

# Stakeholder Letter

Committed to transparent reporting of our environmental, social and governance performance



**Danny Brown**  
President, Chief Executive Officer and Member of the Board of Directors



**Susan Cunningham**  
Chair, Environmental, Social & Governance Committee of the Board of Directors

Dear Stakeholders,

On July 1, 2022, we completed the merger of Oasis Petroleum and Whiting Petroleum, two excellent oil and gas operators, to form Chord Energy. Together, we believe the new company is well positioned to create and deliver value for our stakeholders against the backdrop of an evolving energy landscape. And we believe a key component of our ability to be successful in this endeavor is our organization's sustainability. Chord is committed to transparent reporting of its environmental, social and governance ("ESG") performance. To this end, we are providing our 2021 performance metrics in tabular format for Oasis and Whiting, as well as proforma data for Chord Energy based on combining a common set of metrics defined by the American Exploration & Production Council (AXPC) ESG metrics framework<sup>1</sup>. Consistent with both organizations' past practices, we intend to resume issuing a formal Sustainability Report in 2023 which will cover our 2022 performance on a combined basis.

As we reflect on 2021, we are proud of the achievements that both Oasis and Whiting made, but also recognize that there are areas where we can improve. For completeness, we have provided data for 2019, 2020 and 2021. Below are select statistics from Chord's ESG performance from such data on a proforma basis:

- Scope 1 greenhouse gas ("GHG") Intensity and Methane Intensity<sup>2</sup> improved by 15% and 24%, respectively, between 2020 and 2021. Between 2019 and 2021, Scope 1 GHG Intensity and Methane Intensity improved by 56% and 59%, respectively.
- Flare intensity improved by 6% between 2020 and 2021; and decreased by more than 60% from 2019 to 2021.
- Freshwater intensity improved by 28% since 2019.

- Total Recordable Incident Rate (TRIR) increased 18% since 2019. The safety of everyone on a Chord location is of paramount importance. We are actively working to improve our safety performance through increased engagement, focusing on leading indicator performance, and increased training.
- Women represented 25% of the workforce in 2021.

# 59%

## IMPROVEMENT IN METHANE INTENSITY SINCE 2019

Additional ESG initiatives for 2021 vital to our ESG progress that are not captured in the data tables include<sup>3</sup>:

- Continued application of Health, Safety, and Environmental (HSE) Management System standards.
- Applied Continuous Emissions Monitoring System (CEMS) at several operating locations.
- Introduced water re-use program and management practices with plans for expansion.
- Continued focus on Life Saving Rules (LSRs) to support and improve the safety of employees and contractors.
- Launched a mental health campaign and website for employees and the communities in which we operate called **Waves of Hope** to help educate and fight mental health stigma, thereby seeking to address one of the greatest needs identified by community leaders.

- Maintained a Human Rights Policy, Environmental Policy, Vendor Management Policy, and Employee Handbook inclusive of a Whistleblower Program and Bribery and Corruption Policies, and are working towards a Community Involvement/Charitable Giving Policy and Indigenous Relations Policy.
- Strengthened governance through a diverse, independent board and revised remuneration policies inclusive of ESG metrics.

# 63%

## OF CHORD'S INDEPENDENT DIRECTORS ARE WOMEN

The initiatives started by Oasis and Whiting provide a solid foundation for our ESG performance, and together as Chord, we believe strong and effective corporate governance is paramount to our continued success and improvement. We have placed the highest level of sustainability oversight with Chord' Board of Directors. Within the Board is a dedicated Environmental, Social and Governance Committee. This diverse and highly engaged committee works with the executive team and senior leaders to pursue continuous improvement in our ESG performance, including incorporating specific safety and environmental metrics into the annual evaluation of executive

and employee compensation. And through our formalized Enterprise Risk Management (ERM) program, we aim to increase strategic thinking about known and emerging risks that may affect our business and to build an infrastructure that supports the adoption of measures to manage or mitigate such risks and ensure organizational alignment.

From an operational standpoint, we are focused on many different aspects of maintaining and improving our ESG performance. Of critical importance, our corporate, field, and EHS teams are enhancing best practices and training to minimize the likelihood of safety incidents among employees and contractors. We owe it to our employees, our service providers and stakeholders to do all we can to create an environment where everyone on a Chord location is safe. We hold ourselves to always put safety first, to be diligent and never complacent. And we expect the same of any service provider or partner that works with us. We remain focused on reducing Scope 1 GHG emissions, and in particular methane emissions. We are establishing a carbon management program that includes a team focused on gas capture, flare management, evaluation of continuous gas monitoring and replacement or retrofit of gas pneumatics. In addition, we plan to increase transparency by reporting full Scope 1 and Scope 2 operated emissions while continuing to align our disclosures towards the Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosures (TCFD) frameworks. Our drilling and completion teams are increasing re-use of produced water to minimize

freshwater intensity. Finally, we are conducting a materiality assessment that will seek input from employees, leaders, the Board and external stakeholders to ensure focus and alignment on ESG priorities.

As we reflect on each company's journey, there are many things to be proud of and even more ahead to be excited about. None of our success would be possible without the incredible employees at Chord Energy whose hard work and dedication has positioned us to move forward together as a combined company. We will continue to rise to meet the ever-growing demand for energy, while seeking to improve our ESG stewardship. We are dedicated to building upon the ESG efforts and initiatives of both legacy companies that will shape an even stronger future for Chord, the communities it serves, and its shareholders.

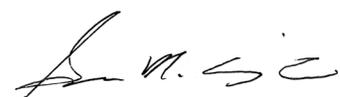
Thank you for your interest in Chord Energy. As always, we welcome your feedback and are grateful for your continued support and trust.

Sincerely,



**Danny Brown**

President, Chief Executive Officer and Member of the Board of Directors



**Susan Cunningham**

Chair, Environmental, Social & Governance Committee of the Board of Directors

(1) The data tables for Oasis and Whiting provide a more robust review with alignment to SASB. The data table for proforma Chord is aligned to AXPC.

(2) Scope 1 GHG emissions as reported under Subpart W for US operations that Chord owns or controls.

(3) For additional information on these initiatives, visit Oasis and Whiting's [2020 Sustainability Reports](#).