



DIAMONDBACK ENERGY

2024

CORPORATE SUSTAINABILITY REPORT



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CHAIRMAN AND CEO LETTER



DEAR STAKEHOLDERS,

Diamondback is taking action to drive a more efficient and more sustainable company. We recognize our responsibility to our employees, communities and the environment, as well as the role we can play as a leader in our industry.

ACHIEVING OUR SUSTAINABILITY GOALS

Our Company has set ambitious environmental targets, and I am proud to share that, in 2023, we accomplished two of our sustainability goals: we achieved a 73% water recycling rate, exceeding our goal of 65% by 2025, and we implemented Continuous Emissions Monitoring Systems (CEMs) on over 90% of our operated oil production. This success happens through being true to our commitments and the dedication of everyone at our organization.

INVESTMENTS AND PARTNERSHIPS TO REDUCE EMISSIONS

Fundamental to achieving our goals is making the necessary investments. In 2023, Diamondback forged several strategic partnerships and joint ventures to make meaningful long-term progress in reducing our emissions. We announced a joint development agreement with Verde Clean Fuels, Inc. to develop, construct and operate a facility to produce gasoline utilizing associated natural gas feedstock. The proposed facility will produce a lower-carbon fuel for the transportation market and help us mitigate flaring by using associated gas.

Additionally, we invested in the Deep Blue joint venture to recycle and reuse produced water for our operations and other stakeholders in the Permian Basin. Also in 2023, we joined the Oil & Gas Methane Partnership 2.0 (OGMP 2.0), the flagship oil and gas reporting and mitigation program of the United Nations Environment Programme.

ELECTRIFYING FIELD OPERATIONS

We made notable progress in electrifying our operations by converting two of our four frac fleets to electricity, which drives lower costs and lower emissions. We collaborated with VoltaGrid to create a micro-grid to power some of our field operations, which displaces diesel fuel use and utilizes associated natural gas from our wells.

We recognize the importance of fostering a safe and engaging workplace for our employees and being a good partner to our communities. We encourage you to read about our priorities and our progress in our 2024 Corporate Sustainability report.

Sincerely,

Travis D. Stice

Chairman and CEO



DIAMONDBACK ENERGY AT A GLANCE



Diamondback Energy, Inc. (“the Company” or “Diamondback”) 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 primarily in the Permian Basin in West Texas.

Our upstream operations consist primarily of the horizontal development of oil-bearing formations within the Midland Basin and Delaware Basin, both of which are part of the larger Permian Basin in West Texas and New Mexico. Additionally, our publicly traded subsidiary, Viper Energy, Inc., owns mineral and royalty interests in the Permian Basin. Our midstream operations own, operate, develop and acquire midstream infrastructure assets in the Midland and Delaware Basins of the Permian Basin.

\$8.4B

2023 REVENUE

493.8K

NET ACRES

1,023

EMPLOYEES

2,178 MMBOE

ESTIMATED PROVED OIL AND
NATURAL GAS RESERVES

Data as of 12/31/2023

CORE VALUES

Diamondback and the culture we have developed are grounded in a unique set of core values that are adhered to throughout the entire organization. By establishing core values, we set a high bar of expectations for our employees, operations and interactions in the office and in the field.



LEADERSHIP



INTEGRITY



EXCELLENCE

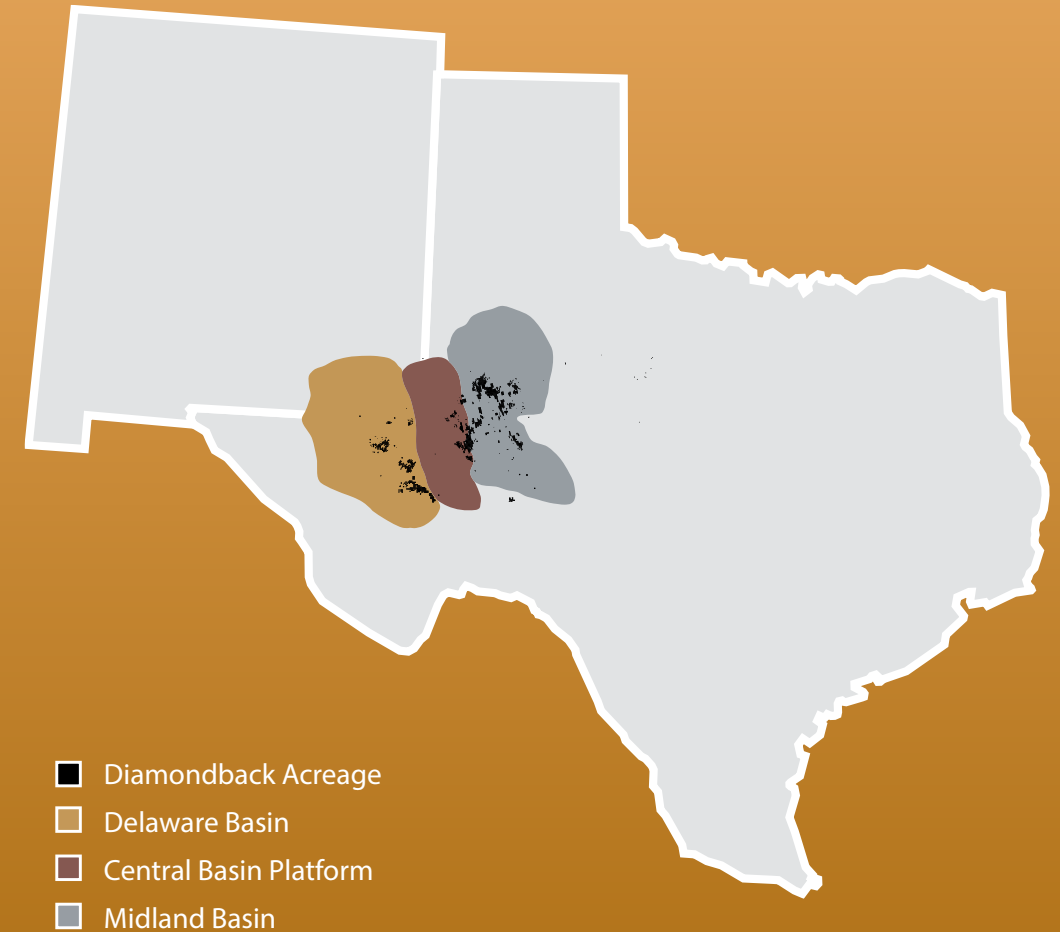


PEOPLE



TEAMWORK

DIAMONDBACK PERMIAN BASIN ACREAGE



SUSTAINABILITY GOALS



OUR TARGETS SUPPORT OUR BUSINESS GOALS

ENVIRONMENTAL TARGETS

- » By 2030, achieve reduced Scope 1+2 GHG intensity by at least 50% from 2020 levels
- » By 2024, achieve reduced Scope 1 GHG intensity by at least 50% from 2019 levels
- » By 2024, achieve reduced methane intensity by at least 70% from 2019 levels
- » By 2025, eliminate routine flaring (as defined by the World Bank)
- » By 2025, source >65% of water used for operations from recycled sources – **ACHIEVED 73% IN 2023**
- » By the end of 2023, implement Continuous Emissions Monitoring Systems (CEMS) on Diamondback facilities to cover more than 90% of operated oil production – **ACHIEVED 96%**

“NET ZERO NOW”

- » Our "Net Zero Now" initiative, in place since 2021, means every hydrocarbon we produce will be produced with zero net Scope 1 emissions. Recognizing the Company will still have a carbon footprint, Diamondback:
 - Purchases voluntary carbon credits to offset remaining Scope 1 emissions
 - Evaluates and invests in income-generating projects that are expected to more directly offset remaining Scope 1 emissions

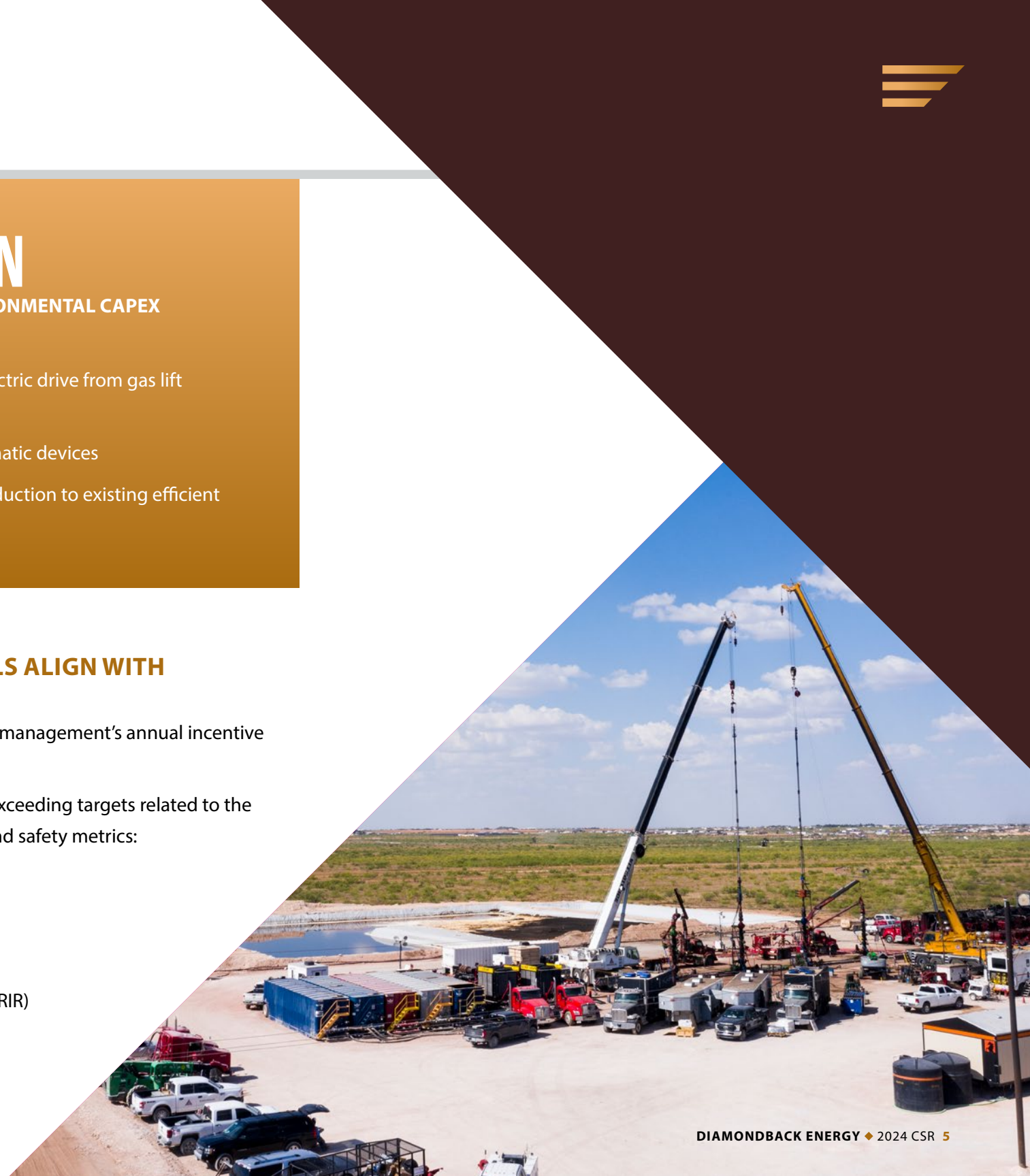
\$50 MILLION

BUDGETED FOR 2024 ENVIRONMENTAL CAPEX TO ADVANCE OUR GOALS:

- » Continued investment in electric drive from gas lift compression
- » Eliminate natural-gas pneumatic devices
- » Proactive comingling of production to existing efficient modernized facilities

EXECUTIVE INCENTIVE GOALS ALIGN WITH SUSTAINABILITY GOALS

- » ESG metrics have a 25% weighting in management’s annual incentive bonus compensation scorecard
 - Award determined by meeting or exceeding targets related to the following five key environmental and safety metrics:
 1. Flaring intensity
 2. GHG intensity
 3. Recycled water percentage
 4. Spill prevention
 5. Total Recordable Incident Rate (TRIR)

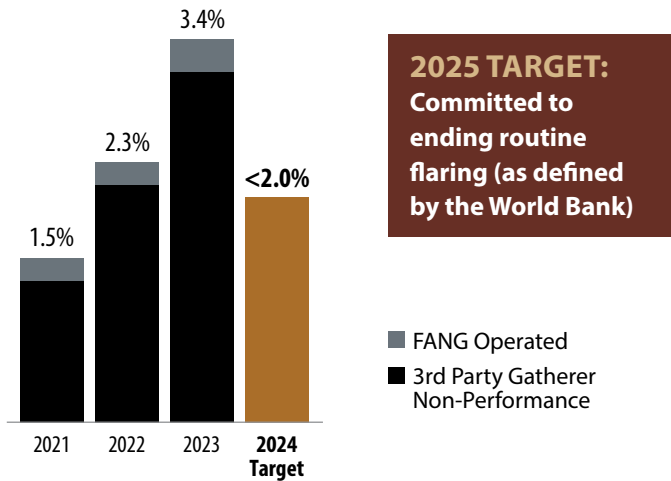


DIAMONDBACK SUSTAINABILITY TARGETS



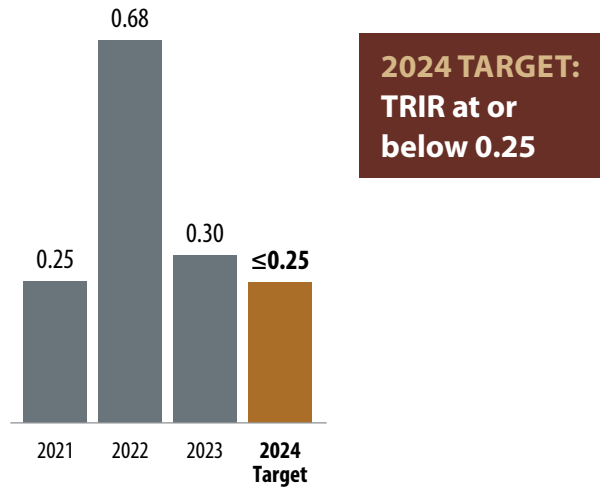
NATURAL GAS FLARING

(% of gross gas flared/gross gas produced)



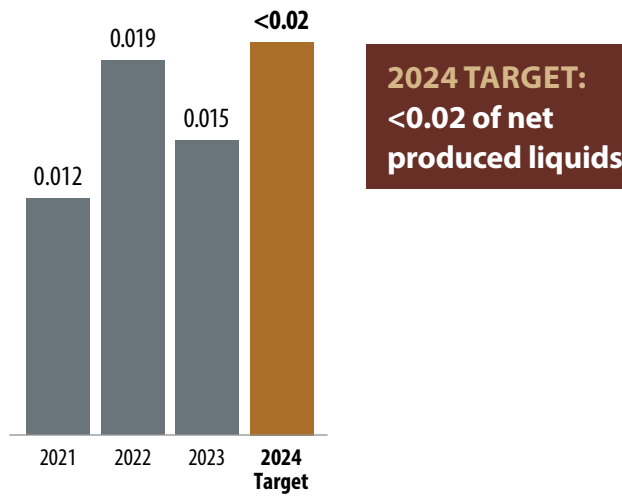
WORKPLACE SAFETY

(Employee TRIR)



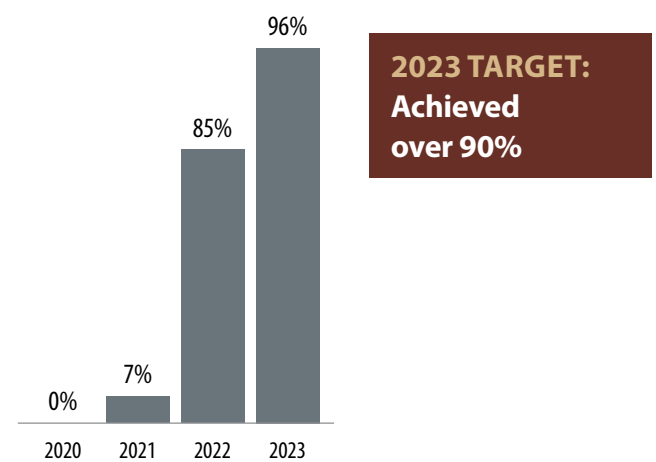
PRODUCED LIQUID SPILLS (LESS RECOVERED)

(BBLs of produced liquid spills not recovered/total produced liquids)



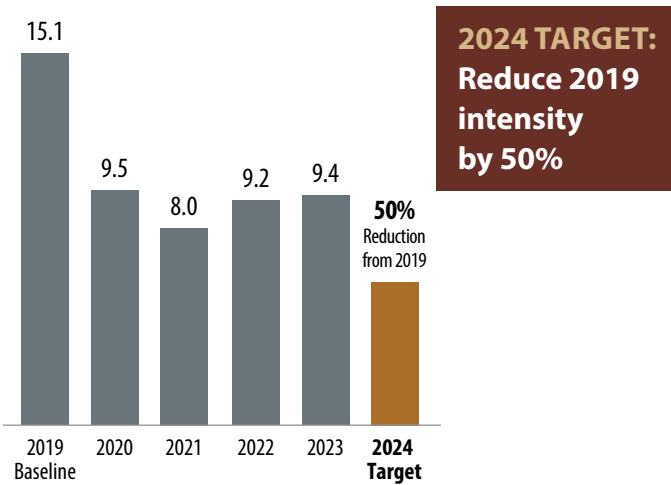
OPERATED OIL PRODUCTION WITH EMISSIONS MONITORING

(% of operated oil production monitored)



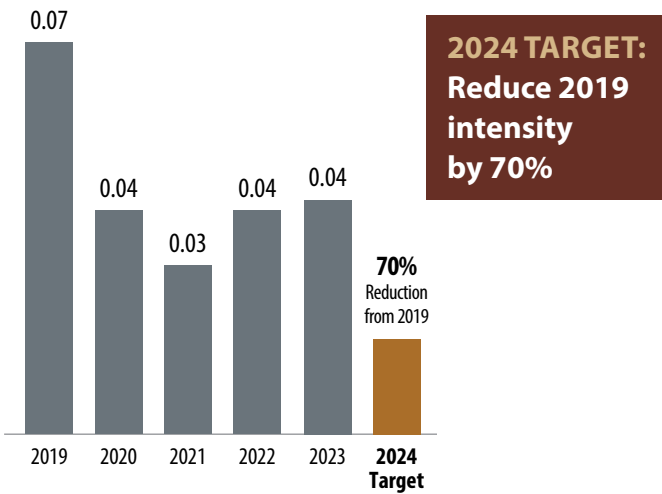
SCOPE 1 GHG INTENSITY

(mt CO₂e/gross MBOE produced)



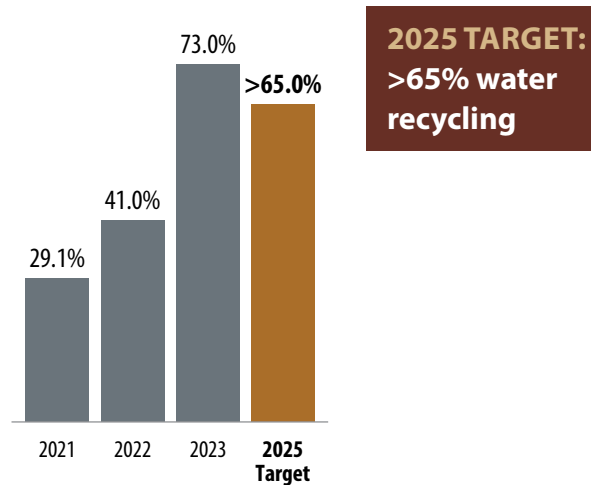
METHANE INTENSITY

(mt CH₄/gross MBOE produced)



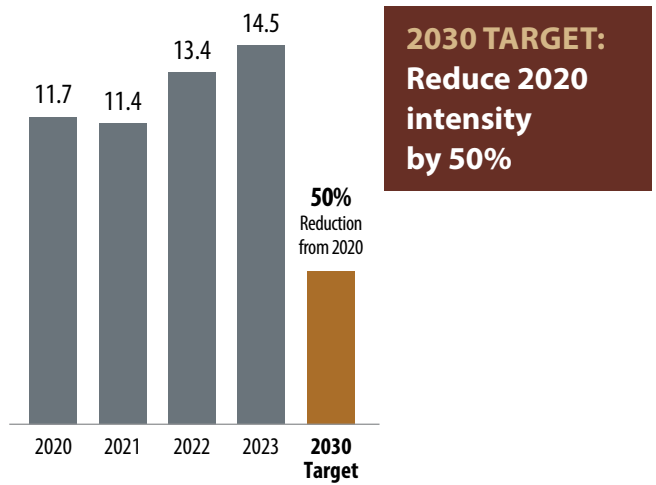
RECYCLED WATER USAGE

(% of recycled water/total water used)



SCOPE 1+2 GHG INTENSITY

(mt CO₂e/gross MBOE produced)



OUR APPROACH TO SUSTAINABILITY



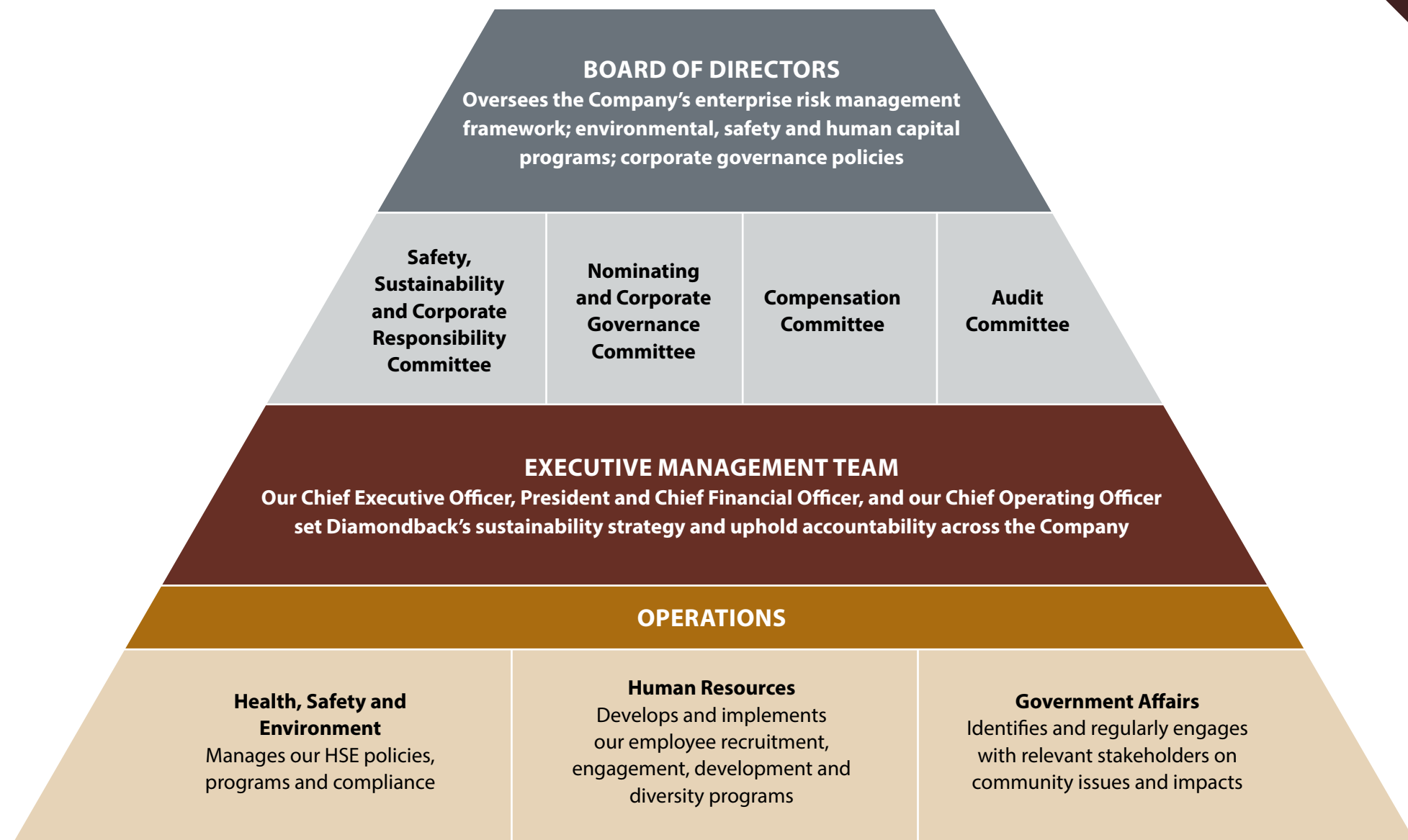
At Diamondback, we know that our long-term success is based on our ability to efficiently and safely develop our resources and to be a responsible partner in our communities. That is why we are committed to protecting the environment and our people, operating responsibly, supporting our communities and practicing sound governance. Diamondback embraces the opportunity to be a leader in environmental practices to safeguard the areas in which we live and operate.

Our environmental strategy recognizes that the world is transitioning to a lower-carbon economy. Many of the foremost authorities on energy demand forecast that oil and gas will continue to meet a substantial portion of global energy demand in even the most carbon-constrained projections. We seek to provide the safest, cleanest barrels of oil possible as we continue to adapt our work processes to succeed in the new energy economy.

Diamondback has taken important actions to demonstrate our commitment to being an industry leader on sustainability matters. We have included specific, measurable environmental and safety performance metrics in our bonus program to reward performance on key indicators, including flaring, GHG emissions, recycled water usage, fluid spill control and safety.

Our executive management team sets our sustainability strategy and goals with oversight by the Safety, Sustainability and Corporate Responsibility (SSCR) Committee and our Board of Directors.

SUSTAINABILITY AND GOVERNANCE OVERSIGHT



IDENTIFYING MATERIAL TOPICS

We focus our corporate responsibility strategy and initiatives in areas that are relevant to our business performance and where we can make a significant impact. In doing so, we are guided by feedback from our stakeholders and third-party frameworks, including the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative (GRI), International Petroleum Industry Environmental Conservation Association (IPIECA) and American Exploration and Production Council (AXPC).

Our material topics, detailed throughout this report, include:

- » **ENVIRONMENTAL RESPONSIBILITY** encompassing climate change, GHG and emissions, flaring, water usage and recycling, spills and spill management, waste and biodiversity
- » **MANAGING AND REDUCING RISKS** through our attention to safety, security and emergency preparedness
- » **OUR PEOPLE** through advancing diversity, human rights, health and safety, training and professional development for all Diamondback employees
- » **COMMUNITIES** through our outreach, engagement and investment
- » **GOVERNANCE AND BUSINESS ETHICS** spanning corporate governance, business ethics and compliance

ENGAGING OUR STAKEHOLDERS

We seek to incorporate a variety of perspectives in our sustainability strategy and initiatives. Our engagement efforts with key stakeholder groups are outlined below and covered in greater detail throughout this report.

STAKEHOLDERS	ACTIVITIES AND OPPORTUNITIES
STOCKHOLDERS	<ul style="list-style-type: none"> » Engaging at least annually for insights and suggestions regarding our corporate governance standards, compensation and sustainability efforts » Initiating contact with stockholders representing approximately 62% of our outstanding shares as of June 30, 2023, and meeting with stockholders representing approximately 41% of our outstanding shares, including 6 of our 10 largest stockholders
DIAMONDBACK EMPLOYEES	<ul style="list-style-type: none"> » Fostering teamwork through two-way employee communications » Providing skills training and professional-development courses » Providing leadership development programs » Offering initiatives that support a positive work/community/life balance
COMMUNITY MEMBERS	<ul style="list-style-type: none"> » Attending local city council meetings » Interacting and engaging through volunteer programs, service projects and other events » Supporting new and expanded learning opportunities in local school districts » Participating and providing leadership as a member of the Permian Strategic Partnership, an organization focused on addressing current and future challenges in Permian Basin communities
SURFACE AND MINERAL INTEREST OWNERS	<ul style="list-style-type: none"> » On-site visits with property owners when planning new or expanded projects » Providing support from our owner-relations team
REGULATORY AGENCIES	<ul style="list-style-type: none"> » Ongoing communication with federal, state and local agencies » Supporting the development of impactful industry-relevant public policy
BOARD OF DIRECTORS	<ul style="list-style-type: none"> » Regular briefings to the Board and SSCR Committee on corporate responsibility and ESG strategies » Review of ongoing risks and opportunities related to sustainability practices
SUPPLY-CHAIN PARTNERS	<ul style="list-style-type: none"> » Regular screening and evaluation of contractors » Guidance and support in meeting our performance and compliance standards » Vendor audits
ESG RESEARCH PROVIDERS	<ul style="list-style-type: none"> » Conversations to better understand ESG standards and how performance is assessed » Consideration of performance measures in reporting » Progress updates on new disclosures

ABOUT THIS REPORT

This is the seventh annual corporate sustainability report for Diamondback. Except where otherwise noted, the scope of this report comprises all consolidated operations and includes data through December 31, 2023. This includes operations at our wholly-owned midstream subsidiary, Rattler Midstream LP (“Rattler”), but does not include operations at our public mineral and royalty subsidiary, Viper Energy, Inc. (“Viper”), as Viper does not have physical oil and gas operations.

The data included in this report was subject to internal review and verification and certain environmental data was also subject to independent third-party review and limited assurance. Please see the Report of Independent Certified Public Accountants on [page 52](#) for more information.

CLIMATE STRATEGY



Diamondback recognizes the business risks from the transition to a lower-carbon economy. Although the scale and timing of an energy transition is uncertain, the Company is taking deliberate actions and setting robust goals to manage these risks.

For details on how we are considering and addressing the potential climate-related risks to and opportunities for our business, please see the Taskforce on Climate-Related Financial Disclosures (TCFD) section on [page 46](#).

TAKING ACTION TO REDUCE EMISSIONS

We are taking meaningful steps to invest prudently to reduce our emissions and to address potential climate change-related risks and opportunities. In 2024, we allocated \$50 million for emission reduction projects, up from approximately \$20 million spent in 2023.

As part of our strategy, we have set goals to reduce our GHG and methane emissions intensities. Along with taking aggressive steps to cut emissions, since 2021, as part of our Net Zero Now, initiative we have purchased voluntary carbon credits equivalent to our remaining Scope 1 emissions.

Consistent with our overall approach to environmental responsibility, we strive to limit and capture air emissions by implementing Best Available Control Technology (BACT) on all new facilities and wells. BACT projects include various infrastructure applications, such as installing air compression, vapor-recovery towers and electric-driven compression.

At year-end 2023, approximately 96% of our operated oil production was covered by real-time continuous monitoring of methane emissions, achieving our goal to cover at least 90% of our operated oil production by the end of the year. To monitor our facilities for fugitive emissions, we have implemented a wide range of practices including on-the-ground inspections, dedicated field staff who use Forward-Looking InfraRed (FLIR) cameras to detect and repair any leaks identified and flame-sensor technology for real-time monitoring in compliance with EPA regulations.

KEY PROGRAMS TO REDUCE EMISSIONS

SOURCE	ACTIVITY	ACTIONS
COMBUSTION	Electrical generation	<ul style="list-style-type: none"> » Electrified two of our four frac fleets » Replaced gas-powered generators with line power for more than 90% of our overall load » Solar-power installation for some chemical delivery pumps, automated valves (where appropriate) and lighting
	Drilling/Completions	<ul style="list-style-type: none"> » Drilled our first wells using rigs powered by line power in 2022
	Gas-lift engines	<ul style="list-style-type: none"> » Continued to eliminate gas-powered generators and compressors » Initiated replacement of existing natural gas combustion compression fleet with electric
FLARING	Routine	<ul style="list-style-type: none"> » Connected all new wells to sales pipelines prior to initial production » Shut in oil production to prevent or limit flaring wherever possible » Obtained multiple sales connections wherever feasible
	Non-routine	<ul style="list-style-type: none"> » Worked to improve third-party maintenance planning, reduce third-party downtime and resolve third-party capacity constraints » Shut in oil production to prevent or limit flaring wherever feasible
EQUIPMENT LEAKS	Leak detection and repair (LDAR)	<ul style="list-style-type: none"> » FLIR teams supporting leak detection monitoring » Monthly inspections and reporting
ATMOSPHERIC STORAGE TANKS	Oil-tank emissions	<ul style="list-style-type: none"> » Employment of vapor-recovery towers and vapor-recovery units as part of standard facility design since 2014 » Installation of 16-ounce tanks to drive remaining flash gas to control devices
NATURAL-GAS PNEUMATIC DEVICES	Device actuating	<ul style="list-style-type: none"> » Continued to replace natural gas controllers with compressed air units on horizontal batteries and utilization of BACT on vertical batteries » Installation of air compressors in lieu of natural gas controls at all new facilities



STRATEGIC LOWER CARBON INITIATIVES AND INVESTMENTS

ELECTRIFYING OPERATIONS WITH VOLTAGRID

Driving efficiencies in our business is a core component of our environmental as well as operating strategy. Efficient energy consumption is a major focus of this effort. With large scale, non-diesel power solutions the emission footprint and costs of our operations can be significantly reduced.

One important initiative is our collaboration with VoltaGrid to provide electricity to our field operations. Together with VoltaGrid, Diamondback has established a significant micro-grid in the Permian Basin. This micro-grid is used to provide power to a large producing field as well as our drilling and completions operations. Electric drilling and completions operations can drive significant cost savings while increasing operational efficiencies through enhanced reliability. Consuming associated gas instead of diesel to power our operations reduces our fuel costs and lowers our emissions profile.



VERDE CLEAN FUELS INVESTMENT

Diamondback invested \$20 million in Verde Clean Fuels (Verde) in 2023 with the goal to build a facility to produce 'syngas-to-gasoline plus' (STG+[®]) by turning waste natural gas feedstock into gasoline.

Verde is making initial plans to expand into the Permian Basin utilizing the STG+[®] technology. Our combined plan seeks to build a plant in two years that is producing approximately 3,000 barrels per day of reformulated gasoline from an inlet feedstock of approximately 35 MMcf/d, or approximately 5%, of our Midland Basin daily gas production. In the event a plant is constructed in the Permian, Diamondback would invest additional capital and have the right to own up to 65% of the facility.

We are excited about the potential this technology has to help introduce a low-carbon fuel to the broader transportation market, along with reducing our Scope 1 carbon footprint through flare mitigation.

Additionally, by utilizing natural gas as a feedstock to Verde's STG+[®] technology, one of the major byproducts is hydrogen. This hydrogen stream could be commercialized or utilized as an energy source for the STG+[®] process, further reducing the carbon footprint of the gasoline produced.



ZERO ROUTINE FLARING AMBITION

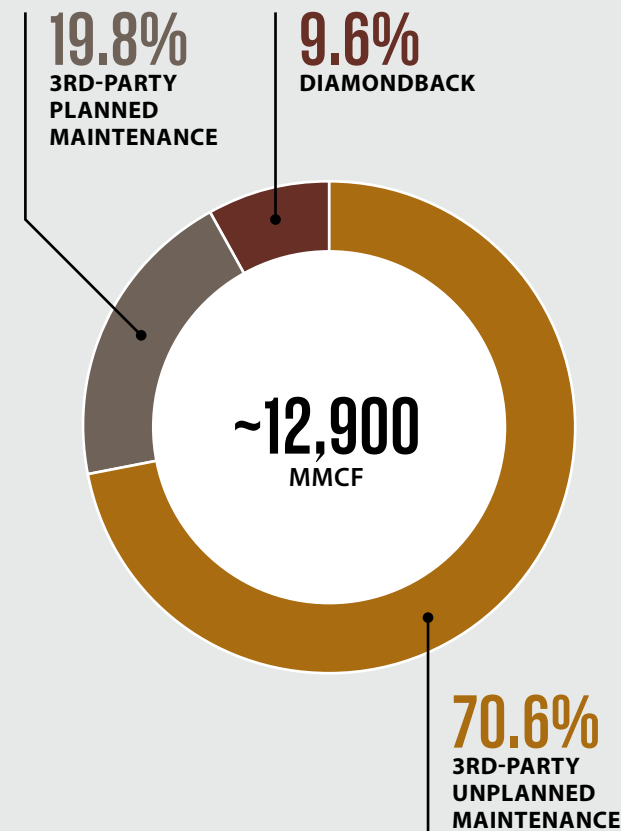
Diamondback is investing to eliminate routine flaring (as defined by the World Bank) by 2025. To get there, we set an annual goal to flare less than 1% of our gross natural gas production, which is also part of our Company bonus program compensation scorecard.

We flared approximately 3.4% of our gross natural gas produced in 2023. Not achieving our target and our increase in flaring since 2021 is largely due to factors outside of our control. Unplanned and planned maintenance by third-party midstream gatherers and processors accounted for approximately 90% of our flared emissions in 2023.

We continue to work with our midstream providers to implement operational and commercial solutions to incentivize performance. We are committed to solutions-oriented discussions with our midstream partners, and we continue to press them to commit to the same level of environmental responsibility expected of us as the operator. While these solutions may reduce our cash flow, we have commercially incentivized our third-party gatherers to move our gas to market. We seek to renegotiate contracts with our midstream providers to fixed fees wherever possible, as this fee structure removes the potential for gatherers to elect not to take our gas for economic reasons.

Diamondback actively works to obtain multiple gas sales connections at our larger gas-producing batteries wherever possible, which allows us to sell gas to the secondary outlet and minimize flaring in the event a third-party gatherer and processor has planned maintenance or experiences an unplanned event that prevents them from taking our gas. Additionally, we have proactively shut in or curtailed oil production to limit or minimize flaring due to third-party downtime or lack of sufficient takeaway. While such actions decrease Diamondback's oil production and impact our revenue, we want to set the example that industry behaviors must change to eliminate routine flaring.

2023 FLARING BY SOURCE



GOVERNANCE AND RISK MANAGEMENT

To develop and implement our carbon-reduction strategies, our executive management team sets our sustainability and business strategies, approves our goals and provides resources to meet our performance targets. The SSCR Committee of the Board oversees Diamondback's sustainability programs and activities, including oversight of climate-related risks and opportunities and our climate-resiliency planning. Our Board annually approves the capital investment budget based on the recommendation of the executive management team, including investments in technology to reduce emissions.

Diamondback identifies and addresses potential climate change-related risk through its well-established risk identification, prioritization and management practices, which we use to mitigate business risks. The identification of risks at both organization-wide and project levels allows us to develop measures to avoid, mitigate or remedy them. Our Company uses continuous improvement of management processes, such as an enterprise risk management (ERM) system, to strengthen our risk management and mitigation process.

Through our ERM process, we seek to identify and mitigate risks that have significant potential to affect our business. Climate change has the potential to impact many different aspects of our business, and these impacts are integrated across multiple ERM risk categories. The ERM process includes an annual risk review with executive leadership and the Board of Directors.



WORKING IN PARTNERSHIP TO REDUCE EMISSIONS

Diamondback collaborates with organizations across the industry and the Permian Basin to reduce environmental impacts.

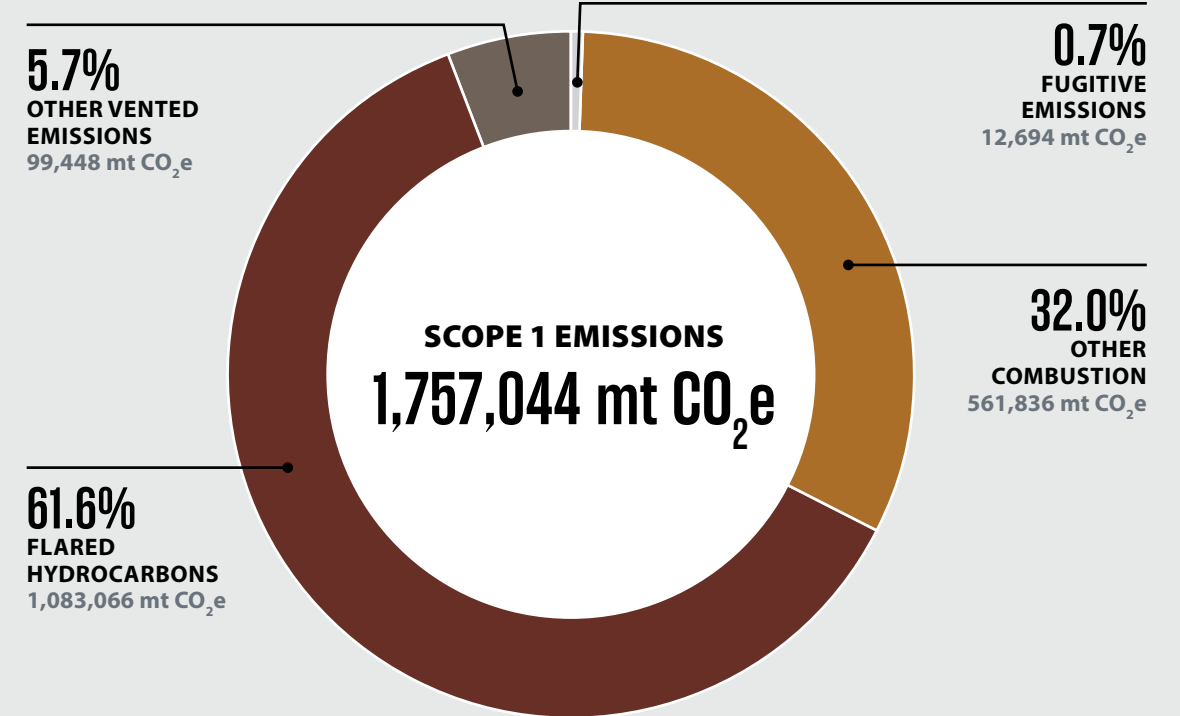
We are part of the Environmental Partnership, a group of more than 100 companies in the oil and gas industry committed to continuously improving environmental performance. Since 2020, we helped drive The Environmental Partnership's efforts to improve LDAR practices across oil and gas production sources. We also took a lead role in encouraging member companies to replace all high-bleed pneumatic controllers with low- or zero-bleed technologies.

We also contribute to environmental initiatives through our work with other industry groups, including:

- » Oil & Gas Methane Partnership 2.0
- » American Exploration & Production Council
- » American Petroleum Institute
- » Permian Basin Petroleum Association
- » Texas Oil & Gas Association



OPERATED EMISSIONS IN 2023



SCOPE 2 EMISSIONS

953,809 mt CO₂e

CALCULATED SCOPE 3 EMISSIONS

(Use of Sold Products)

52,453,762 mt CO₂e

ENVIRONMENT



We are committed to minimizing the environmental impacts of our operations. We are focused on operating in compliance with applicable federal, state and local laws. Further, we go beyond regulatory compliances as demonstrated by our investments in infrastructure to reduce environmental impact, including GHG emissions and freshwater use.

ENVIRONMENTAL MANAGEMENT

Our health, safety and environmental (HSE) management system provides the framework through which we identify, monitor and reduce environmental risks. Our executive management team sets our sustainability and business strategies, approves goals, provides resources to meet performance targets and directs our sustainability policies and programs, including our Environmental Management approach. Our Board of Directors, through the SSCR Committee, maintains ultimate oversight.

Through our HSE system, we have assigned roles and responsibilities to drive compliance with our programs. Our Vice President of Safety and Sustainability has day-to-day responsibility for overseeing our HSE-related programs with certain responsibilities delegated to superintendents, foremen and field leads.

We track our environmental performance, including efforts to address flaring events, methane leaks and spills. Our HSE system provides trend data to our management and operational teams, enabling proactive oversight and corrective action to achieve continuous improvement. We continually investigate, evaluate and incorporate BACT, whenever feasible, to prevent or reduce adverse environmental impacts from our operations.

Our operations are subject to stringent environmental laws and regulations, including those related to waste handling and remediation of hazardous substances, water discharge and air emissions. We complete compliance audits for all newly acquired facilities in accordance with the Texas Environmental, Health and Safety Audit Privilege Act. In addition, we conduct monthly internal environmental audits and semiannual inspections of our operations to ensure compliance with regulatory requirements and our own standards.

Through our corrective action procedures, if there is an environmental incident, we conduct a root-cause analysis to identify the issue and seek to address it and to drive continuous improvement.

We train our field/operational employees on environmental compliance and our best operating procedures, including the use of our hazard identification reporting system. For example, our monitoring and inspection team is trained on the proper use of FLIR cameras to detect potential methane leaks. In addition, we have sent employees to emissions-detection and quantification-methods training at the Methane Emissions Technology Evaluation Center (METEC) at Colorado State University. Finally, our annual discretionary bonus opportunity for all employees includes metrics regarding achievement of our environmental responsibility targets.



WATER

We understand the importance of water for our business and our communities, which is why Diamondback is committed to the responsible use of water. We are proud to have achieved a water-recycling rate of 73% in 2023 — exceeding our goal to source over 65% of our water used for drilling and completion operations from recycled sources by 2025.

As part of our business planning, we make specific efforts to drill assets where we have water infrastructure already in place. We conduct advance planning at least 180 days before drilling a location to ensure optionality in locating our development considering minimal environmental impact.

Our commitment to being good stewards of water is managed by our Chief Operating Officer and Senior Vice President of Midstream Operations. We recognize that our operations are primarily located in a water-scarce region. As such, we aim to minimize our freshwater withdrawal. The World Resources Institute (WRI) publishes its Aqueduct Water Risk Atlas to categorize scarce water zones. This tool helps guide us to make environmentally responsible decisions for future water needs.

We use a blend of recycled produced water, brackish (non-potable) water and freshwater for our drilling and completion operations across our asset base, with an increased focus on both produced and brackish water as our primary options. We source brackish water for our drilling and hydraulic fracturing operations where it is available and economically feasible. This helps conserve the available supply of freshwater, since the brackish water we use is generally too high in salinity for agricultural or household use. Our definition of brackish water conforms with the AXP standard. AXP classifies water containing up to 1,000 parts per million (ppm) of total dissolved solids as fresh.

We are proud to engage with the Texas Produced Water Consortium, the Permian Basin Water Management Council and other industry groups for greater impact.

For more details on Diamondback's water-management program and processes, please refer to our [latest CDP questionnaire response](#).

DEEP BLUE WATER MANAGEMENT PLATFORM JOINT VENTURE

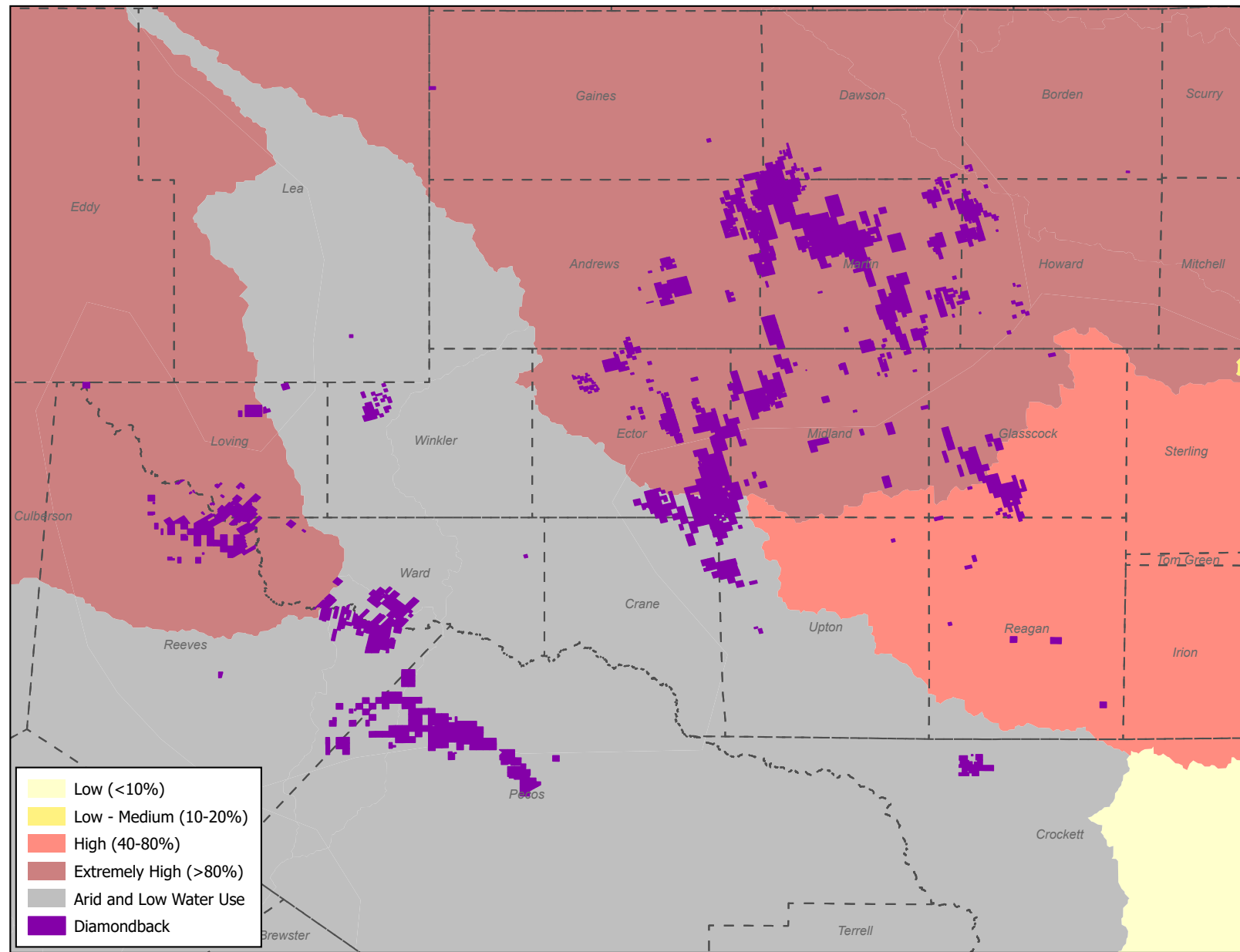
In 2023, Diamondback announced the creation of a joint venture, Deep Blue Midland Basin LLC, that created the largest independent water infrastructure platform in the Midland Basin.

Deep Blue develops, owns and operates integrated midstream water infrastructure networks for exploration and production companies throughout the Midland Basin. The company seeks to address long-term water management requirements through integrated pipeline systems and sustainable water-management practices. Deep Blue helps Diamondback and other operators in the area to minimize wastewater disposal through water recycling and advanced technologies such as desalination and enhanced evaporation.

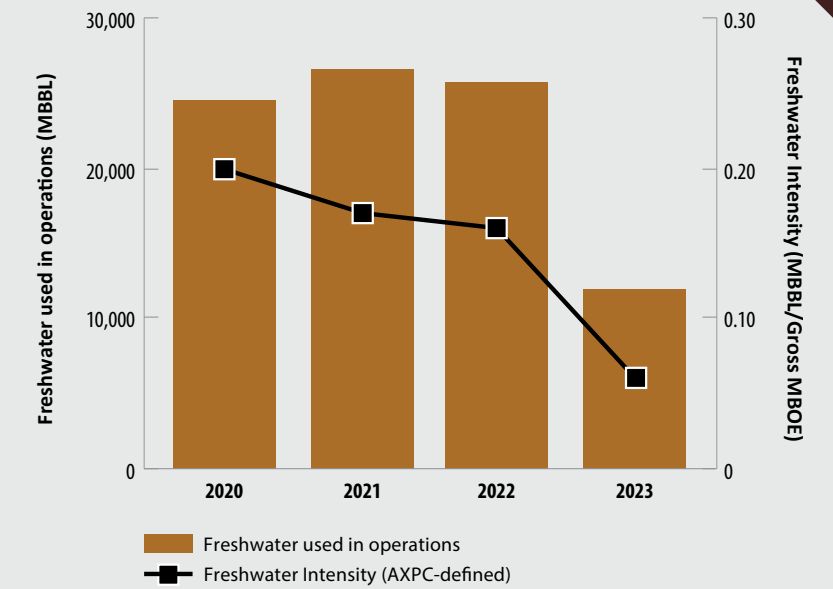




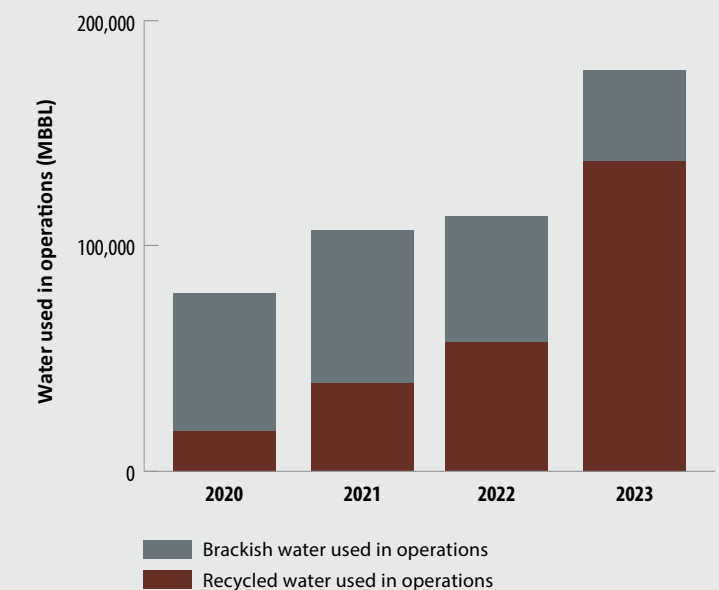
DIAMONDBACK ACREAGE OVER THE WRI'S ACQUEDUCT WATER RISK ATLAS



FRESHWATER USAGE



RECYCLED/BRACKISH WATER USAGE



EFFLUENT

We are committed to reducing and managing our effluents. Diamondback does not discharge any drilling-operations wastewater to surface or water courses — it is all reused or re-injected into disposal wells. We seek to minimize our wastewater by treating it on site and reusing drilling fluid. In 2023, more than 99% of our produced water was handled via pipelines. Any releases are investigated as part of our continuous improvement process.

SPILL PREVENTION

Diamondback is dedicated to preventing the release of fluid from containment as part of our commitment to protect our employees, our communities and the planet. We hold ourselves accountable to exceed industry standards for effluent management, as well as spill-prevention control and countermeasures.

In 2023, we achieved a net spill rate of 0.015 barrels per thousand barrels produced. This improved on our 2022 performance and exceeded our target.

We intentionally focus on installing properly designed equipment, inspecting facilities regularly, implementing a preventative maintenance program and ensuring our employees follow appropriate handling practices. Our automation team incorporated controls to monitor for spills and can shut down operations from a central command center, if needed. A multifunctional team meets monthly to review, classify and evaluate potential causes of any spills. We use a comprehensive dashboard to assess trends and create data-driven recommendations for design modifications, additional preventative maintenance and revised operational practices with a goal to eliminate similar issues in the future. Spill prevention is reviewed with senior management on a weekly basis.

We create and maintain Spill Prevention Control and Countermeasure (SPCC) plans in accordance with federal regulations for our production facilities. We evaluate all new facilities and implement SPCC plans as necessary to better protect additional locations not specifically covered by the applicable regulations. We set minimum operational standards and equipment specifications. Prior to beginning completion operations on a well, we require our transfer services contractors to perform a leak and pressure test on the pipelines being used.

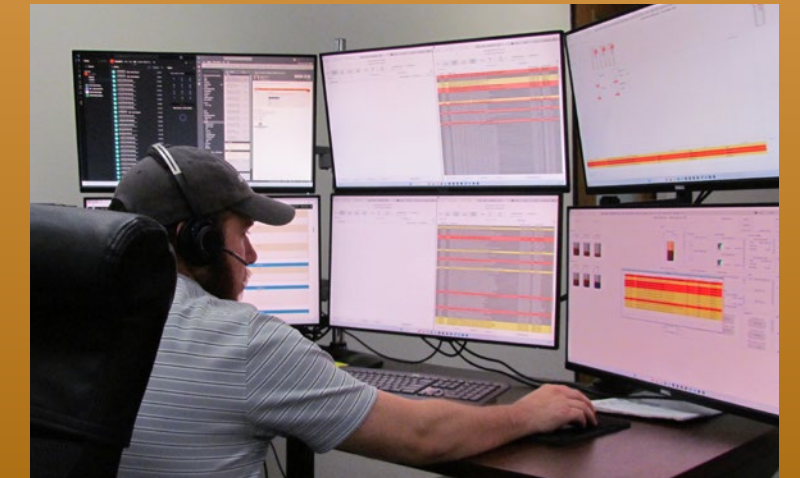
The majority of our horizontal batteries and all of our new batteries are constructed with a lined secondary containment area for recovering liquids that might be lost in the event of a release.

Spill Prevention Technologies

Our incident reporting system enables our employees and consultants to communicate effectively for fast spill response and remediation. We install high-liquid-level alarms on storage tanks, as well as high-level “well-kill” systems. The high-level alarm allows operations personnel to remotely respond to situations at each facility. As an additional protection measure, the “well-kill” or shutdown signal will automatically shut in the wells to avoid tank overflows. Through additional automation at Diamondback facilities, lease operations personnel can view real-time tank levels and production data on their phones and computers.

INTEGRATED OPERATIONS CENTER

We opened our Integrated Operations Center (IOC) in 2023, which provides centralized monitoring of all of our facilities. Through the IOC, we can see and promptly respond to signs of a leak, as well as monitor preemptive alerts to allow ample reaction time to stop potential spills.



2023 SPILLS DATA

(Greater Than or Equal to 1 BBL)

622
HYDROCARBON SPILLS

6,294 BBLs
HYDROCARBON VOLUMES

74%
HYDROCARBON VOLUMES RECOVERED

265
PRODUCED WATER SPILLS

33,069 BBLs
PRODUCED WATER VOLUMES

80%
PRODUCED WATER VOLUMES RECOVERED

Spill Recovery

In 2023, we recovered approximately 79% of the volume of hydrocarbon and produced water spills that occurred.

On most existing horizontal facilities and on all new facilities, Diamondback constructs secondary containment with an impervious barrier around our tank batteries and saltwater disposal facilities. In the event of a liquid release, we strive to capture any liquids and return them to the tank with no impact to the environment around the facility. We maintain digital records of spills and recoveries regardless of size. Senior management routinely reviews spill and recovery data and tracks current versus past performance in tandem with our stated goals. Our goal for any release is timely response and effective mitigation. We work with third-party contractors to implement proven methodologies for soil remediation that meet or exceed regulatory requirements. We require soil testing by certified laboratories to ensure closure requirements are achieved. Our goal is simple: leave the land on which we operate the same or better than how we found it.

WASTE

We are committed to minimizing and safely disposing of waste in our operations. Since production and completion operations typically generate negligible waste, we primarily focus on minimizing waste at our drilling sites.

We use water-based mud in the majority of our drilling operations, which not only significantly improves our drilling performance, but also reduces the need to treat cuttings. This process has been successful in all the primary zones we drill in the Midland Basin and Delaware Basin.

A small portion of the wells we drill in the Permian Basin require the use of an oil-based mud called diesel invert. After use, we dry the cuttings from drilling operations to a level of less than 5% total petroleum hydrocarbons (TPH) and reuse the oil-based mud we collect in the process. We further treat the cuttings to less than 1% TPH before deep-burying them on site.

Our ability to treat cuttings on site also helps reduce the volume of trucks required to haul to disposal.

We have taken action to increase the efficiency of our hydrogen sulfide (H₂S) scavenger use for the safe treatment of H₂S. We have seen an improved treatment efficiency and a lower cost per molecule removed. In 2023, we installed fixed monitors across our operations and updated all personal monitors to alert individuals about the presence of hazardous gas or hydrogen sulfide releases. Our geolocated area gas-monitor devices are internet-connected with integrated communication that continuously transmits critical site safety information such as gas detection alarms. All information is instantly available on an internal portal for optimum monitoring and security.

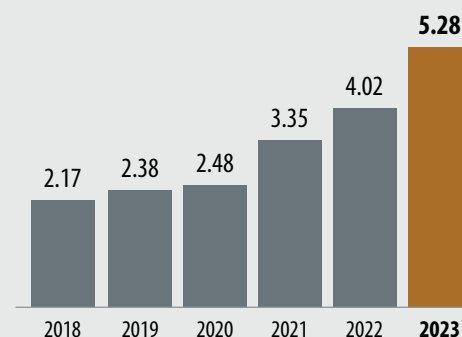
LAND USE AND BIODIVERSITY

Diamondback is committed to protecting biodiversity and minimizing adverse environmental impacts associated with our operations. Our Senior Vice President of Government Affairs and our Executive Vice President and Chief Legal and Administrative Officer have managerial responsibility for our biodiversity programs. We collaborate with landowners, regulatory agencies, local government representatives and other stakeholders in developing natural-resource management plans geared toward minimizing ecosystem disturbances and restoring habitat in affected areas.

To identify potential biodiversity impacts and priority areas, our teams perform satellite-image reviews of potential pad and battery sites to spot topographical features, such as playas, that may require avoidance. Next, a site visit is performed to identify potential impacts not discovered by the satellite review. As part of our drilling plans, we seek to utilize existing pads and batteries to reduce the amount of disruption to new land. In addition, we are drilling more wells per pad and drilling longer laterals, when possible, to access more reservoir area with a smaller surface impact. We have established policies and procedures for full-site remediation at the end of use for all of our sites.

INCREASING WELLS PER PAD TO REDUCE OUR OPERATIONAL FOOTPRINT

Average Wells per pad



One action to reduce our disturbance of land is to increase the number of wells on a pad. In 2023, we drilled an average of 5.28 wells per pad, a 143% increase since 2018.



Reclamation and Restoration

When a well reaches the end of its economic life, we have a three-step process to plug and reclaim that wellbore and its pad site.

- » **Step One:** Temporarily abandon the wellbore by removing the downhole production equipment, setting a plug in the production casing above the top perforations and closing all surface valves. This practice ensures we have redundant barriers that prevent reservoir fluids from being able to flow to the surface.
- » **Step Two:** Plug and abandon the well. We endeavor to plug and abandon wells in a manner exceeding the requirements of the Texas Railroad Commission (TRRC). We currently plan to execute this step on 10% or more of our inactive wellbores each year.
- » **Step Three:** The final step is surface remediation of the well pad. During this step, we consult with landowners on how they would like the well pads reclaimed. If the landowner wants the pad and road removed, the caliche rock on the pad and road is reused to repair other lease roads. The majority of caliche rock from remediated pads was reused to repair roads in 2023. The bare land where the lease road and well pad were located is either reseeded or left bare according to the landowner's preference.

As part of our plug and abandonment standard operating procedures, we have set a minimum requirement for our cement to be thicker than state regulations require. In addition, within city limits, we have a policy to restore sites to better soil quality than the state specification.

Endangered Species

We systematically assess for endangered species before moving into a new area. Our policy is to avoid operating where there are known threatened or endangered species. If protected species or habitats are

LAND RECLAMATION IN 2023:
~200 acres at 157 sites

identified, we will utilize a third-party expert to mitigate impacts of our operations. In 2021, Diamondback enrolled in a Candidate Conservation Agreement with Assurances (CCA) through the U.S. Fish & Wildlife Service in order to ensure the protection of the Dunes Sagebrush Lizard. The lizard is native to the shinnery oak of the Mescalero Sands of New Mexico and the Monahans Sandhills of Texas. This includes portions of Andrews, Crane, Ector, Gaines, Ward and Winkler Counties. The CCA is completely voluntary and will ensure preservation of the species on shared land with oil and gas production.

MANAGING SEISMICITY

When we are not able to recycle produced water, we inject it underground. In response to research literature suggesting an association between deep disposal and minor tremors or other seismic activity below ground (i.e., induced seismicity), we have invested in equipment to monitor and report on seismicity events. We not only use the readouts from these seismic monitoring stations in our risk analyses of disposal site locations, but we also share data with university and state government researchers. Diamondback complies with applicable federal and state regulations on underground injection control.



SAFETY



We are committed to safeguarding the well-being of our team, communities, business partners and the environment. Our culture fosters teamwork and open dialogue, which includes putting safety first. Whether it is minimizing workplace incidents or preparing for the unexpected, we make protecting our people and our communities a fundamental component of our corporate responsibility efforts.

We systematically identify, assess, monitor and manage risks to our safety and business continuity. Our executive team sets goals, provides oversight and drives accountability for HSE across all areas of our business. We also work proactively to maintain compliance with all applicable HSE standards, laws and regulations.

Safety performance is monitored by Diamondback's senior leaders so that issues can be proactively addressed as they arise. Our executive management team meets with operations personnel quarterly through different forums. The SSCR Committee of the Board actively oversees our commitment to safety and the quality of our HSE procedures.

Our HSE organization has full-time, field-dedicated coordinators to assist field operations in identifying and preventing potential safety issues. We also involve employees from all operational levels in our Safety Committee, which:

- » Suggests improvements to the overall safety program
- » Recommends preventative measures based on reviewing vehicle and personnel incidents
- » Conducts safety and environmental reviews at operational locations
- » Implements the Diamondback Hazard Communication Program

We maintain a formal health and safety program that includes employee training and new-hire orientation on various environmental and safety topics, including proper reporting. As part of our HSE management system, we have developed robust operating guidelines and procedures for assessing and mitigating safety risks and conducting operations in a safe manner. We are currently in the process of updating our HSE safety manual to eliminate redundancies and to make it more digestible, including developing access to it via mobile app. Employees undergo significant training and education each year to become knowledgeable on regulatory compliance, industry standards and innovative opportunities to effectively manage the challenges of developing our resources. We also ensure that our employees have all the necessary equipment to operate safely and are trained on how to use it properly. Considering the nature of our work and the locations of some sites in and near communities, we also proactively prepare for the unexpected by developing emergency response plans to cover potentially hazardous situations.





In 2023, we sought to further strengthen our robust HSE protocols and programs by:

- » Increasing the number of supervisor visits and ride-arounds to monitor for hazards and conduct safety audits;
- » Dedicating 8,738 personnel hours to training on key safety topics; and
- » Further increasing the focus on culture and behavior at our safety meetings and incorporating a behavior-based safety program.

We believe our enhanced focus on employee safety contributed to the 56% annual improvement in our employee total recordable incident rate (TRIR), including finishing the final eight months of the year without a recordable incident. With just three recordable incidents (as defined by OSHA), our TRIR in 2023 was 0.30, just slightly above our 0.25 target but down from 0.68 in 2022. We also continued to demonstrate our commitment to safety by maintaining a performance metric in our annual incentive compensation scorecard in 2023 that measures our TRIR.

TRIDENT AWARD INTRODUCED

In 2023, Diamondback introduced the Trident Award. This internal award recognizes teams for their outstanding performance for adhering to safety protocols. Teams are assessed on their performance based on metrics related to spills, driver safety and injuries.

IDENTIFYING POTENTIAL HAZARDS

We use robust tracking methods and work closely with regulatory agencies to prevent incidents. Diamondback employees are often in the best position to identify areas in which we need to improve mitigation to ensure safety. Field personnel can immediately and easily report incidents, near misses and potential hazards using our dynamic cloud-based hazard identification system. Our system allows employees to use an app on their smartphone, tablet or laptop to upload a summary and photos of any hazardous situation for timely follow-up. Utilizing an online reporting and analysis system, our operations managers and safety specialists evaluate the hazards identified to develop safety insights and recommendations from the data, as well as to initiate corrective action.

Stop Work Authority

Diamondback empowers employees, and anyone at a Diamondback work location, to immediately halt a job or task without fear of retribution if they believe hazardous conditions or unsafe practices are present.

VEHICLE SAFETY

Driver safety is paramount at our Company. We utilize the Smith System for driver training, which is a highly respected program focused on teaching drivers to anticipate dangerous situations and drive defensively.

We utilize the Diamondback Driving Management System to monitor and respond to our driving behaviors. We use data obtained by the In-Vehicle Monitoring System (IVMS), which we install in owned and leased vehicles, to monitor driving habits and develop individualized discussions with our drivers. We also conduct annual driver safety training and semi-annual checks of driving records for all employees who might be expected to operate a company-owned or leased vehicle in their employment. Any

driver involved in a vehicle incident is required to submit to a drug and alcohol test as soon as safely possible. Any driver involved in a contributing motor vehicle accident is required to attend additional motor vehicle operations training. We continue working to improve vehicle safety across our fleet through driver training courses and safety monitoring technologies.

CONTRACTOR SAFETY

To conduct business with our Company, contractors affirm that their work will be performed in compliance with all applicable laws, rules and regulations, including all safety codes, statutes, regulations, precautions and procedures.

We evaluate contractors on multiple criteria, including the existence of a formal safety program and written safety manual, performance of employee background checks and explicit requirements for personal protective equipment. In 2023, we continued our longtime partnership with Veriforce, which collects safety data related to contractors who perform services for Diamondback's production operations. Veriforce's machine-learning and predictive-modeling technology helps us evaluate the likelihood of a contractor having a recordable incident over a three-month period.

Each quarter, contractors upload relevant safety information that Veriforce, based on our risk assessment criteria, grades as green (low risk), yellow (moderate risk) or red (high risk) allowing us to manage risk more efficiently. A score of red or yellow might result in ineligibility of the contractor to work for Diamondback.



EMERGENCY RESPONSE PROGRAM

Natural disasters, accidental spills and human-instigated threats are among the potential hazards that we encounter as part of our work. We are committed to continually developing and reviewing our emergency response plans to cover likely scenarios. In coordination with city officials, police, firefighters and medical teams, we distribute these plans through multiple channels and update them yearly or whenever significant changes in the community occur. Each of our corporate and field-office facilities has its own written plan that includes information on how to safely evacuate the building. We train teams of employees at each location to assist their co-workers in the event of a fire, bomb threat or other crisis. We also conduct annual full-scale drills to maximize emergency preparedness.

Our emergency response program is overseen by the SSCR Committee and the responsibility and accountability for management is with our Vice President of Safety and Sustainability, our Deputy General Counsel and our Chief Operating Officer. We maintain written plans at each office and facility. In cases where our facilities are in populated areas, we post toll-free numbers for stakeholders to ask questions or to report concerns. All emergency calls are directed to a call center and routed to our appropriate internal experts, HSE Team, Legal Team and Security Team to track and investigate until resolved.

Most of Diamondback's operations are in unpopulated areas. In situations where our work poses a potential risk, we assign personnel to communicate with area residents and monitor our daily operations to prevent or minimize any potential adverse impacts. This includes providing information to help the public avoid potentially hazardous conditions or activities near our operations. We use automated monitoring equipment at production facilities to help safeguard people and the environment. As well in populated areas, we add extra security and protection around that facility.

The Respirator Protection Team is a specially trained team within Diamondback that responds to the release of hydrogen sulfide gas. The Team is trained to perform initial isolation of systems, to "man down" situations and incident coordination to ensure the safety and well-being of both the affected individual and responders.

MAINTAINING SECURE FACILITIES AND OPERATIONS

Our security experts ensure we leverage the latest technologies to prevent threats to safety and business continuity. We have weatherized our gas infrastructure and gas wells to minimize weather-related risks. We monitor field operations through random inspections, including searches of facilities and vehicles on our locations. During these inspections, we conduct drug and alcohol screenings of all persons at the location. We also maintain around-the-clock gate security at our largest operations in the Delaware and Midland basins to limit access to authorized personnel only.



HUMAN CAPITAL



We achieve operational excellence through our people and our culture of clarity, efficiency and inclusion.

We are committed to our culture, which is built on the foundation of our five core values. We understand that our success is based on not just what we do, but how we do it. Therefore, we set a high bar for all our employees in terms of how they operate and interact within our offices, our fields and our communities. We challenge them to ensure all people are treated with dignity and respect.

Our Board of Directors provides ultimate oversight of our human capital strategies with assistance from Board committees. Specifically, the SSCR Committee is responsible for the oversight of our human capital programs related to recruiting, retention, training and development, while the Compensation Committee is responsible for overseeing our executive compensation program and succession planning. These committees receive regular updates from our executive leadership team, senior management and third-party consultants on human capital trends and other key human capital matters impacting our business, including diversity and inclusion initiatives; recruiting, retention, training and development programs; policies and practices impacting our employees; succession planning; and our executive compensation program. We believe our Board's oversight helps the Company identify and mitigate exposure to human capital risks.

DIVERSITY

Fair, consistent and equitable treatment of our employees is core to how we manage our workforce. Equal employment opportunity is fundamental within our People Policies Handbook. Our employment decisions are based on merit, qualifications, competencies and contributions. We value

the perspectives, experiences and ideas contributed by our employees from a diverse range of ethnic, cultural and ideological backgrounds. Therefore, we actively seek to attract and retain a diverse workforce and cultivate an inclusive and respectful work environment.

Our commitment to diversity is led by our Vice President of Human Resources and is overseen by our SSCR Committee. Our diversity initiatives include a focus on a diverse talent pipeline, mentorships, strong total rewards and workplace flexibility.

In 2023, we took various actions to increase the diversity of job applicants and expand our recruitment efforts, particularly in our college recruitment and internship programs. We continued our efforts to include Historically Black Colleges and Universities (HBCUs) in our summer internship program. We also collaborated with several student organizations to reinforce this inclusive initiative, which will continue in the future. In 2024, we are planning to continue our efforts to build relationships with diverse communities and organizations such as the Black Engineer of the Year Award Conference (BEYA); establish partnerships with HBCUs; attend and sponsor events with diverse professional organizations, universities and community groups; and provide training for recruiters and interviewers on unconscious bias, diversity awareness and inclusive hiring practices.

We have zero-tolerance for discrimination and a firm belief in equality. We provide a collaborative environment at Diamondback so that all employees are empowered to participate and are treated with respect. We believe that inclusion is the hallmark of true care and compassion for others and that, through inclusion, the workplace is made better.



BOARD AND EMPLOYEE DIVERSITY

As of December 31, 2023

OVER
28%
OF OUR EMPLOYEES ARE WOMEN

OVER
35%
OF OUR EMPLOYEES SELF-IDENTIFY
AS ETHNIC MINORITIES
(up from 33% in 2022, 29% in 2021 and 25% in 2020)

1 OF 5
MEMBERS OF OUR MOST SENIOR EXECUTIVE
LEADERSHIP TEAM ARE WOMEN

56%
OF DIAMONDBACK'S BOARD OF DIRECTORS SELF-
IDENTIFY AS DIVERSE BY GENDER OR ETHNICITY
(33% diverse by gender and 33% by ethnicity)

To raise diversity and inclusion awareness, we continued to provide training opportunities for Diamondback employees through offerings such as "Preventing Workplace Harassment," which is required for all new employees; "Creating a Harassment Free Workplace," which is required for all new supervisors; "Social Styles" training and "Enhancing Communication for Teamwork," both of which are available for all cross-functional teams.

We celebrate and educate our employees about the diversity of their colleagues around events such as Veteran's Day, Black History Month and Women's History Month.

We publicly provide our Equal Employment Opportunity (EEO-1) diversity data as of December 31, 2023, on [page 51](#).

RECRUITING

We are committed to attracting, recruiting and developing a diverse and engaged workforce that has the technical skills to support our business. In 2023, we continued to take actions to improve our recruitment and talent pipeline strategy, including conducting military recruiting events for the first time. We continued to develop our college recruiting and local hiring programs by attending job fairs in the Permian Basin and attending engagement events with local two-year technical or community colleges, including sending diverse teams to manage our career fair participation. We also focused on recruiting experienced hires to augment top industry talent.

Specifically, in 2023, we:

- » Participated in career fairs in Midland and Odessa, Texas and Oklahoma City, Oklahoma
- » Partnered with Odessa College and Midland College to train students in field operations with the ambition of being able to recruit them in the future



- » Furthered our partnership with Midland College by helping to set up its automation program and design its CTE (Career and Technical Education) program
- » Expanded military recruiting efforts by working with the Permian Warrior Partnership, a local veteran nonprofit, to identify local veterans to potentially fill roles at Diamondback, as well as increased efforts at Fort Bliss, Fort Cavazos and Camp Pendleton

Further, our internship program remains an important talent pipeline for filling positions within the Company, especially our engineering and geoscience roles. During the summer of 2023, we welcomed 21 interns across six Diamondback departments with approximately 29% being women and 38% identified as ethnically diverse. We are proud to share that in 2024, we welcomed 26 interns across ten departments with 35% being women and 42% identified as ethnically diverse. We strive to not only introduce students to our industry but to convert interns into full-time, new hire employees in the future.



In 2024, we are planning to continue to participate at local and industry specific career fairs, as well as at veteran-focused events and job fairs. We will be working to establish partnerships with military transition programs and organizations supporting veterans and continuing to grow our relationships with local colleges and technical schools to provide a pipeline of available talent. We also will be utilizing our current employees to refer qualified candidates and leverage our new human capital management technology to streamline and create efficiencies in the recruiting process. Lastly, we will be fully exploring the use of professional social media platforms, such as LinkedIn, to create awareness in job opportunities at Diamondback.

Mentorship Program

During the summer internships, we formally assign a mentor to each intern to ensure the intern has an additional source of support to foster development and success. Each intern is assigned a summer project to present to the executive team. Mentors advise the interns during the course of their project and provide input to the intern during the development of their presentation. As new hires out of college, Engineers receive training through our CORE (Career Optimization and Refinement for Engineers) Program; they are also provided opportunities to work with mentors, who help them focus on developing knowledge and understanding of key competencies.

TOTAL REWARDS AND BENEFITS

Our comprehensive total reward compensation philosophy is rooted in a market-based approach in which we reward and recognize value creation and cultural alignment. We participate in industry-specific benchmarking surveys ensuring comparison points against local markets in a comprehensive manner. Our nonexecutive employee compensation programs consist of an annual base salary, a discretionary performance-based annual bonus and a discretionary long-term equity incentive award, taking into consideration both specific Company performance and individual performance. These awards ensure that we competitively reward our employees, and align them with our stockholders by providing stock ownership opportunities for 100% of our employees.

We offer our employees generous health and wellness benefits. The Company pays the insurance premiums for employees and their family members for benefits such as medical, dental, vision and life insurance. Further, we have a Company match on 401(k) retirement savings, and employees are immediately vested in that match. Our retirement savings plan allows employees to choose between pre-tax or post-tax (ROTH) contributions, so they can plan for retirement in the format which best meets their financial objectives.

Our benefits program also includes health savings and flexible spending accounts, paid time off, education assistance, gym reimbursement, work-from-home days, volunteer time off, extended time off, paid maternity and paternity leave and service awards, which are granted to employees at five-year service intervals as recognition and appreciation for their contributions to Diamondback.

EMPLOYEE BENEFITS

WE OFFER ALL FULL-TIME EMPLOYEES EXTENSIVE BENEFITS, INCLUDING:

- » Comprehensive health plans — medical, dental and vision insurance with 100% Company-paid premiums
- » Life, AD&D and long-term disability insurance with 100% Company-paid premiums
- » Tuition reimbursement program for all active, full-time employees with six months of service
- » Health Savings Account (HSA) and Flexible Savings Account (FSA)
- » 401(k) retirement plan with generous immediately vested Company match
- » Eligibility for annual discretionary, restricted stock awards
- » Employee Assistance Program
- » Parental leave
- » Service awards at five-year service intervals
- » Two days of annual volunteer time per employee
- » Company matching for donations to registered nonprofit organizations

Workplace Flexibility

To support our employees with work-life balance and making a positive impact in our communities, we offer employees the opportunity to work a flexible schedule, under which, during a standard two-week pay period, an employee works a minimum of eight 9-hour days and two 4-hour days on Fridays. We offer time to volunteer, adoption assistance and a competitive parental leave policy. Specifically, to support employees and their families, we offer paid maternity leave following the birth of a child and a ten-day paid parental leave following the birth or adoption of a child to allow both mothers and fathers bonding time with their new child. We continued with our commitment to a flexible work life balance by offering a work-from-home policy that provides office-based employees a bank of days that they can utilize to work remotely.

TRAINING AND DEVELOPMENT

We provide extensive training opportunities designed to expand the professional knowledge of our team. Most offerings are available across the organization to employees at all levels. We provide on-the-job development and learning opportunities, which allow our employees to apply and practice work activities with newly acquired knowledge and to develop various additional skills. Our CORE training program is one example of this. This program is for new engineers, and it involves them rotating through different positions to learn the skills needed for each before being placed in a specific position. We also provide all employees opportunities for general skills training, leadership courses, technical courses, and health, safety and environmental training.

In 2023, we provided 131 different internal training offerings on a wide array of topics. These offerings included Performance Management for Leaders, 401(k) and equity educational sessions, Wellsite On-Demand Learning and access to an extensive LinkedIn Learning library. All new hires

NEW HUMAN CAPITAL MANAGEMENT SYSTEM ROLLOUT

In 2024, we plan to implement a new HR system to assist with the management of:

- » Benefits
- » Human capital data with advanced analytics
- » Talent acquisition & headcount planning
- » Processing of time and payroll
- » Employee goal setting & performance reviews
- » Learning offerings and tracking
- » Employee surveys

undergo training and education on our Code of Business Conduct and Ethics and People Policies. Our employees receive training on regulatory compliance, industry standards and innovative opportunities to effectively manage the challenges of developing our oil and gas resources and related environmental and social responsibility, as well as quarterly cybersecurity training. We have also implemented development programs that are designed to facilitate learning and collaboration regarding leadership capabilities at all levels. Our courses range from techniques for building and leading productive and harmonious relationships with colleagues to developing technical skills such as a Microsoft Excel Skills series. In June of 2023, we hosted the Energy Workforce & Technology Council (EWTC)/Envision Group "Field Operations Leadership Program," a training event for field leadership. Forty-five leaders from different service companies and operators in the Permian Basin, including Diamondback, attended this two-day class designed to help new managers move from "contributors" to "leaders." This program also granted these leaders access to ongoing one-on-one coaching afterward.

The program's course content included:

- » Leadership Essentials
- » Understanding Personalities and Behavioral Styles
- » Mastering Change and Change Management
- » Goal Setting and Accountability
- » Strategies for Effective Communication
- » Managing Offsite Workers
- » Stakeholder Management and Managing Up
- » Staffing and Recruiting Critical Talent

In total, Diamondback employees completed 21,749 hours of training in 2023. This is an average of approximately 21 hours of training per employee. Of the total training completed, almost 12,700 hours covered operational and development topics.

Performance Management

Every year, employees are given an annual performance review, which includes a comprehensive goal setting discussion with their manager. We also conduct informal mid-year reviews that serve as progress updates related to these goals. We use these sessions, along with an open-door culture, to give leaders the ability to connect and support their teams. This collaborative process allows our leaders to reinforce those work behaviors that align with our core values, provides an avenue to address any work behaviors requiring improvement and drives value creation. Additionally, it provides opportunities to connect with employees about their career goals and how we can support them in their growth.

ENGAGEMENT AND RETENTION

We seek frequent feedback from our employees, specifically on a quarterly basis through holding in-person and virtual town hall meetings. We engage employees by soliciting questions ahead of the meetings, so that we can address the issues raised. In addition, periodically, our Human Resources team conducts pulse checks with employees and leaders to monitor employee satisfaction. Diamondback has taken numerous actions to address feedback received to engage our employees and ensure employee satisfaction.

We believe our historically low voluntary attrition rate is a result of our culture and commitment to employee development and career advancement. Our 2023 overall employee turnover was approximately 14%.

HUMAN RIGHTS

The culture at Diamondback is guided by our core principles which serve as a moral compass for how we conduct business within the Company, with our vendors and suppliers, and in the communities in which we operate. In line with these values, Diamondback is committed to conducting its business in a manner that respects and promotes the fundamental rights and dignity of all people regardless of race, color, national origin, citizenship, religious creed, disability, gender, gender identity, sexual orientation, age, military status or political affiliation. To formalize this commitment, in September 2022, we further enhanced our [Human Rights Policy](#), which the SSCR Committee oversees and which is posted on our website.

The policy states that we respect and support universally recognized, fundamental human rights and freedoms set forth in the United Nations Universal Declaration of Human Rights. Guided by the human rights diligence framework set forth in the UN Guiding Principles on Business and Human Rights, we strive to assess how our business operations affect

human rights and to address any adverse impacts. We also embrace the principles described in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including freedom of association, nondiscrimination and the elimination of forced labor and child labor.

We respect the rights of local communities by observing the laws and regulations and respecting the cultural values of those communities. Where people in local communities may be affected by our operations, we strive to identify any potential adverse impacts in advance and take necessary steps to mitigate or eliminate such impacts. We monitor and address the environmental impacts of our business operations on our neighbors and strive to create positive impacts on adjacent communities through local engagement and charitable programs. Where indigenous people may be affected by our business activities, our approach is consistent with the principles set out in the United Nations Declaration on the Rights of Indigenous People, which includes respecting the land rights of indigenous people and a commitment to protecting culturally sensitive areas. We observe the principle of free, prior and informed consent and recognize the sensitivities involved in addressing issues related to the cultural heritage of indigenous communities, and address such issues in a spirit of respect, trust and dialogue.

The responsibility and accountability for the management of human rights issues extends across the entire Diamondback organization. Our employees receive routine training on, and recurring recertification to, our policies focused on the advancement of human rights, including those also set forth in our [Code of Business Conduct and Ethics](#) and our People Policies Handbook.



OUR COMMUNITIES

Diamondback is committed to building partnerships in the communities in which we work. We seek to understand and address the opportunities and challenges in our communities so we can succeed together.

COMMUNITY ENGAGEMENT

Our Senior Vice President of Government Affairs has managerial responsibility for our community relations programs. The Government Affairs team works to identify and regularly engage with relevant stakeholders including elected officials, educators, first responders and community leaders.

Although a majority of our operations are in remote areas where there are no communities, when we are operating within city limits or near a community, we strive to not just be a safe and responsible neighbor, but a good one. We try to make our footprint as small and focused as possible and implement procedures to address any potential community concerns. For example, we proactively use sound walls around our operations to screen noise and visuals. We invite local elected officials and regulatory groups to tour our sites to teach them about the industry and our operations, in particular. In certain outlying areas, we engage with groundwater conservation boards to listen and provide feedback. We take measures to ensure we do not potentially interfere with community events.

We work closely with local first responders to provide any assistance we can when they are responding to an emergency, whether at one of our sites or anywhere nearby. We also make sure a toll-free phone number is posted at every property that can be used to contact us twenty-four hours a day. Any such calls are logged in our system and investigated fully.

In 2023, we committed to attending all city council meetings in the areas where we work, instead of meetings where we had a vested interest. We

made this commitment because we wanted to expand assistance in our communities. By attending all meetings, we would find out about new initiatives, as well as programs that need support and where we might be a good partner.

ECONOMIC IMPACT

Our success supports our local communities through the taxes we pay, the 1,023 direct jobs we provided as of the end of 2023 and the hundreds of jobs created by service vendors that work for us. Additionally, we seek to work with local suppliers where we operate to increase our community impact. In 2023, we distributed approximately \$2.5 billion in royalties to mineral and royalty interest owners, as well as contributed \$525 million in state production and ad valorem taxes.

GIVING BACK

Giving back to the communities where our employees live and in which we operate is part of our identity. We strongly believe these investments of time, money and compassion allow our employees to both experience and demonstrate the core values of our Company. We sponsor improvements in public education, participate in and support many community and national organizations, and actively promote local groups who focus on the underserved and underprivileged. A significant portion of our philanthropic efforts are focused on helping to remove barriers to inclusion, particularly socioeconomic obstacles.





Corporate Philanthropy

In 2023, we demonstrated our commitment to our communities by donating a total of \$6.3 million. Approximately \$2.0 million funded our local philanthropy efforts consisting of direct local donations and an additional \$2 million was disbursed as part of our \$10 million, multi-year commitment to Midland community organizations. A further \$2.3 million supported the Permian Strategic Partnership (PSP). The PSP, of which Diamondback was one of the original founders in 2018, is a coalition of almost 30 leading Permian Basin energy companies that joined together to work in partnership with leaders across the region's communities to address current and future challenges to the responsible development of the vast oil and natural gas resources of the Permian Basin in New Mexico and Texas.

Our 2023 efforts in coordination with PSP included supporting:

- » Texas Tech Surgical Residency and Fellowship
- » Cal Ripken Stem Labs
- » EEWI Energy, Education and Workforce Innovation
- » Permian Basin Behavioral Health Center
- » Odessa College Commercial Driver Program
- » Holdsworth Teacher Training Initiative
- » Odessa College Commercial Driver's License (CDL)
- » PSP Small Project Fund
- » School Principal Internships
- » Principal Incentive Allotments
- » UTPB Licensed Professional Counselor
- » Organizer Zero
- » Permian Basin Medical Center Budget
- » Harmony Public Schools

IN 2023, DIAMONDBACK MADE A MULTI-YEAR \$10 MILLION COMMITMENT TO SUPPORT THREE LOCAL ORGANIZATIONS' BUILDING EFFORTS IN THE MIDLAND COMMUNITY.



MIDLAND ATHLETIC SYNDICATE (MAS)

Pledged funding to construct the principal building at the new facility with an indoor field and courts that will be used for local sports and tournaments.



BUSH TENNIS CENTER

Provided donation to the construction of the new facility that will provide a world-class athletic and training facility for residents of the Permian Basin.



MISSION AGAPE

Pledged funds to help with the construction of a new distribution center to expand storage capacity and increase the ability to provide services, therefore strengthening Mission Agape's impact within the greater Permian Basin community.



Employees

Our employees support an array of causes through their donations and volunteerism. Their philanthropic efforts remain an integral part of our Company culture and as a company we stand behind them and support them in these efforts.

To increase their financial impact, we match our employees' donations to registered nonprofit organizations and double the amount of our matching contribution when employees donate to a charity based in their local community. We also give every employee two paid days that they can spend volunteering. In 2023, Diamondback employees generously volunteered over 1,900 hours in the community. This was another impressive increase over the 619 hours in 2022 and 397 hours in 2021.

Our initiatives in 2023 included:

- » Developing the Diamondback Rolling Baristas program, a partnership with a local school district, a local coffee shop and Diamondback. Students with developmental disabilities serve coffee and refreshments to employees at the Fasken Towers twice a week, providing them the opportunity to develop the students' employability and social skills, as well as to build connections between our employees and students that participate in the program
 - In 2024, we expanded this program to include hiring several of the participants for the summer to be responsible for office tasks such as mail sorting, making deliveries around the office and filing
- » Sponsoring and supporting Company employees to plant 100 trees in Midland public parks in underserved areas with irrigation for long-term support, bringing the total to more than 300 trees planted through December 2023
- » Creating the Diamondback STEM (Science, Technology, Engineering and Mathematics) Lab powered by syGlass at a local high school to support immersive learning through virtual reality, connecting local students with various professors and universities across the nation and implementing an Anatomy and Physiology curriculum that meets national standards to support dual credit opportunities
 - A second Diamondback STEM Lab powered by syGlass will be installed at the Young Women's Leadership Academy (YWLA) in Midland. YWLA is a Midland ISD school of choice focusing on college preparatory academics, leadership development through community service and health and wellness





- » Partnering with a local high school to create career panel discussions where employees shared information regarding their career and provided recommendations on next steps to being successful in college
- » Providing second grade students with employee volunteers every other week through our Diamondback Reading Buddies program, in which the employees read to the students in both English and Spanish, promoting the joy of literacy.
- » Partnering with a local high school campus to create The Diamondback Tutoring/Mentorship program, a weekly program that supports students in the areas of Physics, UIL Math, Robotics and college/career, with an offshoot supporting their robotics team that participated in the state competition
- » Hosting our third annual Summer STEM Camp at Diamondback's corporate offices for disadvantaged middle school students with a focus on robotics, circuitry and drone flight, with a goal of relationship building to encourage a passion for STEM and leadership
 - In 2024, we expanded this camp to include public school teachers as mentors who will gain STEM teaching skills and earn continuing education credit for participating in this program
- » Partnering with a local elementary school to develop and construct a StoryWalk to support literacy, the outdoors and community engagement
- » Donating for the third year "back to school" kits and winter coats for every student at an underserved Oklahoma City elementary school

- » Volunteering at the annual Texas Size Garage Sale event that helps Senior Life Midland, a local nonprofit that funds approximately one-third of the meals delivered each year for Meals on Wheels
- » Donating over \$40,000 of equipment to the Midland Fire Department for gas monitors and \$22,000 to the Midland Bomb Squad for initiators
- » Hosting our fifth annual First Responders Appreciation Luncheon for over 500 first responders.
- » Donating approximately \$2.0 million to local charities and philanthropy
- » Donating approximately \$2.3 million through the Permian Strategic Partnership (PSP). The PSP was formed over five years ago by oil and gas companies to focus on making investments to help in building superior educational programs, accessible housing, a supportive healthcare system, safer roads and a more skilled workforce throughout the Permian Basin
- » Partnering with the Midland Education Foundation to again host the Teacher Winter Wishes Spectacular, where educators across the city were invited to a two-day event to receive free teacher supplies, gift cards and a chance to win big ticket door prizes



GOVERNANCE



DIAMONDBACK BOARD OF DIRECTORS

On September 10, 2024, Diamondback announced the closing of its merger transaction with Endeavor Energy Resources, L.P. In connection with the closing of the transaction, the size of the Board of Directors was increased to 12, and Charles Meloy, Robert Reeves and Lance Robertson were appointed to the Board of Directors.

The Board of Directors of Diamondback sets high standards for the Company's employees, officers and themselves. Currently, our Board is comprised of 12 members, elected annually, and all are independent, with the exception of our Chairman and CEO, Travis Stice. Our Board committees — the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Safety, Sustainability and Corporate Responsibility Committee — are each composed of independent directors. The independent directors regularly meet in executive sessions, led by our lead independent director, Melanie Trent. The Board provides oversight of Diamondback's strategy, including our ESG strategy, through regular interactions with management. Continuing Director education is an important element of the Company's governance strategy. In addition to education provided through regularly scheduled Board or committee meetings, the Company provides each Director with a membership to The National Association of Corporate Directors.

BOARD COMMITTEES

Audit Committee

This committee is responsible for the integrity of accounting policies, internal controls, financial statements, accounting and auditing processes and risk management compliance, including cyber risk. The committee is also responsible for reviewing and approving related party transactions and having direct oversight of external auditors, which includes having pre-approval authority of all audit and permissible non-audit services.

Compensation Committee

This committee oversees and administers the executive compensation policies, plans and practices and evaluates their impact on risk and risk management. The committee also evaluates the CEO's performance and reviews succession planning, as well as reviewing, approving and administering executive incentive compensation plans.

Nominating and Corporate Governance Committee

This committee assists the full board in identifying criteria for identifying and evaluating directors, as well as identifying and recommending potential candidates. Additionally, the committee oversees the Board and committee self-evaluations, reviews and makes recommendations on stockholder concerns, and periodically assesses the corporate governance structure of the Company.

Safety, Sustainability and Corporate Responsibility Committee

This committee, formed in 2019, has specific oversight responsibility for Diamondback's ESG policies and performance to provide perspective on significant public issues that are pertinent to the Company. The committee also assists management in setting strategy, establishing goals and integrating ESG matters into strategic and tactical business activities across the Company.

TRAVIS D. STICE
*Chairman of the Board and
Chief Executive Officer
Director since 2012*

CHARLES A. MELOY
Director since 2024

MARK L. PLAUMANN
Director since 2012

MELANIE M. TRENT
*Lead Independent Director
Director since 2018*

ROBERT K. REEVES
Director Since 2024

VINCENT K. BROOKS
Director since 2020

LANCE W. ROBERTSON
Director Since 2024

DAVID L. HOUSTON
Director since 2012

FRANK D. TSURU
Director since 2022

REBECCA A. KLEIN
Director since 2022

STEVEN E. WEST
Director since 2011

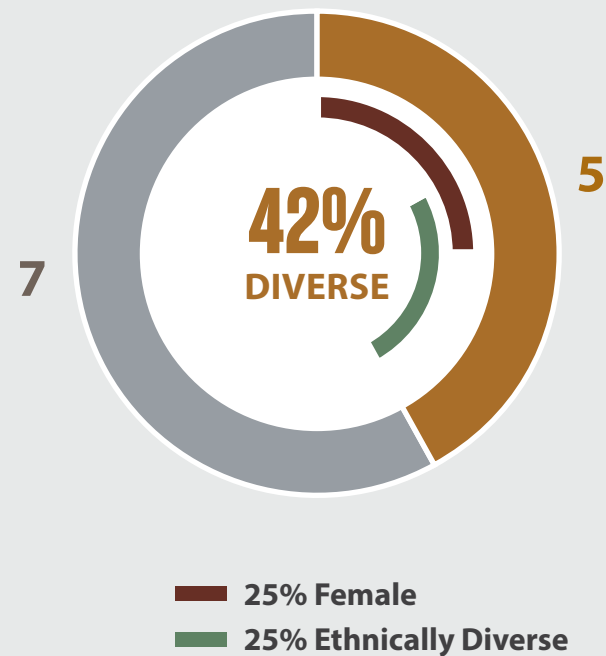
STEPHANIE K. MAINS
Director since 2020

As of September 10, 2024.

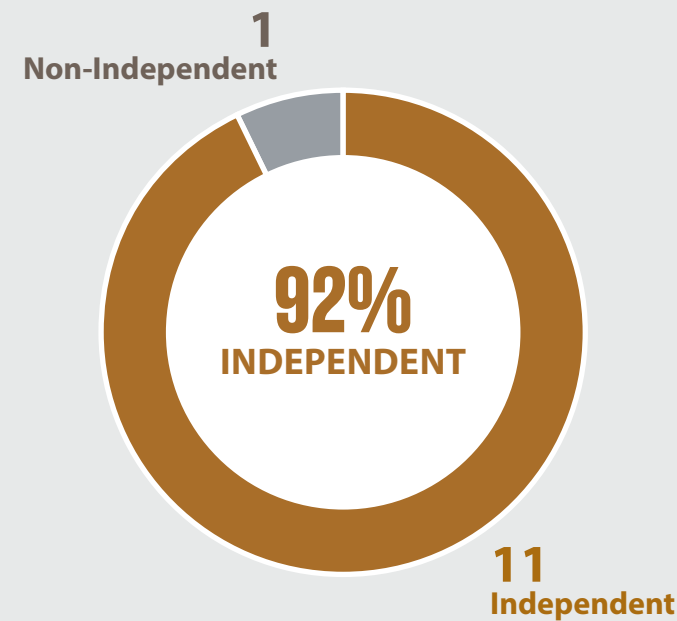


OUR DIRECTORS ARE INDEPENDENT AND HAVE A BALANCE OF TENURES AND PERSPECTIVES

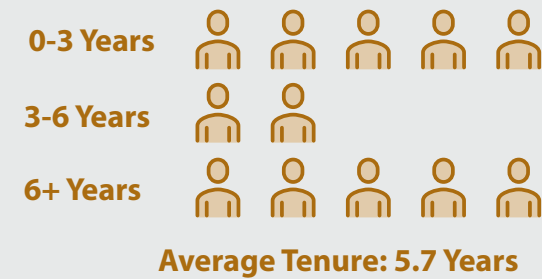
BOARD DIVERSITY



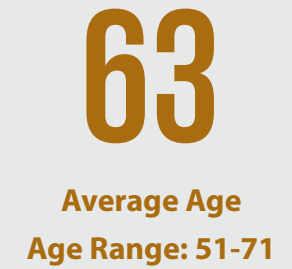
BOARD INDEPENDENCE



TENURE



AGE DISTRIBUTION



BOARD COMMITTEE INDEPENDENCE



BOARD REFRESHMENT



Data as of September 10, 2024.



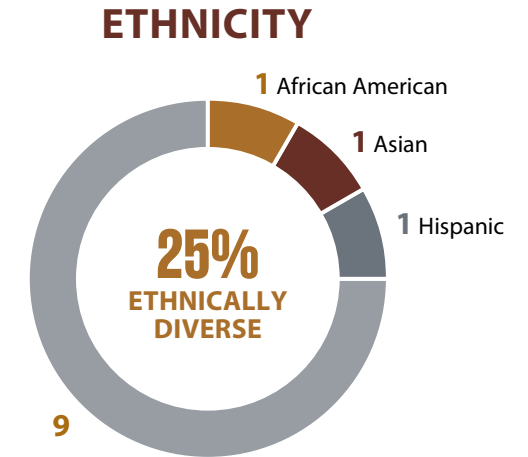
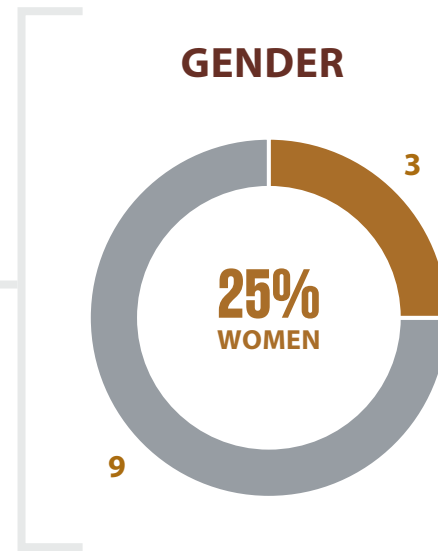
BOARD REFRESHMENT AND DIVERSITY

The Board values diversity and, reflecting the determination to keep our Board diverse, the nominating and corporate governance committee seeks to include diverse candidates in all director searches.

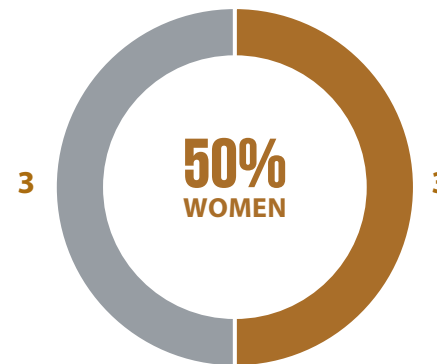
Currently, half of our Board leadership roles are held by female directors and one Board leadership role is held by an ethnically diverse director.

Overall, 75% of our Board committees are chaired by gender- or ethnically-diverse directors.

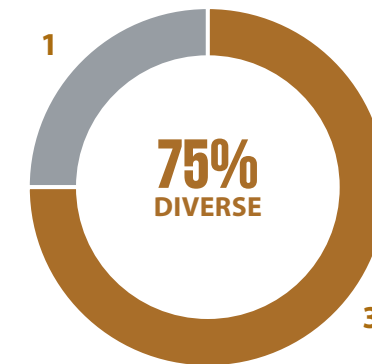
42%
Total Board
Diversity



BOARD LEADERSHIP ROLES HELD BY WOMEN¹



BOARD COMMITTEE CHAIRPERSON ROLES HELD BY GENDER- OR ETHNICALLY-DIVERSE DIRECTORS



¹Board leadership roles defined as the Chairman of the Board, lead independent director and the chairpersons of the four board committees.

Data as of September 10, 2024.



ETHICS AND INTEGRITY



Integrity is one of our core values at Diamondback. We know it is achieved when our words and actions consistently reflect our vision and strategy. Integrity is built over time and therefore must be apparent in all our business dealings. Due to its importance in helping us live up to this value, our compliance program has six principal components:

- » Organizational leadership
- » Standards and procedures
- » Efforts to exclude bad actors from positions of authority
- » Training and education
- » Monitoring, auditing and evaluation of program effectiveness
- » Appropriate disciplinary and remedial actions

Organizational Leadership

The Board of Directors has ultimate oversight of Diamondback’s compliance program, while our President and Chief Financial Officer and our Chief Legal and Administrative Officer assume day-to-day responsibility. Our Chief Executive Officer also has a role in fostering and exemplifying transparency, integrity and compliances.

Standards and Procedures

Our [Code of Business Conduct and Ethics](#) (the Code), which applies to all directors, executive officers and all other employees, embodies our commitment to conduct our businesses in accordance with our core values; all applicable laws, rules and regulations; and the highest of ethical standards. Our Code previously adopted by our Board of Directors was further updated to reflect additional policies and enhancements in

February 2024. It covers various topics, including public disclosure, conflicts of interest, equal employment, fair dealing, anti-discrimination, anti-harassment, confidentiality, data privacy, cybersecurity, intellectual property, political activity and contributions, environmental responsibility, human rights, health and safety, transactions with vendors and gifts and the limited process for waivers. In addition, our Code is focused on compliance with applicable laws, rules and regulations governing, among other things, insider trading, anti-trust, anti-corruption, anti-bribery, anti-money laundering, anti-boycott and export controls, as well as establishes reporting and complaint procedures, including an anonymous compliance hotline for any irregularities or violations, including with respect to accounting, internal control and auditing matters.

Our People Policies also set out further obligations regarding conflicts of interest, safety, equal opportunity, harassment and retaliation. These policies outline our support for employees through various provisions. All employees are required to review these documents and provide written acknowledgment of their responsibility to uphold the expectations.

Training and Education

All Diamondback employees receive training on the Code upon hiring and must annually certify their receipt of the Code and agreement to comply with it. We also provide training on various specific topics set forth in the Code and our other policies, including workplace harassment.



Monitoring and Auditing

Our compliance program has been structured with internal controls that are intended to be reasonably capable of detecting and reducing the likelihood of criminal and other improper conduct.

Reporting Violations

As stated in the Code and communicated to employees, anyone who suspects that unethical or inappropriate behavior has occurred is required to promptly report the conduct. They are instructed to use, without fear of retaliation, either our internal reporting channels, including reporting directly to our Chief Legal Officer, or our independent compliance hotline. The compliance hotline is an independent, anonymous service available 24 hours a day, 365 days a year. The number for the compliance hotline is posted at every job site so employees, contractors, suppliers and community members are encouraged to and can call toll-free from anywhere in the world. All reports raised are filed in our database and forwarded to our Chief Legal Officer. They are then promptly and impartially investigated by the appropriate persons, including the Audit Committee of the Board of Directors if the report is about any accounting or auditing matters. The report is tracked until resolved, which could include disciplinary or preventive actions being taken to address any existing or potential violation of law, the Code or any other Company policy.

GUARDING AGAINST CYBERATTACKS AND BREACHES

The safety and security of our employees, business and operations is paramount. We recognize the cybersecurity landscape is dynamic and complex, and protecting data and privacy requires constant vigilance. As such, we take a holistic, multi-layered approach to protect our stockholders, employees, assets and operations against breaches.

Our cybersecurity governance program is led by the Vice President and Chief Information Officer, with support from the internal information technology department. The Vice President and Chief Information Officer has over 20 years of technological leadership experience in the oil and gas industry, providing oversight of all information technology disciplines, including cybersecurity, networking, infrastructure, applications and data management and protection. The Vice President and Chief Information Officer and his team, which consists of individuals who hold designations as Certified Information Systems Security Professional (CISSP), Certified Information Systems Auditor (CISA), CompTIA Security+ and Department of Defense (DoD)-Cybersecurity General, are responsible for leading enterprise-wide cybersecurity strategy, policy, standards, architecture and processes. In addition, our cybersecurity incident response team is responsible for responding to cybersecurity incidents in accordance with our Computer Security Incident Response Plan. Progress and developments in our cybersecurity governance program are communicated to members of the executive team. The Audit Committee of the Board of Directors receives quarterly updates on the status of our cybersecurity and information security governance program, including items related to new or developing initiatives, the nature of any threats, our defense and detection capabilities, the incident response plans, the status of any security incidents that may occur, if applicable, and employee training activities, among other topics. Board members receive presentations on cybersecurity topics from the Vice President and Chief Information Officer as part of the board's continuing education on topics that impact public companies.

All full- and part-time employees, as well as contractors with system access, are required to complete quarterly data security and cybersecurity training courses. This training, which was updated to quarterly from annually in 2023, is complemented by ongoing security awareness messaging. Further, our Code was updated in 2023 to now discuss the expectation

that all employees safeguard our electronic communications systems and related technologies from theft, fraud, unauthorized access, alteration or other damage and requires them to report any cyberattacks or incidents, improper access or theft to our Chief Legal and Administrative Officer and the Vice President and Chief Information Officer. Our cybersecurity governance program also includes processes to assess cybersecurity risks related to third-party vendors and suppliers, including the blockage of third-party data-storage sites.

We have implemented and invested in, and will continue to implement and invest in, controls, procedures and protections (including internal and external personnel) that are designed to protect our systems, identify and remediate on regular basis vulnerabilities in our systems and related infrastructure, and monitor and mitigate the risk of data loss and other cybersecurity threats. We have engaged third-party consultants to conduct penetration testing and risk assessments. Our cybersecurity program is informed by the National Institute of Standards and Technology (NIST) Cybersecurity Framework and measured by the Maturity and Risk Assessment Ratings associated with the NIST Cybersecurity Framework and the Capability Maturity Model Integration. Our cybersecurity risk management program is integrated into our overall enterprise risk management program and shares common methodologies, reporting channels and governance processes that apply across the enterprise risk management program to other legal, compliance, strategic, operational and financial risk areas. Third-party assessments provide us a critical lens of oversight and continuous improvement. To protect our business and invest in our team, we provide training and development on the latest intelligence and evolving best practices to our IT security teams. We actively monitor internal and external cybersecurity threats and conduct internal audits to ensure Company data is secure.



Our cybersecurity risk management program includes:

- » Risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services and our broader enterprise IT environment;
- » A security team principally responsible for managing (i) our cybersecurity risk assessment processes, (ii) our security controls and (iii) our response to cybersecurity incidents;
- » The use of external service providers, where appropriate, to assess, test, train or otherwise assist with aspects of our security controls;
- » Security tools deployed in the IT environment for protection against and monitoring for suspicious activity;
- » Cybersecurity awareness training of our employees, including incident response personnel and senior management;
- » Cybersecurity tabletop exercises for members of our cybersecurity incident response team and legal department;
- » A cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents and is intended to allow the Company to timely fulfill any disclosure obligations that might arise as a result of any such incidents; and a third-party risk management process for service providers, suppliers and vendors.

TRADE ASSOCIATIONS, LOBBYING AND POLITICAL INVOLVEMENT

Diamondback believes that, in certain cases, it is in the best interest of Diamondback, its employees and its stakeholders for Diamondback to support active and informed participation in the political process at the federal, state and/or local level by using corporate resources to make lawful contributions.

Our Government Affairs group works closely with various organizations representing the oil and gas industry in Texas and Washington, D.C., to

help shape regulatory and public policy decisions that affect Diamondback operations. Diamondback is a member of, and actively participates in, several U.S.-based national, state and regional trade associations. These organizations provide a forum to allow Diamondback and other members to focus on issue advocacy and promote best practices in areas of operations, health, safety, environment and sustainability within the oil and gas industry. Diamondback's involvement in trade associations and related working groups and committees also creates valuable opportunities to enhance our overall sustainability strategy and to promote important educational and public advocacy initiatives.

Our participation in trade associations is subject to management oversight by our Senior Vice President of Government Affairs, who serves as the principal Diamondback representative in such associations. When Diamondback decides to join a trade association, we do so because we believe the association generally represents our best interest with the understanding that trade associations often represent a diverse membership of companies operating in different states or on federal lands, and their policy views might not always be representative of Diamondback's views or applicable to Diamondback. We annually review our trade association memberships to ensure they continue to serve our business.

Below is a list of Diamondback's 2023 trade association memberships:

- » American Exploration & Production Council (AXPC)
- » American Petroleum Institute (API)
- » Independent Petroleum Association of America (IPAA)
- » Domestic Energy Producers Alliance (DEPA)
- » Energy Workforce & Technology Council (Energy Workforce)
- » Permian Basin Petroleum Association (PBPA)
- » Permian Basin Water Management Council (PBWMC)
- » Permian Strategic Partnership (PSP)
- » Texas Alliance of Energy Producers (Alliance)

- » Texas Independent Producers & Royalty Owners Association (TIPRO)
- » Texas Methane & Flaring Coalition (TMFC)
- » Texas Oil and Gas Association (TXOGA)
- » Texas Produced Water Consortium at Texas Tech University (TXPWC)
- » The Environmental Partnership (TEP)

Diamondback is committed to transparency about the Company's public-policy advocacy efforts, political contributions and related activities and is committed to that transparency. The SSCR Committee is responsible for reviewing and discussing with Company management our public policy advocacy efforts and annually reviews the activities of our political action committees and all political contributions made with corporate funds.

This annual review also includes an assessment of our trade association memberships. For organizations for which our annual membership dues total more than \$25,000, Diamondback annually inquires and makes reasonable efforts to obtain information on what portions of our membership dues might be used for lobbying activities. We disclose in our Corporate Political Contribution Disclosure Report on our website the percentage of such dues used for lobbying activities.

We published our first annual Corporate Political Contribution Disclosure Report in 2021 for FY 2020 and have been designated a first-tier company for our political contribution disclosures by the Center for Political Accountability in its annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability every year since then. In 2023, we earned a score of 87.1%. The latest [2023 Corporate Political Contribution Disclosure Report](#) and our [Policy Governing Corporate Political Contributions](#) are both available on our [website](#).

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2023	YEAR ENDED 12/31/2022	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	FOOTNOTE
Net Hydrocarbons Produced							(a)
Oil	MBBL	96,176	81,616	81,522	66,182	68,518	
Gas	MMCF	198,117	176,376	169,406	130,549	97,613	
NGL	MBBL	34,217	29,880	27,246	21,981	18,498	
Total Net Hydrocarbons Produced	MBOE	163,413	140,892	137,002	109,921	103,285	
Average Daily Net Production	MBOE/d	447.7	386.0	375.3	300.3	283.0	
Proved Reserves							(a)
Oil	MBBL	1,143,944	1,069,508	928,289	759,401	710,903	
Gas	MMCF	2,997,422	2,868,861	2,585,807	1,607,064	1,118,811	
NGL	MBBL	534,247	485,319	429,734	289,196	230,203	
Total Proved Reserves	MBOE	2,177,761	2,032,971	1,788,991	1,316,441	1,127,575	
People							
Employees	#	1,023 [‡]	972	870	732	712	(b)
Female Management	%	26% [‡]	25%	21%	21%	19%	(b)
Female Professionals	%	36% [‡]	36%	40%	42%	40%	(b)
Female Others	%	22% [‡]	24%	26%	30%	34%	(b)
Total Female Employees	%	28% [‡]	28%	29%	32%	32%	(b)
Minority Management	%	21% [‡]	21%	20%	20%	20%	(b)
Minority Professionals	%	27% [‡]	25%	19%	16%	14%	(b)
Minority Others	%	48% [‡]	45%	39%	36%	37%	(b)
Total Minority Employees	%	35% [‡]	33%	29%	25%	25%	(b)
Employee Turnover	%	14% [‡]	13%	13%	7%	11%	(b)(c)
Safety (Employee)							
OSHA Recordable Cases	#	3	6	2	3	3	
OSHA Days Away From Work Cases	#	1	2	1	1	2	

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2023	YEAR ENDED 12/31/2022	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	FOOTNOTE
Total Recordable Incident Rate	per 200k hours	0.30 [‡]	0.68	0.25	0.42	0.42	(d)(f)(g)
Lost Time Incident Rate	per 200k hours	0.10	0.23	0.12	0.14	0.28	
Fatalities	#	—	—	—	—	—	
Safety (Independent Contractor)							(e)
OSHA Recordable Cases	#	32	30	29	14	33	
OSHA Days Away From Work Cases	#	4	3	10	3	16	
Total Recordable Incident Rate	per 200k hours	0.28	0.34	0.49	0.33	0.36	(d)
Lost Time Incident Rate	per 200k hours	0.04	0.03	0.17	0.07	0.18	
Fatalities	#	—	—	—	—	1	
Safety (Workforce)							(e)
OSHA Recordable Cases	#	35	36	31	17	36	
OSHA Days Away From Work Cases	#	5	5	11	4	18	
Total Recordable Incident Rate	per 200k hours	0.28	0.37	0.46	0.34	0.37	(d)
Lost Time Incident Rate	per 200k hours	0.04	0.05	0.16	0.08	0.18	
Fatalities	#	—	—	—	—	1	
Vehicle Safety							
Preventable Vehicle Incidents	#	31	32	19	23	15	
Vehicle Incident Rate	per million miles	2.39	2.57	1.88	2.53	1.56	
Flaring							
Gross Volume of Flared Hydrocarbons	MSCF	12,857,109 [‡]	7,570,244	4,542,586	4,914,208	11,772,007	(d)(h)
Gross Gas Flared as a % of Gross Gas Production	%	3.4%	2.3%	1.5%	2.0%	5.7%	(d)
GHG Emissions							
Scope 1 GHG Emissions	mt CO ₂ e	1,757,044 [‡]	1,487,280	1,252,665	1,192,556	1,852,946	(d)(f)(i)
Scope 1 GHG Intensity	mt CO ₂ e/Gross MBOE	9.4	9.2	8.0	9.5	15.1	(d)

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2023	YEAR ENDED 12/31/2022	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	FOOTNOTE
Scope 2 GHG Emissions	mt CO ₂ e	953,809 [‡]	674,087	528,224	281,020	unavailable	(j)
Scope 2 GHG Intensity	mt CO ₂ e/Gross MBOE	5.1	4.2	3.4	2.2	unavailable	
Scope 1+2 Intensity	mt CO ₂ e/Gross MBOE	14.5	13.4	11.4	11.7	unavailable	
CO ₂ Emissions	mt CO ₂	1,560,930	1,317,860	1,131,943	1,064,560	1,640,774	
CH ₄ Emissions	mt CH ₄	7,786.7	6,722.8	4,779.4	5,079.0	8,428.5	
CH ₄ Intensity	mt CH ₄ /Gross MBOE	0.04	0.04	0.03	0.04	0.07	(d)
N ₂ O Emissions	mt N ₂ O	4.85	4.53	4.15	3.43	4.90	
VOC Emissions	mt VOC	7,452	5,900	9,152	9,216	unavailable	
Calculated Scope 3 GHG Emissions (Category 11)	mt CO ₂ e	52,453,762 [‡]	45,090,583	unavailable	unavailable	unavailable	(k)
Spills (Greater Than or Equal to 1 BBL)							
Hydrocarbon Spills	#	622	441	505	386	342	(l)
Produced Water Spills	#	265	222	262	249	490	(l)
Hydrocarbon Volumes	BBL	6,294	5,592	2,616	2,853	4,659	
Produced Water Volumes	BBL	33,069	28,518	15,257	23,969	92,544	
Combined Volumes	BBL	39,363	34,110	17,873	26,822	97,203	
Hydrocarbon Spills Recovered	%	74%	85%	63%	71%	68%	
Produced Water Spills Recovered	%	80%	72%	72%	68%	51%	
Total Spills Recovered	%	79%	71%	71%	68%	52%	
Total Produced Fluid Spill per 1,000 Bbl Produced	BBL/MBBL	0.07 [‡]	0.07	0.04	0.07	0.24	(d)
Total Produced Hydrocarbon Spill per 1,000 Bbl Produced	BBL/MBBL	0.05	0.05	0.03	0.03	0.05	
Total Produced Water Spill per 1,000 Bbl Produced	BBL/MBBL	0.08	0.08	0.04	0.08	0.29	
Produced Liquid Spills (Less Recovered) Rate	BBL/MBBL	0.015	0.019	0.012	0.021	0.116	
Water							
Total Water Used In Operations	MBBL	189,173	138,697	133,284	103,424	176,775	
Brackish Water Used In Operations	MBBL	39,089	56,035	67,981	61,249	86,327	

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2023	YEAR ENDED 12/31/2022	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	FOOTNOTE
Recycled Water Used In Operations	MBBL	138,063	56,918	38,733	17,689	27,936	
Freshwater Used In Operations	MBBL	12,020	25,744	26,570	24,486	62,512	
Total Water Intensity	MBBL/Net MBOE	1.16	0.98	0.97	0.94	1.71	
Freshwater Intensity	MBBL/Net MBOE	0.07	0.18	0.19	0.22	0.61	
Freshwater Intensity	MBBL/Gross MBOE	0.06	0.16	0.17	0.20	0.51	(d)
Water Recycle Rate	%	73.0% [‡]	41.0%	29.1%	17.1%	15.8%	(d)
Governance							
Independent Board Members	%	89%	89%	90%	88%	71%	
Women Board Members	%	33%	33%	30%	25%	14%	
Ethnically Diverse Members	%	33%	33%	30%	13%	0%	

[‡] This metric was reviewed by our independent certified public accountants in accordance with attestation standards established by the American Institute of Certified Public Accountants for the year ended December 31, 2023, as stated in their report appearing on [page 52](#). Refer to footnotes for the criteria used to present these metrics.

All 2022 figures in the report reflect Diamondback data plus data attributable to FireBird Energy LLC ("FireBird") for December 2022 subsequent to its acquisition by Diamondback.

(a) These figures represent Diamondback plus Viper.

(b) Criteria used to calculate this metric was based on employee personnel data from self-reported employee census data.

(c) Employee turnover does not include data and changes due to acquisition and divestiture activities.

(d) Criteria used for this metric follows AXP ESG Metrics Framework.

(e) Safety statistics in this section contain data submitted by independent contractors and cannot be verified by Diamondback.

(f) Criteria used for this metric follows SASB methodology. See the table beginning on [page 41](#) for further information on the criteria.

(g) Criteria used for this metric follows GRI-403-9 methodology.

(h) Criteria used for this metric follows GRI-OG6 methodology.

(i) Criteria used for this metric follows GRI-305-1 methodology. Gases included in the calculation are CO₂, CH₄ and N₂O. Diamondback used the global warming potential (GWP) rates from the Intergovernmental Panel on Climate Change's Fourth Assessment Report. We include all reportable emissions under the U.S. Environmental Protection Agency's (EPA) Greenhouse Gas Reporting Program using the operational control approach to consolidation.

(j) Criteria used for this metric follows GRI-305-2 methodology. Gases included in the calculation are CO₂, CH₄ and N₂O. Diamondback used the GWP rates from the Intergovernmental Panel on Climate Change's Fourth Assessment Report. We used the location-based method in accordance with the WRI's GHG Protocol. Scope 2 emissions include all electricity purchased to power facilities and equipment under our operational control.

(k) To calculate our Scope 3 emissions, we relied upon IPIECA's 2016 guidance document Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. Per the IPIECA guidance, we report category 11 "Use of Sold Products" by calculating combustion emissions for our oil, natural gas and marketed natural gas liquids products using emissions factors obtained from the EPA and net equity production reported in Diamondback's 2023 Form 10-K.

(l) Beginning in 2020, Diamondback began adhering to AXP methodology, which includes spills greater than or equal to 1 BBL which are not confined to impermeable secondary containment. Previous years include spills greater than 1 BBL and do not take into consideration if a spill occurred outside of containment.



This report provides Diamondback’s performance data aligned with the recommended metrics for the SASB Extractives and Minerals Processing — Oil and Gas Exploration and Production sector. All data represents full-year 2023 information and represents 100% of Diamondback’s operating assets.

ACCOUNTING METRIC	CODE	DISCLOSURE
Greenhouse Gas Emissions		
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-EP-110a.1	1,757,044 mt CO ₂ e, 11% methane, none covered under emissions-limiting regulations
Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	EM-EP-110a.2	(1) 1,083,066 mt CO ₂ e (2) 561,836 mt CO ₂ e (3) – (4) 99,448 mt CO ₂ e (5) 12,694 mt CO ₂ e
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-EP-110a.3	See Climate Strategy and the TCFD Index
Air Quality		
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	EM-EP-120a.1	(1) 8,224 mt NO _x (2) 8 mt SO _x (3) 7,452 mt VOCs (4) 288 mt PM ₁₀
Water Management		
(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-EP-140a.1	(1) 3.1 (thousand cubic meters) (2) 1.9 (thousand cubic meters) ~67% for both (1) & (2), according to World Resource Institute’s Aqueduct Baseline Water Scarcity Data
Volume of produced water and flowback generated; percentage (1) discharged, (2) injected, (3) recycled; hydrocarbon content in discharged water	EM-EP-140a.2	68.0 (thousand cubic meters) (1) 0% (2) 61% (3) 39%
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	EM-EP-140a.3	100%
Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	EM-EP-140a.4	Not disclosed



ACCOUNTING METRIC	CODE	DISCLOSURE
Biodiversity Impacts		
Description of environmental management policies and practices for active sites	EM-EP-160a.1	See Land Use and Biodiversity
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160a.2	622 spills, 6,294 BBL, 0 spills in Arctic (no operations), 0 spills impacting shorelines with ESI rankings 8-10, 4,658 BBL recovered
Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-EP-160a.3	Not disclosed
Security, Human Rights & Rights of Indigenous Peoples		
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-EP-210a.1	(1) 0% (2) 0%
Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-EP-210a.2	(1) 0% (2) 0%
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-EP-210a.3	See Land Use and Biodiversity
Community Relations		
Discussion of process to manage risks and opportunities associated with community rights and interests	EM-EP-210b.1	See our Human Rights Policy
Number and duration of non-technical delays	EM-EP-210b.2	—
Workforce Health & Safety		
(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-EP-320a.1	(1)(a) 0.30 per 200,000 hours worked (2)(a) 0 (3)(a) Not disclosed (4)(a) 8.5 hours
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EM-EP-320a.2	See Safety
Reserves Valuation & Capital Expenditures		
Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	EM-EP-420a.1	Not disclosed
Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	EM-EP-420a.2	Not disclosed
Amount invested in renewable energy, revenue generated by renewable energy sales	EM-EP-420a.3	Not disclosed
Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	EM-EP-420a.4	See Climate Strategy and the TCFD Index

SASB INDEX



ACCOUNTING METRIC	CODE	DISCLOSURE
Business Ethics & Transparency		
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-EP-510a.1	(1) 0% (2) 0%
Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510a.2	See Ethics and Integrity
Management of the Legal & Regulatory Environment		
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530a.1	See Trade Associations, Lobbying and Political Involvement
Critical Incident Risk Management		
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	EM-EP-540a.1	Not disclosed
Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-EP-540a.2	See Environmental Management
Activity Metric		
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	EM-EP-000.A	Oil: 96,176 MBbls Natural Gas: 198,117 MMcf Natural Gas Liquids: 34,217 MBbls
Number of offshore sites	EM-EP-000.B	None
Number of terrestrial sites	EM-EP-000.C	3,356 wells across approximately 607,877 gross (493,769 net) acres in the Permian Basin

AXPC INDEX



This index provides Diamondback's performance data aligned with the recommended metrics for the American Exploration and Production Council.

TOPIC	INDICATOR AND UNITS	2023
Greenhouse Gas Emissions	Scope 1 GHG Emissions (Metric tons CO ₂ e)	1,757,044
	Scope 1 GHG Intensity Scope 1 GHG Emissions (Metric tons CO ₂ e)/Gross Annual Production as Reported Under Subpart W (MBoe)	9.4
	Percent of Scope 1 GHG Emissions Attributed to Boosting and Gathering Segment	0%
	Scope 2 GHG Emissions (Metric tons CO ₂ e)	953,809
	Scopes 1 & 2 Combined GHG Intensity (Scope 1 GHG Emissions (Metric tons CO ₂ e) + Scope 2 GHG Emissions (Metric tons CO ₂ e))/Gross Annual Production as Reported Under Subpart W (MBoe)	14.5
	Scope 1 Methane Emissions (Metric tons CH ₄)	7,787
	Scope 1 Methane Intensity Scope 1 Methane Emissions (Metric tons CH ₄)/Gross Annual Production - As Reported Under Subpart W (MBoe)	0.04
	Percent of Scope 1 Methane Emissions Attributed to Boosting and Gathering Segment	0%
Flaring	Gross Annual Volume of Flared Gas (Mcf)	12,857,109
	Percentage of gas flared per Mcf of gas produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)	3.40%
	Volume of gas flared per barrel of oil equivalent produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (Boe)	0.069
Spills	Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	0.071
Water Use	Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	0.064
	Water Recycle Rate Recycled Water (Bbl)/Total Water Consumed (Bbl)	73%
	Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer, or other comparable tool or methodology to determine the water stressed areas in your portfolio?	Yes
Safety ¹	Employee TRIR # of Employee OSHA Recordable Cases x 200,000/Annual Employee Workhours	0.30
	Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000/Annual Contractor Workhours	0.28
	Combined TRIR # of Combined OSHA Recordable Cases x 200,000/Annual Combined Workhours	0.28

¹Safety statistics in this section contain data submitted by independent contractors and cannot be verified by Diamondback.

AXPC INDEX



TOPIC	INDICATOR AND UNITS	2023
Supporting Data ¹	Gross Annual Oil Production (Bbl)	124,536,130
	Gross Annual Gas Production (Mcf)	377,652,841
	Gross Annual Production (Boe)	187,478,270
	Gross Annual Production (MBoe)	187,478
	Gross Annual Production - As Reported Under Subpart W (MBoe)	187,478
	Total Produced Liquids (MBbl)	552,549
	Produced Liquids Spilled (Bbl)	39,363
	Fresh Water Consumed (Bbl)	12,020,290
	Recycled Water (Bbl)	138,063,186
	Total Water Consumed (Bbl)	189,172,857
	Employee OSHA Recordable Cases	3
	Contractor OSHA Recordable Cases	32
	Combined OSHA Recordable Cases	35
	Annual Employee Workhours	1,974,241
	Annual Contractor Workhours	22,720,902
	Methodology	Actuals
Annual Combined Workhours	24,695,143	

¹Safety statistics in this section contain data submitted by independent contractors and cannot be verified by Diamondback.



GOVERNANCE

Board Oversight

The Board of Diamondback oversees the long-term success and viability of our business, including the Company's strategy, vision and risk profile. The SSCR Committee oversees Diamondback's sustainability programs and activities, including oversight of climate-related risks and opportunities. The SSCR Committee assists management in setting strategy, establishing goals and integrating ESG matters into strategic and tactical business activities across the Company.

The Board of Directors believes that full and open communication between management and the Board is essential for effective risk management and oversight. The Board, including our Chairman and Chief Executive Officer, meets regularly with our President and Chief Financial Officer, Chief Operating Officer and other members of the senior executive team to discuss strategy, opportunities and key challenges and risks in relation to our operations, including climate-related risks. The executive officers are also available to address any questions or concerns raised by the Board on risk management and any other matters. Additionally, our Chief Operating Officer has appointed a Vice President of Safety and Sustainability, who is also available to confer with the Board to the extent their expertise is required to address risk management matters.

Additional information regarding the Board's role in risk oversight including climate-related risk is included in our [2024 Proxy Statement](#).

Management Oversight

Our executive management team sets our sustainability and business strategies, approves goals, provides resources to meet performance targets and has oversight of our sustainability practices, including our approach on climate. Our Board of Directors annually approves the capital investment budget based on the recommendation of the executive management team, including investments in technology to reduce emissions. We approved and allocated approximately \$50 million for 2024 to invest in technology to reduce emissions.

Our executives regularly discuss the strategic risks and opportunities arising from carbon emissions regulatory changes, fees associated with those changes and shifting product demand to electric and fuel-efficient vehicles.

STRATEGY

Climate-related risks and opportunities

Diamondback considers potential climate-related risks in all its operational planning. The relevant risks include current and emerging regulation, technology, legal, market, reputation and acute physical and chronic physical risks.

Please see our [2023 10-K Annual Report](#) for a list of potential material financial risks, including climate-related risks.



RISK TYPE	DESCRIPTION
Current Regulation	Diamondback monitors the status of existing and emerging GHG regulations and the potential impact they might have on our business by performing multiple scenario analyses to test the resiliency of our portfolio. There has been new legislation introduced and proposed at the federal and state levels to quantify and limit GHG emissions. For example, the Inflation Reduction Act will impose fees from 2024 for emission of methane that exceeds an applicable waste emissions threshold from sources including petroleum and natural gas production. The federal government also provides monetary incentives for the development of alternative energy sources.
Emerging Regulation	Diamondback closely follows emerging and proposed regulations. We believe that our current operating plan accounts for stricter monitoring and regulation of emissions and methane than currently required. Diamondback's emissions reduction targets (GHG intensity and methane intensity) drive the majority of decisions related to responsible development, and we believe that these targets will keep us ahead of emerging regulatory risks.
Technology	Diamondback has cross-functional employees who 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. 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.
Legal	Diamondback closely monitors and manages potential legal risks, including those related and unrelated to climate change.
Market	Diamondback's revenues, operating results, profitability, future rate of growth and the carrying value of our oil and natural gas properties depend significantly on 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. These factors include, but are 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 consider supply, demand and pricing scenarios at least as challenging as IEA's Sustainable Development Scenario. These scenario analyses are an important tool used by management and Diamondback's Board of Directors to create our annual and long-term operating plans.
Reputation	Diamondback's 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 TCFD include risks tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.
Acute Physical	Diamondback considers acute physical risks (including floods, tornadoes and hurricanes) in our risk assessments. As with other oil and gas operators, Diamondback's operations can be affected by extreme weather conditions. We currently do not see any acute physical risks affecting our business any more than normal operational risks. We consider extreme weather conditions when modeling our business plan and are confident in our ability to continue operations in those scenarios.
Chronic Physical	Diamondback does not anticipate chronic physical risks impacting our business in the short-, medium- or long-term time frame. We currently do not see any chronic physical risks (including sea level rise or chronic extreme freezes or heat waves) affecting our business any more than normal operational risks.

OPPORTUNITY TYPE	DESCRIPTION
Use of lower-emission sources of energy through full-field electrification	<p>Diamondback incorporates a strategy of having 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 that plan Diamondback's development and associated infrastructure needs. Through weekly discussions, these teams have been able to provide line power to a significant number of wells Diamondback has completed since 2019.</p> <p>In 2022, Diamondback drilled its first well using a drilling rig powered by line power. As of 2023, we were using two electrical frac fleet (e-fleet). While our increased use of electrical infrastructure is expected to reduce our emissions, this strategy also could reduce our capital cost.</p>
Increased revenues through gas captured rather than flared	<p>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 all occurrences of flaring caused by operational issues. We have also worked with our midstream business partners to ensure that we have adequate takeaway in place prior to our wells coming online. By doing so, we are able to reduce the amount of gas flared, increase our revenue and decrease our environmental footprint.</p> <p>We have installed CEMS technology to monitor over 90% of our operated oil production by the end of 2023, which will allow us to find and repair emissions leaks in a timelier manner.</p> <p>Further, we have entered into partnerships that may help us better utilize associated gas and avoid flaring. Namely, we have worked together with VoltaGrid to provide electrical power using associated gas from our wells and we entered into a joint development agreement with Verde Clean Fuels to explore developing and operating a facility to produce commodity-grade gasoline utilizing associated natural gas feedstock supplied from Diamondback's operations in the Permian Basin.</p>



Impact on Strategy

We are focused on investing thoughtfully to address our identified climate change-related risks and opportunities. Diamondback considers risks as far into the future as practicable given the variability in regulatory, economic and technological circumstances. There is often much speculation around climate-related risks and opportunities, and although we are not always in a position to act on a potential risk or to benefit from a potential opportunity without adequate available information, we take prudent steps.

Consistent with our overall approach to environmental responsibility, we strive to limit and capture air emissions by implementing Best Available Control Technology (BACT) on all new facilities and wells. BACT projects include various infrastructure applications, such as fitting our tanks with vapor recovery towers and compressors that are projected to capture more than 95% of possible emissions. This process encompasses the majority of the \$60 million we have budgeted to spend through 2024 to meet our GHG and methane intensity reduction targets.

As part of our strategy, we have set ambitious goals to reduce our greenhouse gas and methane emissions intensity. Since January 1, 2021, we committed to achieving zero net Scope 1 GHG emissions from our oil and gas production. Along with taking aggressive steps to cut emissions and reduce our GHG intensity, we have purchased carbon offset credits equivalent to our remaining Scope 1 emissions.

Climate Resilience

Our scenario-planning analysis suggests that Diamondback’s strategic focus on high-return, low-cost operations in the Permian Basin should allow us to continue to monetize our reserves even in the most carbon-constrained scenarios. As a result, we believe that it is currently unlikely that our assets would be stranded during the projected period out to 2050.

In order to analyze potential risks to Diamondback’s oil and gas portfolio in a carbon-constrained environment, we utilized the IEA World Energy Outlook (WEO) 2023 to examine various supply-and-demand scenarios through 2050. We utilized three WEO scenarios to test the resilience of our portfolio: Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS) and the Net Zero Emissions by 2050 Scenario (NZE).

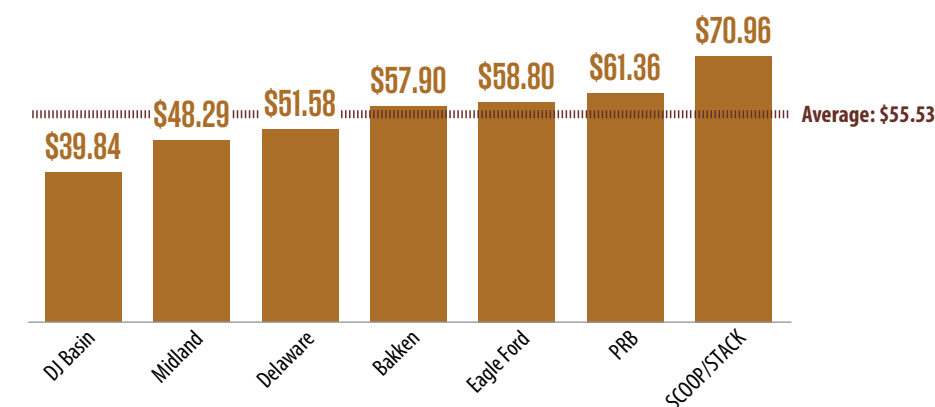
- » **STEPS:** shows the trajectory implied by today’s policy settings
- » **APS:** encompasses an energy consumption pathway that limits global increases in temperature to less than 1.7 degrees Celsius with a 50% probability and without relying on global net-negative CO₂ emissions.
- » **NZE:** maps out a way to achieve a 1.5 degrees Celsius stabilization in the rise in global average temperatures

The IEA’s STEPS and APS represent strong potential actions to reduce global fossil fuel demand. Therefore, we believe they serve as good tests of Diamondback’s resiliency and of our ability to profitably develop and produce energy resources in a demand-constrained world. Both STEPS and APS indicate that companies producing oil and gas on the lower end of breakeven costs will be best positioned to succeed, as the lowest-cost resources would be developed first.

Diamondback operates primarily within the lower-cost Permian Basin

Diamondback operates primarily within the Permian Basin that spans West Texas and southeastern New Mexico. The Permian Basin encompasses several sub-basins, including the Midland Basin and the Delaware Basin. In its January 2024 report, “JPM Shale Economics,” J.P. Morgan identifies the Midland Basin and Delaware Basin as two of the most economic North American onshore oil resource plays, with an estimated breakeven cost of approximately \$48 per barrel and \$52 per barrel, respectively.

FULL-CYCLE BREAKEVEN OIL PRICES BY BASIN (\$/BBL)



Source: JPM Shale Economics 2024

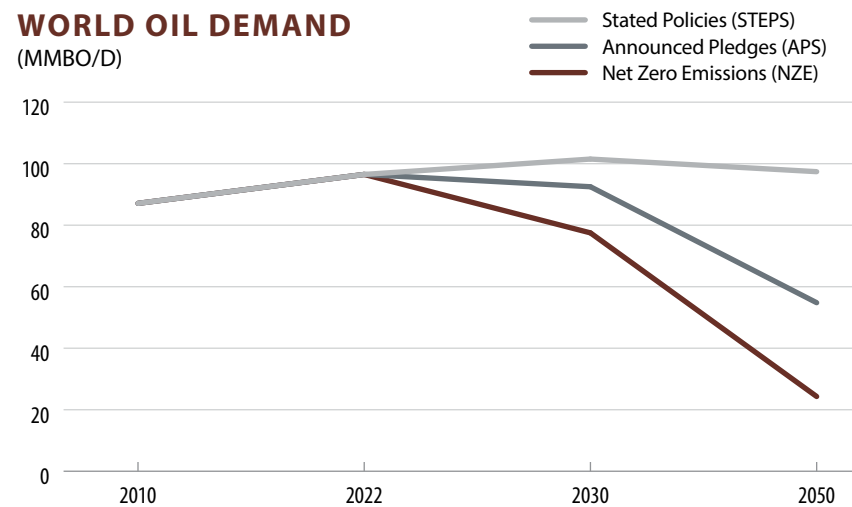


Diamondback is a leading low-cost operator among North American oil shale players

To corroborate the results found by J.P. Morgan in its 2024 breakeven analysis, we performed an internal study and found that our asset base is expected to be profitable down to approximately \$32 per barrel. This was calculated as the per-barrel WTI oil price needed to generate enough cash flow to fund the capital required to maintain our estimated full year 2024 oil production through 2025. Diamondback went a step further and calculated over 7,900 economic drilling locations at an assumed price of \$50 WTI (~17% below the 2050 APS price of \$60 per barrel). Based on Diamondback's estimated long-term completion pace required to keep 2024 oil production flat, this implies approximately 27 years of economic inventory, beyond the 2050 timeline of the APS.

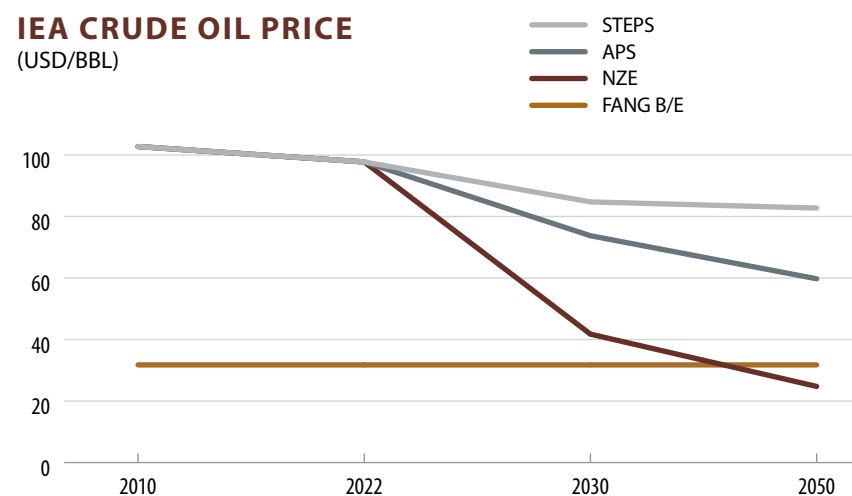
If the STEPS or APS outlined by the IEA come to fruition over the next 30 years, oil and gas prices are likely to increase as efforts to limit fossil fuel consumption occur. However, in both cases, the lowest-cost resources are still considered first for development. At the \$32 per barrel breakeven cost calculated internally by Diamondback, current data suggests the Company will be well below the 2050 projected breakeven prices in both the STEPS and the APS, indicating that we are in a strong position to continue to produce oil and gas economically and help meet the global demand for oil. Looking at the Net Zero Emissions by 2050 (NZE) scenario, Diamondback would be in a position to continue producing oil and gas economically beyond 2030.

WORLD OIL DEMAND (MMBO/D)



Source: International Energy Agency (2023), World Energy Outlook 2023, IEA, Paris.

IEA CRUDE OIL PRICE (USD/BBL)



Source: International Energy Agency (2023), World Energy Outlook 2023, IEA, Paris.

Risk Management

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, are responsible 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 has well-established risk identification, mitigation, prioritization and management practices that we use to manage business risks. Our risk management processes extend to how we address potential climate change-related risks. The identification of risks at an organization-wide and project-level allows us to develop measures to avoid, mitigate or remedy them. Our Company uses continuous improvement of management processes, such as an enterprise risk management (ERM) system to strengthen our risk management and mitigation process.

Through our ERM process, we seek to identify and mitigate risks that have significant potential to affect our business. Severe weather, process safety, sustainability, environmental and legal risks are among areas examined through our ERM process. Climate change has the potential to impact many different aspects of our business, and these impacts are integrated across multiple ERM risk categories. The ERM process includes an annual risk review with executive leadership and the Board of Directors.



METRICS AND TARGETS

Metrics

The Company tracks Scope 1 and 2 GHG emissions from all sources, including flaring and gas-driven engines. Data is tracked and reported on an absolute basis and as an intensity relative to gross barrels of oil equivalent produced.

Data

Operated Emissions in 2023:

- » Scope 1 Emissions – 1,757,044 mt CO₂e
 - Flared Hydrocarbons – 1,083,066 mt CO₂e
 - Other Combustion – 561,836 mt CO₂e
 - Other Vented Emissions – 99,448 mt CO₂e
 - Fugitive Emissions – 12,694 mtCO₂e
- » Scope 2 Emissions – 953,809 mt CO₂e
- » Calculated Scope 3 Emissions (Use of Sold Products) – 52,453,762 mt CO₂e

Targets

We have set five near and medium-term greenhouse gas-related targets:

- » Implement Continuous Emission Monitoring Systems (CEMS) on Diamondback facilities to cover at least 90% of operated oil production by the end of 2023 – **ACHIEVED 96% in 2023**
- » Reduce Scope 1+2 GHG Intensity by at least 50% from 2020 levels by 2030
- » Reduce methane intensity by at least 70% from 2019 levels by 2024
- » Reduce Scope 1 GHG intensity by at least 50% from 2019 levels by 2024
- » Eliminate routine flaring (as defined by the World Bank) by 2025

“Net zero now” commitment

Effective January 1, 2021, we committed to achieving zero net Scope 1 GHG emissions from our oil and gas production. Along with taking aggressive steps to cut emissions and reduce our GHG intensity, we will purchase carbon offset credits equivalent to our remaining Scope 1 emissions. Over time, we plan to invest in additional projects that more directly offset our Scope 1 emissions. Hitting and exceeding our emissions reduction targets will be the priority, but the purchase of carbon offsets can be seen as our “bridge” to the time when our project investments can supplement the reduction of our carbon footprint.

Diamondback retired carbon credits to offset approximately 1.8 million metric tons of CO₂e emitted during 2023. The projects associated with these offsets include the capture, transportation and sequestration of carbon dioxide in Texas and Wyoming, and a new project to capture carbon dioxide from a synthetic natural gas plant in North Dakota.

2023 EEO-1 DATA



JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												OVERALL TOTALS	
	MALE	FEMALE	MALE						FEMALE							
			WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	ASIAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES		
Executives/Senior Level Officials and Managers	1	0	16	0	1	0	0	1	2	0	0	0	0	0	0	21
First/Mid-Level Officials and Managers	26	1	104	2	4	0	1	2	47	1	1	0	1	2	192	
Professionals	44	16	159	6	6	0	3	4	95	6	5	0	0	2	346	
Technicians	57	5	67	5	3	0	1	1	18	2	0	0	0	2	161	
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Administrative Support Workers	6	11	9	0	0	0	0	1	53	4	1	0	4	1	90	
Craft Workers	102	0	95	4	1	0	2	8	1	0	0	0	0	0	213	
Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Laborers and Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	236	33	450	17	15	0	7	17	216	13	7	0	5	7	1023	



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
 Diamondback Energy, Inc.

We have reviewed the following specified indicators included in Diamondback Energy, Inc.’s 2024 Corporate Sustainability Report for the year ended December 31, 2023 (“Subject Matter”).

Subject Matter	Criteria
Scope 1 greenhouse gas (“GHG”) emissions in CO2e (includes methane emissions)	GHG Protocol ¹
Scope 2 GHG emissions	GHG Protocol ¹
Scope 3 GHG emissions	GHG Protocol ¹
Produced liquid (hydrocarbon and non-hydrocarbon) spills	American Exploration and Production Council ²
Recycled water used in operations	American Exploration and Production Council ²
Flared gas in MCF	Global Reporting Initiative ³
Employee incident rates	Global Reporting Initiative ³
Employee demographic/population information	Employee personnel data from self-reported employee census data

1. World Resources Institute (WRI) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), GHG Protocol Scope 2 Guidance (collectively, the “GHG Protocol”)
 2. American Exploration & Production Council (AXPC) ESG Metrics Framework Published January 2024
 3. Consolidated Set of GRI Standards (GRI Standards) Published February 2024

Diamondback Energy, Inc.’s management is responsible for the Subject Matter in accordance with the criteria set forth in the above table (collectively, the “Criteria”). Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be presented in accordance with the Criteria. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is presented in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of analytical procedures and inquiries. In addition, we obtained an understanding of Diamondback Energy, Inc.'s business processes relevant to the review in order to design appropriate procedures.

The preparation of the Subject Matter requires management to evaluate the Criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter of Diamondback Energy, Inc. for the year ended December 31, 2023, in order for it to be presented in accordance with the Criteria.

Grant Thornton LLP

Oklahoma City, Oklahoma
September 24, 2024

FORWARD-LOOKING STATEMENTS



This report contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, which involve risks, uncertainties and assumptions. All statements, other than statements of historical fact, including statements regarding Diamondback’s: future performance; business strategy; future operations (including drilling plans and capital plans); estimates and projections of revenues, losses, costs, expenses, returns, cash flow and financial position; reserve estimates and its ability to replace or increase reserves; anticipated benefits of strategic transactions (including acquisitions and divestitures); and plans and objectives of management (including plans for future cash flow from operations and for executing environmental strategies) are forward-looking statements. When used in this report, the words “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “guidance,” “intend,” “may,” “model,” “outlook,” “plan,” “positioned,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would” and similar expressions (including the negative of such terms) as they relate to Diamondback are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Although Diamondback believes that the expectations and assumptions reflected in its forward-looking statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond Diamondback’s control. Accordingly, forward-looking statements are not guarantees of future performance and Diamondback’s actual outcomes could differ materially from what Diamondback has expressed in its forward-looking statements.

Factors that could cause the outcomes to differ materially include (but are not limited to) the following: changes in supply and demand levels for oil, natural gas, and natural gas liquids and the resulting impact on the price for those commodities; integration and other risks relating to Diamondback’s recently completed merger with Endeavor Energy Resources, L.P. described in Diamondback’s filings with the Securities and Exchange Commission

(the “SEC”); the impact of public health crises, including epidemic or pandemic diseases, and any related company or government policies or actions; actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic or diplomatic developments, including any impact of the ongoing war in Ukraine and the Israel-Hamas war on the global energy markets and geopolitical stability; inflationary pressures; higher interest rates and their impact on the cost of capital; regional supply and demand factors, including delays, curtailment delays or interruptions of production; governmental orders, rules or regulations that impose production limits; federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations; physical and transition risks relating to climate change and the risks and other factors disclosed in Diamondback’s filings with the SEC, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the Securities and Exchange Commission’s web site at <http://www.sec.gov>.

In light of these factors, the events anticipated by Diamondback’s forward-looking statements may not occur at the time anticipated or at all. Moreover, Diamondback operates in a very competitive and rapidly changing environment and new risks emerge from time to time. Diamondback cannot predict all risks, nor can it assess the impact of all factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those anticipated by any forward-looking statements it may make. Accordingly, you should not place undue reliance on any forward-looking statements made in this report. All forward-looking statements speak only as of the date of this report or, if earlier, as of the date they were made. Diamondback does not intend to, and disclaims any obligation to, update or revise any forward-looking statements unless required by applicable law.



DIAMONDBACK ENERGY

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If you have any questions regarding the Corporate Sustainability Report,
please contact us at IR@diamondbackenergy.com.

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September 2024