



PIONEER
NATURAL RESOURCES

PERMIAN STRONG. WEST TEXAS PROUD.

Founded on a handshake deal in the oil fields of West Texas, Pioneer Natural Resources rose from humble beginnings to become a global company known for setting drilling and production records. As we mark our 25th anniversary this year, we're back home in Midland as the Permian Basin's largest oil and gas producer. And though a lot has changed in the past quarter-century, one thing hasn't: We owe our success to our most important asset – our people – and we believe in doing the right thing every time.

Holding to that steadfast belief, and a strong commitment to financial discipline and operational excellence, we've navigated volatile energy markets to build one of the best asset portfolios in the industry. We take pride in being an environmentally responsible supplier of affordable energy for the world, and our reliable, low-emission oil and gas is more important now than ever.

But our success story doesn't end there. For decades, we've earned a reputation as an

industry leader in philanthropy, community leadership and a company culture second to none. Spend a little time with us, and it won't take long to see that our core values create a culture of being good neighbors in the communities where we live and work.

As we celebrate our anniversary, we look forward to continued growth and success over the next 25 years through the innovation, dedication and compassion of our nearly 2,000 employees.

ESG Strategy

Environmental: 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, along with the adoption of leading Environmental, Social & Governance (ESG) practices, we're positioned to continue delivering long-term value to our stakeholders.

Emissions reductions

Pioneer set targets to reduce our greenhouse gas (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. 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

Flaring reduction targets

Pioneer also established two targets specific to production flaring: limiting 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 – and zero routine flaring by 2025, five years earlier than our original 2021 commitment of zero routine flaring by 2030.

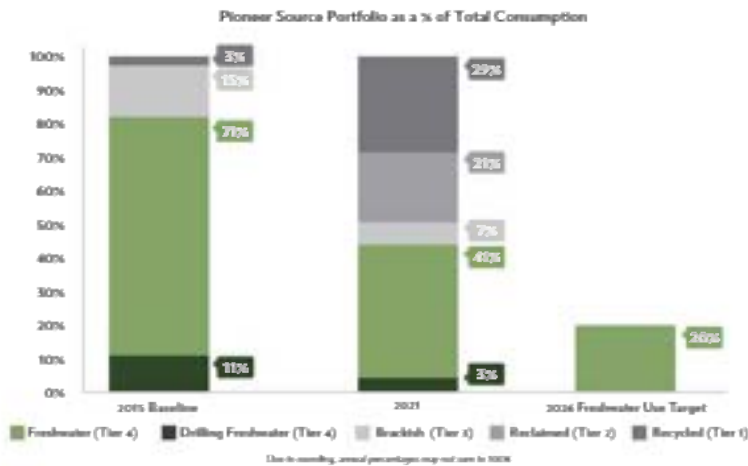
Flaring intensity performance will be based on natural gas volumes flared during production operations divided by gross natural gas production in terms of thousand standard cubic feet (Mscf).

Pioneer formally endorsed The World Bank's 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 for the 2022 operating year consistent with the initiative starting in 2023.

Year over year, Pioneer has maintained low levels of flaring, even while integrating two newly acquired assets into its 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.



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, The Environmental Partnership and the Texas Oil & Gas Association's 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.



Water Management

We recognize the importance of carefully managing water availability in the drought-prone 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), which has led our innovative water management initiatives since 2014.

Pioneer does not use surface water resources, relying instead on groundwater resources and treated municipal wastewater, known as reclaimed water, and an increasing amount of recycled water.

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 company operations 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.

Social: Because we have always known our employees are integral to our successful operations, championing diversity, equity and inclusion (DEI) was a bedrock belief for us— and that's backed by actionable and bold goals, accountability, and philanthropic and service initiatives. Here, we are working to promote the importance of an equitable workplace where all viewpoints can be heard and employees can bring their authentic selves to work.

In 2018, Pioneer and the city of Midland began 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 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 because they both enhance 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.



That ethos is embedded in living our RESPECT values, which stand for: **R**espect, **E**thics & **H**onesty, **S**afety & **E**nvironment, **P**ersonal Accountability, **E**ntrepreneurship, **C**ommunication, and **T**eamwork & **I**nclusion.

Pioneer believes DEI values and commitments *must* be backed by measurable action and accountability – otherwise, it’s just lip service. That’s why our DEI goals are threaded through 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’ve 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 metrics; released a Supplier Code of Conduct and Sustainable Procurement Commitment to all suppliers, and elected in 2021 to take part in the Human Rights Campaign Corporate Equality Index, which annually rates workplaces on LGBTQ+ equality. In our first year of participation in the survey, we proudly received a score of 90 out of 100, showcasing that our policies and benefits promote inclusion.

OnePioneer

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, and champion our culture of RESPECT and community stewardship.

OnePioneer fosters 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.

OnePioneer proudly supports these networks:

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

Governance: In 2020, we formally adopted a companywide Human Rights Policy and Human Rights Commitment that reflects how we have historically chosen to operate domestically and worldwide. Our Human Rights Policy has been informed by the United Nations and International Labour Organizations standards promoting social progress, better living standards, respect for indigenous peoples and human rights for all individuals.

Since adopting our Human Rights policy in 2020, we have worked diligently to develop tools and programs to monitor the effectiveness of the policy. We have developed comprehensive training on Human Rights protections and how they relate to our business. To view our Human Rights Policy, Human Rights Commitment, Equality is Good Business statement, the For Equality Act and related information, go to [PXD.com > Culture > Values](https://www.pxd.com/culture/values).

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 antibribery, 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.

Philanthropy

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.



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. "At Pioneer, we have a longstanding 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. "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. 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."

With the operating budgets of nonprofit organizations stretched thin after a years-long pandemic, Pioneer rose to the occasion in 2021 to assist our communities. Collectively, as a company and an employee base, Pioneer and our employees gave nearly \$10 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, home to our corporate headquarters.

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 2021 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.

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\$6.16 MM

SPONSORSHIPS
AND GRANTS

\$2.5 MM

ESTIMATED VALUE OF
IN-KIND DONATIONS

\$884,300

DONATION AND
MATCH TOTAL

\$9.55 MM



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

Strategic giving

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 Permian community partners included:

- Aphasia Center of West Texas
- Backyard Midland
- Big Brothers, Big Sisters of the Permian Basin
- Boys and Girls Club of the Permian Basin
- Bush Tennis Center
- Bustin' For Badges
- Bynum School
- CASA of West Texas
- Casa de Amigos of Midland
- Crime Stoppers of Midland County

- Education Partnership of the Permian Basin
- Foundation for the Women's Energy Network
- Glasscock County Education Foundation
- Grady Education Foundation
- Greenwood Volunteer Fire Department
- High Sky Children's Ranch
- Midland Children's Rehabilitation Center

- Midland Community Theater
- Midland Education Foundation
- Midland Habitat for Humanity
- Midland Rape Crisis and Children's Advocacy Center
- Midland Teen Court
- Museum of the Southwest
- Pride Center of West Texas
- Rankin Education Foundation
- Safe Place of the Permian Basin
- Senior Life Midland
- Sibley Nature Center



- Spectrum of Solutions (formerly, MARC)
- Texas Ranger Association Foundation
- United Way of Midland
- Quality of Place Conservancy – Hogan Park
- West Texas Food Bank

Catalyst for regional development

Pioneer plays a leading role in the Permian Strategic Partnership (PSP), an organization focused on housing, education, healthcare, roads and workforce development in the Permian Basin.

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, the PSP has leveraged \$93 million in member funds into \$950 million in collaborative investments from other stakeholders.

Best-in-class benefits

Our employees are our greatest asset, and we encourage them to take full advantage of the array of competitive benefits and programs we offer.

To ensure we attract and retain top talent, we set ourselves apart from other employers by carefully selecting an outstanding benefits package and annually reviewing 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.

Each Pioneer employee can influence their take-home pay through their performance by participating in cash incentive plans that consider both individual and company performance, traditional bonus plans heavily influenced by individual performance and variable compensation plans denominated in company stock, designed to align the interest of employees with stockholders

Due to our competitive pay and benefits, culture of RESPECT and DEI efforts, our voluntary turnover rate remained below 5% in 2020 and 2021.

We offer equitable benefits for all families, including comprehensive medical, dental and vision plans, company-provided life insurance, short-term disability and long-term disability, subsidized onsite daycare, paid family leave, flexible work schedule and compressed work week, generous paid-time-off program, and a dynamic 401(k) program.

The next 25 years

As we reflect on a quarter-century in the energy business, sustainability and environmental stewardship is at the heart of our success. We believe all the work we do today means future generations can enjoy it tomorrow.

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. Thank you to our Midland community for allowing us to partner with you for the past 25 years – we can't wait to see what the next quarter century holds!

