

PIONEER
NATURAL RESOURCES

2022 ANNUAL REPORT



LONGEVITY.





MIDLAND BASIN

>850K Net Acres
No Federal Land

Except for historical information contained herein, the statements in this document 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 and the business prospects of Pioneer Natural Resources Company are subject to several 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 are described in Items 1, 1A and 7 and on page 5 of Pioneer's Form 10-K included with this report. Pioneer undertakes no duty to publicly update these statements except as required by law.



LETTER TO SHAREHOLDERS

Scott D. Sheffield | Chief Executive Officer

FELLOW SHAREHOLDERS

After celebrating our 25th anniversary last year, we are looking ahead with optimism to our next quarter-century in business. We will continue to build on the many milestones we achieved in 2022. During the year, we were the most active driller and largest oil producer in the state of Texas, achieved our fifth consecutive year of drilling and completions efficiency gains and delivered a record year of production, all while remaining operationally and financially disciplined, which enabled us to deliver strong returns. Despite the current global, geopolitical and economic challenges, and the associated impact on the energy industry, we see a future with opportunities, not roadblocks.

As part of our ongoing and strong commitment to return capital to shareholders, we returned \$8 billion to investors in 2022 through dividends and opportunistic share repurchases, representing 95% of Pioneer's cash flow after deducting capital expenditures. Our financial discipline and strong balance sheet enabled us to navigate the significant market volatility and inflationary

pressures experienced in 2022, while generating peer-leading corporate returns. These tremendous results are underpinned by our world-class employees and industry-leading acreage position in the Permian Basin.

Our unmatched asset base and inventory depth enables our mission to be America's leading independent energy company, producing reliable, affordable and responsibly sourced oil and gas to supply the world's demand. That responsibility has never been more urgent than now, as shifts in the financial and geopolitical landscape continue to disrupt global supply chains and upend even the strongest economies. Russia's unprovoked invasion of Ukraine last February continues to impact global energy markets a year later. Plus, global demand is expected to grow, with meaningful oil demand growth coming from China's economic reemergence onto the world stage as it eases strict pandemic lockdown policies.

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Pioneer takes pride in our longtime commitment to sustainability and protecting precious natural resources – **which we proudly carry as part of our name.**

- Scott Sheffield, Chief Executive Officer



PIONEER
NATURAL RESOURCES

Pioneer takes pride in our longtime commitment to sustainability and protecting precious natural resources – which we proudly carry as part of our name. We are working to produce our hydrocarbons in the most sustainable fashion possible, striving to be one of the lowest-cost, lowest-carbon oil and gas producers.

We remain committed to minimizing emissions from our operations and increasing our transparency in environmental, social and governance (ESG) reporting. We believe our industry has a role to play in the energy transition, and that is why our focus on providing an efficient and sustainable supply of energy to the world is at all times paired with a commitment to doing so in a safe and environmentally responsible manner.

Our peer-leading ESG efforts include our participation in two renewable energy projects that aim to provide renewable, competitively priced energy to support our vast Permian Basin operations.

Associated with these projects, we plan to purchase the electricity generated from a 51-turbine, 140-megawatt wind farm to be built on surface acreage Pioneer owns in southeast Midland County. A subsidiary of NextEra Energy Resources, LLC is currently constructing the wind farm, with commencement of electric service expected in early 2024. Additionally, we, along with Houston-based Targa Resources, announced power purchase agreements in the 160-megawatt Concho Valley Solar project, which began delivering electricity to certain of our jointly owned gas processing facilities last October. Targa operates the gas processing facilities and is one of the largest independent midstream infrastructure companies in North America.

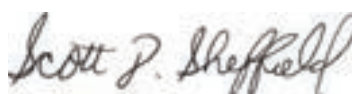
Among U.S. operators, we were proud to be one of the first oil and gas operators to commit to the Oil and Gas Methane Partnership 2.0 (OGMP), a voluntary private/public coalition with leadership and oversight from the United Nations. We plan to establish a new methane reduction target this year that will place us on a path to achieving the OGMP “Gold Standard” designation by 2025.

Our company has always believed in the importance of making an impact in the communities where we live and work. In 2022, we made nearly \$8 million in donations, grants and sponsorships to hundreds of charities in the Permian Basin and the Dallas-Fort Worth area. The vast majority of this giving was directed to Texas-based organizations. Additionally, we gave \$20 million last year to assist with humanitarian efforts in war-torn Ukraine.

Regionally, we continue to work closely with other operators in leading the Permian Strategic Partnership, an unprecedented coalition of oil and gas companies that was formed in 2017 to improve the quality of life for Permian Basin residents in the areas of healthcare, education, infrastructure/roads, affordable housing and workforce development. Since its inception, the partnership has leveraged \$93 million in member funds into nearly \$1 billion of collaborative community enhancement investments with other stakeholders.

I am highly confident that Pioneer is well positioned for the future as we enter our next quarter-century of doing business. I would like to extend my thanks to our Board of Directors for continuing to actively engage with our shareholders, senior leadership and employees, and especially to our more than 2,000 employees for their hard work, commitment and dedication to ensuring Pioneer continues to lead the way in our industry.

Sincerely,



Scott D. Sheffield
Chief Executive Officer

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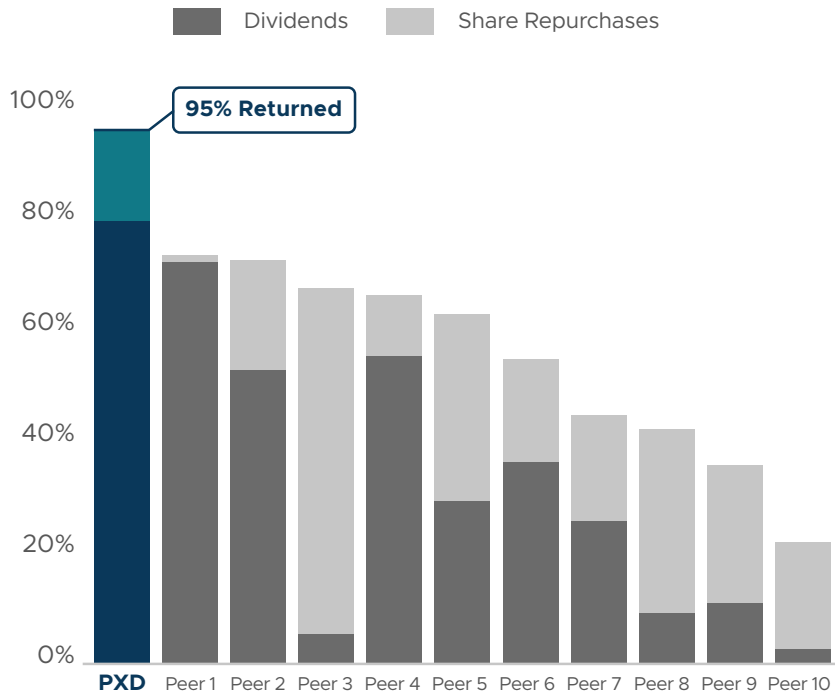
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- Scott Sheffield, Chief Executive Officer



Peer-Leading Return Of Capital

2022E Capital Returned as Percent of Free Cash Flow¹

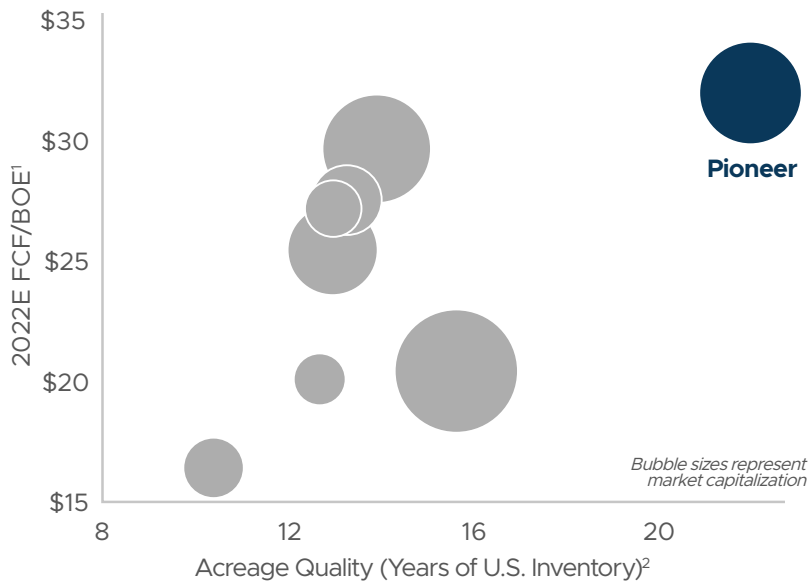


Pioneer returned highest percentage of free cash flow

- Pioneer returned >95% of free cash flow² generated during 2022
- Best-in-class capital returns supported by strong balance sheet
- Deep inventory of high-return wells provide durability of returns

1) Source: FactSet as of 2/6/2023 and Q3 2022 company filings. Includes base and special dividends paid in 2022 and 2022 share repurchases as of Q3 2022 company filings. Peers include: APA, COP, CTRA, DVN, EOG, FANG, HES, MRO, OVV and OXY. 2) Free cash flow is a non-GAAP financial measure; see back cover for more information.

Industry-Leading Acreage Quality And Depth Of Inventory



- Largest inventory of highly economic wells drives sustainable and peer-leading free cash flow per BOE
- Oil weighted production generates strong margins through high realized pricing
- Low leverage provides financial flexibility for share repurchases to supplement dividends

1) Source: FactSet consensus estimates as of 2/7/2023. Peers Include: APA, CTRA, DVN, EOG, FANG, MRO, OVV and OXY. Free cash flow (FCF) is a non-GAAP financial measure; see back cover for more information. 2) Enverus Prism Corporate Level Inventory Life <\$50 WTI and 20:1 WTI:HH, as of 2/7/2023.

BOARD OF DIRECTORS



J. Kenneth Thompson^{2,3,5}
Chairman of the Board,
President and CEO,
Pacific Star Energy LLC



A. R. Alameddine^{2,5}
Former Lead Director,
Parsley Energy Inc.



Lori George Billingsley^{2,4}
Retired Global Chief
Diversity, Equity &
Inclusion Officer, The
Coca-Cola Company



Edison Buchanan^{1,3}
Former Managing
Director, Credit
Suisse First Boston



**Maria Jelescu
Dreyfus**^{1,4,5}
CEO and Founder,
Ardinall Investment
Management



Matthew Gallagher⁴
President, Greenlake
Energy Ventures LLC



Phillip Gobe^{4,5}
Chairman,
ProPetro Holding Corp.



Jacinto Hernandez^{1,4}
Retired Partner,
Capital Group



Stacy Methvin^{2,3,5}
Retired Vice President,
Shell Oil Company



Royce Mitchell^{1,4,5}
Executive Consultant



Frank Risch^{1,3}
Retired Vice President
and Treasurer, Exxon
Mobil Corporation



Scott Sheffield
Chief Executive Officer



Phoebe Wood^{2,3,5}
Retired Vice Chairman
and Chief Financial
Officer, Brown-Forman
Corporation

COMMITTEE MEMBERSHIP:

- ¹ Audit Committee
- ² Compensation and Leadership Development Committee
- ³ Nominating and Corporate Governance Committee
- ⁴ Health, Safety and Environment Committee
- ⁵ Sustainability and Climate Oversight Committee

OFFICERS

Scott Sheffield
Chief Executive Officer

Richard Dealy
President and Chief
Operating Officer

Mark Berg
Executive Vice President,
Corporate Operations

Bonnie Black
Senior Vice President,
Technology and
Operations Support

John Distaso
Senior Vice President,
Marketing

J.D. Hall
Executive Vice President,
Operations

Mark Kleinman
Executive Vice President
and General Counsel

Craig Kuiper
Vice President,
Production Operations

Elizabeth McDonald
Senior Vice President, Strategic
Planning, Field Development
and Marketing

Thaddeus Owens
Vice President,
Government Relations

Akshar Patel
Vice President, Legal,
Corporate and Securities
and Corporate Secretary

Christopher Paulsen
Vice President, Business
Development and Strategy

Neal Shah
Senior Vice President and Chief
Financial Officer

Tyson Taylor
Senior Vice President, Human
Resources and Communications

Gerardo Torres
Vice President,
Permian Completions

Christopher Washburn
Vice President and
Chief Accounting Officer



Winds of Change

Aiming to curb emissions, Pioneer developing Midland County wind farm.

Pioneer Natural Resources recognizes we have an important role to play in helping the energy industry mitigate global climate change. Our strong commitment to sustainability and environmental responsibility is something our company has valued for decades, and it's woven into the fabric of our corporate culture.

That's why we made another bold move last fall supporting our steadfast commitment to environmental stewardship by announcing an ambitious renewable energy project that aims to provide renewable, low-cost energy to our Permian Basin operations.

Pioneer is working with a subsidiary of NextEra Energy Resources, LLC to develop a 51-turbine, 140-megawatt wind farm to be built on surface acreage Pioneer owns on the Hutt Ranch in southeast Midland County. Known formally as the Pioneer Hutt Wind Energy project, the facility is slated to go online in early 2024 to help power our oil and gas operations over a 25,000-acre swath of property.

NextEra is the world's largest producer of wind and solar projects and operates 119 wind projects throughout North America. Pioneer negotiated a power purchase agreement (PPA) with NextEra in December 2021. Houston-based Targa Resources – one of the largest independent midstream infrastructure companies in North America – is the third company participating in the PPA.

The Hutt project again demonstrates the emphasis we've put on environmental stewardship and our ambitions to reaching net zero emissions by 2050. We've set goals to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions intensity by 50% by 2030^{*}, reduce methane emissions intensity by 75% by 2030^{*} and limit annual flaring intensity to less than 1%. We've already made significant progress towards achieving all those targets.

As one of the largest operators in the Permian Basin with a strategy to increase electrification of our operations, this project will serve as an additional source of power in the coming years.