



DIVERSIFIED ENERGY COMPANY PLC

Climate Change Policy

We recognize the importance of addressing climate change and are committed to reducing the impact of our operations by investing in our processes, equipment and capabilities. Our business model is focused primarily on natural gas production, which aligns with current long-term global and US natural gas demand projections and therefore represents a key component of the global energy transition.

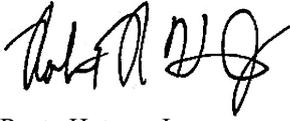
We recognize that climate change is a complex global issue that requires governments, businesses and communities working together on appropriate, achievable policies, and we are committed to playing our part in supporting the goal of responsibly transitioning to a lower carbon world. We are committed to helping the US do its part in meeting the world's methane emission reduction aspirations of 30% by 2030 as compared with 2020 levels and as set out at the 2021 UN Climate Change Conference (COP26).

Diversified is committed to the following principles.

We will:

- identify, manage and mitigate climate change-related risks, both Physical (acute and chronic) and Transitional (market, reputational, technology, regulatory, policy, legal and financial) for our activities
- timely define and communicate a climate change strategy to achieve our 2040 net zero greenhouse gas emissions commitment
- continue active deployment of Smarter Asset Management initiatives in tandem with identified net zero emissions reductions initiatives to reduce our methane emissions intensity by 50% by 2030 (assuming 2020 baseline), which exceeds COP26 ambitions
- maintain an environmental management system that enables evaluation, analysis, management and reduction of emissions and climate-related matters
- embed climate change risk and opportunity analysis, including developing carbon price utilization processes in 2022 for portfolio decision due diligence and project investment analysis
- conduct baseline emission studies at the time of all acquisitions and establish emissions reduction and energy efficiency investment strategies throughout integration and ongoing operations
- link executive and employee remuneration to climate change-related targets
- ensure an appropriate level of awareness of climate change amongst all our employees and build strategic, operational and technical capacity within Diversified to meet our objectives
- share our commitment to tackling climate change with our business partners and seek to include climate change-related criteria within the selection process
- communicate our understanding of climate change-related risks and their relevance to investors, and other stakeholder groups, and align our reporting to the recommendations of the Task Force for Climate-related Financial Disclosure
- identify and pursue appropriate opportunities to offset greenhouse gas emissions, where relevant, in further support of achievement of emissions targets

Under the oversight of the full Board and the Sustainability and Safety Committee of the Board, executive responsibility and accountability for the Company’s environmental and climate change approach lie with the Chief Executive Officer (“CEO”). The CEO, supported by his executive management team, is responsible for identifying and assessing business risks and opportunities, including those related to climate change, defining the strategy and approving action plans suitable to control and mitigate any identified risks.

A handwritten signature in black ink, appearing to read 'Rusty Hutson, Jr.', with a stylized flourish at the end.

Rusty Hutson, Jr.
Co-Founder and Chief Executive Officer
February 2022