

2019 & 2020 SASB DISCLOSURE REPORT

COMMITTED TO SUSTAINABILITY



Extraction Oil & Gas Inaugural 2019 and 2020 SASB Reporting Table

This table was prepared in accordance with Extraction’s understanding of the Sustainability Accounting Board Standards (SASB) for the “Oil & Gas – Exploration and Production” industry standard. These disclosure topics, associated metrics, and narratives present business-useful information for investors and other interested parties to utilize in evaluating the non-financial performance of Extraction.

SASB CODE	DESCRIPTION	2019	2020
Greenhouse Gas Emissions			
	Gross Scope 1 GHG intensity rate	10.6 Metric tons CO ₂ e/MBOE	5.7 Metric tons CO ₂ e/MBOE
	Gross Scope 2 GHG emissions	Not Tracked	55,033 Metric tons CO ₂ e
EM-EP-110a.1	Gross Scope 1 GHG emissions ¹	433,806 Metric tons CO ₂ e	234,582 Metric tons CO ₂ e
EM-EP-110a.1	Methane emissions as a percentage of gross Scope 1 GHG emissions	7.9%	10.2%
EM-EP-110a.1	Percentage of Scope 1 GHG emissions covered under emissions-limiting regulations	0%	0%
EM-EP-110a.2	Gross Scope 1 GHG emissions from flared hydrocarbons	31,504 Metric tons CO ₂ e	23,934 Metric tons CO ₂ e
EM-EP-110a.2	Gross Scope 1 GHG emissions from other combustion	352,752 Metric tons CO ₂ e	172,113 Metric tons CO ₂ e
EM-EP-110a.2	Gross Scope 1 GHG emissions from process emissions	1,039 Metric tons CO ₂ e	568 Metric tons CO ₂ e
EM-EP-110a.2	Gross Scope 1 GHG emissions from other vented emissions	46,855 Metric tons CO ₂ e	37,073 Metric tons CO ₂ e
EM-EP-110a.2	Gross Scope 1 GHG emissions from fugitive emissions	1,657 Metric tons CO ₂ e	895 Metric tons CO ₂ e

SASB CODE	DESCRIPTION	2019	2020
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	<p>Although there were no specified 2019 performance targets, our company was founded on a strong commitment to the natural environment. The GHG intensity metric reported to the EPA decreased 24% year-over-year through a combination of fewer resources combusted, reduced emissions associated with well completions and workovers, more accurate calculations and other operational activities intended to minimize emissions.</p> <p>Strategic plans included increased focus on strategic electrification of additional sites, ongoing replacement of pneumatics, reduction of combusting saleable resources, more efficient controls on venting and blowdowns, and building a position of leadership within the industry.</p>	<p>Based on our intensified focus on limiting emissions and partially due to reduced activity, in 2020 we showed significant decreases in both Scope 1 emissions and reported GHG intensity.</p> <p>Ongoing strategic planning efforts include continuing pneumatic retrofits, purchasing carbon offsets to entirely offset Scope 1 emissions for 2020 and forward, converting our fleet of light duty trucks to low-carbon electric vehicles, and maintaining our industry-leading focus on managing GHG emissions.</p> <p>With Colorado implementing new GHG reporting regulations, we will be focusing on using those requirements to identify additional emissions reductions.</p>
Air Quality			
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀) ^{2,3}	N/A	NOx - 451 tpy SOx - 0 tpy VOC - 477 tpy
Water Management			
EM-EP-140a.1	Total fresh water withdrawn	2.8 Million m ³	1.2 Million m ³
EM-EP-140a.1	Total fresh water consumed	2.8 Million m ³	1.2 Million m ³
EM-EP-140a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress	100%	100%

SASB CODE	DESCRIPTION	2019	2020
EM-EP-140a.2	Volume of produced water and flowback generated	Produced water: 1,238,522 m ³ Flowback generated: 15,412 m ³	Produced water: 761,901 m ³ Flowback generated: 19,435 m ³
EM-EP-140a.2	Percentage discharged	0%	0%
EM-EP-140a.2	Percentage injected	100%	100%
EM-EP-140a.2	Percentage recycled	0%	0%
EM-EP-140a.2	Hydrocarbon content in discharged water	0%	0%
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	All areas where we operate within the state of Colorado require 100% public disclosure of chemicals used in hydraulic fracturing through FracFocus.org , but the level of disclosure varies. The identity of some chemicals and their exact concentrations may be protected by confidential business considerations and not disclosed.	
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	0%	0%

SASB CODE	DESCRIPTION	2019	2020
Biodiversity Impacts			
EM-EP-160a.1	Description of environmental management policies and practices for active sites	<p>We value Colorado’s natural environment and remain dedicated to being good stewards of the land where we operate, ensuring it is protected and available for the use and enjoyment of future generations. To support meaningful relationships with our stakeholders, we work with landowners on siting the infrastructure necessary to prudently develop subsurface resources. Our goal is to construct and operate sites that are located and developed in a manner that honors the landowner’s wishes while protecting environmental resources.</p> <p>Considerations for active sites include:</p> <ul style="list-style-type: none"> • Compliance with local, state, and federal regulations across all phases of development. • Open communication with landowners to ensure their concerns are heard and needs are incorporated into development plans and operations. • Using independent third-party natural resource consultants for environmental assessments, guidance, and monitoring to ensure we properly identify and exist in harmony with sensitive species and habitats. • An environmental workflow that relies on the principles of Avoid-Minimize-Mitigate; these guidelines foster a decision-making process that considers all options and ultimately informs the best choices for siting and operating infrastructure. <p>Extraction has a robust system of remotely monitored operations using automated systems to provide real-time data. In the event a disruption occurs, we can respond instantly, remotely shutting in a well or facility to minimize or eliminate potential environmental impacts. Our personnel have been trained in environmental, health, and safety best practices and have the skills and knowledge required to make informed decisions during emergency situations.</p>	
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	7 spills 202 bbl 0 bbl, 0 bbl Not Tracked	6 spills 68.5 bbl 0 bbl, 0 bbl Not Tracked

SASB CODE	DESCRIPTION	2019	2020
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	100%	100%
Security, Human Rights, and Indigenous Peoples			
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	0%	0%
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	0%	0%
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	<p>We take a proactive approach to human rights and indigenous rights, conducting due diligence prior to developing projects and continuing through the life of a well. Our team is committed to providing fair wages; child and forced labor are never permitted; and proper channels are in place to identify and address any instances of discrimination, including an anonymous ethics and compliance hotline. Team members and contractors have the authority to raise issues with management to ensure fair labor practices via the Extraction compliance hotline, an anonymous resource for any employee or stakeholder to report unlawful or unethical behavior, as well as any instances of behavior that may violate company policy.</p> <p>We believe that our commitment to human rights aligns with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work.</p>	

SASB CODE	DESCRIPTION	2019	2020
Community Relations			
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	<p>As a company committed to excellent stakeholder relations, we engage early in the process, reaching out to communities to address issues and concerns. Values core to our operating model include partnering with communities to provide safe, good-paying jobs, respecting the needs of landowners, and protecting the natural environment.</p> <p>Our approach to community engagement includes communication campaigns, digital microsites, mailers, in-person visits, town halls and communications customized for audiences with no internet access, all in U.S. Census-informed, locally predominant languages. For new areas within Colorado that are designated as disproportionately impacted/underserved communities, we communicate through virtual and in-person town halls, mailers, phone calls, and microsites to ensure the proper stakeholders are notified of our planned operations and have an opportunity to comment on future plans.</p>	
EM-EP-210b.2	Number and duration of non-technical delays	0	0
Workforce Health and Safety			
EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	(1) Extraction combined workforce TRIR - 0.61 (2) Fatality rate - 0 (3) Not currently tracked (4a) Full time employees receive 29.5 hours of annual training (4b) Contract operators receive 21.5 hours of annual training (4c) New field employees must complete 14.5 hours in addition to the annual training requirements	(1) Extraction combined workforce TRIR - 0.16 (2) Fatality rate - 0 (3) Not currently tracked (4a) Full time employees receive 29.5 hours of annual training (4b) Contract operators receive 21.5 hours of annual training (4c) New field employees must complete 14.5 hours in addition to the annual training requirements

SASB CODE	DESCRIPTION	2019	2020
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	<p>Extraction’s management system fully integrates its safety culture into the full life cycle of a project, starting with our core value of doing the right thing. All field employees are provided training and mentorship resources prior to working in operations. We have developed standard operating procedures for routine activities to ensure we do it right the first time, and have clear processes in place to mitigate potential risks.</p> <p>Additionally, all employees and contractors have the right to issue a stop-work order anytime they believe conditions pose a danger to the health, safety or security of personnel, the environment or equipment.</p> <p>We conduct regular hazard assessments on location to identify and correct any safety deficiencies and ensure our third-party contractors have the same high standards for drilling, completions, and production operations. All incidents and near misses are reviewed, and a root cause mapping process is completed for all significant events and used to develop corrective actions to prevent future events.</p>	

Reserves Valuation and Capital Expenditures

EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions ^{4,5}	Net Proved Reserves			Net Proved Reserves				
		Scenario	Oil (MMbbl)	Nat. Gas (MMscf)	NGL (MMbbl)	Scenarios	Oil (MMbbl)	Nat. Gas (MMscf)	NGL (MMbbl)
		Current Policies	91	580,089	66	Current Policies	45	369,534	39
						Stated Policies	52	442,447	46
						Sustainable Development	48	399,853	42

EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves ⁴	24.8 Million Metric tons CO ₂ e	14.3 Million Metric tons CO ₂ e
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	\$0	\$0

SASB CODE	DESCRIPTION	2019	2020
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	<p>Extraction allocates capital to projects that are designed to generate meaningful returns for our shareholders in a thoughtful manner consistent with our commitment to safe and responsible operations within our communities. This commitment extends to our global community with a focus on investing in proactive emissions reduction measures that in many cases exceed current regulatory requirements and have the greatest ability to mitigate future risks. By selecting cost-effective outlays in operational and capital costs, we seek to maximize emissions reductions at minimal costs and strategically identify technologies and process improvements that build and maintain high-value operations under a variety of climate regulatory scenarios.</p> <p>We also hedge production as needed to ensure predictable supplies and mitigate risks associated with price variability. The company also takes into consideration current climate regulations with an eye toward anticipated climate legislation. For demand fluctuations associated with climate change regulations, our emissions reduction strategy allows for moderation of impacts and for Extraction to take advantage of competitive advantages due to a carbon leadership position and/or moderating supply for temporary or lasting market fluctuations associated with climate regulations.</p>	

Business Ethics and Transparency

EM-EP-510a.1	Percentage of (1) proved and (2) probable ⁴ reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0%	0%
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SASB CODE	DESCRIPTION	2019	2020
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	<p>Extraction has built a reputation as a trustworthy, ethical company and a respected member of the community. Upon employment and annually thereafter, all employees certify they are free from conflict of interest and agree to conduct business honestly and fairly and to not take unfair advantage of anyone through misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice. We achieve this through certifications of compliance with Extraction’s corporate code of business conduct and ethics, which is publicly posted on our website.</p>	<p>As well as our conflict-of-interest policy, our whistle-blower policy enables any employee or other person to submit a good faith complaint to the company’s general counsel and chief accounting officer without fear of dismissal or retaliation. These complaints can be submitted anonymously via our hotline by website or telephone. The hotline is advertised in all of the locations where our employees work, including in break rooms and other common areas. All complaints are disclosed to the company’s board of directors audit committee.</p> <p>Further protection against conflict of interest and corruption includes our Financial Code of Ethics, Insider Trading Policy, Corporate Governance Guidelines, compensation, audit and nominating and governance committees of the board of directors made up entirely of independent directors, as well as regular internal third-party audits.</p>

SASB CODE	DESCRIPTION	2019	2020
Management of the Legal and Regulatory Environment			
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	<p>Extraction participates in industry associations specific to the locations where we operate and continually monitors policy proposals to gauge potential impacts, share best practices, and manage the risks and opportunities presented by changing regulatory conditions. Extraction also complies with all applicable political contribution laws.</p> <p>Some of the most impactful regulatory forces impacting Extraction in 2019 and 2020 were the implementation of air quality regulations, legislative changes concerning greenhouse gas regulation, and legislation enabling local communities to regulate some aspects of oil and gas activities. Our company has taken a collaborative approach with our community partners to identify reasonable solutions that allow us to continue to operate while minimizing negative impacts on communities, real or perceived.</p> <p>Examples included the electrification of much of our equipment in 2019, fully controlling emissions from all new pad sites, generally relying on piping rather than trucking product, and a collaborative operator agreement process with communities that includes local governments.</p> <p>We work with regulators to maintain compliance in all cases and to mitigate community concerns where financially and technologically feasible and have also established an ESG Committee of the Extraction Board of Directors tasked with generating internal metrics and overseeing compliance with these objectives.</p>	
Critical Incident Risk Management			
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	0	0

SASB CODE	DESCRIPTION	2019	2020
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	<p>Extraction has multiple systems and processes in place to identify, understand and prevent environmental, health, safety, security, and political risk. Rigorous evaluation and mitigation of evolving issues have led Extraction to annually review potential risks related to natural disasters, legislation, social, political and regulatory impacts as well as competitive or technology displacements.</p> <p>Low-probability and high-impact accidents represent high consequence events, and as such Extraction includes training related to these events in our regular safety topics approved by our safety committee. In addition, our safety personnel regularly monitor risks and can quickly elevate topics as needed to ensure timely training and preparation.</p> <p>When incidents occur, a robust set of standard operating procedures and clear processes with built-in redundancies ensure an effective and timely response. Our safety metrics are consistently in the upper echelon among our peers, and our constant vigilance is intended to ensure that remains the case.</p> <p>The Company will be publishing its 2020 sustainability report later this year that will include additional information and disclosures relating to these topics.</p>	

Activity Metrics			
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	(1) Oil ~ 15,436 Mbbl/day (2) Natural gas ~ 64,710 MMscf/day (3) Synthetic oil 0 (4) Synthetic gas 0 (5) NGL ~ 32,385 MBOE/day	(1) Oil ~12,543 Mbbl/day (2) Natural gas ~72,311 MMscf/day (3) Synthetic oil 0 (4) Synthetic gas 0 (5) NGL ~ 32,540 MBOE/day
EM-EP-000.B	Number of offshore sites	0	0
EM-EP-000.C	Number of terrestrial sites	961 horizontal wells	841 horizontal wells

¹ Scope 1 emissions match what was reported under subpart W for the EPA Greenhouse Gas Reporting Program.

² Colorado did not require criteria pollutant reporting until mid-2020. Future years will be fully reported.

³ 2020 Values reported are for a six-month period from July-December 2020 as part of the first emissions inventory required in Colorado.

⁴ Extraction does not disclose information on their probable reserves.

⁵ Proved reserves under current policies scenarios are based on SEC respective year end reports.