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# Diversified Energy's 2022 Sustainability Report Details Emissions Reductions, Safety Wins, Community Investments

*Company's differentiated asset stewardship model generates meaningful progress, shareholder value*

**BIRMINGHAM, AL / ACCESSWIRE / April 11, 2023** /Diversified Energy Company PLC (LSE:DEC) ("Diversified", "DEC" or the "Company") achieved key emissions reduction, safety, and community investment goals in 2022, the company stated in its 2022 Sustainability Report issued today.

The 4<sup>th</sup> annual report, titled ***Decarbonizing While Delivering***, presents Diversified's performance on material ESG targets through disciplined execution of the Company's differentiated asset stewardship model.

Deployment of new controls in 2022 to accurately detect and measure unwanted methane emissions, for example, led to a 25% decline in methane intensity relative to the 2020 baseline. This significant achievement positions the company ahead of its 30% target by 2026.

Additionally, Diversified's "OneDEC" safety and accountability program is rooted in fostering a culture of operational excellence by integrating people, processes and systems. Building on the success of OneDEC, 2022 saw a 50% incident rate decline. And the Company's recent launch of its community giving foundation resulted in \$2.5 million in donations to support 140 organizations across its operating area.

Diversified remains a sustainability leader for existing producing and midstream assets, providing transparency through enhanced disclosures of greenhouse gas and air emissions, cyber security, state economic impact analysis across our operating footprint, and a variety of climate-related financial disclosures.

**Commenting on the report, CEO Rusty Hutson, Jr. said:**

"Diversified continues to demonstrate its leadership across a broad spectrum of environmental, social, and governance policies and disclosures. We proudly discuss our many accomplishments within our 2022 Sustainability Report. Stewardship underpins our differentiated business model and Smarter Asset Management activities to deeply embed sustainability in every aspect of our operations. Accordingly, we will play an increasingly critical role in a lower-carbon energy economy.

While environmental discipline is at the core of our business strategy, so too is our commitment to socio-economic development and community engagement. We are proud to have formalized our Community Giving and Engagement Program to support our

commitment to contribute up to \$2 million per year to this purpose. Building on past successes, we've positioned ourselves to deliver another year of substantial progress for our stakeholders, made possible by our focused team who are committed to safety and operational integrity."

**Vice President of ESG & Sustainability, Teresa Odom, also commented:**

"Diversified has built a track record of trust by delivering on our commitment to responsible operations and transparently reporting on the same. Our team of approximately 1,600 employees remain committed to driving and delivering meaningful progress through responsible stewardship, focused operations, and community engagement."

**Responsibly managing our environmental footprint:**

- Reduced methane intensity to 1.2 MT CO<sub>2</sub>e/ MMcfe, representing a 20% reduction vs 2021 and 25% vs 2020
  - Represents substantial progress towards stated goal of 30% intensity reduction by 2026
- Achieved Gold Standard Pathway from the Oil and Gas Methane Partnership (OGMP 2.0)
- Sustainability-linked 70% of the Company's total borrowings:
  - Completed four sustainability-linked asset-backed security or ABS transactions in 2022 totaling \$1.2 billion
  - Amended the Company's Credit Facility to include sustainability-linked features
- Delivered significant progress on 2022 emissions reduction plan, including:
  - Surveyed 100% of operated Appalachian wells for fugitive emissions
  - Surveyed by air ~11,000 miles of owned Appalachia midstream system
  - Converted pneumatic devices to compressed air, representing >35% of 5-year target
- Significantly expanded the Company's vertical integration and capabilities in asset retirement
  - Established Diversified's wholly-owned retirement subsidiary, Next LVL Energy
  - Retired 200 Diversified wells in Appalachia, representing a 47% increase vs 2021
- Advanced Diversified's Marginal Abatement Cost Curve ("MACC") analysis for use in progressing the Company's climate strategy

**Safeguarding our people and communities:**

- Expanded our "OneDEC" culture program delivered improved key safety metrics, including:
  - Total Recordable Incidence Rate ("TRIR") of 0.73, a 50% improvement vs 2021
  - Motor Vehicle Accident ("MVA") of 0.69, a 4% improvement vs 2021
- State economic analysis affirms the major direct and indirect impact we provide communities across our ten-state operating area
- Initiated data-driven diversity, equity and inclusion ("DEI") tracking and recruiting initiatives to improve recruitment, retention and promotion
- Provided community support through charitable giving and emergency/disaster relief programs
  - Contributed \$2.5 million in funding through Diversified's Community Giving and Engagement Program and other outreach efforts
  - Established a company-matching program of employees charitable donations

- Deployed financial and physical support to community flood relief efforts in Appalachia

**Focused oversight and risk management:**

- Increased weighting of methane reduction targets in executive leadership's long-term incentive compensation
- Completed Board of Directors (the "Board") climate training to increase climate literacy, aid in assessing and managing climate-related risks and opportunities
- Board-designated Non-Executive Director Employee Representative personally engaged with a diverse group of employees to inform the Board's efforts and ensure alignment with the Company's operations

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**INVESTOR CONTACT**

[Doug Kris](#)

VP, Investor Relations  
973-856-2757

**MEDIA CONTACT**

[dec@fticonsulting.com](mailto:dec@fticonsulting.com)

**About Diversified Energy Company PLC**

*Diversified Energy Company PLC is a vertically-integrated independent energy company engaged in the production, marketing, transportation and retirement of primarily natural gas related to its U.S. onshore upstream and midstream assets. To learn more about the company, visit [www.div.energy](http://www.div.energy).*

**SOURCE:** Diversified Energy Company PLC

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