and bottom of freshwater zones, including the “base of usable-quality water,” which includes water zones containing “generally 3,000 mg/L TDS or less and other waters known to be used or identified as sources of desalination water.”

Future sustainability disclosure standards could further improve reporting by defining consumption based on shared use of regional drinking and agriculture sources; however, because TDS is historically ingrained in many water definitions and currently used in disclosure standards, reporting based on Texas’ usable groundwater TDS value is more appropriate for Permian operations.

The difference between these definitions of freshwater is significant. When applying the 1,000 mg/L TDS limit, as some of Pioneer’s peers have reported in their sustainability reports, the reported freshwater consumption is greatly reduced. If Pioneer used the less stringent 1,000 mg/L TDS definition, Pioneer’s 2022 freshwater consumption was estimated to be less than ~8%, and this number should be used for comparison to operators using the 1,000 mg/L TDS freshwater limit.

The Importance of Properly Defining Freshwater in the Permian Basin

Water Quality (TDS mg/L)	Other Common Oil and Gas Water Disclosure Practices	Pioneer Water Disclosure Best Practice	
0 - 1,000	Freshwater	Freshwater	Highest-quality freshwater; most usable
1,000 - 3,000	Brackish	Freshwater	Important for agriculture and desalination uses in drought-prone and water-stressed areas, particularly over the long-term
3,000 - 10,000	Brackish	Brackish	Currently uneconomic for agricultural use, requires desalination
10,000+	Saline	Saline	

Some oil and gas operator asset portfolios may also include conventional reservoirs that require the recirculation of large volumes of non-freshwater for EOR projects. Reporting practices that include water used for EOR can add large volumes of water into the normalization factors, positively skewing total freshwater intensity as a percentage of total water use. Since our operations do not utilize these EOR techniques, our reported freshwater use reflects the relevant drilling and completion operations and is only comparable to similar operations. The activities of many other operators with conventional assets will make direct comparisons challenging.

Additional water use metrics are provided in the table above and in our *Sustainability Performance Data Table*.

Groundwater Protection

Pioneer designs, drills, completes and maintains our wells to protect groundwater quality and meet or exceed regulatory requirements. Pioneer incorporates measures designed to minimize the risk of groundwater impact, including highly regulated casing and cement designs, safety and monitoring systems, and ensuring ample rock barriers between hydrocarbon and freshwater zones.

Texas regulations require wells be drilled using freshwater prior to reaching the base of protected groundwater. They also mandate that companies ensure the mechanical integrity of wellbore casing and utilize cement barriers. Pioneer performs mechanical integrity testing throughout the well's production life cycle. In accordance with industry standards and best practices, we test the surface casing integrity on all wells we drill.

In addition to the traditional well integrity testing, Pioneer conducts formation integrity testing, an industry best practice. The process begins with isolating usable groundwater zones from the well operations by (1) setting three layers of protective casing from the surface to below usable groundwater resources; (2) circulating cement between the steel casings; and (3) placing cement between the outer casing and the rock formation. The cement is allowed to set before the start of the formation integrity test, where the wellbore is pressurized and monitored to verify isolation and protection. Once confirmed, the drilling operation proceeds to the total depth of the well where a traditional mechanical integrity test is performed.

During the well completion process, Pioneer installs pressure gauges to monitor the annular space between the inner and outer well casing. Pressure readings transmitted from these gauges are monitored 24/7 during the completions phase to ensure constant casing integrity and cement isolation verification throughout the entire job. Additional precautions are taken on the surface, including pressure alarms, pressure relief valves and the utilization of rigorous standard operating procedures. Pioneer monitors 100% of stimulated wells in this manner.

Once our wells move to the production phase, we actively manage well integrity with corrosion countermeasures through a cathodic protection program. Our engineers remotely monitor production well-casing pressures via our SCADA system. This is in addition to

the periodic well-integrity tests mandated by the Texas Railroad Commission. Issues identified through active operational monitoring and testing are resolved through standard procedures and in coordination with the Texas Railroad Commission. Wells may then be included in an active monitoring program, on a case-by-case basis, to verify continued casing integrity. We will monitor, manage and test future wells using these same methods.

Produced Water Management Managing Produced Water

Produced water is the wastewater associated with oil and gas exploration, development and production activities. Pioneer utilizes two methods of managing produced water. One method involves injecting the water into underground reservoirs using water disposal wells. The other method involves treating the produced water at recycling facilities for reuse in completions operations. Pioneer owns and operates most of its produced water infrastructure, including gathering pipelines, water disposal wells and produced water recycling facilities. Pioneer also contracts with third-party operators and midstream counterparties to manage and prioritize water takeaway options in instances where it is not economically efficient for Pioneer to build out its own infrastructure. The prioritization of Pioneer's water management philosophy is listed below.

Pioneer prioritizes produced water takeaway in the following tiers:

- Tier 1: Recycle for use in Pioneer's completions activities
- Tier 2: Recycle for use in other operators' completions activities
- Tier 3: Injection and takeaway

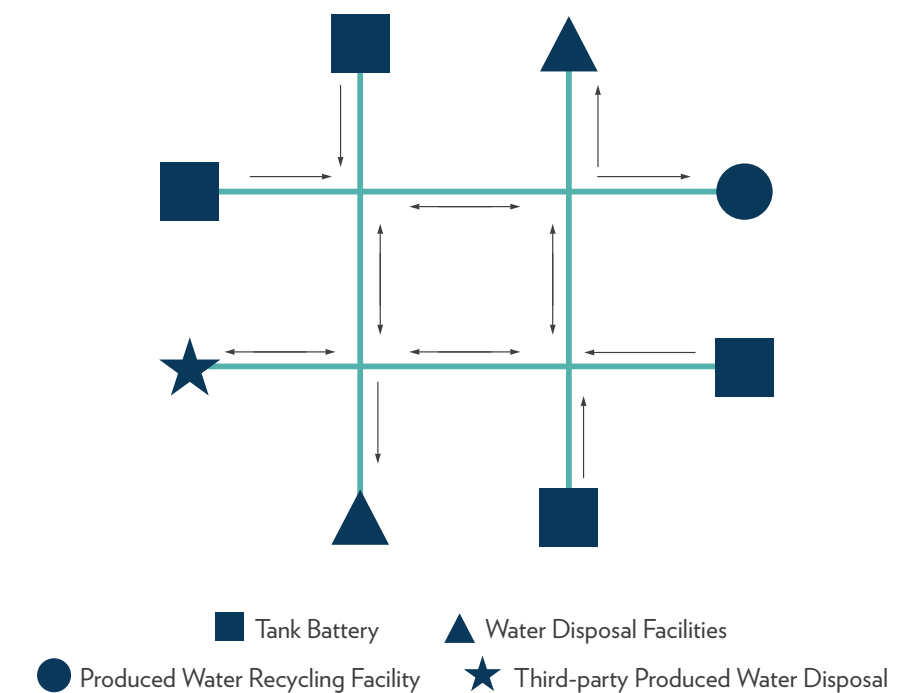
As Pioneer completions operations and water consumption have grown, produced water recycling has become more important.

Pioneer operates pipeline systems that allow us to manage water production according to the tiers above and handle future oil and gas development needs through both Pioneer-owned infrastructure and third parties. Pioneer complies with national and state regulations – including those imposed by the Texas Railroad Commission – on underground injection control regarding injection rate and pressure monitoring, pressure testing, and mechanical integrity testing. Pioneer also takes seismicity risks into account when deciding where to locate water disposal wells using the latest science and our own extensive data.

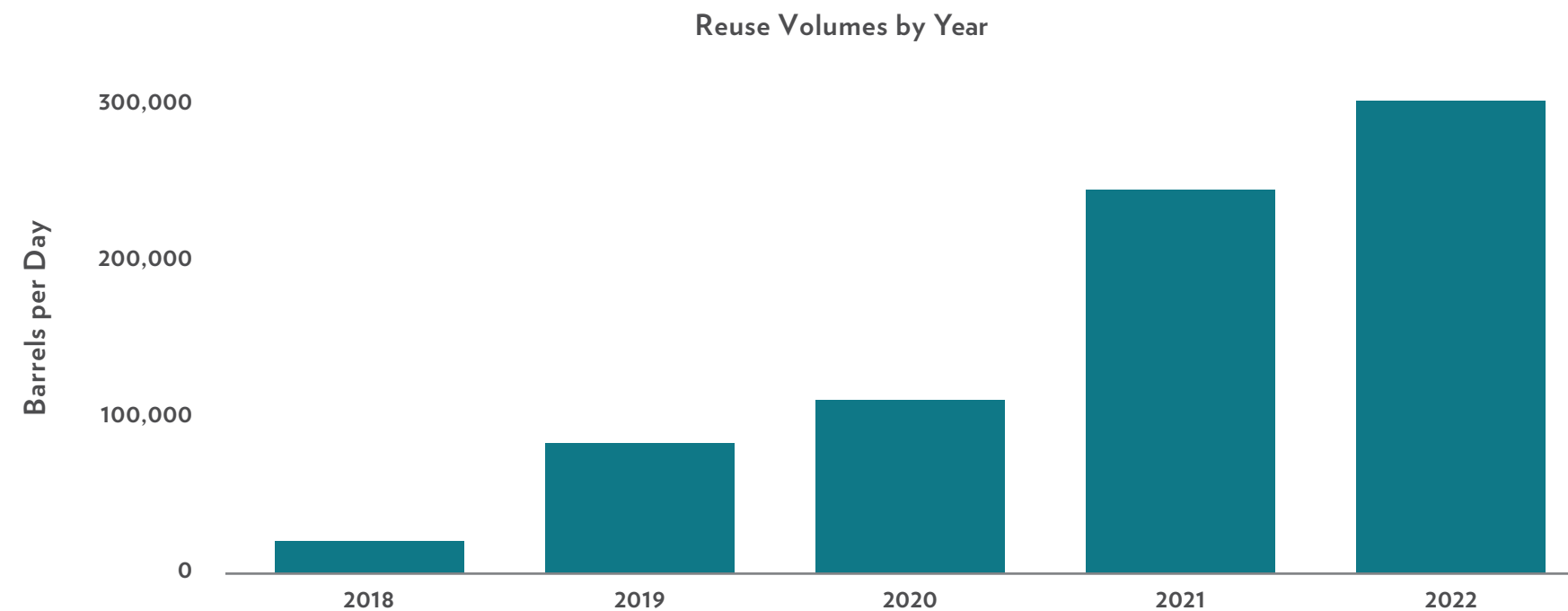
Produced Water Gathering Pipelines and Systems

Pioneer gathers and separates well fluids, including produced water, at centralized facilities, often referred to as tank batteries. After separation, the produced water is transported by pipeline to both water disposal wells and produced water recycling facilities, eliminating the need to truck water. Pioneer connects our produced water gathering pipelines into networked systems where water is aggregated and distributed across multiple disposal wells and recycling facilities.

Water Distribution System



The ability to move produced water within networked systems is key to operating efficiently. Moving produced water in this manner provides operational redundancy, risk mitigation and cost efficiency. Connected systems aggregate water volumes into a larger baseload that provides economies of scale for treatment. Also, connecting to more facilities provides redundancy against downtime on any single facility and produced water takeaway optionality. Our networked systems also provide the flexibility to move water away from areas with significant development or where disposal options are constrained.



Produced Water Recycling

Pioneer utilizes proven and available technology to chemically and mechanically treat produced water to meet standards acceptable for storage and transportation. After the produced water is treated in recycling facilities, it is transferred into Pioneer's mainline supply system where it is stored and transported to completions operations. Recycling simultaneously eliminates the need to source freshwater and inject produced water. Pioneer produces more water than we consume in our operations and therefore cannot rely on recycling alone to manage produced water. Still, Pioneer has increased our reuse of recycled produced water more than tenfold since 2018.

Strategic Flexibility and Future Evaluations

The flexibility provided by Pioneer's produced water infrastructure, combined with our substantial mainline supply infrastructure, allows us to access significant volumes of recycled produced water for hydraulic fracturing. These two systems operate independently but are connected at produced water recycling facilities. Our mainline

supply infrastructure allows us to deliver recycled water to completions operations across our acreage throughout the Permian Basin.

Pioneer is evaluating available desalination technologies and looking for opportunities to progress the potential beneficial reuse and surface discharge of produced water. Pioneer defines beneficial reuse of produced water as the act of using produced water outside of the oil and gas industry, which differentiates it from our current reuse program. This includes creating freshwater for surface discharge, potential agricultural uses, other industrial uses, and any other use that benefits the environment and protects freshwater. Pioneer is pursuing these beneficial reuse efforts through several channels, including engagement with regulatory agencies to understand permitting requirements, technology vendors to understand economic and engineering requirements, consortia to help engage policy makers, and trade groups to collaborate with others.



Seismicity Risks

Research has shown that active management of produced water disposal and seismic monitoring are useful tools to understand induced seismicity (Ellsworth, 2013*). At Pioneer, we use both techniques. Pioneer approaches issues of seismicity proactively by using scientific analysis and collaborating with regulators and researchers. Since 2017, we have monitored seismicity using a proprietary network of monitoring sensors in the Midland Basin, supplemented by Texas' TexNet Seismic Monitoring and the U.S. Geological Survey Earthquake Hazards Program. In the last two years, we have installed additional sensors throughout the Midland Basin. These seismometers allow us to better understand earthquakes and related risks.

Pioneer complies with federal and state regulations regarding underground injection control. We actively engage with state regulators and industry groups, including the Texas Railroad Commission, to address seismicity concerns. Pioneer works closely with other operators and the Texas Railroad Commission to develop science-based approaches addressing seismicity, create contingency responses for seismic events and determine how to best work with regulatory agencies.

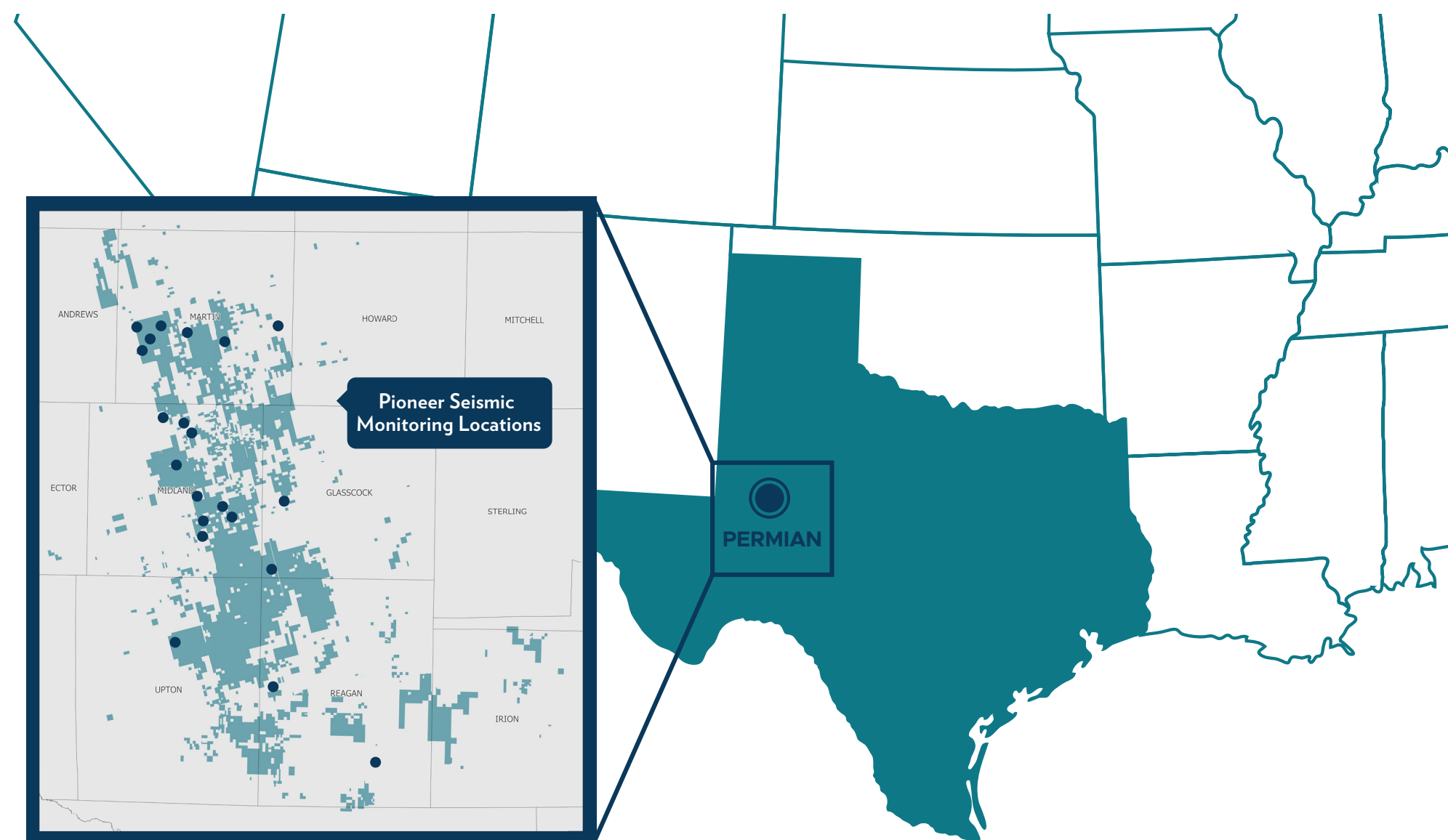
Recently increased seismic activity has been observed throughout the Permian Basin. Proactive industry collaboration with state regulators and research institutions has contributed to mitigation actions by the Texas Railroad Commission. These efforts have promoted operational transparency, increased seismic monitoring and allowed for continued responsible disposal operations, along with disposal restrictions in certain areas of the basin.

Although very few of Pioneer's disposal wells have been impacted by regulatory restrictions, we take a proactive approach to address seismic activity in our areas of operation. In Seismic Investigation Regions, as defined by the Texas Railroad Commission, we use our water infrastructure and third-party takeaway to provide flexibility in water reuse and alternative disposal options away from these regions. The primary focus is to use produced water for completions operations, followed by alternate disposal zones or regions that do not contribute to seismicity. Additionally, we continue to evaluate desalination technologies that could provide a better long-term solution for produced water that cannot be reused in our operations. Using the

latest science and taking advantage of our extensive subsurface data to improve our operational knowledge, Pioneer incorporates seismicity risks in the election of both our future production and disposal well locations. We contribute funding and provide data to leading independent seismological researchers at the Stanford Center for Induced and Triggered Seismicity and the University of Texas Center for Induced Seismicity Research. In 2022, Stanford Center for Induced and Triggered Seismicity research made important scientific contributions regarding seismicity risk. Specifically, the researchers gained insight

into the management of injection-induced seismic risk, and the use of machine learning for induced seismicity using local, regional and international case studies.

Additionally, our collaboration with the University of Texas Center for Induced Seismicity Research has continued to provide research and resources regarding the characteristics and mechanisms of seismicity, subsurface interpretation, basin modeling, engineering and hydrology.



*Ellsworth, W.L. (2013) Injection-Induced Earthquakes. Science, 341, Article ID: 1225942. <https://doi.org/10.1126/science.1225942>



Chapter 7

Landscape Stewardship

Pioneer is committed to minimizing and reclaiming surface areas impacted by our operations. After removing well production equipment, we work to return locations back to landowners.

Biodiversity Conservation

Pioneer respects the environment and we are committed to protecting biodiversity within our areas of operation. We recognize the importance of biodiversity conservation and endeavor to minimize our impact on these areas. Pioneer identifies and manages risks and impacts to biodiversity through business decisions, plans and operations by fostering a culture of environmental stewardship and proactive procedures to ensure compliance with regulatory requirements.

As part of Pioneer's dedication to biodiversity, we have developed and published a *Biodiversity Stewardship Commitment* applicable to all employees. Pioneer expects contractors, vendors and suppliers conducting business on Pioneer-operated property to identify and manage their own biodiversity impacts in collaboration with Pioneer and to maintain a biodiversity commitment that meets or exceeds our commitment. Additionally, this commitment will be implemented in accordance with Pioneer's Health, Safety and Environmental Management System.

Biodiversity Management Plan

Pioneer’s plan for biodiversity management will include key performance indicators for monitoring biodiversity. In addition to our evaluation of key performance indicators, 100% of active Pioneer-operated well locations in 2022 have been reviewed for biodiversity importance. These reviews utilize biodiversity-specific geospatial layers to score our locations based on biodiversity richness and imperiled biodiversity richness to better understand operational impact of our activities. Based on that review, 1% of our sites are located in close proximity to critical habitat. Of those sites located within close proximity to critical habitat, 100% are covered under a biodiversity management plan.

Pioneer has reviewed 100% of operated well sites for biodiversity importance

99%



1%

1% of the reviewed sites are classified as critical habitat¹

¹“Critical habitat” as defined by the U.S. Fish & Wildlife Service critical habitat areas and the Western Association of Fish and Wildlife Agencies LPC (WAFWA) mitigated habitat range.

Our management practices listed below are informed by the four-tiered mitigation hierarchy approach as defined by the International Finance Corporation’s *Performance Standards on Environmental and Social Sustainability*.



1. AVOID

We **avoid** negatively impacting ecological features by conducting multiple, preemptive assessments.



2. MINIMIZE

We **minimize** the adverse impact when ecological features are unavoidable and take necessary steps to administer mitigation measures when applicable.



3. RESTORE

We **restore** when our operations impact critical habitat.



4. OFFSET

We **offset** by generating new habitats and promoting species conservation.



Tier 1: Avoid

“Avoidance” is the best description of our approach and overall strategy for landscape and biodiversity conservation during the development of drilling locations, well pads and associated tank batteries. Wherever feasible, we refrain from operating in protected areas. We seek to use our broad industry experience to provide environmentally responsible solutions. Pioneer teams engage with national, state and local government organizations and regulators; partner with researchers, consultants and universities; and source and explore new technologies to apply progressive solutions to protect habitats and species. For years, we have taken stewardship lessons learned from our prior operations in Alaska, Colorado, Canada and the Gulf of Mexico, applying them to the Permian Basin.

Risk Tool

In addition to our desktop review, which is detailed in our Biodiversity Stewardship Commitment, we have developed tools to further evaluate potential environmental risks.

These supplementary risk tools include, but are not limited to, sensitive areas, estimated depth to groundwater, soil permeability, regulatory considerations and proximity to potential receptors. Potential receptors could include water wells, residential areas, public areas or other areas warranting further review, based on aerial imagery. Use of these available tools ensures that our construction and operational activities avoid sensitive areas, while also reducing the risk for additional environmental impacts.



Tier 2: Minimize

Pioneer Water Management's Wildlife Mitigation Plan

PWM uses several measures to protect wildlife, including siting decisions, preconstruction reconnaissance and wildlife impact avoidance measures. The PWM Wildlife Mitigation Plan outlines additional mitigation actions to support our overall mission to drive continued environmental stewardship. Under the PWM Wildlife Mitigation Plan, in-field observations drive corrective measures, including the training to recognize wildlife issues and respond appropriately. Wildlife observations during inspections are logged to monitor wildlife presence and changes over time. All workers and contractors are trained in, or informed of, the following:

- Identification of species of interest
- Who to contact when a wildlife issue is observed
- Prohibited actions, including the harassment/collection of any wildlife
- Limitation or elimination of unnecessary lights
- Rules on speed limits and designated smoking areas
- The PWM Wildlife Mitigation Plan, which provides our employees an adaptive management approach to make informed decisions on wildlife observations

Reducing Our Footprint

As Pioneer operations grow in the Permian Basin, our sustainable development practices allow us to drill many more wells on the same well pad than previously possible. Multi-well pads present opportunities to mitigate risks and impacts, while supporting our overall sustainability strategies and goals. Needing only one quarter of an acre per well translates to, in some cases, more than an 80% reduction in surface impacts. Decreasing the area of impact by pad construction and reducing the need for additional roadways limits surface impact and habitat fragmentation.

Similar to decreasing pad sizes, as lateral lengths extend, the number of wells required to capture the resource decreases. We are studying how to achieve an optimal number of wells per pad to accommodate needed well spacing, reduce our surface impact and boost capital efficiencies.

As the number of wells drilled on each well pad increases, and the length of those wells increases, the number of spills, habitat risk, truck traffic and waste generated decreases.

MULTI-WELL PADS AND LONGER LATERALS

By increasing the number of wells per pad and the lengths of those wells, we can decrease the magnitude of surface risks and impacts such as these:

Activity Type	Activity Associations	Positive Impact of Multi-well Pads and Longer Laterals
Habitat	Disturbed surface acreage	Significant reduction in area impact
	Permitting and compliance risks	Impact avoidance limits need
	Sensitive area impacts	Proactive assessment avoidance
Truck Traffic	Roadway safety	Reduction in truck traffic
	Fuel consumption	Saved capital costs in fuel purchases
	Air emissions	Reduction in truck emissions
Waste Consolidation	Waste generation control	Site efficiencies reduce waste generated
	Waste-handling management	Fewer waste-stream control points
	Capital efficiency	Improved waste-control expenses
Pipeline Utilization	Air emissions	Minimization of liquid transfer emissions
	Roadway safety	Reduced transport truck traffic
Spills	Fewer rig moves	Fewer chances for spills to occur
	Standardization and efficiency mindset	By maintaining standard equipment, standard practices are more effective



Tier 3: Restore

Pad Reclamation

Pioneer's pad reclamation program evaluates our horizontal well site inventory to find eligible pad downsizing opportunities based on operational criteria. Excess pad material can be harvested and reused in new site construction, offsetting the volume demand from new material sourcing, which has resulted in more than 14 tons of material reused.

Surface Reclamation

Pioneer is committed to minimizing and reclaiming surface areas impacted by our operations. After removing well production equipment, we work to return locations back to landowners.

Achievements:

- Reduced our overall footprint and risk of spills and environmental exposure in the field by completely removing surface equipment from well sites, including pumping units, flowlines and other production equipment
- Removed surface flowlines to eliminate the potential for fluid releases and recycled poly material
- Increased native reseeding efforts in areas impacted by our operations

Native Seed Program

Native seeding offers many ecological benefits to pollinators and West Texas grassland species. Pioneer continues to work with Texas A&M University-Kingsville to collect ecologically representative native seeds from large areas where we are the surface landowner. We have identified four distinct native seed mixes applicable across Pioneer's operational areas. Our drilling and construction groups utilize these native seed mixes to reclaim surface land where possible.



Tier 4: Offset

Conservation Agreement

Pioneer is a founding contributor of the Candidate Conservation Agreement with Assurances (CCAAs) for the pre-listing conservation of the lesser prairie chicken. CCAAs are formal, voluntary agreements between the U.S. Fish and Wildlife Service (USFWS) and one or more parties. In the case of the lesser prairie chicken, the Western Association of Fish and Wildlife Agencies (WAFWA), an association of 24 U.S. states and Canadian provinces, formed a partnership with wildlife management agencies in the five lesser prairie chicken states of Colorado, Kansas, New Mexico, Oklahoma and Texas to formalize and fund a CCAA, representing over \$65 million in initial conservation enrollments from oil and gas industry members who adopted the CCAA. By working under the CCAA, Pioneer can select locations that minimize or avoid impact to our operations.

In the limited areas where habitat avoidance is not possible, the CCAA program allows Pioneer to generate habitat impact offsets while maintaining our development plans and promoting lesser prairie chicken conservation. Prior to the USFWS listing the lesser prairie chicken as endangered, Pioneer enrolled an additional 11,865 acres into the lesser prairie chicken CCAA. Pioneer will continue to work with regulators, agencies, WAFWA leadership, industry partners and our agricultural community partners to ensure long-term success of the lesser prairie chicken population. For additional information, see the Range-wide Oil and Gas Candidate Conservation Agreement with Assurances for the Lesser Prairie Chicken *2021 Annual Report*.

Endangered Species

Although endangered species could potentially affect our ability to operate in certain areas, Pioneer continues to protect threatened species by:

- Utilizing CCAAs for protecting threatened and endangered species like the lesser prairie chicken
- Working to avoid surface water resources

Well Plugging and Facility Retirement

As older wells become less economic, oil and gas operators must decide how to dispose of those assets. Pioneer prides itself in designing and constructing facilities that minimize environmental impact. However, facility engineering has improved with time and experience, and older wells and tank batteries pre-date many modern control measures. Our operating and maintenance programs ensure that legacy facilities function with environmental integrity, but if they are sold instead of retired, we cannot ensure that stringent management practices will remain in place. Pioneer chooses to retire legacy facilities from service as opposed to selling them to another operator. Since 2021, Pioneer has plugged over 1,100 wells.

Waste Management

Waste reduction is an important goal for our company. Pioneer strives to minimize all waste associated with our operations. We continue to improve how we manage our waste and strive to minimize our waste by eliminating or reducing identified waste streams, including hazardous waste. In addition, we continue to improve reuse and recycling in our operations and strive to decrease disposal in landfills.

Pioneer's waste tracking system provides a detailed compilation of the waste generated by our operations. This system assists Pioneer in identifying, consolidating and quantifying companywide waste streams while also developing processes for reporting, waste-minimization planning and final target-setting.

Waste Management Best Practices

We continually evaluate waste minimization process improvements. We strive to minimize hazardous waste generation at our facilities through:

- *Tracking waste:* We continue to develop and improve the company-wide electronic waste management system to streamline waste tracking and processing of wastes
- *Supplier coordination:* We utilize strategic contracts with chemical providers to require that products are purchased on an "as used" basis whereby the chemical provider maintains possession of unused chemicals and subsequently manages the waste responsibility
- *Chemical management programs:* For products and chemicals purchased wholesale, our environmental staff makes efforts to coordinate with chemical providers on "intended use," along with the reuse of chemicals or recycling of unused chemicals
- *Waste minimization plans:* Our environmental specialists work in partnership with each functional team to manage and maintain proper waste management activities, including, training, waste reporting, waste minimization and reuse plans, waste characterization, transportation, and disposal manifesting

Waste Management Performance

Following the acquisition of Parsley Energy and DoublePoint Energy in 2021, Pioneer conducted a review of hazardous waste tied to the assets prior to their acquisition and properly disposed of the waste as one-time shipments in 2022. That same year, Pioneer generated no hazardous waste in our operations. We continue to minimize our annual hazardous

waste generation and maintain a Very Small Quantity Generator status as defined by the EPA, which requires us to:

- Generate less than 1,000 kilograms (1 ton) per month of hazardous waste
- Identify hazardous waste generated
- Not accumulate more than 1,000 kilograms (1 ton) of hazardous waste at any time
- Maintain proper handling and disposal

Recycling – Pioneer recycled more than 9 million pounds of solid waste in 2022, a 55% increase in recycling from the previous year. Pioneer's recycling program has grown in scope from recycling only metal to recycling metal, poly materials, e-waste and other plastics from our operations as part of our continuous effort to improve our waste-recycling program.

Chemical Use – We have reduced the amount of chemicals we use in our hydraulic fracturing and are using fewer individual chemicals. Using fewer chemicals significantly improves logistical management and reduces opportunities for chemical-handling incidents to occur. Innovations in well completion fluid designs have also positively impacted our freshwater reduction efforts. Another example of using improved technologies to gain efficiencies is our upgraded drill rig shakers. Shakers are a drill rig system component that removes the solid rock cuttings from the liquids extracted from the well. These new and high-grade shakers are more efficient in circulation and fluid retention compared to standard shakers, which means we recycle more fluid throughout the drilling process, providing notable capital savings.

Material Reuse – Pioneer partners with a third party to recycle scrap poly pipe made of high-density polyethylene. High-density polyethylene is known as Plastic #2 within the U.S. recycling system and is used to manufacture various products such as recycling containers, dog houses, shampoo bottles, pens and other household goods. Last year, Pioneer diverted more than 3.2 million pounds of high-density polyethylene pipe to our third-party partner that would have otherwise been directly disposed of in a landfill.

Additional metrics are provided in Pioneer's *Sustainability Performance Data Table*.





Spill Management

Pioneer believes all spills are preventable. We design, build and operate our facilities and equipment with spill prevention in mind. Our HSE Commitment, formalized in our HSE Policy, outlines how we take a proactive approach to managing spill-related risks and reducing spills. Specifically, we invest in containment equipment, conduct inspections and remote monitoring, and comply with spill preparedness and response regulations. We require the internal reporting of all environmental incidents, including spills.

See Pioneer's Spill *Management Policy* for more details.

Spill Management Best Practices

Pioneer monitors performance and develops measures to prevent future incidents. We reduce spills throughout our operations by striving to:

- Improve understanding of spill causes and establish processes for reducing the frequency and spill volumes
- Promote actions that reduce our environmental footprint
- Instill incident management as a central principle for working at Pioneer

We implement these objectives by:

- Actively managing incidents consistently across the company
- Monitoring environmental incident metrics
- Setting reduction targets
- Communicating successful solutions and practices throughout the company
- Developing guidelines/procedures for proactive prevention
- Providing monthly briefings of high-risk environmental incidents, root cause investigation findings and recommendations to the HSEC

Pioneer requires the internal reporting of all environmental incidents, including spills. Our compliance specialists, operations partners and HSEC are dedicated to studying past incident findings and identifying operational or engineering safeguards that could aid in preventing future

incidents. Pioneer monitors performance and develops measures to prevent future incidents. Pioneer contains spills when they do occur by:

- Recovering spill volumes, where possible, through short-term spill response activities that meet or exceed regulatory requirements
- Investing in containment equipment
- Complying with spill preparedness and response regulations

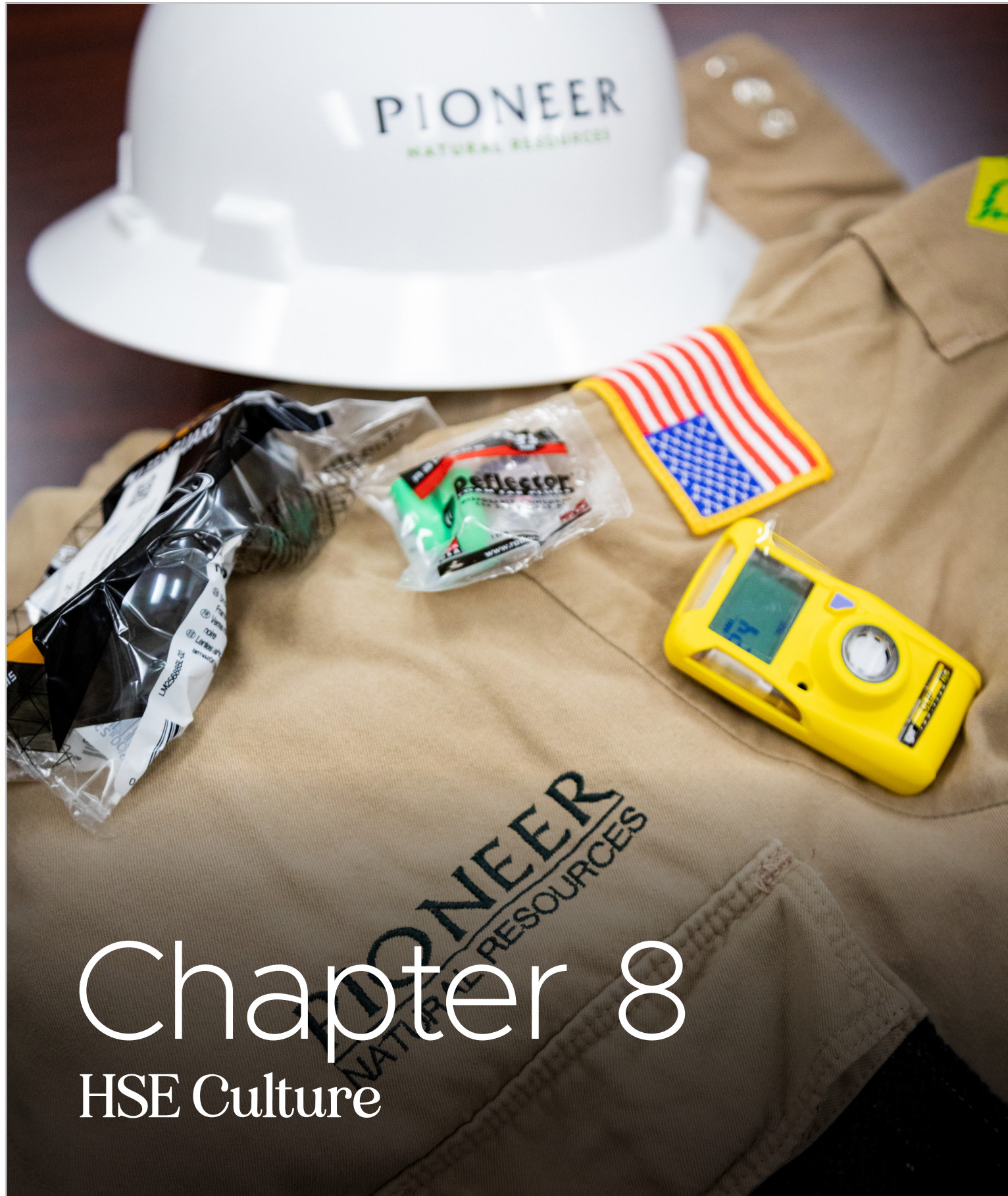
Spill Management Performance

In the event of a spill, spilled volumes are recovered, where possible, through short-term spill response activities that are designed to meet or exceed regulatory requirements. Since 2020, the number of hydrocarbon spills within our operations have increased, principally related to acquired assets. In order to reduce future spills, we are retrofitting the acquired assets to meet the standards for our operations.

Pioneer has made improvements to better understand the impact of our spills. Category selection was formerly based on the worst outcome, resulting in an exaggeration of the percentage of our spill volumes released to habitat. For instance, if even a small percentage of the spill left the facility, the entire release was categorized as having impacted habitat. Beginning in December 2021, gross spill volumes are allocated by percentage to four degrees of containment: lined containment, unlined containment, facility pad outside of containment or habitat. In 2022, 14% of liquid hydrocarbons released impacted habitat.

Our reporting improvements provide us with an opportunity to better understand the effectiveness of spill-control methods and reduce environmental risk.

Spill metrics are provided in the *Sustainability Performance Data Table*.



Chapter 8

HSE Culture

“

No job is so urgent or important that it cannot be done safely and in a manner that is environmentally sound.

We are dedicated to protecting the occupational health and safety of all Pioneer stakeholders and minimizing our adverse impact on the environment by applying high standards, following leading corporate policies, and conducting business responsibly and ethically. Our HSE philosophy states: “No job is so urgent or important that it cannot be done safely and in a manner that is environmentally sound.” As reflected in our HSE and ESG Commitments, the key to managing our corporate reputation is our commitment to doing the right thing and acting with integrity.

For more information, see our *HSE Commitment*.

HSE Best Practices

Our HSE vision has two programmatic components:

Safely8760

There are 8,760 hours in a year. We ask our employees and contractors to be mindful of health and safety every hour of every day, whether we are at work or at home.

Stewardship365

Our environmental initiative focuses on our responsibility to environmental stewardship each day of the year, whether at work or at home.

Our **HSE Policy** covers all Pioneer operations and aligns with our Health, Safety and Environmental Management System (HSEMS). Pioneer emphasizes a corporate culture – in the office and in the field – that values health, safety and environmental stewardship. Our HSE Policy also expects that contractors, suppliers and service providers maintain HSE policies that meet or exceed our policies. See Pioneer’s **Approved Contractor Process Policy** for more details.

Pioneer is committed to sending our workforce home safely every day and has established HSE programs focused on high-risk areas. Our HSE team utilizes data to correlate incidents to risks, driving actions that help keep Pioneer employees and contractors safe.

- We work to prevent the occurrence of incidents through robust HSE risk management
- All HSE incidents are required to be reported to managers, no matter how small
- We investigate, learn from and develop corrective actions to reduce the likelihood of incident recurrence

Pioneer believes all HSE incidents are preventable. If an event occurs, we actively work through established processes and emergency management programs to understand and address the root cause(s) and prevent recurrence in the future.

HSE Management System (HSEMS)

Our HSEMS provides an organized approach for HSE activities, while supporting Pioneer’s vision of a workplace that positively impacts our employees and communities.

Our current HSEMS consists of 13 elements that set HSE expectations, provide an avenue for employee engagement and drive HSE performance improvement. The elements are categorized by three levels of maturity: (1) fundamentals (least mature), (2) building skills and (3) continual improvement (most mature), starting with fundamentals first, then building up through the levels.



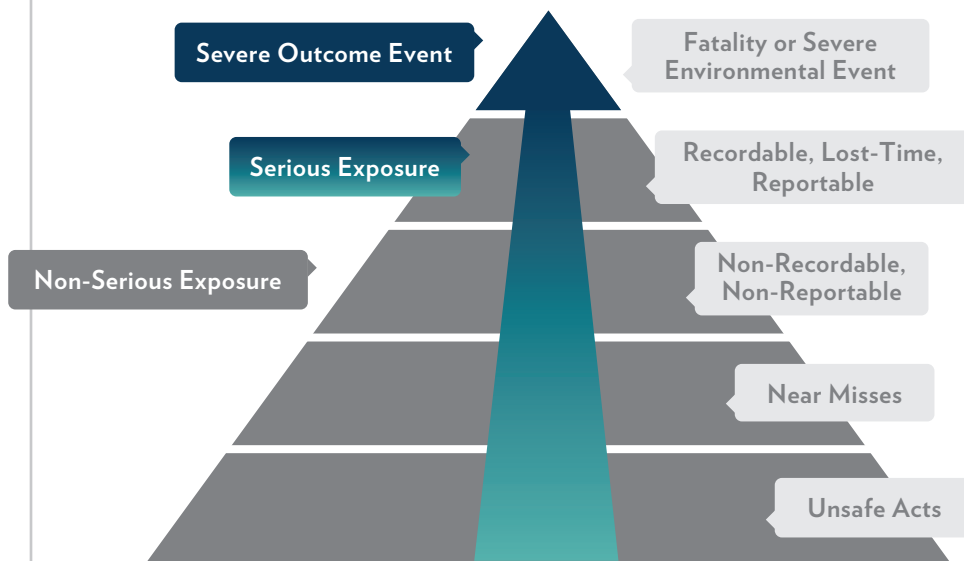
In 2022, our HSEMS was assessed by a third party to measure alignment with International Organization for Standardization (ISO) 14001 and 45001 and International Association of Oil & Gas Producers (IOGP) 510. Using the assessment findings and recommendations, Pioneer established a three-year plan to further align with both ISO 14001/45001 and IOGP 510.

That same year, Pioneer also launched an updated HSE leadership training called Continuing the Journey. This training strives to improve our HSE leadership by growing frontline leaders' knowledge and skills to:

- Actively listen and discuss HSE concerns, visibly act to resolve issues and plainly communicate outcomes
- Understand the impact they have and actively monitor, continually reinforce and decisively act to improve the HSE culture
- View incidents and events as learning opportunities to understand how the management system or HSE culture may be improved instead of finding who to blame or who made a mistake
- Question the status quo in a manner that creates an environment where it is easy for people to raise concerns

Learn more about our HSE Management System in Pioneer's **HSE Commitment**.

SERIOUS EXPOSURE METHODOLOGY



Serious Exposures

When any HSE incident or near-miss occurs, Pioneer follows an HSE event management process, which includes:

- A thorough investigation, root cause analysis and corrective action(s) to prevent recurrence
- Lessons learned from incidents are shared with Pioneer employees and contractors

Similar to a Serious Incident and Fatality (SIF) program at other companies, Pioneer's Serious Exposure program focuses on identifying and investigating incidents or near misses that had the potential to result in a fatality or life-altering/life-threatening injury or illness – and Pioneer also includes incidents that result in a significant environmental impact. This demonstrates how we prioritize the highest-risk events, bringing increased visibility and proactive, consistent solutions to these more urgent situations.

Our executive leadership continues to drive this initiative forward to demonstrate our deeply held commitment to *Safely8760* and *Stewardship365* principles. Monthly review meetings share lessons learned across the organization, identify actionable preventative measures, develop a stronger culture around serious exposure awareness and prevention, drive accountability from the top down, and improve corrective action efficacy.

HSE Performance

The oil and gas industry continued to face multiple challenges in 2022, including sharp volatility in oil demand, supply chain constraints and workforce experience levels, with many in the workforce who were new to the industry or their assigned duties. These factors led to an increased opportunity for HSE exposures. In the face of these challenges, Pioneer continues to respond by prioritizing the health and safety of our workforce.





Employee Safety

The employee Total Recordable Incident Rate (TRIR) and Serious Exposure rates increased year-over-year for 2022. However, when taking a closer look at the Occupational Safety & Health Administration (OSHA) recordable events, it was noted that the majority of the events had minor outcomes and/or occurred at administrative locations. The increase in the serious exposure rate identified opportunities for improvement, which are being addressed with our annual strategic health, safety and environmental goals. This approach is designed to ensure that we continue to prioritize the highest-risk events, bringing increased visibility and proactive, consistent solutions to these more urgent situations.



Motor Vehicle Safety

At Pioneer, the desire to improve, even in areas where we already succeed, means we are constantly exploring innovative ways to positively impact our driver and transportation safety culture. Pioneer seeks to provide proven, sound and effective practices to our employees through education, training and sharing best practices. Our goal is to place our employees in the best possible situation to proactively engage in problem-solving prior to driving, and remain alert, educated and engaged while actively on the road. We leverage our HSEMS, which allows us to use a comprehensive approach as we execute and improve our driver and transportation safety culture.

Pioneer expects all motor vehicle incidents to be reported, regardless of severity. Pioneer defines a motor vehicle incident (MVI) as any incident involving a company owned/operated motor vehicle, in gear and under physical control of the driver. Reportable MVIs that count toward the overall rate are incidents where a Pioneer employee or third-party sustains an injury that requires medical treatment beyond first aid and/or where a company or third-party vehicle cannot be safely driven from the scene. Pioneer continues to maintain a low motor vehicle incident rate (MVIR) even as activity levels have increased.



Award-Winning Driver Safety

For the fifth year in a row, the National Safety Council and the Texas Department of Transportation have honored Pioneer with the Texas Employer Traffic Safety Award. As the National Safety Council stated in its award notes, Pioneer is “a leader in the area of traffic safety and an example for Texas employers statewide.”



Contractor Safety

The contractor TRIR for Pioneer locations increased in 2022; however, when looking at our contractor serious exposure performance, there was a 12% improvement year-over-year. Pioneer contractors have realized those results through a focused shift towards risk-based proactive cultures and continuous improvement of the five Pioneer contractor program elements: pre-qualification, selection, onboarding, evaluation, and monitoring and decommissioning.

Contractor Partnership Program

Pioneer’s Contractor Partnership Program is a documented contractor relationship-building program between Pioneer field leadership and a contractor’s leadership. The purpose of our Contractor Partnership Program is to increase accountability for HSE performance, improve communication of key HSE messages and implement proactive measures to foster risk mitigation and incident prevention.



HSE Training

Our HSE training program covers both compliance and cultural HSE topics, ranging from incident management to confined space to behavior observations. The training curriculum follows OSHA standards and includes both new-hire orientation and ongoing training for our employees. Pioneer’s program assigns targeted training based on each employee’s pre-defined exposure ranking for a more meaningful learning experience. In 2022, Pioneer dedicated tens of thousands of HSE training hours to educating our highest-exposure frontline employees. A complete list of Health and Safety performance metrics is provided in the ***Sustainability Performance Data Table***.



Pioneer’s foundation and long-term success is built on the tenets of honesty, mutual respect, accountability, innovation, inclusion and communication. We celebrate our people as unique human beings with vibrant perspectives, experiences, identities and contributions.

Pioneer is committed to delivering strong operational and financial results. We accomplish these goals in a safe, environmentally sound and socially responsible way, thanks to our most important asset – our people. We’ve built a people-focused culture and recognize the importance of attracting, retaining and developing the best talent in the industry so employees can grow in their careers while successfully executing Pioneer’s goals and initiatives. Our approach is underscored by our longstanding commitment to creating a diverse, equitable and inclusive environment where all employees can feel a sense of belonging.

We are also passionate and steadfast when it comes to improving and supporting our communities. We engage all stakeholders in a transparent, authentic and respectful manner. By taking a personal approach with our employee and community stakeholders, we build strong relationships and an environment of transparency and trust, which is reflected in our business goals and results.

Our Employees

Pioneer Demographics

In 2022, women represented 25% of our workforce, including 28% of senior executives and 31% of our Board. The overall population of racially diverse employees has decreased since 2019 due to the sale of Pioneer’s integrated service companies; however, we continue to achieve steady growth since then within senior executive and Board representation. Pioneer actively leverages our Campus Recruiting program to diversify our pipeline of incoming talent. The Executive Committee purposefully reviews the demographics of our employee base and intentionally monitors the advancement of diversity at all levels of the company. Increased awareness of the demographic trends throughout the talent life cycle can give us insight into the future of the company and enable us to provide opportunities for all employees, ensure all voices are heard and better outcomes reached, all while we meet our DEI representation goals.

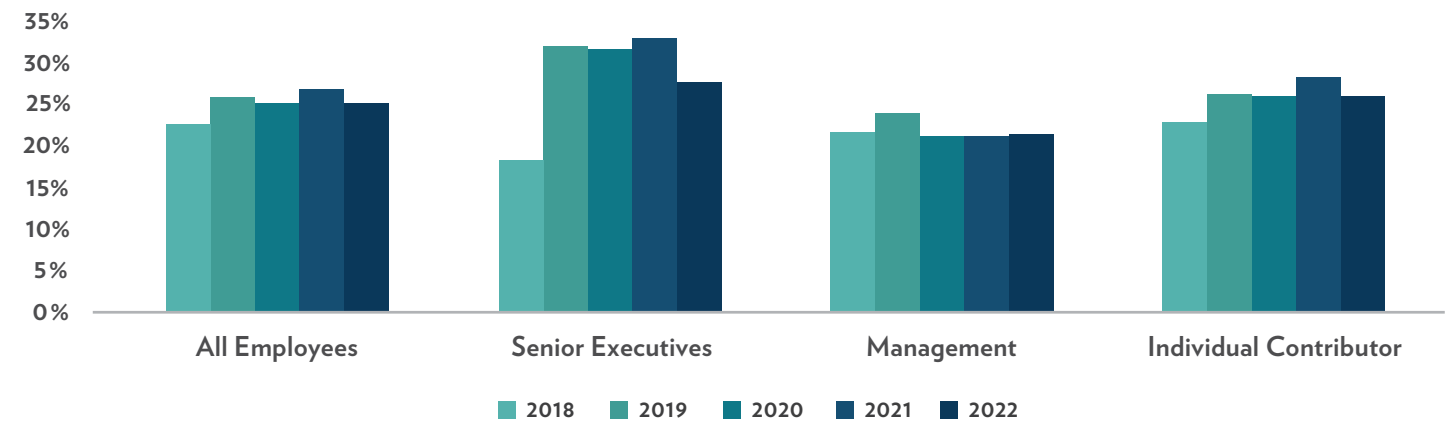
Equal Opportunity Employment

Our Equal Employment Opportunity policy provides equal employment opportunity for all qualified employees and applicants without regard to race, color, sexual orientation, gender or gender identity, religion, national origin, disability, veteran status, age, marital status, pregnancy, genetic information, or any other legally protected status. Pioneer does not and will not discriminate against any qualified employee or applicant based on any of the aforementioned factors.

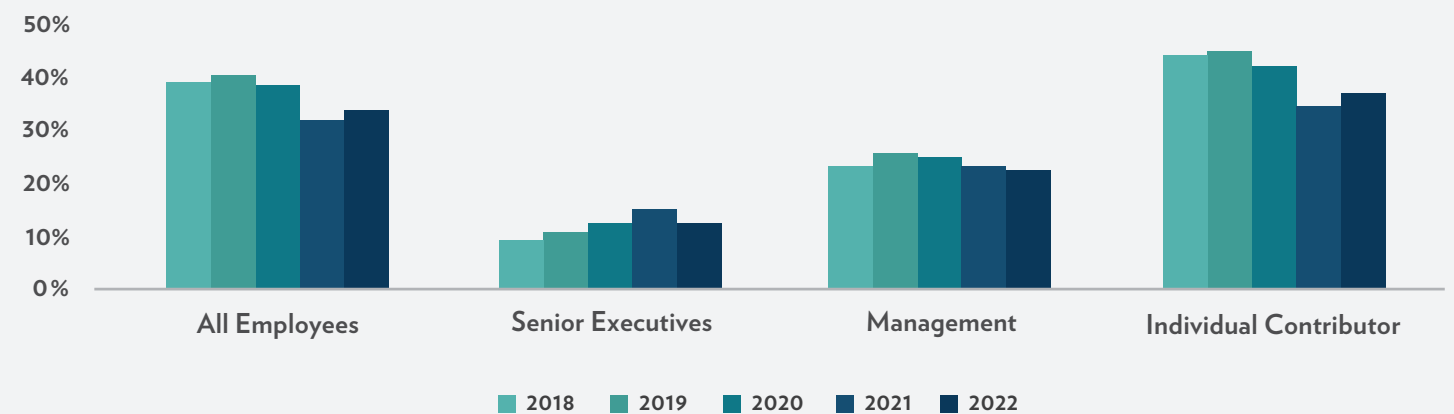
Pioneer included sexual orientation and gender identity in our antiharassment and discrimination labor practices ahead of the 2020 U.S. Supreme Court ruling, which upheld those protections within the Civil Rights Act of 1964. We are also a proud member of the Business Coalition for the Equality Act. The coalition includes leading U.S. employers that support the Equality Act, federal legislation that would provide the same basic protections to LGBTQ+ people as are provided to other protected groups under federal law.



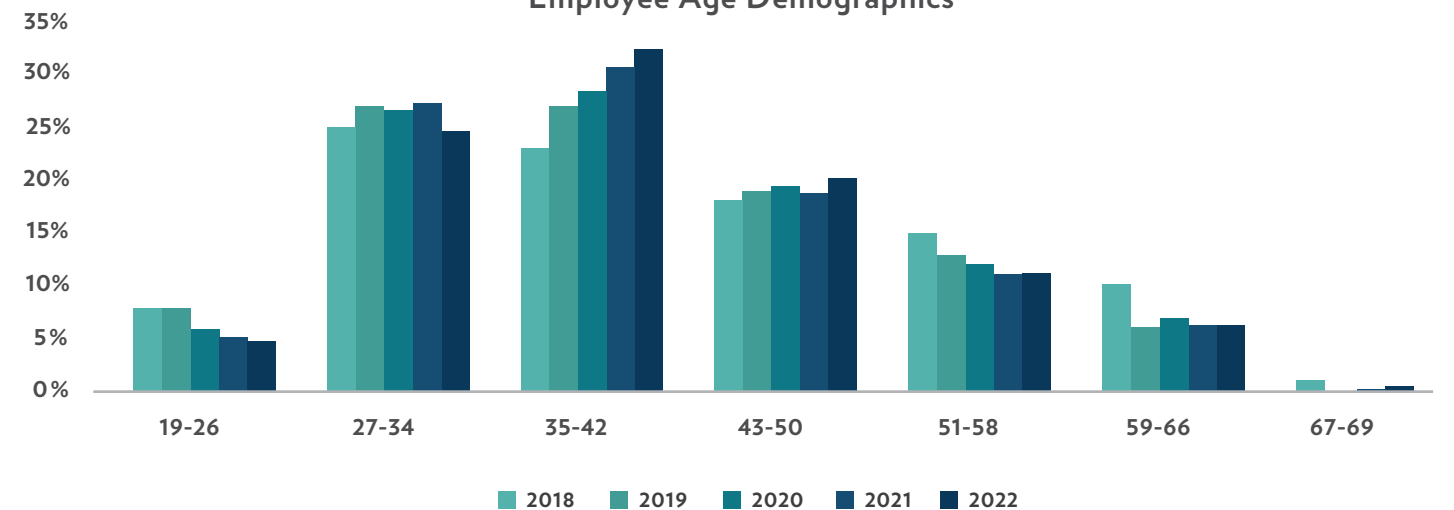
Women at Pioneer (as a % of workforce category)

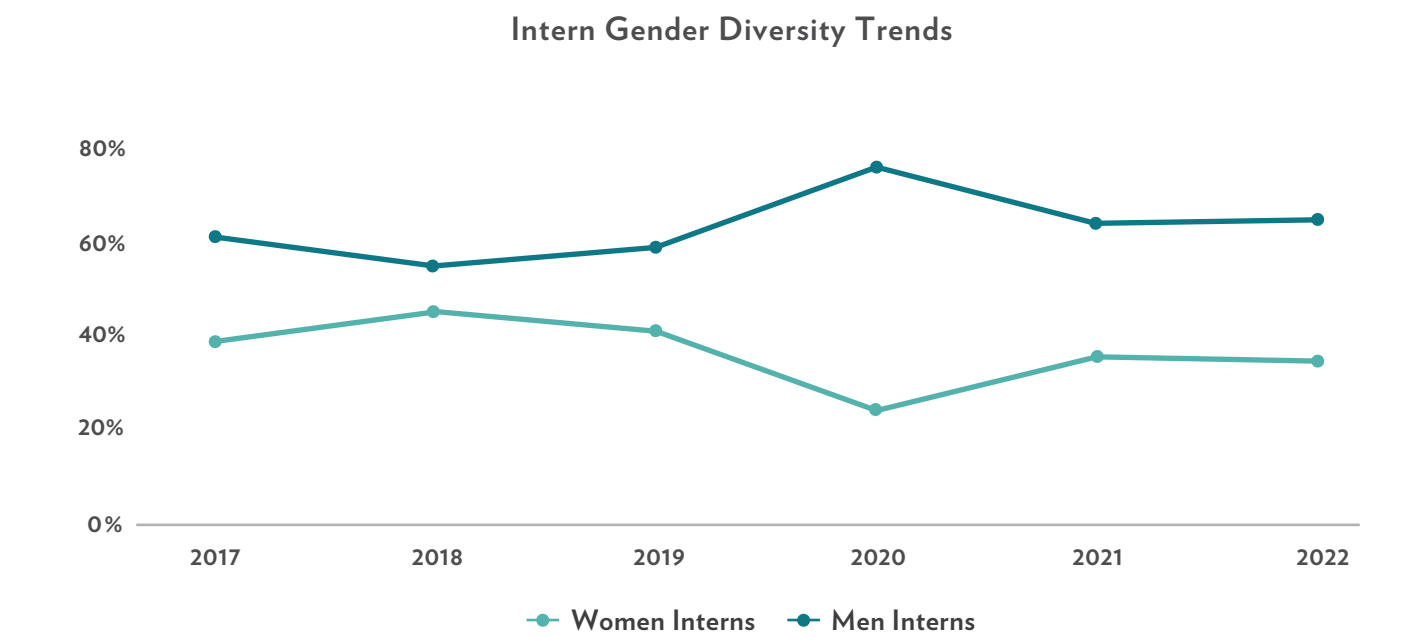
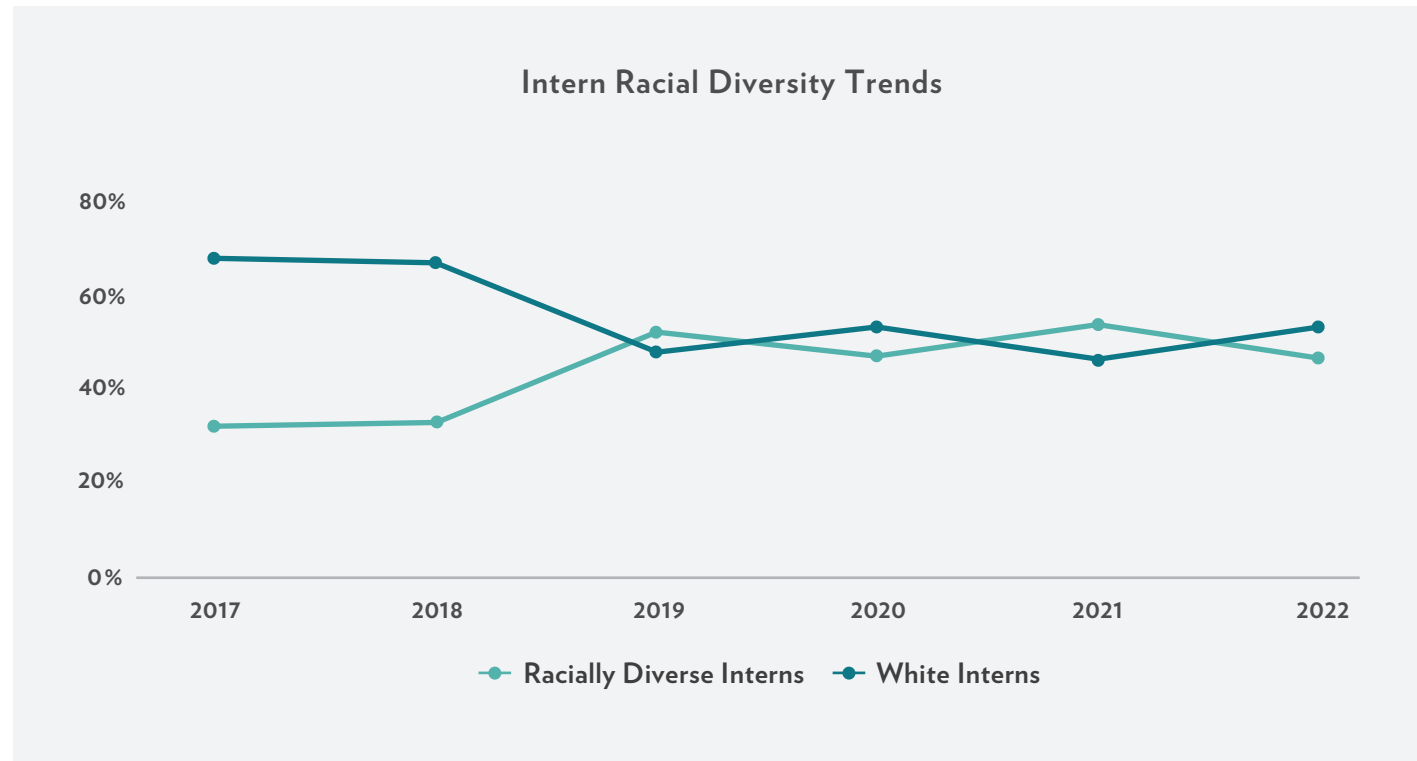


Racial Diversity at Pioneer (as a % of workforce category)



Employee Age Demographics





Engagement and Development

Investing in Our People

Pioneer’s foundation and long-term success is built on the tenets of honesty, mutual respect, accountability, innovation, inclusion and communication. We celebrate our people as unique human beings with vibrant perspectives, experiences, identities and contributions.

These qualities are manifested through our RESPECT values. We are focused on proactively fostering a welcoming, inclusive and supportive environment for every employee, business partner and community member. We empower our employees to thrive and bring their entire selves to work, which we believe helps support our mission to provide affordable, reliable energy to both domestic and global markets.

Employee Engagement

At Pioneer, we believe in transparency, and it starts at the top. Giving employees a voice is critical to supporting our thriving and resilient culture. Our annual engagement survey provides a view into our overall organizational health. Pioneer’s survey administrator provides global, multi-industry benchmarks against which Pioneer can assess its employee engagement. Compared to those benchmarks, in 2022, Pioneer scored in the top 10th percentile of engagement among companies using the same platform, with over 90% of scores ranking above the platform’s global benchmarks.

In 2022, Pioneer achieved a response rate of 76% and more than 2,900 comments from employees. Our highest-rated areas were:

- Employee engagement
- Benefits
- Rewards
- Corporate citizenship

While we celebrate our successes, our engagement survey also affords us the opportunity to focus on areas that need attention. For instance, Pioneer acted upon feedback from employees related to career development. In response to the feedback, we launched a three-day, knowledge-sharing Petro Technical conference, providing employees the opportunity to learn more about the exciting work taking place across the organization. The job-sharing event and town hall meeting provided opportunities for key projects to be presented by our technical workforce and highlighted some of our achievements.

Our engineers, analysts, geoscientists and others from across the organization ranked employee-submitted topics to fill the agenda that featured visually striking, information-rich presentations and deep, knowledge-sharing discussions. The event was attended by around 500 employees and included 34 technical talk presentations, 31 poster session booths, a core-viewing room, guided tours of our Performance Drilling Center and an awards ceremony.

Attendees determined the winners, and honors were given in Pathfinder, Guide, Explorer and Trailblazer categories, which awarded initiatives such as best poster presentation, best to deliver a 101-level presentation, best to explore new frontiers for tackling multi-faceted problems, and best to push industry-leading technologies, analytics or evaluations.

All groups did a fantastic job showcasing their efforts and demonstrating that our employees truly are our best asset.



Talent Management and Development

At Pioneer, our annual performance management process is based on a foundation of frequent check-in discussions and a culture of continuous feedback that supports and enables our employees to perform at their best. In accordance with our RESPECT values and culture, our performance management process encourages and reinforces:

- Ongoing feedback and coaching
- Employee growth and development for both their current role and future success
- Alignment of individual goals with company goals and team objectives

Over 96% of employees who participated in our post-review survey reported they had quality performance discussions with their manager. This is an increase in satisfaction year-over-year.

Pioneer strives to build a more proficient and engaged workforce with skill-building, competency-based training and development opportunities.

Our competency model is made up of professional, leadership and technical competencies and complements our individual development planning process.

Our competency-based development framework allows us to:

- Enable data-driven decision-making on learning and development priorities
- Provide guidance and employee development
- Promote targeted career discussions
- Empower employees to drive their own development

Pioneer offers many opportunities and resources to help employees grow their knowledge and skills in accordance with our 70/20/10 learning model (70% on-the-job and experience-based, 20% collaboration and coaching, 10% formal training). We offer employees a variety of self-service options, compliance and technical training, consultation services, service provider partnerships, and more. We believe employee development is key to our future success.

In 2022, Pioneer invested in more than 46,000 hours of training — an average of 23 hours per employee.

DEVELOPMENT AREAS	TRAINING/RESOURCE	PROGRAM DESCRIPTION
Leadership	Targeted Leadership Development	In partnership with Harvard Business Publishing, this blended, cohort-based learning program provides concepts and practical tools to effectively lead others in a highly relevant and applied context.
Professional	Online Training Resources	Available to all employees, Pioneer University, in partnership with learning service provider, Cornerstone Learning, has over 800 offerings. Our online training contains a variety of topics and learning content types, including videos, tools and articles.
	Instructor-led Trainings	Workshops that cover topics such as Work and Wellbeing, Leading Change and Influencing People for Better Results build employee resiliency, skill and efficacy when working collaboratively.
Technical	PXDrill Training Program	Pioneer ensures employees and contractors receive training to work toward a common goal: more efficient drilling results and lower-cost wells.
	Training, Assessment, Skills, Knowledge (TASK)	This training program for production operators teaches hands-on experience in the field environment to develop new technical skills, preparing us for the future.

Talent Planning

Pioneer's talent-planning approach takes a cross-functional view of our employee base to identify high-potential and successor candidates for leadership roles. Our objectives are to provide increased visibility and mobility, retain and engage our key talent, and provide targeted, accelerated development opportunities to prepare our future leaders.

One example of our talent-planning approach is our targeted leadership development program. Employees are identified through our annual talent-planning process as high-potential and/or critical role successors. Participants are placed into one of four development groups: Elevate, Accelerate, Inspire or Aspiring Leader. The program includes self-paced development resources, leadership workshops and trainings, coaching and leadership assessments, and other tools tailored to each group. The goal of this targeted development program is to enhance leadership capabilities, increase successor readiness, and develop and engage key talent.

During the talent-planning process, we continue to educate our workforce about unconscious bias and review demographics for underrepresented groups. Human Resources has implemented a DEI review step into the talent planning process to identify areas of opportunity. Our Organizational Development team reviews the candidates selected for the leadership development programs and associated succession plans to make recommendations to executive leadership about focus areas and opportunities to increase our equitable representation.

In 2021, we implemented another talent-planning program, one focused on diverse, high-performing talent. Participants engage in four hour-long sessions with professional career coaches, focusing on development and advancement within the company. We continue to see strong results from our participants and will launch our third round of this program in the fall of 2023. The objectives for this program are:

- Gain insights into current career advancement challenges faced by professionals early in their career

- Study perceptions and attitudes toward career advancement
- Understand the impact of early career coaching on career advancement prospects
- Gather insights that can be used to support existing interventions to develop and retain professionals early in their careers

Toastmasters

Another avenue for our employees to build their professional skills and connect with others from different departments is our Toastmasters group, Barrels and Banter. The group, led by employee volunteers who have a passion for communication, provides a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth. In addition to building speaking skills, the group supports our DEI efforts through weekly personal speeches that increase understanding of different cultures and experiences.

The group is open to all employees, and the Toastmasters dues are covered 100% by Pioneer. Employee members are encouraged to bring a colleague, and our summer interns are included and invited to take leadership roles during their time at the company.

Employee Wellness & Rewards

Employee Recognition

Pioneer's *WELL Done* employee appreciation program is driven by both peer-to-peer and manager recognition. *WELL Done* allows Pioneer employees to recognize and reward their colleagues for outstanding work, especially in relation to our RESPECT values.

Total Rewards

Pioneer's goal is to offer competitive compensation packages that are complemented by a robust offering of benefits and perquisites that attract and retain highly skilled employees. The components of our compensation packages are designed to reward performance both in the long-term and the short-term, through programs that consider both company and individual performance. Each Pioneer employee can influence their take-home pay through their performance.

Our compensation package includes:

- Competitive base pay offered to all employees
- An annual cash incentive plan that considers both individual and company performance
- Variable compensation plans denominated in company stock, designed to align the interest of employees with stockholders

Achievement and progress toward Health & Safety and ESG goals are accounted for within our annual cash incentive plan with a weighting of 20% (ESG and HSE metrics to 15% and 5%, respectively) of annual bonus potential for all employees.



Best-In-Class Benefits

Our employees are our greatest asset, and we encourage them to take full advantage of the array of competitive benefits and programs we offer. We set ourselves apart from other employers by carefully selecting vendor partners that deliver first-class customer service and by giving considerable thought to each detail within our plan offerings.

Our benefit package includes:

- Fully subsidized, comprehensive medical, dental and vision plans
- Additional offers through Regenxx and Airrosti to supplement our medical plan; these offerings are intended to promote wellness and provide choices for care
- Company-provided life insurance, short-term disability and long-term disability
- Generous paid parental leave that exceeds legal requirements: 12 weeks of 100% pay for primary caregiver; 10 days of 100% pay for secondary caregiver
- Flexible and hybrid work schedules, with a compressed work week
- Generous paid-time-off program, including 11 paid company holidays
- Robust 401(k) Plan, including company match of 2:1 up to 5% of eligible earnings
- Employee Stock Purchase Plan

Two recent changes in 2022 include increasing the company match in the 401(k) Plan and eliminating employee premiums on the medical, dental and vision plans. 98% of the Pioneer employees participate in the 401(k) Plan and are preparing for their financial future.

On-Site Benefits

- **Health Centers:** Pioneer has two on-site health clinics that provide healthcare for both employees and their families that are covered by our medical plan. Medical services provided include preventative screenings, routine check-ups, chronic condition management, sick visits and urgent care needs.
- **Daycare Centers:** Employees in our Las Colinas and Midland locations have the convenience of an on-site childcare center that offers early childhood programs for their children ranging from infants to kindergarten preparation.
- **Fitness Centers:** All Pioneer office locations have on-site fitness centers for employee use. The fitness centers offer fully equipped gyms, as well as fitness classes, free of charge, to employees and their spouses.
- **Cafeterias:** All Pioneer office locations have on-site cafeterias for employee use. Our catering partners provide education and ample choices for healthy food options.

Focus on Mental Health

The COVID pandemic put a spotlight on the mental health crisis in a new and immediate way. The stress, anxiety, isolation and uncertainty of that time raised awareness and pushed all of us to have honest conversations about mental health. Pioneer has always been proud to provide our employees and their families with a multi-channel offering of resources to assist with achieving optimal mental health and well-being.

Examples of offerings include:

- Mental health services offered through the medical plan, with low out-of-pocket costs for in-network providers

- Access to behavioral health services, including access to licensed therapists through Teladoc (phone or video)
- Access to mental health resources in the Pioneer Health Centers (on-site clinics)
- Access to 1-on-1 peer support and/or daily meetings that are open to anyone looking for mental health support, quality of life and/or substance use concerns or support



DEI

Our DEI program is designed to cultivate an environment where people feel included, respected and valued. An inclusive workplace enables us to embrace diverse backgrounds and perspectives to attract, retain and develop the best talent. Through grassroots interest, leadership support, and robust training and development programs, our employees are embracing differences and actively learning how to better leverage different perspectives to achieve business results.

DEI Targets

Pioneer believes DEI values and commitments must be backed by measurable action and accountability, so our DEI goals are embedded into our overall governance standards and compensation plans. To demonstrate Pioneer's commitment to DEI initiatives and empower representation in all areas of the company, we have required each Executive Committee member to identify annual DEI goals, with deliverable DEI metrics within their area of responsibility. Executives will use this data to focus on increasing underrepresented groups in key talent areas over the next three years.

We expect every leader in the organization to foster an environment that supports our RESPECT values and advances the company's commitment to DEI, and the development of individual DEI scorecards will tie these efforts to our Executive Committee members' performance goals.

DEI Advancements

- Released a Supplier Code of Conduct and Sustainable Procurement Commitment to all suppliers, available on PXD.com.
- Earned a spot on the 2023 DiversityInc Top Regional Companies list. This survey benchmarks our efforts to develop DEI goals and enhance our program.
- Completed the Human Rights Campaign (HRC) Corporate Equality Index to benchmark DEI efforts and create action plans to align with best practices; Pioneer received a score of 90 out of 100 on four key pillars:

- 1) Nondiscrimination policies across business entities
- 2) Equitable benefits for LGBTQ+ workers and their families
- 3) Supporting an inclusive culture
- 4) Corporate social responsibility

As a result of the involvement with the HRC Corporate Equality Index, a Gender Transition Guide was created in 2022 to support employees who transition and offer support structures through communication and change management. The Gender Transition Guide includes a section for coworkers and managers to provide guidance for supporting transitioning employees within teams and other working relationships. This guide was created with input from the Human Rights Campaign, Resource Center of Dallas and Pioneer employees.

In 2022, we benchmarked our future programs and targets by participating in the DiversityInc "Top 50 Companies for Diversity" competition and will develop action plans based on the resulting report card. The action plans will focus on six key areas of diversity and inclusion management:

- Human capital diversity metrics
- Leadership accountability
- Talent programs
- Workplace practices
- Supplier diversity
- Philanthropy

We also participated in the National Organization on Disability Employment Tracker™, which provides organizations with feedback in key disability inclusion focus areas to increase our accessibility and inclusion efforts:

- Strategy
- Talent outcome metrics
- Climate and culture
- Talent sourcing
- People practices
- Workplace tools and accessibility

DEI Data, Goals and Reviews

In 2021, we increased our focus on DEI data, as well as leading indicators that impact the future workforce. This focus builds on previously implemented visibility campaigns and includes metrics that enable our executives to meet their three-year roadmap goals. Pioneer is committed to transparency around diversity, equity and inclusion. As part of that effort, we detail our progress in our *Sustainability Performance Data Table*.

Examples of leading indicators that are reviewed throughout the year include key metrics within our talent lifecycle that create strategic opportunities for future leaders in our workforce such as targeted development, promotion, internal mobility, succession, hiring and termination rates. Our executive DEI goals focus specifically on working toward equitable representation in these leading indicators. We also have formal DEI reviews built into all talent processes to promote fairness and develop recommendations for DEI goals and targets.

Diversity Equity & Inclusion Training

As our DEI training program continues to grow, we added a required Unconscious Bias training for all employees to build on the previous DEI trainings offered.

Additionally, the Executive Committee participated in a training program to grow in its understanding and shared language, enabling more frequent and meaningful discussion. The course focused specifically on inclusive leadership, communication and understanding the impact of race, gender and sexual orientation on workplace culture and experiences. This course, which has already been completed by our Executive Committee, will be required of all senior leaders by the end of 2023. The DEI course will focus on communication, recognizing cultural norms and insider/outsider culture, both in society and at Pioneer.

We know that inclusivity starts at the top and creating a shared understanding helps the values integrate more fully into all aspects of life at Pioneer. While training is only one step in creating change, we believe continuous learning is imperative as we grow together in our DEI programs, initiatives and understanding.

PIIONEER

BETTER TOGETHER

OnePioneer's mission is to champion our culture of RESPECT and community stewardship by fostering an inclusive and productive environment that visibly supports and actively empowers all employees to thrive through education, recruitment, advocacy, wellness, development, mentorship, networking and philanthropy. More than 30% of our employees are members of OnePioneer.

OnePioneer Principles

- **We listen**, show up and speak up as allies for people and communities that are different from our own
- **We advocate** for an accessible and inclusive workplace that supports employees with permanent and temporary disabilities
- **We embolden** our employees to bring their whole selves to work regardless of sexual orientation, gender identity or gender expression
- **We support** veterans, active service members and their families
- **We appreciate** and celebrate individuals from all cultural backgrounds and foster a culture of inclusion through promoting a constructive understanding of our differences and potential biases
- **We connect** employees through mentorship, networking and shared learning to adapt and succeed at every stage of their careers in a rapidly changing workplace
- **We promote** equality through the development, retention and advancement of women and people of color at Pioneer

Employee Resource Groups

Our companywide resource group, OnePioneer, is led and self-governed by a diverse representation of our employees. Once split into individual resource groups, the integration into a unified resource group has allowed for countless intersectional learning opportunities and company-wide influence on policies, culture and development. OnePioneer operates as a singular team to advance DEI initiatives throughout the company.

A few highlights from our four pillars include:

- **Philanthropy** – Carry the Load events, Basin Pride, Genesis Women's Shelter, Spark Tank voting committee
- **Cultural Awareness** – Black History Month video series, Lunar New Year celebrations, AAPI Heritage Art Exhibit
- **Development** – “Know the Business” Lunch and Learns, Mentoring, Dr. Scott Tinker lecture
- **Engagement and Belonging** – “Love is Love” events, Trivia Nights, Chili Cook-Off

OnePioneer proudly supports the following networks to provide a space for people with similar interests to come together. These groups meet in a variety of ways, from cornhole tournaments to lunchtime discussions.

- Early Career Network
- Interfaith Network
- Military Network
- Multicultural Network
- People with Disabilities Network
- Parent and Caregivers Network
- PRIDE+ Network
- Women's Network





A Night to Remember with Cynt Marshall

One of the most meaningful events of 2022 was developed in partnership with OnePioneer and one of our executive mentors. OnePioneer joined with the Dallas Holocaust and Human Rights Museum for a night of reverent learning.

We had the chance to tour the museum before listening to keynote speaker Cynt Marshall, CEO of the Dallas Mavericks, emphasize the importance of DEI and creating an inclusive workplace.

The event afforded our employees a chance to learn about the past with an eye for the change we can make in today's world.



Leadership support is critical to our OnePioneer networks. While OnePioneer is an employee-led initiative, it is important that employee volunteer leaders have support from executive leadership to provide guidance and input for improved alignment. OnePioneer leadership has dedicated senior executives who actively support the group's mission and OnePioneer resource group leaders meet monthly with their respective executive mentors to review progress and upcoming initiatives. Additionally, these mentors make up the Executive Diversity Council which meets collectively with the OnePioneer leadership team in West Texas and North Texas to review the overall structure, initiatives and areas of focus for the resource group. This collaboration ensures broad corporate support and communication.

Our Board has also attended flagship resource group events to provide support. Many of our Board members have firsthand DEI leadership experience and are valuable resources for our employee volunteer leaders.

Mentorship Program

In partnership with our Organizational Development group, OnePioneer developed a mentorship program designed to meet the needs of employees and foster connections throughout the company. Our mentorship program provided significant opportunities for growth and development this year. OnePioneer mentoring enables employees from across our locations to connect with each other around areas of common interest, including:

- Career growth
- Public speaking/leadership presence
- Networking
- Philanthropic involvement
- The future of oil and gas

These groups meet monthly and include employees from various departments and locations.



Investing in Future Talent

A key component of our diversity strategy is recruiting the next generation of Pioneer employees. We carefully select interns and place them on challenging, relevant projects that complement our companywide business goals.

Each intern is assigned a mentor and team to maximize learning and collaboration. When we recruit at universities, we broaden the pool of diverse job candidates by reaching out to local student chapters, such as the National Society of Black Engineers, Association of Women Geoscientists and Society of Women Engineers. Engaging with students from demographics that are traditionally underrepresented in the oil and gas industry has shown to have a direct impact on the diversity of our new hires.

Our interns visit Pioneer field operations in person, experiencing drilling, completions, facilities development and gas processing operations firsthand, while interacting with engineers, geoscientists, technicians and field personnel. These field trips, which are designed to develop a comprehensive understanding of Pioneer’s oil and gas operations, also serve as a way for interns to network with each other and their fellow Pioneer employees.

We also strive to develop our diverse talent pipeline by creating opportunities for younger students. As we have in previous years, Pioneer continues to support the Dallas All Stars Project’s Development School for Youth. Through the program, students from West Dallas and South Dallas learn professional leadership skills while partnering with business leaders who conduct development workshops throughout the year. Program graduates are then placed in six-week paid summer internships, where they continue to develop their leadership and professional skills and connect to the world of business success. In 2022, Pioneer employees volunteered as development coaches for young adults aged 18-24 to provide guidance and advice to students about success in the corporate world.

Summary

Diversity in our workforce fuels our continued business success and innovation, while also representing the communities we proudly serve. At Pioneer, it is ingrained within our culture and backed by actionable and bold goals, accountability, and philanthropic and service initiatives.

We want our employees across the company to see, feel and hear our values every day. We’re proud of the progress we’ve made and look forward to our continued growth in the years to come.

Our Community

Pioneer’s Social Investment: Charitable Giving and Community Engagement

Pioneer and our employees have a long history of social investment — we are proactive in seeking organizations and initiatives that work to improve the quality of life in our communities. Our corporate charitable giving and community engagement mission is to build strong relationships with internal and external stakeholders, creating shared value through an environment of transparency, mutual RESPECT, trust and goodwill.

- **Transparency** – We continue our commitment to open and honest communication through employee meetings and report our social investments in our annual sustainability publication. Additionally, Pioneer recently published updated *Charitable Giving Guidelines*.
- **Mutual RESPECT** – The relationships we cultivate with our internal and external stakeholders are an important part of our business. We value strong, ethical partnerships; respect and communication are essential to our corporate guiding principles.
- **Trust and Goodwill** – By taking an active and innovative approach to philanthropic work and sustained community engagement, Pioneer

demonstrates our commitment to sustainable social investment, which extends beyond monetary commitments to include in-kind contributions, employee volunteerism and open communication with our stakeholders.

Pioneer is proud of our employee’s volunteerism and willingness to give back. Our RESPECT values are focused on people, including employees, contractors and community members. Through the lens of these values, we invest in our communities, seeking to have the greatest impact where community needs and our business goals align.

Our corporate charitable giving and engagement strategy is about more than simply being a good neighbor — it’s about good business. We manage potential social risks and impacts to our partners, stakeholders and business while supporting mutually beneficial relationships and creating long-term value for our communities and the company.

Our stakeholders include current and future employees and their families; shareholders and bondholders; land and royalty interest owners, policy makers and regulators; suppliers and vendors; industry coalitions; chambers of commerce and other economic development groups; and philanthropic foundations and organizations. Our business goals are driven by our operational performance, safety commitments, environmental stewardship, and DEI focus areas.



Aligning with the United Nations Sustainability Development Goals:

The United Nations has established 17 Sustainable Development Goals that are part of a globally agreed-upon action plan for equitable, socially inclusive and environmentally sustainable economic development. Pioneer develops domestic energy resources vital to a flourishing modern society. Our core business of providing affordable, reliable, low-emission oil and natural gas to the world, while prioritizing safety, operational and environmental excellence, directly aligns with:

Goal 7 – Affordable and Clean Energy

Additionally, Pioneer’s charitable giving and community engagement focus remains rooted in our most valuable asset – our people – by prioritizing education, engagement, enrichment and environmental sustainability. To that end, many of our 2022 social investments supported several Sustainable Development Goals:

Goal 3 – Good Health and Well-being

Goal 4 – Quality Education

Goal 8 – Decent Work and Economic Growth

Goal 10 – Reduced Inequalities

Goal 13 – Climate Action

Goal 15 – Life on Land

Guiding Principles of Charitable Giving

Through the lens of our RESPECT values, Pioneer’s charitable giving strategy builds on tenants from our *Stewardship365* environmental program and our DEI program. We engage locally to improve the overall quality of life in the communities where we live and operate, and our involvement builds trust and goodwill among stakeholders and makes us a stronger company. We uphold these principles in our giving investments:

- Community-focused – We positively impact the localities where we live and work, investing in a meaningful and measurable way to help build flourishing communities for our stakeholders
- Sustainable – We invest in programs that address current needs

in innovative ways while creating value through capacity building for future needs

- Inclusive and equitable development –We support organizations that create opportunities or address needs for underserved or underrepresented groups within our communities, creating value for current and future employees and our community stakeholders

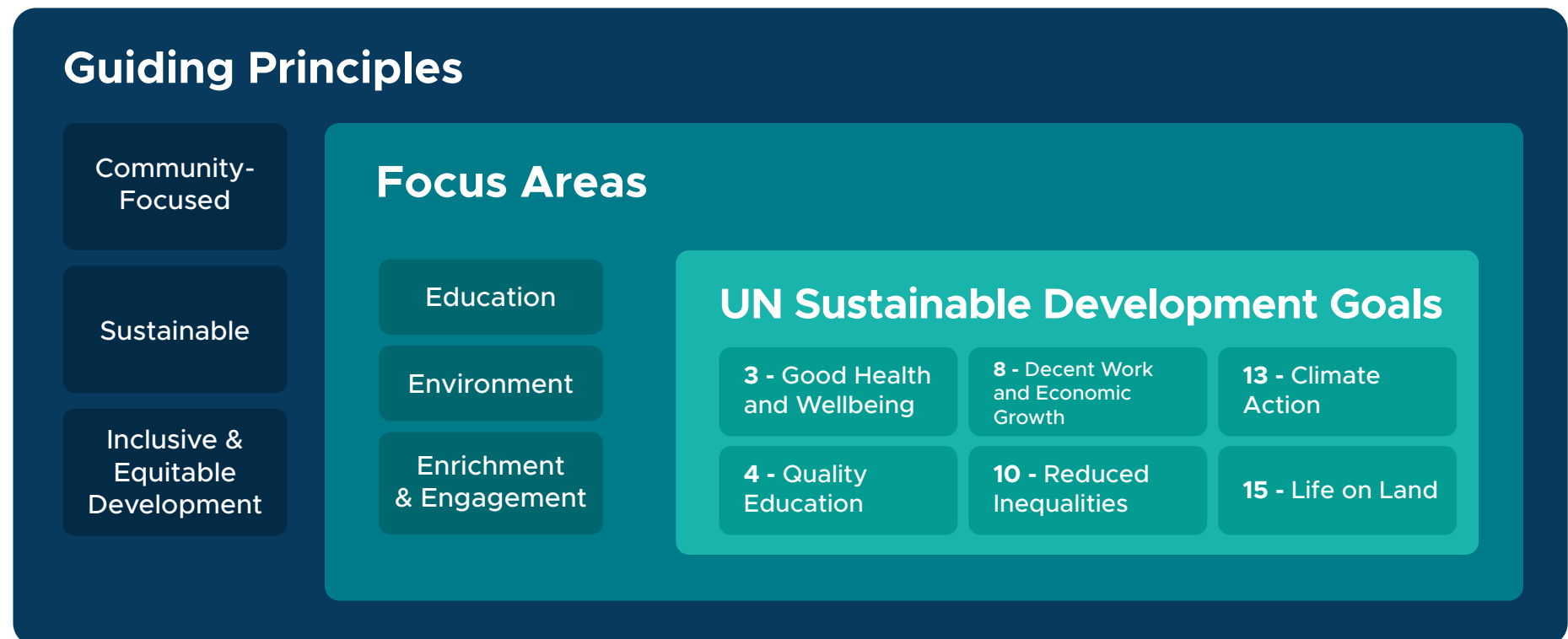
Focus Areas of Charitable Giving

Pioneer ensures our charitable investments have the greatest, most inclusive and sustainable impacts where our internal business goals and community needs align. By strategically focusing our giving, we help build stronger, safer, more resilient communities and an educated, trained workforce. We support programs, initiatives and organizations focused on the following areas:

- Education – We support institutions and programs that emphasize student academic achievement, focusing on academic enrichment and advancement in early childhood education, K-12, post-secondary, technical and vocational schools. Specifically, we support initiatives

that emphasize development of skills in science, technology, engineering and math (STEM), and inspire students to pursue STEM-based careers.

- Environment – We seek initiatives and partnerships that align with our *Stewardship365* environmental values and promote sustainable business practices. We support programs that encourage sustainability through stewardship of community ecosystems, reduced water usage and air emissions, natural resource conservation, environmental beautification and wildlife preservation.
- Engagement & Enrichment – We fund organizations that support the development of our communities’ social and economic health. We partner with organizations and agencies that provide community safety and protection, support for low-income/at-risk individuals or families, improve capacity building, spur economic development, expand cultural experiences and provide job training opportunities for the communities’ workforce.



Charitable Giving Governance

Our Executive Committee oversees our charitable giving and social investments, while Pioneer’s Government & Public Affairs team is responsible for strategy and execution. Additionally, the Nominating and Corporate Governance Committee receives an annual update on our social investments.

To increase transparency and continue to build trust with our stakeholders, Pioneer recently published *Charitable Giving Guidelines*. The guidelines explain our giving philosophy, focus areas and alignment with company values while outlining nonprofit organization eligibility, application process and evaluation criteria. We are committed to building strong relationships with our community and nonprofit stakeholders, creating shared value through an environment of transparency, mutual *RESPECT*, and trust and goodwill.

Our Charitable Contributions

As Pioneer celebrated our 25th anniversary in 2022, we looked to expand upon our quarter-century-long dedication to community philanthropy and volunteerism. Collectively, as a company and an employee base, Pioneer gave more than \$28 million including \$20.3 million in Ukraine humanitarian aid, in charitable contributions to more than 500 nonprofit organizations in 2022.



\$28 million

TOTAL CHARITABLE CONTRIBUTIONS

Emergency Response: Aid for Ukraine

Our charitable giving total for 2022 included significant financial support to organizations providing humanitarian aid in Ukraine. Russia's unprovoked invasion of Ukraine resulted in boycotts of Russian oil and gas and acute shortages of energy supply for the free world.

We remain committed to maintaining a supply of responsibly sourced and secure energy for the global community in the face of these shortages. Pioneer and our employees answered the call for assistance, collectively giving more than \$20.3 million to organizations providing humanitarian aid to the people of Ukraine. Among other meaningful impacts, these contributions:

- Funded the construction of 100 temporary shelters and provided them with power and water for one year, addressing a critical need to house families and foster parents of children and the disabled.
- Provided medication and equipment for neonatal centers, soldier rehab equipment and ambulance purchases, and delivery to critically underserved regions.
- Shipped and delivered thousands of individual first aid kits and tactical medical backpacks to aid workers on the front lines.
- Trained medical staff on prehospital care and health facility preparedness, with a focus on responding to mass casualty events.
- Supported a telemedicine program, restoring access to health services for communities experiencing active conflict.

Our support, thoughts and prayers remain with the Ukrainian people as they continue to valiantly fight for their freedom.

Supporting Demining through The HALO Trust

An estimated 6 million people have been internally displaced in Ukraine, and Ukrainians continue to evacuate from areas as fighting intensifies. While Ukrainians are keen to return to their homes in areas that have been retaken by Ukrainian forces, they may face a new kind of safety risk — Ukraine is now one of the most mined countries in the world, and experts estimate it will take over 100 years to successfully clear the country of these planted explosives. That is where The HALO Trust steps in. The organization permanently removes explosive ordnance, marks hazardous areas and enhances awareness about the dangers of mines, allowing the activities of daily life to resume. Pioneer is proud to assist with this mission, as our investment with The HALO Trust helps to hire, equip, train and deploy local teams to survey, clear and provide explosive ordnance risk education for one year.

As of December 2022, HALO Ukraine had employed 631 Ukrainian staff members, 20% of whom are women and at least 36% of whom are internally displaced people. Pioneer's support is specifically contributing to The HALO Trust's ability to increase operational capacity and deploy an additional two explosive ordnance risk education teams reaching more than 3,000 adults and children with lifesaving education; one non-technical survey team identifying areas contaminated with different types of explosive ordnance; and three clearance teams releasing more than 30,000 square miles of land cleared from explosive threats — equal to 30 football fields.

The support from Pioneer allowed The HALO Trust to increase its overall capacity by 35% in 2022. Pioneer-funded teams will continue well into 2023 to respond by marking hazardous areas for safe passage, providing lifesaving explosive ordnance risk education, and clearing and destroying landmines and explosives so Ukrainians can begin to reclaim their lives.



SOCIAL INVESTMENTS

by Focus Area



ENVIRONMENT HIGHLIGHTS

- \$150,000**
Midland Downtown Park Conservancy
- \$75,000**
Nature Conservancy of Texas
- \$25,000**
Sibley Environmental Learning Center



EDUCATION HIGHLIGHTS

- \$900,000**
Universities (to 8 targeted colleges and universities for talent recruitment)
- \$250,000**
Midland Education Foundation
- \$35,000**
Irving Schools Foundation



ENGAGEMENT & ENRICHMENT HIGHLIGHTS

- \$1,000,000**
DEI-focused organizations and initiatives
- \$400,000**
14-acre land donation to the City of Midland
- \$240,000**
Military, Law Enforcement and First Responders

Social Investment

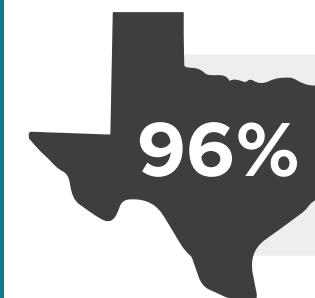
Pioneer has always believed in the importance of giving back to the local communities where our employees live and work. In 2022, we extended our giving far past our traditional Texas home, giving \$20 million to humanitarian aid effort in Ukraine after our industry was shaken by Russia’s unprovoked attack of the country. In addition to our international support of Ukraine, our social investments (sponsorships, grants and in-kind donations), coupled with our employee-led giving, resulted in nearly \$8 million of combined giving.

We are a Dallas-headquartered, Permian Basin-focused, Texas-proud company – and our social investments reflect that, with 96% of our funding directed to Texas-based organizations and initiatives. As most of our employees reside in Permian Basin communities, along with the entirety of our energy assets, it is not surprising that Pioneer earmarked the majority – 62% – of our social investments specifically for Permian Basin communities.

Grants and Sponsorships

Focused on our Education, Environment and Engagement & Enrichment priorities, we invested \$6.5 million in programs and organizations through direct sponsorships and grants. Among the many positive impacts to our communities, these investments:

- Contributed to college scholarships for local Permian Basin students
- Supported youth environmental stewardship education programs
- Funded programs supporting LGBTQ+ community advocacy and education
- Supplied opportunities for programmatic mentorship and development for at-risk youth in Dallas and Midland communities
- Bolstered local Permian Basin law enforcement agencies’ budgets for protective equipment and technology



96% of Pioneer’s corporate sponsorships, grants and in-kind donations are directed to Texas-based organizations

Permian Strategic Partnership (PSP)

Amplifying Our Impact in the Permian Basin

As the Permian Basin has long been one of the most active and largest oil and gas basins globally, its people and communities have experienced many cycles of oil booms and busts. While the “boom” times were good, the “busts” compelled permanent residents, businesses and communities to save their money, a pattern that resulted in a lack of infrastructure and social investment.

The development of horizontal drilling and hydraulic fracturing technologies has unlocked a vast resource of previously untapped oil and gas within the Permian Basin. Seemingly overnight, new opportunities for residents, producers and service companies were abundant. However, Permian Basin cities, like Midland and Odessa, desperately needed an injection of resources and industry partnership.

After announcing our intention to become a Permian Basin pure-play operator in late 2017, Pioneer recognized the rapid level of oil and gas development in the region was creating critical needs within the local community that required creative and enduring solutions. Working with nine other companies operating in the region, Pioneer led the creation of the Permian Strategic Partnership. This unprecedented coalition in the oil and gas industry is dedicated to improving the quality of life for Permian Basin residents in five key areas: education, roads and infrastructure, healthcare, affordable housing, and workforce development.

The Permian Strategic Partnership, now consisting of 20 member companies, is a catalyst for advancing these five goals by bringing stakeholders together; advocating for local communities with national, state and local officials; and contributing people, expertise and resources to help plan for and meet local needs. Since its inception three years ago, the Permian Strategic Partnership has leveraged more than \$125 million in member funds into more than \$1 billion in collaborative investments from other stakeholders. Pioneer is proud of our role in founding the Permian Strategic Partnership and committed to supporting the impactful initiatives the coalition implements. For details on Permian Strategic Partnership initiatives and impacts, please reference the organization’s *annual report*.

Cal Ripken STEM Centers

In 2022, through the Permian Strategic Partnership, Pioneer worked with local organizations to equip 134 elementary schools in the Permian Basin and train local teachers to deliver weekly, year-round STEM instruction. Together with the Cal Ripken, Sr. Foundation, the Permian Strategic Partnership committed \$7.5 million to ensure Permian-area students receive access to innovative, custom lessons focused on STEM problem-solving, skills-based learning. Pioneer’s sponsorship of the Permian Strategic Partnership is assisting in the groups’ ability to provide fully equipped STEM centers to numerous elementary campuses, reaching more than 60,000 students and 2,000 teachers in 22 counties. When discussing its hallmark investment in STEM centers, Permian Strategic Partnership President and CEO

Tracee Bentley highlighted the organization’s impact on education across the entire Permian Basin, stating:



With a STEM center in each elementary school, we hope to inspire young learners to explore careers in STEM fields, teach STEM concepts and encourage them to develop the critical thinking and problem-solving skills needed for lifelong success.

Permian Strategic Partnership

~\$125 Million → **\$1 Billion**
in PSP contributions in collaborative investments

PSP-DIRECTED CONTRIBUTIONS

\$47,125,000

Education

\$53,361,000

Healthcare

\$13,954,000

Workforce

\$8,000,000

Road Safety

\$1,800,000

Initiative Support

\$720,000

Housing

Source: Permian Strategic Partnership 2022 Annual Report



Pioneer Donates 15 Acres of Land Worth \$400,000 to City of Midland

In June 2022, Pioneer donated nearly 15 acres of land to the City of Midland for a portion of the extension of Fairgrounds Road north of Loop 250. This donation will save the city approximately \$400,000 in land acquisition costs on this project.

City of Midland Engineering Services Director Jose Ortiz said this land donation will help complete a project that will allow drivers to travel from I-20 north to Occidental Parkway, alleviating severe traffic congestion on Big Spring Street north of Loop 250. Additionally, the road expansion will allow for future development in northeast Midland.

At a city council meeting, Midland Mayor Patrick Payton issued a proclamation recognizing Pioneer for its continued partnership and generosity.

We believe community collaborations like this help make Midland an even better place to live and work for our employees and their families. We are honored to steward our resources to benefit residents and make a lasting impact in the Midland community.

In-kind Donations

For Pioneer, sustainable social investment includes resourceful in-kind donations of company assets. In 2022, with our guiding principles promoting efficiency and innovation, we identified and donated more than \$520,000 worth of company-owned assets, including vehicles, equipment, land and rights of way to local charitable organizations, municipalities and first responders. Two of our former fleet trucks are now assisting local nonprofit Irving Cares in transporting goods from its pantry to community members in need.

We were proud to aid the Midland County Emergency Management team's mission through a donation of a mobile crisis response command center. In addition, when the Northeast Midland County Volunteer Fire Department expressed a dire need for a second vehicle to combat wildfires, Pioneer stepped up with a donation of a Ford F-350, which was then converted to a brush truck. We realize creating social value can take many forms — donations of monetary gifts, contributions of company assets or volunteering our time — and Pioneer is proud of our innovative social investment strategy that maximizes our impacts in the community.

Employee Giving Programs

Pioneer's culture of giving flourishes because our valued employees invest their time, talent and resources to make our communities stronger. We are proud to support their generous investments in nonprofit organizations through matching gift and volunteer grant programs. With these programs, Pioneer amplifies our collective social investment impact in our communities, reflecting the personal passions and pursuits of our employees.

In 2022, Pioneer and its employees donated more than \$1 million in employee and company-matching contributions to more than 450 individual nonprofit organizations. These donations supported initiatives ranging from rural education and local animal service programs to national medical research and global disaster relief. All regular, full-time employees are eligible to participate in each of Pioneer's match programs, and our Board members may elect to participate in our monetary donation and PAC match programs.

- **Monetary Donation Match** — Pioneer believes in directing company charitable dollars to organizations that are meaningful to our employee stakeholders. We match employee monetary contributions dollar-for-dollar to qualifying charitable organizations, bolstering the impact of our employees' social investments in their communities.

- **Individual Volunteer Match** — To encourage volunteerism with charities our employees are most passionate about, Pioneer donates \$25 per volunteer hour to the charity where an employee completes their service. We know investments of time and talent are as impactful as financial ones, and Pioneer is proud to support employee efforts in our communities.
- **Team Volunteer Match** — Our employees can also leverage our matching gifts as groups and departments. Pioneer donates \$250 per group volunteer hour to the organization where the team completes its volunteer service. This program promotes team building, benefits local nonprofit organizations and allows Pioneer contributions to reach a broader base of the local nonprofit community.
- **PAC Match** — When an employee elects to participate in one of our PACs, Pioneer matches the employee contribution dollar-for-dollar to a charity of the employee's choice. Our PAC Match Program encourages employees to engage in the political process while also supporting philanthropic organizations.
- **2:1 Match Opportunities** — In addition to Pioneer's dollar-for-dollar Monetary Donation Match program, we offer special two-to-one match days for employees' contributions, including Permian Basin Gives Day, North Texas Giving Day and Giving Tuesday. These double-match opportunities allow our employees to collaborate in regional and global days of giving, while amplifying Pioneer's collective impact within nonprofit communities.

More than 450 organizations impacted

Pioneer
Company Match
\$550,000

Employee Monetary
Donations
\$480,000

**Total Employee and Company
Matching Contributions
Over \$1,000,000**



Innovative and Sustainable Community Engagement

In addition to targeted, individual conversations with our stakeholders, Pioneer's community engagement is manifested through:

Proactive development conversations with municipalities.

When planning operations within or near residential or municipal areas, we proactively discuss future development needs, from both a company and community perspective, with appropriate community representatives and development authorities. Reciprocally, when municipal and residential development plans arise near existing Pioneer operations in the Permian Basin, we welcome the opportunity to be part of the planning process to ensure the continued safety of our community members and our current and future operations.

Employee service on executive boards of local organizations.

From chambers of commerce to regional industry coalitions to nonprofit organizations, Pioneer employees at every level of the company serve our communities by volunteering their time and expertise as board members of local organizations. We are proud our people make an impact not only through their work with the company but through their servant leadership within their communities.

Community and Stakeholder Engagement

Developing energy resources vital to a flourishing modern society while prioritizing safety, operational and environmental excellence requires collaboration and partnership.

We believe our mission to provide affordable, reliable, low-emission and domestically sourced energy supports the socioeconomic development of the areas where we live and operate. Pioneer regularly and thoughtfully engages with land and royalty interest owners, lawmakers and regulators, industry coalitions, chambers of commerce and development groups, philanthropic foundations and organizations, and others to enhance safety, quality of life and social value in the communities where we operate. By understanding stakeholder values, priorities and concerns, we improve our social investments and operational plans.

Community Engagement

Pioneer's multi-disciplinary team comprised of professionals in Government & Public Affairs, Land, Operations, Corporate Communications, Legal and other departments is responsive to community stakeholders and prepared to find solutions. We offer multiple options to contact us, including direct contact with our staff, toll-free phone lines, email and social media channels. Conversations with stakeholders provide opportunities to collaborate on sustainable solutions and allow us to identify social risks at the community level that could impact our business through operational delays or interruptions, unwieldy regulatory hurdles, increased operational costs, or reputational damage resulting in difficulties recruiting and retaining talent. Such social risks result from real or perceived operational impacts to the community:

- Safety
- Land use and reclamation
- Air and water environmental quality
- Housing and road infrastructure
- Healthcare and education accessibility
- Expectations for local employment opportunities and workforce development needs

Once stakeholder concerns, priorities and risks are assessed, we develop tailored, collaborative and sustainable solutions at all stages of our operations. Our stakeholders are as diverse as the communities

they live in or the organizations they represent. We value the range of perspectives they provide, allowing us to develop innovative solutions and opportunities to create lasting value.



Volunteering with ROPE Youth here in Midland has opened my eyes to both the immense need for food security and strong mentors for our at-risk youth, as well as the amazing hearts of our volunteers and the resources that Pioneer and other sponsors – public and private – are willing to dedicate to strengthening our Midland community. I cannot thank Pioneer enough for encouraging employee community and nonprofit outreach work.

— Camille Killian, Senior Operations Support Superintendent

Landowner Engagement

As one of our key stakeholder groups, landowners are encouraged to engage in open dialog with Pioneer to foster a foundation for mutually beneficial, long-lasting relationships. Our Surface Land team typically begins the engagement process with landowners by proactively discussing what to expect once operations begin. The team builds trust and mutual respect by promptly sharing operational plans and project updates or changes, answering questions and addressing landowner concerns. In addition to face-to-face meetings, our landowners can contact us via phone, email and mail at any time, and all contact information is provided to each landowner before operations begin. Should a spill or release event occur, the Surface Landman is notified via an internal software system. Immediate contact with the landowner is made to address the issue and the resolution is tracked through the same system. Guided by our RESPECT values and commitment to operational excellence and environmental stewardship, we proactively address any concerns and set expectations with our landowners, finding equitable, mutually beneficial solutions, should issues arise.



In the fall of 2022, I was approached by an organization I long admired, Fix West Texas, to apply for a board member position. Both my wife and I have a deep love for animals and are passionate about creating affordable and accessible opportunities for quality animal services in our community. I am grateful and amazed that my employer was not only supportive of my involvement but encouraged it! When I think about community involvement, I think of the many organizations like Fix West Texas that make the Permian Basin one of the best places to live and work. Additionally, I am appreciative of Pioneer's commitment to help foster and develop external relationships and get employees plugged in to what matters to us most.

—Dillion Tate, Permian Basin Maintenance Foreman II

Continuous Engagement

Leadership presentation of company plans and industry outlooks to community coalitions. When appropriate opportunities arise, Pioneer's Executive Committee and company leaders hold local forums to communicate company and industry developments and projections. In early 2023, Pioneer President and Chief Operating Officer Rich Dealy sat down with Midland Chamber of Commerce President and CEO Bobby Burns for a Q&A session about significant oil and gas growth in the Permian Basin at Midland Chamber of Commerce's 2023 State of Oil and Gas luncheon. Opening remarks were delivered by Congressman August Pfluger, who introduced Dealy as the keynote speaker. During the discussion, Dealy shared insight on factors aiding Pioneer's ongoing growth as well as the broader industry's and predictions for continued success. Both Dealy and Burns emphasized the importance of conveying information with the community to better shape its understanding of how this growth affects the Permian Basin.

Informative communications, forums and employee engagement on critical issues. Pioneer is committed to providing our employees with educational communication about civic and community engagement

opportunities, including voter registration deadlines, early and general election information, and other critical local initiatives. Leading up to Election Day in October 2022, Pioneer hosted a successful Midland Mayoral Candidate Forum at our Permian headquarters attended by more than 80 Pioneer employees. Joey Hall, Pioneer's Executive Vice President of Operations, moderated the forum for Midland mayoral candidates Lori Blong and Jerry Morales. Candidates discussed topics such as local school district needs, roads and industry-specific issues affecting Permian operations. Additionally, Pioneer offered on-site opportunities for employees to register to vote at our office locations, successfully registering dozens of Permian employees ahead of the general election.

Engagement with and support for local first responders and law enforcement agencies. Our prioritization of safety extends to partnering with the emergency responders who protect our communities. With more than half of all employees and their families living throughout the Permian Basin, Pioneer greatly values the service of the brave men and women who respond to emergencies at our locations, serve our employees and their families, and protect our communities every day. Pioneer is proud to have been the presenting sponsor of the Bustin' for Badges fundraising clay shoot event since its establishment in 2014, joining our West Texas community to support the Midland and Odessa Police Departments and Midland and Ector County Sheriffs' Offices. Over the past decade, the event has raised over \$3.5 million in gross proceeds, allowing our local law enforcement agencies to purchase new equipment and technology to better serve and protect the Permian Basin community.

Lobbying and Advocacy

National and State Trade Associations

Pioneer works in conjunction with national, state and regional trade associations representing the oil and gas industry to share information and advance a common agenda on legislative and regulatory matters. Pioneer's positions on major policy issues are generally aligned with the positions of the trade associations with which we maintain membership.

Political Engagement

Pioneer has adopted a policy on political expenditures, which is set forth in our Code of Business Conduct. As stated in the policy, no

company funds may be used directly for political contributions in the U.S. or in any foreign country, unless permitted by law, and approved by the chief executive officer or chief operating officer, and then approved by either the general counsel or chief compliance officer. Pioneer employees receive information about Pioneer's political contribution processes. In addition, the charter of the Nominating and Corporate Governance Committee provides for the committee's oversight of all Pioneer political spending and lobbying activities.

Pioneer works with industry partners to advocate for an affordable, abundant and secure energy future. We actively participate in the political process, with the goal of informing policymakers and regulators about our business and advocating for policy solutions that are mutually beneficial to the communities where we operate and our shareholders.



All Pioneer lobbying and advocacy expenditures are made in the U.S. In 2022, Pioneer made significant financial contributions (more than \$20,000 each) to the following trade and business associations, which we consider strategic partners:

- American Exploration and Production Council (AXPC)
- Independent Petroleum Association of America (IPAA)
- Permian Basin Petroleum Association (PBPA)
- Texas Oil and Gas Association (TXOGA)

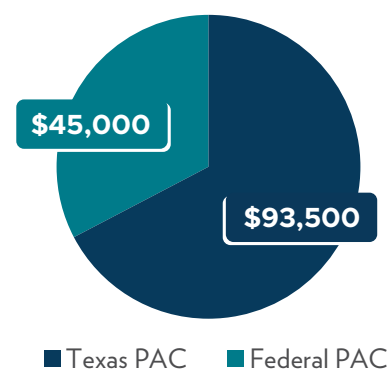
Corporate Political Contributions

Pioneer may make occasional corporate contributions to political organizations and campaigns whose objectives, we believe, are consistent with our business objectives in the areas in which we operate. While Pioneer directors and employees are free to participate in the political process individually, they may not represent a personal political contribution as being made on behalf of the company, and no director or employee may seek reimbursement, directly or indirectly, from Pioneer for any political contribution.

Political Action Committees (PACs)

Some eligible employees contribute to PACs sponsored by Pioneer. The activities of the Pioneer PACs are subject to comprehensive governmental regulation, including detailed disclosure requirements. These disclosures are posted on the website of the Federal Election Commission or the Texas Ethics Commission, where they can be reviewed by members of the public. All distributions made from the PACs are approved by their respective boards, currently comprised of senior managers. All suggested distributions are reviewed to ensure they are consistent with legal limits and are delivered to entities eligible to receive PAC funds. All contributions to PACs are voluntary, and it is Pioneer's policy that no one be favored or disadvantaged by reason of the amount

2022 Political Action Committee (PAC) Disbursements to Candidates



of their contribution or their decision not to contribute. For additional information on political expenditures, visit [PXD.com](https://www.pxd.com) > **Culture** > **Advocacy**.

Our Suppliers

Business integrity, safety and environmental stewardship are some of our main priorities. Pioneer recognizes there are inherent risks when working with third-party suppliers, and we strive to work with companies that share our high standards and values. In a continued effort to mitigate risks, Pioneer policies, programs and goals are communicated to suppliers starting with their initial set-up as a Pioneer service provider and reinforced through ongoing performance management conversations.

Aligning our Values

Pioneer conducts its operations in a manner that seeks to protect business integrity, individual safety and our environment; we expect our suppliers to do the same. Pioneer has developed a set of policies to help drive this alignment.

- **Sustainable Procurement Commitment** – Outlines standards for assessing suppliers' commitment to sustainability, ESG and corporate social responsibility
- **Supplier Code of Conduct** – Aligns with and complements **Pioneer's Code of Business Conduct and Ethics** and provides additional clarity to our suppliers regarding: values, human rights, sustainability, compliance, anticorruption and antibribery, conflicts of interest, and safety and environmental considerations
- **Supplier Diversity Commitment** – Defines the criteria to be recognized as a "diverse supplier" and expands our supplier base by increasing partnerships with diverse suppliers to collaboratively strengthen our communities
 - In 2022, Pioneer spent \$155 million with our diverse suppliers, and we plan to continue this investment in the future
- Additionally, we developed a standard Master Service and Sales Agreement that contractually obligates our suppliers to comply with our **Code of Business Conduct and Ethics**, including our **Human Rights Policy** and **Human Rights Commitment**

Pioneer Actions:

- Commitment to train Supply Chain Management staff to understand and communicate a focus on sustainability and related policies and encourage our suppliers to have their own sustainable procurement commitment
- Commitment to assess major suppliers through an extensive prequalification process based on the specific work type
- Conduct quarterly evaluations with suppliers on KPIs, such as safety, cost, performance and ESG
- Conduct supplier audits at least once every three years, or more frequently at our discretion, to verify compliance with our policies and expectations. Performance improvement plans will be instituted for any suppliers not meeting our expectations
- Utilize risk mapping and ESG assessments of our critical supply base to monitor risk and progress
- Host a Supplier Relationship Management program to assist in identifying supplier strengths and areas of opportunity

Supplier Actions:

- Pioneer standard sourcing and contract templates include suppliers' obligations to participate in contractor safety meetings, provide root cause analysis and perform thorough HSE reporting.
- Suppliers are expected to keep accurate and detailed books and records relating to goods and services provided to Pioneer. These books and records shall be made available to Pioneer for audits.
- Suppliers are expected to share our goals of corporate sustainability, diversity and social responsibility.

We champion collaboration and continuous improvement alongside our business partners and work upfront with suppliers to set expectations, ensure accountability and aid innovation.



PXD Supplier Summit

Pioneer's Supply Chain Management team hosts an annual Supplier Summit. The PXD Supplier Summit educates suppliers regarding relevant Pioneer processes and updates, including our Supplier Code of Conduct, Sustainable Procurement Commitment and Supplier Diversity Commitment.

Additionally, Pioneer recognized 12 suppliers for their achievements in developing new technologies or processes, their role in ESG stewardship and collaboration with Pioneer.

Supplier Onboarding

Pioneer is continuing to onboard our suppliers to EcoVadis, a widely accepted ESG and Business Sustainability rating platform.

Since inception, over 350 suppliers have been onboarded to EcoVadis, and those suppliers accounted for over 87% of Pioneer's 2022 Supply Chain Management managed spend.

We have integrated an ESG component into our standard contract award process, and our decision matrix scorecard includes ESG grading as a component to a bidder's overall score. EcoVadis helps us inform our sustainability risk mapping by providing an unbiased baseline that enables collaboration between Pioneer and our suppliers. The supplier scores provided by EcoVadis are utilized by our Supply Chain Management team when awarding work as part of our Supplier Relationship Management program.

Supplier Diversity Commitment

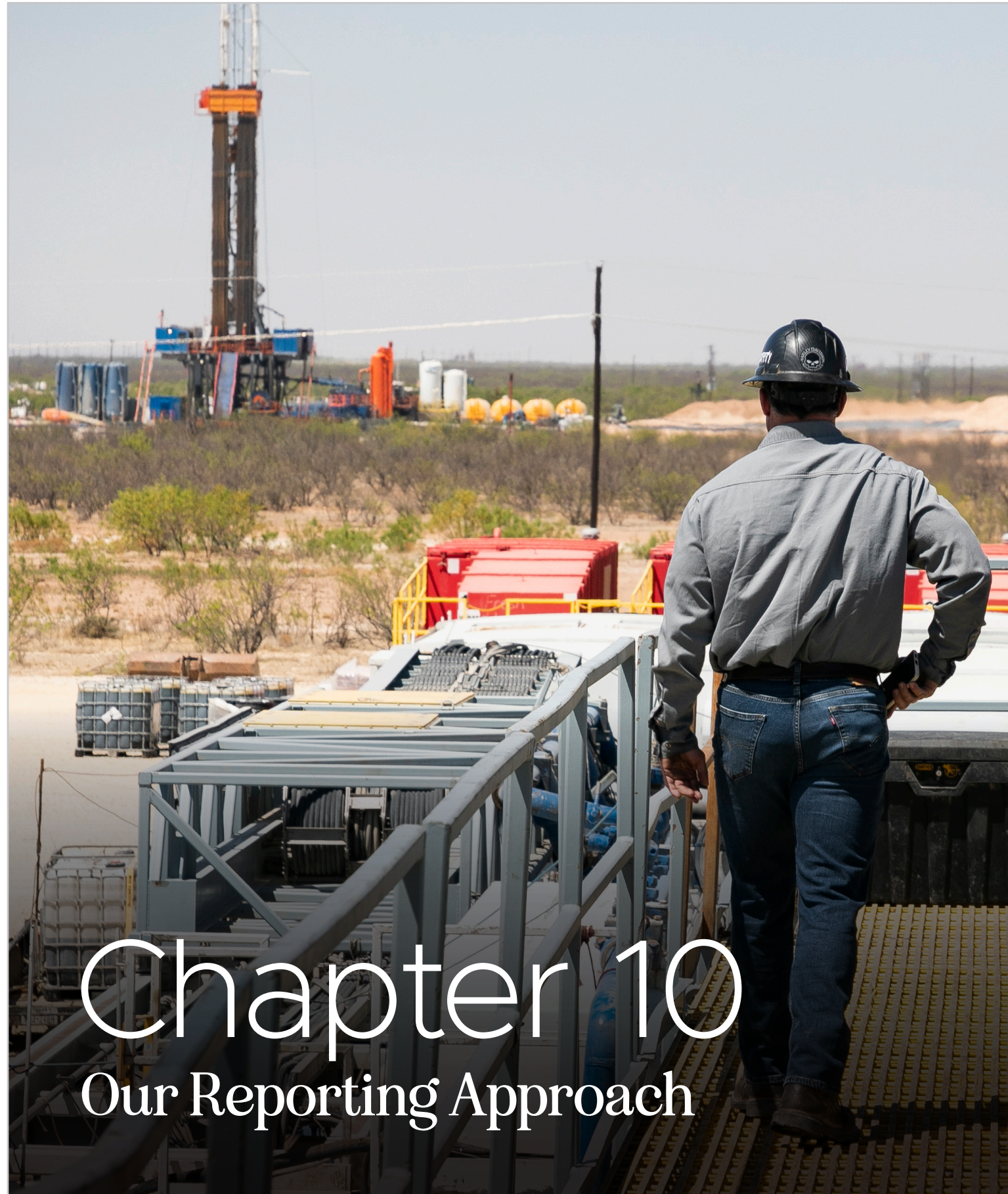
Pioneer continually seeks to do business with suppliers who align with our high standards of safety, environmental and operational performance, ESG-related commitments, and our RESPECT values. In 2022, 25% of our Supply Chain Management managed spend was attributed to suppliers based in the Permian Basin. Additionally, 85% of our Supply Chain Management managed spend was attributed to suppliers headquartered in Texas or whose goods are manufactured in-state. As a company, we recognize the importance of supporting the local community by using suppliers critical to providing employment in the region. Pioneer values our relationship with a diverse set of suppliers.

Emphasizing Sustainable Procurement

Pioneer works with suppliers to find new ways to reduce environmental impact and risk, while creating more sustainable operations. In many cases, we have achieved these goals through automation, improved technology and a focus on the overall economics and engineering of a given project. Our Supply Chain Management sourcing team has been trained on Pioneer's sustainable procurement policies. Our Supply Chain

Management employees collaborate with other departments to seek innovative solutions to reduce waste and realize potential cost savings. For example, Pioneer has, through collaboration between departments, developed multiple equipment reuse programs, including test separators, electronic submersible pump equipment, valves and wellheads – resulting in a total reuse savings of \$52 million in 2022. Another success story comes from collaboration between Supply Chain and Drilling, where a casing thread protector recycling program was developed in September 2021. Since its inception, 3 million pounds of plastics have been diverted to this innovative recycling program. In 2022, Pioneer began sourcing a portion of our sand supply from localized sand mines, which reduces truck count, miles driven and resulting GHG emissions due to their closer proximity to the wells supplied. In 2022, Pioneer reduced approximately 1.8 million miles of sand trucking by using sand from a local mine on 28 wells.

For additional Supply Chain information, visit [PXD.com](https://www.pxd.com) > **Operations and Innovation** > **Suppliers**.



Chapter 10

Our Reporting Approach

Our approach to materiality in this report is based on feedback from a broad group of stakeholders. Pioneer prioritizes a constructive and transparent relationship with all stakeholders to understand their views of perceived risks, the likelihood of the risks' occurrence and potential impacts.

This Sustainability Report highlights the specific sustainability related governance and risk management measures we undertake to actively address issues important to both Pioneer and our internal and external stakeholders. Pioneer conducted an internal audit of this report which sought to ensure that subject matter experts in each department provided adequate supporting documentation and data to substantiate the information disclosed in this report. As there is not currently a prescribed set of ESG reporting metrics mandated by applicable law, Pioneer has been informed by or utilized the recommendations of leading, standard-setting organizations, that we believe best fit our company for our disclosed information and reporting scope.

Reporting Framework and Scope

<p>Framework: Our 2023 Sustainability Report references the following reporting standards, terminology and performance metrics¹</p>	<ul style="list-style-type: none"> • Global Reporting Initiative (GRI) standards • Task Force on Climate-related Financial Disclosures (TCFD) • Value Reporting Foundation/ Sustainability Accounting Standards Board (SASB)² • United Nations Sustainable Development Goals (SDGs) • International Petroleum Industry Environmental Conservation Association (IPIECA) • American Exploration & Production Council (AXPC)
<p>Corporate ESG Assessments</p>	<ul style="list-style-type: none"> • S&P Global “Corporate Sustainability Assessment” • Carbon Disclosures Project (CDP) “Climate Change Survey” • United Nations Global Compact “Communication of Progress” • DiversityInc Top 50 Assessment • Human Rights Campaign: Corporate Equality Index (CEI)
<p>2023 Sustainability Report Scope</p>	<p>Unless otherwise indicated, this report includes data and information collected from Jan. 1 through Dec. 31, 2022 and is focused on our direct operations. In 2022, all Pioneer operations occurred onshore in the Permian Basin of West Texas. In 2022, no offices or operations were located outside the state of Texas. As such, Pioneer operations are entirely within the U.S. regulatory jurisdiction.</p> <p>Performance metrics and assurance should be considered enterprise-wide, or 100% coverage, unless otherwise noted.</p> <p>Pioneer is committed to monitoring and reporting ESG performance, including relevant and material information (please see section 10.2 for more information on our approach to materiality in this report); disclosures that are, consistent, comparable, clear, understandable, verifiable and forward-looking; reporting provisions that are used consistently from one reporting period to the next; and information and data provided annually</p>

¹) To locate disclosures, reference the Sustainability Performance Data Table and Sustainability Content Index
²) Oil and Gas – Exploration and Production Industry Standard

Materiality Assessment and Stakeholder Outreach

Materiality Assessment

We recognize that “materiality” means different things in different circumstances. As used in this report, the definitions of the terms “material” or “materiality” in the sustainability and ESG context are not based on the definition of materiality used in U.S. securities law. Our **Annual Report** and financial filings include material risks as defined by regulatory requirements or we believe are material to our investors.

Our approach to materiality in this report is based on feedback from a broad group of stakeholders. Pioneer prioritizes a constructive and transparent relationship with all stakeholders to understand their views of perceived risks, the likelihood of the risks’ occurrence and potential impacts. Accordingly, Pioneer has annually solicited feedback from shareholders, ESG rating agencies, non-government organizations, experts and industry organizations to better identify relevant ESG risks and work to align our ESG policies and disclosures with their stated priority issues for the upstream oil and gas industry. The content prioritization of this report is the result of this ongoing process that considers internal perspectives, stakeholder feedback and relevant reporting guidelines. We expect the content of our Sustainability Report to evolve as Pioneer assesses and responds to the continued feedback and as changes to our business warrant.

Shareholder Outreach

Pioneer believes a constructive and transparent relationship with stakeholders is a priority to better understand their views and improve our reporting of perceived risks and the likelihood of their occurrence and potential impacts.

Shareholder outreach occurs prior to our annual meeting and generally is focused on issues to be voted on at the annual meeting. Outside of the annual meeting context, additional shareholder and other stakeholder outreach and engagement occurs to review a broader range of topics of interest. Pioneer’s Investor Relations and Corporate Secretary teams communicate with shareholders and answer questions about our business and ESG matters. Pioneer’s Chairman of the Board, CEO, COO, CFO and other executive leaders are actively and regularly involved in shareholder outreach. Any notable feedback

expressed by the company’s shareholders in these discussions is collected, reviewed and shared with the Board. This engagement process led to several measures described in our Sustainability Report, combined with those described in our Proxy Statement.

Additional information regarding recent measures resulting from Pioneer’s external engagement process can be found in the **Proxy Statement**, and throughout our Sustainability Report.

Assurance

Pioneer conducted an internal audit of this report to determine whether subject matter experts in each department provided adequate supporting documentation and data to substantiate the information disclosed in this report. A weekly audit report was provided to key contributors, and a final, comprehensive analysis was presented to the ESG Task Force at the end of the full reporting process. This Sustainability Report was then approved for publication by select members of the ESG Task Force. As detailed in the **ERM CVS Assurance Statement** appended to this report, Pioneer has secured limited assurance on selected Scope 1 and Scope 2 GHG emissions metrics. ERM CVS has evaluated the data and provided limited assurance that it is fairly presented in Pioneer’s 2023 Sustainability Report. ERM CVS’s methodology was based on the International Standard on Assurance Engagements ISAE 3000.

Forward-looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of words such as “target,” “will,” “plan,” “expect,” “forecast,” “future,” “commit,” “intend,” “potential,” “estimate” and similar expressions that contemplate future events. The forward-looking statements speak only as of the date made, and Pioneer undertakes no obligation to update such forward-looking statements.

Cautionary Statement Regarding Forward-looking Information

Except for historical information contained herein, the statements in this report and oral statements made in connection therewith are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

In particular, this report contains forward-looking statements pertaining to, but not limited to, information with respect to the following: Pioneer's strategic plans, priorities, outlook and expected performance; ESG and sustainability-related goals, strategies, priorities and initiatives, including, among others, those related to GHG and other emissions reductions, our net zero pathway and targets, diversity, equity and inclusion, safety and emergency crisis management, human capital management, cybersecurity, carbon pricing, emissions monitoring reporting and verification, water management and freshwater use reduction goals, seismicity risk, biodiversity conservation, waste management, spill management, and reporting with reference to certain frameworks; our plans to achieve our ESG and sustainability-related goals and to monitor and report our progress thereon; ESG and sustainability-related engagement, commitments and disclosure; low-carbon and new energies opportunities and strategy; and other related items. Forward-looking statements are subject to a number of risks and uncertainties that may cause Pioneer's actual results in future periods to differ materially from the forward-looking statements. These risks and uncertainties include, among other things, volatility of commodity prices, the impact of a widespread outbreak of an illness, such as the COVID-19 pandemic, on global and U.S. economic activity; the ability to obtain environmental and other permits and the timing thereof; other government regulation or action; Pioneer's ability to achieve its emissions reduction, flaring and other ESG goals; the assumptions underlying forecasts; and environmental and weather risks, including the possible impacts of climate change. These and other risks are described in Pioneer's Annual Report on Form 10-K for the year ended Dec. 31, 2022, Quarterly Reports on Form 10-Q filed thereafter and other filings with the U.S. Securities and Exchange Commission. In addition, Pioneer may be subject to currently unforeseen risks that may have a materially adverse effect on it. Accordingly, no assurances can be given that the actual events and results will not be materially different than the anticipated results described in the forward-looking statements and readers are cautioned not to place undue reliance on any such statements. Moreover, while this report provides information on several ESG and sustainability-related topics, including goals and ambitions, there are inherent uncertainties in providing such information, due to the complexity and novelty of many methodologies established for collecting, measuring and analyzing ESG and sustainability-related

data. While Pioneer anticipates continuing to monitor and report on certain ESG and sustainability-related information, Pioneer cannot guarantee that such data will be consistent year-to-year, as methodologies and expectations continue to evolve. Furthermore, there are sources of uncertainty and limitations that exist that are beyond Pioneer's control and could impact Pioneer's plans and timelines, including the reliance on technological and regulatory advancements and market participants' behaviors and preferences. Pioneer undertakes no, and expressly disclaims any, duty to publicly update these statements except as required by law. This information may be modified, updated, changed, deleted or supplemented from time to time without notice and Pioneer reserves the right to make any such modifications in its sole discretion. In some cases, the information is prepared, or based on information prepared, by third-party vendors, representatives and consultants and is not independently verified by Pioneer. This data should not be interpreted as any form of guaranty or assurance of future results or trends. This report contains statements based on hypothetical or severely adverse scenarios and assumptions, and these statements should not necessarily be viewed as being representative of expected risk. While future events discussed in this report may be significant, any significance should not be read as necessarily rising to the level of materiality of the disclosures required under the U.S. federal securities laws. Unless otherwise provided, the information contained in this report is expressly not incorporated by reference into any filing of Pioneer made with the U.S. Securities and Exchange Commission, or any other filing, report, application or statement made by Pioneer to any federal, state, tribal or local governmental authority.

Independent Limited Assurance Report to Pioneer Natural Resources

ERM Certification & Verification Services Incorporated (“ERM CVS”) was engaged by Pioneer Natural Resources USA Incorporated (“Pioneer”) to provide limited assurance in relation to the information set out below and presented in Pioneer’s 2023 Sustainability Report (the “Report”).

Engagement summary	
Scope of our assurance engagement	<p>Whether the 2022 data for the following selected indicators are fairly presented within the Report, in all material respects, in accordance with the reporting criteria under Pioneer’s operational control:</p> <ul style="list-style-type: none"> Total Scope 1 and Scope 2 (location-based) emissions [metric tonnes CO₂e] Total Scope 1 emissions (absolute) [metric tonnes CO₂e] Total Scope 1 carbon dioxide (CO₂) emissions [metric tonnes CO₂e] Total Scope 1 methane (CH₄) [metric tonnes CO₂e] Total Scope 1 nitrous oxide (N₂O) [metric tonnes CO₂e] Scope 1 Methane emissions [percent methane of total Scope 1 emissions] Total Scope 2 emissions (absolute) (location-based) [metric tonnes CO₂e] Annual total flaring volume [million Sm³] Routine flaring volume [million Sm³] Total methane emissions intensity [metric tonnes CO₂e/MB₀E] Total GHG emissions intensity [metric tonnes CO₂e/MB₀E] Flaring intensity [%] – (natural gas flared during production operations/gross natural gas production, Mscf/Mscf) <p>Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.</p>
Reporting period	January 1, 2022, to December 31, 2022
Reporting criteria	<ul style="list-style-type: none"> US EPA Mandatory Greenhouse Gas Reporting Rule WRI/WBCSD’s Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004, as updated in 2015) IPIECA “Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions”
Assurance standard and level of assurance	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ issued by the International Auditing and Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
Respective responsibilities	<p>Pioneer is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing, and maintaining of internal controls relevant to the preparation and presentation of the Report.</p> <p>ERM CVS’ responsibility is to provide conclusions to Pioneer on the agreed scope based on our engagement terms with Pioneer, the assurance activities performed and exercising our professional judgement.</p>

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the 2022 data and information for the disclosures listed under ‘Scope’ above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Report a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the Report.
- Interviews with relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures.
- Obtaining an understanding of the procedures performed by the internal audit department in relation to the metrics in scope.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- An analytical review of the year-end the consolidated 2022 data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary.
- In-person visit to Pioneer’s headquarters in Irving, Texas to review source data and centralized reporting systems and controls.
- Multiple discussions with key stakeholders, data owners and operational staff to review activity data sources, data acquisition methods including but not limited to meter management, emission calculations, and internal and external data quality controls.
- Assessing the emission factors and assumptions used.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating, or estimating the underlying information. It is important to understand our assurance conclusions in this context.

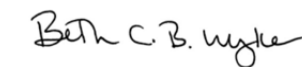
For the production data used in the above methane and GHG emissions intensity and flaring intensity metrics, our assurance procedures were limited to confirming the respective calculations with the production data provided by Pioneer that was previously reviewed by its internal audit team.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly, we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence, and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems, and processes, and provides no consultancy related services to Pioneer in any respect.



Beth Wyke
Head of Corporate Assurance Services
Malvern, PA

July 24, 2023

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