DIVERSIFIED GAS & OIL

PLC

Sustainability built on resilience

SUSTAINABILITY REPORT

About this report

REPORTING

Diversified Gas & Oil PLC ("DGO" or the "Company") is pleased to share our 2020 Sustainability Report (the "Report") that presents our recent investment in and performance on material environmental, social and governance ("ESG") issues which are important to our company and our stakeholders.

Our team of employee experts, managers and experienced advisers developed this Report, which the Sustainability & Safety Committee (the "Committee" or "SSC") of the Board of Directors ("Board" or the "Directors") subsequently approved. Except where otherwise noted, the scope of this Report comprises all the operations of the Company through the 12-month period ended 31 December 2020.

MATERIALITY

We developed our Report around the topics we believe are the most important to our stakeholders and have the greatest potential to significantly affect our business performance and the communities we serve and support. Many of these topics emerge throughout the year during regular engagements with investors, regulators, business partners, land and mineral owners, the communities in which we operate and other stakeholder groups. During 2020, we also commissioned independent research to review and confirm the key issues for the Report and further conducted a stakeholder materiality assessment to help guide the Report's content.

FRAMEWORKS

Our Report is developed in accordance with the Global Reporting Initiative ("GRI") Core Standards and the Sustainability Accounting Standards Board ("SASB") while the United Nations' Sustainable Development Goals ("SDG") inform and shape our approach to managing sustainability activities. Importantly, during 2020, we initiated a process to utilise the Task Force for Climate-Related Financial Disclosures ("TCFD") reporting framework. Our report includes numerous elements of the TCFD framework, which is a noted enhancement from our prior year report.

Contents

Overview	1
The Energy Transition	10
Sustainable operations	22
EHS in focus	29
Our employees	37
The DGO difference	42
The Chairman's perspective	46
Appendix	51

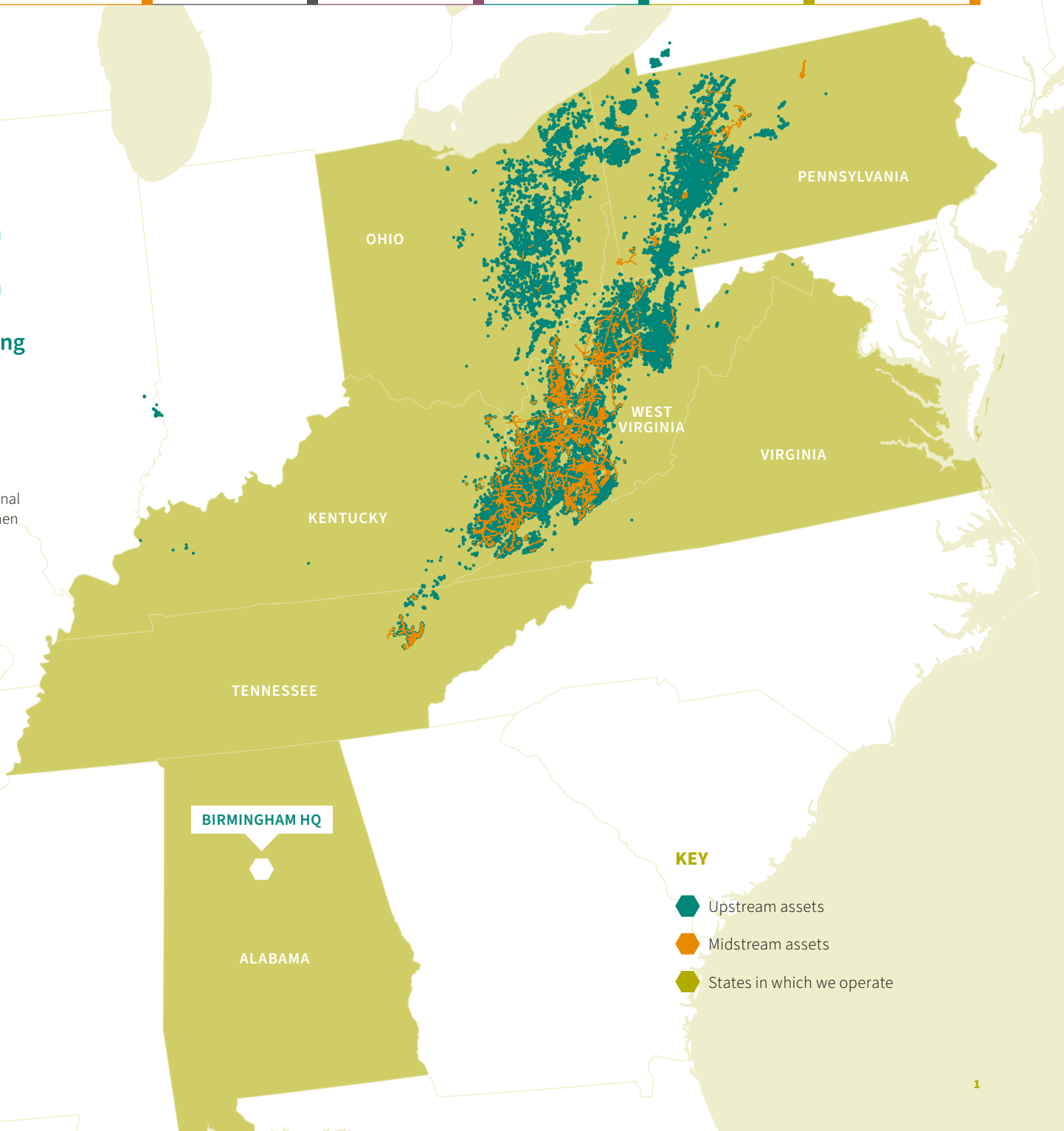
ADDITIONAL INFORMATION
Visit our corporate website www.dgoc.com
Follow us on Twitter @DGO_PLC
Provide feedback at IR@dgoc.com

About DGO

We are an independent energy company engaged in the production, marketing and transportation of primarily natural gas with upstream and midstream assets located entirely onshore within the Appalachian Basin, the oldest hydrocarbon-producing region in the United States ("US"). Our business model is unique among US natural gas and oil producers in that we do not actively engage in capital-intensive drilling and development.

Rather, 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, reduce unit operating costs, and generate consistent free cash flow before safely and permanently retiring those assets at the end of their useful lives.

Listed on the Main Market of the London Stock Exchange (ticker: DGOC), DGO is a FTSE250 constituent and one of the largest energy production companies on the exchange.



CEO's statement

"The unprecedented events of 2020 have underscored the inherent resilience of DGO's business model – a resilience exemplified in the fortitude of our employees who demonstrated an outstanding and unwavering commitment to operational excellence."

ROBERT R. (RUSTY) HUTSON JR.
Chief Executive Officer

OVERVIEW

The unprecedented events of 2020 have underscored the inherent resilience of DGO's business model - a resilience exemplified in the fortitude of our employees who demonstrated an outstanding and unwavering commitment to operational excellence, in our response to meeting our communities' energy demands and social needs, and in the financial stability of our business intentionally structured to thrive in any natural gas price environment.

As is always our goal, we continue to operate in accordance with the highest standards of business and ethical behaviour for our many stakeholders and the overall environment. I am pleased with our performance over the past several years, though we tirelessly seek to improve. Our focus continues to be on responsible, well-aligned growth, investment and improvement in all aspects of our business, especially the operating and environmental aspects of our business.

We are proud of the work we have done and the value we have created with the assets we have acquired, and we are confident that our focus and commitment to responsibly operate mature assets will continue to produce superior returns. Our well-defined growth, operational and financial strategies continue to complement one another to deliver strong shareholder returns. By engaging a strategy of acquiring mature, producing assets and complementary midstream assets and then effectively executing our Smarter Asset Management programme, we improve safety, production and efficiencies while remaining focused on reducing emissions. Further, proactive, opportunistic hedging and disciplined investment strategies aid in protecting cash flow in a volatile price environment like that of 2020.

THE ENERGY TRANSITION

As natural gas will continue to be a fundamental element in the energy mix for years to come, we recognise the responsibility we have to operate in a way that minimises our environmental impact and to transparently report on those efforts. Principally, by returning idle wells to production and extending the productive lives of our wells, we employ the use of existing infrastructure and prevent unnecessary new drilling. As the last owner of the wells we operate, we ensure that we responsibly and safely retire these assets, rather than leaving them orphaned, and return the sites to a natural condition insofar as possible.

We embrace our role as a producer of natural gas, which we believe is essential for our way of life and represents a clean, affordable, accessible and reliable source of energy for US consumers and for achieving US energy independence. Currently, less than 15% of energy consumed globally is provided by renewable sources, thus the world will require a significant global investment and technological advancement to complete a full transition to such sources. Additionally, both natural gas and oil serve

OUR COMPANY VALUES

We will conduct our business and deliver value to our stakeholders based upon ethical standards and beliefs that:

Value the dignity and worth of all individuals;

Act with personal and business integrity;

Commit to excellence in our performance;

Respect environmental stewardship as we make business decisions;

Exhibit courage of convictions, challenge the status quo and strive to create value;

Seek opportunities for continuous learning and improvement; and

Serve and support our teams and communities with passion and enthusiasm.

CEO's statement continued

as raw materials needed to produce many elements of the renewable infrastructure. Abundant natural gas, therefore, has a key role to play in a progressive energy transition. Recognising this role and acknowledging the tangible benefits of reduced global carbon emissions, we are targeting our operations to achieve a net zero carbon emissions by 2050.

During 2020, we began to establish the TCFD framework as a platform from which to assess our readiness for a rapidly evolving investment landscape. We have rigorously engaged in climate risk and opportunity management, and I am pleased to have an initial TCFD framework to complement our communications with our stakeholders. This framework centres on the risks and opportunities climate change presents and the impacts of a transition to a lower-carbon economy. As we live our commitment to be a highly efficient and responsible operator of mature producing assets and excellent stewards of the environment, I believe that our company, employees and business model will continue to be proven resilient and will continue to keep environmental responsibility and stewardship at the forefront of our daily activities.

OUR PERFORMANCE AND CULTURE

The acquisitive nature of our business means that integration is part of our culture, and we are always mindful to simultaneously strive to improve the efficiency of our processes. Our operations, including our integration processes, are underpinned by information technology systems that support real-time decision-making capabilities throughout the business, and we continue to innovate and update these systems to improve efficiency. A significant, yet critical, component of acquisitions and subsequent integration processes is the accumulation and standardisation of practices, systems and data reporting from the divesting company. These processes can be time consuming and challenging due to different business practices, systems and policies of the seller as compared to DGO's standards.

We made great progress during 2020 standardising environmental data, and we carry that momentum into 2021, which will serve as the foundation for better, and more measurable, prospective goals and targets particularly as they relate to reducing our greenhouse gas emissions. To that end, we are working hard to compile an accurate inventory of emissions producing equipment, which will focus our efforts on ways to improve.

While our long-standing, proven business model delivered consistent results in 2020, our commitment to and focus on our ESG efforts accelerated. Accordingly, I am pleased to publish our second Sustainability Report, which serves as a significant progression of our 2019 report and highlights our achievements during a challenging year. Our Operations and Environmental, Health and Safety teams successfully integrated two acquisitions and immediately began implementing our practical strategies of Smarter Asset Management for these assets. Our Operations and Human Resources teams successfully on-boarded approximately 200 new employees to the DGO family while also continuing to improve the employee experience of our existing team members. Our Board, Finance and Legal teams continued to improve our overall governance structure with robust engagement of our Board committees during 2020 and with the formalisation of a very comprehensive Enterprise Risk Management programme.

This year's Report affirms our commitment to continue our ESG initiatives and includes Q&A insights from several of our company leaders, demonstrating the importance of ESG efforts across our organisation. We have a terrific culture at DGO, and this culture is significantly influenced by our dedicated leadership team. Our leaders not only aim for great financial results, they lead our teams to deliver great results for all our stakeholders. As a result, all our employees are committed to our ESG efforts in every aspect of our business while striving to ensure we keep our commitments and constantly work to improve.

We are committed to providing superior returns to our stakeholders while being a responsible operator of mature, producing natural gas and oil assets. Integral to being a responsible operator is our commitment to responsibly caring for our environment and to safely and efficiently managing the assets we own and operate. On behalf of our Board of Directors and our employees, thank you for your support during a challenging yet successful year for DGO. As always, we welcome your feedback.

ROBERT R. ("RUSTY") HUTSON JR.
Co-Founder, Chief Executive Officer and Shareholder

Resilience

Noun

[re•sil•ience | \ri-'zil-yən(t)s]

the ability of an individual or organisation to prevent, withstand, adapt to and quickly recover from adversity, major life change or operational disruption

Key performance metrics

SAFETY

PERSONAL SAFETY (TRIR)

1.35

2019: 2.06

MOTOR VEHICLE INCIDENTS PER MILLION MILES

1.04

2019: 0.99

ENVIRONMENTAL

REPORTABLE SPILLS OIL & WATER COMBINED (BBL)

103

2019: 67

GHG EMISSIONS INTENSITY (SCOPE 1 & 2) (MT CO2E/MMCFE)

7.4

2019: 11.8

SOCIAL

WAGES, SALARIES & BENEFITS

$91m

2019: $74m

FEDERAL, STATE AND LOCAL TAXES PAID

$19m

2019: $19m

FINANCIAL AND OPERATIONAL

DIVIDENDS PAID IN THE YEAR

$99m

2019: $82M

PDP RESERVES (MMBOE)

607

2019: 563

ADJUSTED EBITDA, HEDGED

$301m

2019: $273M

AVERAGE PRODUCTION (MBOEPD)

100

2019: 85

MIDSTREAM AND OTHER PROPERTIES, NET

$382m

2019: $321M

NATURAL GAS AND OIL PROPERTIES, NET

$1,755m

2019: $1,496M

HIGHLIGHTS

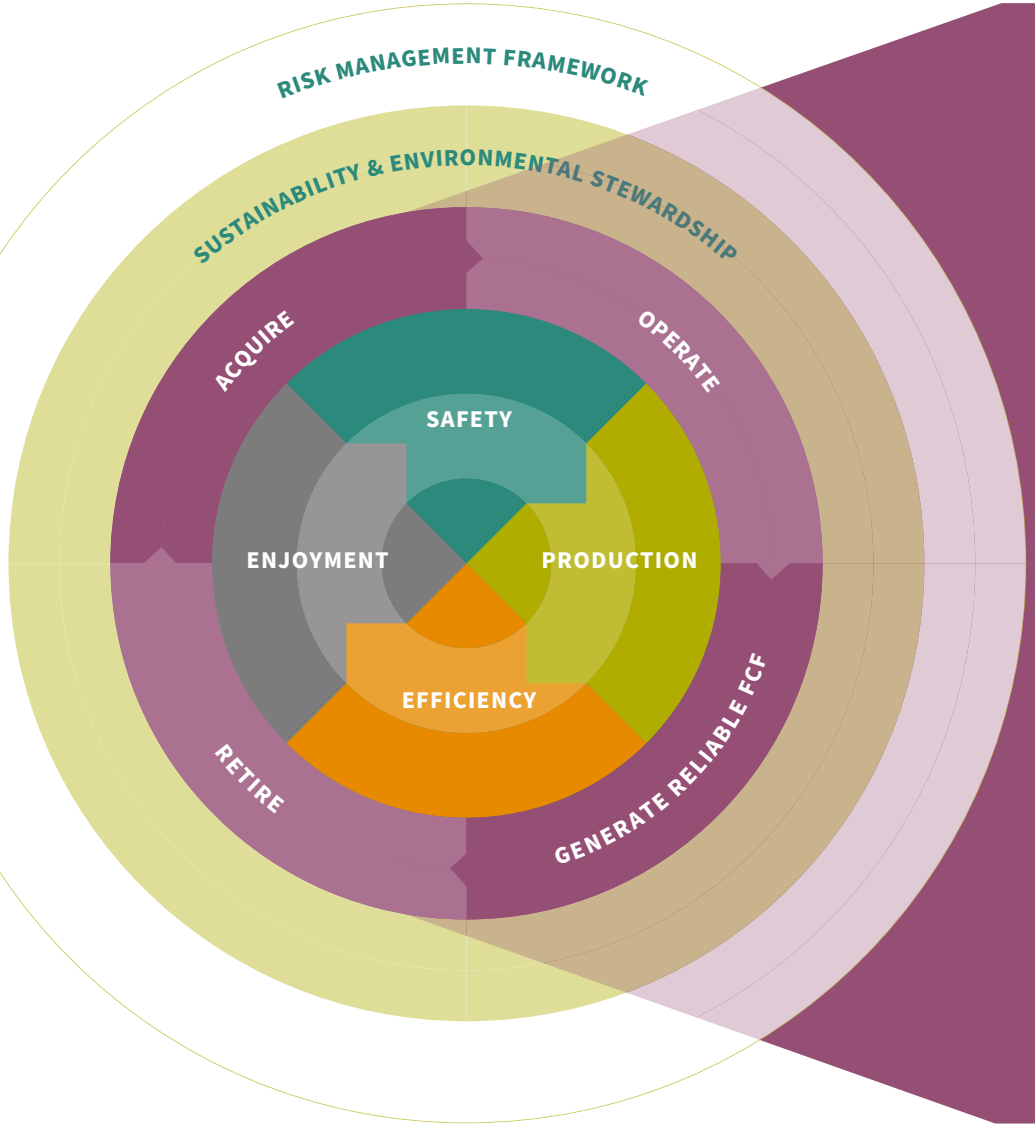
First year disclosing the recommendations on voluntary climate risk determined by the TCFD

Tennessee and Virginia operations teams celebrated nearly 600 days without a recordable incident (TRIR)

DGO formalised a Professional Development Programme to support personal and professional leadership development for employees from various functions of the Company

Note: For a complete listing of relevant environmental, social and governance metrics, please refer to the Performance Data Table in the Appendix.

How we generate value



ACQUIRE

Our strategy through an ESG lens
We apply extensive environmental, social, land and legal due diligence when acquiring natural gas and oil assets.

2020 activity
During the year, management and the Committee reviewed the ESG diligence process for its upstream and midstream acquisitions, taking into consideration (i) a mix of risks and remedial activity that would be undertaken on completion of the transaction and (ii) the retention and onboarding of key personnel from the sellers.

OPERATE

Our strategy through an ESG lens
Through our SAM programme, we focus on optimising the productivity of both our conventional and unconventional wells and our midstream assets whilst simultaneously improving their safety, reducing their carbon footprint and proactively working to lower unit operating costs of our portfolio.

2020 activity
During the year, the Company:
- Produced an average 100 MBoepd
- Returned 532 wells to production
- Completed >5,000 pipeline integrity enhancements through advanced leak detection and repair efforts.

GENERATE RELIABLE CASH FLOW

Our strategy through an ESG lens
We have a proven track record in establishing low-cost financing solutions and effective hedging strategies that allow us to responsibly operate and generate reliable cash flow in any natural gas pricing environment, to the benefit of all our stakeholders.

2020 activity
We welcomed approximately 200 new members to the DGO family this year, taking our total headcount to over 1,100 employees. We also paid $19 million in local and state taxes and returned a total of $99 million in dividends to shareholders.

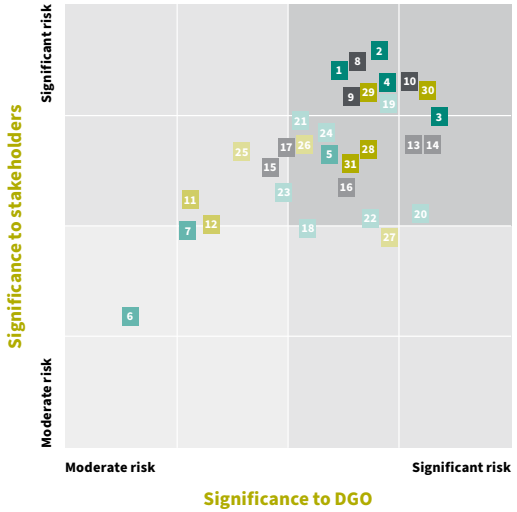
RETIRE

Our strategy through an ESG lens
We have a well defined, safe and systematic well retirement programme that comprises carefully planned steps completed by our experienced team, partnered at times with appropriate experts, and overseen by state regulators who ultimately approve the work.

2020 activity
We safely retired 92 wells during the year, exceeding our annual regulatory requirement. We also engaged with state regulators in West Virginia to help craft and financially support legislation aimed at funding the plugging of the state's orphaned wells to eliminate potential safety and environmental concerns.

The issues that matter most

To aid in the development of this Report, we conducted a stakeholder materiality assessment to gain a better understanding of their views on the environmental, social and governance topics that matter most to our business and corporate strategy. After reviewing peer company disclosures, sustainability reporting frameworks, and investor and other stakeholder feedback from the Company's activities during the year, we developed a DGO-specific assessment that included topics relevant to our financial, operational and stewardship activities. We asked individuals from each of our key stakeholder groups as well as our Board of Directors and internal leadership to rate specific environmental, social and governance topics according to their experiences and professional opinion as to the likelihood or ability of each topic to impact (whether positively or negatively) our business and strategy. We also asked our respondents to rank the items in order of absolute importance. The results of this materiality assessment identified the following key clusters across the environmental, social and governance spectrum that ranked highest for inclusion in our Report. All of these topics are referenced throughout this Report, though they may not have dedicated sections, and/or in the Company's Annual Report.



Health and Safety	1	Accident management and prevention
	2	Employee safety
	3	Driver safety
	4	Process safety
Climate Change	5	Emissions control and reduction
	6	Energy consumption optimisation
	7	Statement on climate change and climate management
Environmental Management	8	Incident management and emergency response
	9	Protection of local environment
	10	Safe and efficient asset retirement
Resource Management	11	Water management
	12	Waste management
Socio-Economic Value Creation	13	Business model resilience
	14	Access to funding
	15	Tax payments to governments
	16	Local community engagement
	17	Landowner engagement
Our Employees	18	Effective grievance mechanisms
	19	Clearly stated expectations of ethical behaviour
	20	Whistle-blower programme
	21	Workplace culture
	22	Diversity and equal opportunity
	23	Employee training, education, performance reviews and development
	24	Promote human rights and healthy labour practices
Supplier and Partners	25	Joint venture and working interest partner engagement
	26	Advocacy and industry leadership
	27	Procurement management
Risk and Compliance	28	ESG management
	29	Risk identification, assessments, communication and discipline
	30	Compliance with state and federal laws and regulations and associated fines
	31	Cybersecurity and data protection protocols

Our approach to ESG

Our approach to ESG management encompasses consideration of our environmental and social impact as well as our responsibility to conducting business in accordance with the highest standards of governance. Our commitment to sound ESG business practices is underpinned by our Company Values. These Values guide our daily actions, annual plans, investments, relationships and business strategies, and we expect every Director, officer and employee to adhere to them.

In addition to our guiding values for ESG management, we also utilise the United Nations' SDGs, which calls on individuals, corporations and governments to work together and toward the ultimate, unified goal of creating a better and more sustainable future for all citizens globally. At DGO, we challenge ourselves to consider these topics and more when we contemplate our business model, corporate strategy, daily operations and risk management practices. We believe our business model supports a material contribution to SDG 7 – Affordable and Clean Energy, SDG 8 – Decent Work and Economic Growth and SDG 9-Industry, Innovation and Infrastructure, and we've identified other SDGs to which our business model aligns yet also provides added opportunity for DGO to make continuous improvement and contribution.

The following table outlines our key areas of focus in our approach to ESG management and neatly maps our alignment to the topics identified through our materiality assessment as most relevant to our stakeholders as well as to the SDGs. Further discussion of our commitment to these areas, our most recent results and forward-looking objectives can be found throughout this Report. For a more thorough review of the SDGs that are relevant to our business and to which we can contribute, please refer to the Appendix.

Our approach to ESG continued

Area of focus	Commitment	2020 performance	2021 objectives	UN Sustainable Development Goals
Keeping our people and local communities safe.	We seek to create a zero-harm working environment for our people and other stakeholders that encounter our operations.	• Integrated Health and Safety standards and procedures into a new Field Operating Guidelines manual to create a consistent ONE DGO approach to managing safety • Employee personal safety performance: 34% improvement in TRIR • Driver Safety performance: 1 preventable incident per million miles driven • Process safety performance : Zero incidents • Safety milestones – Virginia and Tennessee operations achieved 595 consecutive days with no recordable, preventable safety incidents	• Our target is always zero preventable incidences • Continue to Implement "Serious Injury, Fatality" approach to focus on leading safety indicators and continue to drive performance-orientated safety culture • Implement "Be Where Your Boots Are" situational awareness programme	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
Incorporating climate change considerations into strategic decision making.	We recognise the importance of addressing climate change and are committed to reducing the impact of our operations by investing in our processes, equipment and capabilities.	• Engaged global consultant to develop a programme to meet the recommendations of the TCFD • Commenced comprehensive baseline emissions inventory analysis programme • Successful rollout of Remote Methane Leak Detection programme across all gathering and midstream operations • Implemented Line Loss Detection and Repair programme	• Invest in our team to enhance our emissions management programmes • Continue asset integrity investment programme • Prepare our long-term GHG emissions reduction plan to achieve net zero for the Company by 2050	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 13 CLIMATE ACTION
Protecting the environment and the responsible stewardship of natural resources	Strict environmental and resource stewardship is central to our operating practices and corporate objectives.	• Negligible reportable spill rate • Majority of produced water recycled or treated to hydrocarbon-free status and sold or safely discharged • Wells safely plugged, exceeding annual requirement: 92 • Tree planted or equivalently funded: 300 trees, or 3 trees for every well plugged	• Zero incidents • Meet or exceed annual plugging requirements • Expand tree planting initiatives	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 15 LIFE ON LAND
Being a responsible corporate citizen, generating social and economic value for all of our stakeholders.	We are committed to contributing to the social and economic development of the states where we work. We aim to create shared value and develop strong partnerships and meaningful stakeholder engagement.	• Compliance hotline calls: Zero • Wages and benefits provided to more than 1,100 families • Creation of Professional Development programme comprised of multi-department leaders • Millions of tax dollars paid to local municipalities benefiting schools and public services	• Zero non-compliance events • Continue Professional Development Programme • Implement formal community relations and financial support programmes	7 AFFORDABLE AND CLEAN ENERGY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 10 REDUCED INEQUALITIES

Materiality Assessment Key Cluster

- Health & Safety
- Climate Change
- Environmental Management
- Resource Management
- Socio-Economic Value Creation
- Our Employees
- Supplier and Partners
- Risk and Compliance

For further information on our approach to supporting the SDGs and underlying targets, please see page 63.

Meeting our stakeholder expectations

Our stakeholders are the many individuals and organisations that are affected by our operations and with whom we seek to proactively and positively engage on a regular basis. We strive to maintain productive, mutually beneficial relationships with each stakeholder group by treating all stakeholders with fairness and respect and by providing timely and effective responses and information. Our engagement with stakeholders includes personal contact via face-to-face or telephone conversation, email exchange, company reports, press releases, investor presentations or conference participation and other company engagement.

Our stakeholders	Key areas of focus	Action and engagement
Employees Our employees are essential to the Company's success and growth. We recognise that we need a skilled and committed workforce, with a diverse range of experience and perspectives, and we value that diversity and the contribution it affords.	• Incident management and emergency response • Process, personal and driver safety • Diversity and equal opportunity policies • Employee training, education, performance reviews and development • Workplace culture	Employee engagement is critical to understanding the evolving requirements of our employees. Our executive leadership regularly enter "the field" and meet with operating personnel. During the year, the Board and the Sustainability and Safety Committee, with support from the SVP Human Resources, managed DGO's response to the Covid-19 pandemic, including employee well-being and remote working initiatives. The Board's Non-Executive Director Employee Representative, Sandra Stash, also hosted a very successful workshop in 2020 with employees from a range of corporate and operational functions, and shared with the Board for further consideration and action the employees' comments on the appreciation of a strong corporate culture, the use of teams in the acquisition process and remuneration.
Communities The communities in which we work are also those in which we live; therefore, we actively seek to support sustainable socio-economic development in our communities and to minimise any potential negative impacts from our operations.	• Incident management and emergency response • Effective grievance mechanisms • Protection of the local environment • Socio-economic investment • Local hiring	Leveraging our expansive footprint across the Appalachian Basin, DGO is committed to driving positive social value creation. From personal and socio-economic investment to strategic academic and educational support, DGO's employees engage and serve their local communities through effective partnerships that make a real difference. During 2020, we provided financial support to numerous food banks and several children's hospitals; purchased hundreds of turkeys for West Virginia families in need during the Thanksgiving holidays; funded the construction of a playground designed for children with disabilities in a West Virginia state park; and supported the US Marine Corps' annual Toys for Tots toy drive in northern Ohio through our volunteered time and financial resources.
Land and Mineral Owners Maintaining trusted relationships with our land and mineral owners is key to our business philosophy and our ability to achieve operational goals.	• Royalty payments • Incident management and emergency response • Effective grievance mechanisms • Protection of the local environment	Committed to being a transparent and trusted partner, our field personnel and land managers seek timely, effective and consistent engagement with land and mineral owners. During the year, our employees responded to 3,600 enquiries from our land and mineral owners and recorded 380 personal visits with landowners. We also distributed approximately $44 million in royalty payments during 2020.

Meeting our stakeholder expectations continued

Our stakeholders	Key areas of focus	Action and engagement
Equity and Debt Investors We actively engage with our capital market partners, financial institutions and rating agencies to support a full understanding of our business and progress against our strategic priorities.	• Emissions control and reduction • Climate risk and energy transition • Incident management and emergency response • Risk identification, assessments, communication and discipline • Corporate governance • Financial stability	Investor Relations, led by the Company's CFO, has the primary responsibility for managing and developing the Company's investors and other financial institutions. Investor meetings and roadshows that align with published financial results include the CEO, CFO and COO to promote discussions on strategic progress as well as financial, operational and ESG performance. The Chairman also engages directly with various institutional shareholders during the year. The Annual General Meeting provides an opportunity for all shareholders to engage directly with the Board and Executive Management. The Company regularly communicates with its shareholders through RNS announcements and has a website on which detailed company information is available.
Governments and Regulators We seek to develop and maintain positive relationships and regular dialogue with various stakeholder groups within our federal, state and local governments.	• Compliance with state and federal laws and regulations • Tax payments to governments • Safe and efficient asset retirement • Risk identification, assessment, communication and discipline • Protection of the local environment	On an individual basis or through trade group participation, executive and operational management regularly engage with federal, state and local regulators to address legislative, regulatory and operational matters important to our business and our industry. We proactively engage with state regulatory agencies throughout the year to keep them appraised of our well retirement activities and to provide objective and measurable progress indicators. We engaged regulatory authorities throughout the 2020 retirement process of our 92 wells.

Our stakeholders	Key areas of focus	Action and engagement
Suppliers and Customers Our production is essential to supporting modern life. We work hard to deliver responsibly produced natural gas, natural gas liquids and oil that meet regulatory requirements and aid in meeting the energy demands of our local communities and customers.	• Incident management and emergency response • Process safety • Procurement management • Access to funding	Focusing upon responsible operations ensures the products we supply to customers meet their expectations on quality, safety and resource stewardship. We strive to develop strong relationships with our suppliers built on trust, transparency and quality products and services. We use local suppliers and vendors in each of the states in which we conduct our operations. We utilise a leading supply chain risk management firm to continuously screen and monitor contractor safety performance. This real-time monitoring helps to ensure our suppliers are providing DGO with the necessary product and service quality for us to meet the expectations of our stakeholders and supports ongoing agreements with those suppliers who satisfy our safety thresholds.
Joint Operating Partners As operator, we work on behalf of our industry partners to safely and efficiently manage the assets and deliver our products.	• Access to funding • Risk identification, assessment, communication and discipline • Personal and process safety • Accident management and prevention	We fulfill our responsibility as operator by responsibly managing the wells, ensuring payment of related expenses, and promptly distributing the revenues and royalties from the wells' commodity sales.
Industry Associations Recognising the benefit of collective and collaborative efforts, we actively engage and are involved in the leadership of the industry associations across the states where we operate.	• Incident management and emergency response • Protection of the local environment • Risk identification, assessment, communication and discipline • Business model resilience • Advocacy and industry leadership • Accident management and prevention • Employee safety • Driver safety • Landowner engagement	Through our active participation and the sharing of operating best practices, technical knowledge and legislation updates, we believe that these associations add value to our business, support our industry at large and protect the interests of our stakeholders. During the year, DGO personnel were instrumental in the merging of two independent industry associations into the single, unified Oil and Natural Gas Association of West Virginia. Leveraging DGO's well retirement expertise and the platform afforded by West Virginia's industry association, a legislative bill was successfully passed into law to create the Abandoned Well Plugging Fund, the first of its kind in dealing with orphaned wells across the state.

The energy transition

Q&A with Sandy Stash

SANDY STASH
Chair of the Sustainability & Safety Committee

Q How important is the role of natural gas in transitioning to a lower carbon future?

We recognise 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 transitioning to a lower carbon world. Through the development of new technologies and extraction methods, the environmental impact of natural gas is being reduced and strengthening its place as an affordable, reliable and sustainable source of energy.

As the world moves away from coal, natural gas is increasingly playing a crucial role in meeting the rising global demand for energy, especially in developing countries. It is our firm belief that natural gas, with its reliability and consistency as an energy source, will form a key component of a progressive and sustainable energy transition, both in meeting domestic and global energy demand and in complementing the growth of affordable renewables. Just as US natural gas consumption has helped lower CO_2 emissions domestically, so too can the continued export of natural gas supplies afford that same emission reduction ability abroad. With a production profile that is 99% cleaner burning natural gas and natural gas liquids, we are well-positioned to play a key role in meeting energy demands while supporting the transition.

Q In producing natural gas, what role does DGO play supporting everyday lives?

We are providing an affordable and accessible source of energy for US citizens, where consumers of natural gas enjoy significant savings on energy costs as a result of the increased supply. Natural gas fuels nearly half the homes in the nation, providing energy independence and security for our country while remaining a significant global source of supply. DGO provides several key socio-economic benefits to the communities we serve, including secure, well-paid employment and access to excellent healthcare benefits for more than 1,100 employees across seven states and support of state and local economies through tax and royalty payments which help fund municipal governments, education systems, and community programmes. With an estimated 6,000 products we all enjoy on a daily basis made from natural gas and oil, these commodities remain essential to the US economy and infrastructure – and this was never more apparent than in 2020, a year largely defined by a global pandemic where natural gas and oil derived products supported the pharmaceutical, medical and transportation industries to help combat the virus.

Q What are the benefits of reporting to the recommendations set by the Task Force on Climate-related Financial Disclosures ("TCFD")?

The TCFD has become a global standard for companies to explain how they plan to address the potential risks of climate change on their businesses. There are many new services and reporting indices for climate risk-related standards and disclosures that have created proprietary scorecards; however, we believe that TCFD presents a practical framework through which companies can consider climate change risk and opportunities and define their approach to managing a transition to a lower carbon future. At DGO, we endorse the TCFD approach and see the strategic merits in following the recommendations which have been set. We recognise growing expectations from many of our stakeholders to be informed of and understand the resilience of our business model in an increasingly carbon-conscious world and are therefore pleased to adopt the recommendations of the TCFD.

During 2020, the Sustainability and Safety Committee engaged in a programme to enhance its understanding and governance approach to climate-related risks. DGO also engaged with a world-leading consortium of technical and strategic advisors in order to advance our alignment with the TCFD recommendations. Through this process, we embarked on a journey of understanding and disclosing our climate changes risks and remain committed to transparency throughout this journey. We are very pleased to provide enhanced disclosures from our TCFD approach here in our second annual Sustainability Report, and we look forward to maintaining an ongoing dialogue with all our stakeholders as we further integrate the recommendations into our business.

We fully support the need to reduce the world's carbon emissions and believe that our unique business model is positioned to help do so. Natural gas in the US has been a major contributor to the substantial reductions in CO_2 emissions as energy supplies have switched from coal and oil.

Future energy demands will have to be met from multiple sources, including renewables, nuclear, hydro, and hydrocarbons, which will continue to be affordable and reliable.

As such, we believe that natural gas is more than a bridge fuel but rather an ideal and essential partner to the further development of renewable energy sources, thereby assisting the transition to a more sustainable world for future generations.

DAVID JOHNSON,
Chairman of the Board

Natural gas

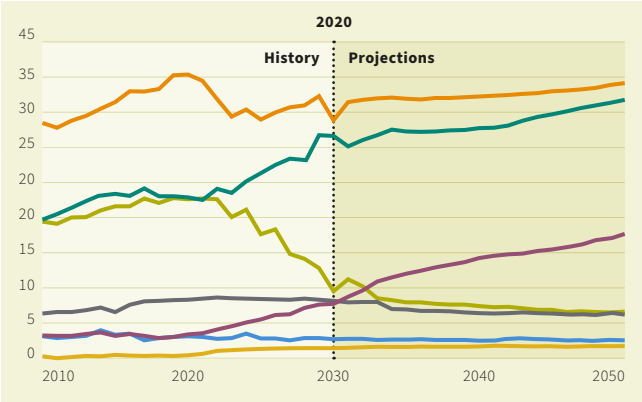
Demand and consumption

The demand for energy is ever-increasing due to a growing global population and numerous fast-growing economies in developing countries, and natural gas is a key source of energy that meets this demand. Natural gas currently provides approximately one-third of energy consumed in the US and nearly one quarter of global primary energy. Further, according to the US Energy Information Administration's ("EIA") 2021 Annual Energy Outlook ("AEO"), natural gas consumption in the US will increase by c.20% by 2050.

Domestically, the benefits of natural gas for US citizens go beyond its function as a primary energy source and its significance for US energy independence. US production of natural gas also has had a materially positive impact on the local and national economies given its low cost to produce and economic benefits for consumers. This influence translates to well-paid, secure jobs for Americans, where this was no more important than in 2020 with the widespread and lingering economic impacts felt as a result of the Covid-19 pandemic. The growth in natural gas supplies, a key component in chemical production, has also meant a revival of the chemical manufacturing industry in the US, creating yet more jobs and economic growth. Natural gas is a key constituent in many essential products including plastics, fertilisers and other chemicals that support several key sectors such as the healthcare, agriculture, construction and automotive sectors. Further, as companies and industries across the globe contemplate their own roles in the energy transition, we are noting their references to increased investments in processes, machinery and vehicles that rely on natural gas strategies to aid in meeting their net zero targets by 2050, if not sooner. Our reliance, therefore, on natural gas as an energy source as well as a building block for everyday products is deeply embedded in our way of life and it will ultimately play an important role through a multi-decadal energy transition.

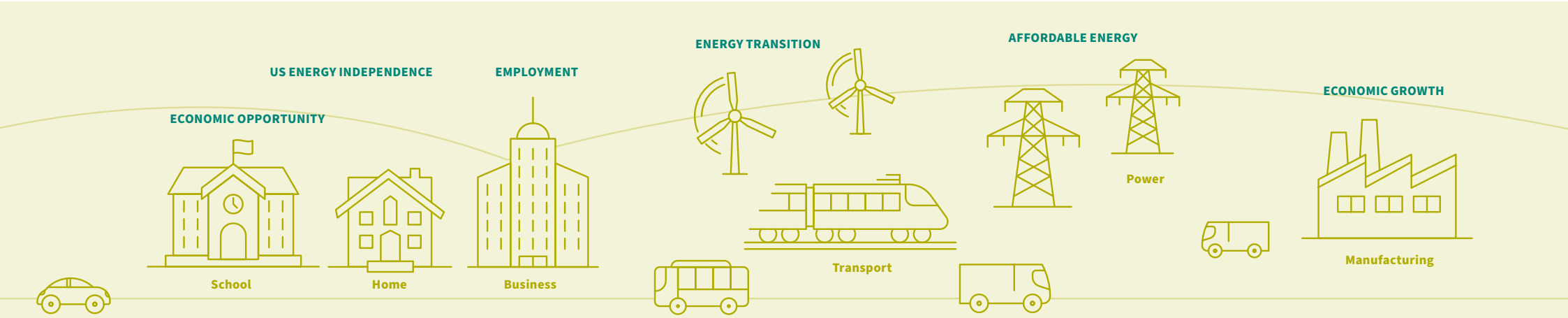
Internationally, US natural gas and liquified natural gas ("LNG") exports are supporting nations around the world by meeting energy demands across nations that need it most. Demand for natural gas and oil products and derivatives thereof are expected to grow across non-OECD nations. As an accessible, reliable and affordable source of energy, natural gas products have the potential to support socio-economic development in the countries beyond our own borders, contributing to improved global standards of living across education, healthcare and industry.

Energy consumption by fuel
AEO2021 reference case
Quadrillion British Thermal Units



Source: US Energy Information Administration

PROVIDING NATURAL GAS TO US CONSUMERS WHILE SUPPORTING US AND GLOBAL ENERGY NEEDS



Natural gas
Key benefits

We recognise the crucial role natural gas plays in our lives and in our world and therefore the need for this source of energy to be sustainable and to be responsibly produced and delivered to markets.

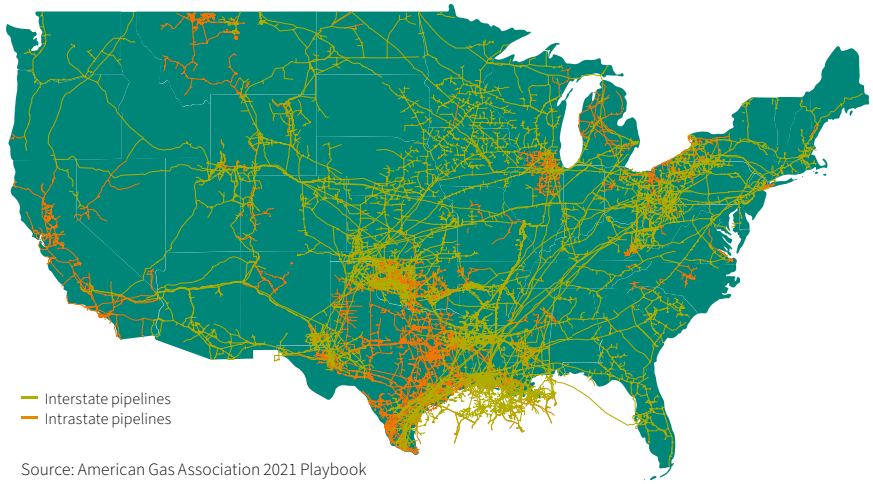
Natural gas has many inherent benefits for both our environment and our communities as compared to other energy sources. With approximately 99% of our 2020 production comprising cleaner burning natural gas and natural gas liquids, we work hard to safely and proudly meet the growing energy needs of the US, and other global economies, while aiding the US in leading the world in lowering CO_2 emissions.

PRINCIPAL BENEFITS

- Clean
- Reliable
- Abundant
- Affordable
- Efficient

NATURAL GAS IS RELIABLE

In addition to its proven track record in contributing to reduced emissions, natural gas has a history of reliability. The US natural gas infrastructure includes some 2.6 million miles of underground pipeline, largely resilient to certain events that can result in power outages. Natural gas is available on-demand – 24 hours a day and 7 days a week, regardless of peak energy demand requirements or inclement weather – which makes it a good partner to renewable sources of energy such as solar and wind. Natural gas companies spend millions of dollars annually to upgrade facilities, expand service and even further advance the safety of the natural gas gathering and distribution system. It is this expansive natural gas system that provides significant possibilities for the re-routing of natural gas supplies to best meet our nation's energy demands when called upon.

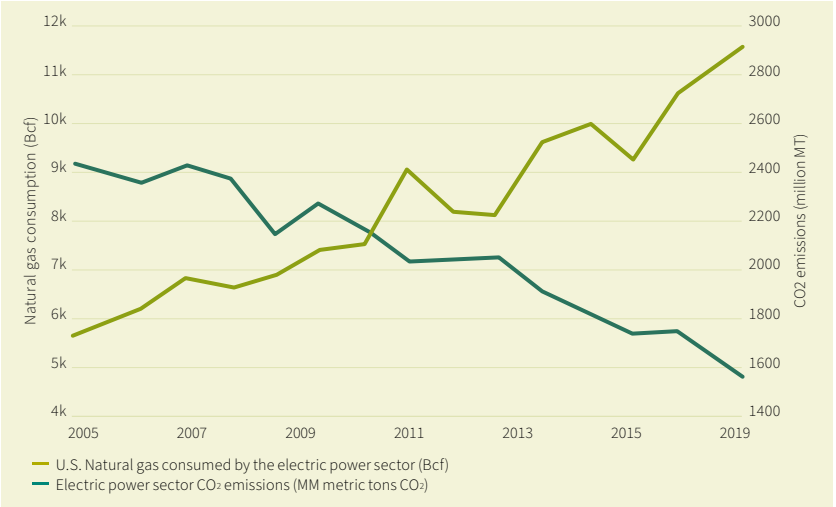


Source: American Gas Association 2021 Playbook

NATURAL GAS IS CLEAN

According to the EIA, natural gas surpassed coal in 2016 as the largest energy source of electricity generation in the US, totalling approximately 38% in 2019 as compared to coal's 23% contribution. Today's power sector CO_2 emission levels are at their lowest levels in some 30 years, with the switch to natural gas accounting for almost two-thirds of the CO_2 emission reductions from 2006 to 2014. The environmental benefits associated with natural gas go well beyond CO_2 reductions as burning natural gas for energy results in fewer emissions for multiple types of air pollutants as compared to burning coal or petroleum products to produce an equivalent amount of energy.

Natural gas use is increasing while emissions are decreasing

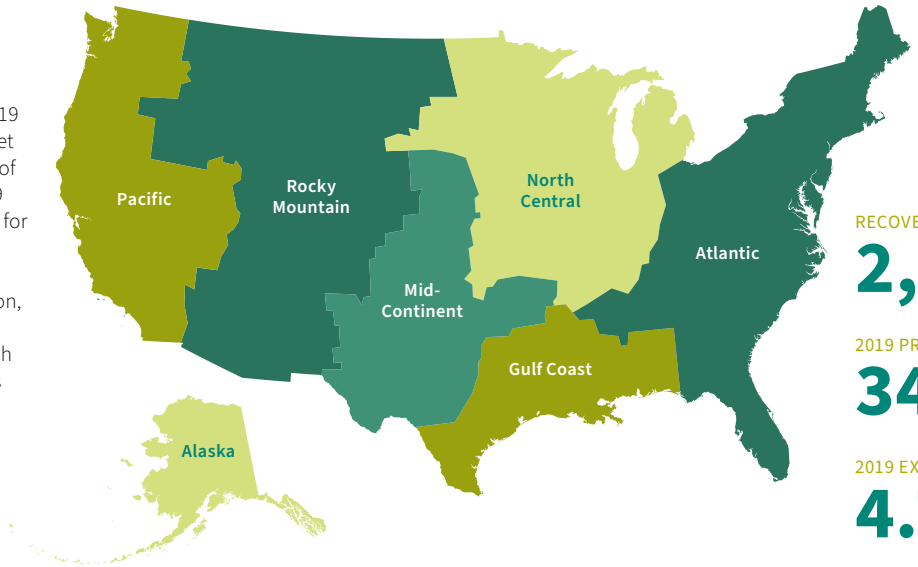


Source: NaturalGasSolution.org

Natural gas – key benefits continued

NATURAL GAS IS ABUNDANT

Estimates from the US EIA's Annual Energy Outlook 2021 indicate that at the start of 2019 the US had more than 2,867 trillion cubic feet ("Tcf") of technically recoverable resources of dry natural gas, or enough to cover the 2019 US dry natural gas production rate of 34 Tcf for approximately 84 years. Led largely by technological innovations in extraction methods which drove the US shale revolution, the US is the world's largest natural gas producer and a net exporter, providing much needed energy to some 38 countries across the globe.



RECOVERABLE RESOURCE (Tcf)
2,867

2019 PRODUCTION (Tcf)
34

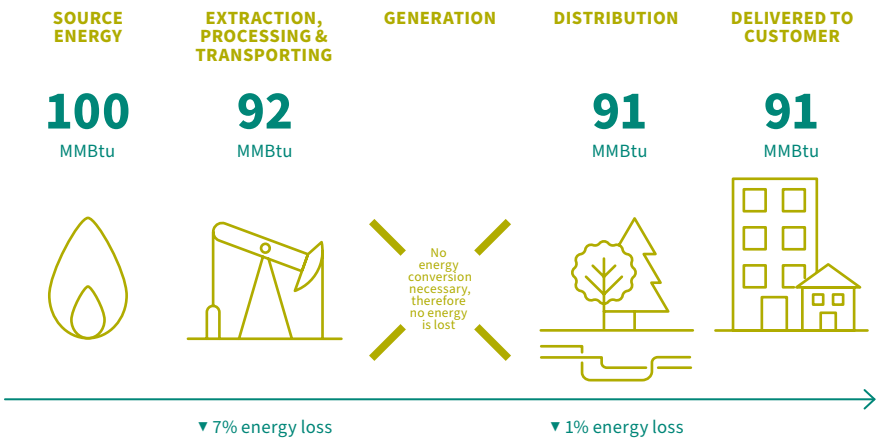
2019 EXPORTS (Tcf)
4.7

Source: US Energy Information Administration

NATURAL GAS IS EFFICIENT

Natural gas is efficient because it is easy to transport and store. The transmission of natural gas through the industry's expansive pipeline system, for example, results in some 91% of a natural gas molecule being delivered as energy with only 9% energy loss. Contrast this efficiency with that of electricity, where just 36% of the energy remains, on average, by the time it reaches your home or office. Significant efficiency loss also occurs with renewable sources such as solar, wind, geothermal, hydro and biomass which are not always located near the source of demand. Further, natural gas yields the highest median electric power density per one horizontal square meter of infrastructure across a wide range of both renewable and non-renewable energy sources. The implications of these efficiency metrics are meaningful as both US and global economies contemplate the energy transition to renewable energy sources and the resulting land-mass consequences as the new larger footprints of renewables have an impact on alternative agriculture and biodiversity uses of the land.

Direct use of natural gas



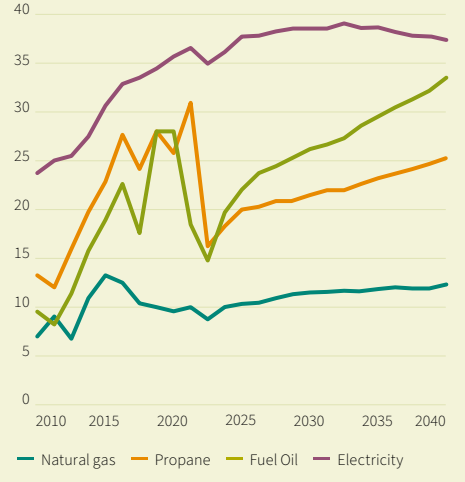
Source: American Gas Association

NATURAL GAS IS AFFORDABLE

The US has generations of natural gas supply that it can access at affordable prices which translates to affordable natural gas prices for consumers. As the US natural gas supply continues to grow and technological innovations also improve efficiencies in domestic natural gas appliances, US consumers continue to benefit from increasing annual cost savings. In the past four years alone, low domestic natural gas prices have led to savings of almost $50 billion for customers who used natural gas for heating, cooking and clothes drying. Annual energy costs for residential customers using natural gas has been lower than the cost of propane, fuel oil or electricity since 2010 – and it is projected to stay low through 2040.

Energy Prices by Source

Dollars per MMBtu



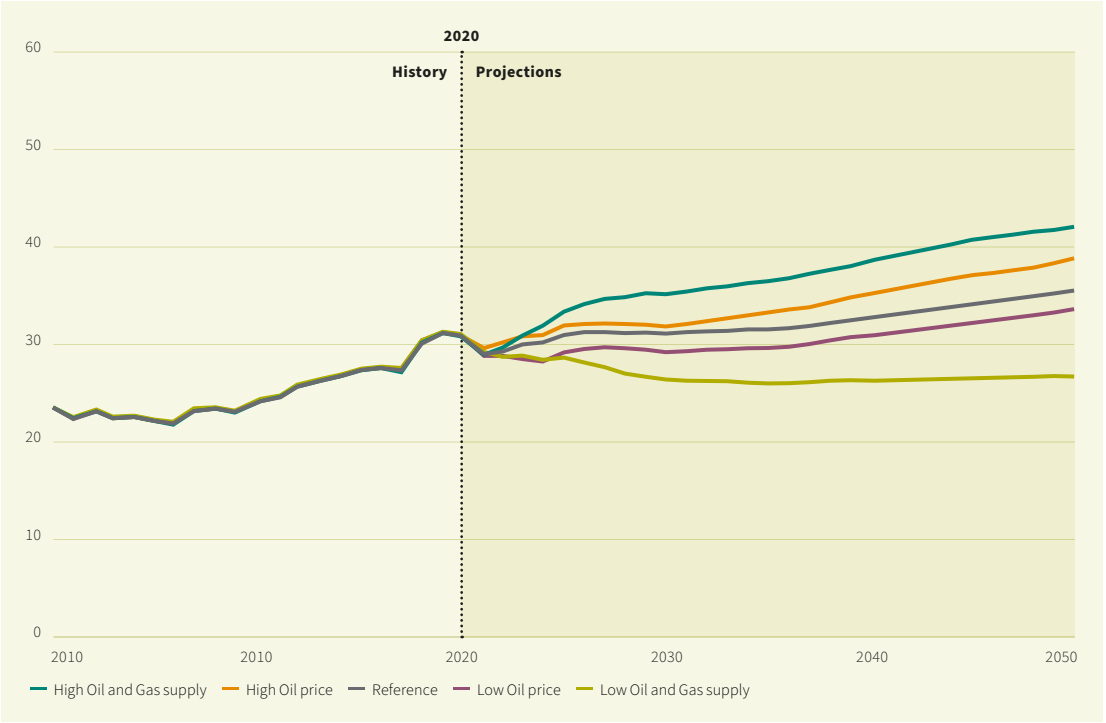
Source: US Energy Information Administration

Natural gas and energy transition

The International Energy Agency ("IEA") acknowledges that without the support of the natural gas and oil industry, the energy transition will be far more expensive. Natural gas currently serves as a key raw material used in the manufacturing and production of many components found across the renewables sector, including wind turbines and solar photovoltaic panels. In addition, petroleum products aid in the continental distribution of the manufactured turbines and panels. Further research and technological advancement is required to understand both the widespread application and cost of alternative energy initiatives and the land use and biodiversity implications of landfills needed for non-recyclable turbines and storage batteries.

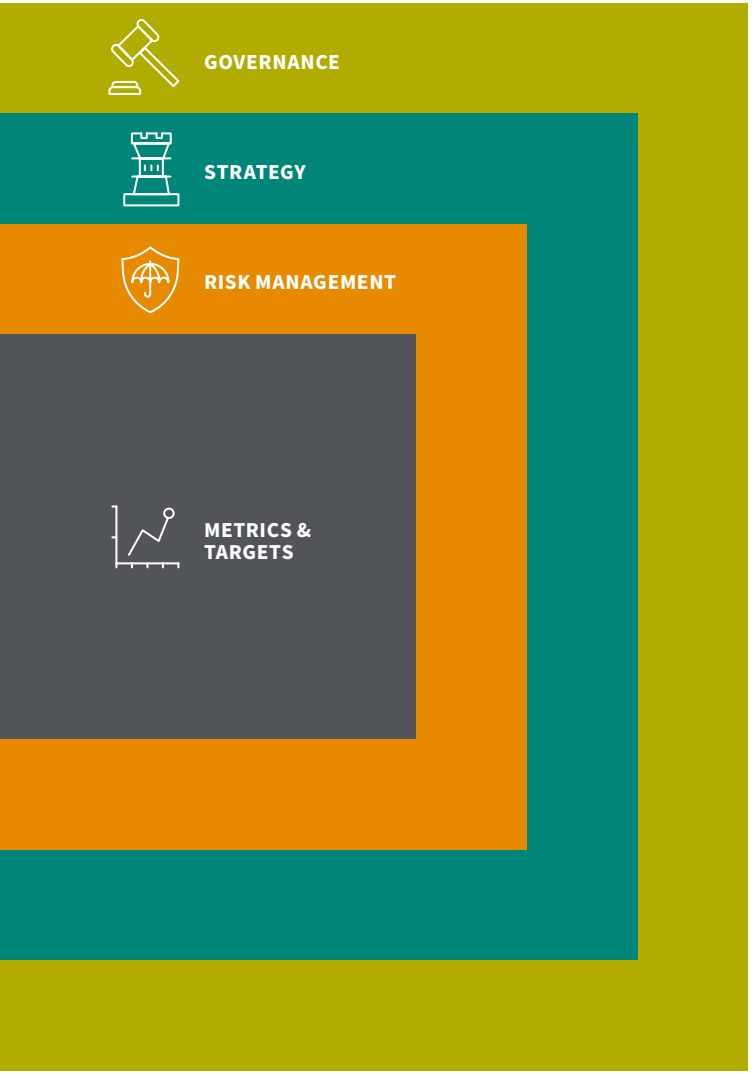
We believe that the importance of natural gas as a source of energy is indisputable as alternative development continues to mature and become economically sustainable. While the global objective to reduce emissions is critically important, the ever-rising energy demand cannot currently be matched by renewables alone. As the world shifts away from coal, natural gas – as a lower carbon dioxide emitting source of energy and a fuel that we are fundamentally dependent upon in our daily lives – will continue to meet this demand for many decades as there currently is no equally viable, affordable and efficient alternative. Projections from EIA find that, based on numerous energy scenarios (and assuming that supply does not decrease), the long-term consumption of natural gas in the US will continue to rise towards 2050 in all but one scenario.

Natural gas consumption – Annual Energy Outlook 2021 scenarios
(trillion cubic feet)



Source: US Energy Information Administration

Task Force for Climate-related Financial Disclosures (TCFD)



The Board recognises the potential threats to our planet posed by climate change and the importance of commercial enterprises, including DGO, to effectively manage their impact while continually improving their performance with positively impactful environmental operations.

Environmental stewardship and maximising and improving the potential of our resources are key strategic pillars upon which we operate our business. We believe that natural gas has a valuable role to play in supporting an energy transition, not only as a transition fuel to support global energy demand, but through the material socio-economic contribution that it makes to the US and the underpinning of the country's energy independence.

OUR ROADMAP

During 2020, the newly formed Sustainability & Safety Committee ("SSC" or "Committee") engaged the support of industry and globally significant consultants to help DGO establish a roadmap for its climate journey, including steps to begin meeting the recommendations set by the TCFD. The Committee, including personnel from across the senior leadership, operating, finance and investor relations teams, engaged in numerous workshops and planning sessions to discuss and assess climate change and risk, scenario analysis and strategy setting. DGO's analysis included consideration of and attention to the TCFD's four core pillars: governance, strategy, risk management, and metrics and targets.

We recognise the significance of setting future climate-related goals and intend to navigate the TCFD process in a very deliberate, diligent manner as we strive to establish meaningful steps and business process enhancements, including climate considerations, benchmarks, targets and measurement mechanisms, to reach our ambitions. DGO is actively setting its climate strategy and developing its pathway to net zero carbon by 2050.

We believe we have made significant strides during 2020 in our physical inventory and data standardisation and collection processes that will aid in our TCFD journey but also acknowledge that we have more work to do. We will continue our internal work and engagement with external advisors as we seek the best path forward in this area and will provide additional information regarding our climate journey as appropriate and as information is available, including updates on our baseline emissions work, our ongoing efforts to reduce current emissions, and our intention to outline longer-term GHG emissions reductions in the way we run our business.

Task Force for Climate-related Financial Disclosures (TCFD) continued

CORE PILLAR – GOVERNANCE

DGO's Board closely monitors and works with senior management, external stakeholders and climate issue experts to ensure that careful consideration is given to relevant climate change-related risks and opportunities affecting our business. Through regular engagements with the executive management, the Committee ensures constructive supervision of both climate-related strategy development and risk management. The Chair of the Committee, Sandra Stash, who has significant subject-matter knowledge and experience on climate issues, provides at each Board meeting a summary of the Committee's discussions and the most material issues addressed by the Committee. The SSC is supported by the Board's Audit & Risk Committee to ensure that climate-related risks are integrated into DGO's Enterprise Risk Management framework ("ERM") and to ensure this framework is effective at mitigating the identified climate change-related risks.

Ultimately, 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. The CEO and the Board actively discuss climate change-related issues.

The Board has approved a decision to include GHG emissions performance in the Executive Directors' Annual Bonus framework (effective from 2021), in accordance with the Company's Remuneration Policy. Please refer to the Company's Annual Report for more information regarding the Remuneration Policy.

Independent Oversight

The Safety & Sustainability Committee oversees climate change-related matters on behalf of the Board.

The Committee has responsibility for:

1. Overseeing engagement with global environmental and strategic consultants in climate-related matters;
2. Collaborating with the Audit & Risk Committee to build the risk register and appropriate integration of climate risk;
3. Collaborating with the Remuneration Committee for the contemplation of climate-related targets in executive compensation; and
4. Effectively integrating climate risk into strategic decision-making processes of the business, including merger and acquisition activity, which is a core strategic pillar of the business.

Executive Management

The CEO leads executive responsibility for Environmental, Health and Safety ("EHS") and climate risk and works with the executive and senior leadership teams to assess and manage climate-related risks and opportunities. The executive and senior leadership work collaboratively to address risk across the business and assume relevant responsibility to physical and transitional risk as appropriate.

The operational management of EHS and climate change issues is conducted by the COO, who is also a member of the Executive Committee, the Board of Directors and the Sustainability & Safety Committee.

The CFO is responsible for assessing and managing relevant economic risks and supporting DGO's scenario analysis programme.

DGO's General Counsel is responsible for assessing and managing relevant policy and legislative risk.

Task Force for Climate-related Financial Disclosures (TCFD) continued

CORE PILLAR – STRATEGY

DGO understands the importance of achieving lower carbon emissions via a transition of energy sources. To play its part while strengthening its resilience to the changing market dynamics, DGO embarked on an important climate change journey in 2020.

We are currently enhancing our foundation for each pillar of TCFD in order to build a stronger position for the future. This foundation includes conducting additional in-depth baseline assessments of our GHG emissions, updating our asset inventory and further improving the accuracy of our monitoring and reporting.

As stated in our 2019 Sustainability Report, we diligently aggregated significant volumes of data from the different systems that we acquired in order to calculate emissions information. We acknowledged that we intentionally chose conservative emissions estimates in our initial report for 2019. Our teams continued their in-depth work to improve our asset inventories and estimates for GHG emissions calculations during 2020. We will continue the refinement of our processes and calculations during 2021.

Scenario Analysis

DGO is well-positioned for the future. We have a natural gas-focused portfolio and a robust business model that seeks to extract the maximum production potential of existing natural gas and oil assets by focusing on efficiently managing late in life assets that otherwise may have remained idle or neglected. We strive to be the most environmentally responsible operator of mature, producing assets in our industry.

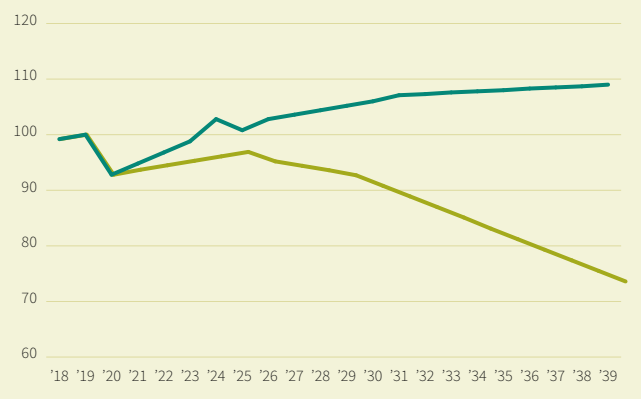
We nevertheless believe it is important to ensure that we understand the impacts of various theoretical, future outcomes and have therefore conducted an initial scenario analysis to stress-test our portfolio in a potentially more carbon-constrained future. To be clear, scenarios are hypothetical constructs and not forecasts nor predictions about future performance. The input for the scenario analysis exercise was provided by independent climate consultants.

Reviewing the results of these theoretical scenarios allow us to model the impact of alternative future demand and supply requirements on our current portfolio and assess possible opportunities to meet those requirements. As expected, and in line with the rest of the natural gas and oil industry, our current portfolio of assets faces material impacts under the most demand-constrained scenarios; however, our assets continue to generate value and positive cash flow under these dramatic scenarios.

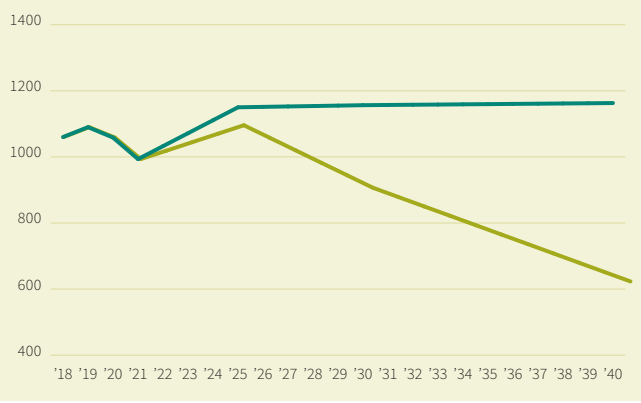
Best practice for conducting climate scenario analysis continues to evolve and there is no universally accepted methodology for companies to apply. At DGO, we developed a robust approach supported by our independent climate consultants and with guidance from climate experts across the industry, investment community, and civil society. Our approach modelled different ways in which the potential transition to a more carbon-constrained future could affect the demand and supply side for our key value drivers.

Task Force for Climate-related Financial Disclosures (TCFD) continued

North American Natural Gas Demand in Alternative Scenarios
Gas demand (bcm)



Global Oil Demand in Alternative Scenarios
Oil demand (mb/d)



Source: IEA (2020), World Energy Outlook as modified by Diversified Gas & Oil Plc. All rights reserved.

Demand-side scenarios

We consider the demand-side scenarios developed by the IEA to provide the most robust framework for DGO's scenario analysis. IEA scenarios are the most widely referenced scenarios in the climate disclosures of natural gas and oil companies and are considered a reference point for policymakers, investors, international organisations, and key stakeholders driving the lower-carbon transition.

We used the IEA scenarios described in its 2020 World Energy Outlook. The two demand-side scenarios used in our analysis include:

Stated Policies Scenario ("STEPS"), which assumes policies and targets already announced by governments are enacted with no further policy development on climate change beyond this and estimates an average temperature rise of 2.7°C.

Sustainable Development Scenario ("SDS"), which assumes an accelerated transition to a lower-carbon world and net zero emissions by 2070 and further projects a 66% chance of limiting temperature rise to 1.8°C and a 50% chance of limiting it to 1.65°C.

These two demand-side scenarios project natural gas and oil demand through to 2040. These demand projections are included in the figures below for North American natural gas and global oil. DGO's production mix is currently 99% natural gas and natural gas liquids and therefore impacts to oil demand and supply in our scenario testing generally does not have a material impact on DGO's long-term value. North American natural gas demand is projected to increase through 2025 and then remain flat from 2025 to 2040 under STEPS while decreasing significantly under the lower-carbon SDS scenario. Global oil demand is projected to grow continuously under STEPS while under SDS it is projected to briefly recover post-Covid-19 pandemic and then decrease continuously after 2025 to 2040.

Supply-side scenarios

In addition to the aforementioned IEA demand-side scenarios, and to render a more complete scenario perspective, we also considered how the potential response of the natural gas and oil industry might impact the supply-side of the market. We developed three distinct supply-side scenarios for use in our scenario testing. The first supply-side scenario assumes that the industry's response to lower demand remains disciplined, meaning that new production comes online as required to meet projected demand under steady declines rates. The second supply-side scenario assumes a different industry response, for example, in reaction to a perceived acceleration in the transition to a lower-carbon future (partly due to the impacts of the Covid-19 pandemic), leading to a pull-back in investments and therefore an accelerated decline in production. We also considered a third supply-side scenario looking more closely at the impact of possibly more aggressive supplier competition for market share post-Covid-19, which leads to industry indiscipline and a minimized supply and demand gap (this is predominantly relevant for oil and will therefore have a limited impact on our business).

Scenario analysis impact

The purpose of scenario analysis is to provide DGO and its stakeholders with a better understanding of the important implications for the Company's portfolio valuation and overall business strategy of the transition to a lower-carbon future. DGO recognises the benefit of integrating the scenario results into the Company's strategic decision-making and the risk management processes and risk mitigation measures that are in place or should be added to address identified risks.

Combining the demand-side and supply-side scenarios, we assessed how the Company's key value drivers of value – hydrocarbon prices and midstream revenues – would be impacted by the transition to a lower-carbon future. The analysis was conducted using the Company's current internal asset valuation and forecast models which do not project additional growth through future acquisitions. The end result of the scenario testing provided incremental positive or negative impacts to the Company's overall valuation as measured by the net present value of its asset portfolio. As expected, DGO's NPV faces material impact in a more carbon-constrained world. However, NPV remains positive even under the most strict lower-carbon scenarios.

TCFD SCENARIO ANALYSIS

DEMAND- SIDE SCENARIOS

1

STEPS (STATED POLICIES SCENARIO)
Assumes policies and targets already announced by governments are enacted with no further policy development on climate change beyond this and estimates an average temperature rise of 2.7°C.

2

SDS (SUSTAINABLE DEVELOPMENT SCENARIO)
Assumes an accelerated transition to a lower-carbon world and net zero emissions by 2070 and further projects a 66% chance of limiting temperature rise to 1.8°C and a 50% chance of limiting it to 1.65°C.

IMPACT

The purpose of scenario analysis is to provide DGO and its stakeholders with a better understanding of the important implications for the Company's portfolio valuation and overall business strategy of the transition to a lower-carbon future.

DGO recognises the benefit of integrating the scenario results into the Company's strategic decision-making and the risk management processes and risk mitigation measures that are in place or should be added to address identified risks.

SUPPLY- SIDE SCENARIOS

1

Assumes the industry remains disciplined and new production comes online as required to meet projected demand under steady declines rates.

2

Assumes the impact of the Covid-19 crisis and an increased perception of the accelerating transition to a lower-carbon world lead to a pull-back in industry investment and a subsequent accelerated decline in production and supply.

3

Assumes suppliers compete aggressively for market share post Covid-19, which leads to a minimised supply/demand gap. Note that this supply-side assumption only applies to the liquids portion of DGO's portfolio, which is considerably smaller than the gas portfolio and for which we assume liquids market prices are related to oil market pricing.

Task Force for Climate-related Financial Disclosures (TCFD) continued

CORE PILLAR – RISK MANAGEMENT

Risk Assessment

DGO has assessed the climate change-related risks and opportunities facing its business and has summarised them below. To further enhance our TCFD-aligned reporting, we are evaluating the inclusion in future Company reports a risks and opportunities table with additional details around financial impacts, mitigation measures and potential time horizons for each identified risk and opportunity:

Risk Management

Our Enterprise Risk Management ("ERM") framework is designed to effectively and appropriately identify, assess, mitigate, monitor and address risks to our business, in addition to capitalising on potential opportunities. In the past year we have further enhanced DGO's ERM processes to include climate change as a principal risk. As part of our overall climate journey, we endeavour to further strengthen our approach to climate change-related risk management, including assessing these risks against their potential financial, legal, physical, market and reputational impact on our company.

The Board has the responsibility to oversee management's determination of the nature and extent of risks to which the Company is exposed relative to achieving its strategic objectives whilst ensuring all types of risks, including all short-, medium- and long-term climate-related risks, are managed effectively. During 2020, the Audit & Risk Committee of the Board, with the assistance of a third-party advisor, led a comprehensive review, identification, prioritisation and documentation of DGO's principal and emerging risks. The Committee reviewed the framework for assessing risks, including impact, likelihood and velocity, as well as inherent versus residual risk analysis. A more detailed description of the Company's principal risks and risk management process conducted during the year is provided in the Principal Risks and Uncertainties section of our Annual Report.

Description	Impact
TRANSITION RISKS	
Transition risks refer to policy, regulatory, legal, technological, market and other societal responses to the challenges posed by climate change and the transition to a lower carbon economy.	• We consider transition risks as part of strategy discussions, portfolio reviews and investment decisions. • Transition risks considered include: – Lower demand for natural gas and oil products and derivatives thereof – Policy shifts that impact natural gas production directly and financially – Increased regulatory obligations and costs surrounding disclosure and environmental management performance
PHYSICAL RISKS	
Physical risks include acute risks resulting from increased severity of extreme weather events, and chronic risks resulting from longer-term changes in climate patterns.	• We consider the potential vulnerabilities of our operated assets, investments and our suppliers and customers across the value chain in assessing physical risks.
OPPORTUNITIES	
Efforts to mitigate and adapt to climate change produce opportunities for organisations to operate more efficiently, access new markets, and build resilience to lower carbon future.	Our operating model is calibrated to maximising the resource potential of our portfolio: • **Resource efficiency:** We acquire, produce and optimise existing natural gas and oil wells that reduces the need to drill new wells. Our SAM programme improves the safety, efficiency and productivity of the mature assets we acquire. By being the most responsible operator of mature assets, we make improvements to the integrity of the acquired assets, which includes ensuring that molecules we produce are safely delivered to our customers. • **Resilience:** By demonstrating our overall resilience to a lower carbon future as indicated in our scenario analysis, our stakeholders can remain confident in the general strength of our assets. We continually invest in and monitor our mature production and transportation network to enhance the integrity of this infrastructure and strive to maximise the economic potential of our resources while simultaneously reducing our GHG footprint.

Task Force for Climate-related Financial Disclosures (TCFD) continued

CORE PILLAR – METRICS AND TARGET

As part of strengthening our journey toward a more resilient future, we have initiated a comprehensive process to enhance our understanding of our baseline emissions data, including through improved data collection and monitoring.

We recognise the importance of not just monitoring and managing but also reducing our emissions, and we have an ongoing process focused on operational emissions reductions, including a substantial leak detection and repair programme focused on our extensive network of gathering pipelines. In late 2020, we also began an internal review of the type of emissions reductions we can implement and over which timeframe, considering the commercial and strategic implications of each. We will provide additional information on these programmes and our carbon reduction pathway at the end of 2021.

Environmental stewardship and maximising and improving the potential of our resources are key strategic pillars upon which we operate our business.

"Developing plans, allocating resources, establishing goals, monitoring our progress and measuring our results are business practices that we implement on a daily basis across our operations."

BRAD GRAY
Executive Vice President & Chief Operating Officer

Sustainable operations

Q&A with Brad Gray

"Our employees know that DGO is an essential business, and they are committed to safely and efficiently producing energy every day of the year for our customers and the communities who rely on DGO."

BRAD GRAY
Executive Vice President & Chief Operating Officer

RESILIENCE DRIVES ACCOMPLISHMENTS

- Record production
- Two fully integrated acquisitions
- Debt & equity financings
- LSE premium listing

Q How did DGO tackle the operational challenges presented by the global pandemic?

I am extremely proud of, yet not surprised by, our employees' response to the disruptions and impacts from the pandemic – they didn't miss a beat! At the start of the national and state response to the pandemic, our industry and thus our employees were identified as "essential workers." Essential is an appropriate term for our industry as we supply products to meet the energy needs of our communities and our country. During times of emergency and crisis, the provision of reliable energy is critically important on many levels. In spite of the many challenges from the pandemic, our employees responded with great teamwork and passion and were proud to be an important part of meeting our nation's energy demand while so many were fighting the virus. Our employees know that DGO is an essential business, and they are committed to safely and efficiently producing energy every day of the year for our customers and the communities who rely on DGO.

In addition to our field employees continuing to provide reliable energy to our communities during the pandemic and our corporate support employees managing our daily business needs, the employees of DGO were also able to stay committed to our business strategy and execute numerous transactions during 2020. Our employees completed the acquisition and integration of two asset packages, completed two debt financings and an equity raise and successfully completed the steps to become a premium listed company on the London Stock Exchange. We have a great team of supportive, dedicated, hard-working employees at DGO, and we are very proud of their accomplishments during a very challenging year.

With regard to our specific response to the pandemic, the integration of new safety protocols was rapidly rolled out across our operating and corporate functions. We provided appropriate personal protective equipment ("PPE") and hand sanitisers to our employees and issued regular updates as healthcare guidelines were amended. Due to our substantial investment in cloud technology during 2019, we were able to efficiently transition many of our office-based employees to work remotely during periods of the pandemic. As a result of much of our operations occurring outside, the majority of our field employees are naturally socially distanced and thus our field operations were not significantly impacted. To date, our company has not incurred any significant infection rate or severity from the virus.

Q Your Smarter Well Management programme has evolved into Smarter Asset Management – why the change?

We are an acquisitive business – acquisitions are a key component to our strategy and to generating value for our stakeholders. Over the past two years, we acquired assets that materially expanded our midstream network and brought about a new set of operational opportunities for DGO to reduce costs through pipeline and compressor facility optimisation. We are simply applying the same evaluation, investment and practical thinking operating principles across a now broader asset base that increasingly includes midstream assets. Thus, it only makes sense to expand our 'smarter management' emphasis to encompass all activities which not only maximise resource output and economic return, but concurrently deliver tangible environmental benefits and improved asset integrity.

Our Smarter Asset Management ("SAM") programme is fully aligned with our commitment to environmental stewardship and overall sustainability. During the year, for example, we completed thousands of assessments to our many miles of midstream and gathering pipeline that led to numerous repairs which permit more of our produced volumes to be sold, increase the safety of our pipelines for our employees and communities and eliminate previously unidentified emissions. Our work to continually enhance the integrity of our pipelines will continue to be a significant focus in 2021.

Our sustainability philosophy

We fully embrace our role as responsible stewards of the natural resources we manage, the people we employ and the environment in which we operate. We strive to adhere to quality operating standards with a strong focus on the environment, the health and safety of our employees and our local communities.

Energy for life – the natural gas value chain

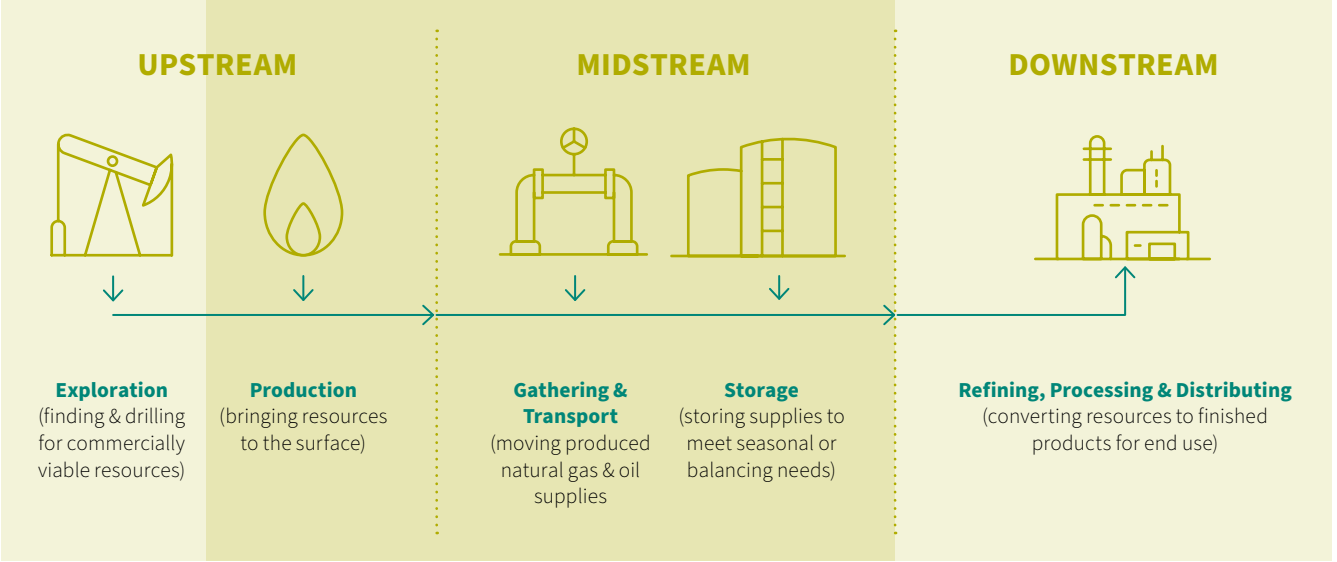
At DGO, we focus on the consistent and safe production and transportation of reliable and affordable natural gas, natural gas liquids and oil.

Our asset portfolio consists of thousands of upstream conventional and unconventional wells and a midstream transmission network that delivers life-sustaining energy sources. From the moment we awake to the end of our busy day, we all benefit from the quality of life created by that natural gas and oil production – even if we are not direct consumers of natural gas production. Just as natural gas can be relied upon 24 hours a day, 7 days a week, so too is everyone touched in some way by the natural gas and oil industry on a daily basis.

Natural gas and oil are essential to the production of an estimated 6,000 consumer products we use on a regular basis, and that estimate continues to grow thanks in large part to the innovative spirit of our society. It is estimated that Americans use an average of 20 million barrels of petroleum products each day, with the average US citizen using the equivalent of three gallons of refined petroleum products daily. Additionally, the natural gas and oil industry's contribution to medical and consumer products was highlighted in 2020 as the industry led a significant effort in the development, deployment and sustainability of the Covid-19 vaccine.

During 2019, the six states in which we operated wells produced approximately 11.6 Tcf, or 34% of the nearly 34 Tcf of dry natural gas produced across the entire US. DGO proudly operates in three of the top producing states, including Pennsylvania (ranked #2 with 6.8 Tcf), Ohio (ranked #5 with 2.6 Tcf) and West Virginia (ranked #6 with 2.0 Tcf).

Downstream, the top-5 natural gas consuming states include Pennsylvania, ranked #4 with 1.61 Tcf or 5.2% of the total 31.0 Tcf consumed during 2019. The disparity of states' respective production and consumption, Pennsylvania for example, signifies the importance of a domestic interstate and intrastate pipeline system, of which our approximate 17,000 miles are a small but vital part of the US midstream network moving much needed natural gas for countless domestic needs.



Represents DGO operations

2019 US Dry Natural Gas Production	Production (TCF)	% of Total	Rank of Total
Pennsylvania	6.80	20.0%	2
Ohio	2.60	7.7%	5
West Virginia	1.97	5.8%	6
Virginia	0.11	0.3%	18
Kentucky	0.07	0.2%	20
Tennessee	0.003	0.0%	25
DGO states of operation	11.55	34.0%	
All other states	22.41	66.0%	
Total US	**33.97**	**100.0%**	

Source: US Energy Information Administration

Investment due diligence

Central to DGO's growth strategy is the acquisition of complementary upstream and midstream assets that meet certain production and operational criteria.

We diligently review multiple qualitative and quantitative aspects of prospective acquisitions to ensure that the assets complement our existing portfolio with respect to strategic fit, asset profile, risk appetite and integration suitability. Alongside the typical operational and financial diligence screening of potential acquisitions, DGO has well-defined diligence processes that include broader ESG considerations with specific emphasis on the climate impact of emissions.

EHS DILIGENCE

An internal due diligence team of environmental specialists leads the environmental audits of prospective acquisition assets in order for the Company to understand the potential EHS risks that may be associated with the potential acquisition. Our environmental team is often accompanied by third-party consultants who specialise in assessment and remediation. The teams review environmental reports and public notices placed on the assets and cross-references these with public records held with regulatory agencies. In addition to targeted on-site evaluation reviews, in certain instances, we may also conduct environmental tests such as soil sampling and emissions testing in order to further identify potential risk factors.

If an assessment identifies material concerns that can be abated, we seek to have the seller mitigate the risks in advance of closing the acquisition and require evidence of regulatory approval that the work has been satisfactorily completed. Alternatively, if we have sufficient comfort to internally perform the required remediation work, we factor the costs for such work into a revised acquisition purchase price and then strive to complete the remediation efforts as soon as practicable upon closing the acquisition.

Our EHS diligence also considers the emissions profile of the assets being acquired. Our teams review permits, historical reports and the operational aspects of production and compression equipment to ensure appropriate regulatory compliance and to determine improvement opportunities our team can deliver.

HR DILIGENCE

Frequently when considering an acquisition, DGO seeks to retain from the seller the personnel that have been assigned to the assets because they bring a wealth of knowledge and insight that can expedite future smarter asset management initiatives and investment programmes. Under such circumstances, DGO assesses all aspects of employment including employment contracts, bargaining unit agreements and employee benefits as well as past personnel disputes and claims, in order to determine if material personnel risks exist. Additionally, DGO may choose to adopt programmes and benefits carried by the selling companies that it believes provides enhanced value to all of its employees.

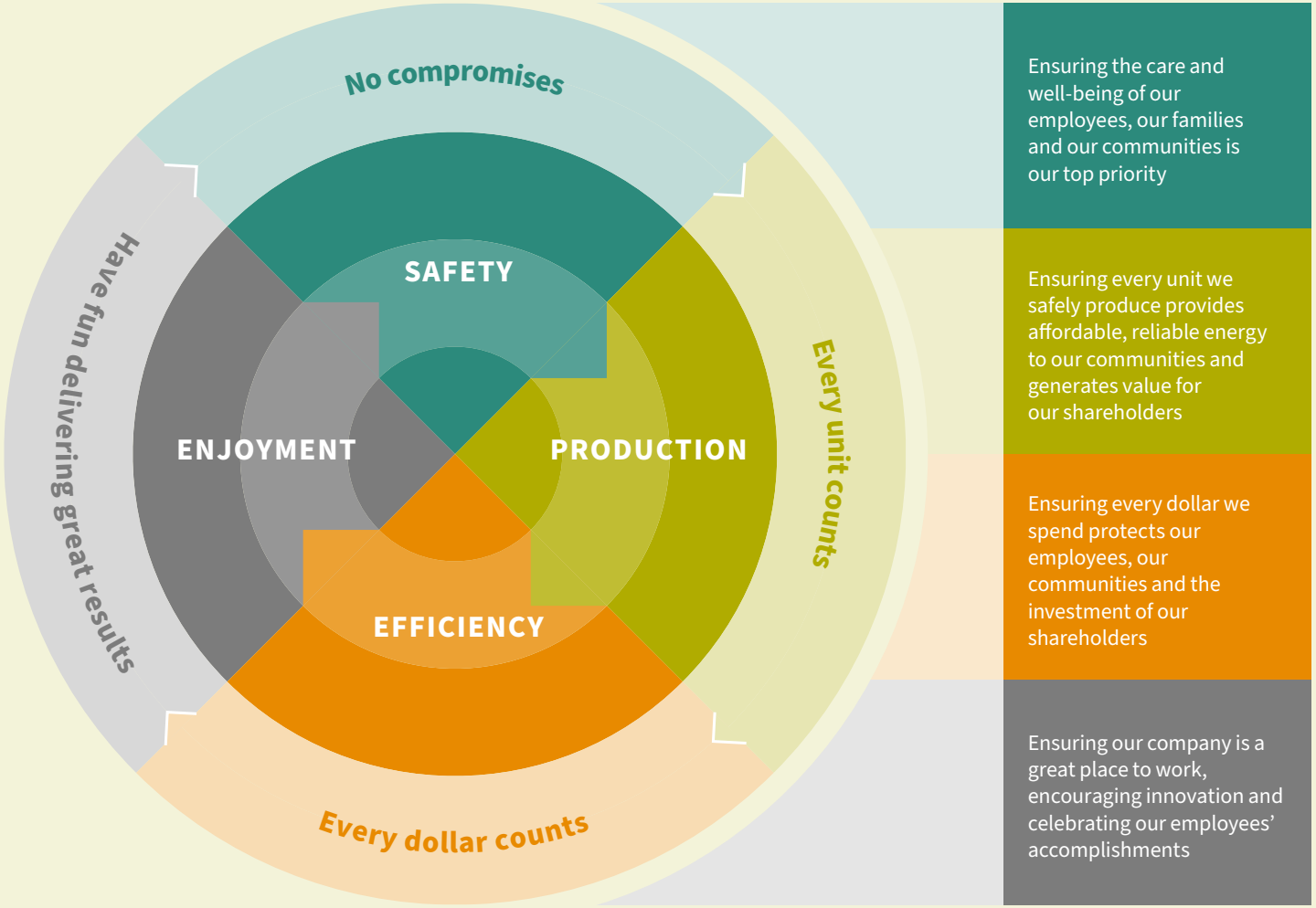
LEGAL AND COMPLIANCE DILIGENCE

When considering a potential acquisition, we screen to ensure that no material legal and compliance risks are present and seek to confirm that material permits and licenses are active and that required regulatory reporting is current. We also complete title/land, lien and other legal due diligence during each acquisition, identifying any legal actions or outstanding claims being made against the acquisition target. As required, we engage specialist third-party consultants and external legal partners to assist the review process for further assurance of compliance and identification of risks.

How we manage our business

OUR OPERATING GUIDELINES

We embrace four guiding operational principles and challenge our employees to make these guidelines a priority in their daily work. These principles reflect our foremost commitment to safety as well as our commitment to sustainability and environmental stewardship.



Smarter Asset Management (SAM)

We recognise that it can be difficult for natural gas and oil companies to dedicate time and resources to manage the costly development of wells while simultaneously optimising their performance over time.

Therefore, we built DGO to focus exclusively on the efficient production and flow from our wells and midstream assets. Our differentiated model yields the results of our consistent operating efforts and environmental focus manifested in improved production, lower operating costs and higher free cash flow generation.

Through our internally developed Smarter Asset Management programme, we focus on increasing the productivity of our wells, whether conventional or unconventional, and our midstream assets while simultaneously improving their safety, reducing their environmental footprint and lowering the unit operating costs of our portfolio. By focusing on our four daily guiding operational principles and actively managing our assets with best practice, innovation and investment, we reduce the need for new natural gas and oil wells while creating significant value for all our stakeholders by efficiently managing the resource our industry has already developed.

Smarter Asset Management in practice

Because many of the assets we acquire were non-core to the seller's portfolios, these assets often provide DGO with a variety of SAM optimisation opportunities to improve or restore production from the wells via low-cost techniques. Our SAM activities include managing well pressures through compression adjustments or techniques; managing well fluids or removing excess downhole water with plunger lifts or swabbing techniques; reconfiguring the wellhead setup to increase well productive time; improving natural gas or oil flow with higher viscosity treatments on the wells; or improving the efficiencies of the assets' complementary midstream systems.

These activities are strategically important and offset or reduce natural well declines, meaning we gather more natural gas from existing upstream assets to meet growing energy demands. For example, for a well that produces 20 Mcf of natural gas per day and naturally declines at an average rate of 5% per year, the annual decline on this single well is one Mcf. If we employ SAM initiatives in this well to improve its production profile, potentially taking it from producing 20 Mcf of natural gas per day to 40, 70 or even 100 Mcf per day – this single, low-cost workover activity has the effect of offsetting the 'typical' natural decline of 20, 50 or 80 wells, respectively. Our large and diverse portfolio of assets affords us thousands of opportunities to deploy these techniques – techniques that have a proven track record of maintaining consistent production across our wells.

SAM initiatives for our midstream assets often include right-sizing midstream compression based on flow volumes, rationalising duplicative or unnecessary gathering lines to reduce the size of the system we maintain and identifying and eliminating line loss which increases the amount of natural gas we sell while positively affecting our environment.

We see SAM as simply good business: wise stewardship of existing assets and highly aligned with our goals to have a positive social and environmental impact. We recognise that no single upstream well or midstream pipeline improvement is too small because small daily improvements across our entire portfolio add up to big gains for our company, our stakeholders and the environment.

Benefits of SAM

Bringing wells back to production which require us to ensure operational safety.

Eliminating duplicative pipelines and excess compression capacity which reduces emissions.

Adding efficient lifting techniques for mature wells which lowers emissions while increasing production.

Visiting over 6,000 well and compressor sites per day or digitally monitoring the safety and productivity of our assets.

Continually monitoring and assessing the integrity of our pipelines to ensure produced volumes are delivered to our customers.

Utilising data analytics to drive better informed and more timely decisions.

Safe and systematic well retirement

With safety and environmental stewardship as top priorities, we designed our Safe and Systematic Well Retirement programme to permanently retire wells that have reached the end of their economic lives.

Often when people think about asset retirement, they envision the complex and costly "decommissioning" of deep, offshore wells with large production platforms. Because of its scale and location, decommissioning presents greater safety and environmental risks that the offshore operator must manage. In contrast, the retirement of our predominantly shallow, onshore wells and their small land footprints is far less complex and costly, with low environmental and safety risk.

RESPONSIBLE STEWARDS

DGO's well retirement programme reflects our solid commitment to a healthy environment, the community and its citizens, and state regulatory authorities. Under the accountability of the Chief Operating Officer and the operational responsibility of the Operations department, the Company works closely and cooperatively with the landowners, communities and state regulatory agencies to meet all expectations when retiring wells and restoring the well sites. Our retirement process involves carefully planned steps, completed by our experienced team partnered at times with appropriate experts and reviewed by state regulators who ultimately approve the work.

During 2020, we safely and permanently retired 92 wells, exceeding our collective state commitments to retire 80 wells in our primary states of operation for which we have 10-year (Kentucky, Ohio) and 15-year (Pennsylvania, West Virginia) asset retirement agreements. These cooperative state agreements provide the Company with visibility to retirement activities to which it earmarks annual funds for retirement activities and further affords the landowners and states active involvement in planning and approving our retirement processes. We continue to maintain open and active dialogue with our states' legislative and regulatory bodies to collaborate on best practices for retirement and closure activities within the natural gas and oil industry. At DGO, we continually challenge ourselves to be innovative in every aspect of our Safe and Systematic Well Retirement programme, and we are committed to environmental stewardship to protect the natural resources we all enjoy. Part of that commitment includes working with the landowners to plant trees on the restored well sites, or to donate equivalent funds to organisations actively involved in similar tree planting initiatives, as a means of creating carbon offsets.

We plan each job by tailoring the process to the specific location, nature and depth of the well. We only engage with partners and qualified experts who share our team's focus on safety, the environment and efficiency.	Our employees prepare the well site for plugging by ensuring safe access and available space at the location for the necessary equipment.	As necessary, we remove production tubing or well casing from the wellbore, recycling or safely disposing of the materials as applicable.	We set cement plugs at multiple depths in the wellbore. The cement blocks producing formations from the potential of future communication to the wellbore, protects any nearby fresh water sources and seals the well at the surface.	We place a permanent marker to identify the former well location and restore the well site insofar as possible to its original and natural condition, with the state authorities, and in some cases the landowners, providing a final review and sign off on the well site restoration and rehabilitation.

Environmental, Health and Safety (EHS) in focus

"Our highest priorities are protecting the environment and ensuring the safety of our employees and the people who live near our sites. A safe environment underpins our ability to work effectively and builds trust in the communities and teams in which we operate."

PAUL ESPENAN
Vice President of Environmental, Health and Safety

~67,000
WELLS

~17,000
MILES OF MIDSTREAM

With more than 35 years of knowledge as an EHS professional and over three decades of work in the energy sector, Paul brings a wealth of experience to his role as Vice President of Environmental, Health and Safety.

EHS GOVERNANCE, POLICY AND MANAGEMENT SYSTEM

With an asset portfolio consisting of some 67,000 wells and approximately 17,000 miles of midstream pipeline across multiple states, EHS management remains a top priority as we daily demonstrate our commitment to exercise environmental stewardship in the communities in which we live and operate. As stated in our EHS Policy, a fundamental commitment at DGO is the protection of our employees, contractors, the public and the environment. Our policy, therefore, is a promise to our employees, customers, partners, shareholders and communities that we are committed to operating safely and protecting the environment.

Our daily actions are driven by this commitment as we seek to continuously practice our number one priority – SAFETY…NO compromises – and to reduce the environmental impact of our business operations. Our Smarter Asset Management programme, for example, is not only a central component of our overall investment case and business strategy but also reflects our belief that operational focus with a commitment to environmental stewardship is just good business. We believe that good business includes improving the safety of assets we have acquired, eliminating and reducing fugitive emissions, consolidating duplicative pipeline networks, eliminating excessive compression facilities and extending the lives of producing wells in order to offset the need to generate supply from newly drilled wells.

Signed by our CEO, our EHS Policy is guided by the principles of corporate accountability and leadership, risk preparedness, collaboration and transparency. As reflected in our policy, we require a commitment to safety and environmental stewardship from our suppliers and vendors with whom we conduct business. Further, our EHS commitment extends beyond the scope of legal requirements. In the case of acquisitions, we examine compliance with the applicable environmental and occupational safety regulations, and look for opportunities, if applicable, to meet standards that exceed that regulatory compliance.

EHS SUMMIT – EDUCATION, PLANNING & TEAMWORK

In November 2020, we gathered our full complement of EHS staff in Morgantown, West Virginia, to provide additional and updated education as well as to plan our strategies, projects and necessary resources to ensure we deliver on our commitments for environmental stewardship and safe operational practices. We performed team building exercises and received formal education on technology and best practices. We then crafted our 2021 aspirational goals for improvement of people, processes and systems within the EHS group.

PERSONAL, PROCESS AND DRIVER SAFETY

We have an experienced and professional workforce; however, we will never allow complacency to have an impact on our safe business practices. Our approach to safety is integrated into our company-wide EHS management system. With safety at the forefront of every operating practice, our 24-member EHS team reports directly to the COO and supports company-wide safety and environmental stewardship efforts, ensuring access to relevant training as preventive or responsive measures and compliance with state and federal standards and regulations for both safety and environmental compliance.

During the year we implemented a series of initiatives to foster a feedback culture in which employees are encouraged to voice suggestions or concerns in a safe and accepting environment. These initiatives also aimed at empowering our workforce to intervene or stop work when they observe an at-risk situation or unsafe behaviour. Our initiatives drove excellent employee engagement and conversation and led to the improved consistency of operational practices.

Environmental, Health and Safety (EHS) in focus continued

In November 2020, and as a result of our employment engagements, we published a formal Field Operating Guide that standardises operational practices across the organisation with performance expectations tailored to the specific states in which we operate. The completion of this guide was important to our teams as it represented the formalisation and standardisation of operational practices that we had accumulated from our numerous acquisitions. We understand and believe that having consistent operational practices supports our commitments to safety and environmental stewardship.

PERSONAL SAFETY

As an important part of our safety commitment, we supply our employees with protective equipment to safely and successfully fulfil their daily responsibilities. This safety equipment includes fire-retardant clothing for both cold and warm weather conditions, hard hats, eye protection, hearing protection and steel-reinforced footwear. In addition to the standard issue equipment, and depending on job requirements, we issue field employees task-specific safety equipment such as natural gas detection devices. We require all field employees to complete safety and risk mitigation training and continuing education, and they are further trained in first aid and CPR. In 2020, our employees recorded 11,540 training contact hours.

In 2020, we achieved a Total Recordable Incident Rate ("TRIR") of 1.35, representing a nearly 35% improvement from our 2019 rate of 2.06 while also bettering our 2020 goal of 1.90. We strive to maintain a zero-harm working environment and remain steadfast in our commitment to ALWAYS improving safety performance inclusive of every employee, job function and location. To that end, we also initiated a programme aimed at identifying the common root causes of potentially severe events which could further help us control the underlying risk(s) that cause recordable serious injury occurrences.

Our unwavering commitment to safety extends beyond our own personnel to that of our contractors as well. We review contractor choices before work is awarded so that we can award work to the contractors who are attaining high safety performance, and we utilise Veriforce, a leading supply chain risk management firm, to screen and monitor contractor safety performance on a continuous basis. If a retained contractor drops below our performance criteria, we are able to view this in real-time through our dashboard and take action to remedy the situation accordingly. During the year, we took action to address suppliers whose performance dropped below our determined thresholds and maintained ongoing contractual agreements with those contractors who satisfactorily remediated their performance. Our contractor base of approximately 400 companies had the lowest Incident Severity Rate compared to our Veriforce peer group. This group of contractors achieved a three-year average TRIR of 0.74, which is below the peer group average rate.

During 2020, we were pleased to deliver two important, safety focused events for our employees (see case studies on page 36). We believe these events positively impacted our safety results in 2020, as manifested in a much-improved TRIR, and further believe we will continue to see that positive influence in future results.

PROCESS SAFETY

Process safety, or asset integrity, is the ability of our physical assets to perform their required function effectively while safeguarding human life and the environment. Process safety starts at the early design phase of building facilities and continues throughout their life cycle, making sure they are operated safely, well maintained and inspected regularly to identify and deal with any potential process safety hazards. For DGO, since we do not generally build new facilities but rather acquire existing facilities, process safety encompasses the ongoing investment of financial and human capital focused on the prevention and mitigation of unplanned releases which may create environmental impacts.

Certain DGO midstream facilities are regulated as Occupational Safety and Health Administration ("OSHA") defined Process Safety Management facilities and therefore subject to well-defined safety processes. To ensure we minimise the number of process safety incidents across all our facilities, we provide our personnel with the best possible training, follow rigorous and disciplined operating procedures and provide a supportive environment for the reporting of any incidents which may occur.

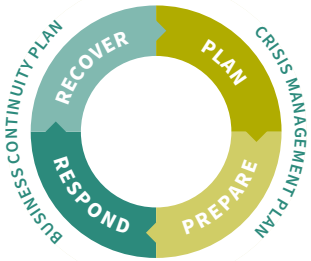
During 2020, we incurred no Tier 1 or Tier 2 process safety events in our operations.

EMERGENCY PREPAREDNESS

We strive to have the processes and procedures in place to quickly and effectively respond to any emergency event that may occur. We have a formal Crisis Management Plan ("CMP") that consists of company-wide guidelines on how to prepare for and respond to emergencies. Our CMP is reviewed annually by our senior leadership, and we conduct training events to test the effectiveness of our plans. Additionally, using simulated emergency events, we engage our employees in emergency preparedness and response exercises designed to allow our employees to respond to actual or threatened injuries to people, spills or releases to the environment, or damage to our assets or third-party facilities. We recognise that continuous improvement as well as clearly defined roles, responsibilities and resources are essential elements of our preparedness and response plans, and we actively incorporate both simulated and actual lessons learned into our preparedness and future processes.

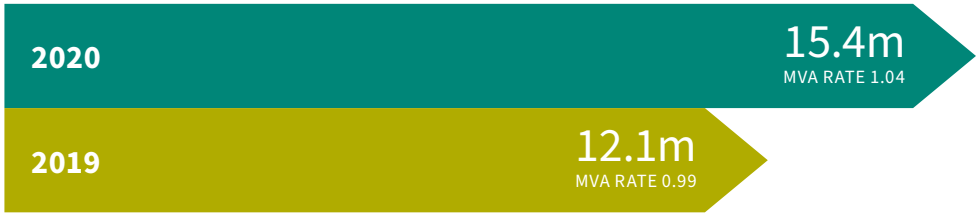
We also have a formal Business Continuity Plan ("BCP") for our critical business functions. Our BCP is designed to first ensure the safety of our employees and other stakeholders impacted by a natural disaster causing a business disruption. After ensuring the safety of all impacted parties, our BCP is focused on returning our business functions to normal operating status in a timely and orderly process.

Both our Crisis Management Plan and our Business Continuity Plan are an important part of our corporate risk management strategies. Our overall risk management process, which is overseen by our Board of Directors, is important to the success of the Company, and we are committed to our stakeholders to execute our risk management processes with thoroughness and excellence.



Environmental, Health and Safety (EHS) in focus continued

Million Miles Driven by DGO Employees



DGO's Motor Vehicle Accident Rate remained consistent for 2019 and 2020

* Year over year increase due to increase in employees related to 2020 acquisitions

DRIVER SAFETY

Driving is a top safety risk we all face both on and off the job, and therefore road safety awareness and safe driving are of paramount importance to us. Given our expansive upstream and midstream asset portfolio across the Appalachian Basin, our well tenders and other field employees can spend a significant portion of their day driving in their vehicles. Due in large part to our acquisitions of both upstream and midstream assets in 2020, our expanded employee base drove some 15.4 million miles during the year as compared to 12.1 million miles driven in 2019.

Distracted driving is a major cause of severe accidents, injury and death in the US. As a company that does not compromise on safety, our vehicles are an important and necessary asset for effective operations and represent a significant investment for us. Most importantly, our employees are our most valuable assets. With more than 900 employees on the road in a company vehicle each day, our goal is ZERO preventable vehicle incidents. Our preventable motor vehicle accident rate in 2020 was virtually unchanged from 2019 at one accident per million miles driven. As with any kind of company incident, our senior operations and EHS leadership teams review results with a specific emphasis on root causes and change improvements to mitigate future incidents.

Throughout the year, we offered additional driver safety training for those employees who are required to access wells in remote locations in challenging terrain and weather conditions. To encourage safe driving habits, during 2020 we introduced the Safe Passages programme, a recognition programme for our operations employees that achieve an accident-free driving record in each calendar year. Employees achieving the accident-free driving record earned a special edition and custom designed CASE® pocketknife. This custom designed CASE® pocketknife includes engraving of our company name and logo as well as local wildlife prevalent in our operating geography. Earning the Safe Passages pocketknife award is a significant honour for our employees. In 2020, 99% of our eligible employees earned the awards provided by our Safe Passages programme. We are proud of employees for making safe driving a daily focus.

To help ensure that we can safely account for our field personnel who often conduct daily activities on a standalone basis, we installed GPS units in our company vehicles during 2020 which allow us to monitor the location of our employees as they collectively drive those millions of miles across our operating footprint. In order to improve the efficiency of our operations, we are constantly reviewing the geographic reach of our employees' daily responsibilities in order to reduce miles driven and, as a result, our emissions footprint. Additionally, in order to maximise the safety of our vehicles and to improve the efficiency of our fuel usage, we maintain a rigorous maintenance programme for our operational vehicles and an appropriate fleet replacement programme for vehicles that have reached a certain age and mileage.

ENVIRONMENTAL MANAGEMENT

We are committed to protecting the environment through responsible operations and a comprehensive EHS Management System. This commitment means carefully considering the potential impact of our activities and how local communities and the surrounding environment may be affected before, during and at the end of our operations. We focus, therefore, on reducing risks, maintaining compliance and seeking best practices and continuous improvement in all our EHS and operational processes. If an environmental issue were to occur that extends beyond the scope of our standing emergency response plans, we engage our Crisis Management Plan as necessary depending on the severity of the incident while maintaining clear communications with both internal and external stakeholders.

For DGO, effective environmental management includes both our Smarter Asset Management and Safe and Systematic Well Retirement programmes which are dedicated to improving the production, safety and integrity of our assets before retiring those assets at the end of their economic lives, all of which translates to a reduced environmental footprint.

We set for ourselves stringent environmental standards, which meet regulatory requirements and often exceed them. We use external standards and guidelines and proven industry practices to drive our own practices and processes. Within our operations, we are committed to:

- ✓ **Reducing emisssions**
- ✓ **Using energy more efficiently**
- ✓ **Eliminating unnecessary water consumption**
- ✓ **Reducing waste**
- ✓ **Preventing spills of hazardous materia**
- ✓ **Reducing unintended releases of natural gas**

GREENHOUSE GAS EMISSIONS

We are committed to reducing total emissions, including both GHG and non-GHG emissions, and this commitment begins with our acquisition strategy. Focused on building a portfolio of existing, long-life wells, we reduce the need for the development of new fields or the drilling of new wells and thereby reduce the introduction of new sources of emissions into the environment.

We understand the importance of climate change as global energy contemplates and pursues a transition to a less carbon-intense economy, and we recognise the physical risks related to climate change and how these risks might impact our business. We are cognisant that market changes may occur as climate-related laws and regulations evolve, guided by global agreements and US policy. Through the leadership and oversight of our Sustainability & Safety Committee, we are confident that our plans and actions will be focused on business practices that will benefit the environment. In this context, we have ensured our EHS policies address our commitment to comply with all EHS laws and regulations specific to every state in which we operate.

Our Scope 1 and Scope 2 CO_2 emissions are primarily the result of operating over 60,000 mature wells and several hundred compressor stations located throughout an expansive geographic base. The output of CO_2 emissions at any one well or compressor location is generally at very small levels and for our wells is intermittent in most cases.

Greenhouse Gas Emissions[a]	Unit	2020	2019
Total Scope 1 and Scope 2 CO2e[b]	thousand MT CO2e	1,884	2,614
Scope 1 Emissions	thousand MT CO2e	1,883	2,614
Carbon Dioxide	thousand MT CO2e	813	446
Methane[b]	thousand MT CO2e	1,068	2,166
Nitrous Oxide	thousand MT CO2e	0.7	1
Methane Emissions as % of Scope 1		57 %	83 %
Scope 2 Emissions	thousand MT CO2e	1	Not Assessed
Scope 1 Emissions Attributable to:[b]			
Flared Hydrocarbons	thousand MT CO2e	0	6
Other Combustion	thousand MT CO2e	813	456
Process Emissions	thousand MT CO2e	83	205
Other Vented Emissions	thousand MT CO2e	703	1,398
Fugitive Emissions	thousand MT CO2e	283	550

Air Quality[b]	Unit	2020	2019
Nitrogen Oxide (NOx, excluding N2O)	tons	5,802	Not Assessed
Carbon Monoxide (CO)	tons	3,450	Not Assessed
Sulfur Oxide (SOx)	tons	0	Not Assessed
Volatile Organic Compounds (VOC)	tons	782	Not Assessed
Particulate Matter (PM10)	tons	15	Not Assessed

[a] Emissions are reported under a modified Intergovernmental Panel on Climate Change report format for EU investors.
[b] Uses a global warming potential of 28 for methane.

Scope 1

Direct emissions from sources owned or controlled by the company

- Fugitive emissions
- Fleet vehicle use
- Gas fired compressor use

Scope 2

Indirect emissions associated with electricity, heat, cooling or steam usage

- Operations & field offices
- Administrative offices
- Warehouses

Given the geographic expansiveness of our producing-well portfolio and midstream infrastructure throughout the Appalachian Basin, we utilise a large mobile fleet of vehicles to access our assets. We are continually striving to gain efficiencies in service routes, employee time and vehicle use by shrinking the geography of our production employees' areas of responsibility, which results in fewer miles driven and thus lower our vehicle emissions.

Throughout our operations we strive to deploy transformative technologies to reduce our impact on the environment. At our Kanawha Separation Plant ("KSP") located in Tad, West Virginia, for example, we extract and process approximately 200 tons of CO_2 per day that may have otherwise entered the atmosphere and send it instead to a neighbouring facility for further purification and use in commercial applications. It is a 24/7 year-round operation other than for planned maintenance. During 2020, KSP processed more than 68,000 tons of CO_2 with an estimated value of $1.5 million.

Environmental, Health and Safety (EHS) in focus continued

In 2020, we embarked upon an emissions reduction strategy to reduce our carbon equivalent emissions, including methane. Our Emissions Reduction Plan ("Plan") aligns with our stated operational focus on Safety, Production, Efficiency, and Enjoyment. We know that safe operations are also efficient operations which can translate to emissions reduction through increased capture and sales of natural gas. Our Plan is divided into the following four areas: education, pneumatic devices, leak detection & repair, and innovation & best practices. In 2020 we initiated improvement projects in all four of these areas and made significant progress in each. Of particular note, we significantly improved the accuracy of our emissions sources related to separators and pneumatic devices acquired in heritage operations, as initially indicated in our prior year Sustainability Report. Even with assets added through acquisitions in 2020, we also through Smarter Asset Management eliminated from service a number of devices with reportable emissions which was primarily responsible for the marked improvement in our total Scope 1 CO_2e emissions and percent methane reductions in 2020.

"For DGO, environmentally friendly business comes from our business philosophy and strategy – to acquire mature, primarily natural gas-producing assets, strengthen their integrity and safety, and improve their productivity and efficiency until the end of their full productive lives."

PAUL ESPENAN
Vice President of Environmental, Health and Safety

AIR COMPLIANCE FOR COMPRESSOR AND PIPELINE OPERATIONS – LEAK DETECTION AND REPAIR

Asset integrity is a keen focus for DGO and our commitment to safety, environmental stewardship and maximising the economic potential of our natural resources. Equipment, such as valves, pumps, and connectors, can be a source of emissions of volatile organic compounds ("VOCs"). We control emissions leaks from equipment through a continuous programme of a leak detection and repair ("LDAR") and by modifying and upgrading equipment where necessary. We carry out LDAR tests on our applicable production pads and compressor stations in order to detect methane leaks from the mechanical operations of the facilities. We utilise monitoring equipment as well as audio-visual-olfactory ("AVO") inspections to search for any unexpected leaks of natural gas.

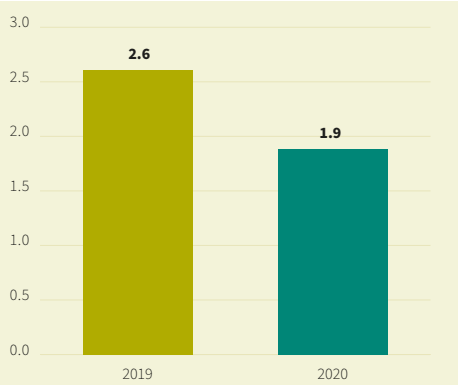
Our adherence to state and federal air quality standards is a critical component of our compression operations, which are vital to getting our natural gas to market to serve our customers and bring value to our investors.

In 2020, we completed a successful pilot programme utilising Remote Methane Leak Detection ("RMLD") equipment to locate previously unidentified or undetectable to AVO inspection methane leaks in our equipment with a specific emphasis on our smaller diameter gathering pipelines. As of result of this pilot programme, we purchased nine RMLD devices for our field operations teams and use these devices on a daily basis. Though not required by regulations, we believe the use of these devices further exemplifies our commitment to address climate change risks and demonstrates our commitment to safe operations in the communities in which we operate.

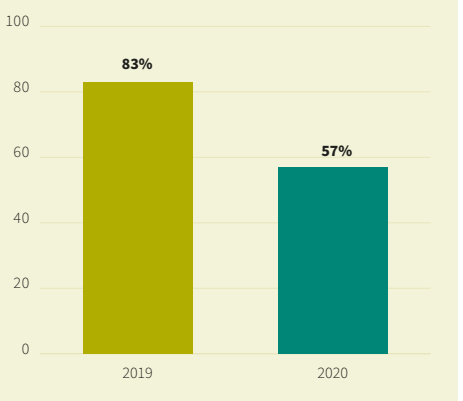
In addition to our efforts to locate unintended releases in our gathering lines, we also seek to eliminate excess compression capacity from our operations as part of our Smarter Asset Management programme. By eliminating this excess capacity or duplicative compression facilities, we are able to lower our operating costs while also reducing emissions from the excess facilities. Since January 2018, we have eliminated 34 compressors and 13,000 horsepower from our midstream operations which has generated tangible and real emissions reductions.

Scope 1 Emissions

Million MT CO_2e



Methane Emissions as % of Scope 1



Note: 2020 figures include approximately 7,000 wells and 4,900 miles of midstream acquired in May 2020 from Carbon Energy and EQT.

SPILL PREVENTION AND MANAGEMENT

DGO's exposure to significant environmental incidents from spills of liquid products is minimal given our current production profile of 91% dry natural gas. Nonetheless, we actively seek to prevent uncontrolled releases of natural gas through proper design, appropriate controls and trained personnel.

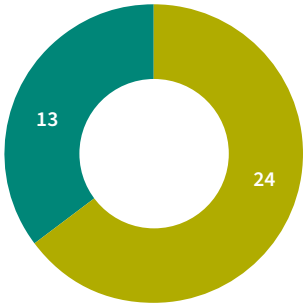
We take a rigorous approach to managing the potential impacts of a spill of production fluids, which may include natural gas liquids, oil or produced water. Approximately 8% of our total production is natural gas liquids, which are processed at facilities managed by third parties. For the remaining 1% of our production that is subject to oil storage and regulation, we implement practices and processes that are in compliance with the state and federal regulations.

Maintaining the integrity and safety of our wells is a critical element of managing spill performance. We conduct annual Spill Prevention, Control and Countermeasure ("SPCC") training and review sessions with our senior management and operational personnel. These sessions are designed to review our plans, address necessary changes in our asset portfolio, and update our plans accordingly.

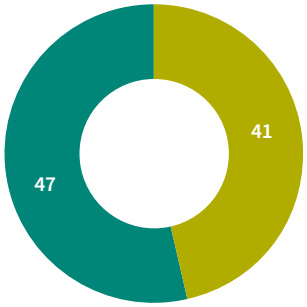
Our SPCC plans establish company-wide procedures and processes to mitigate potential negative impacts of a spill. To support a quick and effective response to any incident, we maintain open and active dialogue with our respective state regulatory agencies, communities, landowners and emergency response organisations at the local and regional levels. In the event that we do experience an unexpected release of oil or other production fluid from a well site storage facility, we act in accordance with our safety and environmental procedures, recording and reporting all incidents as required by state regulation, and complete appropriate and immediate reclamation of the affected area.

In 2020, for spills that met the criteria for reporting to a state agency, we are pleased to report that our spill incidence rate was insignificant.

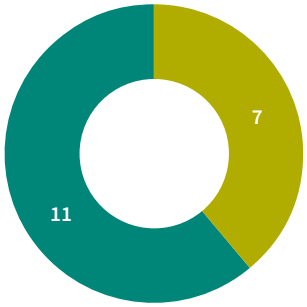
Number of reportable oil spills



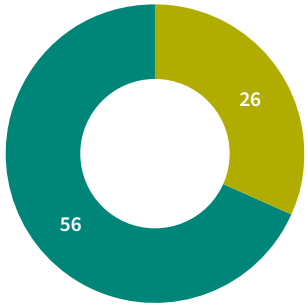
Volume of reportable oil spills
Bbl



Number of reportable produced water spills



Volume of reportable produced water spills
Bbl



2020 2019

2020 figures include approximately 7,000 wells and 4,900 miles of midstream acquired in May 2020 from Carbon Energy and EQT.

CASE STUDY

Regional Emissions study with the US Department of Energy

During 2020, we began participation in a US Department of Energy ("DOE") multi-stakeholder study seeking to better understand the methane emissions generated from the approximately 770,000 mature, typically marginally productive, natural gas and oil wells located in various basins across the US. The project commenced under an Assistance Agreement with the DOE's National Energy Technology Laboratory. The goal of the study was to collect and evaluate emissions data from these mature producing wells in order to help guide the wells' operators in formulating effective plans for targeting emissions reductions. A preliminary conclusion to date of the ongoing study approximates that 20 per cent of total facilities across the US represent the largest emissions reduction opportunities. Given our unique operating model focused on environmental stewardship and our desire to support multi-stakeholder programmes for tackling issues within our industry, we believe we can contribute to this study while it remains open in 2021. DGO will seek to utilise the results of this study alongside our other best practice operating activities, including active deployment of LDAR technology, to positively impact emissions reduction across our footprint.

Environmental, Health and Safety (EHS) in focus continued

WATER MANAGEMENT

We consider water management a vital aspect of our operations, and frankly an extension of our 'good stewardship' philosophy, and therefore we adopt responsible management methods to safeguard one of the planet's most precious resources. DGO's operating footprint is located within states that qualify primarily as low to medium water stress regions as defined by the World Resources Institute's Aqueduct Water Risk Atlas. We share the UN SDGs' acknowledgement that access to clean, safe water is a fundamental human right, and we recognise it is of clear importance to local communities and vital to the environment in which we operate. At DGO, we do not develop new wells and therefore we do not withdraw or consume freshwater for drilling or hydraulic fracturing activities, which significantly reduces a material environmental concern experienced by many of our peers. Instead, we produce water as part of the natural production process of natural gas and oil wells and manage that produced water in adherence to applicable state regulations.

Where practicable, we supply our produced water to nearby development companies that are drilling and stimulating their new wells. In doing so, our recycled water reduces the developers' use of freshwater, which leaves it available for consumer and agricultural uses. In other cases, we are able to provide our water to certain municipalities or townships who can use the produced water in their dust suppression and local roadwork activities, also eliminating the use of freshwater. We also treat certain water volumes to near-drinking water quality such that we can legally discharge the hydrocarbon-free water per state requirements. In all other instances, where geographically feasible and as part of a safe and long-standing practice in the US natural gas and oil industry, we inject our produced wastewater into disposal wells designed to receive such water.

Produced Water	Unit	2020	2019
Disposed or sold	MBbls	1,244	1,231
Injected into approved disposal wells	MBbls	808	442
Recycled	MBbls	333	97

BIODIVERSITY AND PROTECTED AREAS

We lease a substantial acreage position of some eight million acres across the Appalachian Basin where our assets are situated among remote and urbanised locations, on private, state and federal lands.

As we do for all assets across our entire footprint, we maintain our wells within this acreage mindful of the impact our operations have on the ecosystems with which we interact, and we are committed to minimising our impact and enhancing, where possible, the biodiversity and ecosystems within our footprint.

We also routinely engage with the appropriate biodiversity and water management experts within the various environmental protection departments in our operating area as we strive to work collaboratively with our neighbours and regulators in each of our states.

CONSERVATION ACTIVITIES

In April 2020, we aided in the preparation for and planting of rhododendrons, the West Virginia state flower, and elm trees in the Kanawha State Forest near Charleston to commemorate the 50th anniversary of Earth Day. We worked with the forest managers on the planting locations and planned future tree plantings in the area in which a new playground will be built.

As part of our ongoing environmental sustainability efforts, DGO works closely with the landowners on whose land we retire wells to plant trees on the restored well sites or to donate equivalent funds to organisations actively involved in similar tree planting initiatives. During 2020, we safely and permanently retired 92 wells and planted or donated funds to plant some 300 trees in our communities.

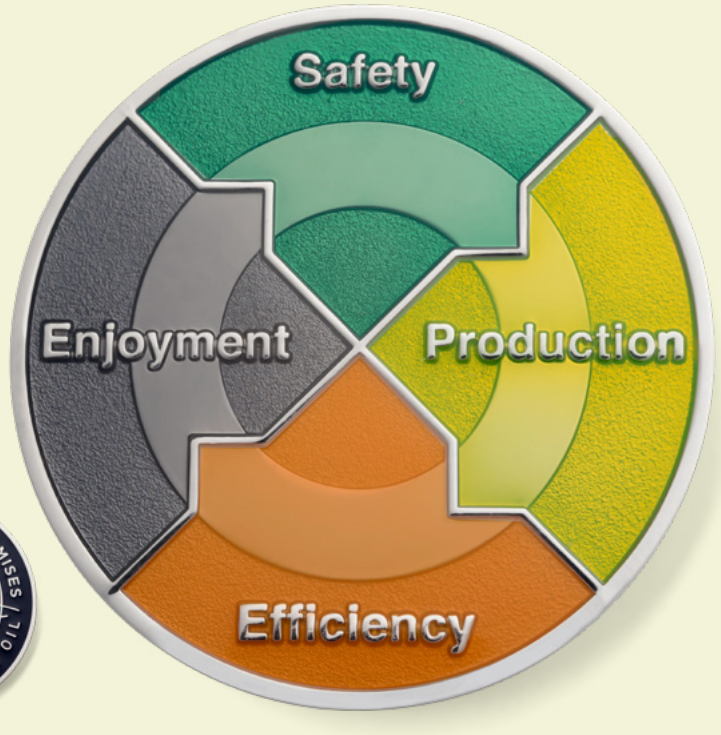
CASE STUDY

The Challenge Coin

"The Challenge Coin acts as a reminder not just to do things well each day, but also of who is depending on you throughout the day and who is counting on you to make it home safely at the end of the day. Above all else, SAFETY...NO Compromises is our first daily priority."

PAUL ESPENAN
Vice President of Environmental, Health and Safety

In 2020, we issued a Challenge Coin to our employees that provides them with a tangible and physical reminder of our daily priorities which support our safety culture and values. Our Challenge Coin is rich with meaning, so we challenged our employees to carry it with them each day as a reminder of our priorities and focus and what is at stake with each decision and action they take.



A COIN	OUR CULTURE, BELIEFS AND PRINCIPLES ABOUT SAFETY
Is valued and will always have more worth than the metal that made it	Always have worth and will be cherished beyond mere words
Is durable and will stand the test of time	Are durable and will stand the test of time
Cannot be easily bent or changed	Our culture and values cannot and will not be easily bent or changed
Is round and has no beginning or end, with no corners to be "compromised"	Are always in place and never compromised
Has a message and a meaning	Have a message and a meaning
Was forged by heat and pressure to become something meaningful	Are constantly being forged by daily challenges and opportunities

CASE STUDY

Employee feedback sessions focused on improved safety practices

As a result of close call incidents during the year, we performed a series of safety feedback sessions with our operations employees to develop a better understanding of the underlying circumstances or influences which may be contributing to the incidents. No attempt was made during the sessions to fix any issues raised; rather, we simply listened and catalogued opportunities for improved alignment with our stated guiding principles. In turn, we met with leadership and discussed "as-is" thoughts, beliefs, and actions compared to "as-desired" results. For each "as-is" opportunity to gain alignment with preferred outcomes, we crafted "cultural actions" that would support attainment of the opportunity. One such cultural action was the development of "The Diversified Advantage," a leadership workshop focused on the amplification of DGO's Operating Guidelines into actionable daily practices. This workshop started in 2020 and will be an ongoing occurrence across our operations teams.

Our employees make all the difference

Q&A with Mark Kirkendall

"I am always encouraged to see how personally connected our employees are to their work, often hearing a well tender, for example, refer to an asset as "my well" and knowing the impact the efficient operation of that well would mean to our company's financial results."

MARK KIRKENDALL
Senior Vice President of Human Resources

Q What were the key areas of focus for 2020?

There is no doubt that 2020 was unique in that we as a business, like every business across the globe, had to manage the social consequences of the pandemic. As a business that provides essential products to our communities, we acted swiftly to operate in line with states' guidelines and provided our employees with all necessary PPE and guidance to ensure safe social practices. Thankfully, the majority of our field operatives naturally work in remote locations, so operational disruption was minimal.

Strategically and operationally, we continue to invest in the development and capabilities of the Human Resources function. With DGO having grown through significant acquisitions, we have very much focused on the harmonisation and standardisation of various processes and procedures in line with our ONE DGO commitment outlined in 2019. Key tenets to this standardisation include the introduction of singular policies on payroll, time off and 401k plans, which has also made the onboarding process of new employees far more efficient.

Q In recognition of DGO's remote operating model spanning seven states in total, how does DGO ensure that it effectively engages with its employees?

Facilitating communication between the executive leaders and workforce is really important for our business – we want our employees to know that their work and input is valued. Even before Covid-19, the application of technology has been instrumental in supporting our initiative to improve methods of communication. We introduced a web-based platform this year to share information directly with our employees working remotely across our operating footprint, with the objective of it becoming, in due course, a knowledge sharing platform for videos or best practice operating and safety standards. Of course, the expanded use of the video conference services and platforms is becoming more commonplace, accepted and very useful for connecting any part of our company in face-to-face engagement.

Our leadership team remains incredibly active and engages throughout the year directly with the workforce through regular status update calls or meetings, frequent field site visits and the implementation of a newly created Professional Development Programme designed, among other things, to provide employees with opportunities for direct interaction with executive and senior leadership as well as direct interaction with the Company's Directors primarily through our Board appointed Employee Representative.

Q What do you think drives success at DGO?

I am always encouraged to see how personally connected our employees are to their work, often hearing a well tender, for example, refer to an asset as "my well" and knowing the impact the efficient operation of that well would mean to our company's financial results. They take pride in what they do, and they're good at it. They know their hard work provides energy for their families and communities, which fosters a strong desire for their success and the success of our company.

Our employees make all the difference continued

COVID-19 RESPONSE

At DGO, we want our employees to feel safe and secure in their working environment and the communities we serve to know they can rely on us in any circumstance to deliver the natural gas they depend on daily to meet their energy needs. Early in the pandemic onset, state regulators across our operating footprint deemed natural gas and oil producers like DGO 'essential businesses' which could continue to operate while ensuring compliance with new Covid-19 guidelines set out by OSHA and the medical community. The widespread nature of our operations, often across very rural locations, naturally limited the amount of human-to-human interaction, thus creating a natural social distancing for DGO's field employees and the customers we serve. Further, our office personnel were provided the option of working remotely dependent on their preference and ability to do so, with appropriate measures added in the office environment to ensure compliance with recommended health and safety protocols. The significance of our number one operational priority – SAFETY...NO Compromises – has certainly been tested during this global human crisis, but our response remains clear as our employees have embraced the challenge of a "new normal" and have remained committed to safely producing and delivering our natural gas to those we serve.

HUMAN RESOURCES GOVERNANCE, POLICIES AND MANAGEMENT SYSTEM

We have grown rapidly over the past few years through successful acquisitions and, in doing so, welcomed hundreds of new employees into the DGO family. Standardisation and harmonisation have therefore been key priorities company-wide throughout the integration of these acquisitions, and this year we reconciled all the differing, pre-existing Human Resources policies into singular overarching policies. We were successful in our objective to create clarity for our employees and to improve the system of integration for new employees, as evidenced by the seamless onboarding process of personnel related to our 2020 acquisition activity. The standardisation of these policies has thereby strengthened the ONE DGO philosophy, uniting all employees under one set of policies.

In 2019, we outlined a number of new Human Resources initiatives we planned to introduce, and we are pleased to report that progress in implementing these initiatives has been strong. For example, we implemented annual performance reviews to ensure that no individual in the Company goes more than twelve months without a performance review. We formalised a bonus policy for a portion of our workforce that establishes a clear understanding of targets and objectives which we know will create improved opportunities to deliver quality results.

We have increased the application of technology across our Human Resources functions. To improve company-wide communication efforts, we introduced a Sharepoint page, an information sharing platform the Human Resources department updates with key information on a monthly basis, supplemented by as-needed updates provided by our CEO, COO, field safety managers and representatives from our different business functions. In 2021, we plan to roll out an applicant tracking system to measure the diversity of applicants for employment and an online Performance Management & Goal Setting Platform.

To maintain process efficiency, remote access and corporate-wide functionality, in 2020 we also updated the platforms we use for our time & attendance system and introduced a new 401k plan platform.

EMPLOYEE ENGAGEMENT

We have always maintained an open door policy for our employees to engage with DGO's executives. Our executive- and senior-leadership teams have daily interactions with our employees, whether in the office, in the field or through digital platforms. We value the views and insights of our employees as they represent the business within our operating communities but more importantly help shape our working culture and ultimately help deliver our strategic objectives.

The most frequent executive management-employee engagement comes from our COO and Board member, Brad Gray. Mr. Gray has daily interactions with our workforce across all parts of the Company, depending on the project or circumstance, and thus continually receives feedback from our employee base. Mr. Gray frequently visits our various field offices, spending time with personnel in both the office and on well sites, and is able to provide relevant feedback to the Board on a current basis.

As our workforce has grown in number and geographic dispersion, we have continued to seek opportunities for management-employee engagement to support and encourage feedback throughout all levels of the organisation. In determining the most appropriate engagement method to facilitate interaction with Non-Executive Directors, and in line with the requirements set out in the UK Corporate Governance Code, the Board introduced in late 2020 a two-year Professional Development Programme ("PDP" or "Programme") which comprises 14 individuals chosen to represent the views of our workforce and reflective of the diversity of our employee base, including gender, age, work location, level in the organisation, and functional responsibility.

Along with developing their professional skills and working on a collaborative project during their commitment period, participants are given the opportunity to interact directly with Board members and executive management with the primary goals of (1) ensuring workforce views and concerns are considered by the Directors, particularly when making decisions that may affect the workforce, and (2) providing a feedback mechanism to inform the workforce of steps that have been taken to address their concerns. The working sessions of the Programme

provide an opportunity for representatives to engage on a multitude of matters to feedback to the Board including: corporate vision, mission and values; operating practices and business culture; business opportunities and risks; and, employee engagement and development. The PDP is well underway, with positive interaction and encouraging feedback from both Directors and the participants.

Sandy Stash, Chair of the Safety and Sustainability Committee, serves as Non-Executive Director Employee Representative for DGO. Mrs. Stash brings to the role extensive experience in leadership and operations, and fully understands and supports the importance of engagement and teamwork. Supported, as appropriate, by DGO's executive directors, the role includes the following actions in which Mrs. Stash was engaged:

1. Providing feedback to the Board on the workforce's views and concerns on a regular basis, as well as reviewing any concerns raised by individuals in the workforce along with the Board;

2. Providing feedback to the workforce on the steps taken to address the workforce concerns or otherwise explaining why particular steps have not been taken;

3. Providing a sufficient combination of engagement methods to ensure that a wide selection of views of the workforce (and their differing interests and priorities) can be gathered;

4. Ensuring that there are policies for the workforce to raise concerns in confidence and, if the individual wishes, anonymously, ensuring that there are no negative repercussions as a result of doing so;

5. Regularly reviewing the whistleblowing policies of the Company as well as policies that support anti-bribery and corruption legislation to ensure that they remain effective;

6. Working with the Board and management of the Company to take appropriate steps to evaluate the impact of Board proposals and developments on the workforce, particularly on steps which may be needed to mitigate any adverse impact; and

7. Understanding that different sections of the workforce may have different interests and priorities and ensuring that such interests and priorities are considered in all policies, practices and purpose of the Company.

Mrs. Stash and the executive directors met with the PDP participants only once during 2020 as a result of the Programme's development in late 2020 and the limitations of in-person meetings imposed by Covid-19. Matters discussed during the session and duly shared with the full Board thereafter included: a universal commitment to the mission of the business and the generation of the strong workplace culture driven by leadership across the organisation; the creation of integration specific teams to drive acquisition processes; and, remuneration.

During 2021, Mrs. Stash is scheduled to meet with the PDP participants on two separate occasions, which will provide the opportunity to feedback how the Board has responded to the matters raised.

Based on feedback and evaluation throughout this inaugural Programme from both the participants and management, Mrs. Stash and the Board remain committed to revising the Programme's meeting schedule and content in order to ensure the PDP's effectiveness.

"This Programme is great and I'm excited and grateful to be included … I think the session was wonderful and organised to optimise the time. I would like to continue to hear more from senior management and board members."

PROFESSIONAL DEVELOPMENT PROGRAMME ATTENDEE

EMPLOYEE WELL-BEING

We have a dynamic culture at DGO. There is a genuine, top-down interest in employee well-being across the organisation, and the leadership team is committed to meeting employees in the field or the office to better understand their concerns and priorities. The passion and energy of our leaders enables efficient decision making, creating an energising culture. Our employees take pride in the work that they do, feeling ownership of and responsibility for the assets, and our leadership team recognises and rewards this work ethic.

We provide our employees and their dependents with access to excellent health and welfare benefits at zero cost to the employee and very competitive rates for family coverage. Our Employee Assistance Programme is a company-paid programme for all employees and their families, providing access to certain free counselling sessions.

We remain committed to supporting and engaging with our workforce to ensure all employees feel valued and motivated in the work they do. To make sure we are listening to our employees we support an "open-door" communication policy at all levels in the Company. We believe this policy helps to foster a unity of purpose, promote idea sharing and transparency, and improve productivity. In addition, should any individuals prefer, we provide employees with access to a third-party reporting and compliance hotline that facilitates the anonymous reporting of perceived illegal, unethical or improper conduct.

Our employees make all the difference continued

DIVERSITY AND INCLUSION

The first statement within our corporate-wide Statement of Values is to "value the dignity and worth of all individuals," and we actively engage this concept within the DGO family by fostering an environment of acceptance and inclusion, where all employees are valued without any discrimination. Our Employee Handbook sets out strict guidelines for professional conduct that we expect all employees to exhibit. Every new employee is provided with a handbook upon entering employment to ensure that our values and our guidelines remain important to their daily actions and interactions. Likewise, all employees have constant access to the handbook which resides on our company's computer network, and all employees are required to acknowledge review of the handbook when updates are included. We work very hard to create a work environment that encourages every one of our employees to achieve their fullest potential.

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, sex, marital status, or any other characteristic protected by applicable law. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

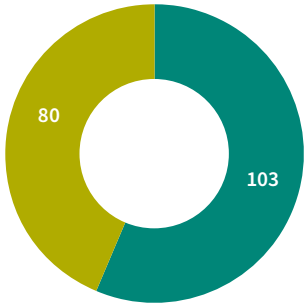
Our employees are divided into two functional categories for reporting purposes: (1) Production employees, which include our upstream and midstream field employees, and (2) production support employees, which cover all other employment positions. As of year-end 2020, the gender mix of our Production employees was 3% female and 97% male while our production support employees included 44% female and 56% male. Approximately 10% of our total workforce is female, resembling recent sector studies that indicate women make up approximately 15% of the technical and field roles in the natural gas and oil industry. At DGO, we actively seek to generate a diverse candidate pool from which we can identify and hire the most qualified individual, regardless of gender, to the benefit of the Company and our stakeholders.

As a responsible employer, we seek to uphold and protect the human rights of all our employees and contractors, as well as within our supply chain. We have a zero-tolerance approach to human rights abuse and modern slavery and seek to operate in accordance with all applicable US human rights rules and labour laws.

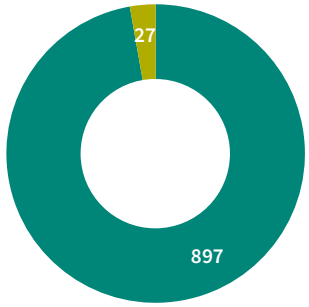
Employee counts

	Female	Male	Total
Production support	80	103	183
	43.7%	56.3%	100.0%
Production	27	897	924
	2.9%	97.1%	100.0%
Total	107	1,000	1,107
	9.7%	90.3%	100.0%

Production support



Production



Female Male

CASE STUDY

Be Where Your Boots Are

During our celebration of the one-year incident free milestone for our Tennessee and Virginia operations (bettered to 595 days incident free), we asked members of this team: "How did you attain this milestone?" Their answer was: "Be where your boots are." This group of employees explained that their safety results were driven by their FOCUS on the task at hand, whatever that may be. They further explained that they worked hard to eliminate distractions so that their minds were fully engaged where their bodies were located.

The answer and response was profound yet practical. We immediately began a training emphasis programme on situational awareness, work cessation when distracted, focusing exercises, and strong Pre-Job Hazard Identification that requires a meaningful conversation and engagement about any potential or real hazards present. In our newly developed training, we perform simulated role-plays of identifying pre-job hazards. This process includes a required validation that everyone is mentally present to the fullest and ready to perform the task at hand in a focused manner.

We have subsequently branded our new training programme as "Be Where Your Boots Are" and we continue to deliver this message to our employees on a daily basis.

Our employees make all the difference continued

TRAINING AND DEVELOPMENT

Compliance with workplace safety regulations is imperative for our operations, and that holds true for our own employees as well as contractors and vendors who operate on our well sites and along our pipelines. Safety training is therefore provided to all field employees on a quarterly basis and is closely monitored to achieve adherence to internal expectations and external requirements. Our employee and contractor training programmes cover accident prevention, protective equipment, safe operating practices, and chemical material precaution and workplace hazards. We follow US OSHA standards and regulations, offering new-hire training and regular courses for employees and contractors. We provide additional desktop and field training on numerous focussed topics to improve safety performance and wellness.

In addition to workplace safety training, we recognise that it is in the best interests of the Company to invest in our employees' professional development, and we are committed to training our employees on best practices in the different disciplines in our business. For our production-focussed employees, our SAM programme not only drives improved operational results, but also creates educational and development opportunities to gain additional knowledge and skills. For new employees joining the Company, they are paired with a colleague to encourage the sharing of knowledge and expertise. In 2021, this knowledge-sharing programme will be formalised through the creation of a Training and Development position to oversee this process.

We believe in the importance of growing the skills of our employees, so in addition to the professional development of our employees, we also encourage and fully support personal development. In 2020, the Company was pleased to add an educational assistance programme available to all employees. This benefit programme provides tuition reimbursement from DGO 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.

ETHICAL BUSINESS PRACTICES

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." If issues are identified relating to illegal, unethical or improper conduct by any individual affiliated with the Company, the Company's formally adopted Whistleblowing Policy aims to provide guidance as to how individuals may raise their concerns and to ensure that they may do so confidently and confidentially. Our compliance hotline is available 24 hours per day, 7 days per week and hosted by an independent, third-party vendor. Any reports to the compliance hotline are routed directly by the vendor to our General Counsel and the Chair of the Audit and Risk Committee. During 2020, no incidents were reported through our hotline.

Our Company Values form the foundation upon which our company was started and the standards to which each Director, officer and employee of DGO is expected to adhere. Our commitment to responsible and ethical behaviour drives our zero-tolerance approach to bribery and corruption as codified in our Anti-Bribery and Corruption Policy. This policy adheres to all relevant laws and regulations, including compliance with the UK Bribery Act 2010, and falls under the direct oversight of our General Counsel. Our approach applies across all parts of our business, including our supply chain, and regular training is provided, as necessary, to all employees who engage with our external stakeholders.

As part of our approach to ethical business practice, we recognise our responsibility of respecting human rights and this responsibility applies to all our employees and contractors as well as within our supply chain. We have a zero-tolerance approach to human rights abuse and modern slavery, as outlined in our Human Rights Policy, and seek to operate in accordance with all applicable US human rights rules and labour laws. We are committed to monitor and report on human rights impacts.

In order to maintain the highest levels of compliance and safety, we have a policy of drug testing throughout the workforce. Drug testing is carried out pre-employment, post-accident and randomly for both US Department of Transportation drivers and those employees who are classified as high safety and security under Pipeline and Hazardous Materials Safety Administration.

Contributing to society

Where DGO makes a difference

" DGO is committed to the communities in which we operate, where we proudly invest both our time and material resources for numerous local initiatives. We appreciate the strong economic benefits that surround our operations, and we ensure those benefits are felt by the local communities.."

BEN SULLIVAN,
Executive Vice President and General Counsel

"We continue to engage regularly and effectively with the land and mineral owners DGO works alongside, and to maintain productive relationships with all our joint operating partners.

"At DGO, we recognise that our wealth of experience can be beneficial in driving progress in the natural gas and oil sector. We therefore support a number of industry associations, advocating the interests of the states in which we operate, shaping new legislation to improve industry practice, and sharing our knowledge and expertise. For example, using the platform afforded by association participation, DGO led the creation of a legislative bill that sought a state-wide Abandoned Well Plugging Fund in West Virginia, and we were extremely pleased to see this bill passed into law in late 2020.

"The achievement in 2020 of which I am most proud was our participation in the merger of two independent West Virginia industry associations into the new, single Oil and Gas Association of West Virginia. The combination of the associations enhances reach and influence within the state and will hopefully drive support for more beneficial initiatives such as the Abandoned Well Plugging Fund."

SOCIO-ECONOMIC IMPACT

At DGO, we don't just operate wells in the local communities - we contribute to municipal and public services, non-profit and charitable agencies, and educational systems. In other words, these communities are also where we live and play, and we want our actions and economic contributions to make a difference.

We recognise the importance of having a positive social impact, especially as many of the communities in which we operate are often rural areas with limited employment opportunities. As one of the largest natural gas and oil employers in the Appalachian region, we pay competitive and higher than average salaries to our employees while also offering comprehensive healthcare benefits that can significantly improve the quality of life for both our employees and their families.

Our investment in these communities goes beyond employment opportunities, as our company provides financial support and our employees volunteer their time and service in support of community initiatives. For example, DGO donated funds and labour to the Kanawha State Forest Foundation to aid in building a playground for children with disabilities, the first playground of its kind in the West Virginia state park system. The playground included a wheelchair-accessible swing and other ADA-compliant equipment, a braille activity board and rubber mulch to provide fall protection. Combining a company initiative to promote employee good health while supporting the children in our communities, DGO also donated funds to the Children's Harbor organization in Alabama which provides counselling and other services to seriously-ill patients and their families.

Our employees also volunteered through the Ohio Oil and Gas Association's partnership with the Toys for Tots Foundation to deliver toys to families in need during the holiday season. In the midst of this unprecedented pandemic, our company provided financial support to numerous food banks across our operating footprint and employees packed food donations for those recently unemployed due to Covid-19 as well as other elderly and vulnerable members of the community. We also donated 300 large turkeys to the Mountaineer Food Bank in West Virginia and 100 turkey dinners through the Virginia Oil and Gas Association for underprivileged residents in our Virginia operating area.

We recognise that gainful employment is a major contributor to a path out of poverty or an avenue to healthcare benefits. We also know that retaining and developing talented individuals is of utmost importance to the continued productivity and success of our own business. Therefore, we constantly strive to attract skilled personnel to join our workforce and support DGO's ambitions, and we specifically seek to nurture and develop that passion for working in our industry within the local communities we serve. To aid in this effort, DGO funds college scholarships at Fairmont State University, Indiana University of Pennsylvania and Marietta College for 12 deserving, rising seniors who are working towards energy focused degrees.

Our financial contributions for community assistance go beyond corporate giving as our employees also personally participate in supporting a number of institutions, with one of the most frequent and significant contributors being our own CEO, Rusty Hutson. Leading by example, Rusty's family personally pledges a generous scholarship sum to the Fairmont State nursing programme, a gift made all the more significant in light of this year's pandemic.

Where DGO makes a difference continued

"Our investment in these communities goes beyond employment opportunities, as our company provides financial support and our employees volunteer their time and service in support of community initiatives."

INDUSTRY ASSOCIATIONS

At DGO, we believe in the value of engaging with and participating in natural gas and oil industry associations, not only to drive forward initiatives that support the sector as a whole but also as a tool to benefit our own business and to protect the best interests of our stakeholders. Through engaging in, leading and championing these organisations, we remain informed of and participate in shaping operating best practice, technical knowledge and legislative updates. Our participation in these industry associations includes active involvement in the states of West Virginia, Virginia, Kentucky, Pennsylvania and Ohio.

Our Senior Vice President of our Southern Division currently serves as President of the Kentucky Oil and Gas Association and recently penned a timely op-ed describing the benefits DGO generates in providing employment and reducing environmental impact by operating and maximising the production of existing assets rather than drilling new wells. Our General Counsel currently serves as President of the Gas & Oil Association of West Virginia ("GO-WV") and was instrumental in leading the late-2020 effort to combine that state's two industry associations into GO-WV in order to form a single, unified voice for advancing the best interests of the state and industry.

Our General Counsel is also a Board member of the Virginia Oil and Gas Association and the Marcellus Shale Coalition, where the Coalition engages exploration and production, midstream, and supply chain partners in the Appalachian Basin and across the country to address issues regarding the production of clean, job-creating, American natural gas from the Marcellus and Utica Shale production basins. Additionally, our Senior Vice President of EHS is a Board member of the Pennsylvania Independent Oil and Gas Association, and our Vice President of Government Affairs is a Board member of the Ohio Oil and Gas Association.

During 2020, DGO, along with Appalachian natural gas producer CNX, was awarded the Partnership in Industry Sustainability honour by Virginia's Department of Mines, Minerals and Energy's Division of Gas and Oil in partnership with the Virginia Oil and Gas Association.

The award recognises sector competitors working together for the betterment of the industry and specifically showcased the collaborative efforts of DGO and CNX to design, install and operate a pipeline system which allowed natural gas to be transmitted and marketed for the benefit of both companies and the communities they serve.

LAND AND MINERAL OWNER ENGAGEMENT

One of our key stakeholder groups is our land and mineral owners – a group that is unique to the US operating environment. These owners are entitled to receive royalties for their ownership share of produced natural gas, oil and mineral resources. The extent of ownership varies, as some landowners may own everything on and below the surface of their defined property, while others may own only the surface of the property and another party may own the subsurface minerals.

Due to the material importance of their assets to our business, it is crucial that we work closely and effectively with these owners. We have built strong partnerships with these stakeholders, underpinned by our commitment to be a transparent and trusted partner. We note that none of DGO's assets are in close proximity to native American lands, and therefore we have no policies or procedures in place to address this type of relationship.

We appreciate the importance of keeping the communities in which we operate informed and educated about our local objectives, work streams and results so that the communities are fully aware of our actions and efforts. We therefore seek to regularly engage in face-to-face, accurate and open dialogue with these owners and to promptly and effectively respond to any matters that may arise in a manner that provides complete and satisfactory resolution for all parties. Where it is not possible to conduct face-to-face meetings or in the event of an emergency, there is a 24-hour hotline to report any issues.

In 2020, the Land Operations department responded to approximately 3,600 enquiries from our land and mineral owners relating to a variety of issues, including royalties, leases, ownership conveyance, and direct house natural gas, and also directly engaged in some 380 field visits with landowners.

JOINT OPERATING PARTNER ENGAGEMENT

In several instances, we work in partnership with other individuals or organisations in the producing of our natural gas and oil reserves.

In most of the wells where we have ownership, we are the operator, and as the operator our responsibilities encompass managing the well, paying the associated expenses to maintain the well, billing the remaining working interest owners their share of expenses, and distributing the revenues and royalties from the well's commodity sales.

In those wells where we have ownership but are not the operator, we simply receive our working interest share of the revenues net of expenses. Across all these relationships, we seek to engage with our working interest partners on a regular basis and to maintain mutually beneficial working relationships.

The chairman's perspective

"The success of DGO during the year correlates to our strong guiding principles. A robust governance practice, a dynamic risk management framework and a commitment to environmental stewardship of our assets underpin all we do. Our corporate governance structure adheres to the UK Corporate Governance Code 2018."

DAVIDJOHNSON,
Chairman of the Board

CHAIRMAN'S STATEMENT

In advance of our admission to the Premium Segment of the London Stock Exchange in May of 2020 and subsequent entry into the FTSE 250 Index, we appointed three new Independent Non-Executive Directors to the Board. The current Board has seven members, four of whom are independent including my role as Chairman. I am extremely pleased with how the Board and Committees have functioned this year, particularly given the difficulties of meeting in person as a result of the ongoing pandemic. All Board members have shown commitment, support, challenge, and a desire to improve across all areas.

During the year we appointed Leadership Advisor Group to conduct an external Board Performance Review, to assess the effectiveness of the Board and its actions and to provide direction as it considers future governance and strategic decisions. At present, nearly 30% (or, two of seven) of our Board members are female. We are mindful of the recommendations of the Hampton-Alexander Review and will look to comply with their guideline of at least 33% female representation on the Board in the coming year as we further enhance our Board diversity, experience, and knowledge base.

Also, during 2020, our Sustainability & Safety Committee, led by Committee Chairwoman Sandy Stash, initiated our process to adopt the TCFD framework for the Company's disclosures related to climate change risks and opportunities. With our early adoption, we have added additional disclosures and information to our Annual Report and this year's Sustainability Report in line with TCFD guidance, including completing scenario analysis on the resilience of our assets in an accelerated transition to a lower carbon economy. We are pleased with our initial TCFD progress, and we are confident improvements will continue in 2021.

Along with our commitment to utilising the TCFD disclosure framework, we are also targeting net zero carbon emissions by 2050 and are currently working internally and with external advisors to develop a coherent and deliverable plan to achieve this target. We look forward to sharing our thoughts with external stakeholders throughout this year before delivering our plan in next year's Sustainability Report.

The Company is mindful that as our business grows, the breadth and depth of our risk management framework supporting this growth should also be regularly reviewed. Working with an independent consultant during the year, members of DGO's management team conducted a detailed enterprise risk management (ERM) assessment of the Company's primary risk exposure across a broad array of topics, including corporate strategy and acquisition; climate & ESG; regulatory and political environment; cybersecurity; health and safety; commodity price volatility; and financial strength and flexibility. Commensurate with their oversight responsibilities, the Audit & Risk Committee of the Board provided rigorous and constructive feedback to the ERM evaluation program, and the Board is pleased with outcomes of the process. Further details of this process, our approach to corporate governance and risk management can be found within our Annual Report.

In closing, I am grateful to the leadership team and all the employees of DGO for their steadfast focus to deliver great results, and further secure our sustainable future, during such a challenging year.

DAVID JOHNSON,
Chairman of the Board

Board Committee participation

Director	Audit and risk	Nomination	Remuneration	Sustainability and safety
David E. Johnson, Independent Non-Executive Chairman		●	●	●
Sandra (Sandy) M. Stash, Independent Non-Executive Director	●		●	▲
Melanie A. Little, Independent Non-Executive Director	●		▲	●
David J. Turner Jr, Senior Independent Non-Executive Director	▲	●		
Martin K. Thomas, Non-Executive Vice Chairman		▲		
Robert R. (Rusty) Hutson Jr., Co-Founder and Chief Executive Officer				
Bradley G. Gray, Executive Vice President and Chief Operating Officer				●

▲ Chair ● Member

For a more complete description of each Board committee and its respective responsibilities, please refer to the Company's 2020 Annual Report or our website.

CASE STUDY

Sustainability & Safety Committee Field Visit

Workforce engagement is highly valuable to the Board as it engenders an understanding of the day-to-day operations of DGO. In 2020, the Sustainability & Safety Committee arranged a two-day site visit to DGO's Pennsylvania operations. By directly engaging with employees in their unique areas of asset responsibility, members of the Committee were able to fully appreciate how the workforce is investing time, energy and cost to safely run the Company's operations.

On the technical side, the Committee observed the standards and procedures of process safety, the application of Smarter Asset Management techniques, and the assessment of the integrity and investment into DGO's storage tanks and waste management process. They also discussed the importance of stakeholder engagement, including the frequency and value of landowner engagement and the positive social impact of DGO's various engagements with the communities in which it operates.

Governance framework

BOARD OF DIRECTORS

Defines business strategy, assesses risks and monitors performance.

REMUNERATION COMMITTEE

Responsible for Company's remuneration policy, and for setting pay levels and bonuses for senior management in line with individual performance. Ensures safety and ESG Key Performance Metrics are included in remuneration packages.

SUSTAINABILITY AND SAFETY COMMITTEE

Monitors the Company's social, ethical, environmental and safety performance, and oversees all sustainable development issues on behalf of the Board.

NOMINATION COMMITTEE

Ensures a balance of skills, knowledge, independence, experience and diversity on the Board and its committees.

AUDIT AND RISK COMMITTEE

Supports the Board to monitor the integrity of the Group's financial statements and reviews the effectiveness of the Group's system of internal controls and risk management systems.

CEO

Takes ultimate responsibility for delivering on strategy, financial and operating performance and approach to Climate Change.

Climate Change

CHIEF OPERATING OFFICER

Coordinates operating activities and sustainability initiatives to ensure transparency and long-term value for DGO's stakeholders.

Operations
Employee, Health & Safety
ESG

Employee Handbook, EHS Policy & Field Operating Guidelines, Corporate Responsibility Policy

Employees
Communities
Suppliers
JV Partners

CHIEF FINANCIAL OFFICER

Manages the finance and accounting activities of the Company and ensures that its financial reports are accurate and completed in a timely manner.

Treasury
Accounting & Financial Reporting
Investor Relations

Employee Handbook, EHS Policy & Field Operating Guidelines, Corporate Responsibility Policy

Debt & Equity Investors
Financial Institutions
Rating Agencies

GENERAL COUNSEL

Responsible for legal and compliance, government, and land and mineral owner engagement.

Legal & Compliance
Regulatory

Employee Handbook, Anti-Bribery & Corruption Policies

Land & Mineral Owners
Government & Regulators
Industry Associations

CHIEF COMMERCIAL OFFICER

Responsible for identifying and valuing acquisition targets and for developing and implementing a commodity marketing strategy to maximise commodity revenues.

Acquisitions
Marketing

Employee Handbook, Anti-Bribery & Corruption Policies

Customers

- Position at DGO
- Description of role
- Area of Responsibility
- Risk Management Guidelines
- Stakeholder Engagement Responsibility

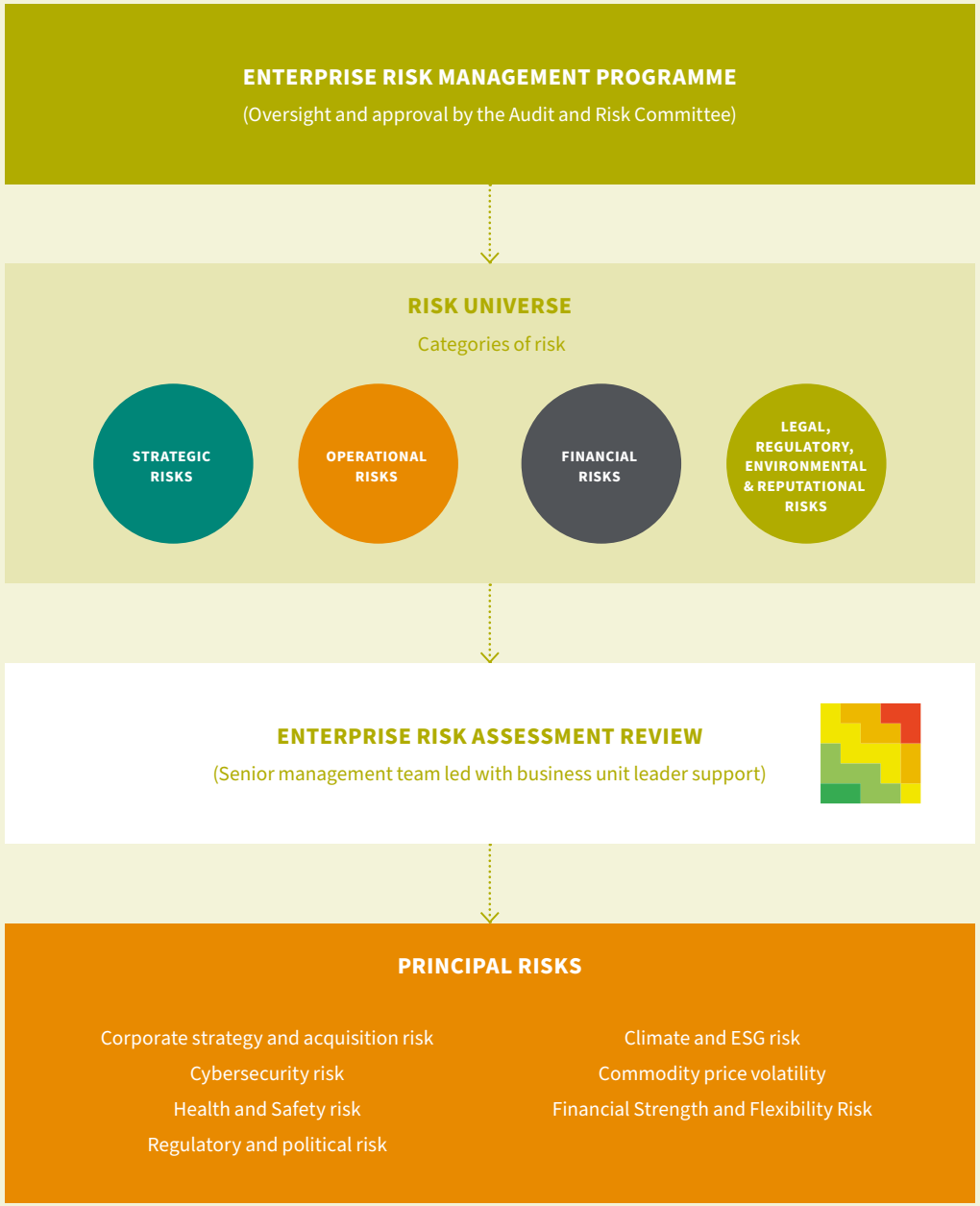
Risk management

RISK GOVERNANCE OVERVIEW

In compliance with its Charter and through collaborative efforts with senior management, the Audit and Risk Committee initiated in 2020 a risk management review process which includes the oversight and monitoring of our risk control and mitigation efforts. The Committee and senior management have narrowed down the risk universe to seven primary risks faced by the Company representing four main risk categories: (1) strategic risk, (2) operational risk, (3) financial risk, and (4) legal, regulatory, environmental and reputational risk. Oversight responsibility for each primary risk is assigned to an appropriate Board committee. The Board committees, in turn, assign accountability for the primary risks to members of senior management ("Executive Risk Owner") and a member of management ("Risk Owner"). As part of the ongoing ERM function, the Executive Risk Owners and Risk Owners are responsible for: (i) Identifying risks; (ii) Assessing the likelihood of risk occurrence and the potential impact and velocity of the risk to our business; and (iii) Developing and implementing mitigation plans that seek to remove or minimise the likelihood and impact of the primary risks. The Executive Risk Owners give an update to the Board committees at least annually, reporting on the Company's risk tolerance level and effectiveness of current mitigation plans for each primary risk. The Executive Risk Owners also update the Board committees as applicable on any emerging primary risks and the Company's plans to mitigate these risks. The Board and senior management recognise that some risks by their nature cannot be predicted or effectively planned for, but we make every effort to identify potential risks and mitigate accordingly.

In addition to comprehensive ERM reporting, our General Counsel informs the Board of pending litigation and claims and monitors any potential material exposure. We also seek stakeholder feedback on our risk management strategies through ongoing engagement with employees, government agencies, local communities, and our financial partners, which may include thorough and frequent field employee safety meetings, regular update calls and meetings with our lending group, frequent calls and meetings with outside financial advisers, engagement with external counsel, constructive dialogue with regulators, and community outreach programmes.

Additional information regarding DGO's risk identification, review and mitigation processes can be found in the Company's Annual Report.



Risk monitoring

An effective ERM programme is a key component to the successful execution of our business strategy and objectives. Our risk management processes were developed to minimise risks across our operations, support the achievement of our strategic objectives, and create sustainable value for our stakeholders. We seek to assess potential risks affecting stakeholders and the natural environment and to mitigate such risks as effectively and expeditiously as possible. Our risk management processes consider impacts to our sustainability needs, ensuring that risks are appropriately identified, assessed and managed company-wide.

The Board and senior management formally and regularly review identified significant risks and mitigation actions as part of our ERM programme. Periodic updates to our planned mitigation efforts and regular communication with managers and field personnel allow management to assess emerging risks that may elevate to principal risks for which management should consider additional risk mitigation policy or procedural changes as well as needs for additional resources or training.

We consider risk management, specifically health and safety, the responsibility of all employees, and we have empowered them to enhance our processes and procedures. For example, if a field operations employee observes a well procedure that he believes to be imprudent, that employee has the ability to call a stop to the procedure until all safety concerns are reviewed and appropriately addressed. We maintain safety and emergency procedures designed to be implemented in the event of unexpected or otherwise potentially harmful incidents. Critical facilities are equipped with emergency shutdown systems and alarms to mitigate the potential that an operational failure could cause an unsafe hazard. Additionally, we employ a number of methods to monitor our infrastructure for signs of abnormalities and potential risks; for example, in high volume compressor stations, we utilise 24/7 electronic monitoring services to track operations and potential risk factors. Our staff participates in regular safety training as well as discussions with stakeholder groups (such as local emergency responders) to ensure that all parties are apprised and made aware of potential risks and the ability to respond to the same. Such interaction results in good relationships with first responders in our communities and provides them with a better understanding of our operations. We establish a rapport with our neighbours in the communities in which we operate and provide emergency numbers on our facilities should there be an incident.

We also make it a priority to interface with local communities. Our land employees are located within our operating areas and talk regularly with our landowners, government officials, vendors, and other interested parties. Landowners and royalty owners have numerous ways to contact us, and in the event of an emergency can call a 24-hour hotline to report a problem. Our operations and EHS teams are on call around the clock and can be dispatched in a moment's notice to mitigate a problem that could affect service or have the potential to be a danger to human health, safety or the environment.

We also monitor emerging trends and shifting conditions in the energy industry – ranging from new regulatory requirements to the impacts of global climate change – so we are prepared to respond accordingly. We continue to develop our ERM programme so that our risk mitigation efforts remain appropriate for the range of issues associated with our business operations and corporate strategies.

Appendix

PERFORMANCE DATA TABLES

In addition to our focus on the safe and efficient operations of our upstream and midstream assets, DGO is committed to providing meaningful and transparent environmental, social and governance disclosures. The data reported below is as of 31 December 2020.

		Unit	2020	2019	2018
ECONOMIC IMPACT					
Financial	Annual Revenue, unhedged	$m	$ 409	$ 462	$ 290
	Derivative Settlements	$m	$ 144	$ 54	($ 16)
	Adjusted EBITDA, hedged	$m	$ 301	$ 273	$ 147
	Natural Gas & Oil Properties, Net	$m	$ 1,755	$ 1,496	$ 1,093
	Property & Equipment, Net	$m	$ 382	$ 321	$ 328
	Free Cash Flow	$m	$ 248	$ 221	$ 112
	Dividends Paid (in the period)	$m	$ 99	$ 82	$ 31
	Dividends Paid (in the period)	$/share	$ 0.14	$ 0.14	$ 0.08
	Royalty Payments	$m	$ 44	$ 48	$ 36
	Production Taxes (severance, property, other)	$m	$ 14	$ 16	$ 12
	Employee Wages, Salaries and Benefits	$m	$ 91	$ 74	$ 35
	Employee Payroll Taxes	$m	$ 5	$ 3	$ 2
Operational	Number of States in Which We Operate		7	7	7
	Proved (PDP) Reserves	MMBoe	607	563	474
	Total Production (Net)	MBoepd	100	85	41
	Natural Gas	MMcf	199,667	166,377	79,051
	Natural Gas Liquids (NGLs)	MBbl	2,843	2,807	1,467
	Oil	MBbl	417	407	308
GOVERNANCE					
Board and Diversity	Number of Board Members		7	8	5
	Independent Board Chair		yes	yes	no
	Board Members – Independent		4	4	1
	Board Members – Female		2	2	0
	Board Members – Minority		0	0	0
Risk Management	Comprehensive Annual Audit Plan Approved by the Board of Directors		yes	yes	yes
	Comprehensive Annual Risk Management Assessment		yes	no	no
	Risks of Climate Change		See TCFD and Risk Management		
Supply Chain	Number of Suppliers and Contractors Screened for Health and Safety Criteria		390	340	180

Appendix continued

		Unit	2020	2019	2018
Ethics	Anti-Bribery and Corruption Policy		yes	yes	no
	Corporate Responsibility Policy		yes	no	no
	Environmental, Health & Safety Policy		yes	no	no
	Human Rights Policy		yes	no	no
	Whistleblowing Policy		yes	yes	no
	# of Calls into Compliance Hotline		0	0	n/a
Industry Association	Industry Membership Association Dues	$k	$ 169	$ 121	$ 121
ENVIRONMENTAL					
Air Quality[a]	Number of Vapor Combustion Units		15	Not Assessed	Not Assessed
	Nitrogen Oxide (NOx, excluding N2O)	tons	5,802	Not Assessed	Not Assessed
	Carbon Monoxide (CO)	tons	3,450	Not Assessed	Not Assessed
	Sulfur Oxide (SOx)	tons	0	Not Assessed	Not Assessed
	Volatile Organic Compounds (VOC)	tons	782	Not Assessed	Not Assessed
	Particulate Matter (PM10)	tons	15	Not Assessed	Not Assessed
GHG Emissions[a]	Total Scope 1 and Scope 2 CO2e[b]	thousand MT CO_2e	1,884	2,614	Not Assessed
	Scope 1 Emissions	thousand MT CO_2e	1,883	2,614	Not Assessed
	Carbon Dioxide	thousand MT CO_2e	813	446	Not Assessed
	Methane[b]	thousand MT CO_2e	1,068	2,166	Not Assessed
	Nitrous Oxide	thousand MT CO_2e	1	1	Not Assessed
	Scope 2 Emissions	thousand MT CO_2e	0.7	Not Assessed	Not Assessed
	Scope 1 and Scope 2 GHG Emissions Intensity	MT CO_2e/MMcfe	7.4	11.8	Not Assessed
	Scope 1 and Scope 2 Methane Emissions Intensity	MT CO_2e/MMcfe	4.2	9.8	Not Assessed
	Methane Emissions as % of Scope 1		57 %	83 %	Not Assessed
	% of Scope 1 Methane Emissions Attributable to Boosting & Gathering		46 %	20 %	Not Assessed
	Scope 1 Emissions Attributable to:[b]				
	Flared Hydrocarbons	thousand MT CO_2e	0	6	Not Assessed
	Other Combustion	thousand MT CO_2e	813	456	Not Assessed
	Process Emissions	thousand MT CO_2e	83	205	Not Assessed
	Other Vented Emissions	thousand MT CO_2e	703	1,398	Not Assessed
	Fugitive Emissions	thousand MT CO_2e	283	550	Not Assessed
	Climate Change Policy		See Energy Transition and TCFD		

[a] Emissions are reported under a modified Intergovernmental Panel on Climate Change report format for EU investors.
[b] Uses a global warming potential of 28 for methane.

Appendix continued

		Unit	2020	2019	2018
Spills	Number of reportable oil spills		13	24	18
	Volume of reportable oil spills	Bbl	47	41	105
	Number of reportable produced water spills		11	7	12
	Volume of reportable produced water spills	Bbl	56	26	86
	Spill intensity		Nil	Nil	Nil
Waste/Water Management	Total water volumes injected into approved disposal wells	MBbls	808	442	380
	Total water volumes disposed/sold	MBbls	1,244	1,231	890
	Total water volumes recycled	MBbls	333	97	—
SOCIAL					
Workforce and Employee Diversity	Total number of employees at year end 31 December		1,107	924	991
	Executive Committee				
	Male		5	5	5
	Female		2	1	—
	Direct Reports to Executive Committee				
	Male		19	15	24
	Female		2	3	2
	All Other Employees				
	Male		976	807	856
	Female		103	93	104
	Percent of Minorities in the Workforce		0.6 %	0.2 %	Unkn
	Percent of Veterans in the Workforce		5.0 %	Unkn	Unkn
	Percent of Employees under Collective Bargaining Agreements		17.0 %	22.0 %	21.0 %
Employee Retention	Voluntary Turnover Rate including Retirements		5.5 %	5.0 %	Unkn
	Total Turnover Rate		10.0 %	10.0 %	25.0 %
Safety	Fatalities from Work-related Injury – Employees		0	0	0
	Fatalities from Work-related Injury – Contractors		0	0	0
	Total Workforce Accidents – Employees (OSHA Recordable)		13	18	Unkn
	Lost-time Accidents – Employees		2	11	Unkn
	Total Recordable Incident Rate (TRIR) – Employees		1.35	2.06	1.89
	Preventable Motor Vehicle Accident Rate	per million miles	1.04	0.99	Unkn
	Miles Driven	m	15.4	12.1	Unkn
	Employee Training & Development	hours	11,540	n/a	n/a
	Number of Process Safety Events – Tier 1 and Tier 2		0	0	0

GRI content index

Our Report has been prepared in accordance with the Core GRI standards. The following table maps our Report against the GRI reporting guidelines.

GRI	Description	Disclosure
GRI 102- GENERAL DISCLOSURES		
102-1	Name of the organization	Diversified Gas & Oil PLC
102-2	Activities, brands, products, and services	1
102-3	Location of headquarters	1
102-4	Location of operations	1
102-5	Ownership and legal form	1
102-6	Markets served	1
102-7	Scale of the organization	53 and Annual Report
102-8	Information on employees and other workers	53
102-10	Significant changes to the organization and its supply chain	Annual Report
102-12	External initiatives	54-62
102-13	Membership of associations	44
102-14	Statement from senior decision-maker	2-3
102-15	Key impacts, risks and opportunities	6-7
102-16	Values, principles, standards, and norms of behaviour	5
102-17	Mechanisms for advice and concerns about ethics	41
102-18	Governance structure	47-48
102-19	Delegating authority	48
102-20	Executive-level responsibility for economic, environmental, and social topics	16
102-21	Consulting stakeholders on economic, environmental, and social topics	8-9
102-22	Composition of the highest governance body and its committees	Annual Report
102-23	Chair of the highest governance body	46
102-24	Nominating and selecting the highest governance body	Annual Report
102-25	Conflicts of interest	Annual Report
102-26	Role of highest governance body in setting purpose, values, and strategy	15-20
102-27	Collective knowledge of highest governance body	5
102-29	Identifying and managing economic, environmental, and social impacts	6, 7, 8, 9, 25, 49, 50

GRI content index continued

GRI	Description	Disclosure
102-30	Effectiveness of risk management processes	49-50
102-31	Review of economic, environmental, and social topics	49-50
102-32	Highest governance body's role in sustainability reporting	48
102-33	Communicating critical concerns	49-50
102-35	Remuneration policies	Annual Report
102-36	Process for determining remuneration	Annual Report
102-37	Stakeholders' involvement in remuneration	Annual Report
102-40	List of stakeholder groups	8-9
102-41	Collective bargaining agreements	53
102-42	Identifying and selecting stakeholders	8-9
102-43	Approach to stakeholder engagement	8-9
102-44	Key topics and concerns raised	8-9
102-45	Entities included in the consolidated financial statements	Annual Report
102-46	Defining report content and topic Boundaries	0
102-47	List of material topics	6-7
102-48	Restatements of information	17
102-49	Changes in reporting	17
102-50	Reporting period	0
102-51	Date of most recent report	17
102-52	Reporting cycle	0
102-53	Contact point for questions regarding the report	0
102-54	Claims of reporting in accordance with the GRI Standards	0
102-55	GRI content index	54-57
102-56	External assurance	15, 16, 25, 31, 46, 48
GRI 103 – MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	6-7
103-2	The management approach and its components	The approach to each topic can be found throughout this report
103-3	Evaluation of the management approach	15-17

GRI content index continued

GRI	Description	Disclosure
GRI 201 – ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	7, 42, 51
201-2	Financial implications and other risks and opportunities due to climate change	15-21
201-4	Financial assistance received from government	Annual Report
GRI 301– MATERIALS		
301-2	Recycled input materials used	35
GRI 303 – WATER AND EFFLUENTS		
303-1	Interactions with water as a shared resource	35
303-2	Management of water discharge-related impacts	35
303-3	Water withdrawal	35
303-4	Water discharge	35
303-5	Water consumption	35
GRI 304 – BIODIVERSITY		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35
304-2	Significant impacts of activities, products, and services on biodiversity	35
GRI 305 – EMISSIONS		
305-1	Direct (Scope 1) GHG emissions	52
305-2	Energy indirect (Scope 2) GHG emissions	52
305-4	GHG emissions intensity	52
305-5	Reduction of GHG emissions	52
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	52
GRI 308 – SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	New suppliers that were screened using environmental criteria	30, 52
GRI 401 – EMPLOYMENT		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	10, 25, 39, 41

GRI content index continued

GRI	Description	Disclosure
GRI 403 – OCCUPATIONAL HEALTH AND SAFETY		
403-1	Occupational health and safety management system	29
403-2	Hazard identification, risk assessment, and incident investigation	29-31
403-4	Worker participation, consultation, and communication on occupational health and safety	29-30
403-5	Worker training on occupational health and safety	30
403-6	Promotion of worker health	10
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	29-31
403-9	Work-related injuries	53
GRI 404 – TRAINING AND EDUCATION		
404-2	Programs for upgrading employee skills and transition assistance programs	41
GRI 405 – DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	51, 53
GRI 414 – SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that were screened using social criteria	52

SASB content index

The topics covered in our Report also have been informed by the SASB reporting guidelines which have been mapped below.

Topic	Accounting metric	Code	Unit	Response
OIL AND GAS – EXPLORATION & PRODUCTION				
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-EP-110a.1	Metric tons CO_2-e (t), Percentage (%)	1,883 thousand. 58% methane. DGO did not differentiate the percentage covered under emissions-limiting regulations.
	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	EM-EP-110a.2	Metric tons CO_2-e	(1) 0 (2) 813 (3) 83 (4) 703 (5) 283
	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	EM-EP-110a.2	–	We are committed to reducing total emissions, including both GHG and non-GHG emissions. This commitment begins with our acquisition strategy, focused on building a portfolio of existing, long-life wells, we reduce the need for the development of new fields or the drilling of new wells and thereby reduce the introduction of new sources of emissions into the environment. In 2020, we embarked upon an emissions reduction strategy to reduce our carbon equivalent emissions, including methane. Our Emissions Reduction Plan ("Plan") aligns with our stated operational focus on Safety, Production, Efficiency, and Enjoyment.
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	EM-EP-120a.1	Metric tons (t)	(1) 5,802 (2) 0 (3) 782 (4) 15
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-EP-140a.1	Thousand cubic meters (m^3), Percentage (%)	(1) None (2) None
	Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	EM-EP-140a.2	Thousand cubic meters (m^3), Percentage (%), Metric tons (t)	(1) 1,244 (2) 808 (3) 333
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	EM-EP-140a.3	Percentage (%)	DGO does not hydraulically fracture wells.
	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	EM-EP-140a.4	Percentage (%)	DGO does not have any hydraulic fracturing sites.

SASB content index continued

Topic	Accounting metric	Code	Unit	Response
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-EP-160a.1	–	We are committed to protecting the environment through responsible operations and a comprehensive EHS Management System. For DGO, effective environmental management includes both our Smarter Asset Management and Safe and Systematic Well Retirement programmes which are dedicated to improving the production, safety and integrity of our assets before retiring those assets at the end of their economic lives, all of which translates to a reduced environmental footprint. We set for ourselves stringent environmental standards, which meet regulatory requirements and often exceed them. We use external standards and guidelines and proven industry practices to drive our own practices and processes.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160a.2	–	With relation to SASB's ESI rankings 8-10, in 2020, 4.95 bbls of oil entered "vegetated low bank of stream".
	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-EP-160a.3	–	In 2020 we did not construct any paths for pipeline that impacted any protected species.
Security, Human Rights & Rights of Indigenous Peoples	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-EP-210a.1	–	DGO does not operate near any areas of conflict.
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-EP-210a.2	–	DGO does not operate near any indigenous land.
	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-EP-210a.3	–	As part of our approach to ethical business practice, we recognise our responsibility of respecting human rights and this responsibility applies to all our employees and contractors as well as within our supply chain. We have a zero-tolerance approach to human rights abuse and modern slavery, as outlined in our Human Rights Policy, and seek to operate in accordance with all applicable US human rights rules and labour laws. We are committed to monitor and report on human rights impacts.
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-EP-210b.1	–	At DGO, we don't just operate wells in the local communities – we contribute to municipal and public services, non-profit and charitable agencies, and educational systems. In other words, these communities are also where we live and play, and we want our actions and economic contributions to make a difference. We recognise the importance of having a positive social impact, especially as many of the communities in which we operate are often rural areas with limited employment opportunities. Our investment in these communities goes beyond employment opportunities, as our company provides financial support and our employees volunteer their time and service in support of community initiatives.
	Number and duration of non-technical delays	EM-EP-210b.2	–	DGO has had zero non-technical delays.

SASB content index continued

Topic	Accounting metric	Code	Unit	Response
Workforce Health & Safety	(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	EM-EP-320a.1	Rate, Hours (h)	(1) 1.35 (2) 0 (3) Not calculated, tracking for 2021 (4a) 10.42 hours (4b) N/A (4c) Did not track
	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EM-EP-320a.2	–	In 2020, we issued a Challenge Coin to our employees that provides them with a tangible and physical reminder of our daily priorities which support our safety culture and values. Our Challenge Coin is rich with meaning, so we challenged our employees to carry it with them each day as a reminder of our priorities and focus and what is at stake with each decision and action they take.
Reserves Valuation & Capital Expenditures	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	EM-EP-420a.1	–	During 2020, the Sustainability and Safety Committee engaged in a programme to enhance its understanding and governance approach to climate-related risks. DGO also engaged with a world-leading consortium of technical and strategic advisors in order to advance our alignment with the TCFD recommendations. Through this process we embarked on a journey of understanding and disclosing our climate changes risks and remain committed to transparency throughout this journey. Further information can be found in The Energy Transition section of this report.
	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	EM-EP-420a.2	–	We have not calculated this information.
	Amount invested in renewable energy, revenue generated by renewable energy sales	EM-EP-420a.3	–	Does not apply. We do have solar energy in use in the field to power some SCADA (field measurement).
	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	EM-EP-420a.4	–	DGO's Board closely monitors and works with senior management, external stakeholders and climate issue experts to ensure that careful consideration is given to relevant climate change-related risks and opportunities affecting our business. The Committee has responsibility for effectively integrating climate risk into strategic decision-making processes of the business, including merger and acquisition activity, which is a core strategic pillar of the business.
Business Ethics & Transparency	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-EP-510a.1	–	As a company that acquires and operates wells in the Appalachian Basin, part of the largest hydrocarbon producing region in the United States, zero percent of reserves are in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.
	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510a.2	–	Our commitment to responsible and ethical behaviour drives our zero-tolerance approach to bribery and corruption as codified in our Anti-Bribery and Corruption Policy. This policy adheres to all relevant laws and regulations, including compliance with the UK Bribery Act 2010, and falls under the direct oversight of our General Counsel. Our approach applies across all parts of our business, including our supply chain, and regular training is provided, as necessary, to all employees who engage with our external stakeholders.

SASB content index continued

Topic	Accounting metric	Code	Unit	Response
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530a.1	–	We participate in industry trade groups which take up discussion of these matters and how the industry can adapt. This year, we hired a Government Affairs Director, to advance our positions and policy.
Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	EM-EP-540a.1	–	In 2020, there we no events. DGO reports process safety events for its processing facilities under the safety standards regulated by the US Department of Labour and the Occupational Safety and Health Administration.
	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-EP-540a.2	–	In compliance with its Charter and through collaborative efforts with senior management, the Audit and Risk Committee initiated in 2020 a risk management review process which includes the oversight and monitoring of our risk control and mitigation efforts. The Committee and senior management have narrowed down the risk universe to eight primary risks faced by the Company representing four main risk categories: (1) Strategic risk, (2) operational risk, (3) financial risk, and (4) legal, regulatory, environmental and reputational risk. The Board and senior management recognise that some risks by their nature cannot be predicted or effectively planned for, but we make every effort to identify potential risks and mitigate accordingly.
ACTIVITY METRICS				
	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	EM-EP-000.A	Thousand barrels per day (Mbbl/day); Million standard cubic feet per day (MMscf/day)	(1) 417 (2) 199,667 (3) None (4) None
	Number of offshore sites	EM-EP-000.B	–	DGO does not operate and wells offshore.
	Number of terrestrial sites	EM-EP-000.C	–	DGO does not have any terrestrial sites.
OIL AND GAS – MIDSTREAM				
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-MD-110a.1	Metric tons CO_2-e (t), Percentage (%)	1,883 thousand MT 58% DGO did not differentiate the percentage covered under emissions-limiting regulations.
	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	EM-MD-110a.2	–	We are committed to reducing total emissions, including both GHG and non-GHG emissions. This commitment begins with our acquisition strategy, focused on building a portfolio of existing, long-life wells, we reduce the need for the development of new fields or the drilling of new wells and thereby reduce the introduction of new sources of emissions into the environment. In 2020, we embarked upon an emissions reduction strategy to reduce our carbon equivalent emissions, including methane. Our Emissions Reduction Plan ("Plan") aligns with our stated operational focus on Safety, Production, Efficiency, and Enjoyment.
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10)	EM-MD-120a.1	Metric tons (t)	(1) 5,802 (2) 0 (3) 782 (4) 15

SASB content index continued

Topic	Accounting metric	Code	Unit	Response
Ecological Impacts	Description of environmental management policies and practices for active operations	EM-MD-160a.1	–	We are committed to protecting the environment through responsible operations and a comprehensive EHS Management System. This commitment means carefully considering the potential impact of our activities and how local communities and the surrounding environment may be affected before, during and at the end of our operations. We focus, therefore, on reducing risks, maintaining compliance and seeking best practices and continuous improvement in all our EHS and operational processes. If an environmental issue were to occur, we maintain clear communications with both internal and external stakeholders and engage our Crisis Management Plan as necessary depending on the severity of the incident.
	Percentage of land owned, leased, and/or operated within areas of protected conservation status or endangered species habitat	EM-MD-160a.2	–	In 2020 we did not operate on any land with conservation status or any endangered species.
	Terrestrial acreage disturbed, percentage of impacted area restored	EM-MD-160a.3	–	DGO does not develop greenfield production sites. Therefore, no terrestrial acreage was disturbed during 2020. We successfully plugged 92 wells in 2020.
	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume in Unusually Sensitive Areas (USAs), and volume recovered	EM-MD-160a.4	–	In 2020, there were no hydrocarbon spills from pipelines in the Arctic or USAs.
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	EM-MD-520a.1	–	There were no losses due to legal proceedings associated with federal pipeline and storage regulations.
Operational Safety, Emergency Preparedness & Response	Number of reportable pipeline incidents, percentage significant	EM-MD-540a.1	–	There were two reportable incidents in 2020. Neither were considered significant.
	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	EM-MD-540a.2	–	(1) 100% of natural gas lines were inspected (2) Not applicable, DGO does not have any hazardous liquid pipelines.
	Number of (1) accident releases and (2) nonaccident releases (NARs) from rail transportation	EM-MD-540a.3	–	DGO do not use rail transportation within any operations.
	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	EM-MD-540a.4	–	In 2020, we issued a Challenge Coin to our employees that provides them with a tangible and physical reminder of our daily priorities which support our safety culture and values. Our Challenge Coin is rich with meaning, so we challenged our employees to carry it with them each day as a reminder of our priorities and focus and what is at stake with each decision and action they take.
ACTIVITY METRICS				
	Total metric ton-kilometers of: (1) natural gas, (2) crude oil, and (3) refined petroleum products transported, by mode of transport	EM-MD-000.A	–	(1) DGO do not currently track amount of natural gas transported. We aspire to provide this data in future. (2) 417MBbl (3) DGO do not refine, therefore no refined petroleum is transported.

UN's 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 2020 activities have progressed those Goals to which we've made a material difference.

SUSTAINABLE DEVELOPMENT GOALS

UN Sustainable Development Goals continued

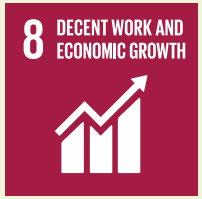
MATERIAL IMPACT

TARGET 7.1
By 2030, ensure universal access to affordable, reliable and modern energy services

Ensuring the accessibility and affordability of energy is of key importance to DGO's approach. Through the production of natural gas, we are providing the US with a reliable source of energy that meets the increasing demand and has led to substantial annual cost savings for US customers. As an abundant resource, not contingent upon weather patterns nor overwhelmed by peak demand, natural gas is also a highly reliable source of energy.

Progress in 2020

- Increased the volume of natural gas delivered to our customers through expanded operations tied to additional acquisitions of existing assets
- Repaired and upgraded our existing infrastructure to minimise leaks and maximise production



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

Providing secure, well-paid jobs is crucial for ensuring inclusive economic growth, and we recognise the importance of the employment opportunities we offer, especially for the rural communities in which we operate. We support the development of skills and knowledge among our employees to foster continuing progress and innovation, as well as advocating young people who are passionate about starting a career in our industry.

Progress in 2020

- Introduced a Professional Development Programme for nominated individuals to further their skills and learn from Board and executive members
- Initiated an Education Assistance Programme for all employees to encourage ongoing personal development and growth
- Employed over 1,100 people and funded university scholarships for passionate rising seniors

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

Acquiring existing assets and returning idle wells to production are central elements of our business model and therefore enable us to utilise existing infrastructure as opposed to drilling new wells. In maintaining and upgrading our gathering and midstream infrastructures, we further enable sustainable operating practices. When assets reach the end of their lives, we responsibly retire and plug the wells and endeavour to return the sites to a natural condition.

Progress in 2020

- Exceeded our regulatory commitment to retire wells, retiring 92 in total
- Played a leading role in creating legislation for an Abandoned Well Plugging Fund in West Virginia, which then passed later in the year and is funded through severance taxes paid to the states from natural gas and oil operators like DGO

UN Sustainable Development Goals continued

MODERATE IMPACT

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

DGO is an equal opportunity employer where discrimination of any kind is strictly prohibited. We promote education and employment, supporting those who show passion for our industry and providing well-paid jobs in rural areas with limited employment opportunities. We support numerous local initiatives - both financially and through volunteerism - that provide key services or donations to underprivileged and vulnerable people, from foodbanks supporting the recently unemployed to the creation of a wheelchair-accessible playground.

TARGET 12.6
Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

We aim to protect the environment and respect all that come into contact with our operations. We work hard to protect people and fauna and set high environmental standards for our operations, which include a focus on managing our emissions, water and waste, conserving biodiversity, and preventing spills and leaks. We meet and strive to exceed environmental regulatory requirements. We strive to ensure our employees are properly trained to safely conduct all aspects of our field operations.

TARGET 13.3
Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

We are committed to reducing our environmental impact, principally through responsibly managing GHG emissions. Our efforts to reduce GHG emissions include supplying natural gas to replace coal for power generation and implementing energy-efficient measures in our operations where practical to do so. By investing in existing infrastructure and improving the integrity of these operations, we also mitigate negative environmental impacts.

UN Sustainable Development Goals continued

MITIGATING IMPACT

TARGET 3.8
Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Protecting the physical and mental well-being of our staff is imperative. As such, we offer our employees excellent health and wellness benefits, as well as providing services which can be extended to their families, including the Employee Assistance Programme.

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

We endeavour to achieve sustainable resource usage in our operations, minimising the use of fresh drinking water that sustains human life as well as freshwater that supports biodiversity. We limit the use of water where we operate and recycle wastewater wherever possible.

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

We recognise the importance of protecting and restoring the natural environment. Through the acquisition of existing infrastructure and our commitment to responsibly retire wells, we minimise the impact upon the ecosystems in which we operate. To further protect our environment and increase forestation, DGO has planted trees and donated to Arbor foundations.

DIVERSIFIED GAS & OIL

PLC

Diversified Gas & Oil PLC
1800 Corporate Drive
Birmingham,
Alabama, 35242
USA
www.dgoc.com