

UN sustainable development goals



We support the United Nations' 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals ("SDG" or "Goals"). In refining our approach, we considered these Goals and identified a series of objectives that are relevant to our business and to which we can contribute. We have distinguished between areas where there is potential for material positive impact, areas for positive impact, and areas where we have a responsibility to mitigate potential negative impacts. We identify below the SDGs to which we believe that the Company has made an impact, from a material to mitigating perspective, along with a glimpse of how our 2021 activities have progressed those Goals.

MATERIAL IMPACT



TARGET 7.1

By 2030, ensure universal access to affordable, reliable and modern energy services

2021 Commentary

Natural gas has many inherent benefits both for our communities and our environment, and Diversified's operations encompass some of the nation's most prolific natural gas formations which have the ability to support energy security for our nation while serving both domestic and global daily energy needs.

Affordability goes hand in hand with the abundance of US natural gas. Abundant natural gas not only reduces consumers' monthly utility bills but also their total monthly spending when considering the lower cost of consumer goods as a function of manufacturing and transportation sectors that rely upon abundant, affordable and reliable natural gas.

2021 Progress

- We produced over 710 million cubic feet of natural gas equivalent per day (MMcfepd), net.
- We made a strategic move into our new Central Region and completed four value enhancing acquisitions. These acquisitions drove a ~29% increase in our exit rate production to 139 MBoepd.
- We completed >6,000 pipeline integrity assessments and enhancements through advanced leak detection and repair efforts.



TARGET 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services

2021 Commentary

Providing secure, well-paid jobs is crucial for ensuring inclusive economic growth, and we recognise the importance of the employment opportunities we offer. Additionally, we seek to hire local people for local jobs.

We support the development of skills and knowledge among our employees to foster continuing progress and innovation, as well as among young people who are passionate about starting a career in our industry.

2021 Progress

- We welcomed six students representing five different universities to our first Summer Internship Programme.
- We continued our Professional Development Programme into 2021 to further the skills of nominated individuals. This year, a major focus of the programme was community relations.
- The Company paid \$103 million in wages and benefits and \$49 million in federal, state and local taxes.



TARGET 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

2021 Commentary

Our business is unique among US natural gas and oil producers in that we do not actively engage in large capital-intensive drilling and development programmes. Our stewardship model focuses on acquiring existing long-life, low terminal decline producing wells, and at times their associated midstream assets, and then efficiently managing the assets to improve or restore production, optimise operations, increase efficiencies and reduce emissions before safely and permanently retiring those assets at the end of their useful lives.

2021 Progress

- We safely retired 136 wells, exceeding regulatory requirement of 80 wells.
- We formed an internal West Virginia asset retirement team and continue to explore additional plugging capabilities.
- We considered risks and capital requirements of remedial operational and emissions reduction activities as well as future plugging liabilities.

MODERATE IMPACT



TARGET 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

2021 Commentary

We believe in the importance of growing the skills of our employees, and we encourage and fully support personal and professional development. The Company provides an educational assistance programme available to all employees that provides tuition reimbursement from the Company for continuing education through an accredited programme that offers growth in an area either related to the employee’s current position or that may lead to promotional opportunities for the employee. Additionally, we believe in supporting the development of youth vocational skills as evidenced in our university scholarship and summer internship programmes.

2021 Progress

- In 2021, we welcomed six student to our inaugural Summer Internship Programme. The programme offers interested students the opportunity to gain key professional work experience while at Diversified as well as develop a valuable, cross-functional insight into our business, culture and industry. The programme was well-received by both participants and the Company, therefore driving our commitment to increasing the number of participants in this programme in 2022.



TARGET 5.5

Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

2021 Commentary

The first statement within our Company Values is to “value the dignity and worth of all individuals,” and we actively engage this concept within the Diversified family by fostering an environment of acceptance and inclusion, where all employees are valued without discrimination. We work hard to create a work environment that encourages every one of our employees to achieve their fullest potential.

2021 Progress

- In 2021, our Board consisted of three females and five males, compared to two females and five males in 2020. Senior management level, consisted of 82 employees, including 26 females (32%) and 56 males (68%).
- We are proud of our employees' involvement and leadership roles in organisations like the Women's Energy Network of West Virginia ("WEN-WV") which seeks to empower women across the energy value chain by fostering career and leadership development and providing networking opportunities for women who work in the energy industries. Our EHS Manager, Lisa Raffle, serves at the Program Director for the Board of Directors of WEN-WV and is a true advocate not only for encouraging women to join the industry but coming alongside them thereafter to provide leadership and professional guidance to advance their industry careers.



TARGET 10.3

Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

2021 Commentary

Our Company Values clearly set out, in part, that “We will conduct our business and deliver value to our stakeholders based upon ethical standards and beliefs which act with personal and business integrity, commit to excellence in performance, and exhibit courage of convictions.”

We are an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, colour, religion, alienage or national origin, ancestry, citizenship status, age, disability, gender, marital status, pregnancy, veteran status, sexual orientation, gender identity, genetic information or any other characteristic protected by applicable law.

2021 Progress

- We successfully increased the application of technology across our Human Resources functions with the roll out of an applicant tracking system to measure the diversity of employment applicants.
- Ethnic minorities comprised 10% of our applicants and 7% of total hires. During 2021, the number of minorities that made up our employee base increased to 2.7% from 0.6%.
- In an effort to increase workforce diversity, we developed an initiative with a third-party vendor directed at increasing the awareness of our job openings and opportunities in several ethnically diverse locations within our operating footprint.

MODERATE IMPACT



TARGET 12.6

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

2021 Commentary

In line with our own commitment to safe, sustainable and ethical business practices, we also set very high expectations of our partners and the suppliers with whom we engage. We expect our suppliers and partners to adhere to the exacting standards set by our corporate policies, programme documents and operating procedures, that collectively comprise our EHS management system.

We believe in the value of engaging with and participating in natural gas and oil industry associations to drive forward initiatives that support the sector as a whole. Our employee's participation in these industry associations often includes serving in leadership roles and includes participation in associations in the states of West Virginia, Virginia, Kentucky, Pennsylvania, Ohio, Oklahoma and Louisiana.

2021 Progress

- We established a new Business Partners Policy to help ensure our supply chain and other business partners operate consistent with our values and understand the standards we expect.
- We utilise a leading supply chain risk management firm, Veriforce, to prescreen for contractors with high safety performance records and to aid in continuous monitoring of their performance and compliance with state and federal operating standards.
- Three Diversified employees were recognised by the Virginia Department of Mines, Minerals and Energy Gas & Oil Industry Awards in recognition of their contributions to industry efforts above and beyond their roles at Diversified.



TARGET 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

2021 Commentary

Led by the Board, the Sustainability & Safety Committee and the Audit & Risk Committee, our processes for identifying and assessing climate-related risks are built on our increasing awareness of the nature of these risks.

We've made significant strides in further strengthening our climate change strategy, including the adoption of a new Climate Change Policy, inclusion of climate considerations in strategic capital and operational decisions, and the creation of ambitious emissions reductions targets.

2021 Progress

- We have worked diligently over the past 18 months to ensure that the challenges presented by climate change are being communicated across our company, as also evidenced in our expanded disclosures to the recommendation of the Task Force for Climate-Related Financial Disclosures.
- Members of the Diversified Board are actively engaged in ESG and climate-related discussions with our stakeholders and throughout industry associations to raise awareness on climate change mitigation and adaption.
- As Executive Director at the Kay Bailey Hutchinson Center for Energy, Law and Business at the University of Texas, our newest Board member, Sylvia J. Kerrigan, has planned and executed events covering the energy transition, climate change, ESG activism and disclosure.

MITIGATING IMPACT



TARGET 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all

2021 Commentary

As one of the largest natural gas and oil employers in the Appalachian region, we pay competitive and often higher than average area salaries to our employees while also offering comprehensive healthcare benefits to our employees and their families. The addition of Central Region employees to the Diversified family affords our company the opportunity to have a broader social impact in the communities in which we operate and serve.

2021 Progress

- We paid \$103 million in wages and benefits. We offer access to excellent health and wellness benefits, with certain benefits offered at no cost to the employees.
- We encourage and support financial security for our employees' retirement years through a 401(k) programme that in 2021 matched \$0.82 for every dollar contributed by the employees.



TARGET 6.4

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

2021 Commentary

We are committed to limiting our use of fresh water to that needed for our daily operations and have adopted responsible management methods to safeguard one of the planet's most precious resources.

We do not actively drill new wells and therefore our water consumption is generally limited to well retirement activities and domestic use. We adhere to a water management policy that seeks not only to reduce fresh water use but also to reuse or recycle produced water in order to limit the amount of fresh water consumed for certain operating activities.

2021 Progress

- Diversified's operating footprint is located within states that qualify primarily as low water stress regions, and in a few limited cases, medium water stress regions, as defined by the World Resources Institute's Aqueduct Water Risk Atlas. We have not incurred any instances of actual water use limitations in the areas in which we operate.



TARGET 15.5

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

2021 Commentary

We lease or own a substantial acreage position of more than 8.5 million acres across the Appalachian Basin and Central Region where our assets are situated among remote and urbanised locations on private, state and federal lands.

We recognise the intrinsic value of nature and the importance of protecting and conserving the biodiversity and ecosystems within this acreage while also promoting a sustainable business model aimed at providing energy to support society's daily needs.

We are committed to being a responsible steward of the leasehold and assets we maintain and to conducting our operations in a sustainable manner by minimising our impact and enhancing, where possible, the biodiversity and ecosystems within our footprint.

2021 Progress

- We routinely engage with the appropriate biodiversity and water management experts within the various municipal, state and federal environmental protection and natural resources departments in our operating area as we strive to work collaboratively with our neighbours and regulators in each of our states. We respect legally designated protected areas, such as national parks and nature reserves, where strict nature conservation is the management objective, and we do not operate in designated World Heritage sites.