



PERMIAN STRONG. WEST TEXAS PROUD.



PIONEER
NATURAL RESOURCES

2022 SUSTAINABILITY REPORT

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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 961,000 gross acres and has a drilling inventory of more than 15,000 locations. In 2021, the company's production averaged 617 thousand barrels of oil equivalent per day. Pioneer employs more than 1,900 full-time workers.

961,000 acres
gross acres

617,000 barrels
of oil equivalent per day of production in 2021

>15,000 locations
of high-return drilling inventory

>1,900 employees
full-time



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 stable 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

The company's long-term strategy is anchored by the company's 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

Letter from the CEO

As Pioneer celebrates our 25th anniversary in 2022, I am especially proud to share our progress in advancing the company's environmental, social and governance (ESG) goals in our sixth Sustainability Report. As we reflect on a quarter century in the energy business, sustainability at Pioneer is not only about responsible development of natural resources – which we proudly carry as part of our name – it also encompasses the way we treat our employees, contractors, partner companies, suppliers, communities and the environment with RESPECT. From our Board of Directors (Board) to our employees in West Texas and Dallas, the people of Pioneer are committed to doing business the right way. Operating with integrity in a safe, efficient and sustainable manner is critical to our mission to become America's leading independent energy company.

We take pride in being a responsible supplier of affordable energy for the world. Pioneer's affordable, reliable, low-emission oil and gas is more important now than ever. Russia's unprovoked invasion of Ukraine is resulting 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 energy in the face of these shortages. In addition, the company and our employees have committed significant resources to humanitarian aid to help the people of Ukraine. Our support, thoughts and prayers are with the Ukrainian people as they fight for their freedom.

For 25 years, we have successfully navigated volatile energy markets by building one of the best asset portfolios in the industry and maintaining a commitment to financial discipline and operational excellence in developing those assets. Our low-breakeven, long-lived Midland Basin assets are competitive with the most economic basins in the world and help supply the world with low-cost, low-emission oil and gas. Our purpose is to be the country's leading independent energy company with a focus on value, safety, environment, technology and our people. This purpose can only be achieved through the hard work, technical prowess and integrity of the people of Pioneer.

This report describes the important progress we made throughout 2021 on emissions management, freshwater use, health and safety performance, diversity, equity and inclusion, and governance oversight and responsibility, among other issues. These achievements came at a critical time for the company as we completed the integration of two strategic acquisitions, Parsley Energy (Parsley) and DoublePoint Energy (DoublePoint). Pioneer has worked diligently to bring these newly acquired assets in line with our exemplary operational and environmental standards. Additionally, the divestiture of our Delaware Basin assets at the end of 2021 allows us to focus our efforts exclusively on our top-tier Midland Basin assets.

As we celebrate our 25th anniversary, we look forward to continued growth and success over the next 25 years, while also making progress

towards our long-term ambition to achieve net zero Scope 1 and Scope 2 emissions from our operations. We regularly monitor our progress against our interim greenhouse gas (GHG) and methane emissions intensity targets, and we are pleased to report 22% reduction in GHG emissions intensity and a 50% reduction in methane emissions intensity from our 2019 baseline while consolidating new assets into our operations.



Our 0.41% flaring intensity in 2021 remains below our 1% target, and Pioneer has now fully committed to zero routine flaring by 2025, in accordance with World Bank standards. Progress in these emission standards was achieved in 2021 while incorporating newly acquired assets from Parsley and DoublePoint. Also, to add greater reliability in our reporting, Pioneer has engaged third party experts to provide limited assurance of the company's Scope 1 and Scope 2 emissions included in this report.



We continue to commit to even more aggressive emissions reductions and increased transparency in emissions reporting. We recently joined the Oil and Gas Methane Partnership 2.0 (OGMP), making Pioneer among the first U.S. operators to participate in this voluntary private-public coalition with leadership and oversight from the United Nations. As a result of joining OGMP, Pioneer plans to establish a new methane intensity target in 2023, placing the company on the path of achieving the OGMP "Gold Standard" designation by 2025. We also joined the complementary Veritas initiative to accelerate actions that reduce methane leakage from upstream production facilities. In line with these efforts, Pioneer will advance our use of the best technology currently available to monitor and reduce methane emissions. Beginning in 2022, we increased our aerial methane detection campaign to three full-field surveys per year, and we are advancing plans to add fixed-site sensors at our larger facilities. Similar to our efforts with flaring, we are challenging ourselves and the industry to reduce methane leaks across the Permian Basin, along with providing greater transparency and third-party verification in our methane emission reporting.

Pioneer is also aggressively planning for the transition to electrified field operations, a path that is essential for reducing our carbon emissions. We have pilot tested electric-powered equipment in our drilling, completions and production operations; with this experience, we are now implementing these solutions as supply chain availability and power infrastructure allows. To ensure the success of this initiative, we are partnering with other Permian operators and the largest power distribution and transmission utility in Texas to expand the power delivery infrastructure within the Permian Basin. In addition, we are actively working with generators to develop renewable power to service our operations and reduce our Scope 2 emissions.

Consistent with our leadership in water resource management, we continue to drive down the use of freshwater resources within our operations and reduced freshwater use as a percent of total consumption in our completions operations to 41% in 2021.

“Pioneer understands that we have an important role to play in the global challenge to mitigate climate change, and we take that role seriously.”

We are also challenging ourselves to meet a more ambitious freshwater reduction goal: We now intend to reduce our freshwater usage in completions operations to 20% or less by 2026, (a 5% reduction from the 25% target we announced last year,) while continuing our commitment to a rigorous industry leading definition of freshwater use.

Pioneer understands that we have an important role to play in the global challenge to mitigate climate change, and we take that role seriously. Pioneer's Board and executive leadership team acknowledge the global threats posed by climate change due to increasing GHG emissions and the resulting impact on rising global temperatures. As we did last year, we will publish a Climate Risk Report in the fall outlining our work to prepare the company for the energy transition. The Climate Risk Report will conform to the recommendations set out by the Taskforce for Climate-related Financial Disclosures (TCFD).

Robust corporate governance drives alignment with the long-term interests of Pioneer's shareholders, strengthens our culture, drives accountability into the organization and, ultimately, improves the sustainability of our company. Our ESG vision and priorities are approved and overseen by our Board, managed by our executive team and implemented by employees across the organization. To help manage this process, the company established an ESG Task Force comprised of selected officers and subject matter experts. The Board established the Sustainability and Climate Oversight Committee (SCOC), which is comprised of the chairs of other Board committees and select Board members. Among other responsibilities, the SCOC assists the Board with overseeing the company's strategy related to sustainability and climate change-related risks and opportunities and works with the other Board committees that also have climate oversight as part of their responsibilities. The SCOC also works with the executive management team to inform the Board on topics related to the energy transition.

We continue to make progress in advancing diversity, equity and inclusion (DEI) within Pioneer, including the appointment of three new directors to our Board since our last publication who, collectively, bring deep expertise in DEI, ESG and the energy industry – Lori George Billingsley, Maria Jelescu Dreyfus and Jacinto Hernandez. Now, 46% of our Board and 46% of our executive management team are female and/or individuals from historically underrepresented communities. Additionally, in 2021, Pioneer elected to take part in the Human Rights Campaign Corporate Equality Index (HRC Index) survey and proudly received a score of 90 out of 100 in our first year of participation. The HRC Index annually rates workplaces on LGBTQ+ equality. Our high score is in recognition of the many policies and benefits we have implemented to promote the inclusion of members of the LGBTQ+ community in our workforce.

Pioneer and our employees continue to support the communities where we live and operate. On a global level, we continue to express formal support for the Ten Principles of the United Nations Global Compact (UNGC). As a multi-year participant in the UNGC, we have committed to align our strategy and operations with universal

principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals, such as the United Nations Sustainable Development Goals. Locally, our 2021 donations to non-profits in West Texas and North Texas, the communities where we live and operate, aggregated to more than \$9.5 million. We play a leading role in the Permian Strategic Partnership (PSP), an organization focused on housing, education, healthcare, roads and workforce development in the Permian Basin. Since its inception three years ago, the PSP has leveraged \$93 million in member funds into \$950 million in collaborative investments from other stakeholders. Finally, as noted above, Pioneer and its employees have committed to donate over \$20 million in humanitarian aid to the people of Ukraine.

Company culture is powerful at Pioneer, and it always has been. We were founded on a shared commitment to the responsible development of low-cost, low-emission oil and gas, and we believe that sustainability of the planet while supporting the free economies of the world is paramount to our future. We view ourselves as stewards of the resources – all the work we do today means future generations can enjoy it tomorrow. ESG is not new to us. Throughout our 25-year history we have simply strived to be the best. Pioneer remains committed to being an industry leader, and that includes leading when it comes to ESG performance.

It has been my honor to lead this company for our first 25 years, and I look forward to seeing the progress we make over the next 25 years. As the energy transition evolves, so do the commitments and strategies that will enable us to turn our goals into accomplishments. Taking Pioneer into the next quarter century requires forward-thinking at every turn – and Pioneer, with our talented and innovative employee base, is the company to lead the way. We are proud to share the highlights of our 2021 sustainability efforts, and we are dedicated to making continued progress in the years to come.

Thank you again for your interest in Pioneer and our ESG- and climate-related initiatives.

Scott D. Sheffield
Chief Executive Officer



Chapter 2

Our ESG Strategy

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 portfolio positively position Pioneer to meet these challenges. We are committed to working with all stakeholders to address our impacts on the environment, while providing the sustainable supply of abundant, affordable, responsibly produced energy.

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 to deliver long-term value to our stakeholders.



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.



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 this RESPECT.



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.

Key Highlights in ESG Progress

ESG matters remain critically important to our leadership, our employees and our stakeholders, and therefore, the company’s future.

Methane Management

In 2022, Pioneer reinforced our commitment to reducing methane emissions, joining the United Nations-led OGMP 2.0 and the Gas Technology Institute (GTI)-led Veritas initiative. The OGMP 2.0 Framework aims to improve the accuracy and transparency of methane emissions reporting from the oil and gas industry and create a consistent platform to track actual emissions reductions. Veritas participants are expected to develop protocols necessary to calculate measurement-informed emissions inventories. Pioneer plans to continue to advance the use of the latest emissions-monitoring and measurement technologies to achieve the goals of both programs.

We have expanded our current aerial methane detection surveys of our assets from one time per year to three times per year. More frequent flyovers will allow Pioneer to detect and mitigate fugitive emissions more quickly and effectively. We are also completing a field test of various fixed-site sensor technologies and intend to

develop a plan by the end of 2022 to deploy this technology at our larger facilities.

Advancing Our Net Zero Strategy

Pioneer is acting upon our Net Zero plan to reduce Scope 1 and Scope 2 emissions. We continue to emphasize electrification of our field operations as a primary strategy. In 2021, we completed trials of grid-powered electric drilling and the use of gas-powered turbines in our completion operations and initiated plans to use electric gas lift compression at our facilities. These successful pilots are informing the development of longer-term electrification plans. We are partnering with our primary transmission provider as we develop a power strategy to support electric drilling, completions and compression activities, which will continue to progress over the next few years. As part of our emissions-reduction efforts, we are pursuing the migration to electrification as these technologies develop and the power infrastructure in the Permian Basin allows. Additionally, we have begun to form strategic partnerships to formally participate in the development of renewable energy projects as well as purchasing renewably generated power for our operations. These efforts align with our Net Zero strategy by mitigating our Scope 2 emissions.

Flaring

In 2019, Pioneer CEO Scott Sheffield called on producers to remedy what he dubbed the “black eye” of the Permian Basin, encouraging other regional producers to reduce flaring to 2% or less of total natural gas production, significantly lower than the 2019 Permian Basin average of ~4%, according to Rystad Energy. Following Sheffield’s call to action and amid heightened scrutiny, Permian producers are now reporting lower flaring numbers across Texas and New Mexico.

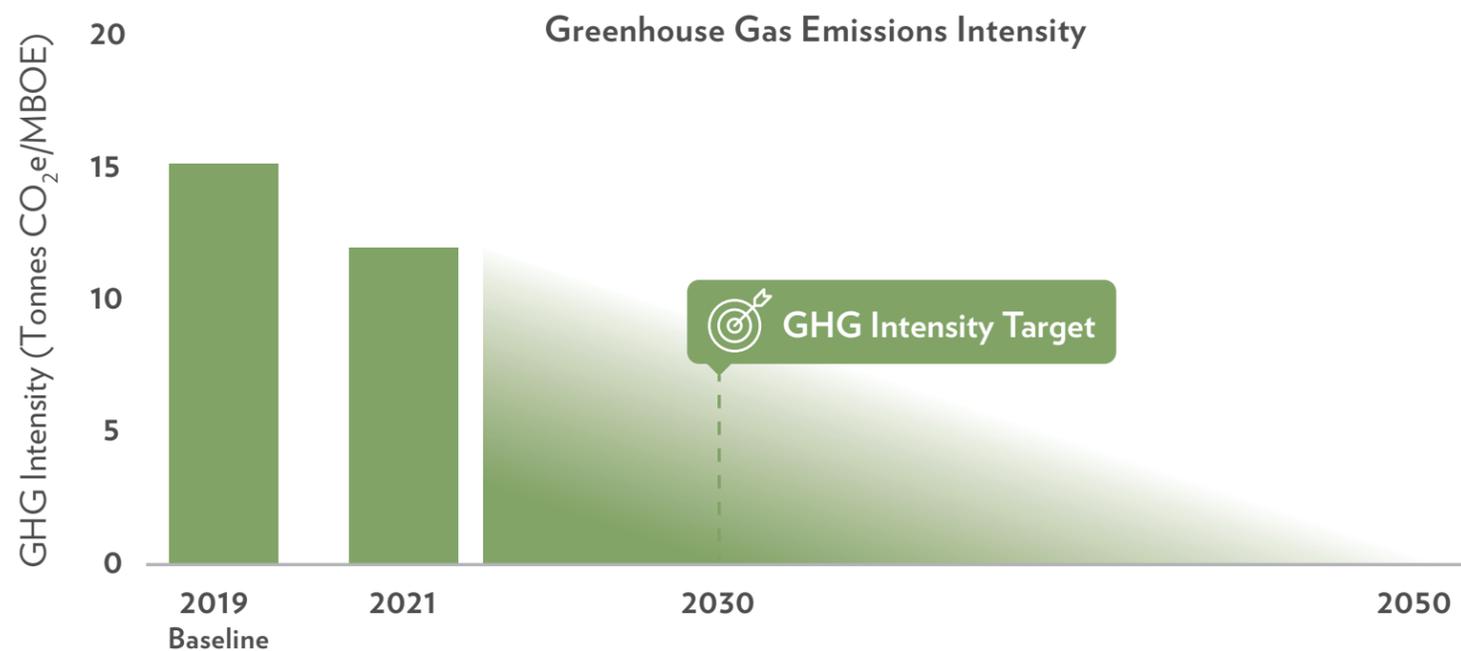
Pioneer avoids routine flaring by requiring that our wells be connected to gas takeaway infrastructure before they are placed on production. In fact, we have limited annual flaring to below 1% of natural gas produced for more than three years, serving as a leader in the Permian Basin: Pioneer flared only 0.41% of our natural gas produced in 2021 compared to a Permian Basin average of 1.3% according to Rystad Energy. Pioneer also accelerated our committed deadline to eliminate routine flaring to 2025 – five years ahead of our previous goal of 2030. This new target aligns with the World Bank Zero Routine Flaring initiative.

Third-party Assurance of Emission-related Data

Pioneer has received independent limited assurance of our Scope 1 and Scope 2 emissions calculations included in this report. Additionally, to further validate our progress with emissions targets, the third party, ERM CVS, provided an assurance review of Pioneer’s GHG, methane and flaring intensity metrics.

Implementing TCFD Principles

In 2021, Pioneer published the company’s first Climate Risk Report, detailing our strategy to deliver long-term value to stakeholders by implementing Task Force on Climate-related Financial Disclosure (TCFD) principles. We aim to continually refine and mature our internal processes around climate-related risks and opportunities and plan to provide our advancements in our second annual Climate Risk Report this fall.



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

More Ambitious Freshwater Use Reduction Target

Last year, Pioneer set an industry-leading goal to limit the use of freshwater in our completions operations to 25% by 2026. This year, we have set a new, more aggressive target that would reduce our freshwater usage to 20% or less of total consumption in our completions operations by 2026. With Pioneer under an exclusive contract to secure reclaimed water from the West Texas cities of Odessa and Midland, plus the continued development of our produced water reuse strategy, we believe we are well positioned to achieve this goal by 2026.

Pioneer does not include drilling operations (approximately 5% of total freshwater usage) in this freshwater target, as industry requirements and best practices necessitate freshwater use when drilling through shallow geologic zones to protect groundwater resources. Additionally, Pioneer is committed to transparency in our disclosures and defines freshwater more rigorously than our peers to include water acceptable for agriculture use.

The city of Midland was awarded the 2022 Governor's Texas Environmental Excellence Award in the category of "Water Conservation," for its new water treatment plant. We are proud of our part in funding this \$134 million project and partnering with



the city of Midland to safely develop this project on time and under budget. As a result, city of Midland water is now treated to a high quality and Pioneer is able to safely use this reclaimed water in our operations.

Promoting Inclusion in Our Diverse Workforce

Pioneer is proud to share that we have earned a score of 90 out of 100 on the 2022 HRC Index, the nation's foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. Pioneer joins the ranks of 1,271 major U.S. businesses that were scored in the 2022 HRC Index.

We continue to focus on diversity, equity and inclusion in every aspect of our business, including our executive management team. We strive for over 50% of the members of our executive management team be diverse in that they identify as female and/or with demographics that are traditionally underrepresented in the oil and gas industry. Each executive management team member has DEI goals that are tailored to the workforce within their respective business units. These departmental goals focus on leading indicators such as representation in targeted development, succession plans and internal mobility, helping Pioneer continue to empower representation of diverse perspectives and employees in all areas of the company. Additionally, Pioneer shares its EEO-1 data after submission of this report to the U.S. Equal Employment Opportunity Commission to provide additional transparency into our efforts to increase under-represented populations in our workforce.

Integrating ESG and Social Awareness

In 2021, Pioneer actively worked to develop a Supplier Code of Conduct that we released to our suppliers in 2022. The Code of Conduct requires suppliers to acknowledge the special set of values on which Pioneer was founded: honesty, mutual respect, accountability, innovation, inclusion and communication – known as the company's RESPECT values.

The Code will also require suppliers to adhere to Pioneer's Human Rights Policy: "Pioneer has committed to be a responsible corporate citizen and a force for good and advocate for progress on environmental

sustainability and social inclusion and equality within our communities, industry and society at large."

Our Supply Chain Management team is working to better understand our relationships with Historically Underutilized Businesses (minority-, women- and veteran-owned businesses) as a part of our overall ESG and diversity efforts as a company. Pioneer Supply Chain Management is also onboarding all critical suppliers to EcoVadis, a widely accepted ESG and Business Sustainability rating platform. In 2021, Pioneer successfully onboarded 355 suppliers that account for more than 80% (or nearly \$3 billion) of our annual operational spend, to EcoVadis. Additionally, Pioneer is benchmarking our diversity spending and plans to implement a Supplier Diversity Program in late 2022.

Improving Our Communities

In 2021, Pioneer and our employees contributed more than \$9.5 million to hundreds of charitable organizations through strategic corporate partnerships, volunteer committees, leadership oversight, employee-driven matching contributions and grants, and university giving. Pioneer and our employees are also making contributions in 2022 for humanitarian aid to the people of Ukraine.

Advancing Our ESG Governance

Pioneer continues to raise the bar and enhance our ESG conduct and performance. We continue to review and, as needed, revise Codes, Policies and Commitments in alignment with ESG best practices. Our stakeholders are encouraged to review the following documents, which are available at pxd.com/library.

- Code of Conduct and Business Ethics
 - Including Foreign Corrupt Practices (FCPA), Foreign Boycotts, Sanctions, Antitrust, Fair Disclosure, Insider Trading, Whistle Blower protections
- Supplier Code of Conduct
- Sustainable Procurement Commitment
- Human Rights (Policy/Commitment)
- Health, Safety and Environmental (Policy/Commitment)
- Approved Contractors Policy

PATH TO **NET ZERO BY 2050**

Interim targets to support our ambition to reach net zero emissions by 2050

Significant progress towards targets

Reduce *GHG emissions* intensity
50% by 2030
(Scope 1 and Scope 2)

22% reduction from 2019 baseline

Reduce *methane emissions* intensity
75% by 2030

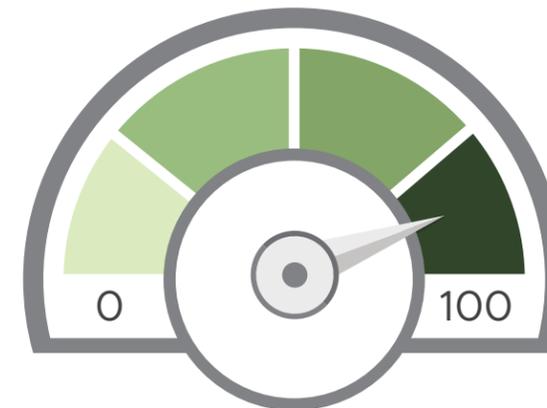
50% reduction from 2019 baseline

Limit annual *flaring intensity* to
less than 1%

59% lower than 1% limit

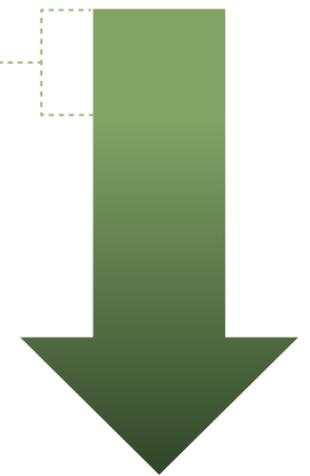
Reduce *freshwater* in completions to
20% by 2026

41% in 2021



Scored a **90 out of 100** on Human Rights Commitment

Decreased Total Recordable Injuries by **21%**



Contributed **>\$9.5 million** to charitable organizations

Currently **46% diverse** executive management team

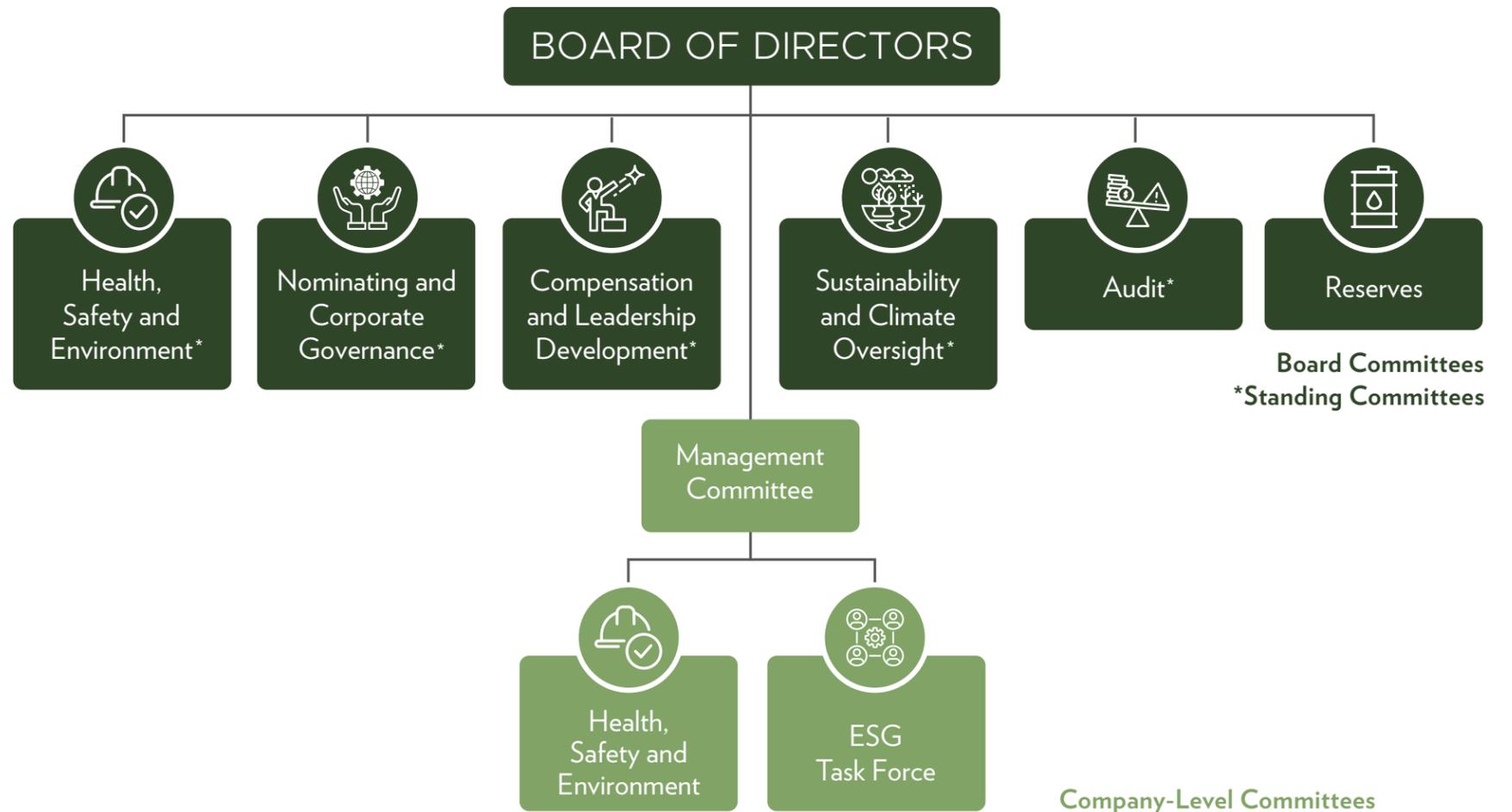
INAUGURAL YEAR

- *Oil and Gas Methane Partnership 2.0* – Company Member
- *Veritas* – A GTI Differentiated Gas Measurement and Verification Initiative
- Third-party limited assurance of Scope 1 and Scope 2 emissions and flaring data
- Supplier Code of Conduct
- Sustainable Procurement Commitment including ESG diversity assessments for supply chain and service providers
- Active *DEI workforce goals* now represented in all business units
- *S&P 500 ESG Index* – Constituent
- *Oilfield Water Stewardship Council (OWSC)* – Founding Member
- *HRC Index participant* – 90 out of 100 score

Chapter 3

Governance

Pioneer’s Board and executive management team recognize that strong corporate governance drives alignment with the interests of our shareholders and other stakeholders, and strengthens our culture, provides accountability 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 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 the design and implementation of our ESG strategy, while working with management to cultivate our Health, Safety and Environment (HSE) culture. Continuing director education is an important part of our Governance process and is provided via two primary avenues: (i) during regularly scheduled Board and committee meetings; and (ii) 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 and periodic site visits. Director education sessions generally focus on topics that are of interest to Pioneer and its stakeholders. For example, in 2021, director education sessions focused on areas related to the energy transition, alternative energy technologies, carbon emission offset markets, ESG and other relevant topics.

Pioneer Governance practices are described in our Corporate Governance Guidelines. To view details about our Board members, visit: [PXD.com > Culture > Governance](https://www.pxd.com/culture/governance).

Board Committees

Sustainability and Climate Oversight Committee (SCOC)

The SCOC is responsible for the oversight of the company's climate strategy as well as overseeing Pioneer's annual Sustainability Report and Climate Risk Report publications. 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 in 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 related to sustainability and climate matters.

The SCOC oversees our public disclosures regarding climate change and ESG matters and has additional responsibilities including:

- *ESG Trends, Risks and Opportunities* – Monitoring environmental, social, governance, and public policy trends, issues and concerns, along with other matters related to sustainability, corporate responsibility and climate change that could affect Pioneer's business.
- *Climate-related Risk Management* – Providing oversight for Pioneer's climate-related risk processes and mitigation plans.
- *Goals and Targets* – Coordinating and providing input alongside other Pioneer Board committees and executive leadership in setting performance metrics used to monitor our ESG-related goals and targets, such as emission-reduction targets, and evaluating compensation awards based on performance.
- *Recommendations to the Board* – Reporting recommendations for actions to be considered and/or adopted by the Board or Pioneer.



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

Health, Safety and Environment (HSE) Committee

The committee oversees the company's HSE and sustainability 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 of our HSE practices, the committee members periodically visit Pioneer operational facilities and speak with employees, learning firsthand about Pioneer field operations and what our Board members can do to better support HSE efforts. Additional committee oversight actions relevant to ESG include the following topics:

- *HSE Risk Management* – Reviewing the company's responses and actions related to current and emerging HSE and climate change-related issues, including trends in legislation and proposed regulations that would affect the company. Providing policy oversight with respect to risk assessment and risk management arising from HSE practices, including related operational cybersecurity risks (e.g., field automation and communication systems).
- *HSE Management Systems* – Reviewing Pioneer's HSE management systems, including processes to monitor compliance with applicable legal and regulatory requirements.
- *HSE Goals* – Reviewing and approving the company's HSE goals, monitoring performance toward those goals, including evaluating compensation awards based on performance.
- *HSE Aspects of Sustainable Development* – Receiving reports from management and providing oversight for the HSE aspects of Pioneer sustainability programs. Periodically receiving reports from management on corporate security activities undertaken in support of field HSE practices.
- *HSE Continuous Improvement* – Monitoring management's efforts to create a culture of continuous improvement in the company's safety

and environmental protection practices. Receiving regular reports from management on HSE, ESG and sustainable development actions.

- *Board of Directors Communication* – Making regular reports to the Board about the committee's activities and decisions.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee oversees Board and committee composition and succession planning and oversees the risks related to governance structures and processes.

The committee oversight responsibility includes assisting the Board in identifying, evaluating, and monitoring social, governance, political, human rights and public policy trends, issues, and concerns, along with other sustainability and corporate responsibility matters that could affect the business and reputation of Pioneer, including climate change-related risks and opportunities. Information from this committee is reported to the Board for consideration and potential adoption of recommended actions. The committee is directly responsible for the oversight of:

- *Charitable Contributions, Political Spending and Lobbying Activities* – Providing oversight of Pioneer charitable contributions, political spending and lobbying activities, including receiving reports at least annually related to Pioneer's charitable contributions, political spending and lobbying activities, including company-related political action committees.
- *Related-party Transactions* – Comprised of independent directors, the committee must approve, ratify or reject related-party transactions.

Compensation and Leadership Development Committee

The Compensation and Leadership Development Committee has oversight of our human capital management, including 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. Starting in 2022, Pioneer revised executive leadership's annual cash bonus incentive program to adjust the annual incentive compensation weighting for ESG and HSE metrics to 15% and 5%, respectively.



Audit Committee

The Audit Committee assists the Board with overseeing financial and accounting risks, reporting processes, policies and practices, controls, and audits, as defined in the committee charter. Additionally, the Audit Committee oversees 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 and, upon rotation, must be 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 controls implemented at the company to address such disclosures.

Reserves Committee

The Reserves Committee is responsible for the Board’s oversight of the proved reserves estimates process. The committee meets with Pioneer executives and employees responsible for overseeing the company’s proved reserves estimates prior to the company’s annual Form 10-K being filed with the Securities and Exchange Commission.

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. The Nominating and Corporate Governance Committee is responsible for identifying, evaluating and recommending nominees for election at annual shareholder meetings, and filling vacancies or making Board additions that may occur between annual meetings.

In assessing the composition of the Pioneer Board, the Board and its Nominating and Corporate Governance Committee strive to achieve an overall balance of diversity of backgrounds and experience at policy-making levels with a complementary mix of skills and professional experience in areas relevant to the company’s business and strategy. The 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, environmental policy, alternative energy, regulatory matters, ESG, safety, accounting, capital markets, corporate finance, corporate governance and diversity, equity and inclusion, and other areas. 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 on topics important to large institutional investors.

If the Nominating and Corporate Governance Committee recruits candidates from outside Pioneer as potential nominees to join the Pioneer Board, the committee includes, and instructs any third-party search firm to include, qualified candidates with a diversity of gender and race/ethnicity in the initial pool from which the committee selects director candidates.

Pioneer’s Board currently consists of thirteen individuals, of which four self-identify as women, and three self-identify as individuals from underrepresented communities (meaning, an individual who self-identifies as Black, African American, Hispanic, Latino, Asian including the Middle East, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender).

Additional Board demographic information is included in the Social Impacts section of this report and the Sustainability Performance Data Table.

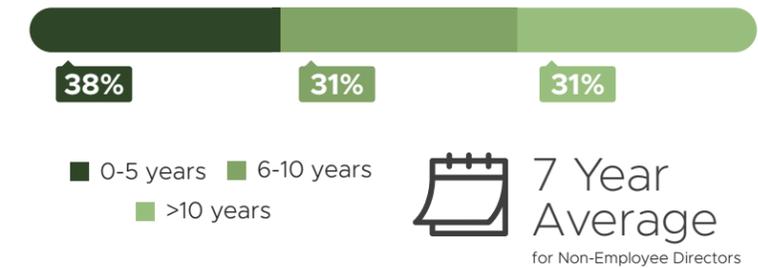
Executive ESG Leadership

Executive Management Team/Management Committee

A focus on sustainability begins with strong governance and committed leadership. The Pioneer Management Committee includes the chief executive officer, president and chief operating officer, chief financial officer, and 10 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.

Board Diversity

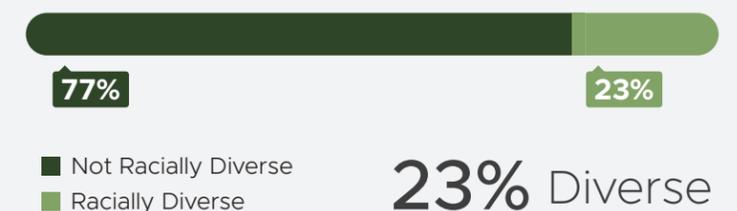
Director Tenure



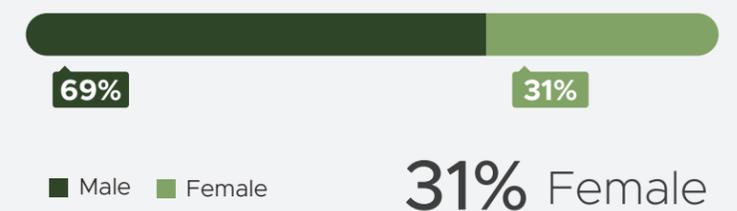
Age Diversity



Racial Diversity



Gender Diversity



Aggregate Board Diversity: 46%

A key function of the Management Committee is overseeing HSE and ESG strategy and annual goal-setting and performance reviews. Consistent with all Pioneer employees, members of the Management Committee have financial incentives through our annual bonus program, focused on continuous improvements in the areas of health and safety, air emissions and climate issues, among others. During annual goal setting, the Management Committee defines, with input and approval from the Board, measures of success for each goal, which objectively evaluate performance. This proactive, incentive-based approach focuses on key HSE and ESG goals that ultimately position Pioneer to achieve long-term objectives and targets.

ESG Task Force

Established in 2020, the ESG Task Force comprises a subset of the Management 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 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 monthly or as needed. The priority of the ESG Task Force is assessing,

developing and progressing the following goals that are expected to align Pioneer's ESG standards with stakeholder feedback and industry-leading practices, including:

- Increasing Board ESG oversight and engagement
- Moving forward with the company'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
- Sanctioning a third-party audit to provide emissions and intensities data assurance

- Progressing 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 (HSEC)

Pioneer's Executive HSE Committee 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 business units, and tracks and reports progress to the Management Committee and the HSE Committee. Executive, technical and field staff participate in the cross-functional HSEC. The committee convenes monthly to manage HSE issues, regulatory compliance and related opportunities, providing quarterly updates to the HSE Committee. The development and implementation of HSEC initiatives lie with seven subcommittees that work to enhance our HSE programs:

- *Incident Management* – Assesses and recommends improvements to the incident management process, including reporting, investigation, root-cause analysis and corrective action development
- *Contractor HSE* – Manages our contractor engagement strategy for HSE culture improvement
- *Safe Driving* – Enhances the effectiveness of our safe-driving program to reduce motor vehicle risk
- *Proactive HSE* – Develops and promotes opportunities in proactive HSE processes
- *Air Emissions* – Identifies and implements air emission-reduction projects
- *Spills and Waste Management* – Identifies and implements spill- and waste-reduction projects
- *Management of Change* – Provides a common platform to carefully evaluate, manage and communicate HSE- and project-execution risks before implementing a change



Enterprise Risk Management

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

The Board oversees Pioneer’s enterprise risk management program, while the Management 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. 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.

Our enterprise risk management process is summarized below:



- *Company Strategy* – Align company goals and risk identification with the strategic objectives of the Management Committee and Board of Directors
- *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 transfer, tolerate, terminate or otherwise address identified risks
- *Monitor and Report* – Report identified risks in the enterprise risk management matrix and continuously monitor those risks and associated mitigation plans and responses

Key business and other relevant risks are tracked and monitored in a detailed enterprise risk management matrix that aligns those risks with the appropriate management oversight processes and practices. Each principal risk identified has an assigned owner, generally an officer of the company whose responsibilities are most impacted by the potential risk or whose function aligns with the mitigation of the risk. Each owner is responsible for managing the overall risk and the associated mitigation plan in conjunction with relevant management or external support. An annual assessment of these risks is supplemented by quarterly, or as needed, updates on selected issues. Risks are rated and plotted within the enterprise risk management matrix according to how significant the risk is, how likely the risk is to occur, its impact on the business and how quickly the risk event could occur with current controls/strategies in place.

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 discussed 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 Management Committee for a holistic review to achieve alignment on risk identification, assessment and response. Following the review by the Management 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 believes the most effective approach to managing climate-related risks is by integrating the assessment of these risks into our existing ERM process. 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 enterprise. 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, including climate-related risks. We also ensure that the conclusions developed in our strategic and scenario planning processes are used to inform our ERM process in evaluating climate and other risks that could impact our business.

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.
- *Emission Mitigation Practices* – Designing and constructing infrastructure that provides better and more efficient emission controls.

- *Water Management* – Minimizing the use of freshwater in completion activities by using reclaimed water and reusing produced water.
- *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.
- *Supply Chain Management* – Working with providers whose core values and climate-related policies align with our own. Our supplier onboarding process now incorporates 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.
- *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. Climate-related risks are factored into our corporate decision-making processes, including during the evaluation of potential acquisitions or other business development opportunities. In evaluating the Parsley and DoublePoint acquisitions, due diligence procedures were completed to assess the impact on our GHG emissions, as well as our emission-intensity reduction targets and flaring reduction commitments. Consideration was given to how these companies’ historical emissions performance aligned with our own and the type of mitigation efforts that would need to be implemented following the acquisitions.

Emergency and Crisis Management

As part of our Emergency and Crisis Management program, key Pioneer personnel are trained to address emergencies or crises following our Emergency/Crisis Management Plan. The plan defines the systems, protocols and decision-making tools that could impact Pioneer during an emergency.

Potential risks requiring emergency response include:



Death/Injury



Airborne Release



Fire/Explosion



Terrorism



Well Blowout



Evacuation



Health/Illness



Kidnapping



Oil or Chemical Spill



Natural Disasters



Cyber Attacks



Violence in the Workplace

Our operations are entirely within areas of 24-hour coverage by public, regional or local emergency response organizations. 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. Additional incident information is provided through our Corporate Communications department.

Emergency management planning prepares us to carry out functions necessary to mitigate, respond to and recover from emergencies and disasters. In applicable situations, we employ the Incident Command System, a domestic incident management system integrating a combination of facilities, equipment, personnel, procedures and communications. Our business continuity plans document a predetermined set of instructions and procedures that outline how business functions will be sustained during and after a significant disruption.

The primary goals are:

- Protecting people
- Protecting the environment
- Defining service alternatives for accomplishing critical applications
- Minimizing the extent of interruption
- Limiting financial losses and hardships
- Satisfying national and state compliance regulations



Crisis Mgmt. Team

- Aligned with strategic and ethics-based objectives
- Maintained an assessment of the incident potential
- Assessed risk and fostered management and mitigation plans in alignment with best practices
- Strived to be “the source” of information



COVID-19 Playbook

- Outlined, continually improved and trained employees on proactive and preventive steps to minimize exposure
- Maintained COVID-19 checkpoints with standard screening protocols in both field and office locations
- Developed response plans for symptomatic and suspected or confirmed positive COVID-19 cases



Communication

- Provided informative and up-to-date guidance as the COVID-19 pandemic evolved
- Maintained a web-based portal created to serve as the one-stop-shop for all COVID-19 content
- Ensured contractors were informed of our expectations
- Managed COVID-19 hotline



Support

- Provided supplies for respiratory and hand hygiene to employees and contingent workers
- Leveraged technology to reduce risk and enhance efficiency of COVID-19 screening process in field and office locations
- Tapped external networks to benchmark and validate our approach



Process

- Business contingency plans were reviewed and updated to ensure seamless operations
- Used an agile approach to everyday planning and execution; continually improving along the way
- Provided detailed process information on proactive and preventative measures that were implemented

Security Personnel and Programs

Security is a material risk for many oil and gas companies. Pioneer takes a preemptive security approach for those risks that are present within our operations. Pioneer participates in the Energy Security Council, which provides leading-edge security forces training. We are also an active member of the Permian Basin Oil Field Crime Committee. This committee promotes collaboration among its members, which include Permian Basin oil and gas company security departments and law enforcement agencies. Additionally, our security professionals maintain strong working relationships with national and state prosecutors, local officials, and police chiefs and officers. These relationships support our communities and are invaluable in conducting our business ethically and safely. They also allow for collaboration and assistance in preventing and prosecuting oilfield thefts.

Pioneer employs internal security personnel to manage security for our staff, proprietary information and operations, including:

- Risk management
- Theft prevention
- Data loss protection
- Physical security
- Fraud prevention
- Internal and third-party audits
- 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

Pioneer has determined critical business processes and developed continuity plans that can be deployed across our operations, business units, and support services in the event of a disaster. Tabletop exercises with these groups streamline processes, put risk mitigation plans into practice and increase plan effectiveness. We regularly test our business continuity plans and incident response procedures. For example, these efforts have been instrumental in Pioneer’s rapid response to the COVID-19 pandemic.

COVID-19 Response

COVID-19 tested the effectiveness of our Emergency and Crisis Management program and our business continuity plans; however, both have performed extraordinarily well under challenging circumstances. Pioneer quickly recognized the risk that COVID-19 posed to our employees and business and activated our Crisis

Management team (a comprehensive and cross-functional group of company leaders). Our primary concern, as always, was the health and safety of our employees, contractors and their families. We put numerous measures in place (following U.S. Centers for Disease Control and Prevention, State of Texas and county guidelines) to reduce the risk of exposure in both field and office settings. While essential field personnel continued reporting to work with specific safety protocols, we quickly transitioned office employees to a remote working environment with minimal business interruption. During 2021, the majority of our office employees returned safely to work through a disciplined workplace re-entry program.

Pioneer continues to monitor and respond to the COVID-19 situation as needed.

Cybersecurity

Information security is the responsibility of our Technology Solutions team and is managed by our chief information officer (CIO). The Management Committee and Cybersecurity Steering Committee are engaged in information security/cybersecurity strategies and, along with our Board, provide the associated oversight. The CIO provides regular updates to the Board and its 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 HSEC 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 cybersecurity 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 or elevated access. 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 International Organization for Standardization and National Institute of Standards and Technology frameworks. Pioneer performs regular cybersecurity incident response testing utilizing the Crisis Management Team and conducts Disaster

Recovery (DR) testing annually. Triannual third-party audits are conducted on our business and operational technology environments. This process is also subject to our annual Sarbanes-Oxley and financial third-party audits. Vulnerability analysis performed against these systems includes simulated hacker attacks. In 2021, 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, revenue, 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 monitor data quality 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 that is used by departments throughout the company. The primary benefits of the system are:

- Improves visibility and accountability for HSE compliance and culture throughout the organization
- Establishes an enterprise-level platform to enable Pioneer to continue to standardize and improve our HSE risk management processes
- Demonstrates our commitment to HSE and sustainability through investment in tools that raise the level of employee and management engagement
- Enables enhanced sharing of lessons learned and proactive HSE indicators across the company and with our contractors
- Reduces technology costs and risks by moving to an industry-leading, cloud-based solution



Chapter 4

Emissions Management

Climate stewardship is important to Pioneer and our stakeholders. Pioneer acknowledges the global threats posed by climate change due to increasing GHG emissions and the resulting impact on global temperatures. As such, our strategy is to manage our environmental footprint proactively and limit emissions of methane and other GHGs from our operations.

Pioneer also limits emissions of non-GHGs from its 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 ensure regulatory compliance, but deliver emission benefits well beyond that required by federal and state regulation.

Best Practices Emissions Reductions

Pioneer set targets to reduce our GHG emissions intensity by 50% and our methane emissions intensity by 75% by 2030 (from our 2019 baseline), the achievement of which would align with Pioneer's ambition to achieve net zero emissions (Scope 1 and Scope 2) by 2050.

These targets are based upon operationalized plans through 2030, and we will continue to follow best practices in our pursuit of GHG

and methane emissions intensity reductions. We recognize that the environment in which we operate is dynamic and, as a result, we will continue to review and revise our emissions reductions plan on an ongoing basis. We are proactive in communicating and planning with third parties, especially where externalities, such as materials availability, equipment supply, technology development, and gas-gathering and power infrastructure buildout can affect our progress.

Pioneer's overall strategy to manage GHG emissions is comprised of the following actions:

- Reduce methane emissions through facility design, operation and leak management
- Eliminate routine flaring and limit flaring to circumstances related to emergency or upset conditions
- Minimize emissions through electrification of field operations
- Secure purchase power agreements (PPAs) for renewable energy and associated renewable energy certificates (RECs)



Vapor recovery unit control panel.

This strategy underpins our vision for both reducing existing emissions as well as curtailing growth of potential future emissions over the next 9 years. As depicted in the chart below, the impact of these cumulative actions will not only significantly decrease our baseline emissions forecasted for 2030 but also drive our trajectory towards net zero emissions in 2050.

Pioneer’s objective is to first 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 emissions and realize our net zero ambition in the longer term. In addition, Pioneer anticipates relying on field-supported RECs to help mitigate our Scope 2 emissions.

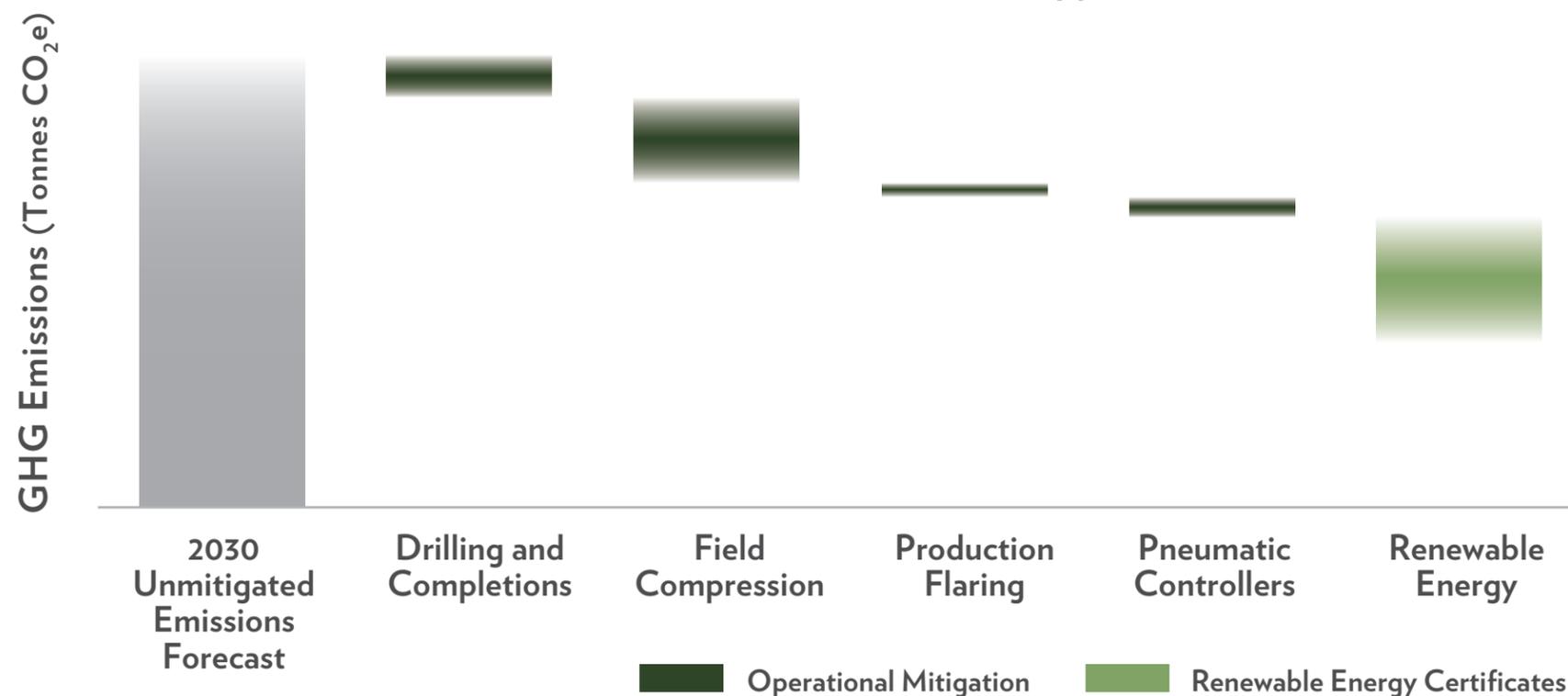
To achieve our emissions targets, we are in the process of developing proactive strategies centered around operational best practices, technological innovation, applied research and industry partnership. Through collaboration, we leverage the varied skillsets of our teams to create innovative approaches to mitigate emissions and 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 (i) drills and completes our wells, (ii) designs, builds and operates our facilities, and (iii) manages our relationship with third-party gatherers, processors and transporters who ultimately process and transport our oil and natural gas production.

Electrification

Our ability to achieve our net zero ambition is centered on being able to electrify our drilling, completions and production operations, and ultimately, use renewable energy to power these activities. Challenges exist for all operators in the Permian Basin as it pertains to electric transmission 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:

- Drilled a pad using a rig powered by 100% electricity from high-line power
- Pilot tested a hybrid rig using battery storage for peak load shaving
- Replaced diesel light plants with solar light plants in a trial
- Continued planning for full conversion of drilling operations to high-line power as infrastructure allows
- Tested dual fuel (compressed natural gas/diesel) frac pumps
- Tried an electric frac fleet powered by a cleaner, gas-burning turbine
- Leveraged high-line power to support auxiliary equipment for stimulation and post-stimulation activities on one trial pad
- Continued planning for opportunities to use high-line power for completions operations as infrastructure allows
- Installing electric compression for gas lift as unit availability and power infrastructure allows

2030 Vision for Emission Reduction Opportunities



Summary: Emissions 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
Facility Construction and Operations	<ul style="list-style-type: none"> • Producing oil and gas in modern facilities • Requiring natural gas sales connections prior to well production to prevent flaring • Partnering with gas processors to minimize flaring due to operational upsets • Installing vapor recovery equipment to capture tank emissions that can be routed to sales • Actively monitoring flares and emission controls • Expanding use of no-bleed 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

Renewable Power

Given the combination of Pioneer’s plan to pursue electrification of our operations and our large ownership position of surface acreage in the Permian Basin, we are well-suited to support the development of wind and solar power generation projects. We have begun to form partnerships to participate in the development of renewable energy projects on our acreage as well as participate in directly purchasing renewably generated power for our operations. These projects not only support our efforts to minimize our carbon footprint, but 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. We also plan to participate in other renewable energy projects in the future to further offset our Scope 2 emissions.

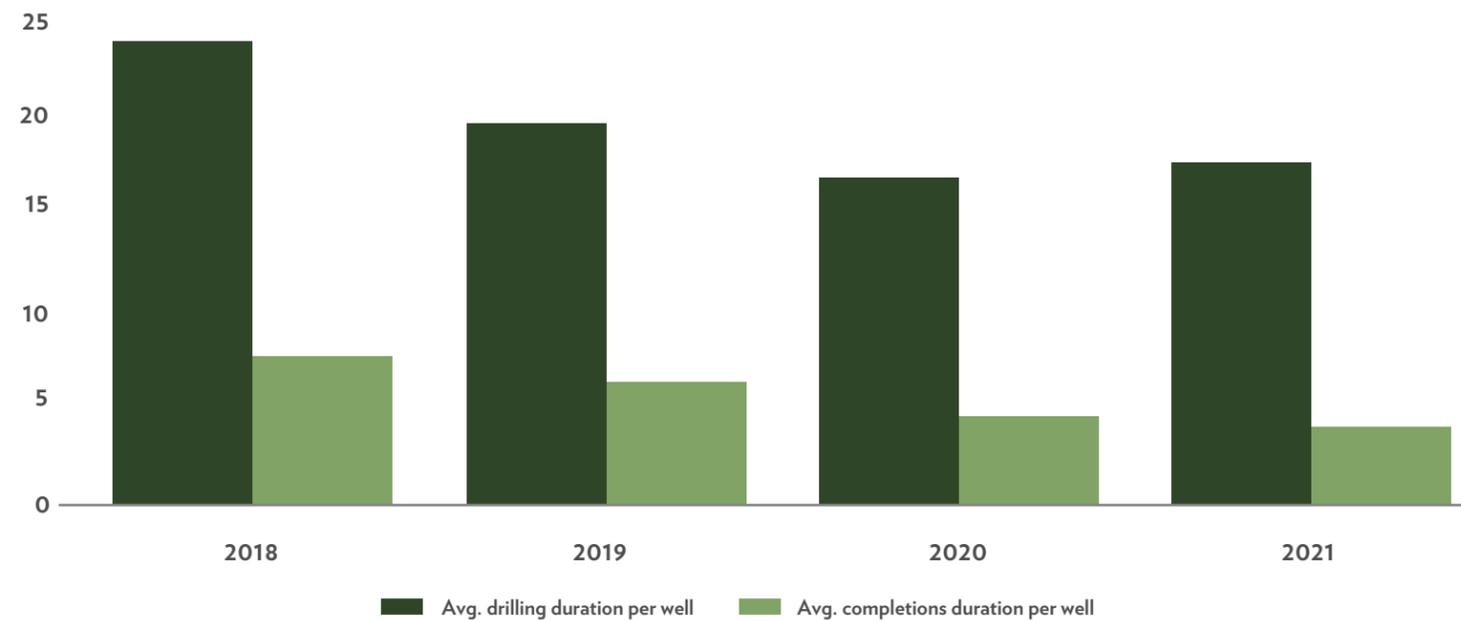
Drilling and Completions

Reducing Diesel Fuel Combustion – Our drilling and completion operations continue to become more efficient, and we are driving significant reductions in GHG and non-GHG emissions. By drilling and completing wells with fewer drilling rigs and pressure-pumping fleets, we produce fewer emissions per year for the same number of wells placed on production.

Deployment of standard equipment packages help to maximize our drilling time and lower static time. Since 2019, our drilling team reduced the average number of days to drill a well by 27%. From a 2017 baseline, we have reduced diesel fuel consumption in drilling operations, lowering each well’s emissions footprint by more than 25%.

Our completions team has reduced pressure-pumping engine idle times by 78% since 2017 (an 18% reduction since 2020), further decreasing our diesel fuel consumption. Presently, we are on pace to continue this trend of improvement in 2022. Although completions emissions per well remained stable in 2021, the average completed lateral feet per well increased by 4%, resulting in an emissions decrease per lateral foot. By completing longer wells, while at the same time preventing a growth in emissions, we continue to improve our environmental performance. In addition, our completions team reduced the number of days to complete a well by 12% in 2021 and increased our completions productivity – average foot per day – by over 30%.

Drilling and Completions Efficiency Improvements (Days)

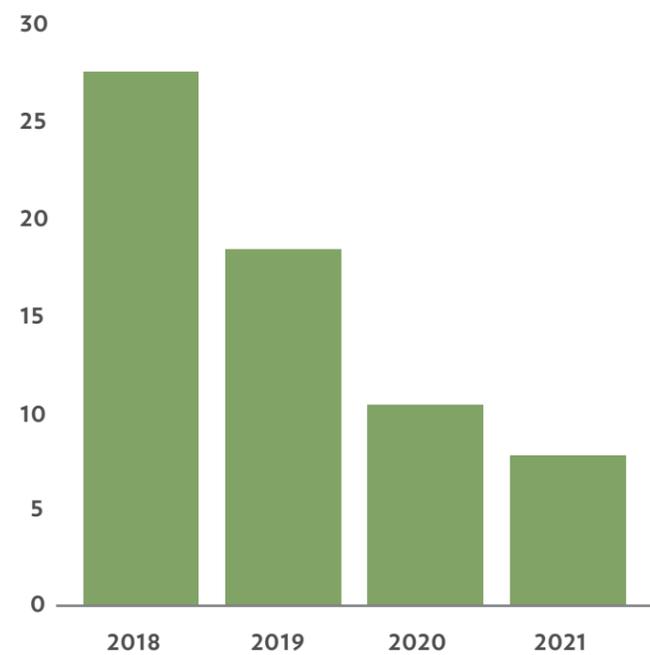


Reducing Venting and Flaring – We have also focused on reducing flaring in our completions operations. Since 2018, the duration of circulating time (the phase of completions operations during which the well has the most potential to flare gas) has been shortened by more than 71%. Additional management practices include:

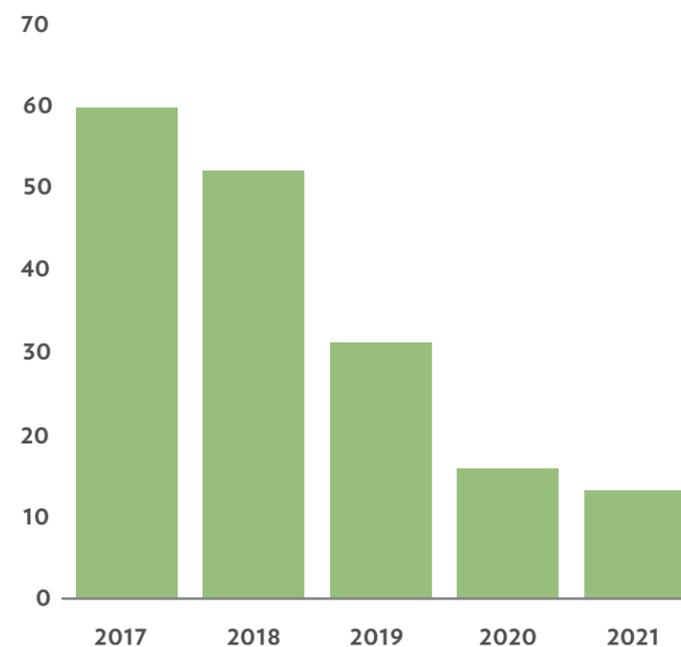
- Controlling emissions during oil and gas well completions by constructing necessary infrastructure and permanent production equipment ahead of associated well completions
- Capturing and routing flowback emissions directly to production facilities and pipelines rather than flaring, wherever possible

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 lessen Pioneer’s overall climate footprint.

Average Circulating Time Per Well (Hours)



Engine Idle Times Between Stages (Minutes)



Facility Construction and Operations

Minimizing Flaring – Pioneer minimizes 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. We are confident in achieving these goals, having performed cross-departmental analyses, pilot testing and a thorough analysis of the root causes of conditions that can lead to flaring in our operations. We also continue to refine quantification of flared gas by incorporating direct measurement of both low-and high-pressure volumes with thermal mass meters.

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 is working with 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, natural gas and natural gas liquids to markets outside the Permian Basin, including the U.S. Gulf Coast, Mexico, West Coast and international markets to mitigate the risk of oversupply in the Permian Basin. However, at times, flaring becomes necessary to deal with upset or emergency conditions. 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 uses dual-tip flares sized for high-pressure production flow in an emergency and low-pressure facility emission controls. The flares are designed to meet full production capacity and combustion efficiency requirements for emergency events.

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. Key Pioneer operations personnel receive a daily log of the issues and the selected response procedures. Pioneer conducts monthly inspections and performs preventative maintenance to ensure the proper operation of flaring systems.

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 pre-determined levels for a set period of time.

Since 2019, when Pioneer CEO Scott Sheffield called on producers to remedy what he dubbed the “black eye” of the Permian Basin and reduce flaring to 2% or less of total natural gas production, Pioneer has collaborated with peers to minimize flaring. Participating in initiatives with various organizations such as the American Petroleum Institute’s (API) The Environmental Partnership (TEP) and the Texas Oil & Gas Association’s (TXOGA) Texas Methane and Flaring Coalition, Pioneer and other producers are sharing best practices and discussing performance targets. Flaring intensity in the Permian Basin (among all operators) continues to improve with a 70% reduction from 2019 levels, down from 3.7% in 2020 to 1.3% in 2021, according to Rystad Energy. Pioneer is committed to working with other operators, regulators, academic institutions and non-governmental organizations to manage flaring and emissions in the Permian Basin.



Prioritizing Vapor Recovery – Pioneer prioritizes gas capture over venting and flaring and installs vapor recovery units (VRUs) with ample capacity at horizontal well tank batteries. These tank batteries handled more than 97% of our oil and gas production in 2021, making VRUs an important means of managing facility emissions. Pioneer VRUs captured 2.92 million tonnes of methane emissions (in CO₂e), approximately three times the total amount of Pioneer’s methane emissions in 2021. This practice, along with constructing adequate gas take-away infrastructure prior to producing wells and continuing our industry-leading 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.



Demonstration of improved thief hatch design (left) vs old (right) to mitigate air emissions.

Top-tier Design: Emissions-focused Engineered Solutions

Equipment	Benefits
Storage Tanks Install higher pressure-rated tanks	Support production growth and increase capability to maintain tank pressures without the need to flare or vent
Thief Hatch Improve quality and performance range	Support production growth and decrease venting; improve hatch re-seating after upset condition to maintain tank pressures and prevent oxygen introduction
Pressure Relief Valve Improve performance range	Support production growth and increase capability to maintain tank pressures while minimizing emissions
Pressure Relief Valve Route gas to flare via VRUs	In upset situations, route captured gas to flare for combustion instead of venting
Flare Design Meter flares	Improve data accuracy by monitoring active flow and gas volumes sent to low- and high-pressure flares
Flare Design Combustion efficiency testing (pilot)	Actively manage flare performance and improve data accuracy
Flare Design Monitor remotely	Minimize potential for unlit flares; minimize response time through timely notification to flare technicians
Pneumatic Controllers Install instrument air systems	Reduce or eliminate the need for natural gas to actuate controllers while improving on site safety
Pneumatic Controllers Replace or retrofit high-bleed gas driven controllers	Removal of high-emitting equipment 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
Oxygen Minimization Implement new processes to minimize oxygen introduction into system	Reduce purchaser shut-ins and decrease venting by sending gas to flare for combustion
Vapor Pressure Reduce Reid vapor pressure	Support production growth and prevent shut in events leading to flaring or venting by routing heater treaters to VRUs at smaller tank batteries
Blanket Gas Install blanket gas for storage vessels	Support production growth and prevent oxygen introduction that must be purged by venting or flaring
Compressor Blowdowns Capture and route gases to sales pipelines	Support production growth and depressurize gas to closed system prior to maintenance to reduce venting
Engine Catalyst Maintenance Install higher-performing elements and conduct routine maintenance	Lower operating costs; increase the life and efficiency of catalysts leading to greater reduction of carbon monoxide and VOCs

Reducing Pneumatic Controller Emissions – Pioneer reduced emissions by converting gas-driven pneumatic controllers to “instrument air” systems. 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 while providing additional safety benefits. Instrument air pneumatic controllers are included in our standard design for horizontal tank batteries. We are expanding the use of instrument air pneumatics to well pads, and we are also converting existing controllers at recently acquired facilities to instrument air.

Leak Detection and Repair (LDAR) – 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. Our LDAR program complies with the U.S. Environmental Protection Agency (EPA) New Source Performance Standards OOOOa (OOOOa) and the Texas Commission on Environmental Quality (TCEQ) Standard Permit requirements for upstream facilities and compressor stations.

Pioneer employs a team of thermographers with OGI cameras to survey our facilities, including well pads, tank batteries, compressor stations and associated gathering pipelines. Infrared sensors in OGI cameras enable quick detection and visualization of emissions. Each Pioneer thermographer receives biennial OGI training to review proper safety protocols, calibration and operation of the camera, gas identification techniques and limiting environmental conditions.

In addition to our regulatory LDAR program, Pioneer voluntarily performs leak detection at all facilities through aerial surveys. While our voluntary 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 at least annually and some more frequently as required by regulation. In 2021, Pioneer performed more than 12,800 site surveys using OGI and aerial technologies at Pioneer well pads, tank batteries and compressor stations. These surveys found 1,892 leaks that were promptly repaired consistent with regulatory requirements by Pioneer or communicated to divested asset purchaser for repair.

Monitoring, Reporting and Verification

Recent advancements in methane sensor technology and related data analytics are beginning to provide a clearer picture of our methane emission rates, volumes and durations. Continued development and application of this technology will help Pioneer, and the oil and gas

industry, to better understand individualized 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 increase the accuracy and transparency of our emissions reporting and develop customized emissions reduction

solutions. Pioneer has invested time and effort into research and development with the goal to help not only ourselves, but also other operators, successfully tackle the methane challenge. We continue to invest in sensor research and development in an effort to improve our ability to detect methane emission and remediate any leaks sooner.

Focus Area	Organization	Description
Emissions Monitoring and Technology Deployment	Project Falcon	A joint industry partnership designed to provide information to guide choices on sensor location and density needed to achieve prompt detection, accurate quantification, and specific source attribution for methane leaks in operational field settings at oil and gas production and distribution facilities.
	Project Astra	A University of Texas at Austin led collaborative aimed at reducing methane releases into the atmosphere. The team is developing an innovative sensor network that will 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.
Emissions Measurement and Reporting	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 emissions reductions in a consistent, credible, and transparent way.
	Cheniere Energy QMRV Demonstration	A collaboration of natural gas producers and leading academic institutions to implement quantification, monitoring, reporting and verification (QMRV) of greenhouse gas (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.
	Collaboratory to Advance Methane Science	The Collaboratory to Advance Methane Science (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.
Advocacy and Stakeholder Collaboration	The Environmental Partnership	Led by API, 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.
	Zero Routine Flaring Initiative	The World Bank ZRF Initiative commits governments and oil companies to end routine flaring 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 technol 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 recommended practices to minimize flaring and methane emissions.

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 has 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, geo-referenced 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 and fixing leaks and more focus on prevention. Pioneer is consistently building on our experience with aerial methane detection. While our initial aerial technology deployment identified high-probability methane



Pioneer is testing multiple methane emissions monitoring systems at its oil and gas facilities.

sources, we benefited from improved technology in 2021 that had the ability to identify smaller sources of methane, which 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, complex horizontal facilities. As every oil and gas site is unique, pilot trials can help identify the technologies and implementation plans appropriate 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.

To help inform our efforts, Pioneer also collaborated in Project Falcon with 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 pending a peer reviewed publication.

Regional Monitoring – Pioneer is also participating in Project Astra, a groundbreaking partnership to design and test a first-of-its-kind network of sensors that will monitor emissions across a region that produces oil and gas, which could potentially streamline the way methane leaks are found. Led by researchers at The University of Texas at Austin (UT), Project Astra is a collaboration between Environmental Defense Fund, ExxonMobil, Gas Technology Institute and Pioneer.

It is focused on the Permian Basin – and specifically on the Midland Basin. Project Astra will establish a sensor network that will leverage methane-sensing advances, technologies, data sharing and data analytics to provide near-continuous monitoring. Goals for the sensor network are to allow producers to find and fix methane releases more

often and more cost-efficiently than current monitoring technologies. Pioneer will participate in the technical design of the various aspects of the study. In addition, we will provide access to production facilities and relevant operational data.

“Participating in Project Astra offers significant opportunities to advance technology in detecting and reducing methane emissions and help our industry address this critical issue.”

– Mark Berg, Executive Vice President, Corporate Operations

The project study team has made progress, completing an intercomparison of methane sensors and a simulation of emissions in the atmosphere using a digital twin. The next step, a small-scale pilot, will use these elements to test sensor network design and performance in the field beginning in the fall of 2022. All findings and reports of the project are published in peer-reviewed journals and made publicly available. The study’s findings could help guide how companies, states and the national government measure, monitor and manage methane emissions in the future.

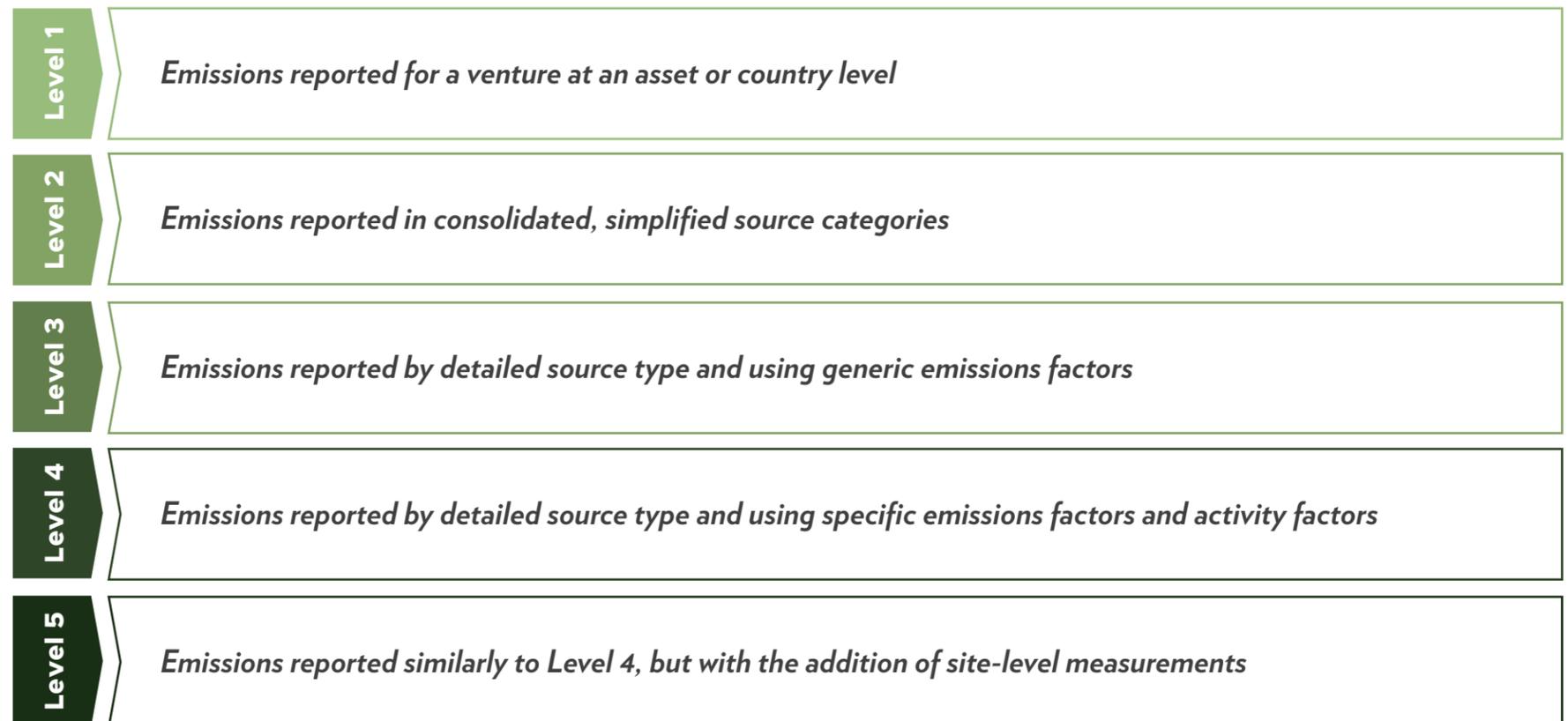
For more information about Project Astra visit: dept.ceer.utexas.edu/ceer/astra/ and projectastra.energy/



Emissions Measurement and Reporting

Oil and Gas Methane Partnership (OGMP) 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 reporting levels requires increasing granularity, methodological 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

Veritas – In 2022, Pioneer also joined the Gas Technology Institute-led Veritas, an initiative to advance differentiated gas measurement and verification. The collaborative effort of scientists, academics, environmental organizations, certification organizations and industry participants will help develop accurate and verified methane emissions intensities and the necessary protocols to calculate measurement-informed methane emissions for natural gas systems, including:

- The Methane Intensity Protocol will define methane intensities for each segment of the natural gas supply chain
- The Measurement Protocol will describe how to take measurements to inform emission inventories, by segment
- The Reconciliation Protocol will reconcile emissions factor inventory with actual measurements, by segment
- The Supply Chain Summation Protocol will sum up multiple segments for a supply chain methane emissions intensity
- The Audit and Assurance Protocol, which will provide guidance for verifying an emissions inventory and for third-party auditing

For more information about the Veritas initiative visit: gti.energy/veritas-a-gti-differentiated-gas-measurement-and-verification-initiative.

Low Upstream Emission Gas Demonstration – In 2021, Pioneer joined Cheniere Energy in a collaborative effort to test the efficacy of robust Quantification, Monitoring, Reporting and Verification (QMRV) of GHG emissions at natural gas production sites. The effort will enhance our overall understanding of upstream GHG emissions and further deployment of advanced monitoring technologies and protocols. Pioneer enrolled a small subset of well pad and tank battery facilities in the QMRV test.

The project is supported by independent researchers from the Payne Institute for Public Policy at the Colorado School of Mines and Harrisburg University of Science and Technology for assessment, verification and emissions-monitoring technology providers. We believe this type of shared action, using science based QMRV and continued efficacy assessments, will support the longevity of gas and liquified natural gas (LNG) fuels worldwide and provide readiness for potential new regulatory and voluntary actions on GHG emissions. Granular review of measurement, monitoring and activity data is helping both the QMRV study team and Pioneer gain additional insights from the project.

Collaboratory to Advance Methane Science (CAMS) – Pioneer is a founding member of CAMS, a consortium of oil and gas operators funding scientific studies to address methane emissions from production to end use. CAMS has funded several thoughtful projects to understand and mitigate methane emissions, with an objective to share the results openly to benefit the industry.

For information about CAMS research, including the Permian Basin Survey and Methane Emission Estimate Tool, and other studies visit: methanecollaboratory.com.

Advocacy and Stakeholder Collaboration

As an onshore operator on private lands in Texas, Pioneer’s operational footprint decreases the company’s exposure to national and international political and regulatory risks. Nevertheless, we remain committed to leading amongst our peers in climate and environmental stewardship issues. We mitigate our climate-related risks by setting aggressive emission-intensity reduction targets, industry-leading flaring commitments and the emission-reduction actions described in this chapter. We actively assess climate-related pledges made by U.S. national and state candidates for office and the increasingly growing number of formal climate-related policy proposals from both parties at the state and national levels.

CAMS Projects

Current Projects	
Digital Twin Methane Monitoring Network	Developing digital simulations (“digital twin”) as part of Project Astra to determine the design of a regional monitoring network. Testing and validating the Methane Emission Estimate Tool model in real-world scenarios and developing emissions profiles for operational equipment.
Measuring Offshore ING Emissions	Directly measuring emissions of an operating LNG vessel in a first-of-its-kind study. Quantifying GHG emissions and identifying emissions reduction potential.
Satellite-based Measurement Data	Exploring the capabilities and limitations of today’s satellite-based methane-detection technologies, methods and data analytics.
Past Projects	
Methane Emissions Estimation Tool	Simulated temporal methane and other hydrocarbon emissions from the onshore natural gas industry. Designed to be the most comprehensive emission estimation tool for production globally.
Permian Aerial Emissions Survey	Identified and quantified high-emitting pieces of equipment within the Permian Basin, allowing resource prioritization for repair of leaking equipment.
Fixed Sensor Inter-comparison	Real-world testing to determine the accuracy and efficacy of commercially available, high-frequency sensors. Provided continuous emissions monitoring data of production sites and performance evaluation as part of Project Astra.

We partner with trade associations, think tanks, academia and other stakeholders who share our values to engage in the 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.

Methane Emissions Regulation

Pioneer has been outspoken on the company's support of effective and efficient industrywide methane regulation, as reflected in Pioneer's comments opposing the Methane Policy Rule, dated November 25, 2019, that proposed removing methane as a regulated pollutant from the EPA's OOOOa rules, and has been a leader amongst independent oil and gas exploration and production companies in advocating our position.

More recently, in February of this year, Pioneer joined the Environmental Defense Fund in recommending that the Biden Administration take action to reverse the Trump Administration's actions removing methane from the EPA's OOOOa rules. Currently, Pioneer is engaging with the EPA, industry peers, as well as academic and non-government organizations on the Biden Administration's proposed methane regulation to foster thoughtful, creative solutions to lower emissions. Sensible methane regulation that balances the benefits of domestic natural gas production with environmental protection is necessary to elevate natural gas as a clean energy solution, thereby strategically positioning this valuable resource for growth and viability in the future. The optimum result would be reasonable regulations that provide certainty, incentivize early action, drive performance improvements, support operational flexibility, facilitate proper enforcement, and encourage technological innovation, particularly in the rapidly evolving area of methane leak detection, now and in the future.

The Environmental Partnership

As a founding signatory of The Environmental Partnership (TEP), Pioneer has reported its progress annually to American Petroleum Institute (API) since 2018. Pioneer and a group of more than 90

other participants in the upstream and midstream sectors continue to demonstrate how the oil and gas industry can voluntarily define and implement emissions-related best practices without additional regulation. Each participant has agreed to participate in programs to manage emissions from leaks, pneumatic controllers, liquids unloading, compressors, pipeline blowdowns and flares, as applicable to their operations. For more information on how our actions are contributing to these industry goals, please visit: theenvironmentalpartnership.org/annual-reports/2021-annual-report/.

API The Environmental Partnership Mission and Principles

LEARN

Participants commit to continuous learning about the latest industry innovations and best practices that can further reduce their environmental footprint while safely and responsibly growing energy production.

COLLABORATE

Participants collaborate with one another and with academics, researchers, and regulators on the best strategies, tools, and tactics to improve environmental performance.

TAKE ACTION

Participants take action to improve their environmental performance. This is accomplished through The Partnership's six environmental performance programs, which companies can implement and phase into their operations.

Metrics & Targets

Our Net Zero Pathway

In 2021, Pioneer announced our ambition of net zero emissions by 2050. Our focus is managing GHG emissions from our own operations. Reducing our Scope 1 (direct) and Scope 2 (indirect from the purchase of energy) emissions is fundamental to decreasing our company's climate-related risk, meeting stakeholder expectations and contributing to the global decline of GHG emissions. We are currently evaluating Scope 3 GHG emissions related to our oil and gas production and recognize that they are an important consideration for many of our stakeholders. Additionally, if we acquire assets, we will work diligently to have those operations meet Pioneer's performance standards expeditiously.

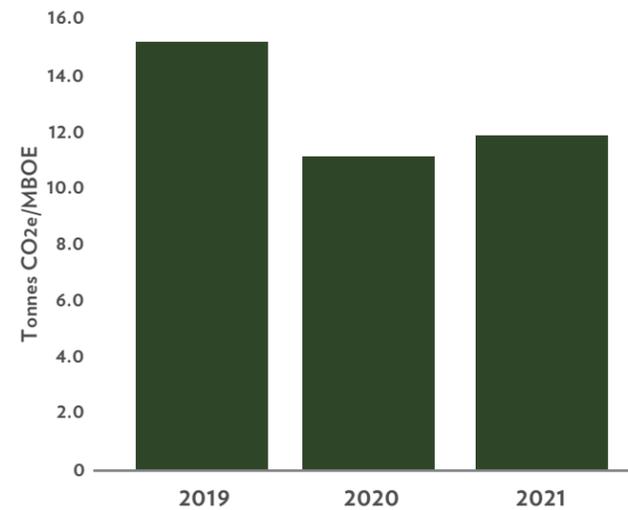
Interim Emissions-intensity Targets

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

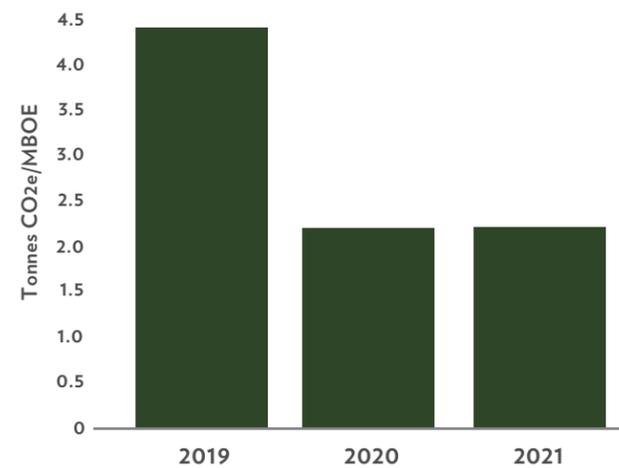
- Reduce our GHG emissions intensity 50% by 2030
- Reduce our methane emissions intensity 75% by 2030

These targets represent emission reductions from our operated assets from a full-year 2019 emissions baseline. 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 carbon dioxide equivalent (CO₂e) divided thousand barrels of oil equivalent (MBOE). Methane emissions intensity performance will be based on methane emissions in terms of CO₂e divided by gross oil and gas production (tonnes CO₂e/MBOE).

Greenhouse Gas Emissions Intensity (Scope 1 and 2)



Methane Emissions Intensity



Pioneer’s emissions in 2021 were impacted by the resumption of activity post-2020 and the acquisition of new assets with higher emissions intensities. We have worked diligently to bring the acquired assets in line with our operational standards, which are consistent with our emissions reduction targets. Pioneer expended considerable capital to upgrade the acquired facilities such as adding vapor recovery units, replacing pneumatic controllers and other modifications. Inclusive of these acquired assets, in 2021 we report:

- 22% reduction in GHG emissions intensity from our 2019 baseline
- 50% reduction in methane 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 (while striving to bring the acquired assets from Parsley and DoublePoint to this level by year-end 2022)
- Zero routine flaring by 2025, five years earlier than our original 2021 commitment of zero routine flaring by 2030

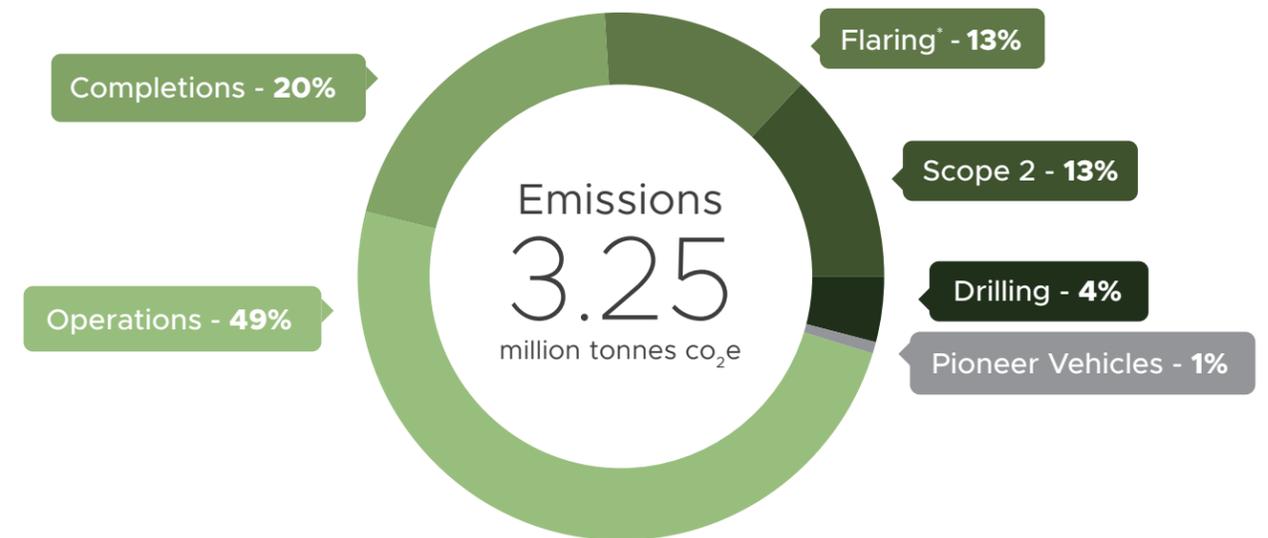
Flaring intensity performance will be based on natural gas volumes flared during production operations divided by gross natural gas production in terms of thousand standard cubic feet (Mscf). Pioneer formally endorsed the Zero Routine Flaring by 2030 Initiative. We established processes to identify, quantify and manage routine and non-routine flaring. We will report our routine and non-routine flaring volumes consistent with the initiative starting in 2023 (for the 2022 operating year).

Year over year, Pioneer has maintained low levels of flaring, even while integrating two newly acquired assets into Pioneer’s ongoing operations. In 2021, our annual flaring intensity was 0.41%, which is 59% lower than our 1% threshold commitment and 68% lower than the Permian Basin average of 1.3% reported by Rystad Energy.

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 within the “Methodologies & Definitions” on pxd.com/sustainability.

2021 EMISSIONS SOURCE DISTRIBUTION



*Includes flaring from production operations (basis for annual flaring intensity target), completions operations, and more than 144 thousand metric tonnes of Parsley Energy/ DoublePoint Energy pre-acquisition operations and flaring related to assets divested in 2021.

Reduce **GHG emissions** intensity
50% by 2030
 (Scope 1 and Scope 2)

Reduce **methane emissions** intensity
75% by 2030

Limit annual **flaring intensity** to
less than 1%

Chapter 5

Water Management

Protecting water: A PXD Priority

Water is essential to hydrocarbon production, since it is needed to carry out hydraulic fracturing – the process by which large quantities of water are pumped into a wellbore to enlarge fractures in rock and extract hydrocarbons. This is the main way Pioneer extracts oil in the Permian Basin. Therefore, it is important to carefully manage water availability in the Permian Basin at both the sourcing and production stages of development. Pioneer prioritizes careful water management and has a dedicated team of experts within our subsidiary, Pioneer Water Management LLC (PWM), that has led our innovative water management initiatives since 2014.

Water shortages in West Texas, whether due to drought or competition for resources, could significantly affect our operations, since we develop horizontal wells using hydraulic fracturing. Climate change poses a significant risk because it 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, relying instead on groundwater resources and treated municipal wastewater, which is known as reclaimed water, and an increasing amount of recycled water.



In 2018, Pioneer and the city of Midland initiated construction on an innovative infrastructure project: the upgrade of the city's wastewater treatment facility with the goal of using the resulting reclaimed water in Pioneer's completion operations. Pioneer has successfully achieved substantial completion on its \$134 million investment in the city's wastewater treatment plant, providing residents this critical infrastructure upgrade in return for up to two billion barrels of

reclaimed water or 28 years, whichever occurs first, including options to extend. The Midland project will expand Pioneer's exclusive water rights for reclaimed water, joining our existing purchases already established by contract with the city of Odessa. Securing a large supply of non-freshwater for our operations is a key component of our strategy to reduce the use of freshwater. These innovative, industry-leading water projects developed by PWM mutually benefit both Pioneer and the cities.

They are important projects to the cities by enhancing critical local infrastructure while sustainably providing Pioneer with billions of barrels of non-freshwater for use in our operations. In addition, this reduces demand for freshwater in a drought-prone area, curtails water transport trucking and industrial traffic in a congested region, and compensates the cities for wastewater, providing a newfound revenue stream that otherwise would not exist.

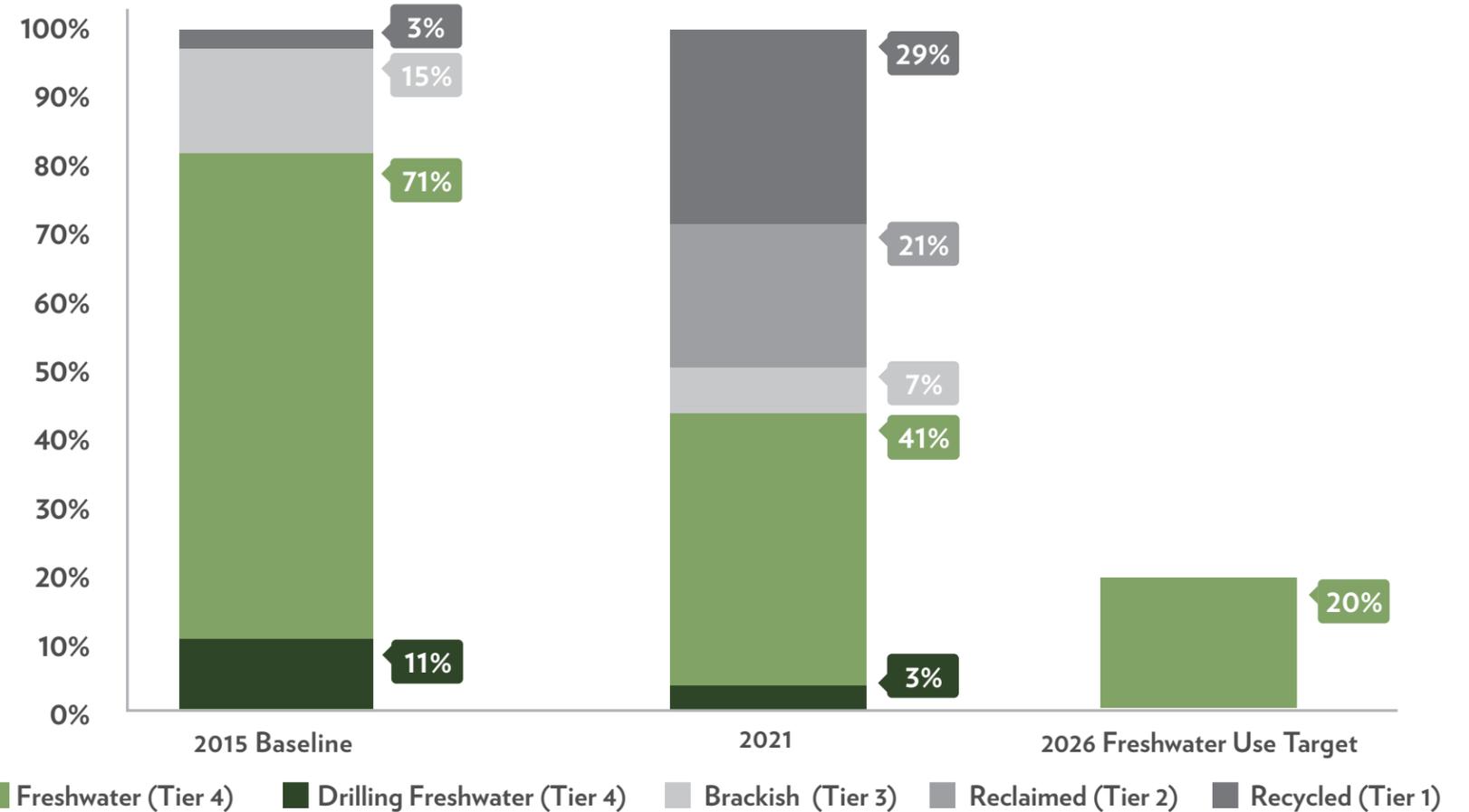


Freshwater Use Reduction Target

At Pioneer, we are committed to maximizing our use of non-fresh water sources, which minimizes our use of freshwater in order to reduce our impact on the freshwater resources in the Permian Basin. As part of this goal, we set a new, more aggressive target this year to reduce our freshwater usage to 20% or less of total completions operations by the end of 2026. Using produced water for hydraulic fracturing is the most effective way to preserve groundwater resources and minimize the need for disposal. Therefore, we are prioritizing this method above others as much as possible.

<p>1. Minimize freshwater use</p>	<ul style="list-style-type: none"> • Setting reduction targets • Prioritizing non-freshwater sourcing (recycled, reclaimed, brackish groundwater) • Investing in water infrastructure reduces freshwater usage and provides strategic flexibility
<p>2. Protect groundwater</p>	<ul style="list-style-type: none"> • Continuously monitoring production and consumption of groundwater • Utilizing highly regulated casing and cement designs • Utilizing safety and monitoring systems • Partnering with field experts (water conservation, groundwater protection, and local and regional geology and hydrogeology) to study regional water resources
<p>3. Manage our produced water</p>	<ul style="list-style-type: none"> • Monitoring seismic activity • Analyzing seismic risk in siting saltwater-disposal wells • Actively managing produced water disposal • Engaging with state regulators and industry groups to address seismicity concerns • Collaborating with seismological research at the Stanford Center for Induced and Triggered Seismicity (SCITS) and the UT Center for Induced Seismicity Research (CISR) sponsorship

Pioneer Source Portfolio as a % of Total Consumption



Due to rounding, annual percentages may not sum to 100%

Our reporting includes use of 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 stages of drilling operations consistent with regulatory requirements. Best practices require the use of freshwater when drilling through shallow zones to protect groundwater resources. Therefore, Pioneer is limited in its ability to reduce freshwater usage in drilling operations. Additional information on our use of freshwater in drilling is provided in the following section on groundwater protection.

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

- Investing in infrastructure that allows us to better utilize non-freshwater sources, including produced water and reclaimed water from 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 after considering our commitments to limited utilization of freshwater, cost and efficiency of operations, and the parameters of the PWM distribution system. Our ability to decrease our freshwater sourcing as a percent of total consumption to 41% provides evidence that this strategy is effective and viable.

Reducing Freshwater Use

Pioneer has experience with many technologies for recycling water, ranging from desalination to minimal treatment techniques, to avoid using freshwater for hydraulic fracturing. Thanks to advances in technology, hydraulic fracturing can now be carried out using 100% recycled water instead of freshwater.

Pioneer has completed wells using only recycled produced water and continues to do so where feasible. A key driver for our freshwater reduction target is our mainline water supply infrastructure, where our goal is to operate with as close to 100% non-freshwater sourcing as possible. Our mainline infrastructure provides us with strategic flexibility to move our recycled and reclaimed sources over long distances to support our freshwater reduction goals.

Pioneer has prioritized its 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

Defining Freshwater

Total Dissolved Solids (TDS) refers to the total mineral content of the water and is a standard way to measure water quality. While many other operators define freshwater as less than 1,000 mg/L 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 the 1,000 mg/L TDS is sometimes suitable, this limit does not realistically capture how water is used in the Permian Basin.

Much of this area depends on lower quality water sources (1,000 to 3,000 mg/L TDS) for local agricultural irrigation, ranching and drinking water desalinization consumption.

Therefore, we have adopted this stringent threshold to avoid using groundwater that competes with local consumption needs and to be consistent with the Texas Railroad Commission’s groundwater protection process. In the Permian Basin and other areas, it is important to broaden the definition of freshwater to include usable-quality water to account for local uses in drought-prone and water-stressed areas, particularly over the long term.

The difference between these definitions of freshwater is significant. For example, in 2020 Pioneer reported 42% of water consumed as freshwater based upon a 3,000 mg/L TDS limit. When applying the lower threshold of 1,000 mg/L TDS, Pioneer’s 2020 freshwater consumption is estimated to be less than 5%* based on the water study outlined in the table above.

Some oil and gas operator asset portfolios may also include conventional reservoirs that require the recirculation of large volumes of non-freshwater for enhanced oil recovery techniques. Reporting practices that include water used for enhanced oil recovery can add large volumes of water into the normalization factors, positively skewing total freshwater intensity as a percentage of total water use. Since

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		Percentage of all Pioneer Freshwater 2020 Water Volumes**
0 - 1,000	Freshwater	Freshwater	Highest-quality freshwater; most usable	~10%
1,000 - 3,000	Brackish	Freshwater	Important for agriculture and desalinization uses in drought-prone and water-stressed areas, particularly over the long-term	~90%
3,000 - 10,000	Brackish	Brackish	Currently uneconomic for agricultural use, requires desalinization	
10,000+	Saline	Saline		

■ Managed Usable Quality Water ■ Unmanaged Usable Quality Water

**This study was performed using 2020 water data to quantify and illustrate the significant difference between common TDS thresholds used when reporting water impacts.

our operations do not require these enhanced oil recovery 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 figure table above and in our Sustainability Performance Data Table.

*Percentage of all pioneer freshwater based on a study completed using freshwater withdrawal location information and freshwater volumes consumed in 2020.

Baseline Water Stress

The World Resources Institute Aqueduct Water Risk Atlas shows that, using our broader definition of freshwater, 54% of our freshwater was sourced from areas of high or extremely high baseline water stress. The other 46% was sourced from water wells in areas of low-to-medium baseline water stress.

Further evaluation, using the World Resources Institute's Overall Water Risk weighting for the oil and gas industry, indicates that our operational footprint does not contain areas of high or extremely high overall groundwater risk. We approach local water use with respect for its value and have a meaningful action plan to further reduce our use over time.

2021 Performance**Future Opportunities**

We currently rely on local infrastructure to support our development needs. As our development and production grow, Pioneer continues to evaluate alternative methods of water management, including actively pursuing desalination projects with the potential for other beneficial reuse opportunities beyond oil and gas operations.



Used 100% non-freshwater sources for hydraulic fracturing in 34 wells within our "Texas Ten" area

In 2021, we **reduced freshwater use percentage in completions operations to 41%**



Reduce freshwater use in completions to **20% by 2026**

Protecting Groundwater

Pioneer designs, drills, completes and maintains its wells to protect groundwater quality and meet strict regulatory requirements. Pioneer incorporates measures 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 that 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, as prescribed by the Texas Railroad Commission, throughout the well's production life cycle. In accordance with industry standards and best practices, we test the surface casing integrity on all of the wells we drill.

In addition to the traditional well integrity testing, Pioneer also conducts formation integrity testing, an industry-leading 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) injecting cement between the outer casing and the rock formation. The cement is allowed to set before the start of the formation integrity test. 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 we perform a typical mechanical integrity test.

During the well completion process, Pioneer installs pressure gauges to monitor and test the annular space between the inner and outer well casing. Completions equipment on the surface provides redundant protections against over-pressuring the wellbore during completion operations. In 2021, 100% of Pioneer's completed wells were tested in this manner.

Once our wells move to the production phase, we actively manage well integrity with corrosion countermeasures through a cathodic protection program. Pioneer 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 or tests 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.

Managing Produced Water

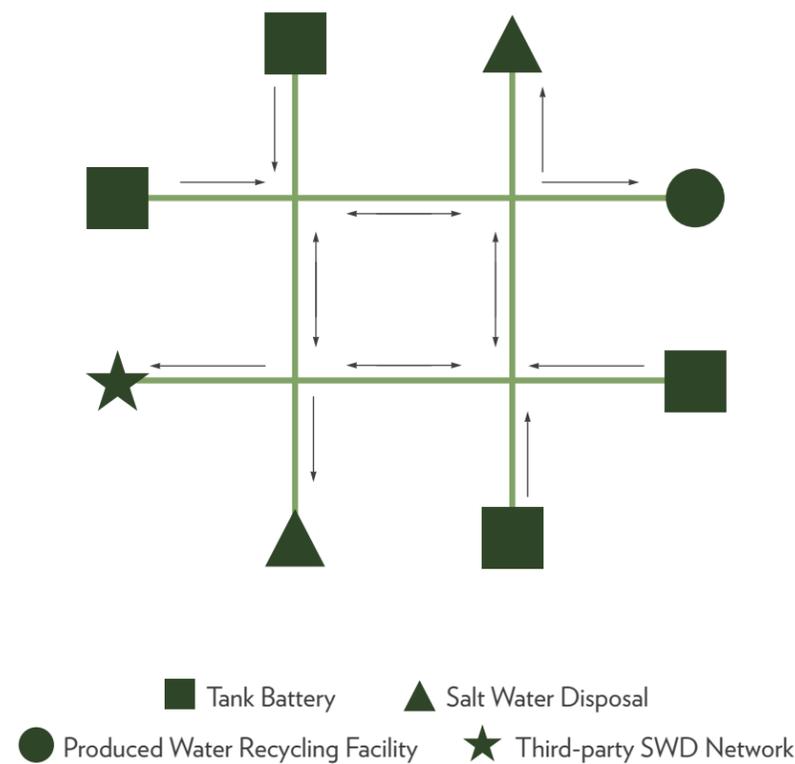
Produced water is the wastewater associated with oil and gas exploration, development, and production activities. Pioneer utilizes two methods of managing produced water. One method involves injecting the water into underground reservoirs using saltwater disposal wells (SWDs). The other method involves 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, SWDs and produced water recycling facilities. As Pioneer's frac demand for completions operations and water consumption has grown, produced water recycling has become more important, because recycling provides both a reliable source of non-freshwater and minimizes injection volumes. For that reason, we prioritize produced water recycling over water injection.

Pioneer owns and operates SWDs and uses third party SWDs to dispose of water. 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 risk into account when deciding where to locate SWDs by 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 SWDs 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 SWDs 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 high development or where disposal options are constrained to another system with available capacity.

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 the 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 over tenfold since 2018.

Reuse Volumes by Year



Strategic Flexibility and Future Evaluations

The flexibility provided by Pioneer’s produced water infrastructure, combined with its substantial mainline supply infrastructure, allows it to provide 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 additional options for managing produced water, including evaporation and desalination for surface discharge.



Avoiding Seismicity Risks

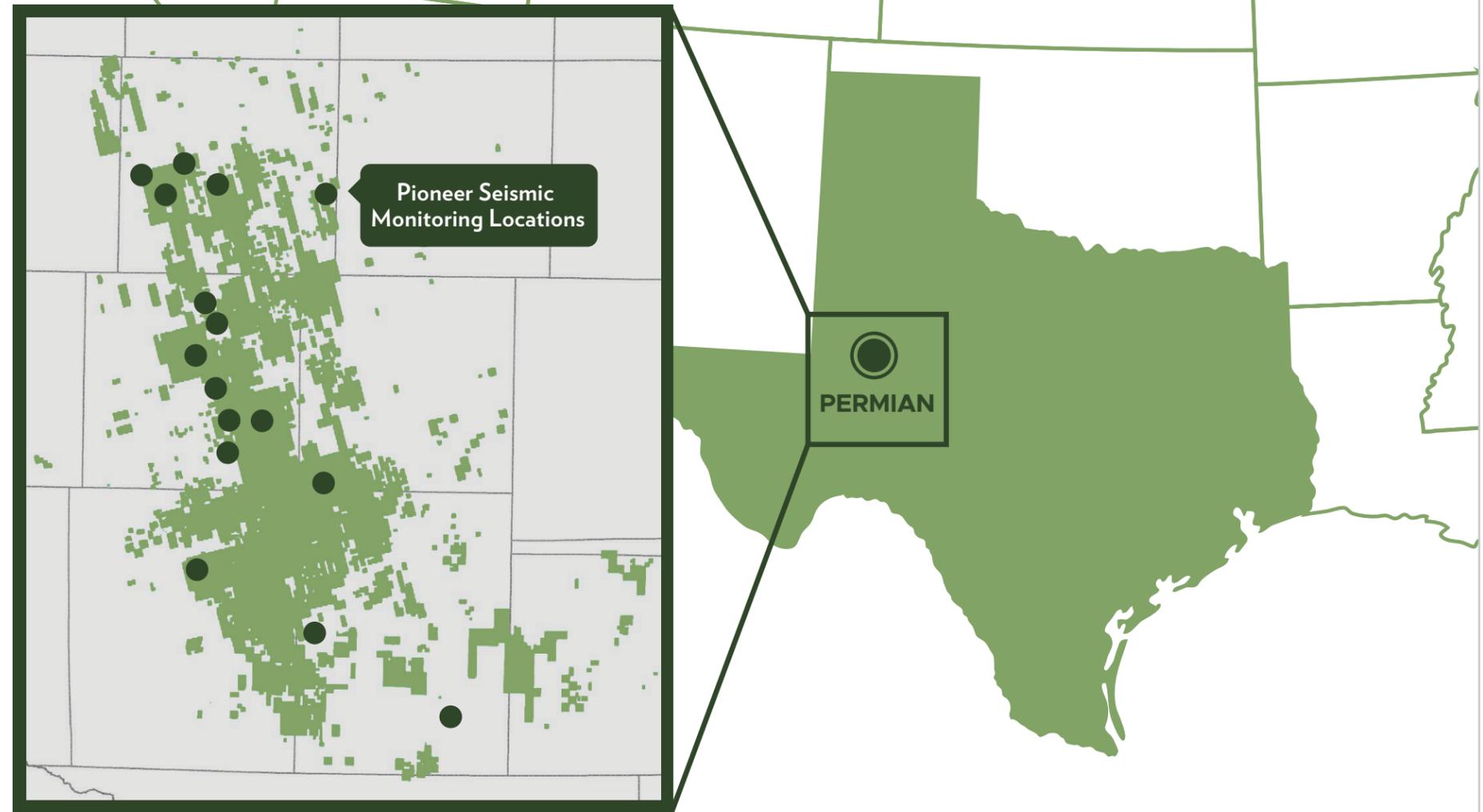
Research has shown that seismic monitoring and active management of produced water disposal are the best tools to avoid induced seismicity. At Pioneer, we use both techniques.

Pioneer approaches issues of seismicity proactively by using scientific analysis and collaborating with regulators and researchers. Since 2017, Pioneer has monitored seismicity using a propriety network of monitoring sensors in the Midland Basin, supplemented by Texas' TexNet Seismic Monitoring and the U.S. Geological Survey (USGS) Earthquake Hazards Program. These seismometers across the state 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 (RRC), to address seismicity concerns. Pioneer works closely with other operators and the RRC 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 RRC. These actions have promoted operational transparency, increased seismic monitoring and allowed for continued responsible disposal operations, along with some disposal restrictions in certain areas of the basin.

Although very few of Pioneer's disposal wells have been impacted by regulatory restrictions, we will take a proactive approach to address seismic activity in our areas of operation by using our water for infrastructure to provide flexibility in water reuse and alternative disposal options away from sensitive areas. The primary focus is to use produced water for completions operations, followed by alternate disposal zones or areas 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 set to improve our operational



knowledge, Pioneer incorporates seismicity risk analysis in the siting of both our production and saltwater-disposal well locations.

We contribute funding and provide information to leading and independent seismological researchers at the Stanford Center for Induced and Triggered Seismicity (SCITS) and the University of Texas Center for Induced Seismicity Research (CISR). In 2021, SCITS research, supported by Pioneer and other oil and gas industry sponsors, made important scientific contributions regarding seismicity

risk. Specifically, the researchers gained insight into the management of injection-induced seismic risk, the use of machine learning for induced seismicity using local, regional, and international case studies. Additionally, our collaboration with CISR has continued to provide research and resources regarding the characteristics and mechanisms of seismicity, subsurface interpretation, basin modeling, engineering and hydrology.

Chapter 6

Landscape Stewardship

In addition to Pioneer's commitment to achieve compliance with regulatory requirements, Pioneer goes beyond compliance to understand our environmental impact and minimize our operational footprint. Through research, technology, industry partnerships, operational best practices and strategic planning, Pioneer is a leader in proactive and voluntary efforts to reduce air emissions and spills, minimize waste, and protect soil, groundwater, and indigenous protected wildlife resources.

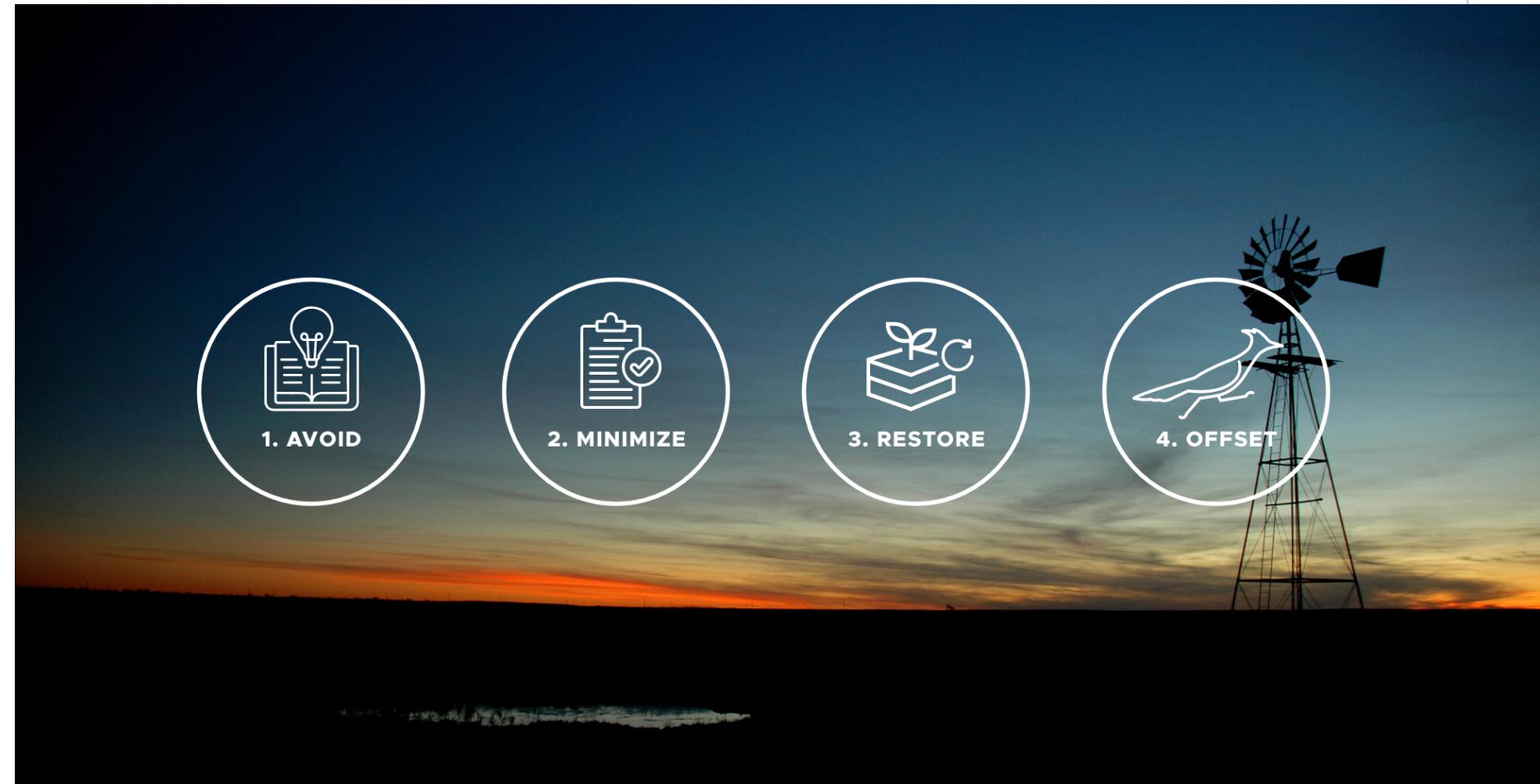
Biodiversity Conservation

"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. We refrain from operating in protected areas, wherever feasible. 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 former operations in Alaska, Colorado, Canada and the Gulf of Mexico, applying them to the Permian Basin. We use our broad industry experience to provide environmentally responsible solutions.

Best Practices

Pioneer employs a four-tiered mitigation hierarchy approach:





1. Avoid

We begin each project with a desktop analysis of the development location and surrounding area. Wherever possible, we first look to expand or utilize existing pads and production facilities to limit our footprint. The desktop analysis includes reviewing georeferenced aerial photography, surface contour maps, 100-year floodplain boundaries, potential U.S. jurisdictional rivers and streams, National Wetland Inventory of potential wetlands, and lesser prairie chicken habitat. Additional sensitive habitat areas within our operational footprint will be included in the review, if designated by the U.S. Fish and Wildlife Service.

If initial analyses suggest that the planned activity poses a concern, we will employ qualified third-party consulting firms to conduct further studies. These studies include thorough assessments, recommendations and guidance related to any site development. The pertinent information is used to develop detailed, site-specific construction plans outside of jurisdictional areas, sensitive habitats and high drainage areas, where possible. During construction, features of potential concern that exist in the near vicinity are clearly marked to safeguard them from alteration and harm.



2. Minimize

If ecological features are unavoidable, we will revise our strategy and work alongside applicable local, state and national government agencies to obtain all necessary permits. We take the necessary steps to develop and administer appropriate mitigation measures to minimize or offset any potential impacts associated with our disturbance and activity.



3. Restore

Pioneer is committed to improving our landscape restoration program continually. We strive to ensure land restoration after we complete the construction of a new facility or abandon an existing facility. Our thorough land management approach allows us to do this responsibly by implementing risk mitigation planning before initial construction and before the abandonment and reclamation process. Internal and external experts work to identify and manage any potential environmental risk to surface lands and water sources, along with adhering to applicable regulatory standards and guidelines.



4. Offset

Pioneer is committed to landscape conservation, promoting biodiversity, and limiting the potential for adverse impacts to ecological health. Our current area of operation, as well as our current focus on future development, is entirely within the Midland Basin of the Permian Basin.

Our current leasehold acreage does not infringe on any habitats deemed critical by the U.S. Fish and Wildlife Service's GIS map inventory. As previously described, most of our activity is encompassed within the first two tiers of our four-tier best management approach: avoidance and minimization. In the event that we identify in our desktop analysis any planned development in areas that overlap with sensitive or protected habitat, Pioneer will work to minimize the overlap and meet regulatory requirements necessary to remain compliant, while also working to offset the impacts required for our continued operations.



New Risk Tool for Developed Existing Sites

In addition to our review of sensitive areas, we have recently developed tools that can be used to further evaluate potential environmental risks as part of our desktop analysis. These supplementary risk tools include, but are not limited to, estimated depth to groundwater, soil permeability, regulatory considerations, current activity stress, 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.



Avoidance Highlights

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

- Utilizing candidate conservation agreements with assurances for threatened and endangered species protection like the lesser prairie chicken
- Prioritizing sand sourcing from operators outside of known areas of dunes sagebrush lizard habitat
- Working to avoid surface water resources



Sagebrush Lizard



Minimization Highlights

PWM Wildlife Mitigation Planning – PWM uses several measures to protect wildlife, including siting decisions, preconstruction reconnaissance and wildlife impact avoidance measures. PWM's Wildlife Mitigation Plan outlines additional mitigation actions to support its overall mission to drive continued environmental stewardship. Under the mitigation plan, observations made in the field 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
- Limiting or eliminating unnecessary lights
- PWM-established rules on speed limits and designated smoking areas
- The Wildlife Mitigation Plan allows our employees to use 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 we previously drilled. Multi-well pads present opportunities to mitigate risks and impacts, while supporting our overall ESG strategies and goals. Needing only one quarter of an acre per well translates to, in some cases, more than 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 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. There are numerous benefits to growing the number of well pads drilled on one pad.

As the number of wells drilled on each individual well pad developed increases...

Spills, habitat risk, truck traffic, waste generated and transfer decreases.



Minimization Highlights

The multi-well pad approach allows us to maximize the resource potential beneath the surface, while decreasing the magnitude of surface risks and impacts such as these:

Activity Type	Issue	Positive Impact
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	Meaningful reduction in truck emissions
Waste Consolidation	Waste generation control	Site efficiencies reduce waste generated
	Waste-handling management	Fewer waste-stream control points
	Increased capital efficiency	Improved waste-control expenses
Pipeline Utilization	Air emissions reductions	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



Restoration Highlights

Pad Reclamation – Continued our pad reclamation program that evaluates our horizontal well site inventory to find eligible pad downsizing opportunities based on operational criteria. Excess pad material is harvested and reused in new site construction, offsetting that volume demand from new material sourcing, which has resulted in more than 52 acres being returned to landowners and more than 72,000 tons of material reused.

Native Seed – We are working with Texas A&M Kingsville to collect ecologically representative native seeds from large areas where we are the surface landowner. We have identified four distinct native seed mixes that would be applicable across Pioneer’s operational area. Our drilling and construction groups utilize native seed mixes to reclaim surface land where possible. Native seeding offers many ecological benefits to pollinators and West Texas grassland species.



Offsetting Highlights

Conservation Agreement – Pioneer is a founding contributor of the Candidate Conservation Agreement with Assurances (CCAA) for the pre-listing conservation of the lesser prairie chicken. CCAs are formal, voluntary agreements between the U.S. Fish and Wildlife Service 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 the five lesser prairie chicken states’ (Texas, New Mexico, Colorado, Kansas and Oklahoma) respective wildlife management agencies to formalize and fund a CCAA, 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. In areas where we cannot avoid habitat impact, the CCAA program allows Pioneer to generate habitat impact offsets while maintaining our development plans and promoting lesser prairie chicken conservation. For additional information see Range-wide Oil and Gas Candidate Conservation Agreement with Assurances for the Lesser Prairie-Chicken 2020 Annual Report.

Well Plugging

As older wells become less economic, oil and gas operators must decide how to dispose of those assets. Pioneer chooses to retire legacy facilities from service as opposed to selling them to another operator.

To us, this means prioritizing stewardship.

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.

Since 2019, Pioneer has plugged over 1,400 wells. Our plugging program eliminates the potential for these wells to become non-compliant and delinquent or part of the state orphan well program. This best practice reduces the risk of spills that could lead to soil and water contamination and allows us to return the land to landowners. Potential GHG and non-GHG emissions are limited by disconnection and removal of wellhead equipment and accompanying support facilities, such as tank batteries.

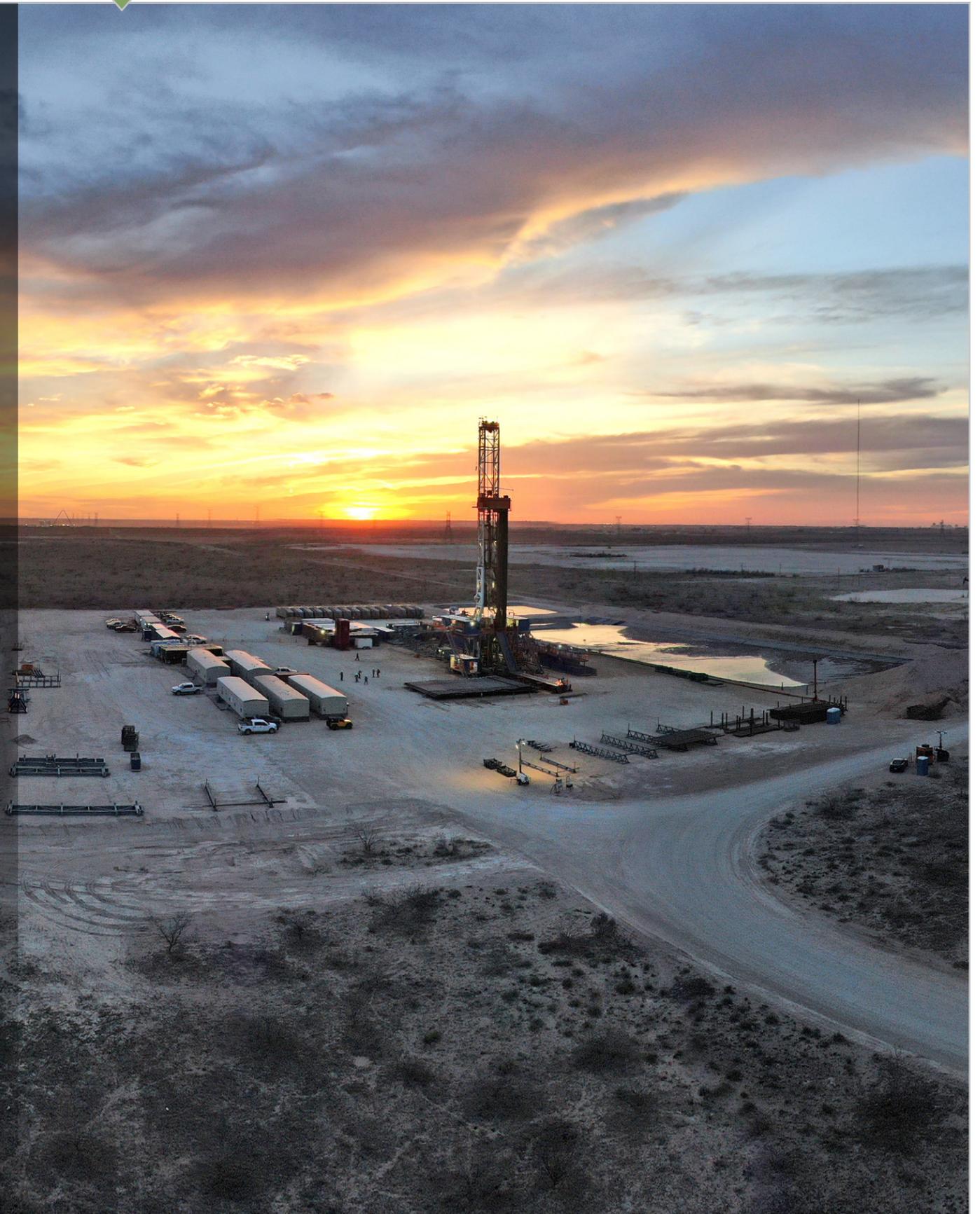
Funded by taxpayer dollars, the State of Texas' orphan well program permanently closes non-compliant wells that are no longer economic and pose a health risk to the community at large. Non-compliant wells are defined by the Texas Railroad Commission as wells that "have been inactive a minimum of 12 months and the responsible operator's Organizational Report (Form P-5) has been delinquent for greater than 12 months." In fiscal year 2021, the Texas Railroad Commission reported they plugged 1,453 orphaned wells.

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.
- Removal of flowlines eliminated the potential for fluid releases and the poly material was recycled.



Waste Management

Waste reduction is an important goal for our company. Pioneer strives to minimize all wastes. We continue to improve how we proactively manage our waste and strive to minimize 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.

In 2021, Pioneer implemented a waste tracking system that offers a detailed examination of the waste generated by our operations. Multidisciplinary workgroups set out to identify companywide waste streams, quantify waste and develop processes for consolidation, automation and reporting.



This implementation effort promoted communication among all business units, formalized a companywide review of all waste streams and led to strategic waste-minimization planning, and target-setting discussions.

Best Practices

We strive to minimize hazardous waste generation at our facilities through:

- **Tracking waste**— Implemented a companywide electronic waste management system to streamline waste tracking and processing of wastes.
- **Supplier coordination**— Strategic contracts are being utilized with chemical providers to ensure products are purchased on an “as-used” basis ensuring the chemical provider maintains possession of unused chemicals and subsequent waste management responsibility.
- **Chemical management programs**— For products and chemicals purchased wholesale, efforts are made by our staff of environmental

specialists to coordinate with chemical providers on “intended use,” along with the reuse or recycling of unused chemicals.

- **Waste minimization plans**— We continually evaluate waste minimization process improvements. Our Environmental department waste specialists work in partnership with each business unit 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

- In 2021, Pioneer generated no hazardous waste in our operations¹.
- We continue to minimize our annual hazardous waste generation and maintain a Very Small Quantity Generator status as defined by the EPA. We are also working to bring the Parsley and DoublePoint assets to this same status, 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
- In 2021, Pioneer recycled more than 6 million pounds of solid waste, an 254% increase in recycling from last year. Pioneer’s recycling program has grown in scope from recycling only metal to recycling both metal and poly materials, as part of our continuous effort to improve our waste-recycling program.
- **Chemical Use** – We have reduced amount of chemicals we use in our hydraulic fracturing and are using fewer individual chemicals. Using less 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 gain efficiencies in circulation and fluid retention, which means we recycle more fluid throughout the drilling process, providing notable capital savings.

Chemical Data Automation

Continuing the relentless quest of finding ways to further optimize chemical treatments and improve logistical management, Pioneer conducted a blockchain trial in 2021 to automate verification of chemical deliveries for batch and continuous well treatment. The goal of the trial was to validate delivery events in an immutable distributed ledger and to provide traceability and transactional certainty of chemical data measurement and management for ESG performance. The trial resulted in extreme automation of service to submission and verification of a delivery to near real time metrics. It accelerated operationalizing data collected by smart pumps, Field IOT and GPS sensors to drive supplier accountability. Pioneer is now implementing the blockchain solution across all of its field locations to verify chemical deliveries and is poised to expand the solution in other areas where increased trust, accuracy and transparency of supply chains will provide notable material and capital savings.

- **Material Reuse**— In 2021, Pioneer partnered with a third party to recycle scrap poly pipe made of high density polyethylene (HDPE). HDPE 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 contributed more than 6 million pounds of HDPE poly pipe and metal that would have otherwise been disposed of in a landfill.

¹ Excludes hazardous waste generated by Parsley and DoublePoint prior to acquisition of those entities by Pioneer and properly disposed of by Pioneer as one-time shipments.

Additional metrics are provided in our Sustainability Performance Data Table.

Spill Management

Pioneer believes all spills are preventable. Pioneer designs, builds and operates our facilities and equipment with spill prevention in mind. Our HSE Commitment, formalized in our HSE Policy, shows how we take a proactive approach to manage spill-related risks and reduce spills. 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.

Our compliance specialists, operations partners and HSE committees are dedicated to studying past incident findings and identifying operational or engineering safeguards that could aid in preventing future incidents.

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 number and 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

The acquisition of Parsley and DoublePoint presented spill performance challenges in 2021. Differences in facility design, construction, and operational practices relative to our existing assets, directly affected the environmental spill risks associated with the acquired assets. Pioneer has integrated the majority of the acquired assets and is continuing to upgrade the remaining facilities to Pioneer specifications, supporting our spill reductions efforts.

Our compliance specialists, operations partners and HSE committees 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:

- Requiring the internal reporting of all environmental incidents, including spills
- 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 meet or exceed regulatory requirements. Since 2020, the number of hydrocarbon spills within our operations has increased as we transitioned our acquired assets into Pioneer operations, combined with higher levels of COVID-19 activity.

We have worked diligently to bring the acquired Parsley and DoublePoint facilities up to Pioneer's high operating standards, which contributed to improved spill performance in the second half of 2021. Not all of the design differences between the acquired facilities and our existing assets were negative. Both Parsley and DoublePoint had a larger percentage of facilities equipped with fully aligned containment systems around production tanks. This contributed to an increase in the occurrence of spill volumes captured within lined containment.

In the fourth quarter of 2021, we changed how spills are recorded to provide clearer visibility into our impact to habitat outside of our facilities. Category selection was formerly based on the worst outcome. If even a small percentage of the spill left the facility, the entire release was categorized as having impacted habitat. This resulted in an exaggeration of the percentage of our spill volumes released to habitat. Effective December 16, 2021, gross spill volumes are allocated by percentage to four degrees of containment: lined containment, unlined containment, facility pad outside of containment, or habitat. When we report 2022 spill metrics, we will be able to provide more accurate calculations of volumes released to habitat. These reporting improvements also provide us with an opportunity to better understand the effectiveness of spill control methods and take action to reduce environmental risk.

Spill metrics are provided in the Sustainability Performance Data Table.

Chapter 7

HSE Culture

We are dedicated to protecting the occupational health and safety of everyone who works with Pioneer and minimizing our 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 a commitment to do the right thing and act with integrity.

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—that means whether we are at work or at home.

Stewardship365

Stewardship365 focuses on our responsibility to environmental stewardship each day of the year—again, whether at work or at home.

For more information, see our *HSE Commitment*.



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. It also requires contractors, suppliers and service providers to maintain HSE policies that meet or exceed our policies.

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.

1. All HSE incidents are required to be reported to managers, no matter how small.
2. We investigate and learn from incidents and develop corrective actions to reduce the likelihood of recurrence.

HSE Management System (HSEMS)

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

The 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 additional levels.



Phase 1: Leadership and Employee Participation

Element 1: Management Commitment

Pioneer management leads by sharing the vision, setting expectations and allocating resources. Managers have roles, responsibilities and accountabilities for leading the HSE effort and implementing the HSEMS model.

Element 2: Proactive HSE

We promote a proactive HSE culture with a foundation of employee engagement and participation that drives the improvement of our HSE programs. Our managers, supervisors and employees are trained in the use of proactive tools and measures, including Behavior Observation.

Phase 2: Planning

Element 3: Hazard Identification and Risk Assessment

Pioneer established a hazard identification and risk assessment process to continually identify, analyze and control hazards in the workplace. Annually our business units conduct formal risk assessments to determine and prioritize risks associated with hazards in a risk registry and then develop appropriate controls.

Element 4: Standards, Guidelines and Procedures

Standards, guidelines and procedures (SGPs) equip our employees to work safely, consistently and effectively. SGPs assist employees charged with field development and operations responsibility to support decisions on various engineering, design and construction phases. These documents focus on project management, sound HSE practices, code compliance, company preferences and sound business practice. Our SGPs are updated, as needed, to reflect operational conditions.

Phase 3: Support

Element 5: Competence & Training

Pioneer's competence and training programs help create awareness of HSE risk in the workplace and deepen understanding of regulatory requirements and Pioneer's HSE standards and guidelines. Employees complete required HSE training to increase their skills and knowledge.

Element 6: Effective Communication

Pioneer has a structured planning, delivery, evaluation and revision of all communication channels (internal and external) related to the HSEMS. Two-way communication promotes employee understanding and active management participation to ensure employees understand how their job functions are important and impact the company.

Phase 4: Operation

Element 7: Driving Management

Pioneer's goal with driving management 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 in the driving process while actively on the road.

Pioneer continues to leverage our fully implemented In-Vehicle Monitoring System (IVMS). Our system allows us to gain insight into our driver's behaviors while operating the vehicle, as well as ensuring vehicles are in good repair and safe to operate.

Element 8: Contractor HSE Management

Working with third parties requires collaboration and communication. The contractor HSE management program provides guidelines for pre-qualifying, selecting, onboarding, evaluating, and monitoring and decommissioning contractors.

The program also provides operator guidelines through requiring Basin United training and an onboarding video for contractors performing work on Pioneer locations.

Element 9: Management of Change (MOC)

Management of Change (MOC) provides a systematic approach to managing the effects of changes (organizational, operational, structural and business processes) on HSE. Significant changes are reported, acknowledged, reviewed, approved, communicated and documented to eliminate the likelihood of incidents prior to, during and following the change.

Element 10: Asset Integrity Management (AIM)

The Asset Integrity Management (AIM) process begins at project conception and is active through all stages of the asset life: design, construction, operations, maintenance, and retirement of assets. The Pioneer AIM program strategically adds value by being proactive in improving equipment reliability in an environmentally responsible manner, benefiting the organization through collaborative and continuous improvement.

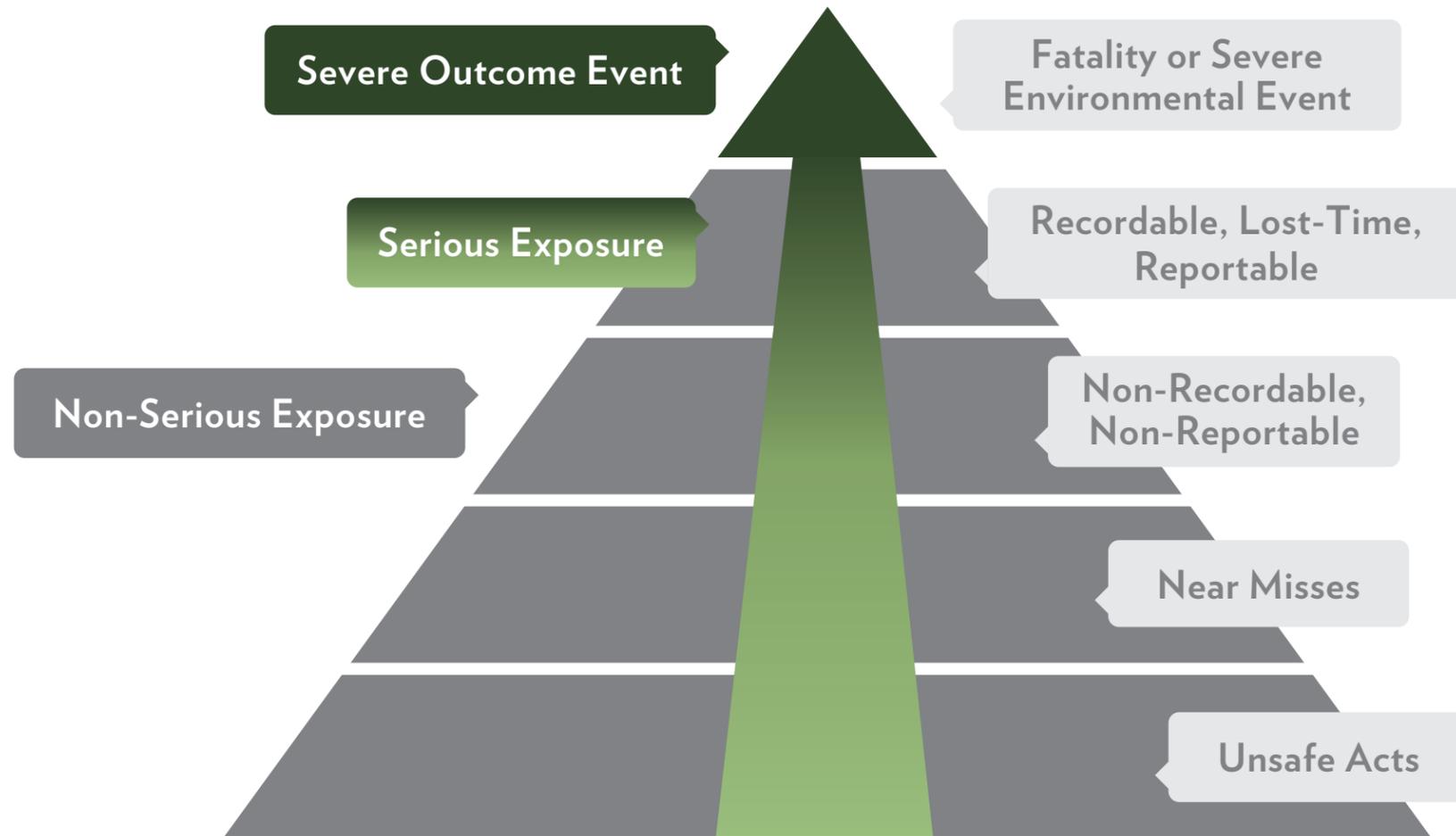
Element 11: Incident & Emergency Management

Pioneer believes all HSE incidents are preventable and has established processes if an event occurs. Incident and emergency management programs address the underlying causes – both for preparedness and to prevent recurrence.

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 actions to prevent recurrence
- Lessons learned from incidents are shared with Pioneer employees and contractors

Serious Exposure Methodology



Similar to a Serious Incident and Fatality (SIF) program at other companies, Pioneer’s Serious Exposure program focuses on identifying and investigating any incident or near miss 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 ensures 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 management’s 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.

Phase 5: Performance Evaluation

Element 12: Evaluation

Pioneer has established a systematic approach to measure and monitor its HSE performance. Both proactive and reactive measures of performance are used, with more emphasis on proactive measures, to continually improve HSE performance.

Phase 6: Management Review

Element 13: Review

Senior management reviews the HSEMS at planned intervals to verify its continuing suitability and effectiveness. The decisions from management reviews are consistent with Pioneer’s commitment to continual improvement and include any actions related to changes to the HSE performance, policy and objectives, resources, and other elements of the HSEMS.

HSE Performance

The oil and gas industry faced multiple challenges in 2020-2021, including managing COVID-19 associated impacts to our workforce and staffing levels, along with sharp decreases and increases in oil demand. This, coupled with transitioning workforces from our newly acquired assets, led to an increased opportunity for HSE exposures. In the face of these challenges, Pioneer responded by prioritizing the health and safety of our workforce. Our performance demonstrates our continued commitment to our HSE values.

Total Recordable Injury Rate (TRIR)

Decreased total recordable injuries **by 21%**

Motor Vehicle Incidents (MVI)

MVI rate of **0.36 incidents per million miles driven**

HSE Training

More than **66,000 hours** were dedicated to **HSE training**



Pioneer was recognized with the Texas Employer Traffic Safety Award by The National Safety Council (NSC) and the Texas Department of Transportation, for the fifth year in a row.

While some measures increased in 2021, others such as our employee recordable injury rate (TRIR) decreased by 21% from last year. When performance is normalized by activity levels (such as wells drilled, stages completed, wells placed on production) the numbers show that Pioneer has continued to show improvement over the past three years. For instance, when comparing 2021 to 2019 and using wells drilled as the normalizer, the employee recordable injury rate decreased by 71%, the employee lost time rate decreased by 51% and the contractor recordable injury rate decreased by 28%. Pioneer is committed to continuing a pattern of improvement by prioritizing the health and safety of its workforce.

Motor Vehicle Safety

At Pioneer, the desire to improve, even on good things, means we are constantly exploring innovative ways to positively impact our driver and transportation safety culture. Pioneer provides proven, sound, and effective practices to our employees, through education, training, and best practices sharing. 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 in the driving process 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.

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

Motor Vehicle Incident Rate

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 (MVI), even as activity levels have increased.

Contractor Safety

The contractor TRIR (Total Recordable Incident Rate) for Pioneer locations increased in 2021 by 19% when compared year over year; however, when Occupational Safety and Health Administration (OSHA) recordables are normalized by activity levels (such as wells drilled, stages completed, wells placed on production) versus hours worked, Pioneer contractors have seen a 28% decrease over the past three years. Pioneer has realized those results through continuous improvement of the five contractor program elements: pre-qualification, selection, onboarding, evaluation, and monitoring and decommissioning.

Pioneer’s Contractor Partnership Program (CPP) is a documented contractor relationship-building program between Pioneer field leadership and a contractor’s leadership. The purpose of CPP 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

Pioneer employees fulfill annual training requirements regarding policies and procedures for environmental, social and governance topics. In 2020, Pioneer enhanced its HSE training through a targeted program that assigns employee training by a pre-defined exposure ranking. 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. In 2021, more than 66,000 hours were dedicated to HSE training.

A complete list of Health and Safety performance metrics are provided in the Sustainability Performance Data Table.

Chapter 8

Social Value

We deliver our strong operational and financial results in a safe, environmentally sound and socially responsible way through our most important asset – our people. We respect one another and the communities we call home through a culture dedicated to diversity, inclusiveness and unique perspectives. We promote inclusion and diversity throughout the company to bring diverse perspectives, lived experiences, new ideas and genuine collaboration and teamwork to our problem-solving and decision-making processes. Pioneer communicates transparently, authentically and respectfully among all stakeholders, both internal and external, while being sensitive to unique situations, communications styles and platforms. By taking a personal approach with our employee and community stakeholders, we build strong relationships and an environment of transparency, respect and trust, which is reflected in our business goals and results.

Diversity, Equity and Inclusion (DEI)

From the time of our founding, and decades before the popular corporate catch phrases of today, Pioneer has championed the importance of respect. The word became the inspiration for our RESPECT values that encompass our beliefs for fostering a diverse, equitable and inclusive workforce. Diversity in our workforce unquestionably fuels our continued business success and innovation while also representing the communities we proudly call home.

Many companies talk about diversity and inclusion abstractly. At Pioneer, it's ingrained within our culture and backed by actionable and bold goals, accountability, and philanthropic and service initiatives. Here, embracing diversity represents a way of life; the work to benchmark and improve our efforts never stops. Our intention is for our employees across the company to see, feel and hear our values every day. As a company headquartered and solely operating in one of the largest and most diverse states in the nation, Pioneer leaders are both committed to and incentivized for ensuring our workforce and management team are reflective of Texas and America as a whole.

Our DEI program cultivates 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 schools of thought to achieve business results.



DEI Targets

Pioneer believes DEI values and commitments must be backed by measurable action and accountability. To that end, our DEI goals are embedded into our overall governance standards and executive compensation plans. To demonstrate Pioneer's commitment to DEI initiatives and empower representation in all areas of the company, we have:

- Set a goal to have at least 50% diversity representation within our Management Committee.
- Required each Management Committee member to identify annual DEI goals with deliverable DEI metrics and leading indicators within their area of responsibility.
- Established a goal for all Management Committee members to complete DEI training.
- Released a Supplier Code of Conduct and Sustainable Procurement Commitment to all suppliers, available on [PXD.com](https://www.pxd.com)
- Completed the Human Rights Campaign 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:
 - Nondiscrimination policies across business entities
 - Equitable benefits for LGBTQ workers and their families
 - Supporting an inclusive culture
 - Corporate social responsibility

To aid in our development of future programs and targets, we participated in the DiversityInc Top 50 competition and will develop action plans based on the resulting report card. The report card will focus on six key areas of diversity and inclusion management:

- Human Capital Diversity Metrics
- Leadership Accountability
- Talent Programs

- Workplace Practices
- Supplier Diversity
- Philanthropy

Currently 46% of our executive management team is diverse. With the addition of three new Directors to our Board, Lori Billingsley, Maria Dreyfus, and Jacinto Hernandez our aggregate Board diversity has increased to 46%. 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 committee members' performance goals.

The executive DEI program was developed in partnership with third-party vendors and will build on our previous trainings offered—Appreciating Differences and Unconscious Bias. Executives will focus on inclusive leadership, communication and cultivating an inclusive culture.

Diversity Equity & Inclusion Training

As our program continues to evolve, we added a required Unconscious Bias training for all employees to build on the previous Diversity and Inclusion trainings offered. With 92% of all employees trained, we will continue to evolve our training to encourage growth and inclusion in the workplace.

Management DEI Scorecards

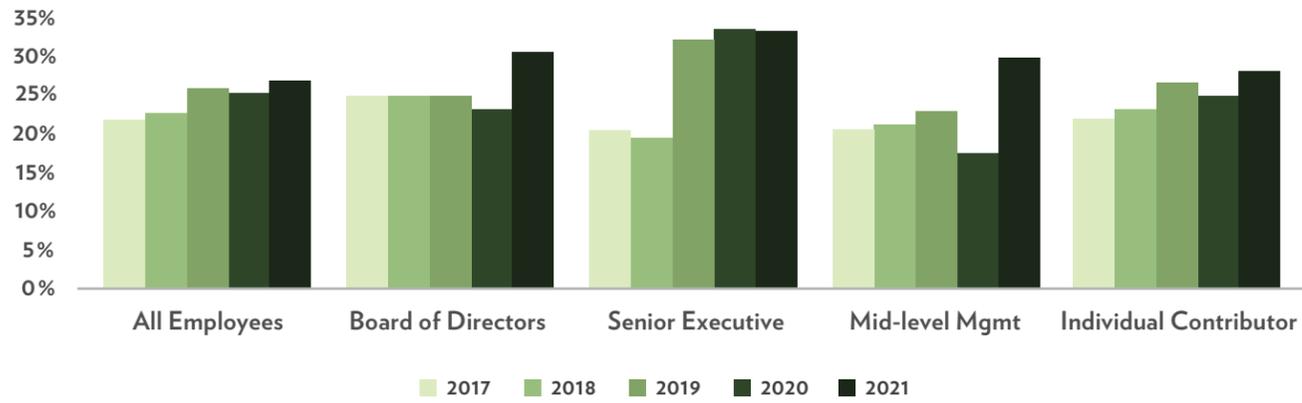
In 2021, we developed an internal DEI Scorecard to give each Management Committee member visibility into their department's demographics, as well as insight into leading indicators that impact the future workforce. These DEI Scorecards build on previously implemented visibility campaigns and include metrics that enable our executives to meet their three-year road map goals. Pioneer is committed to transparency around diversity and inclusion. As part of that effort, we detail our progress in our Sustainability Performance Data Table.

Pioneer Demographics

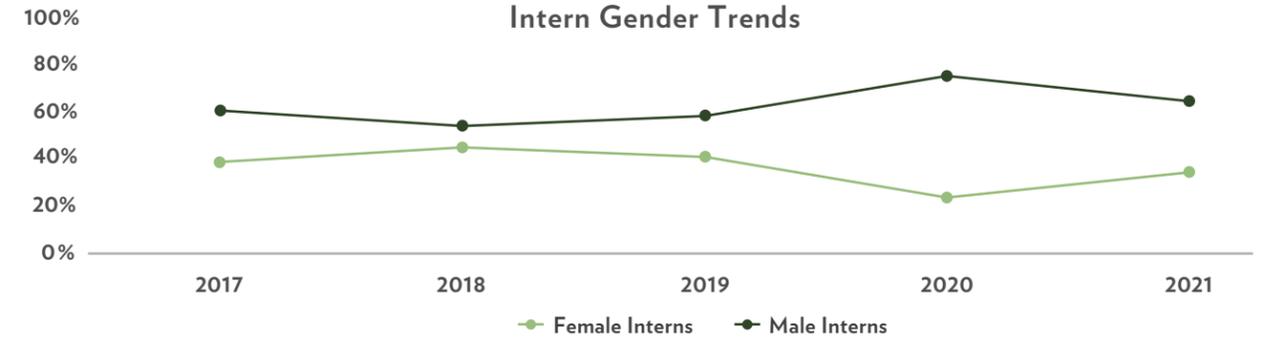
In 2021, women represented 27% of our workforce, including 33% at the senior executive level. The overall proportion of racially diverse employees has decreased since 2019 due to the sale of Pioneer's integrated service companies; however, we continue to achieve steady growth within both senior executive representation, with our executive management team being currently 46% diverse. Pioneer actively leverages our Campus Recruiting program to diversify our pipeline of incoming talent. The Management Committee regularly reviews the demographics of our employees with a purposeful intention to advance 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 ensure we are able to meet our DEI goals.



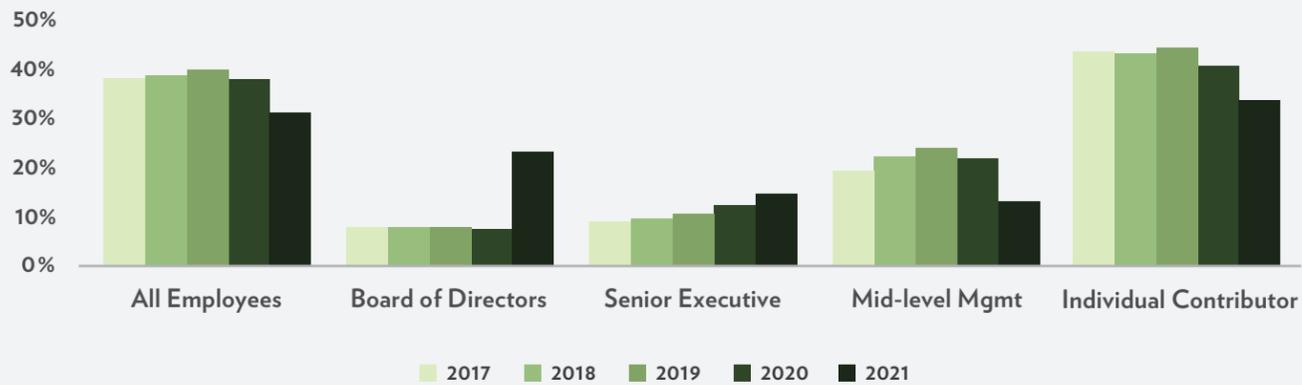
Women at Pioneer



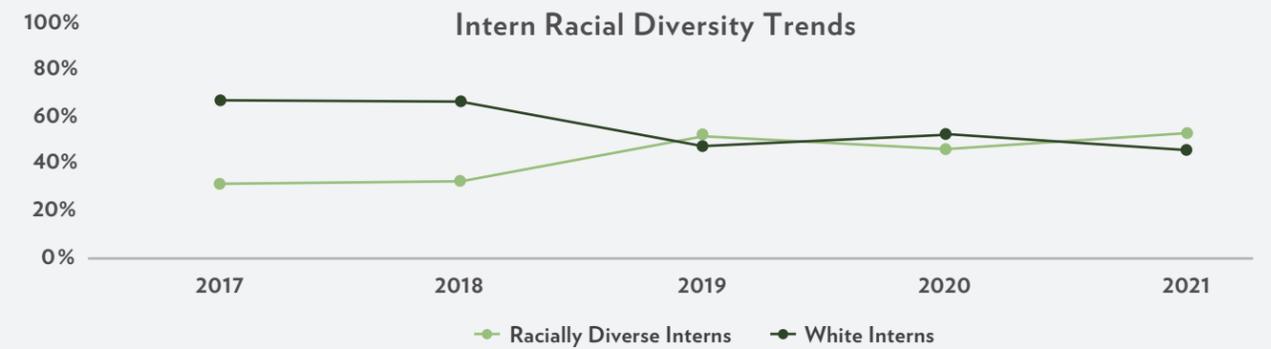
Intern Gender Trends



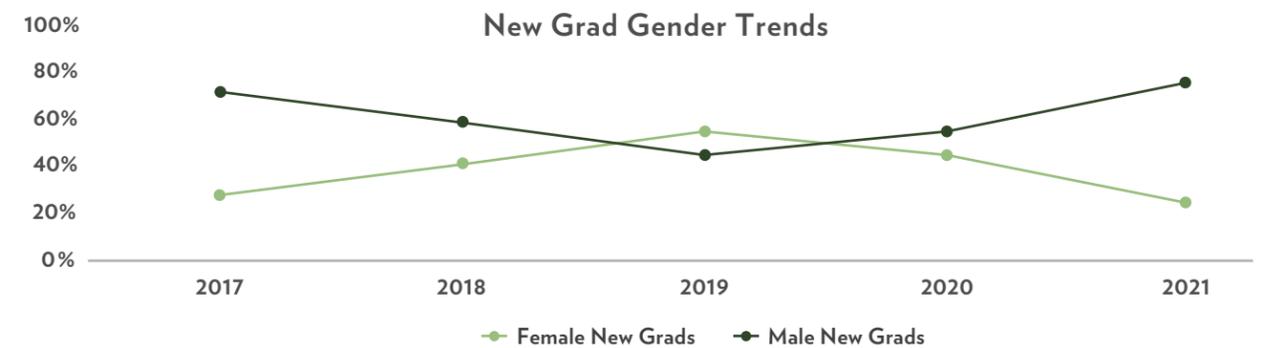
Racial Diversity



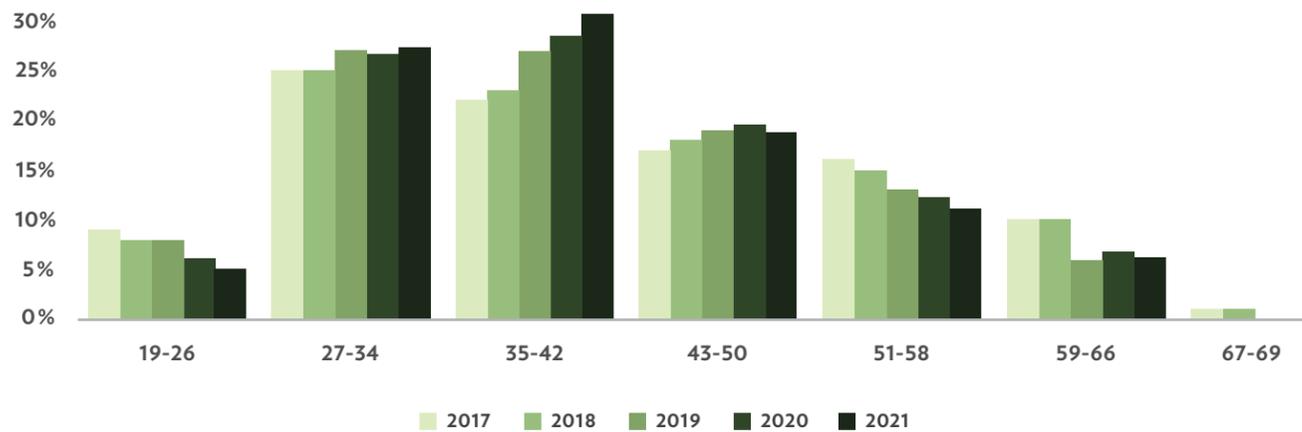
Intern Racial Diversity Trends



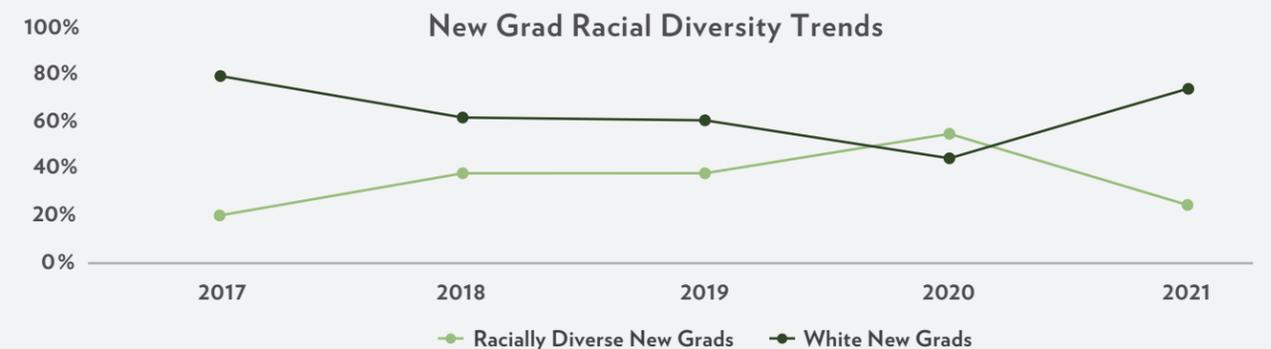
New Grad Gender Trends



Employee Age Demographics



New Grad Racial Diversity Trends



Equal Opportunity Employment

Our Equal Employment Opportunity (EEO) 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.

Investing in Our People

“My favorite part about Pioneer is they encourage me to be myself. I do my makeup funny, and I wear funny shoes, I like to be loud, and I like colors in my office. I get almost praised for it, because sometimes I think oil and gas has that ‘good ol’ boy’ reputation and now people are coming in and brightening things up a little bit.”

– Megan Delmonico, Operations Engineer, Midland, Texas

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 manifest through our RESPECT values and 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 paramount to supporting our thriving and resilient culture. Our annual engagement survey provides a view into our overall organizational health. Pioneer’s new survey administrator provides global, multi-industry benchmarks. Despite the many

challenges the pandemic presented in 2021, Pioneer scored in the top quartile of engagement globally among companies using the same platform, with 17 of 25 category scores ranking above the platform’s global benchmarks.

“The moment we started the process to get onboarded, it was great. This has been one of the greatest companies I’ve ever worked for.”

– Dillon Trantum, Production Operator, Midland, Texas

In 2021, Pioneer received a high response rate of 76%, and more than 4,000 comments from employees. In addition to Employee Engagement, we also consistently score highly in:

Benefits • Rewards • Corporate Citizenship

While we like to celebrate our successes, our engagement survey also affords us the opportunity to focus on areas that need attention. One area of focus identified in our survey responses was the work schedules for some of our field employees. Management quickly acted and redesigned schedules to more closely align with the feedback received through the survey. Another area of improvement centered around career development for employees in our data science fields. As employees noted in the survey, the skillsets of our various data analytics roles continue to evolve with the advancement and adoption of new capabilities in the artificial intelligence and data science arenas. In response, we have developed an enhanced career path for these roles, ensuring Pioneer attracts and retains the high-level talent that will support company objectives. Managers developed action plans to improve these and other areas of opportunity for improvement throughout the company.

“Something that surprised me about working with Pioneer is the people. When I first came, I was a little bit nervous that the oil and gas industry was a group of rough and tumble people, and I’ve found a home here. I’ve found a family atmosphere, and I really enjoy it.”

– Dillon Trantum, Production Operator, Midland, Texas

Employee Resource Groups

Our companywide DEI program, OnePioneer, is led and self-governed by a diverse representation of our employees. Once split into individual resource groups, it became evident our members cared for communities different from their own, and we recognized true change can be accomplished when we band together. As a result, we joined the groups to create OnePioneer. They operate as a singular team to advance DEI initiatives throughout the company. Under the OnePioneer umbrella, we continue to provide a space for employees to come together.

OnePioneer proudly supports these networks:

- Different Abilities Network
- Multicultural Network
- Women’s Network
- Early Career Employees
- Parent and Caregivers Network
- Military Network
- PRIDE+ Network

OnePioneer also has dedicated senior leaders who actively support the group’s mission. Despite challenges introduced by the pandemic, OnePioneer continued to fulfill its core objectives. A few examples of this include:

- Philanthropy: Toys for Tots, Afghanistan Refugee Clothing Drive
- Cultural Awareness: Taste of Pioneer, Diwali Celebration
- Development: Rise of ESG Event, Book Clubs, Facilitated Mentor Program
- Engagement and Belonging: Field Appreciation, Trunk or Treat, Employee Spotlight Series

PIONEER

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 percent 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.

“Working for Pioneer has meant the world to me and my family. It helped me build my family – it helped me become the man that I am today. I’ve been mentored and taught so many things by the people that have been here at Pioneer, whether they are gone or still here, and now I’m learning from the newer generation.”

– Roderick Strambler, Senior Surface Landman, Midland, Texas

Mentorship can provide significant opportunities for growth and development. In partnership with our Human Resources department, OnePioneer developed a mentorship program designed to meet the needs of employees and foster connections throughout Pioneer. 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.

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 annually reviews total compensation for all employees with the goal of providing a highly competitive compensation package, adjusting for market conditions, and attracting and retaining a highly skilled workforce.

Pay for Performance

Each Pioneer employee can influence their take-home pay through their performance. Our employees participate in:

- Cash incentive plans that consider both individual and company performance
- Traditional bonus plans heavily influenced by individual performance
- Variable compensation plans denominated in company stock, designed to align the interest of employees with stockholders

“I feel really supported here at Pioneer being able to juggle mom-ness and work. I’ve taken maternity leave three times while I’ve been here, but I’ve still done huge projects with meaningful change, and I haven’t felt like I’ve had to choose between my family and my career at Pioneer. I think that speaks volumes to how Pioneer thinks about all of its people and the support we get.”

– Allie Foster, Accounting Manager, Irving, Texas

Two recent changes in 2021 include adopting a hybrid remote work program and adding Juneteenth as a paid company holiday. Due to our competitive pay and benefits, culture of RESPECT and DEI efforts, our voluntary turnover rate remains below 5% in 2020 and 2021.

Best-in-class Benefits

Peer- and Industry-competitive Offerings

Our employees are our greatest asset, and we encourage them to take full advantage of the array of competitive benefits and programs we offer. To ensure we attract and retain top talent, we set ourselves apart from other employers by carefully selecting an outstanding benefits package:

- Comprehensive medical, dental and vision plans
- Company-provided life insurance, short-term disability and long-term disability
- Subsidized onsite daycare
- Paid maternity and paternity leave
 - Twelve weeks of 100% pay for primary caregiver
 - Ten days of 100% pay for secondary caregiver
- Flexible work schedule and compressed work week
- Generous paid-time-off program
- Dynamic 401(k) program



A Culture of Health and Wellness

- **Health Centers:** Pioneer has two on-site health clinics that provide healthcare for both employees and their families who are covered by our medical plan. Medical services provided include preventative screenings, sick visits, routine check-ups, chronic condition management and urgent care needs.
- **Daycare Centers:** Employees in our Las Colinas and Midland Corporate Offices have the convenience of an onsite childcare center that offers early childhood programs for their children ranging from infants to kindergarten prep.
- **Fitness Centers:** All Pioneer office locations have on-site fitness centers for employee use.



Focus on Mental Health

The pandemic put a spotlight on the mental health crisis in a new and immediate way. The stress, anxiety, isolation and uncertainty of this time raised awareness and pushed all of us to have the honest conversations we always needed to have 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 their optimal mental health and well-being.

Feel 1 Mil

In 2019, Pioneer launched Feel 1 Mil, a total mind and body wellness program. Feel 1 Mil offers several opportunities to nurture mind, body and spirit, allowing employees to prioritize their health and wellness. Employees and their families have access to our online wellness portal to track health and wellness goals. With services such as Teledoc, health bots, and biometric screenings, employees have around-the-clock choices for preventative, mental and acute medical care.

VIRTUAL HEALTHCARE ACCESS:

When the world was impacted by the COVID-19 pandemic, Pioneer was able to seamlessly provide employees and their families with the same level of healthcare as before. Many of our programs already offered (or quickly adapted to) a telehealth option.

People Development

Promoting Teamwork

Teamwork and collaboration are cornerstones of our success. Along with internal team-building activities, Pioneer is the premier sponsor of two local community initiatives: Corporate Challenge held in Richardson, Texas, and Corporate Cup held in Midland, Texas. These community competitions are Olympic-style, coed team building tournaments that garner high participation among our employees. While these events were postponed due to the pandemic, we eagerly anticipate their return in 2022 and the opportunity to make an impact on our communities through philanthropic support while encouraging healthy competition and teamwork.

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 aims to support and enable 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

Additionally, over 90% of employees who participated in our post-review survey responded that they had quality performance discussions with their manager.

Pioneer strives to build a more proficient and engaged workforce with skill-building and competency-based training and development opportunities. Our competency model comprises 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 trainings, consultation services, service provider partnerships, and more. Pioneer University, in partnership with learning service provider, Cornerstone Learning, has over 800 offerings.

We believe the development of our employees is key to our future success. In 2021, Pioneer invested over 88,000 hours on training – an average of 42 hours per employee.

Talent Planning

Pioneer’s talent planning approach takes a cross-functional view of our employee base to identify high potential, critical technical talent 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 potentials and/or critical role successors. Participants are placed into one of three development groups: Elevate, Accelerate, or Inspire. 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.

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.

Program Objectives:

- Gain insights into current career advancement challenges faced by professionals early in their career.
- Study perceptions and attitudes toward career advancement.

Development	Training/Resource	Impact/Goal
Professional	Online Training Resources	Available to all employees, our online training contains a variety of topics and learning content types, including videos, tools, articles and more.
	Monthly Instructor-led Employee Trainings	Instructors lead these workshops that cover topics such as Work and Wellbeing, Leading Change, and Influencing People for Better Business Results.
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.
Technical	PXDrill Training Program	More efficient drilling results in better, lower-cost wells. Pioneer ensures employees and contractors receive training to work toward one goal.
	Training, Assessment, Skills, Knowledge (TASK)	This operational training program for Production Operators teaches hands-on experience in the field environment.

- 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 career.

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. 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 at universities where we recruit. 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 great 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, again in 2021, Pioneer sponsored a summer intern through the All Stars Project’s Development School for Youth. Through the program, students from west 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.

Supply Chain and Sustainable Development

Pioneer recognizes there are inherent risks when working with third party suppliers; therefore, we strive to work with companies that share our high standards and values. Pioneer assesses every supplier through an extensive prequalification process based on the specific work type. As outlined in our Code of Business Conduct and Ethics, business integrity, safety and environmental stewardship are some of our main priorities. Pioneer’s standard Master Service and Sales Agreement contractually obligates our suppliers to comply with our Code of Business Conduct, including our Human Rights Policy and Commitment. Safety and environmental stewardship are integral

to our relationship with our suppliers. Pioneer standard sourcing and contract templates include suppliers’ obligations to participate in contractor safety meetings, provide root cause analysis and perform thorough HSE reporting. In a continued effort to mitigate risks, our Pioneer policies, programs and goals are communicated to our suppliers starting with their initial set up as a Pioneer service provider and reinforced through ongoing performance management conversations.

Pioneer Supplier Code of Conduct

Pioneer has strengthened our supplier expectations with a Supplier Code of Conduct that aligns with and complements Pioneer’s Code of Business Conduct and provides additional clarity to our suppliers regarding: values, human rights, sustainability, compliance and anti-bribery, conflicts of interest, safety and environmental considerations, and compliance. By providing goods and services to Pioneer, each supplier agrees to the principles and guidelines outlined in the Supplier Code of Conduct and Ethics and agrees not to take any action that would cause Pioneer or any of its employees to be in violation of that Code. Pioneer sets our expectations and ethical standards high and strives to work with the best suppliers in the business that share similar values and standards. It requires suppliers to embody the special set of values that Pioneer was founded on in their relationship with Pioneer - honesty, mutual respect, accountability, innovation, inclusion and communication – known as the company’s RESPECT values. Pioneer suppliers must comply with the Human Rights Policy as the expectation is to respect the dignity of all human beings. Suppliers are expected to share our goals of corporate sustainability, diversity, and social responsibility. Pioneer conducts its operations in a manner that protects the safety of individuals and is dedicated to a healthy environment by complying with environmental laws; we expect our suppliers to do the same. 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 by Pioneer for audits.

Sustainable Procurement Commitment

Pioneer Supply Chain Management has also developed a Sustainable Procurement Commitment for employees to outline standards for

assessing suppliers’ commitment to sustainability, ESG and Corporate Social Responsibility. We hold ourselves accountable, as well as our suppliers, by upholding all state and federal laws and driving toward innovative solutions for sustainability. We utilize risk mapping and ESG assessments of our critical supply base to monitor risk and progress. Pioneer commits to training 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.

Supplier Continuous Improvement

Suppliers may be required to participate in our Supplier Relationship Management program (SRM) to assist in identifying supplier strengths and areas of opportunity. Pioneer conducts quarterly evaluations with suppliers on key performance indicators (KPIs) such as safety, cost, performance and ESG. Pioneer also conducts supplier audits at least once every three years, or more frequently at its discretion, to verify compliance with our policies and expectations. Performance improvement plans will be instituted for any suppliers not meeting our expectations. We promote collaboration and continuous improvement from our business partners and work upfront with suppliers to set expectations, ensure accountability, and aid innovation.



Supplier Collaboration to Drive Sustainability

Pioneer Supply Chain Management is currently onboarding all critical suppliers to EcoVadis, a widely accepted ESG and Business Sustainability rating platform. Pioneer expects our suppliers to adhere to a minimum acceptable score and works with any vendor falling below that threshold to establish improvement plans to increase their score. We are proud of the strong commitment to ESG demonstrated by the participation of our suppliers.

The evaluation process is streamlined, efficient and designed to bring insight and awareness across a broad supplier base. A questionnaire, which must be conducted yearly, is given to each supplier by the rating agency and a score is provided based on the responses. The questionnaires are tailored to each supplier's specific industry, size, and location. Suppliers must upload supporting documentation to verify their responses to receive credit. The supplier scores provided by EcoVadis are utilized by our Supply Chain Management team when awarding work and in our SRM program. 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 aids our sustainability risk mapping and provides an unbiased baseline that enables collaboration between Pioneer and our suppliers to improve sustainability together by continuously creating year-over-year improvement.



Emphasizing Sustainable Procurement

Pioneer Supply Chain Management 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 sustainable procurement program has also challenged our Supply Chain Management employees to collaborate with other departments to seek innovative solutions to reduce waste and realize potential cost savings.

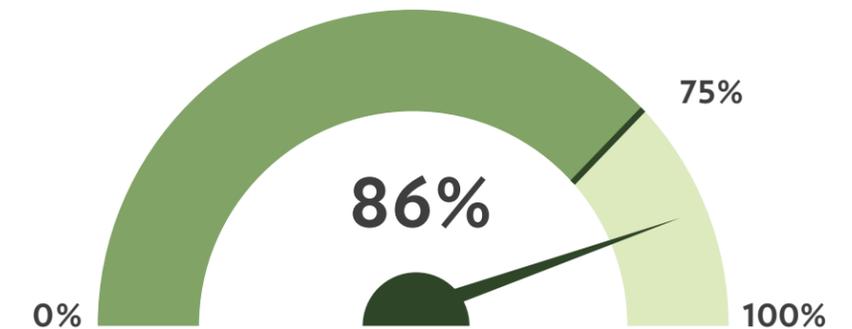
Pioneer developed multiple equipment reuse programs, including test separators, electronic submersible pump equipment, valves, and wellheads – resulting in a total reuse savings of \$41 million in 2021. One success story comes from collaboration between Supply Chain and Drilling, where a casing thread protector recycling program was developed in September 2021. Since its inception, 480,000 pounds of plastics have been recycled thanks to the innovative program. We hope to share more ways we're working to reduce waste, electrify operations and bring down costs while we continue to place a premium on sustainable procurement.

Diverse Suppliers & Local Spend

In 2021, at least 30% of our capital spend was attributed to suppliers based in the Permian Basin. Additionally, 86% of our spending 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 that are critical to providing employment in the region.

Pioneer values its relationship with a diverse set of suppliers. To further our ESG and DEI efforts as a company, in the fourth quarter of 2021, Supply Chain Management kicked off an initiative to benchmark and baseline our diverse spend. With this insight, we are identifying opportunities to increase the percentage of spend with Historically Underutilized Businesses (HUB) and plan to implement a Supplier Diversity Commitment later this year.

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

Supplier Permian Spend**Supplier Texas Spend****Lobbying and Advocacy**

All Pioneer lobbying and advocacy expenditures are made in the U.S. In 2021, Pioneer made significant financial contributions (more than \$25,000) 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)
- Texans for Lawsuit Reform (TLR)
- Texas Oil and Gas Association (TXOGA)

Political Engagement

Pioneer works in conjunction with industry partners to advocate for a 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 mutually benefit our state, local communities, industry, Pioneer and our shareholders.

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.

Pioneer has adopted a policy on political expenditures, which is set forth in our Code of Business Conduct and Ethics and is applicable to all Pioneer Directors and employees. As stated in the policy, no company funds may be used for political contributions in the U.S. or in any foreign country, unless permitted by law, 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 training regarding Pioneer's political contribution processes.

The charter of the Nominating and Corporate Governance Committee of the Board provides for the committee's oversight of all Pioneer political spending and lobbying activities. The committee, which is comprised entirely of independent directors, receives an annual report from senior management on Pioneer's political activities, including corporate contributions to issue campaigns or referenda; payments to 527 organizations, 501(c)(4) groups, and other tax-exempt organizations; dues paid to trade associations; and political action committee (PAC) contributions.

Corporate Political Contributions

Pioneer may make occasional corporate contributions to political organizations and campaigns whose objectives 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.

In 2021, Pioneer only made one corporate political contribution. The contribution was for \$5,000 to the Texas House Republican Caucus.

Political Action Committees

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 members of management. 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 of their contribution or their decision not to contribute. For additional information on political expenditures, visit PXD.com > *Culture* > *Advocacy*.

Corporate Giving

Pioneer and our employees have a storied philanthropic history — we seek out events, organizations and initiatives to support, constantly striving to improve the quality of life for our communities. Our corporate charitable giving mission is to positively impact organizations that improve the communities where we live and work. Pioneer is proud of our activism, our employees’ volunteerism and our collective willingness to give back. Our RESPECT values are focused on people, including employees, contractors and those with whom we

interact in our communities. When you spend time with us, it won’t take long to see that our core values create a culture of being good neighbors where we live and work.

With the operating budgets of nonprofit organizations stretched thin after a years-long pandemic, Pioneer rose to the occasion in 2021 to assist the needy in our communities of operation.

Collectively, as a company and an employee base, Pioneer and our employees gave more than \$9.5 million in donations, grants and sponsorships to hundreds of charities in the Permian Basin – where Pioneer’s operations are located – and the Dallas-Fort Worth area, where our corporate headquarters are located. That tally includes millions of dollars’ worth of computers, land, trucks and firefighting equipment, among dozens of other essential items. The largest in-kind donations include the company’s gift in November of more than 35 acres of land to Midland Habitat for Humanity. The acreage, valued at around \$2 million, represented the largest land donation the area nonprofit had ever received.

Corporate Giving: A Strategic Investment





Largest land donation Midland Habitat for Humanity has ever received

In late 2021, Pioneer gifted our valued homebuilding partner, Midland Habitat for Humanity, more than 35 acres of land valued at nearly \$2 million.

Company officials announced the record donation during a ceremony at the Midland property site where they handed over the land deed to the local nonprofit. The gift marks the largest land donation Midland Habitat for Humanity has ever received.

“At Pioneer, we have a long-standing belief in the importance of supporting the communities where our employees live and work, and our partnership with Midland Habitat for Humanity exemplifies that commitment,” said Pioneer president & chief operating officer Rich Dealy. “So, on this Giving Tuesday 2021, we’re excited to make this donation of land to Midland Habitat for Humanity so it, along with Pioneer and its many other community supporters, can continue to make a lasting impact in the Midland community.”

Pioneer has established a longtime relationship with Midland Habitat for Humanity dating back to 2012. In recent years, we’ve built six houses, and Pioneer and its employees have given \$437,000 to the agency and donated thousands of hours in labor to help make the dream of home ownership attainable for those most in need. With all of Pioneer’s operations based in the Permian Basin, the company’s donation of the acreage has a special resonance.

“Habitat is a nonprofit developer and builder in one of the most expensive markets to buy and develop land, so without strategic partnerships and donations, we would not be able to do what we do,” said Joey Hopkins, executive director of Midland Habitat for Humanity, which has built 175 affordable homes for more than 700 people in the Midland-Odessa area since the chapter was established in 1991.

Midland Habitat plans to work with engineers to develop a site plan for the tract of land, but Hopkins said its future potential is already within view.

“Pioneer’s donation is the single largest land donation we have ever received and will allow us to build the largest subdivision we have ever built,” Hopkins said. “And that subdivision has the potential to be the largest affordable housing development in Midland.”

WELL Spent

LEND A HELPING HAND, DONATE OR PARTICIPATE

As Pioneer celebrates our 25th anniversary in 2022, the company continues to make a lasting impact on local Texas communities. One example is our pledge of \$2.5 million to create a multipurpose Pioneer Pavilion and Event Lawn, situated near the center of a redeveloped Hogan Park in Midland, Texas.

Corporate Partnerships

A pillar of Pioneer giving is our commitment to strategic corporate partnerships that positively impact the communities where we live and work. These partnerships take a variety of forms, from funding of capital campaigns and sponsorship of fundraising events to support of key charitable organizations and their programs.

In 2021, some of our key national and Dallas community partners included:

- Facing History and Ourselves
- International Rescue Committee
- Resource Center of Dallas
- Girls Incorporated of Metropolitan Dallas
- Carry the Load
- National Association for the Advancement of Colored People (NAACP)

Pioneer corporate partnerships in the Permian community included:

- Boys and Girls Clubs of the Permian Basin
- CASA de Amigos of Midland Texas

- San Angelo Hispanic Heritage Museum and Cultural Center
- Bynum School
- Spectrum of Solutions
- Midland Rape Crisis Center
- Pride Center West Texas
- The Nature Conservancy
- Safe Place of the Permian Basin

Permian Strategic Partnership

As the Permian Basin has long been one of the most active and largest oil and gas basins globally, the people and communities have experienced the 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 investment.

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



\$9.55 MM



70% OF PIONEER'S CORPORATE CHARITABLE GIVING IS DIRECTED TO PERMIAN BASIN ORGANIZATIONS

After announcing our intention to become a Permian 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, Healthcare, Affordable Housing and Workforce Development.

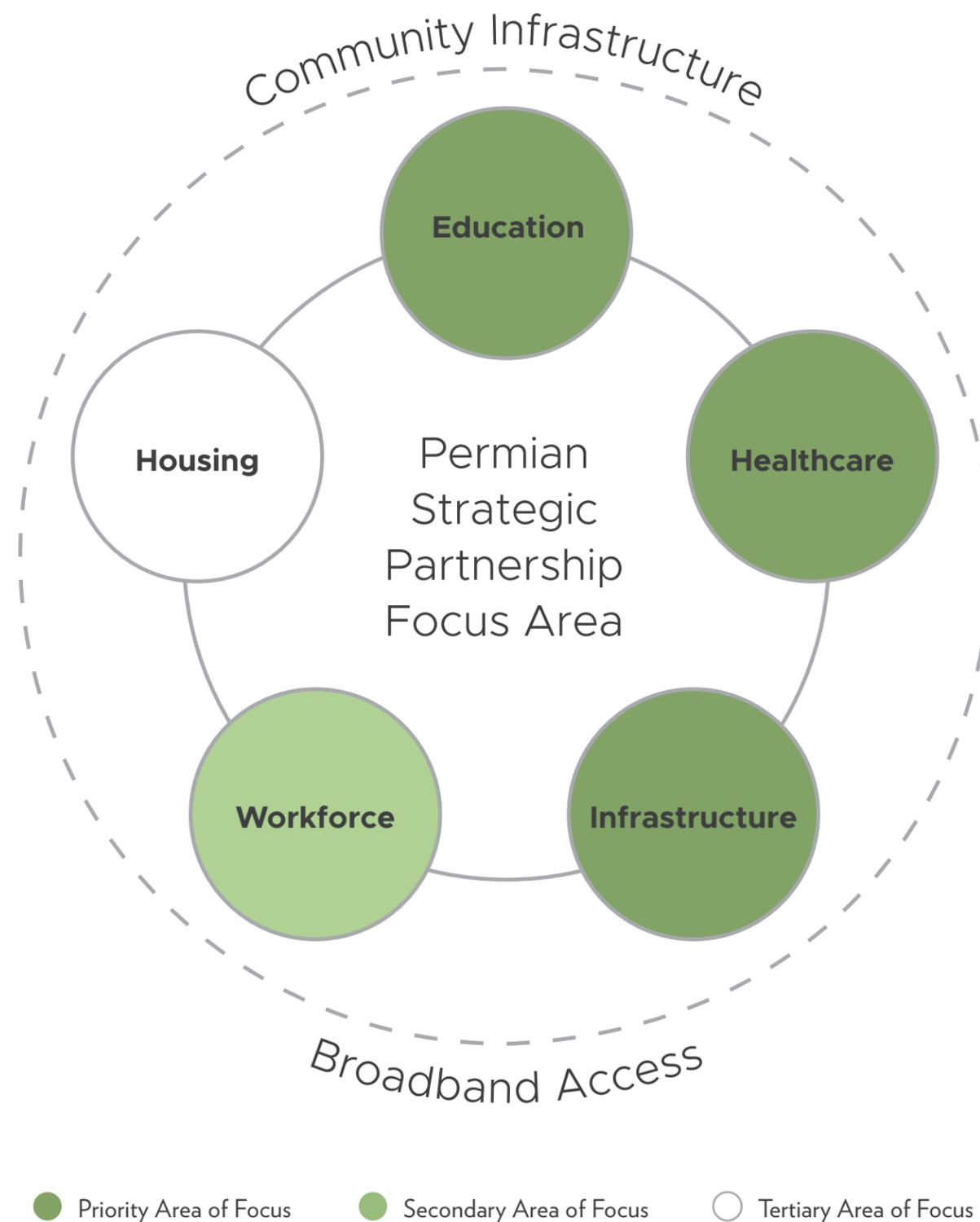
The Permian Strategic Partnership, now consisting of 19 member companies, is a catalyst for advancing these five goals by bringing stakeholders together; advocating for local communities with national, state and local officials; and contributing people, expertise and resources to help plan for and meet local needs. Since its inception three years ago, the PSP has leveraged more than \$93 million in member funds into \$950 million 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.

Fulfilling Our Mission

By supporting the development of safer roads, innovative schools, expanded healthcare, affordable housing, a trained workforce, and other vital infrastructure needs, we can strengthen the Permian today, and ensure its success well into the future.

Since our founding, we have also worked to expand broadband access and have helped spearhead many community focused studies and campaigns.

– Permian Strategic Partnership



Here are some recent advancements the Permian Strategic Partnership has led in the Permian Basin:

Partnership Contributions to Improving Schools

<p>STEM Learning in the Permian Basin (\$7.5 million)</p>	<p>The Cal Ripken, Sr. Foundation, a national nonprofit 501c3 focused on youth development for over 20 years, will install fully equipped STEM Centers in 134 elementary schools in the Permian Basin reaching 60,000 kids across 22 counties in Texas and New Mexico over a five year period.</p>
<p>UTeach (\$1.9 million)</p>	<p>The Permian Strategic Partnership is partnering with University of Texas Permian Basin to provide local schools with access to qualified and trained STEM teachers.</p>
<p>National Board Certification Initiative (4 million)</p>	<p>Over a three-year period, the Permian Strategic Partnership will work with the National Board for Professional Teaching Standards to create strong and viable coaching and mentoring networks in Lea and Eddy Counties in New Mexico, as well as Midland and Ector Counties in Texas, with the goal of encouraging and supporting teachers to successfully complete the National Board training and certification process.</p>
<p>IDEA Schools (\$16.5 million)</p>	<p>The Permian Strategic Partnership is partnering with local foundations to fund IDEA public charter schools. A total of 14 schools at seven sites in Midland and Odessa will open by the 2028-2029 school year.</p>
<p>Hobbs Career and Technical Educations (CTE) (\$10 million)</p>	<p>The Permian Strategic Partnership, the city and school district of Hobbs, and the J.F. Maddox Foundation will fund a state-of-the-art regional CTE school to help train a future Permian Basin workforce.</p>
<p>Edlink18 (\$0.8 million)</p>	<p>The Permian Strategic Partnership is providing immediate technology upgrades to ensure broadband access for rural West Texas school districts across Region18.</p>
<p>Catalyst Program (\$0.8 million)</p>	<p>The Permian Strategic Partnership is working to inform and expand Permian Basin high school and community college curriculum and training programs for industry workforce needs.</p>
<p>SpaceX/Ector ISD (\$0.1 million)</p>	<p>The Permian Strategic Partnership is working with Ector County ISD and SpaceX to identify and pursue solutions to increase broadband access to 135 families in Ector County, who otherwise would not have access.</p>
<p>Midland College Center for Teaching Excellence & Pre-K Lab School (\$10 million)</p>	<p>Capital investment in a center for teacher preparation and professional development supported by a lab school offering high-quality educational seats to 144 three-year-old and 144 four-year-old pre-kindergarten students.</p> <p>The initiative supports the emerging Center for Teaching Excellence, the Midland College Pre-K Academy (an in-district charter school partnership with Midland ISD), and the Midland College Early Childhood Education Baccalaureate, which will ultimately lead to Texas Teacher Certification EC-3.</p>

Partnership Contributions to Safer Roads

Permian Basin First Responder Equipment Initiative (\$1.1 million)	The Permian Strategic Partnership, along with the Permian Road Safety Coalition is aiming to reduce traffic-induced injuries and fatalities across the Permian Basin by providing first responders with enhanced lifesaving equipment.
Northeast Midland Volunteer Fire Department (\$100,000)	The Permian Strategic Partnership is the final funding partner that will help construct much needed expansion of the Northeast Midland Volunteer Fire Department.

Partnership Contributions to Quality Healthcare

Healthcare Assessment (\$0.1 million)	Engaging with community leaders to emphasize the importance of transformational healthcare expansions in the Permian Basin.
Odessa College Nursing and Health Science Center (\$4 million)	To fill the gap in nursing vacancies and to keep up with the demand for other medical professionals in the Permian Basin, Odessa College is expanding its Health Science Center and programs. The expansion plan, which includes the construction of a new Health Sciences Building, will provide additional capacity for nursing students, add specialized nursing and health science programs, a state-of-the-art training facility, and increase the number of Health Science Center graduates each year.
Permian Basin Counseling and Guidance (\$2.3 million)	Therapists provided crisis response planning for suicidal ideation, cognitive processing therapy for trauma/PTSD, cognitive behavioral therapy for depression and anxiety, cognitive behavioral therapy for youth, and family therapy.
Texas Tech Physician Assistant Program (\$2.5 million)	On track to complete construction expansion by summer 2022, with student admissions starting May 2023.
Texas Tech Family Medicine Residency and Mental Health Fellowship Expansion (\$5.9 million)	Residents were matched and started in July of 2021.
Mobile Clinics (\$0.8 million)	Caring Foundation and Texas Tech mobile clinics partnership is underway. The implementation of this initiative has been delayed due to supply chain issues from COVID-19 and a lack of vans to purchase for the partners to use. Caring Foundation, with the help of Sewell Odessa, is in the process of securing one of two needed vans.
University of Texas Permian Basin (UTPB) Nursing and Pre-Med Expansion (\$10.7 million)	<p>Nursing Expansion— UTPB will expand its nursing program by 20%-25% each year. The nursing program expansion comes at a time when there is a shortage of nurses in the Permian Basin as well as nurses getting burned out from strenuous COVID-19 shifts.</p> <p>Pre-Med Expansion— Pre-Med students will help grow our own future specialty and sub-specialty physicians. Texas Tech School of Medicine is very supportive of UTPB's Pre-Med program expansion, in hopes these students will funnel into the Family Medicine residency that the Permian Strategic Partnership has already funded, along with other residency and fellowship programs at Texas Tech.</p>

Partnership Contributions to Quality Healthcare

<p>Texas Tech University Health Science Center Surgery Residency and Sub-Specialty Programs (\$12.8 million)</p>	<p>Surgery Residency— Texas Tech has secured funding for the first ever Permian Basin Rural Surgical Resident Training program. This new program will draw surgical residents to the Permian Basin to work in our local hospitals. This area currently has only fourteen active general surgeons. The average number of surgeons in similarly populated Texas areas is 18-20 surgeons.</p> <p>Sub-Specialty Programs— There is a regional shortage of cardiologists and gastroenterologists. With these two programs and the current endocrinology program, the university can put together a critical care fellowship.</p>
<p>First Responder Equipment: Phase 2 (\$3.2 million)</p>	<p>Expansion of the Phase 1 program to fill gaps with additional equipment across 26 counties in Texas and New Mexico including fire-resistant clothing, gas monitors, safety vests, 4-gas monitors, thermal imaging cameras, fire extinguishers and first aid kits.</p>

Partnership Contributions to Affordable Housing

<p>Weidner Housing (\$0.7 million)</p>	<p>By partnering with Weidner Homes, the Permian Strategic Partnership was able to facilitate a 20% discount on teacher rent in Midland and Ector Counties.</p>
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Partnership Contributions to Workforce Development

<p>Skillpoint Alliance (\$2.6 million)</p>	<p>Skillpoint Alliance, a non-profit rapid workforce development provider, will establish a training site in the Permian Basin. Over a four-year period, Skillpoint will provide customized rapid workforce training programs to the Midland-Odessa area, rural Texas Permian Basin communities, and New Mexico Permian Basin communities. Skillpoint will train individuals for employment in key, high-demand occupations that meet the needs of local employers.</p>
<p>America’s Warrior Partnership (\$1.3 million)</p>	<p>America’s Warrior Partnership will implement a Community Integration program to better respond to the needs of military-connected families in the Permian Basin by improving access to and coordination of current services, filling service gaps, and providing opportunities that lead to workforce retention. By doing so, America’s Warrior Partnership will promote the Permian Basin as a Veteran Friendly Community and improve Veteran recruitment efforts for high-demand jobs.</p>

University Gifts

Pioneer has established campus relations with university partners through campus engagement events like career fairs and interviews, student internships, and university donations to maintain a talent pipeline of young professionals. In 2021, Pioneer corporately supported the universities noted below, giving a total contribution of \$735,000.

- MIT
- Texas A&M
- Texas Tech
- University of Oklahoma
- University of Texas at Austin
- University of Texas at Dallas
- UTPB
- Prairie View A&M

Giving Tuesday

In 2021, Pioneer hosted our third Giving Tuesday corporate event to celebrate the global day of giving and collaboration. During one specific week, Pioneer tripled employees' donations to a charitable organization of their choice, up to a \$500 maximum, through our WELL Spent platform.

In addition to Pioneer's 1:1 charitable match from \$50-\$5,000 annually—we offer special 2:1 match days for employees contributions including Permian Basin Gives Day in the Spring and Giving Tuesday each Fall.



Chapter 9

Our Reporting Approach

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 to ensure 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 for our disclosed information and reporting scope.

Reporting Framework and Scope

<p>Framework: Our 2022 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) • America Exploration & Production Council (AXPC)
<p>Corporate ESG Assessments</p>	<ul style="list-style-type: none"> • S&P Global Corporate Sustainability Assessment • Climate Disclosures Project (CDP) Climate Change Survey
<p>2022 Sustainability Report Scope 1,2</p>	<p>Unless otherwise indicated, this report includes data and information collected from January 1 through December 31, 2021.</p> <p>The report is focused on our direct operations, as outlined in our 2021 Annual Report on Form 10-K filed with the SEC.</p> <p>The term materiality, as used in this report, is not based on the definition of materiality than in U.S. securities laws. Please reference section entitled “Additional Information and Assurance” and see our SEC filings to find information about issues deemed material to our investors as defined by regulatory requirements.</p> <p>Performance metrics and assurance should be considered enterprise-wide, or 100% coverage, unless noted by subdivisions, such as “exploration and production” or “service functions” to delineate specific metrics relative to applicable industry peer companies. Pioneer updated reporting processes to reflect inclusion of Parsley Energy and DoublePoint Energy assets acquired in 2021.</p> <p>Should our operational scope change in the future, Pioneer intends to report metrics for both the enterprise and asset levels.</p> <p>Pioneer is committed to monitoring our ESG performance and including it in our reporting: relevant and material information; disclosures that are faithfully represented, consistent, comparable, clear, understandable, verifiable and forward-looking; current operational assets, as defined in our annual financial filings; reporting provisions used consistently from one reporting period to the next; and information and data provided annually.</p> <p>In 2021, all Pioneer operations occurred onshore within the U.S., in the Permian Basin of West Texas. Acquired Parsley and DoublePoint assets are largely contiguous to existing Pioneer acreage and all within the Permian Basin. Pioneer has legally maintained subsidiary companies outside of the U.S., but little to no revenue was generated by them in the last financial year. In 2021, no offices or operations were located outside the state of Texas. As such, Pioneer operations are entirely within the U.S. regulatory jurisdiction.</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 Engagement

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. Accordingly, Pioneer has annually solicited feedback from shareholders, shareholder services, ESG rating agencies, non-government organizations, experts and industry organizations to better align our ESG policies and disclosures with their stated priority issues for the upstream oil and gas industry.

Shareholder Outreach

Shareholder outreach occurs prior to our annual meeting and generally is focused on issues to be voted on at the annual meeting. Following the annual meeting, additional shareholder and other stakeholder outreach occurs to review a broader range of topics of concern. Pioneer's Investor Relations team facilitates communication with shareholders and answers 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 concerns expressed by the company's shareholders in these discussions are collected, reviewed and shared with the Board of Directors. This engagement process led to several measures described in our Sustainability Report, combined with those described in our 2022 Proxy Statement.

Additional information regarding recent measures resulting from Pioneer's external engagement process can be found in the 2022 proxy statement, and in this report under "Key Highlights in ESG Progress."

Pioneer has periodically conducted a materiality assessment to identify and prioritize sustainability topics we believe are the most significant to our stakeholders. The content prioritization of this report is the result of an ongoing process that considers internal perspectives, stakeholder feedback and relevant reporting guidelines. These data points inform our sustainability strategy and have contributed to improved, broader disclosures in this report.

We expect the content of our sustainability reporting to evolve as Pioneer assesses and responds to continued feedback and as changes

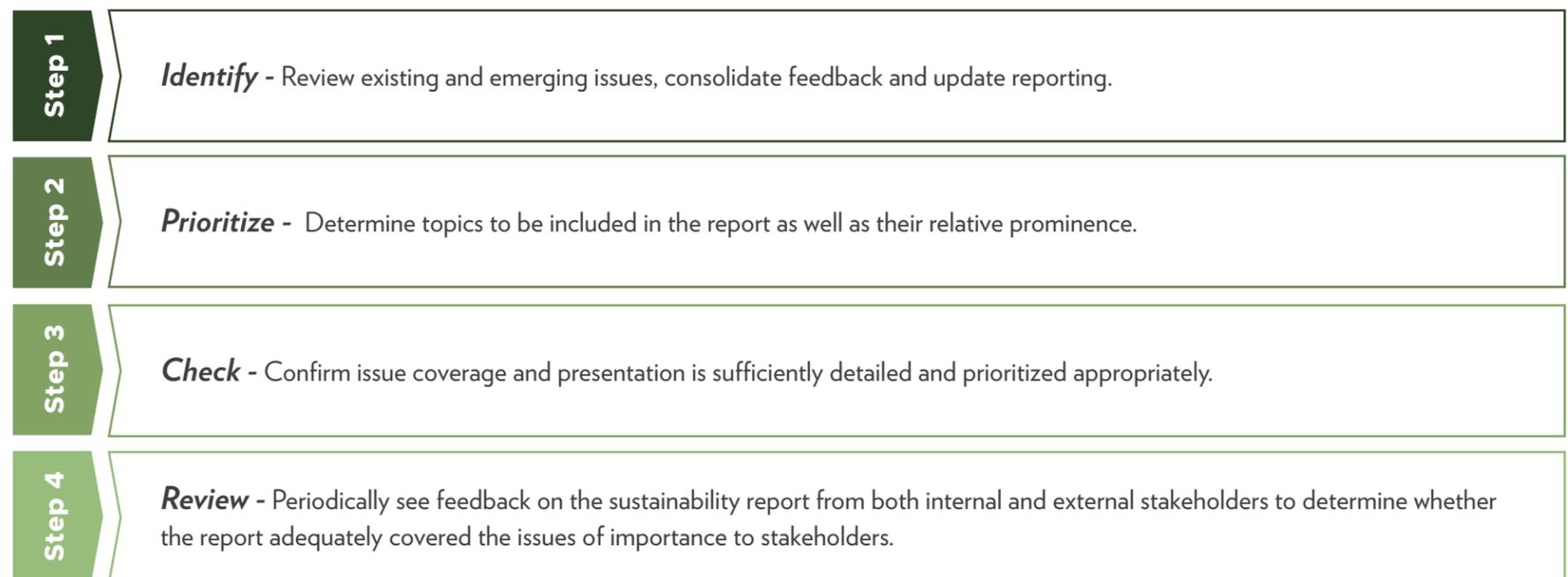
to our asset base and operating footprint warrant. However, we recognize that "materiality" means different things in different circumstances. As set forth above, under "Reporting Framework and Scope," the term materiality, as used in this report, is not based on the definition of materiality used in 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. Detailed analysis of our financial performance can also be found in our Annual Report. Please reference section entitled Additional Information and Assurance.

Improved Materiality Assessment

In creating and categorizing an initial list of topics for this report, we considered information discussed in our previous sustainability reports, standard voluntary reporting frameworks (e.g., GRI, SASB, TCFD) and other industry resources. We then determined the appropriate stakeholders to provide feedback on the information presented under each category. To better engage with our stakeholders, we have conducted a more formal materiality process aligned with reporting best practices. Pioneer's Sustainability Oversight Committee and staff have proactively engaged with the ESG rating agencies to

increase the alignment of our reporting with their systems and broad base stakeholder sustainability materiality.

Pioneer initiated a materiality assessment with the assistance of an independent third party. With their guidance, and in order to prioritize ESG issues, we worked through 2021 to prioritize a list of stakeholders and gain their feedback through survey and qualitative engagements. Our assessment has recently been distributed to individuals from stakeholder groups, including academics, community organizations, consultants and service providers, foundations, government and regulatory representatives, independent experts and thought leaders, industry associations, shareholders, multi-stakeholder coalitions, non-governmental organizations (NGOs) and suppliers. Respondents were asked to identify three key ESG priorities of their organization. The primary request of the survey is to rate each topic's potential impact on Pioneer and our associated impact – positive or negative – on the economy, environment and people. Additionally, Pioneer will host qualitative discussions with key Pioneer stakeholders and select assessment respondents. Pioneer intends to thoughtfully consider and utilize the results of this voluntary assessment to help guide our ESG program and disclosures over the coming years.



Additional Information and Assurance

Our Annual Report and financial filings include a discussion of material risks and other matters we believe are material to our investors. The term materiality, as used in this report, is not based on the definition of materiality used in U.S. securities laws. Insofar as the determination of materiality for this report is based on laws and regulations applicable to securities filings and other investor communications, the topics deemed material for sustainability reporting purposes may differ from the topics deemed material in financial reporting.

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 data. ERM CVS has evaluated the data and provided limited assurance that it is fairly presented in Pioneer's 2022 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 are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. 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 December 31, 2021, 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. Pioneer undertakes no, and expressly disclaims any, duty to publicly update these statements except as required by law.

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.

Independent Assurance Statement to Pioneer Natural Resources

ERM Certification and Verification Services Inc. ('ERM CVS') was engaged by Pioneer Natural Resources USA, Inc. ('Pioneer') to provide assurance in relation to the information set out below and presented in Pioneer's Sustainability Report for the reporting year ended December 31, 2021 ('the Report').

Engagement summary	
Scope of our assurance engagement	<p>Whether the 2021 (absolute) data for the following selected indicators are fairly presented, in all material respects, in accordance with the reporting criteria:</p> <ul style="list-style-type: none"> Total Scope 1 and 2 (location-based) emissions [metric tonnes CO2e] Total Scope 1 emissions (absolute) [metric tonnes CO2e] Scope 1 Carbon dioxide emissions [metric tonnes CO2e] Scope 1 Methane emissions [metric tonnes CO2e] Scope 1 Nitrous oxide emissions [metric tonnes CO2e] Scope 1 Methane emissions [percent methane of total Scope 1 emissions] Total Scope 2 emissions (absolute) (location-based) [metric tonnes CO2e] Natural gas flared during production operations [Mscf] Methane intensity (metric tonnes CO2e/MBoe) Emissions intensity [metric tonnes CO2e/MBoe] Flaring intensity* [%] – (natural gas flared during production operations/gross natural gas production (Mscf/Mscf)) <p>Note: ERM CVS did not independently assure the 2021 MBoe or gross natural gas produced (Mscf) data used in the calculation of intensity metrics. Our work in relation to these figures was based on confirming consistency with data in Pioneer's 10-K for the year ended December 31, 2021.</p>
Reporting period	January 1, 2021 to December 31, 2021
Reporting criteria	US EPA Mandatory GHG Report Rule International Petroleum Industry Environmental Conservation Association (IPIECA) Sustainability reporting guidance for the oil and gas industry
Assurance standard	International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance level	Limited assurance
Respective responsibilities	<p>Pioneer is responsible for preparing the Report and for the collection and presentation of the information within it.</p> <p>ERM CVS' responsibility is to provide a conclusion on the agreed scope based on 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 2021 data and information for the disclosures listed under 'Scope' above are not fairly presented in the Report, in all material respects, with the reporting criteria.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed a range of assurance procedures which varied across the disclosures covered by our assurance engagement, as follows:

- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- Confirmation of conversion factors, emission factors, and assumptions used.
- Telephone interviews with relevant staff at Pioneer's Headquarters to understand and evaluate the data management systems and processes (including systems and internal review processes) used for collecting and reporting the selected data.
- Interviews with relevant Permian Basin field staff, review of sub-basin data capture and reporting methods, checked calculations and assessed the local internal quality and assurance processes.
- Analytical review of the year-end data submitted by all locations included in the consolidated 2021 data for the selected disclosures. The analytical review included testing the completeness and mathematical accuracy of a sample of the data.
- Reviewed Pioneer's 10-K reporting to confirm the MBoe and Mscf reported for 2021 matched information provided.
- Review of 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. We did not undertake source data verification at any operated facilities.

Production data was not a part of the scope of the assurance engagement itself; rather, ERM CVS placed reliance on the accuracy and completeness of the production data, which was then used to assure the intensity figures.

Our independence

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff that have undertaken work on this assurance exercise provide no consultancy related services to Pioneer in any respect.

Our Observations

We have provided Pioneer with a separate management report with our detailed (non-material) findings and recommendations. Without affecting the conclusions presented above, we have the following key observation:

- Pioneer should consider developing a corporate methodology documenting procedures for sustainability data collection, management, and reporting.

Beth C. B. Wyke

Beth Wyke
Head of Corporate Assurance Services, Malvern, PA

July 21, 2022

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