

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Diamondback Energy, Inc. is an independent oil and natural gas company headquartered in Midland, Texas focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas. We refer to Diamondback, together with its consolidated subsidiaries, as "we," "us," "our," or "the Company".

This questionnaire contains forward-looking statements as defined by the Securities and Exchange Commission (SEC). All statements, other than historical facts, that address activities that Diamondback assumes, plans, expects, believes, intends or anticipates (and other similar expressions) will, should or may occur in the future are forward-looking statements. The forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events, including the current industry and macroeconomic conditions, commodity pricing environment, production levels, any future regulatory actions affecting Diamondback, the impact and duration of the ongoing COVID-19 pandemic, acquisitions and sales of assets and drilling and capital expenditure plans. These forward-looking statements involve certain risks and uncertainties, many of which are beyond Diamondback's control and could cause the actual results or developments to differ materially from those currently anticipated by the management of Diamondback. Information concerning these risks and other factors can be found in Diamondback's filings with the SEC, including its reports on Forms 10-K, 10-Q and 8-K. Diamondback undertakes no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Other divisions

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	Members of the Safety, Sustainability and Corporate Responsibility Committee

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding risk management policies Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>As an oil and gas company, we understand that we have the potential to make a uniquely positive impact in the world. We provide affordable, domestically produced energy that helps run our homes, businesses, transportation networks and other key components of our economy. As we continue to provide a critical product that contributes to economic growth and society, we view the connection between responsible operations and business success a fundamental necessity. We are committed to the safe and responsible development of our resources in the Permian Basin. We operate in the same areas in which a majority of our employees and their families live, and are dedicated to preserving and protecting the environment for the benefit of our stockholders, employees and our community. We have identified key areas of focus, including energy, emissions, waste and spills, water use, compliance, health and safety, training and education, and community, and have described below certain of our efforts relating to these areas. We have also established the Safety, Sustainability and Corporate Responsibility Committee of our Board of Directors that oversees, among other things, our management's monitoring and adherence to our policies on ESG matters and the quality of our procedures for identifying, assessing, monitoring and managing the principal environmental, health, safety and social risks in our business and provides leadership with respect to best practices in the areas environmental, sustainability and corporate and social responsibility.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Chief Financial Officer (CFO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (EVP of Operations)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Our executive management team works with individuals across the organization to assess and manage climate related risks and opportunities. Executive management has frequent interactions with the Board of Directors to communicate these risks and opportunities.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Diamondback has incorporated environmental and safety related targets, including climate-related targets, into the 2021 short term incentive (STI) compensation scorecard at a 20% weighting. Environmental and safety metrics included are GHG intensity, flaring, recycled water, produced liquid spills and total recordable incident rate.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
All employees	Monetary reward	Emissions reduction target	Diamondback incentivizes all employees, including executive management, for this activity. - GHG Emission Intensity: Less than 12.00 for 2020
Corporate executive team	Monetary reward	Emissions reduction project	Diamondback incentivizes all employees, including executive management, for this activity. - GHG Emission Intensity: Less than 12.00 for 2020

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3	5	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

As a public company, Diamondback adheres to the SEC's rules, regulations and guidance regarding the disclosure of material information. The SEC defines material information as information to which there is a substantial likelihood that a reasonable investor would attach importance in determining whether to buy or sell the securities registered.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term

Medium-term

Description of process

As an exploration and production company, we face a number of risks, including climate related risks. Management is responsible for the day-to-day management of risks we face as a company, while our Board of Directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. Diamondback considers risks as far into the future as practicable given the variability in regulatory, economic and technological circumstances. While there is much speculation around climate-related risks and opportunities, we are not always in a position to act on a potential risk or benefit from a potential opportunity without adequate available information. We consider environmental, health and safety related risks through documented programs and practices, which are discussed in detail through weekly and quarterly reporting. This process also includes consideration of opportunities to reduce emissions and improve energy efficiency, including installation of best available control technology (BACT) for limiting GHG emissions and maintaining a leak detection and repair (LDAR) program using optical gas imaging cameras and other technologies to monitor and measure the emissions from our facilities. As part of our self-auditing procedures, we act promptly to correct any identified flaws and leaks.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Diamondback complies with all current regulatory requirements. We monitor for any new or emerging regulations and modify our operations as necessary. There has been new legislation introduced and proposed at the federal and state level with the goal of quantifying and limiting GHG emissions. The Environmental Protection Agency (EPA) and the Bureau of Land Management have issued regulations for the control of methane emissions for our industry. We closely monitor the status of existing and emerging GHG regulations and the potential impact it may have on our business by performing multiple scenario analyses to test the resiliency of our portfolio. See Diamondback's 10-K for additional discussion of potential and current regulatory risks.
Emerging regulation	Relevant, always included	Diamondback closely follows emerging and proposed regulations. We feel that our current operating plan accounts for stricter emissions and methane monitoring and regulation. Diamondback's five year emissions reduction targets (GHG intensity and CH4 intensity) drive the majority of decision making related to responsible development, and we feel that these targets will keep us ahead of emerging regulatory risks. See Diamondback's 10-K for additional discussion of potential and current regulatory risks.
Technology	Relevant, always included	Diamondback has cross-functional employees that analyze new and emerging technologies for emission monitoring and control. We believe the use of these technologies is pertinent to operating in an environmentally responsible manner. Diamondback focuses on continued improvement and evolving technological capabilities and resources to meet our business needs. In 2020, we launched trials of four different technology systems to improve monitoring and response in our operations. For example, instantaneous data collection and alarming capabilities will allow us to identify leaks associated with equipment malfunction or failure immediately and create a preventative maintenance plan to help eliminate future incidents. We also hold quarterly round-table discussions with our engineering and infrastructure-related field personnel to seek out design changes to better capture emissions moving forward. In 2020, we engaged a third-party engineering firm to review our standard facility design and make recommendations to improve control-related emissions while optimizing operations.
Legal	Relevant, always included	Diamondback always monitors and manages potential legal risks, including those related and unrelated to climate. See Diamondback's 10-K for a discussion of additional potential risks.
Market	Relevant, always included	Diamondback's revenues, operating results, profitability, future rate of growth and the carrying value of our oil and natural gas properties depend significantly upon the prevailing prices for oil and natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control, including, but not limited to, the price and availability of alternative fuels, conservation measures and technological advances that could reduce demand for our products. Diamondback evaluates climate risk using scenario analyses of technology and market conditions that considers supply, demand and pricing scenarios at least as challenging as IEA's Sustainable Development Scenario (SDS). These scenario analyses provide management and ultimately Diamondback's Board of Directors the information to create Diamondback's annual and longer-term operating plans. See Diamondback's 10-K for a discussion of additional potential risks.
Reputation	Relevant, always included	Diamondback's perceived reputation could decrease or increase our cost of doing business, depending on the perception of various stakeholders. The potential risks as set forth in the Task Force on Climate-Related Disclosures includes risks tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy. See Diamondback's 10-K for a discussion of additional potential risks.
Acute physical	Relevant, always included	Diamondback considers acute physical risks (including floods, tornadoes, hurricanes) in our risk assessments. As with other oil and gas operators, Diamondback operates in some of the most extreme weather conditions in the world. We currently do not see any acute physical risks affecting our business any more than normal operations. We consider extreme weather conditions when modeling our business plan and are confident in our ability to continue operations in those scenarios.
Chronic physical	Relevant, not included	Diamondback does not currently consider chronic physical risks impacting our business in the short, medium, or long term time frame. As with other oil and gas operators, Diamondback operates in some of the most extreme weather conditions in the world. We currently do not see any chronic physical risks affecting our business any more than normal operations. We consider extreme weather conditions when modeling our business plan and are confident in our ability to continue operations in those scenarios.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Other, please specify (Legislation, taxation and regulation)
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Diamondback will continue to monitor changes in legislation, taxation and regulation and adapt our operations and business model as necessary.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact could vary significantly depending on regulatory requirements and type of regulation implemented.

Cost of response to risk

0

Description of response and explanation of cost calculation

Analyzing potential and emerging regulation is done across different management levels in their normal day-to-day responsibilities at Diamondback, and as such, the cost of response is zero.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Other, please specify (Restrictions to access or disposal of water)
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Diamondback's oil and natural gas exploration, development and production operations are subject to stringent laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection. Numerous federal, state and local governmental agencies, such as the EPA, issue regulations that often require difficult and costly compliance measures that carry substantial administrative, civil and criminal penalties and may result in injunctive obligations for non-compliance. Hydraulic fracturing is an important common practice that is used to stimulate production of hydrocarbons from tight formations, including shales. The process, which involves the injection of water, sand and chemicals under pressure into formations to fracture the surrounding rock and stimulate production, is typically regulated by state oil and natural gas commissions. Increased regulation around sourcing water for hydraulic fracturing and disposing produced water would directly increase both our capital and operating costs. Diamondback is working to mitigate this exposure by recycling as much produced water as possible and using that produced water for hydraulic fracturing operations.

Time horizon

Medium-term

Likelihood

Unlikely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial impact could vary significantly depending on regulatory requirements and type of regulation implemented.

Cost of response to risk

0

Description of response and explanation of cost calculation

Analyzing potential and emerging regulation is done across different management levels in their normal day-to-day responsibilities at Diamondback, and as such, no additional costs have been identified. Diamondback is working to mitigate this exposure by recycling as much produced water as possible and using that produced water for hydraulic fracturing operations. In 2020 we used 17.7 million bbls of recycled water, or 17.1% of total water used in operations.

Comment**C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

Full field electrification, moving away from remote power generation.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

33000000

Potential financial impact figure – maximum (currency)

55000000

Explanation of financial impact figure

We estimate that the savings from converting to full field electrification could lower lease operating expenses (LOE) savings \$0.30 - \$0.50 per BOE annually. Diamondback produced ~110 million net BOEs in 2020, resulting in \$33 - \$55 million of operating cost savings upon implementation.

Cost to realize opportunity

220000000

Strategy to realize opportunity and explanation of cost calculation

Since 2018, Diamondback has spent ~\$220 million on electrical distribution systems across our major operating areas.

Comment

Diamondback incorporates a strategy to have electrical infrastructure in place prior to placing new wells on production. This is done through the collaboration of a multi-functional team of facilities engineers, land representatives, reservoir engineers, and completion engineers to plan Diamondback's development and associated infrastructure needs. Through weekly discussions, these teams have been able to provide line power to over 95% of the wells Diamondback has completed in the last few

years. There are two primary cost benefits to having full field electricity in place. First, the price per kilowatt hour sourced through line power is substantially lower than that of local power generation (~\$0.07 - 0.12 per kilowatt hour). Second, by utilizing line power, Diamondback no longer needs to use produced natural gas to generate power, allowing the Company to sell all of the gas that was once used to generate power. This results in more sales volumes and revenue. The estimated total benefit to our LOE is between \$0.30 – 0.50 / BOE.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced direct costs

Company-specific description

Diamondback has long been committed to recycling water from our production operations. We primarily re-use produced water for our completion operations, limiting the amount of fresh water sourced for our development plan. Our first recycling activity took place in 2017, and our commitment to recycling has grown over the last four years. Water recycling percentage is one of our five environmental and safety metrics included in our STI compensation scorecard, therefore tying this activity to the compensation of every employee in the Company. Currently, 20-30% of the water used in completion operations is sourced from recycled water, with a company-wide 2021 goal of greater than 15% of water used in drilling and completion operations sourced from recycled water. We have used up to 100% recycled water for completion operations in the Delaware Basin where we have more water production than the Midland Basin. In all of our core operating areas across both the Midland and Delaware Basins, we have spent capital to create and maintain high capacity recycling systems. We expect to increase our recycling percentages as we develop the ability to store produced water in above-ground pits, particularly in the Midland Basin. We expect to spend \$60 - \$80 million over the next 18 months to develop this infrastructure and move to a high percentage of overall water use sourced from recycling. In addition to recycling efforts, we have also placed a premium on sourcing brackish water that is not compatible for farming or ranching activities. By doing so, we continue to lower our impact on local citizens and lessen our impact on fresh water reservoirs. The combination of either brackish water or recycled water accounts for approximately 75% of all water usage by the Company, and we expect this number to continue to increase over time.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

20000000

Potential financial impact figure – maximum (currency)

60000000

Explanation of financial impact figure

Recycling water reduces the need to purchase fresh or brackish water from surface landowners, which can range from \$0.20 - \$1.00 per barrel depending on the operating field. Diamondback estimates the process of recycling water for completion operations saves \$100,000 - \$300,000 per well, depending on how much water is recycled each well, and we are currently completing ~275 wells per year.

Cost to realize opportunity

75000000

Strategy to realize opportunity and explanation of cost calculation

Diamondback is planning to construct centralized produced water recycling facilities in the Midland Basin where we do not have existing infrastructure. The water used to complete a typical two-mile horizontal well typically costs \$150,000-\$400,000, with similar costs to gather and dispose a comparable amount of produced water. Diamondback estimates that at least half of the combined sourcing and disposal costs could be eliminated by recycling produced water for completions instead of utilizing saltwater injection wells. This is the primary capital spend anticipated for 2021 and is expected to lower our operating costs in the future.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify (Reduce flaring to capture natural gas and send to sale.)

Primary potential financial impact

Increased revenues resulting from increased production capacity

Company-specific description

Diamondback has set out long-term reduction targets for both methane and Scope 1 GHG intensity. We have also set Scope 1 intensity and flaring targets in the environmental and safety section of our 2021 STI compensation scorecard, which applies to every employee in our organization. On flaring specifically, we have a 2021

target to flare less than 1% of our total gas produced. Diamondback believes reducing flaring is vital to the success of our company and our industry, and excessive flaring can be a major impediment to a successful upstream business plan. To date, we have been able to nearly eliminate occurrences of flaring due to operational issues. We have also worked with our midstream business partners to incentivize them to spend capital and operational expense dollars to be prepared for our development plan and flare less. As we continue to work with our third-party midstream partners, we expect the run-time of our pipelines to continue to increase resulting in lower flaring intensity. Through these efforts, Diamondback saw a significant decrease in flaring intensity in 2020. In 2019, ~11.7 million mcf was flared due to capacity constraints and operational issues. In 2020, that number was reduced to ~4.9 million mcf flared, almost entirely associated with downstream capacity constraints. We expect to continue to drive this number down in collaboration with our midstream business partners, increasing revenue and decreasing our environmental footprint.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We decreased our flaring from ~11.7 million mcf to ~4.9 million mcf from 2019 to 2020. At ~\$3.00/mcf, this results in approximately \$20 million of additional revenue.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

Diamondback intends to continue to work with third-party gatherers to incentivize them to perform and increase runtime. As we continue these performance-based negotiations, we are also considering building our own gathering systems to reduce our dependence on the performance of third-party gatherers. We have done this at a few sites, most recently in our South Delaware Basin Bluebonnet field where we spent ~\$100 million to build our own low pressure gathering and compression system to ensure we had takeaway for the gas from our development plan. Further, Diamondback constantly reviews the takeaway capacity of both our and our gatherers' pipelines compared to our production forecast and development plan. We then work with a multi-disciplinary team to only complete wells with sufficient takeaway available. This team consists of facilities engineers, completion engineers, reservoir engineers, in-house oil and gas marketing team members and our third-party gatherers. We often shift wells around in order to ensure we have takeaway present at the time of the completion and flowback dates. Should a situation arise where takeaway is not ready, we consider each scenario separately and make a decision to postpone flowback or maintain shut-in status versus flaring significant volumes. Finally, Diamondback has committed capital to enhance the design and operational capabilities of our facilities to ensure we have as little flaring as possible. These changes include, but are not limited to, installing vapor recovery tower (VRT) & vapor recovery unit (VRU) combinations, transitioning to 16 ounce tanks instead of 4 ounce tanks, installing free water knockouts (FWKO) to lower pressure in a vessel versus breaking out gas in a tank, and installing air pneumatics in place of natural gas controlled pneumatics. All of these gas-capture related projects reduce and / or eliminate gas flaring.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable>	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
IEA Sustainable development scenario	Our scenario analysis is publicly available in our latest Corporate Responsibility Report on our website.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	No	Diamondback's products include crude oil, natural gas and natural gas liquids. Although there has been speculation of decreased demand in our products, the International Energy Agency projects oil demand to increase through 2040 in its World Energy Outlook 2020.
Supply chain and/or value chain	Yes	We engage with stakeholders, including vendors and business partners, on climate related risks and opportunities. We work with our gathering and processing partners to ensure there is sufficient natural gas takeaway to reduce flaring. We have worked with utility companies and vendors to reduce our combustion emissions by switching from diesel fired generators to line power for infield power generation. We work with suppliers to ensure we are installing low emission pumps, valves, controllers and equipment wherever feasible.
Investment in R&D	Yes	In response to recent literature suggesting an association between hydraulic fracturing and minor tremors or other seismic activity below ground, we invested in additional equipment in 2020 to monitor and report on potential induced seismicity events. As noted by two prominent researchers: "More definitive establishment of a causal relation between HF or SWD and seismicity is not possible until complete, well-activity datasets overlapping several years of the improved catalog of seismicity provided by TexNet are available" (Lomax and Savvaidis, 2019). To that end, we not only use readout from these seismic monitoring stations in our operations, but also share data with university and state government researchers.
Operations	Yes	We have a duty to produce energy sources that the world needs while also limiting our impact on the planet. Developing our resources sustainably and minimizing the environmental impact of this development are core values in all aspects of Diamondback's business. We continually seek out and install the best available control technology (BACT), wherever feasible, to reduce or prevent adverse environmental impacts from our operations.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Direct costs Indirect costs Capital expenditures	Diamondback considers climate-related risks and opportunities when planning its direct costs, indirect costs and capital expenditures. Diamondback is a leading, low-cost operator, and produces its products in one of the most economical basins in the United States. We plan our business using different price scenarios, including the crude oil price assumptions used in the IEA's SDS. In this scenario, crude pricing falls to \$53/bbl by 2040. As Diamondback's internally calculated breakeven costs to produce each barrel of oil are confidential, we use the estimates made by Morgan Stanley in a breakeven study performed in May 2021. According to this study, Diamondback's pre-dividend breakeven is approximately \$30/bbl, well below the price included in the IEA's SDS.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2019

Intensity figure in base year (metric tons CO₂e per unit of activity)

15.1

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2024

Targeted reduction from base year (%)

61.65

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

5.79085

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

9.5

% of target achieved [auto-calculated]

60.1558681512276

Target status in reporting year

Underway

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Calculated as metric tons of CO₂e per MBOE produced.

Target reference number

Int 2

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Intensity metric

Metric tons CO₂e per barrel of oil equivalent (BOE)

Base year

2019

Intensity figure in base year (metric tons CO₂e per unit of activity)

15.1

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2020

Targeted reduction from base year (%)

20.5

Intensity figure in target year (metric tons CO₂e per unit of activity) [auto-calculated]

12.0045

% change anticipated in absolute Scope 1+2 emissions

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year (metric tons CO₂e per unit of activity)

9.5

% of target achieved [auto-calculated]

180.907769342594

Target status in reporting year

Achieved

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

Target ambition

<Not Applicable>

Please explain (including target coverage)

Calculated as metric tons of CO2e per MBOE produced. The 2021 goal of GHG intensity < 12.00 is calculated one year in arrears (2020 GHG intensity) due to third party (EPA) agency sign-off.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Net gas flared as a percentage of net BOEs produced)
-----------------------	---

Target denominator (intensity targets only)

boe

Base year

2019

Figure or percentage in base year

1.3

Target year

2020

Figure or percentage in target year

0.6

Figure or percentage in reporting year

0.6

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Yes, flaring intensity is an emissions target.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

Target reference number

Oth 2

Year target was set

2021

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Methane reduction target	Other, please specify (Metric tons of methane divided by gross MBOE produced)
--------------------------	---

Target denominator (intensity targets only)

boe

Base year

2019

Figure or percentage in base year

0.07

Target year

2024

Figure or percentage in target year

0.017

Figure or percentage in reporting year

0.04

% of target achieved [auto-calculated]

56.6037735849057

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes, methane intensity is an emissions target

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain (including target coverage)

C-OG4.2d

(C-OG4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

During the reporting year, Diamondback did not have a methane-specific emission reduction target. In February 2021, Diamondback committed to reduce its methane intensity by at least 70% from 2019 levels by 2024.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	31425
Implementation commenced*		
Implemented*	3	660390
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Other, please specify (Maximize electrification of current gas-driven engines)
------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

55341

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Initiative category & Initiative type

Fugitive emissions reductions	Other, please specify (Reduction of flaring)
-------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

586874

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

Initiative category & Initiative type

Other, please specify	Other, please specify (Natural Gas Pneumatic Devices, Atmospheric Storage Tanks, Reciprocating Compressors & Equipment Leak Surveys and Population Counts)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

18176

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

Please select

Estimated lifetime of the initiative

Please select

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Diamondback's oil and natural gas exploration, development and production operations are subject to stringent environmental laws and regulations, including those related to waste handling, remediation of hazardous substances, water discharge and air emissions. We seek to maintain compliance and continuously improve environmental performance.
Other (Participating in industry organizations to reduce emissions)	Diamondback continues to work with The Environmental Partnership, composed of more than 80 companies in the oil and gas industry committed to continuously improving environmental performance. This group collaborates on initiatives to reduce emissions of methane and volatile organic compounds from industry operations. In 2020, we helped drive The Environmental Partnership's efforts to improve leak detection and repair (LDAR) practices across oil and gas production sources. We also took a lead role in encouraging member companies to replace all high-bleed pneumatic controllers with low- or zero-bleed technologies over the next five years.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

Natural gas

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (Natural gas as a cleaner fuel for electric power generation)

% revenue from low carbon product(s) in the reporting year

4

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

Twenty percent of Diamondback's production in 2020 was natural gas. According to the United States Energy Information Administration, the CO2 emitted per unit of energy output from natural gas is over 40% less CO2 than coal.

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Diamondback has set out strategic goals with regards to methane and GHG intensity measures. We have placed a premium on these two goals. Additionally, we have placed an emphasis company-wide on these goals by making them a part of our compensation package across the entirety of our personnel groups. Diamondback feels that reducing methane emissions is one of the most efficient opportunities we have to reduce our overall GHG emissions. Since 2017, we have installed air pneumatic control systems on all new facility builds and upgrades. We plan to spend ~\$50-\$70 million over the next four years to retrofit all gas-driven pneumatic control systems with compressed air systems. We are conducting quarterly flyovers of all batteries using FLIR cameras and other technologies to measure and monitor the emissions from our facilities.

On flaring specifically, we have a 2021 target to flare less than 1% of our total gas produced. Diamondback believes reducing flaring is vital to the success of our company and our industry, and excessive flaring can be a major impediment to a successful upstream business plan. To date, we have been able to nearly eliminate occurrences of flaring due to operational issues. We have also worked with our midstream business partners to incentivize them to spend capital and operational expense dollars to be prepared for our development plan and flare less. As we continue to work with our third-party midstream partners, we expect the run-time of our pipelines to continue to increase resulting in lower flaring intensity. Through these efforts, Diamondback saw a significant decrease in flaring intensity in 2020. In 2019, ~11.7 million mcf was flared due to capacity constraints and operational issues. In 2020, that number was reduced to ~4.9 million mcf flared, almost entirely associated with downstream capacity constraints. We expect to continue to drive this number down in collaboration with our midstream business partners, increasing revenue and decreasing our environmental footprint.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

We take proactive steps to detect sources of leaks that cause preventable emissions. In 2020, we launched trials of four different technology systems to improve monitoring and response in our operations. For example, instantaneous data collection and alarming capabilities will allow us to identify leaks associated with equipment malfunction or failure immediately and create a preventative maintenance plan to help eliminate future incidents.

We also hold quarterly round-table discussions with our engineering and infrastructure-related field personnel to seek out design changes to better capture emissions moving forward. In 2020, we engaged a third-party engineering firm to review our standard facility design and make recommendations to improve control-related emissions while optimizing operations.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

Working with oil and gas gathering partners to ensure sufficient natural gas takeaway capacity is available prior to turning wells online. In some instances, we will curtail our oil and gas production until sufficient takeaway capacity is available.

We had a 2020 goal to have a flaring intensity (net BOEs of flared production divided by net BOEs produced) of less than 1%, which we achieved.

In 2021, we have a goal to flare less than 1% of gross natural gas production. The change in methodology is a result of adhering to American Exploration Production Council (AXPC) metrics.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

1852946

Comment

Scope 2 (location-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
1192556

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
1852946

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
538750

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
415336

Start date
January 1 2017

End date
December 31 2017

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
281020

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
January 1 2020

End date
December 31 2020

Comment
We use kilowatts purchased from invoices received and apply an emission factor per region and/or state to calculate our scope 2 emissions.

Past year 1

Scope 2, location-based

Scope 2, market-based (if applicable)
<Not Applicable>

Start date

End date

Comment

Past year 2

Scope 2, location-based

Scope 2, market-based (if applicable)
<Not Applicable>

Start date

End date

Comment

Past year 3

Scope 2, location-based

Scope 2, market-based (if applicable)
<Not Applicable>

Start date

End date

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Business travel

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Diamondback has prioritized its focus on reducing direct and indirect (Scope I & II) emissions as we have the best ability to control the decision making that affects those emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

11.74

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1473576

Metric denominator

Other, please specify (Gross MBOE produced)

Metric denominator: Unit total

125499

Scope 2 figure used

Location-based

% change from previous year

Direction of change

<Not Applicable>

Reason for change

This is our first year to include Scope 2 emissions

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify (Thousand barrels of gross oil equivalent)

Metric tons CO2e from hydrocarbon category per unit specified

9.5

% change from previous year

37

Direction of change

Decreased

Reason for change

Diamondback diligently increased its efforts on reducing flaring and other emissions.

Comment

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.002

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.004

Comment

Calculated as 5,079 mt CH4 divided by 249,347,922 mcf produced and 125,476,208 BOE produced, respectively.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	1064560	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	126975	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	1021	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

642647

Gross Scope 1 methane emissions (metric tons CH4)

18

Total gross Scope 1 emissions (metric tons CO2e)

643909

Comment

Subject to third-party verification.

Emissions category

Flaring

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

385954

Gross Scope 1 methane emissions (metric tons CH4)

1280

Total gross Scope 1 emissions (metric tons CO2e)

418135

Comment

Subject to third-party verification.

Emissions category

Other (please specify) (Natural Gas Pneumatic Devices)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

47

Gross Scope 1 methane emissions (metric tons CH4)

2880

Total gross Scope 1 emissions (metric tons CO2e)

72041

Comment

Subject to third-party verification.

Emissions category

Other (please specify) (Atmospheric Storage Tanks, Reciprocating Compressors & Equipment Leak Surveys and Population Counts)

Value chain

Upstream

Product

Unable to disaggregate

Gross Scope 1 CO2 emissions (metric tons CO2)

35912

Gross Scope 1 methane emissions (metric tons CH4)

902

Total gross Scope 1 emissions (metric tons CO2e)

58471

Comment

Subject to third-party verification.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	1192556

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Oil and Gas Production	1192556

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	1192556	<Not Applicable>	Subject to third-party verification.
Oil and gas production activities (midstream)		<Not Applicable>	
Oil and gas production activities (downstream)		<Not Applicable>	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America <i>Subject to third-party verification.</i>	281020		710169	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Oil & Gas Production	281020	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	281020		Subject to third-party verification.
Oil and gas production activities (midstream)			
Oil and gas production activities (downstream)			
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	Please select	0	0	0
Consumption of purchased or acquired electricity	<Not Applicable>	0	710169	710169
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	0	710169	710169

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Other, please specify

Metric value

Metric numerator

Metric denominator (intensity metric only)

% change from previous year

Direction of change

<Not Applicable>

Please explain

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	66.2	
Natural gas liquids, million barrels	22	
Oil sands, million barrels (includes bitumen and synthetic crude)	0	
Natural gas, billion cubic feet	130.5	

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Our historical reserve estimates as of December 31, 2020 were prepared by Ryder Scott with respect to our assets and those of Viper Energy Partners. Ryder Scott is an independent petroleum engineering firm. The technical persons responsible for preparing our proved reserve estimates meet the requirements with regards to qualifications, independence, objectivity and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. Ryder Scott is a third-party engineering firm and does not own an interest in any of our properties and is not employed by us on a contingent basis.

Under SEC rules, proved reserves are those quantities of oil and natural gas that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. If deterministic methods are used, the SEC has defined reasonable certainty for proved reserves as a "high degree of confidence that the quantities will be recovered." All of our proved reserves as of December 31, 2020 were estimated using a deterministic method.

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and natural gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions established under SEC rules. The process of estimating the quantities of recoverable oil and natural gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used singularly or in combination by the reserve evaluator in the process of estimating the quantities of reserves. Approximately 90% of the proved producing reserves attributable to producing wells were estimated by performance methods. These performance methods include, but may not be limited to, decline curve analysis, which utilized extrapolations of available historical production and pressure data. The remaining 10% of the proved producing reserves were estimated by analogy, or a combination of performance and analogy methods. The analogy method was used where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as a basis for the reserve estimates was considered to be inappropriate. All proved developed non-producing and undeveloped reserves were estimated by the analogy method.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1	1316442			Diamondback only discloses estimated total proved reserves.

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	80			Diamondback only discloses estimated total proved reserves.
Natural gas	20			Diamondback only discloses estimated total proved reserves.
Oil sands (includes bitumen and synthetic crude)	0			

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Onshore

In-year net production (%)

100

Net proved reserves (1P) (%)

100

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

Diamondback only discloses estimated total proved reserves.

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	No	

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

30

In May 2021, Morgan Stanley Research estimated that Diamondback's estimated pre-dividend breakeven price is ~\$30/bbl.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No emissions data provided

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for reporting year – previous statement of process attached

Type of verification or assurance

Not applicable

Attach the statement

Page/ section reference

<https://www.epa.gov/ghgreporting/ghgrp-methodology-and-verification> Under the Greenhouse Gas Reporting Program, the EPA completes electronic validation and verification checks annually on reports. If potential errors are identified, the EPA notifies the reporter in order for the reporter to resolve and resubmit the report or provide an acceptable response describing why the flagged issue is not an error.

Relevant standard

Other, please specify (EPA Greenhouse Gas Reporting Program)

Proportion of reported emissions verified (%)

100

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

Page/ section reference

Verification in process.

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Underway but not complete for current reporting year – first year it has taken place

Type of verification or assurance

Limited assurance

Attach the statement

Page/ section reference

Verification in process.

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year change in emissions (Scope 1)	EPA's Greenhouse Gas Reporting Program	The EPA verifies our emission calculation annually.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify (Understanding emission reducing offerings from our suppliers)

% of suppliers by number

% total procurement spend (direct and indirect)

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Impact of engagement, including measures of success

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with oil and gas gathering partners to ensure sufficient natural gas takeaway capacity is available prior to turning wells online. In some instances, we will curtail our oil and gas production until sufficient takeaway capacity is available.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Exploration & Production Council (AXPC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

American oil and gas producers have an irreplaceable role in meeting the challenge of global climate change. AXPC, representing large independent American oil and gas producers, supports innovative, collaborative solutions that lower greenhouse gas (GHG) emissions while meeting the world's growing need for abundant, low cost, reliable energy. Successful public policy must recognize that oil and gas underpins our standard of living and American oil and gas is critical to our national security and economic prosperity. The following principles will guide AXPC's climate advocacy efforts, including policy that: Facilitates meaningful GHG emissions reductions Requires proportional participation from all sectors of the economy Utilizes fair, consistent and transparent measurement methodologies across industries Encourages and appropriately accounts for early and/or voluntary actions Minimizes inconsistent, redundant and/or contradictory regulations and policies Attributes to energy producers only emissions arising during production operations Balances economic, environmental and energy security needs Ensures the development of critical energy infrastructure Makes the costs and associated climate benefits of any policy fully transparent to the American public Ensures that the United States shoulders an equitable burden under international agreements Does not disadvantage American oil and gas producers and workers against foreign competitors Promotes innovation Champions economy-wide public and private investment to develop cost-effective technologies that will materially reduce GHG emissions Relies upon predictable and economically efficient policy frameworks, such as the use of market-based policies and/or offsets, to deliver outcomes at the lowest cost to society Allows all energy sources to compete for innovation funding AXPC Members meaningfully reduce methane emissions and advocate for natural gas opportunities to reduce greenhouse gas emissions and policies that promote innovation and technology.

How have you influenced, or are you attempting to influence their position?

Yes, Diamondback management holds a board seat with the AXPC and actively engages with industry and association leaders to promote policies and practices that serve all stakeholders.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Diamondback's Safety, Sustainability and Corporate Responsibility Committee engages with our management and Board of Directors on our environmental and climate change strategy. Diamondback's Vice President of Government Affairs is kept abreast of relevant communications so that there is alignment both internally and externally with our trade associations and other stakeholders.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

Diamondback 2020 CSR(27).pdf

Page/Section reference

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms