PIONEER

Health, Safety, and Environmental

Commitment

Document ID: HSE-HLT-5850 Health, Safety, and Environmental Rev. Date: 07/18/2022

TABLE OF CONTENTS

1.	STAT	EMENT OF PURPOSE	2
		MITMENT STATEMENT	
		HSE Policy	
		HSE Governance	
		HSE Culture	
	_	HSE Management System	_
		Key Operational Elements of the HSEMS	
		Performance Evaluation and Management Review	
		Incident Prevention	
		HSE Compliance	
		Sustainable Development	
		POVALS	۰,

Commitment

Document ID: HSE-HLT-5850 Rev. Date: 07/18/2022

Health, Safety, and Environmental

1. STATEMENT OF PURPOSE

This <u>P</u>ioneer <u>N</u>atural <u>R</u>esources USA, Inc. (PNR) Commitment expresses our position on <u>H</u>ealth, <u>S</u>afety, and <u>E</u>nvironmental (HSE) issues, elaborates on our core commitments to HSE, and is intended to supplement our Health, Safety, and Environmental Policy.

PNR respects the individual, community, and environment and is committed to protecting the environment from damage and protecting our employees and those who live near our areas of operation from injury and health risks.

PNR HSE philosophy states our job is never so urgent or important that we cannot take the time to do it safely and in a manner that is environmentally sound.

PNR oil and gas proved reserves are located entirely in the United States, with all operations onshore and in the Permian Basin in West Texas. PNR recognizes that our HSE risks may change over time as our operational geography, products, services utilized, and operating context evolves.

This document will be reviewed regularly, or every **3yr**, to ensure content and terms are current and representative of corporate and industry best practices.

This document does not supersede any federal, state, or local laws or regulations.

In case of conflict between documents, notify PNR and clarification will be issued.

2. COMMITMENT STATEMENT

2.1. HSE Policy

PNR HSE Policy formalizes this Commitment, which is demonstrated through programs and actions at all levels of the organization.

For more information, refer to the link outlined below.

https://pxd.com/sites/default/files/reports/HSEpolicy.pdf

2.2. HSE Governance

PNR Board of Directors (the Board) is responsible for overseeing PNR assessment of major risks, including those related to HSE and sustainable development, and the measures taken to manage such risks. PNR views sustainable development as a multidisciplinary approach to our business, which balances economic growth, environmental stewardship, and social responsibility. The PNR Board includes a <u>Sustainability and Climate Oversight Committee</u> (SCOC) with formal corporate sustainable development and/or HSE oversight. The SCOC membership includes the Chairman of the Board, SCOC committee chair, and the committee chairpersons from the HSE, Nominating and Corporate Governance, Audit, and the Compensation and Leadership Development Committees.

Additionally, the Board and senior management of PNR must remain committed to <u>Environmental</u>, <u>Social</u>, and <u>Governance</u> (ESG) issues to maintain our social license to operate and provide long-term value to the PNR stockholders. Each year HSE goals are set and approved by the executive leadership team and the Board.

PIONEER

URCES Commitment

Document ID: HSE-HLT-5850 Health, Safety, and Environmental

2.2.1. Management Commitment

Executive, technical, and field staff participate in a cross-functional corporate HSE Committee. This committee sets strategic direction and establishes principles and policies to support the commitment of PNR to a safer and more environmentally sound workplace. The committee convenes regularly to manage HSE and sustainability issues effectively and consistently, conducting monthly reviews of HSE performance, including current and emerging HSE issues and continuous improvement.

Rev. Date: 07/18/2022

2.3. HSE Culture

PNR is dedicated to developing a corporate culture – in the office and in the field – that is focused on safety and environmental stewardship. Campaigns such as *Safely8760* and *Stewardship365* highlight the principles that make up our commitment.

2.3.1. Safely8760

PNR is committed to sending our workforce home safety every day. We accomplish this through established HSE programs that have a consistent focus on high-risk areas.

PNR maintains a continual focus on safety as the key to reducing overall incidents and potential lost-time events. Our Health and Safety team actively works to enhance and improve data we can use to correlate actions to incidents, giving us behavioral indicators that we can utilize to help keep PNR employees and contractors safe. There are **8,760hr** in a year. We ask our employees and contractors to be mindful of safety every hour of every day – whether at work or at home – which is why we named our PNR safety vision *Safely8760*.

The foundational principles of our Safely8760 program are listed below.

- Commitment: Build a proactive culture of safety
- Stop Work Authority: Ask questions and 'stop the job' if necessary
- Aware and Engaged: Prevent incidents at home and work
- Communication: Share knowledge and lessons learned
- Continual Improvement: Be better and safer every day

2.3.2. Stewardship365

We actively promote environmental stewardship through employee engagement activities, training, and communication campaigns to educate, empower, and encourage PNR employees to continue improving their environmental focus – and doing the right thing – each and every day.

The foundational principles of our Stewardship365 program are listed below.

- Responsible Operations: Respect the air, land, and water
- Thoughtful Planning: Consider the environment in decision-making
- Ownership: Empower employees and contractors to do the right thing
- Communication: Effectively share knowledge and ideas
- Sustainable Practices: Create value through efficiency and innovation
- Continual Improvement: Reduce our environmental footprint



Health, Safety, and Environmental

Commitment

Document ID: HSE-HLT-5850 Rev. Date: 07/18/2022

Health, Safety, and Environmental

2.4. HSE Management System

PNR <u>Health</u>, <u>Safety</u>, and <u>Environmental <u>Management System</u> (HSEMS) provides an organized approach for managing HSE efforts and activities while supporting the PNR vision of a workplace that has a positive impact on the lives of our employees and communities. The best practices making up the HSEMS equip our employees to work safely, consistently, and effectively, enabling us to address the inherent risks in our business.

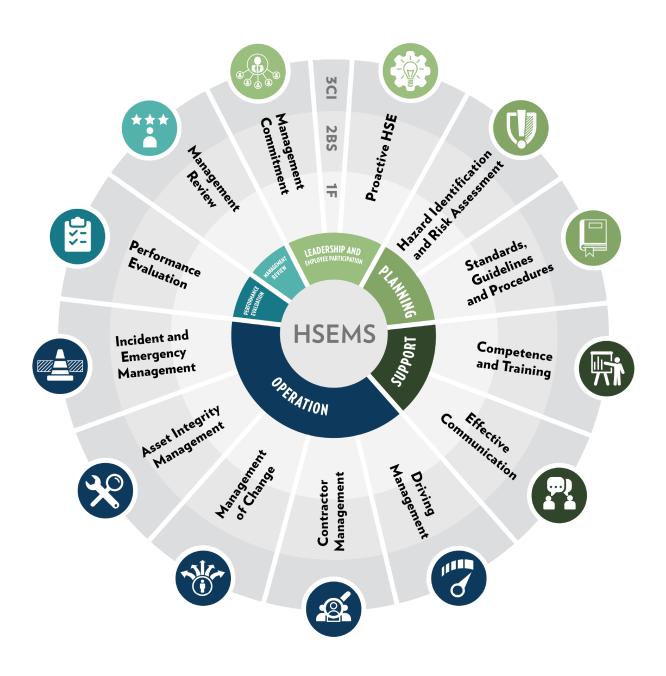
In addition to the Management Commitment, the HSEMS consists of twelve (12) other elements that set HSE expectations, provide an avenue for employee engagement, and drive HSE performance improvement.</u>

The HSEMS aligns with the Plan-Do-Check-Act (PDCA) model, a process used by organizations to achieve continual improvement. While the system as a whole improves through the PDCA model, each element also matures through use of the HSEMS Maturity Matrix. The matrix contains three (3) levels of maturity as listed below.

- Fundamentals (1F)
- Building Skills (2BS)
- Continual Improvement (3CI)

Document ID: HSE-HLT-5850 Rev. Date: 07/18/2022 Health, Safety, and Environmental

The matrix focuses on achieving the fundamentals of each element first as this represents the foundation of the HSEMS, then building up through the other levels.



Health, Safety, and Environmental

Health, Safety, and Environmental

Commitment

Rev. Date: 07/18/2022 Document ID: HSE-HLT-5850

Key Operational Elements of the HSEMS

2.5.1. **Driving Management**

PNR emphasizes driver safety through the methods listed below.

- Instituted safe driving program
- Requiring employees who drive on PNR business to complete a curriculum that includes both in-classroom training and a risk assessment drive
- Compliance with <u>Department Of Transportation</u> (DOT) regulations when applicable

2.5.2. **Contractor Management**

The Contractor Management Program provides Best Practices and information resources for pre-qualifying, selecting, onboarding, evaluating, monitoring, and decommissioning contractors.

2.6. Performance Evaluation and Management Review

PNR has a systematic approach to measure and monitor its HSE performance, which includes both proactive and reactive measures to help PNR continually improve our HSE performance. PNR leadership reviews the effectiveness of the HSEMS elements and incorporates areas of improvement into yearly HSE goals.

2.7. Incident Prevention

PNR addresses the underlying cause of incidents and emergencies for preparedness and prevention resources.

2.7.1. Workforce Safety: Rules to Live By

PNR has implemented seven (7) Rules To Live By (R2LB). The seven (7) R2LB cover some of the most critical safety hazards and behaviors that cause worker loss of life within the oil and gas industry. They are intended as simple, concise reminders of important safety guidelines. Failure to comply with these rules can increase the potential for a life-threatening injury, so following the R2LB is mandatory for all employees. Simply put, this is the way we work at PNR, and safety is a top priority.

- Energy Isolation To ensure control of all hazardous energy sources during construction, maintenance, and servicing of machinery or equipment
- Bypassing Safety Critical Equipment To prevent serious injury to personnel, damage to equipment, and interruption of business
- Excavation and Trenching To ensure all personnel are protected while working in or around excavations and trenches
- Driving Safety To ensure the safe use of motor vehicles in connection with work-related activities
- Safe Work Permits To provide a structured means for personnel to communicate as a team when considering the potential hazards involved in a specific task; and the means to eliminate or minimize those hazards prior to starting work
- Fall or Elevated Work To ensure all personnel are protected from falls and fall
- Confined Space Entry To ensure employee safety when confined space entry is necessary

Health, Safety, and Environmental Commitment

Rev. Date: 07/18/2022 Document ID: HSE-HLT-5850

2.7.2. Industrial Hygiene

Health, Safety, and Environmental

PNR understands the importance of worker health and established an Industrial Hygiene (IH) program with the primary goal of being proactive when a hazardous condition may exist and working to eliminate or reduce the risks. The IH program meets Occupational Safety and Health Administration (OSHA) standards where applicable.

2.7.3. **Environmental Release Prevention**

PNR believes that unauthorized releases are preventable. PNR designs, builds, and operates our facilities and equipment with release prevention in mind. We invest in facility designs, containment equipment, conduct inspections and remote monitoring, and work to comply with release preparedness and response regulations. We require the reporting of all environmental releases. In the event of a liquid release, spilled volumes are recovered where possible and properly addresses at or above regulatory requirements. Our spill and air compliance specialists, operations partners, and leadership committees are dedicated to studying past release findings and identifying operational or engineering safeguards that could aid in preventing future incidents.

2.8. HSE Compliance

PNR is committed to achieving compliance with all applicable laws, regulations, and policies. Through a continual improvement strategy, PNR has developed an integrated operational model that includes HSE compliance requirements in the oil and gas production life cycle from facility design to operational execution and changes. This integral process is a key part of our successful stewardship approach to incident prevention. Also, PNR regularly engages with regulators and peer companies to adjust and improve our compliance strategy to align with federal, state, and local regulations and other considerations for our evolving industry.

2.9. Sustainable Development

In addition to the commitment of PNR to achieve compliance with regulatory requirements, PNR goes beyond compliance to understand our environmental impact and minimize our operational footprint. Recognizing that it is a privilege to lease and operate on land often owned by others, we believe it is our duty to continue raising the bar on environmental performance goals. Through research, technology, industry partnerships, operational best practices, and strategic planning, PNR is a leader in proactive and voluntary efforts to reduce air emissions and spills, minimize waste, protect soil, groundwater, and indigenous-protected wildlife resources.

2.9.1. Climate Change and Greenhouse Gas Emissions

Climate change is an important priority for PNR and our stakeholders. As such, our strategy is to manage our environmental footprint proactively and limit emissions of methane and other Greenhouse Gases (GHG) from our operations. We are committed to working with the industry and communities to address our impacts to the environment while ensuring the supply of sustainable, abundant, and affordable energy. We are achieving these commitments through industry-leading research, innovative technologies, and operational best practices.

Commitment

Document ID: HSE-HLT-5850 Rev. Date: 07/18/2022

Health, Safety, and Environmental

2.9.2. Hydraulic Fracturing Chemical Use

PNR believes in transparency in our hydraulic fracturing chemical use and has been an industry leader on public disclosures. To help address questions about hydraulic fracturing, PNR joined industry peers and regulators to create the website FracFocus.org, a public registry of reported chemicals used in hydraulic fracturing. PNR complies with this national initiative and regulations on reporting.

2.9.3. Freshwater Scarcity

PNR understands the critical need for freshwater in a world of increasing demand. Freshwater resources exist within lakes, rivers, wetlands, and groundwater reservoirs below the surface. PNR does not utilize surface water resources in our operations; however, we do utilize groundwater resources and treated municipal wastewater. We are committed to maximizing our use of non-fresh water sources and minimizing freshwater use, to reduce our impact to a water-stressed Permian Basin.

2.9.4. Induced Seismicity

Although our operational areas in West Texas have not experienced significant seismic activity, PNR believes in a proactive management approach of the issue through scientific analysis and our collaborative approach with regulators and researchers. PNR is committed to complying with applicable federal and state regulations regarding underground injection control. PNR incorporates seismicity risk analysis in the siting of both our production and saltwater disposal well locations.

2.9.5. Biodiversity Conservation

We recognize the importance of biodiversity conservation and endeavor to minimize our impact on these natural resources. PNR engages with Federal and State government organizations and regulators, collaborating with researchers, consultants, and universities.

We source and explore new technologies, all to leverage innovative solutions to support our effort in protecting sensitive habitats and species.

2.9.6. Land Management and Reclamation

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 construction through stages of abandonment and reclamation. Internal and external experts work to identify and manage potential environmental risk to surface lands and water and meet applicable Best Practices.

2.9.7. Waste Management

Waste reduction is an important goal for any company. PNR strives to minimize all wastes, including hazardous waste, by eliminating or minimizing identified waste streams. We continually improve methods to increase our reuse and recycling and decrease disposal in landfills.

PIONEER

Health, Safety, and Environmental

Commitment

Document ID: HSE-HLT-5850 Rev. Date: 07/18/2022 Health, Safety, and Environmental

3.	חח		1//Δ	
•	 \mathbf{P}	ĸ	1 W A	

/s/	07/18/2022		
Signature	Date		
Mark Berg			
Executive Vice President, Corporate Op	erations		
/s/	07/18/2022		
Signature	Date		
Joey Hall			
Executive Vice President, Operations			
/s/	07/18/2022		
Signature	Date		
Ronald Schindler			
Vice President, Legal and Chief Complia	nce Officer		
/s/	07/18/2022		
Signature	Date		
Jeff Rees			
Vice President, Domestic Law			