



# ESG AND CLIMATE RISK REPORT

**2022**

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# LETTER FROM OUR LEADERS

Thank you for your interest in our Company and in our third annual Environmental, Social and Governance (ESG) and Climate Risk Report. Through our sustainable and responsible production, we are increasing reliable and affordable energy for all — with a goal to ensure everyone has access to the energy resources they need to power their lives. We recognize this as a bold vision, and Laredo employees don't back down from complex challenges. We rise up, innovate and use our collective energy to achieve this goal.

Looking to the future, the global population will likely continue to increase, and with it, the demand for the energy needed to improve living standards. Our industry must respond strategically to meet this demand and think long-term in our production. Sustainability involves balance — a thoughtful approach to producing reliable and affordable energy while reducing our impact for future generations. This balanced approach requires leadership.

As a leading producer in the Permian Basin, we have a strategic position in one of the most prolific onshore hydrocarbon basins in the United States. We are focused on generating free cash flow, returning cash to shareholders, reducing debt and improving breakevens for our development inventory, while also prioritizing emissions reduction and increasing accountability across our organization.

Accountability starts at the top, and we continue to refine and strengthen our corporate governance and processes. In 2021 and 2022, we enhanced stockholder rights and tied ESG metrics to our executive compensation program, including adding the achievement of our 2025 emissions reduction goals to our Long-Term Incentive Program.

Leading these changes is our experienced and engaged Board of Directors, 67% of which was refreshed in the last two years. In addition, 50% of these directors have sustainability and environmental expertise — a valuable resource to drive our sustainability efforts and reduce climate impact.

Related to climate, we are committed to reducing our emissions and have dedicated both resources and expertise to meeting this goal. In 2021, we continued to make progress on our emissions targets and, today, we are adding a new 2030 emissions goal as well as a new water conservation goal.

When developing our short-term targets, we created a corresponding roadmap to achieve our emissions reductions. These plans include testing and implementing new technologies, enhancing emissions monitoring capabilities, replacing pneumatic devices and expanding electrification of our field operations, all of which are detailed further in this report.

Our progress was recently recognized as we were awarded Project Canary's TrustWell® Certification — the first Permian operator to receive this distinction for responsibly sourced oil and natural gas production. Through TrustWell, our facilities were individually rated and certified according to hundreds of water, air, land and community risk mitigation factors. Project Canary also evaluated our operational practices and reviewed our management systems, finding Laredo in the top quartile of responsible operators. As noted by Project Canary, we remain steadfast in our commitment to strengthening and developing our communities and employees. Likewise, we continue our investment where it matters most — in employee training and benefits, community engagement and philanthropy, and through local hiring and supply chain activities.

The achievements and innovation we celebrate in this report are driven by our employees — nearly 300 people who are passionate about our purpose and a future where reliable energy security and affordable energy sustainably is available for all. We applaud their hard work and encourage them to continue to lead with curiosity, challenge precedents and seize opportunities; behaviors that demonstrate who we are at Laredo.

And while we are proud of our progress, we recognize that there is more work to be done to shape our sustainable future. Laredo will always aim to do the right thing and operate with full transparency.

Sincerely,



**JASON PIGOTT**  
*President and CEO*



**WILLIAM ALBRECHT**  
*Chair of the Board of Directors*



**JARVIS V. HOLLINGSWORTH**  
*Chair of the Nominating, Corporate Governance, Environmental and Social Committee of the Board of Directors*

December 1<sup>st</sup>, 2022

## EMISSIONS REDUCTION GOALS

- Scope 1 GHG emissions intensity below 12.5 mtCO<sub>2</sub>e/MBOE by 2025<sup>1</sup>
- Zero routine flaring by 2025<sup>2</sup>
- Methane emissions below 0.20% by 2025<sup>3</sup>

Scope 1 and 2 GHG emissions intensity below 10 mtCO<sub>2</sub>e/MBOE by 2030

1. 2019 Scope 1 GHG Emissions Intensity Baseline 26.03 mtCO<sub>2</sub>e / MBOE  
2. 2019 Flaring Intensity Baseline 1.93% MCF flared / MCF produced  
3. 2019 Methane Intensity Baseline 0.87% methane as a percentage of natural gas produced  
4. 2019 Water recycle rate 35%

## WATER CONSERVATION GOAL

- 50% recycled water for completion operations by 2025<sup>4</sup>



# LAREDO'S ROLE IN THE FUTURE OF ENERGY





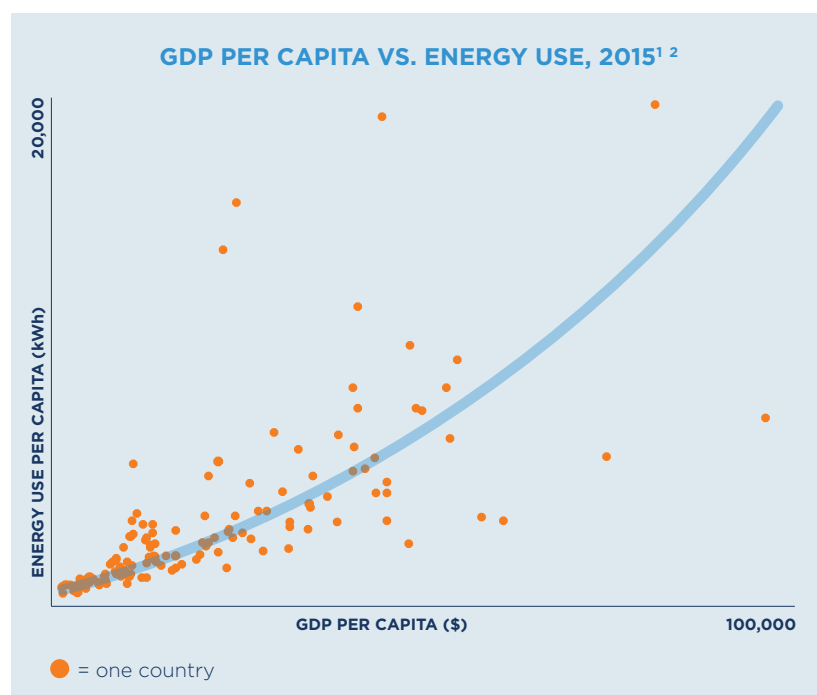
# INTRODUCTION TO LAREDO PETROLEUM

LAREDO IS AN INNOVATIVE ENERGY COMPANY. WE DIFFERENTIATE OURSELVES BY ADVANCING A LIMITLESS MINDSET, A REQUIREMENT FOR AN ENERGY FUTURE WHERE PEOPLE ARE POWERED IN SUSTAINABLE AND ABUNDANT WAYS. WE ARE NOT AFRAID OF THIS FUTURE. WE ARE UNSHAKABLE IN OUR RESOLVE AND UNBIASED IN THE PATHS WE WILL TAKE TO PRODUCE RELIABLE ENERGY SECURITY AND AFFORDABLE ENERGY SUSTAINABILITY.

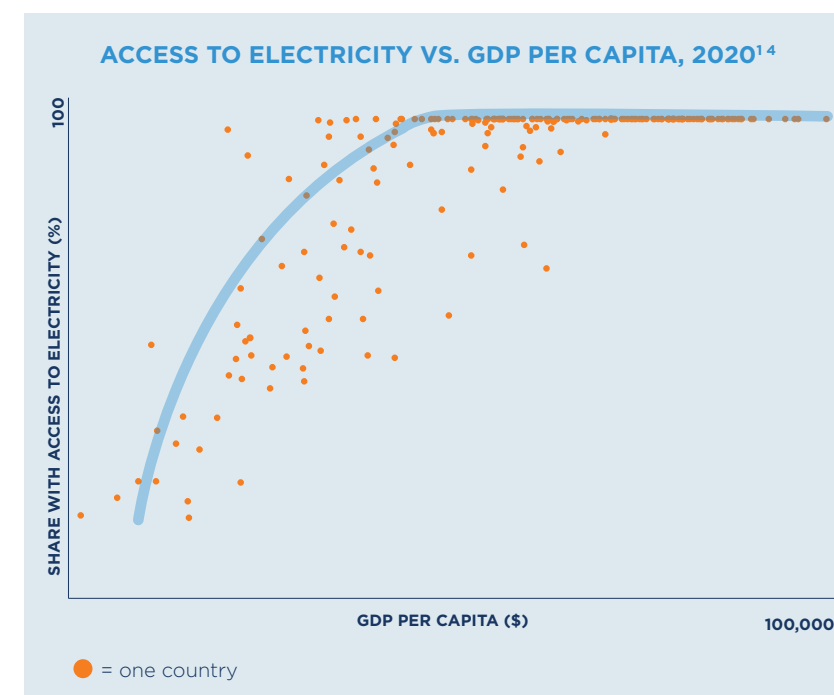
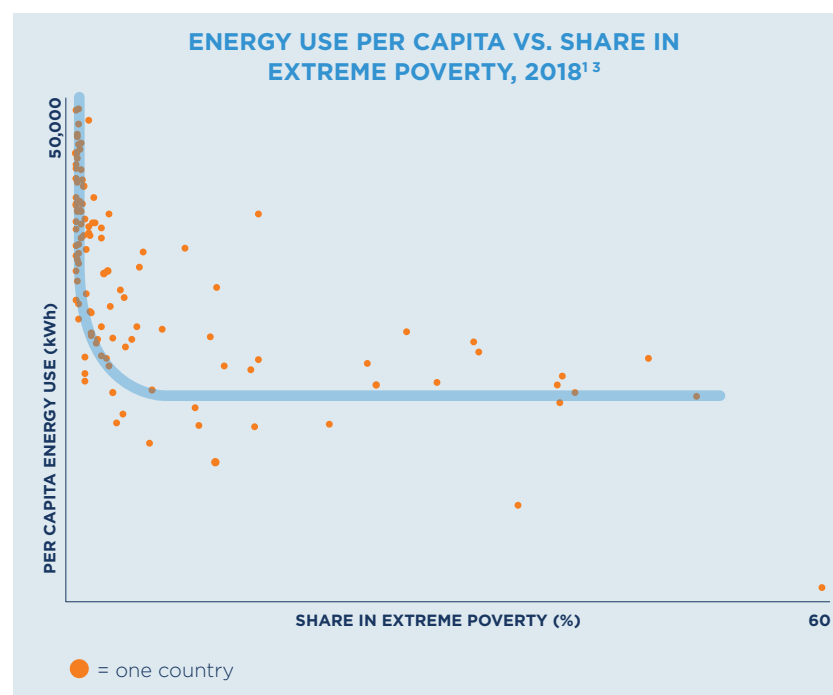
## THE WORLD NEEDS ACCESS TO RELIABLE, AFFORDABLE ENERGY

Energy demand is expected to increase as economies grow and populations expand.

### ENERGY DEMAND GROWS WITH ECONOMIES



### MORE AFFORDABLE RELIABLE ENERGY IS NEEDED

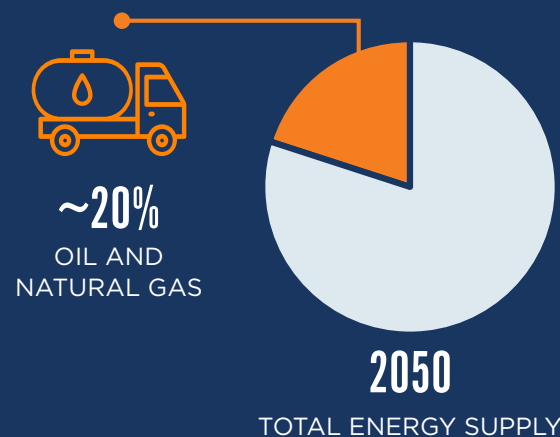


1. The World Bank, "World Development Indicators," <https://datacatalog.worldbank.org/search/dataset/0037712/World-Development-Indicators> and United Nations Department of Economic and Social Affairs, "World Population Prospects 2022," <https://population.un.org/wpp/Download/Standard/Population/>
2. Annual energy use per capita, measured in kilowatt-hours (kWh) per person vs. gross domestic product (GDP) per capita, measured as constant international dollars.
3. Per capita energy use is measured in kilowatt-hours per year. Extreme poverty is defined as living below the International Poverty Line of \$1.90 per day.
4. Access to electricity is defined here as having enough power for basic lighting and charging a phone for 4 hours.

**Access to reliable energy** is an essential component of development. Yet, in 2020, **there were 733 million people who lacked access to electricity** and billions more living in energy poverty, including **2.4 billion who used inefficient and polluting cooking fuels** like animal dung and crop waste.<sup>5</sup>

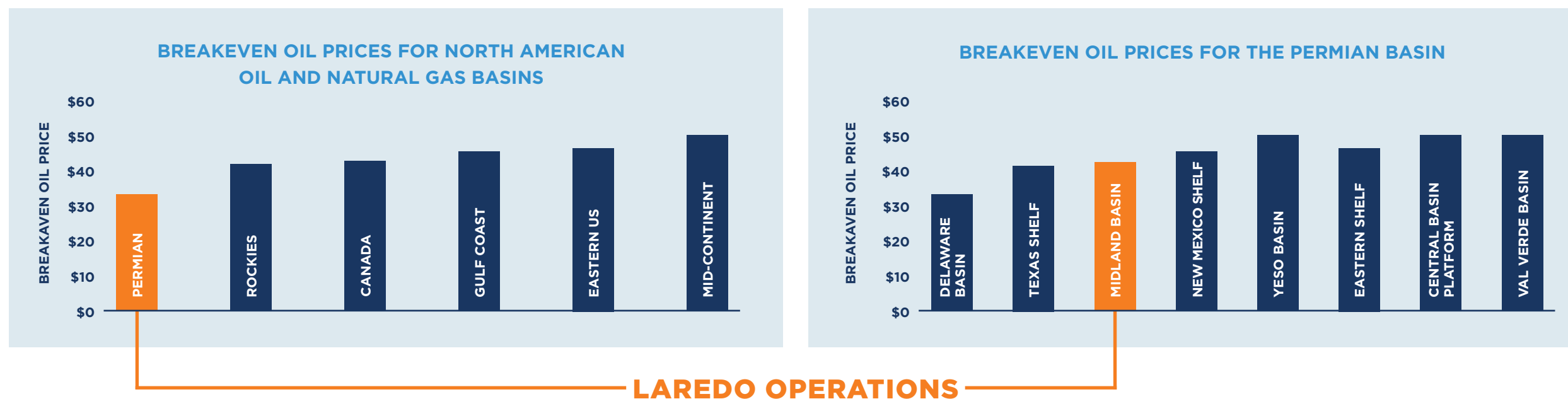
The world needs access to reliable, affordable energy and that energy should be sustainable. The IEA Net Zero Emissions by 2050 Scenario expects oil and natural gas represent approximately 20% of total energy supply in 2050.<sup>6</sup> **At Laredo, we believe this future oil and natural gas production should be low cost and low carbon.**

**ACCORDING TO THE IEA 1.5 DEGREE NET ZERO BY 2050 SCENARIO:**



## LOW COST

North America is one of the leading global energy producers and the Permian Basin boasts the lowest breakeven development costs for existing oil and natural gas plays in North America.<sup>7</sup> Furthermore, our assets are located in a sub-basin of the Permian called the Midland Basin, which is among the lowest breakeven development costs in the Permian and further demonstrates the development of our assets will produce low cost oil and natural gas.<sup>8</sup>



5. The World Bank, "Report: COVID-19 Slows Progress Toward Universal Energy Access," <https://www.worldbank.org/en/news/press-release/2022/06/01/report-covid-19-slows-progress-towards-universal-energy-access>  
6. United Nations Department of Economic and Social Affairs: Sustainable Development, "Goal 7," <https://sdgs.un.org/goals/goal7>  
7. Enverus. Breakeven data (20:1) for the North American Oil and Natural Gas Basins, August 2022.  
8. Enverus. Breakeven data (20:1) for the Midland Basin, August 2022..

## RESILIENT LOW COST ASSETS

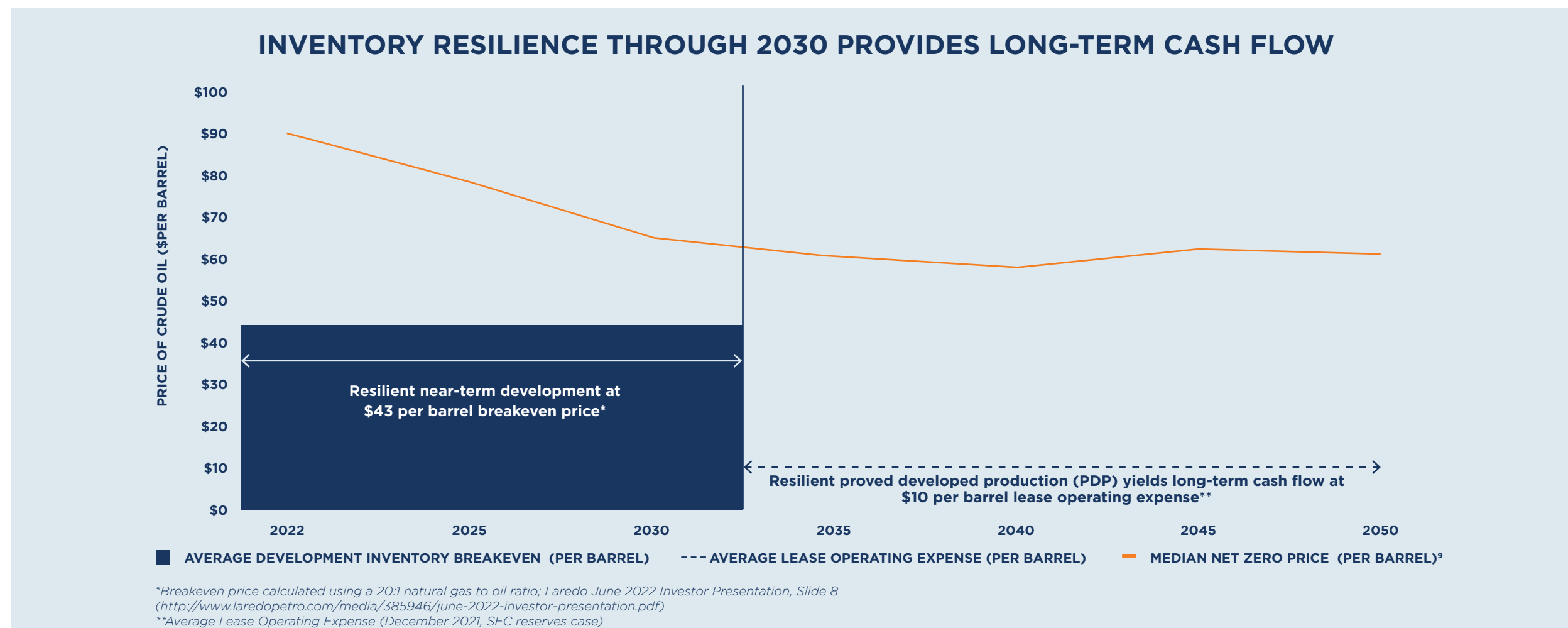
Laredo's climate scenario analysis demonstrates our low cost assets are resilient in a variety of climate scenarios.

In 2021, we conducted our first scenario analysis under the Task Force on Climate-related Financial Disclosures (TCFD) framework to understand the potential impacts of climate change on our business operations and financial performance. In 2022, we expanded this analysis to include 1.5°C and net zero scenarios to further test the resiliency of our asset portfolio.

The United States Energy Information Administration (EIA) and the International Energy Agency (IEA) both project oil and natural gas will remain a significant part of the global energy mix across several different scenarios. In the IEA Net Zero Emissions by 2050 Scenario, oil and natural gas are projected to account for 8% and 11%, respectively, of the world's primary energy demand, meaning even in a net zero scenario, oil and natural gas production will represent

approximately 20% of future energy supply.

Laredo's assets in the Permian Basin have a breakeven cost of \$43 per barrel (20:1 natural gas to oil ratio) for our near-term development plans, well below the median expected price of crude oil across six different net zero scenarios;<sup>9</sup> thereby demonstrating the resilience of our near-term development plans through 2030. Beyond 2030, our projected lease operating expense is \$10 per barrel, suggesting Laredo's assets and operations will deliver long-term cash flow, even in a net zero scenario. Accordingly, we are confident that our current asset portfolio will remain resilient in a low-carbon energy future. Please see our [TCFD Index](#) for further information on our scenario analysis and overall climate management approach.

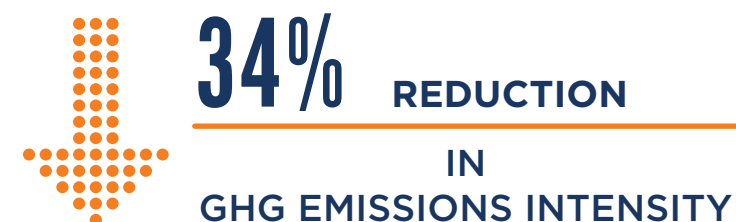
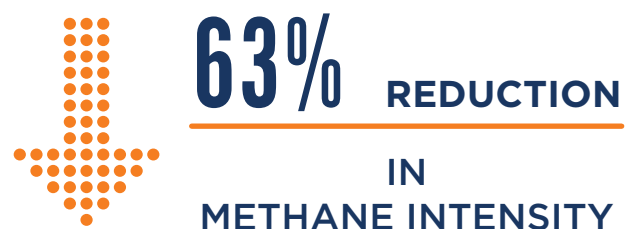


9. We utilized the following net zero scenarios from Central Banks and Supervisors Network for Greening the Financial System (NGFS) and the IEA to create the median net zero curve: Divergent NZ REMIND, Divergent NZ MESSAGEix, Divergent NZ GCAM, NZ 2050 REMIND, NX 2050 MESSAGEix, and NZ 2050 GCAM.

## LOW CARBON

Laredo is making great progress toward achieving our 2025 emissions targets and is proud to be the **first operator** in the Permian Basin to have a portion of its oil and natural gas production certified as TrustWell Responsibly Sourced by Project Canary.

### SINCE 2019<sup>10</sup>:



We are confident we will achieve our 2025 greenhouse gas (GHG) emissions intensity target, which represents a **52% reduction** from our 2019 baseline. We expect to achieve our targets by continuing to focus on:

- Converting vented pneumatic devices to non-vent
- Electrifying our field operations, where feasible
- Expanding our continuous emissions monitoring systems pilot to cover more facilities
- Increasing our on-site leak detection and repair inspections to four times per year in 2023
- Continuing progress toward eliminating routine flaring by 2025<sup>11</sup>

### 2025 EMISSIONS REDUCTION TARGETS



**12.5 mtCO<sub>2</sub>e/MBOE**

**Scope 1 GHG Emissions Intensity by 2025**  
(2019 calendar year baseline)



**ZERO**

**Routine Flaring by 2025**



**<0.20%**

**Methane Emissions by 2025**  
(as a percentage of natural gas production)

10. In 2021, we closed on two acquisitions. The 2019 and 2020 emissions data published in this report has been recalculated to include emissions for these acquisitions.

11. Laredo uses the World Bank Zero Routine Flaring Initiative definition for routine flaring. Routine flaring is defined as flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced natural gas, utilize it on-site, or dispatch it to a market.



## WE ARE ALSO PROUD TO ESTABLISH A NEW 2030 EMISSIONS REDUCTION TARGET:



By 2030, a combined Scope 1 and Scope 2 GHG emissions intensity of **less than 10 mtCO<sub>2</sub>e per MBOE**

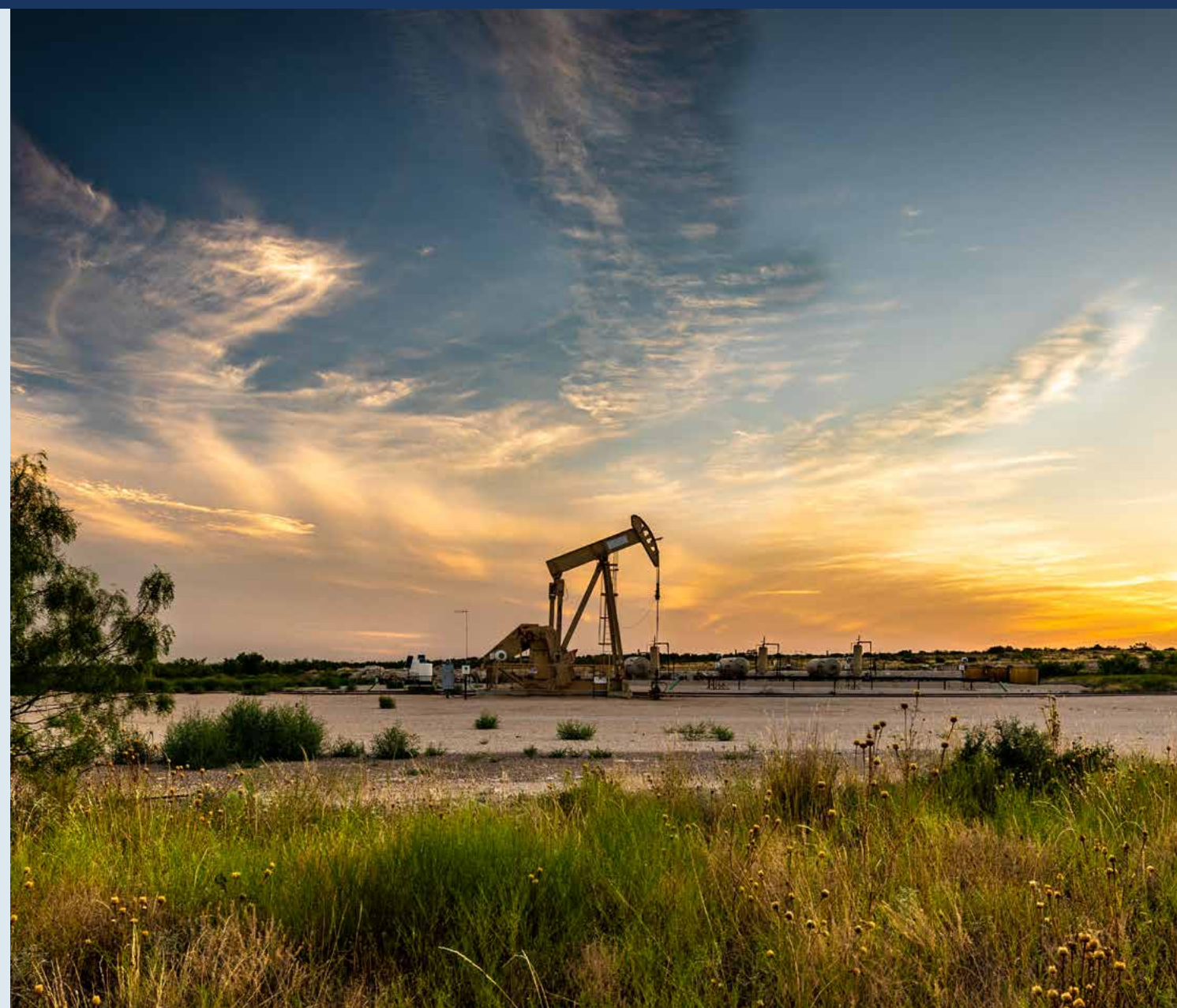


Combined target represents a **62% reduction from our 2019 baseline**

We will continue to optimize production and achieve our 2030 target through expanding use of our digital platforms and machine learning capabilities. As examples:

- Computer vision, continuous emissions monitoring, and our IoT sensor arrays are able to detect, and in some cases predict, when events will occur. In the future, we hope to predict an emission event will occur and then prevent it from happening, thereby keeping the product in the pipeline and generating more revenue.
- Dynamic routing algorithms have been deployed to half of our routes and contributed to over 103 MBO and 1 BCF of increased production over the past 18 months
- Electric Submersible Pump (ESP) optimization algorithms increased production by 23 MBO over a 30-day pilot period in 2022

We are excited for our journey to build the energy company of the future. We are steadfast in our commitment to reliable energy security and affordable energy sustainability because energy is vital to energizing human potential.



## OUR ENVIRONMENTAL TARGETS



**<12.5 MTCO<sub>2</sub>e/MBOE**  
SCOPE 1 GHG EMISSIONS INTENSITY  
**BY 2025**



**ZERO ROUTINE FLARING**  
**BY 2025**



**<0.20% METHANE EMISSIONS**  
**BY 2025**  
(AS A PERCENT OF NATURAL GAS PRODUCTION)



**SCOPE 1 AND 2 GHG EMISSIONS INTENSITY < 10 MTCO<sub>2</sub>e/MBOE**  
**BY 2030**



**50% RECYCLED WATER**  
FOR COMPLETION OPERATIONS  
**BY 2025**

## 2021 TO 2022 ESG PROGRESS



**62% REDUCTION**  
IN FLARING SINCE 2019



**34% REDUCTION IN SCOPE 1 GHG EMISSIONS INTENSITY SINCE 2019<sup>1</sup>**



**63% REDUCTION IN METHANE INTENSITY SINCE 2019**



**FIRST PERMIAN OPERATOR TO ACHIEVE THE TRUSTWELL<sup>®</sup> CERTIFICATION FOR RESPONSIBLE OPERATIONS**



**FOCUSED SHORT-TERM INCENTIVE PROGRAM SO THAT ENVIRONMENTAL GOALS MAKE UP 20% AND IMPLEMENTED A LONG-TERM INCENTIVE PROGRAM METRIC TIED TO ACHIEVING 2025 EMISSIONS REDUCTION GOALS**



**INCREASED ACTIVE MANAGEMENT AND HIGH GRADING OF OUR VENDORS BASED ON SAFETY METRICS**



**CONDUCTED FIRST SUPPLIER ESG SURVEY TO BETTER UNDERSTAND THE DIVERSITY OF OUR SUPPLY BASE AND THE ESG POLICIES THEY HAVE IN PLACE**



**INCREASED BOARD GENDER AND ETHNIC DIVERSITY TO 60%, A 270% INCREASE SINCE 2019**



**CONDUCTED COMPANY-WIDE UNCONSCIOUS BIAS TRAINING**



**43% OF 2021 NEW HIRES WERE DIVERSE**

1. In 2021, we closed on two acquisitions. The 2019 and 2020 emissions data published in this report has been recalculated to include emissions for these acquisitions.





ENVIRONMENTAL



# EMISSIONS TARGETS AND REDUCTION STRATEGY

We are committed to reducing our emissions and have dedicated both resources and expertise to meeting this goal. We continue to make progress on our emissions targets and, in 2022, added an emissions reduction goal for 2030.

## EMISSIONS REDUCTION GOALS



Scope 1 GHG emissions intensity below 12.5 mtCO<sub>2</sub>e/MBOE by 2025



Zero routine flaring by 2025



Methane emissions below 0.20% by 2025



Scope 1 and 2 GHG emissions intensity target below 10 mtCO<sub>2</sub>e/MBOE by 2030

Our priority is to reduce emissions under our operational control. When developing these short-term targets, we created corresponding roadmaps to achieve our emissions reductions. For hard-to-abate emissions, we may consider the future use of high-quality offsets, with additionality, but we do not intend to use offsets to reduce emissions which could otherwise be economically abated.

To help us plan for future capital expenditures, we adopted a carbon abatement cost curve to implement solutions that economically provide carbon abatement relative to the current cost of offsetting such emissions.

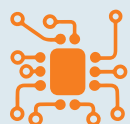
**Three of the greatest opportunities for our emissions reduction strategy include:**



REPLACING PNEUMATIC DEVICES

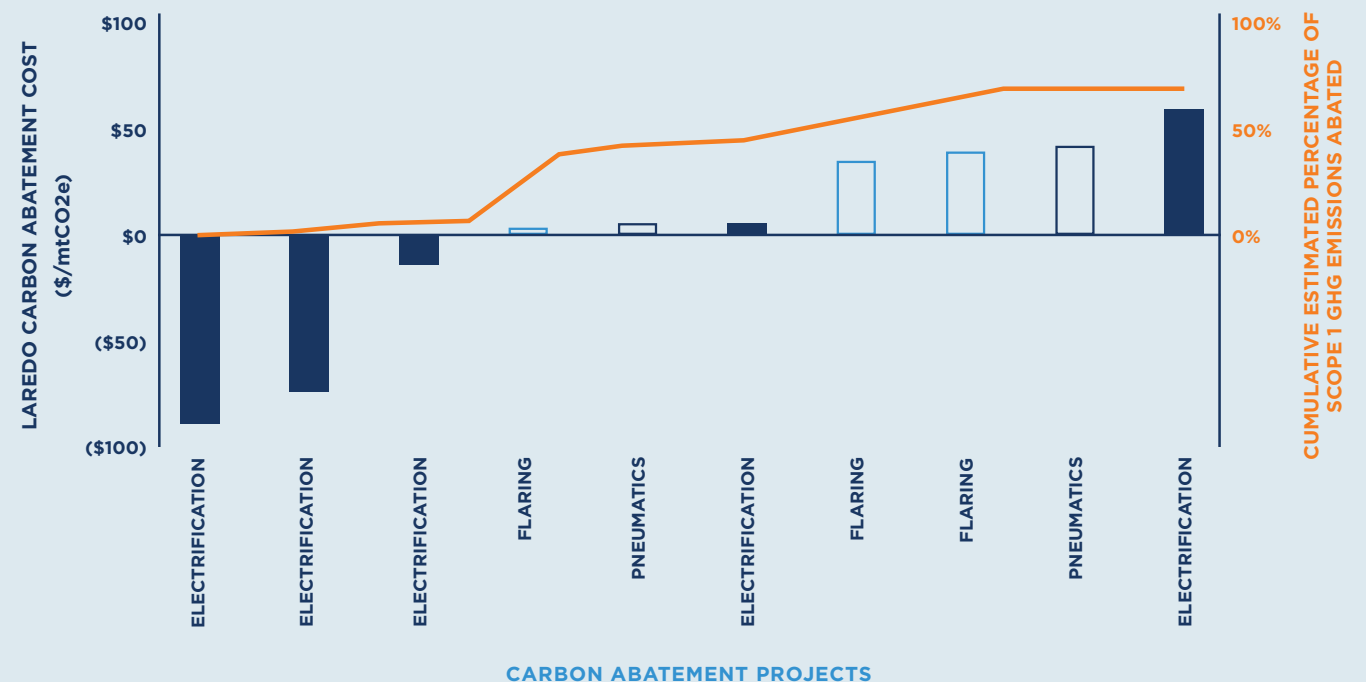


EXPANDING ELECTRIFICATION OF OUR FIELD OPERATIONS



TESTING AND IMPLEMENTING NEW TECHNOLOGIES, INCLUDING CONTINUOUS EMISSIONS MONITORING

## LAREDO CARBON ABATEMENT COST CURVE





### REPLACING PNEUMATIC DEVICES

For our current operated assets, we began converting pneumatic devices to non-vent in April 2022 and we expect to have all intermittent back-pressure valves converted to non-vent by the end of 2023. Furthermore, we expect all remaining vented devices to be converted to non-vent by 2025.

### REDUCING EMISSIONS FROM OUR COMPLETION OPERATIONS

We recognize the importance of electrifying our operations to further reduce our Scope 1 emissions and are in the process of converting our Tier IV dual-fuel hydraulic fracturing fleet to an electric fleet, which we expect to begin operations in early 2023. Additionally, we use a Closed-Loop Flowback system to mitigate leaks from occurring during our completion and flowback operations. Furthermore, our production operations have eliminated the use of diesel generators and are electrifying portions of our corridor compression system. In areas where there is no access to electric grid power, we use natural gas generators to power our production and completion operations until alternative sources of low carbon electricity are available.

### TESTING NEW TECHNOLOGIES IN OUR FIELD OPERATIONS

We piloted continuous emissions monitoring systems and are evaluating expansion of the pilot across our near-term development program. Combining this data with our computer vision and IoT sensor arrays enables us to detect, and in some cases predict, when emission events will occur. In the future, we hope to predict when an emission event will occur and are currently working toward development of an autonomous well site to enhance production and mitigate emissions.



## IMPLEMENTING NEW TECHNOLOGIES AND DIGITAL PLATFORMS

Intelligent Well is core to the continued success of Laredo's Digital Transformation. Intelligent Well enables Laredo to leverage modern cloud technologies, such as machine learning and artificial intelligence, to help ensure data-driven decisions, improved outcomes and increased revenue.

Intelligent Well has enabled Laredo to rapidly accelerate into the digital age, creating automated workflows and consistent data across the organization.

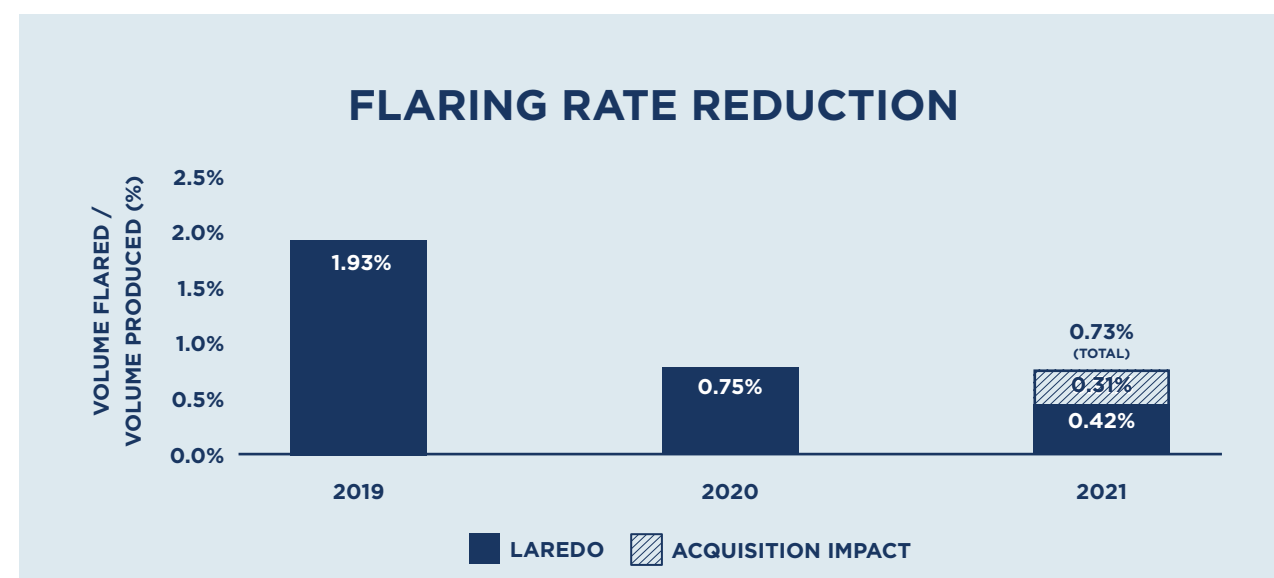
During the first year, this analytical approach has created approximately \$14M in increased gross wellhead revenue and over 20,000 hours in streamlined automation across multiple routes. Moreover, the Intelligent Well program has enabled ways for Laredo to better protect the environment including thermal imaging, paired with machine learning to prevent adverse events.

### LAREDO INTELLIGENT WELL



## MITIGATING ROUTINE FLARING

In 2021, Laredo continued to reduce flaring and venting volumes for the third consecutive year. Our efforts have resulted in a **62% reduction since our 2019 baseline.**



## REDUCING VENTED EMISSIONS

We continue to test and implement new technologies to mitigate vented emissions, including:

- Outfitting all new Company-operated facilities with Vapor Recovery Systems to minimize emissions during routine operations and on-site combustors to minimize emissions during non-routine emergency events.
- Using Continuous Emissions Monitoring Systems (CEMS), covering 30% of oil production, to mitigate emissions related to flaring and venting at Company-operated facilities. CEMS is currently being evaluated for expansion to more facilities in 2023.
- Expanding our Leak Detection and Repair (LDAR) program to inspect Company-operated facilities twice a year across all facilities. Starting in 2023, we aim to inspect all Company-operated sites four times a year.
- Installing thermal imaging, supported by computer vision emissions detection algorithms, on each new facility.

Expanding offload capacity by connecting to sales points of multiple third parties as opposed to the industry standard of flaring when takeaway capacity in the Permian Basin is constrained.

Enhanced communication and planning with mid-stream operators to minimize impact of planned outages and collaboration to mitigate emissions across the value chain.

## SCOPE 2 EMISSIONS: RENEWABLE ENERGY

Laredo consumes electricity from the ERCOT grid, which is comprised of both renewable and non-renewable sources of power generation. As we reduce our Scope 1 emissions through electrification of our field operations, our Scope 2 emissions will increase.

We are exploring opportunities to reduce our Scope 2 emissions through renewable energy partnerships. Furthermore, Laredo prefers to seek partnerships that create additional renewable energy on the grid as opposed to buying unbundled renewable energy credits. Laredo has several wind turbines on portions of Company-owned surface acreage which have generated over \$450,000 in revenue since 2017, including \$73,275 in 2021.

## IoT STRATEGY ENHANCING EMISSIONS MONITORING



**2020**

Tested edge processors and smart cameras and deployed nine field smart cameras



**2021**

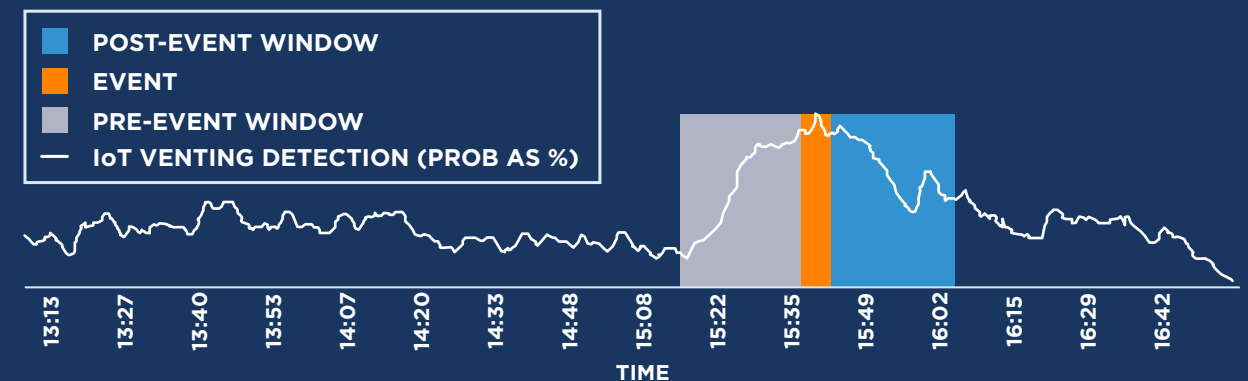
Expanded our pilot by deploying 72 traditional and thermal cameras with IoT devices that, combined with machine learning, automate detection of venting events and alert our operations personnel of potential equipment failures or emission events



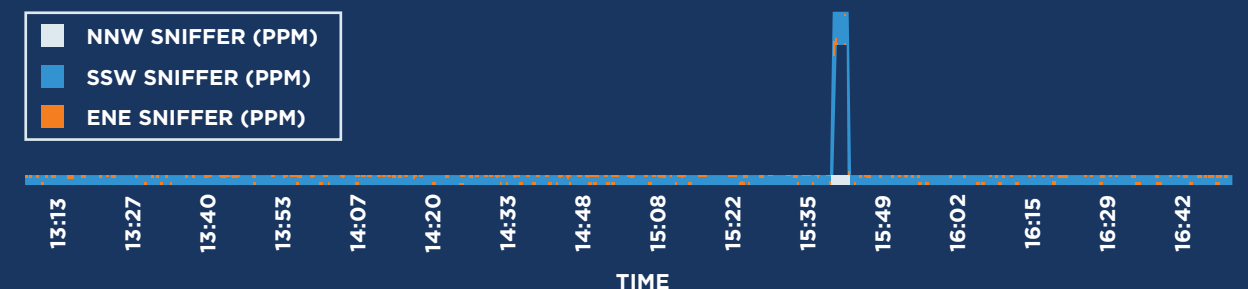
**2022**

Began testing for autonomous operations which use IoT measurements to predict potential venting events associated with equipment failure, including predicting Vapor Recovery Unit failure as shown in the chart below

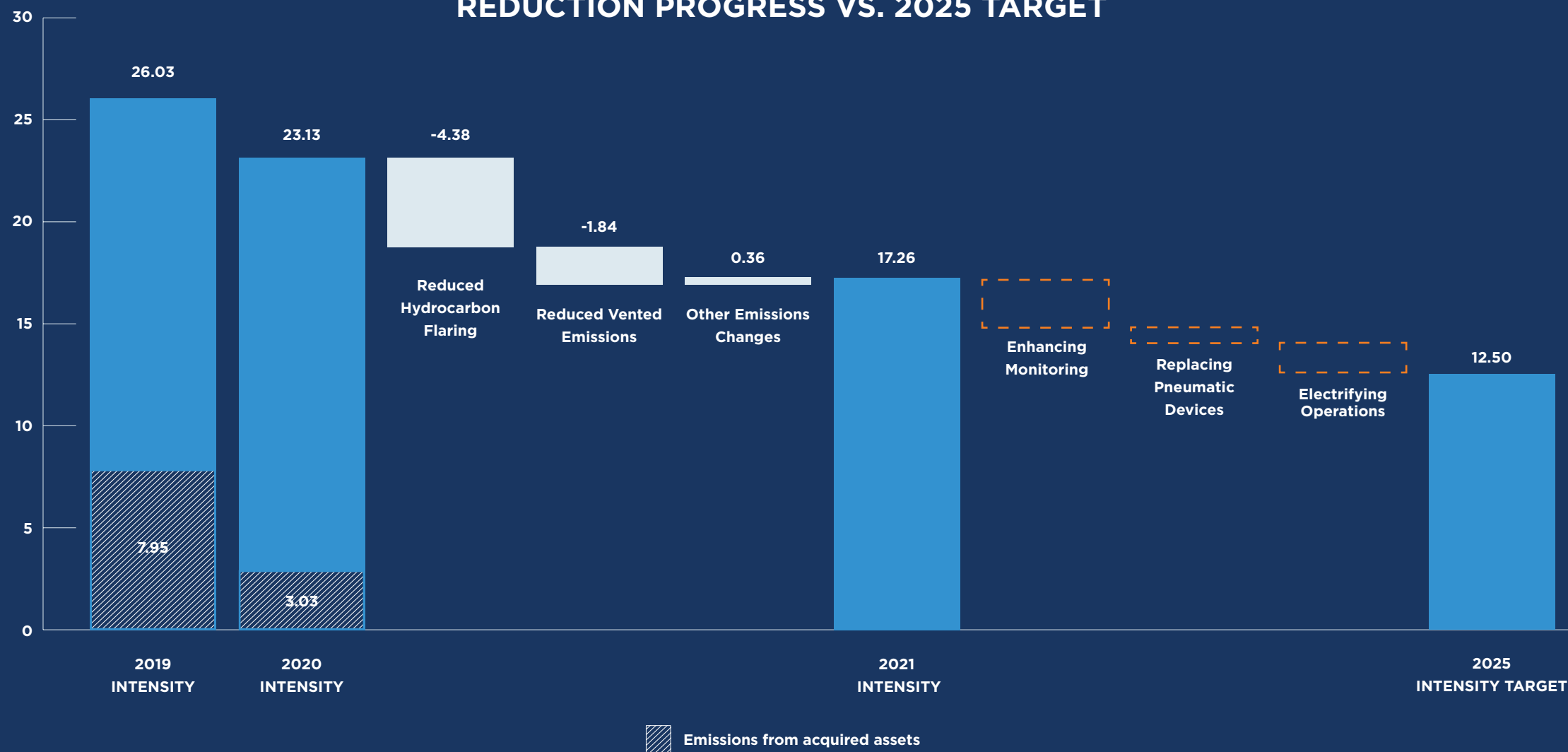
### COMPUTER VISION



### CONTINUOUS EMISSIONS MONITORING SYSTEM



## SCOPE 1 GHG EMISSIONS INTENSITY (MTCO<sub>2</sub>E/MBOE) REDUCTION PROGRESS VS. 2025 TARGET



### EMISSIONS REDUCTION PROGRESS

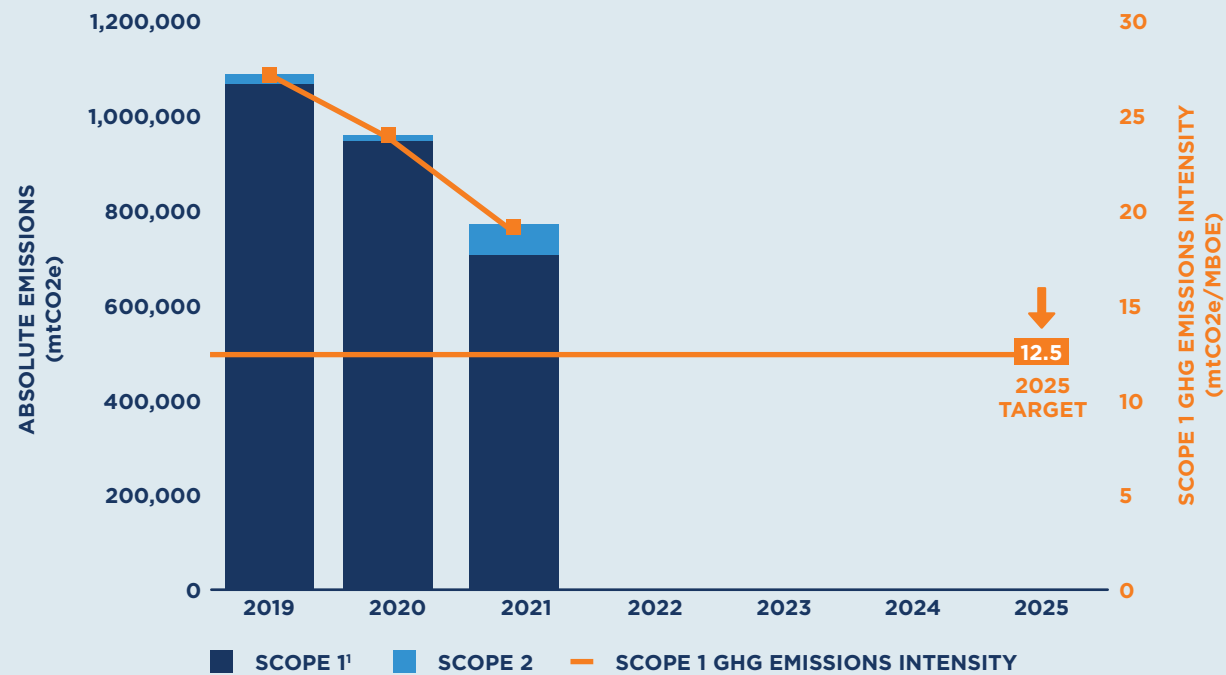
We are proud to share continued progress toward our Scope 1 emissions intensity target. Due to acquisitions Laredo made in 2021, we re-baselined our 2019 emissions and target baseline to include emissions from these acquisitions. Importantly, despite this, we did not change our Scope 1 emissions reduction targets, which now represent a 52% reduction in GHG emissions intensity from our revised 2019 baseline. Our defined plan to achieve our 2025 GHG emissions intensity target is shown in the chart above and supported by our capital budget. Please see our [TCFD Index](#) for more information.

### SCOPE 3 DOWNSTREAM EMISSIONS: PARTNERSHIPS

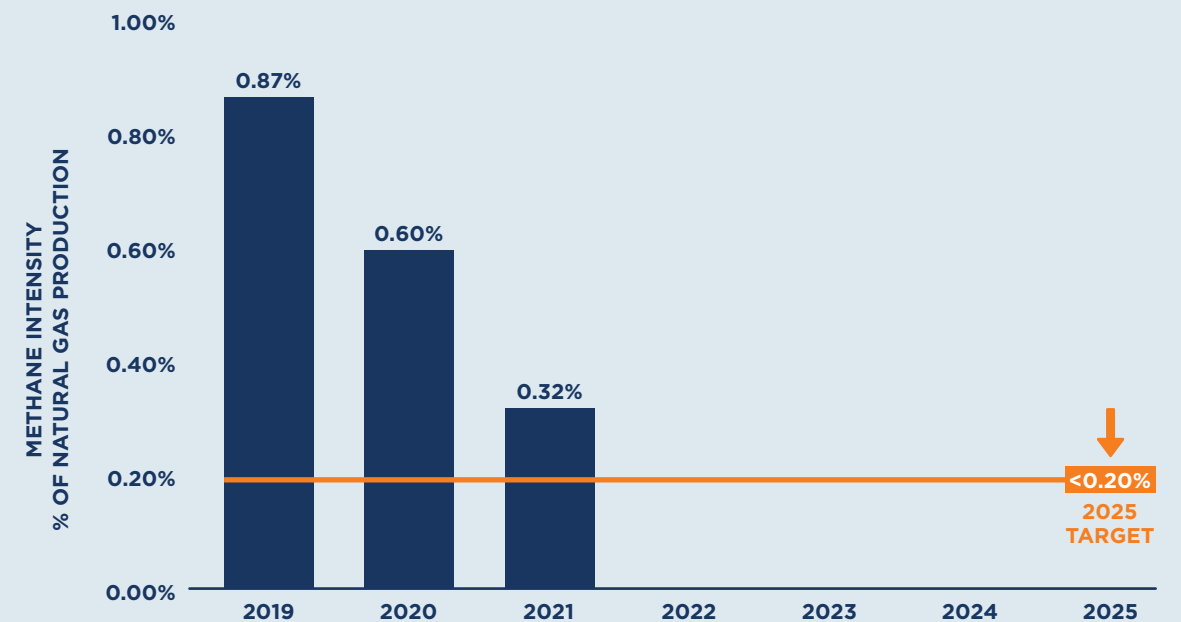
For the second consecutive year, we have published estimated Scope 3 emissions for Category 11, Use of Sold Goods. These estimates were again given limited assurance from an independent third-party. We continue to collaborate with the third-party midstream and refining companies that purchase our produced products to mitigate emissions across the value chain. Additionally, we are collaborating with energy consumers in our value chain to explore opportunities for mutual benefit through our certified responsibly sourced oil and natural gas production.



## ABSOLUTE SCOPE 1+2 EMISSIONS AND GHG EMISSIONS INTENSITY REDUCTION



## METHANE EMISSIONS REDUCTION



## SUSTAINABLE DEVELOPMENT

Laredo is focused on reducing the overall environmental impact of our operations and developing oil and natural gas in a sustainable manner. We are proud to be the first Permian operator to receive a third-party, industry-specific certification for responsible operations through Project Canary’s TrustWell Certification. This certification places Laredo in the top-quartile of operators for our highly effective risk management practices. Certification was granted to oil and natural gas production from 73 horizontal wells representing ~31,500 barrels of oil equivalent per day (BOEPD) of gross operated production.

Not only does this certification demonstrate our commitment to advanced monitoring technology that helps us reduce our emissions impact, but it also demonstrates our focus on reducing other environmental impacts, our drive for more sustainable operations, and our commitment to improving safety and training practices.

1. In 2021, we closed on two acquisitions. The 2019 and 2020 emissions data published in this report has been recalculated to include emissions for these acquisitions.

## WATER MANAGEMENT

Laredo considers access to water a fundamental human right. Accordingly, we seek to minimize our impact on freshwater supplies through continued expansion of our water recycling efforts. We take great pride in our comprehensive and holistic approach to managing and minimizing our impact on water, and we recognize our role in helping protect natural resources.

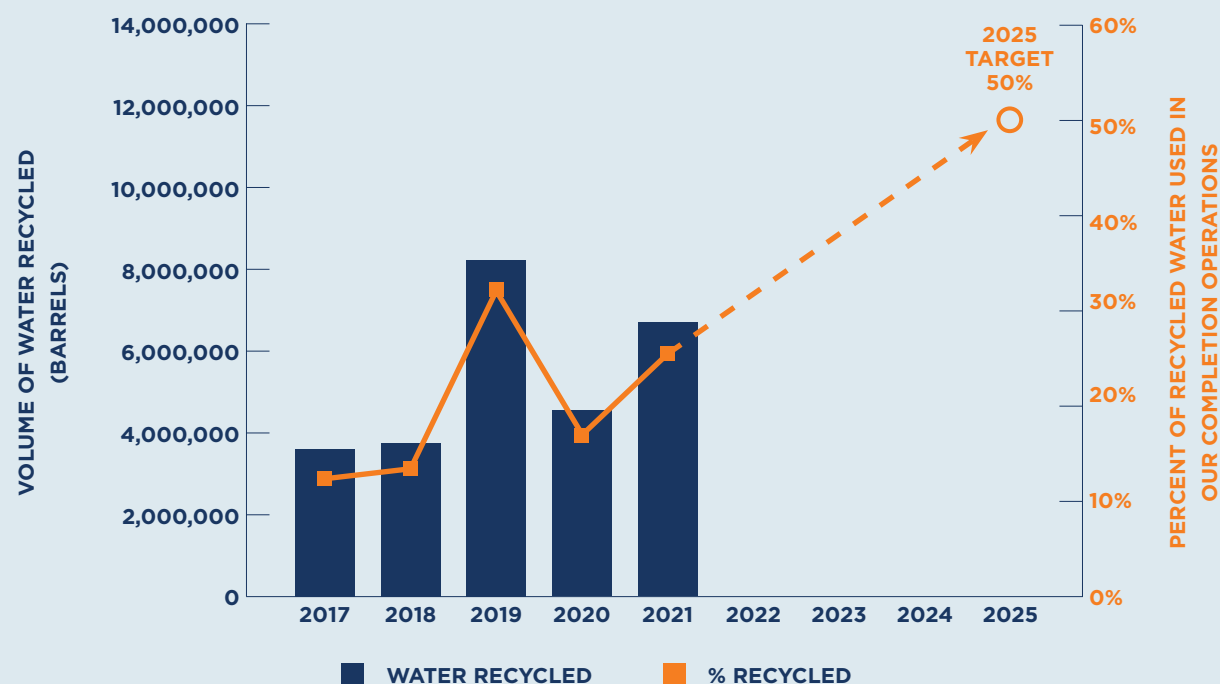
Water is vital to our communities and a key resource for our operational activities. For this reason, we have established a **new target that at least 50% of the water used in our completion operations will be comprised of recycled water by 2025.**

In late 2021 our drilling operations began a 32 well pilot using non-potable

water from the Santa Rosa formation instead of fresh water, thereby preserving 27 million gallons of fresh water. Similarly, our Company-operated water infrastructure provides a reliable source of water for our completion operations while providing low-cost takeaway capacity for flowback and produced water.

We are continuing to expand our water recycling efforts and are committed to increasing the amount of recycled water used in our Howard County operations to decrease the use of potable fresh water in an area of water stress. Relatedly, we recycled 8.5 million barrels of produced water in 2021, a year-over-year increase of 81%.

### LAREDO WATER RECYCLING 2025 TARGET



Our water recycling efforts continue to be important due to the water stress risks present in the areas we operate. All of the fresh water withdrawn in 2021 came from sites with high baseline water stress per the World Resources Institute Aqueduct tool. However, according to the Texas Water Board, Howard County's measured aquifer depths have not experienced significant changes over the last ten years, and thus we believe we are not unduly stressing water supply in the region. Relatedly, our stakeholder engagement efforts have mitigated concerns related to water resources and we are committed to continue our work with stakeholders to monitor the water stress within our areas of operations.

## SPILLS MANAGEMENT

Minimizing spills of crude oil and water is important to Laredo and we are proud of our progress. In 2021, we reduced the number of spill events by 27% and reduced our produced fluid spill intensity rate by 81% year-over-year.

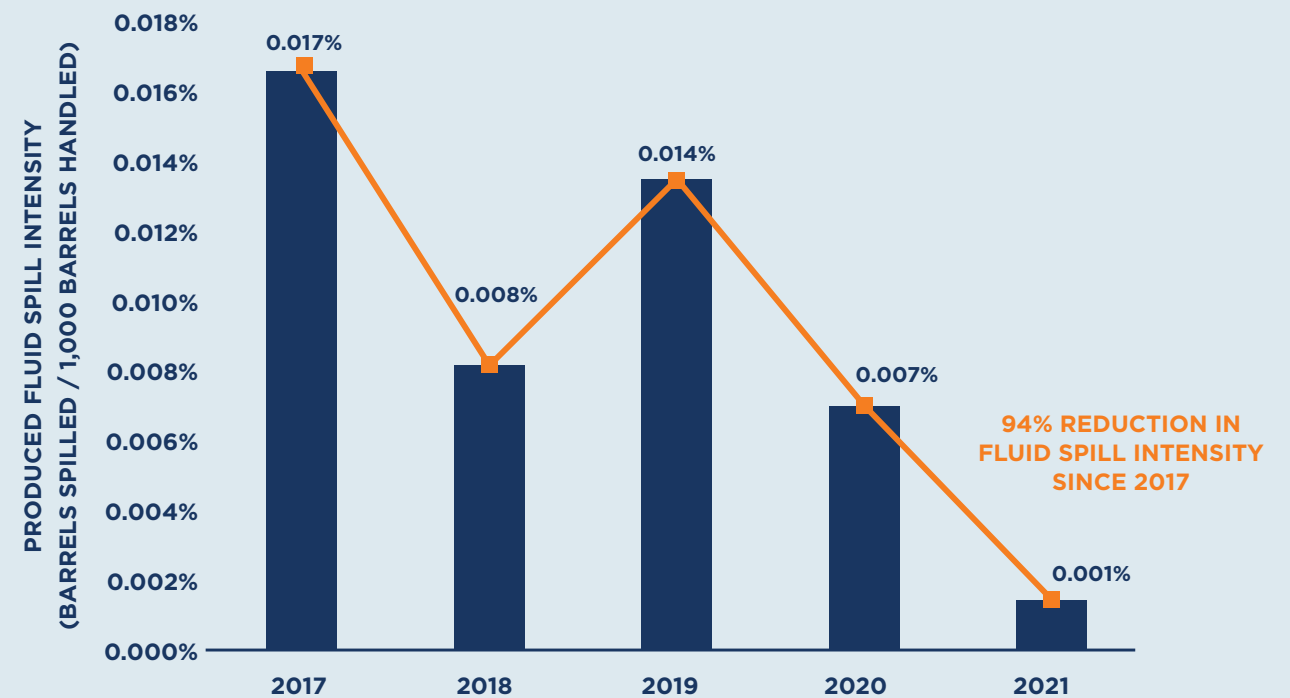
To reduce the frequency and volume of fluid spills, our Operations and Environmental, Health and Safety teams identify potential risks, develop mitigation plans, meet monthly to track progress toward our goals and work through our Root Cause Analysis program to avoid future spills. These efforts led to continued operational improvements, which have resulted in a 94% reduction in produced fluid spill intensity since 2017.

We achieved this reduction by:

- Equipping our storage facilities with early warning alarms that notify our field personnel of a potential spill
- Monitoring all of our operated oil, natural gas and water lines for leaks twice per week by a third-party aerial surveillance company, with any issues reported immediately for mitigation
- Using impermeable liners in our storage facilities which enable us to safely contain 99.99% of all liquids handled. Laredo works with our service providers to ensure proper mitigation measures are used when trucks pick up loads of crude oil to haul.

We also train our employees on environmental issues, including Hazardous Waste Operations and Emergency Response (HAZWOPER). In 2021, each of our field employees completed an average of 11 hours of environmental training.

## PRODUCED FLUID SPILL INTENSITY



## BIODIVERSITY

In addition to continuing to reduce spills and spill impact on our natural surroundings, we are also committed to broader management practices to support biodiversity. We are focused on minimizing, mitigating and avoiding impacts to critical habitats and species. Laredo does not currently operate on, adjacent to or in close proximity to, protected or priority areas for biodiversity conservation, and is committed to not operating in protected areas or areas of high diversity value. Please see our Formal Statement on our Commitment to the Environment on our [Sustainability](#) page.

## ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

Continuous improvement has long been part of Laredo's culture of doing the right thing, and our efforts around environmental management are no different. This includes implementing training for employees on the overall environmental impacts of our operations and how our EMS is integrated into our operations.

Responsibility for implementing and managing our EMS, as well as educating our internal teams, is held by our Chief Sustainability Officer and our Vice President of Operations, who leads our Operations and Environmental, Health and Safety teams. Senior executives and the Board of Directors are committed to overseeing our EMS initiatives to improve our environmental performance. While we work to formalize our EMS in alignment with the ISO 14001 Standard, which sets out the criteria for, and allows certification of an EMS, the "Plan-Do-Check-Act" (PDCA) methodology has long been integrated into our operations. To that end, we have not paid any significant fines related to environmental or ecological issues in the past four fiscal years.

In 2022, we made strides to implement a methodological approach to managing our environmental initiatives.

- **PLAN:** To help us plan for future capital expenditures, we adopted a carbon abatement cost curve to identify solutions which economically provide carbon abatement relative to the current cost of offsetting such emissions, ensuring we focus on the projects with the greatest potential for emissions reduction on a per dollar spend basis.
- **DO:** We are prioritizing specific projects, including electrification and technology to reduce flaring, for the sites with the largest operational emissions. Teams across Laredo, including Operations, Sustainability and Information Technology work together to implement these projects.
- **CHECK AND ACT:** Once projects are implemented, we monitor projects to ensure that the efficiencies we expect are taking place. If there are any issues or unexpected results, our teams work together to continuously improve outcomes.

***"WE WILL CONTINUE TO DEPLOY ADVANCED TECHNOLOGIES TO FURTHER INCREASE OUR OPERATIONAL EFFICIENCIES AND REDUCE OUR ENVIRONMENTAL IMPACT."***

**KATIE HILL**  
VICE PRESIDENT OF OPERATIONS







# GOVERNANCE



# GOVERNANCE HIGHLIGHTS

Our Board is proud of Laredo’s strong governance practices and commitment to active oversight. We value our stockholders and have shown continued progress in evolving our practices in alignment with stockholder feedback over the past several years.



## ADOPTED A MAJORITY VOTING STANDARD



## ADOPTED AN ENHANCED CLAWBACK POLICY



## IMPLEMENTED A DIRECTOR RESIGNATION POLICY FOR INCUMBENT DIRECTORS WHO DO NOT RECEIVE A MAJORITY OF THE VOTES CAST IN AN UNCONTESTED ELECTION



## TIED ESG METRICS TO EXECUTIVE COMPENSATION AND ADDED NEW SPILL PREVENTION AND AIR QUALITY GOALS

### BOARD COMPOSITION AND REFRESH

Laredo’s underlying values foster a culture of mutual respect, openness, honesty and a spirit of trust and collaboration. Our Board supports and encourages a diverse and inclusive workforce, which will ultimately lead to increased innovation and productivity. All five Directors added since 2020 are diverse, contributing to increased Board diversity since 2019. Additionally, 75% of our Board Committee Chairs are diverse.

Furthermore, 67% of the Board has been refreshed within the last two years, as part of an intentional effort to increase diversity and representation of skillsets in both ESG and technology to reflect the future of energy. We currently have only one Director that joined the Board prior to 2018.

**50%**

Of our Directors have environmental and sustainability expertise, a valuable resource as we continue to drive our sustainability efforts and reduce our climate impact.

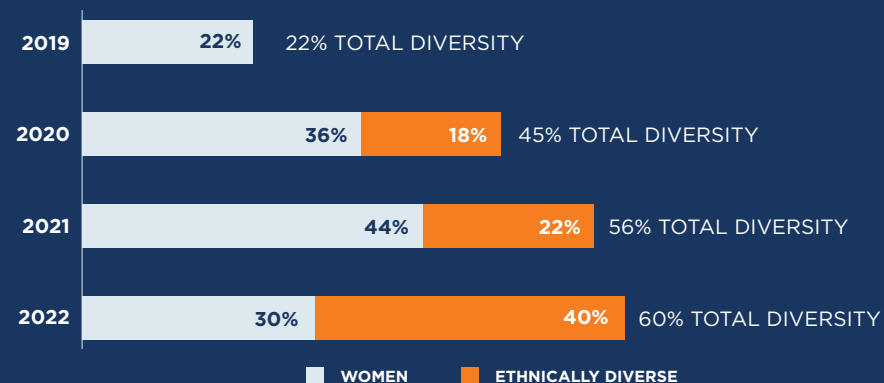
**40%**

Of our Directors have technology expertise to reflect our focus on streamlining our operations through deploying innovative technology.

**40%**

Of our Directors have experience across the hydrocarbon energy value chain.

### INCREASED BOARD DIVERSITY SINCE 2019



**90%**

**DIRECTOR INDEPENDENCE**

# BOARD OF DIRECTORS

## WILLIAM ALBRECHT



*President  
Moncrief Energy, LLC*

**Director since 2020**

**Chair of the Board**

Compensation Committee  
Finance Committee

## JASON PIGOTT



*President & CEO  
Laredo Petroleum, Inc*

**Director since 2019**

## JOHN DRIVER



*Founder & CEO  
Lynx Technology*

**Director since 2022**

Audit Committee  
Finance Committee

## JARVIS V. HOLLINGSWORTH



*Vice Chairman and  
Chief Operating Partner  
Irradiant Partners, LP*

**Director since 2020**

**Chair of Nominating  
Corporate Governance,  
Environmental, and Social  
Committee**

Audit Committee

## CRAIG JARCHOW



*President, CEO and Director  
TG Natural Resources, LLC*

**Director since 2019**

**Chair of Compensation  
Committee**

Finance Committee

## SHIHAB KURAN



*Founder & CEO  
Power Edison*

**Director since 2022**

Compensation Committee  
Nominating, Corporate  
Governance, Environmental  
& Social Committee

## LISA LAMBERT



*Founder & President  
National Grid Partners*

**Director since 2020**

Compensation Committee  
Nominating, Corporate  
Governance, Environmental  
and Social Committee

## LORI LANCASTER



*Former Managing Director  
UBS Securities,  
Global Energy Group*

**Director since 2020**

**Chair of Finance Committee**

Audit Committee

## FRANCES POWELL HAWES



*Former Chief Financial  
Officer Grant Prideco, Inc.*

**Director since 2018**

**Chair of Audit Committee**

Nominating, Corporate  
Governance, Environmental  
and Social Committee

## EDMUND P. SEGNER III



*Former President,  
Chief of Staff & Director,  
EOG Resources*

**Director since 2011**

Audit Committee

Finance Committee

## Independent Chair and Effective Governance

The Chairman of our Board is an independent director with a separate, distinct role from our CEO. Our Board holds regular meetings without any involvement from management, and our Committees are comprised of only independent directors. The Board and its Committees conduct self-assessments and review the Board's leadership structure annually.

We engage investors at least annually to solicit feedback on compensation and ESG practices. In 2021, we reached out to investors that hold more than 50% of our outstanding shares, as well as bondholders, and received feedback that reinforces that our business plan, compensation programs and sustainability goals are aligned with stakeholder expectations. Additional information regarding stockholder feedback is disclosed in our latest **Proxy Statement**.

## ESG IN EXECUTIVE COMPENSATION

Our extensive stakeholder engagement efforts revealed a desire from our investors to incorporate ESG metrics into our short- and long-term incentive programs. Accordingly, our Short-Term Incentive Program (STIP) has incorporated quantifiable environmental goals related to our spill severity rate

and air stewardship since 2020, with further refinements to the goals in 2022. Additionally, we adopted a Long-Term Incentive Program (LTIP) emissions reduction metric for 2022, which is tied to progress related to of our 2025 emissions reduction goals.



ESG goals related to our spill severity rate, air stewardship, and safety represent 20% of our STIP in 2022 for employees.

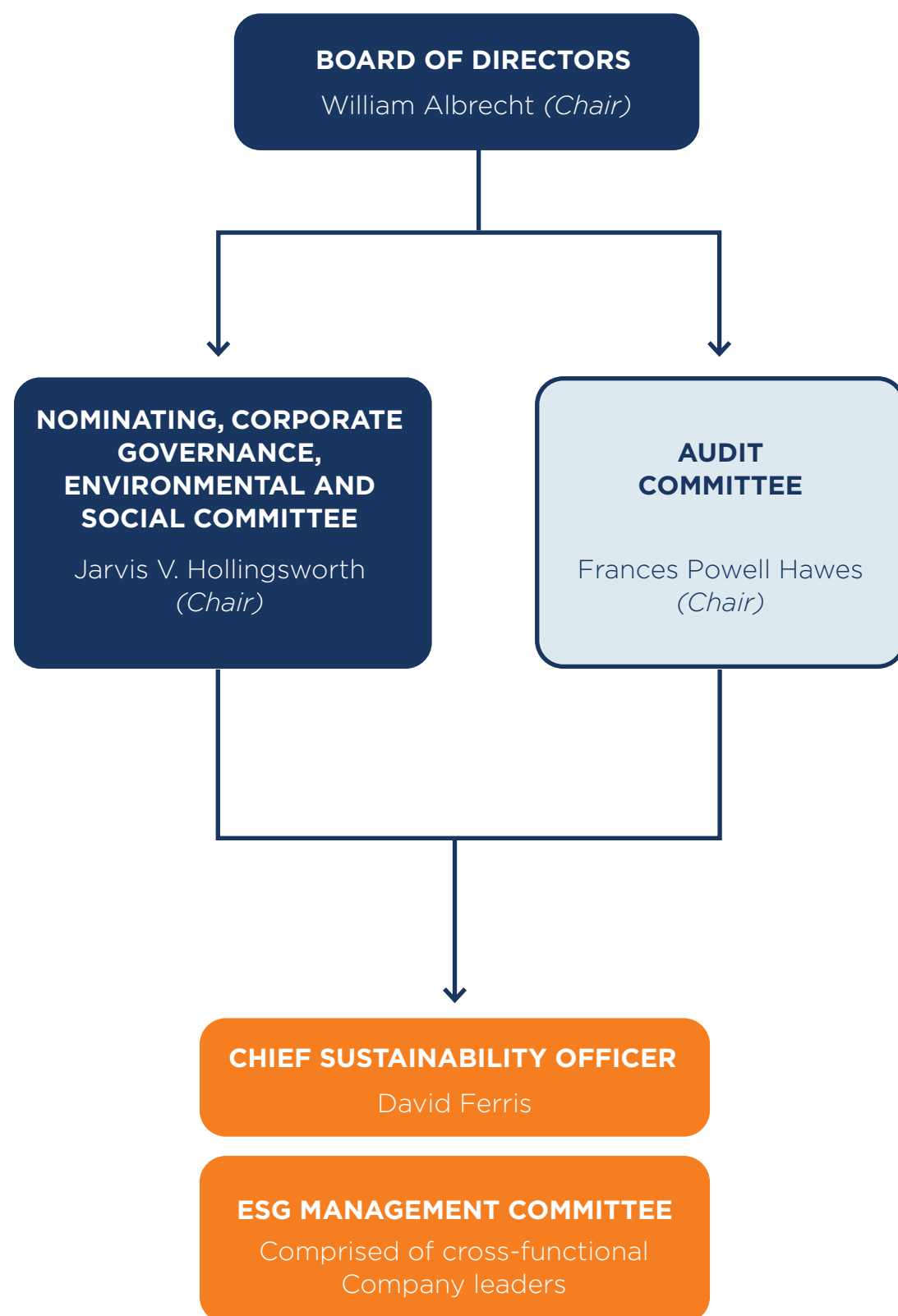


Emissions reduction metrics represent 15% of our LTIP in 2022 for executives.

Due to these efforts, we have received very positive "Say on Pay" votes from our stockholders over the last two years.



# ESG OVERSIGHT AND MANAGEMENT



## BOARD OF DIRECTORS

Laredo's full Board receives timely updates on any significant environmental or safety incidents as well as general ESG briefings at regularly scheduled Board meetings.

## NOMINATING, CORPORATE GOVERNANCE, ENVIRONMENTAL & SOCIAL COMMITTEE

ESG matters at Laredo are overseen by the Nominating, Corporate Governance, Environmental and Social (NGE&S) Committee, which monitors and evaluates programs and policies relating to ESG and climate-related matters on at least a quarterly basis. The Committee holds primary responsibility for reviewing our ESG performance, including environmental, health or safety incidents, strategies and policies related to human capital management and our ESG risks and exposures, including climate-related risks. Committee members oversee ESG-related efforts across the Company, identify ESG risks and contribute to our ESG communications.

## AUDIT COMMITTEE

One of the Audit Committee's responsibilities is oversight of our Enterprise Risk Management process, including our cybersecurity practices. Our Chief Technology Officer, supported by our Chief Information Security Officer, briefs the Board on cybersecurity matters as needed during regularly scheduled Audit Committee meetings. Cybersecurity matters are also regularly discussed during full Board meetings.

## CHIEF SUSTAINABILITY OFFICER AND ESG MANAGEMENT COMMITTEE

Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. The Committee's recommendations provide key considerations for our operations and business strategy, and increase awareness of ESG matters throughout the organization. The Chief Sustainability Officer, who reports to the Chief Executive Officer, leads the Committee and provides regular updates to the NGE&S Committee and Board.

## ENTERPRISE RISK MANAGEMENT (ERM)

Laredo's ERM process allows us to identify, prioritize and mitigate pertinent ESG risks. Our ERM process is managed by our Director of Internal Audit, who functionally reports to the Board's Audit Committee and administratively reports to our General Counsel. Our ERM process consists of the following steps:



We leverage a combination of our annual, internal ERM efforts and regular engagement with our stakeholders to understand and focus on issues of material significance to both Laredo and our stakeholders. Our assessment of such issues is informed by the Oil & Gas Exploration & Production SASB Materiality Standard as well as stakeholder feedback. Once potential risks are identified, we conduct extensive sensitivity analyses for each of our potential key risks, including stress tests for financial, operational and strategic business risks. We also monitor the legislative environment and regulatory developments to identify any pending matters that may impact our business. Our ERM process continues to evolve to reflect our sector's dynamic risk landscape.

In 2021, the priorities we identified included:

- Re-evaluating our top enterprise risks, which include commodity price risk, capital markets, illiquidity, credit markets tightening and counterparty risk
- Strengthening our process for prioritizing and allocating resources to manage risks
- Modeling a culture that regularly assesses risks by providing quarterly updates to the executives and Board on climate-related risks and continuing to embed outcomes of our risk analysis and TCFD-aligned scenario analysis into our business strategy

- Integrating climate change and energy transition planning more deeply into our strategic planning, including efforts to ensure high quality data regarding emissions inventory and progress toward achieving our reduction targets
- Utilizing best practices for managing cybersecurity risks by protecting our computer systems, data assets and infrastructure
- Continuing to prioritize the health and safety of our workforce through continual technology, communication and training improvements.

Our ERM process was developed with the understanding of potential climate-related physical risks, such as natural disasters, transition risks related to legislation or regulatory impacts, changing consumer behavior and competitive or technological displacement. In addition to the incorporation of climate-related risks into our ERM, we assess and manage our climate-related risks and opportunities on an ongoing basis, and work with third-party consultants to conduct TCFD-aligned scenario analyses to quantify and identify the climate-related financial risks to our business. Further discussion of material risks to our business can be found in our most recent **QUARTERLY & ANNUAL REPORTS.**

## ESG-RELATED POLICIES

This year, we revised, formalized or adopted several new ESG policies, codifying our current commitments and guiding our operations. We believe strong ESG policies are an essential step in supplying affordable, reliable and sustainable energy. Further detail on full policies can be found on our [SUSTAINABILITY](#) page.

### Code of Conduct and Business Ethics

Our Code of Conduct and Business Ethics was adopted by the Board and applies to Directors, officers and employees. A separate Code of Ethics governs the actions of our Senior Financial Officers, in accordance with applicable U.S. federal securities laws and the NYSE Listed Company Manual. Laredo employees must attest to the Code of Conduct and Business Ethics each year.

### Whistleblower Policy

Laredo has a robust Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint regarding accounting, internal controls, auditing matters or concerns related to treatment of people or the environment to the management of the Company without fear of dismissal or retaliation of any kind. Employees, contractors and the public may also report grievances, without retaliation, on a confidential or anonymous basis by calling a third-party, toll-free hotline. The Audit Committee reviews these grievances and oversees the investigation process, as necessary.

### Executive Severance and Clawback Provisions

We have a double trigger change in control requirement and a market-based executive severance plan that permits severance payments only for involuntary termination without cause or other termination for good reason. Clawback provisions are in place.

### Cybersecurity Policy

To manage information and cybersecurity risks, Laredo utilizes best practices for protecting our computer systems, data assets and infrastructure. Cybersecurity matters are regularly discussed during Board meetings, and our Chief Information Security Officer provides focused and critical oversight of cybersecurity issues. Furthermore, our information security financial controls are audited annually by third-party auditors and a third-party security partner provides risk assessments on an annual basis.

We are committed to equipping our employees and suppliers with resources, skills and tools to mitigate cybersecurity risks. All employees are required to complete two cybersecurity training sessions monthly with additional training for users that underperform in anti-phishing campaigns. We recognize that these measures have become even more critical due to remote work and continuously evaluate improvements and new measures to protect our information and computing systems.

Broad topics included in our cybersecurity training include:

- Cybersecurity foundations
- Insider threats and social engineering
- Clear desk and document disposal
- Passwords, social media, and external devices
- Becoming a human firewall
- Phishing awareness

Laredo has not experienced any security breaches in the last three years.



**3 Hours (on average) of cybersecurity training for each employee per year**

### **Advocacy and Lobbying**

Laredo does not make contributions to any political party, committee, candidate or holder of a government position unless permitted by law. We do participate in industry trade associations to collaborate with subject matter experts from other companies and influence the direction of those organizations. We have reviewed the climate statements for each trade association to ensure their statements are generally aligned with our views on climate.

### **Anti-Corruption and Anti-Bribery Policy**

Laredo operates its business ethically and in compliance with all applicable laws and regulations, including compliance with anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act. Additionally, Laredo strictly prohibits facilitation payments (small payments made to government officials in exchange for expedited services such as approvals of permits or licenses) and gifts. Furthermore, we require all employees to complete mandatory anti-corruption and anti-bribery training that covers giving and receiving gifts, conflict of interest, appropriate record-keeping and our overall commitment to ethical behavior and compliance.

### **Policies Against Hedging and Pledging Stock**

Laredo's Insider Trading Policy prohibits Directors, officers and employees from engaging in hedging transactions designed to hedge or offset a decrease in market value of such a person's common stock in the Company.

### **Statement on Laredo's Commitment to the Environment**

Laredo's commitment to the environment is embedded in everything we do. We have an Environmental Management System that supports our commitment to monitor and improve upon our environmental performance. We are committed to integrating low-carbon transition technologies and considering future climate-related risks that can help us continue to grow our operations while ensuring a sustainable energy future. Our commitment to the environment includes guidance around emissions, energy, environmental site selection, water resource management and biodiversity.

### **Human Capital Management Policy**

Laredo operates under a continuing policy that all qualified persons are entitled to equal employment opportunity. We forbid unlawful discrimination and will not retaliate against any employee for filing a good faith complaint under our antidiscrimination, anti-harassment or anti-retaliation policies.

### **Statement on Laredo's Commitment to Diversity, Equity and Inclusion (DEI)**

Laredo believes a diverse workforce will help our organization better accomplish our mission and our Commitment to DEI outlines the recruitment, retention and development strategies that we use to increase diversity within our organization.

### **Anti-Discrimination, Anti-Harassment and Anti-Retaliation Policy**

Laredo has a zero-tolerance policy for any amount of discrimination or harassment based in any status or characteristic protected by law. Violations of this policy and retaliation against any individual for reporting harassment or discrimination are not permitted and may result in disciplinary action, up to and including termination of employment.

### **Human Rights Policy**

Laredo's commitment to human rights aligns with the principles of the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. This includes prohibiting the use of human trafficking, child labor and forced labor. It also protects employees' rights to freedom of association, security and the rights of Indigenous people and the right to water. We also commit to continuing to align our supply chain policies and procurement process with human rights and sustainable practices. Additionally, we believe in the importance of having a diverse supply chain, and include veteran, minority and women-owned suppliers as part of our procurement process.





# SOCIAL





## HUMAN CAPITAL HIGHLIGHTS INCLUDE

40%

OF LEADERSHIP  
ARE DIVERSE

100%

OF NEW DIRECTORS SINCE  
2020 ARE DIVERSE

43%

OF NEW HIRES IN  
2021 WERE DIVERSE

55%

OF TULSA HQ  
ARE WOMEN

## DIVERSITY, EQUITY AND INCLUSION STRATEGY

Guided by mutual respect, openness, honesty and a spirit of trust and collaboration, we support and encourage an inclusive work environment to attain our highest level of productivity, creativity and efficiency. Diverse and sound ideas, approaches and individual experiences are essential features of inclusion. We also foster an environment of safety and inclusion through our Code of Conduct and Business Ethics and biennial anti-harassment training.

We firmly believe that everyone at Laredo contributes to our Company's success and that a diverse workforce helps our organization better accomplish our mission. To increase our hiring of traditionally underrepresented personnel, with oversight from our Board's NGE&S Committee, Laredo incorporated a number of new strategies to improve diversity.

### DIVERSITY IN RECRUITING

We executed our strategy to increase our workforce diversity by hiring diverse candidates. In 2021, 43% of our new hires were diverse.

To attract diverse applicants, Laredo partners with and posts open employment opportunities on job bulletins of local veteran organizations, female organizations, disability organizations, vocational rehabilitation organizations and LGBTQ+ organizations. We also look for opportunities to recruit diverse candidates through proactive partnerships and posting of open employment opportunities with minority organizations and more female organizations such

as the Women's Energy Network, League of United Latin American Citizens, Odessa Black Chamber and Dress for Success, among others. We also plan to revamp our interview process to include interviewers outside of the hiring department and provided anti-bias training to employees to prevent bias during the final candidate selection process.

To demonstrate our commitment to increasing the diversity of our workforce, we are continuing to share workforce diversity information by publishing our EEO-1 data in this report.

### ENHANCING INCLUSION AND BELONGING

We believe a diverse and inclusive team will improve our Company performance and increase our ability to attract, retain, sustain and promote talent.

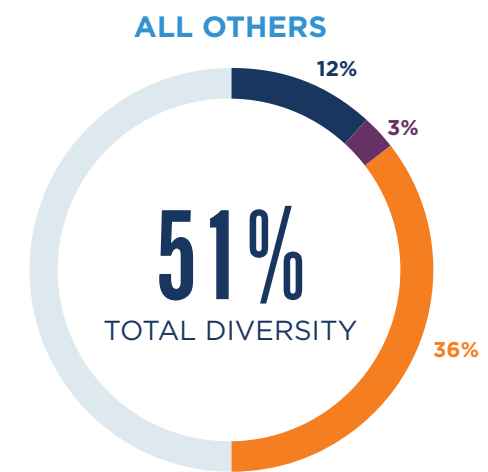
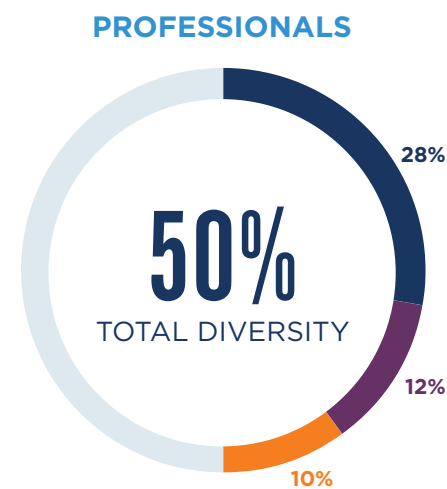
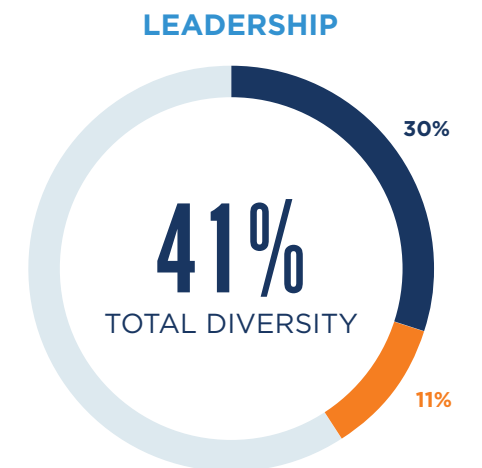
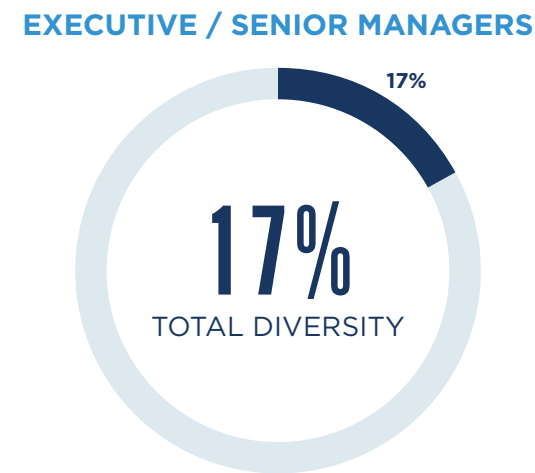
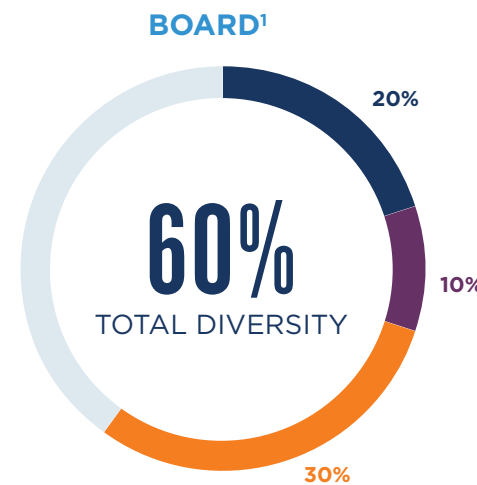
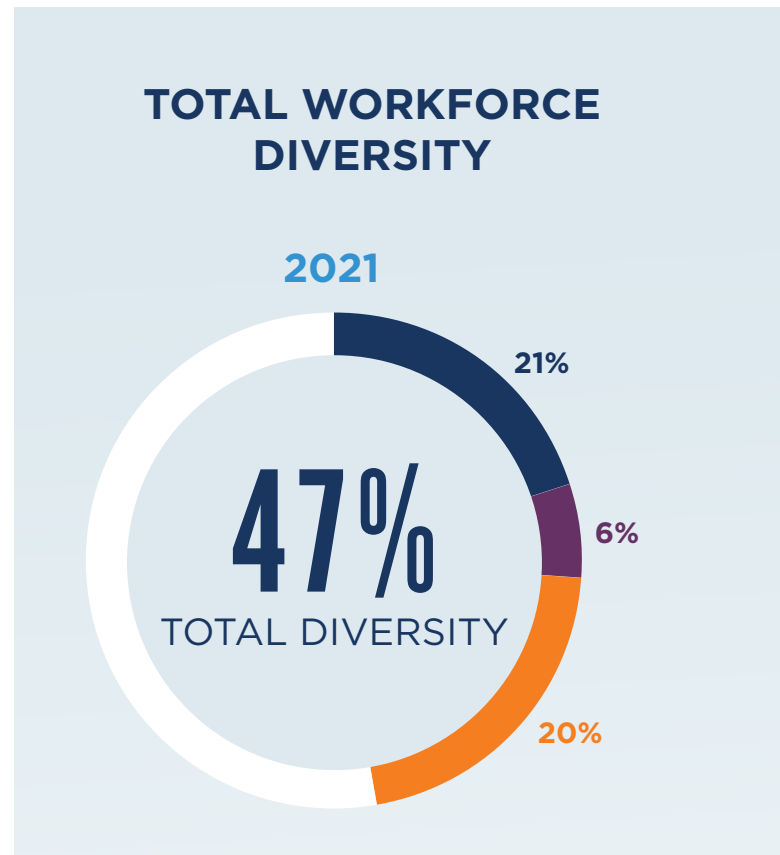
In 2022, Laredo launched an all-women network through a corporate membership in UPWARD, a leadership program focused on advancing women for global impact. By implementing UPWARD, we are focusing on corporate program offerings that are designed to attract and retain women, including minority women, to our organization, to create allies for women's advancement, as well as to foster a community of support inside Laredo.

We have also incorporated anti-bias and pro-inclusion training modules as key components of our learning and development program.

**In 2022, the entire Company participated in unconscious bias and inclusion training at an average of 3 hours of anti-bias training per employee.**

## 2022 Board and 2021 Workforce Diversity

We are proud of the leadership and diversity exemplified by our Board. The Company has made great progress on improving diversity and inclusion across our Company over the past three years, and we recognize opportunities to continuously improve. Accordingly, we are focused on building a talent pipeline through relationships with universities, trade schools and organizations focused on diversity to identify, attract and retain diverse talent within Laredo.



■ WOMEN ■ MINORITY ■ WOMAN MINORITY

**Note:** Percentages may not add up to the total diversity listed due to rounding.

*"WE ARE PROUD TO HAVE A BOARD THAT IS 60% DIVERSE, TO HAVE INCREASED THE PERCENTAGE OF WOMEN IN LEADERSHIP BY 27% SINCE 2019<sup>2</sup>, AND WE CONTINUE TO IMPLEMENT EFFORTS TO IMPROVE DIVERSITY AND INCLUSION ACROSS OUR ORGANIZATION."*

**KIM HARDING**

VICE PRESIDENT OF HUMAN RESOURCES



**PERCENTAGE OF WOMEN IN LEADERSHIP INCREASED 27% SINCE 2019<sup>2</sup>**

1. Board diversity metrics are as of 2022 following our Annual Stockholder Meeting. All other workforce diversity metrics are as of 12/31/2021.

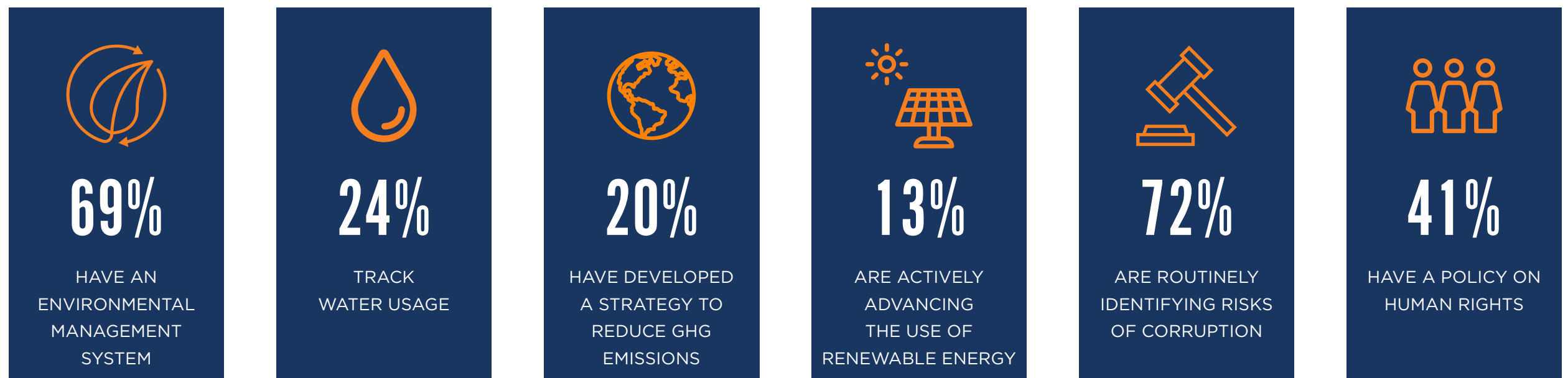
2. Percentage of women in leadership reflects all women who have direct reports and thereby includes both executive / senior managers and leadership categories from our EEO-1 report. The categories are shown separately in the graphics above for additional transparency into the demographics of our Company.

## SUPPLY CHAIN MANAGEMENT

Laredo's reputation for integrity is directly related to the conduct of our people and those with whom we work. Accordingly, we have a formal program to assess suppliers for safety, quality, sustainability and financial assurance, and our policies regarding gifts, gratuities and conflicts of interest extend to our vendors, suppliers and contractors. We work closely with our suppliers and business partners to monitor our procurement processes and recognize the significance of these practices for sustainability and human rights.

In 2021, we conducted our first ESG-focused survey with our suppliers to understand the diversity of our supply base and the ESG policies they have in place. This survey was also used to collect demographic data for our supply chain in an effort to ensure we are supporting local businesses. This survey was sent to all of our 500+ contractors and suppliers, with a **94% response rate**.

### 2021 SUPPLY CHAIN SURVEY RESULTS:



Through this survey, we identified that **42% of on-site hours in 2022 were with diverse contractors or suppliers**, defined as companies that are owned by minorities, such as women, racial or ethnic minorities, veterans and more. Understanding our suppliers' practices provides a baseline for us to assess the alignment of our suppliers with Laredo's ESG commitments. We plan to continue engaging with our suppliers to further strengthen our supply chain

resilience, enhance optimal supply alternatives, ensure consistency of service and deepen our supplier relationships.

Read more about our Supply Chain Policy as it relates to human rights, health and safety, appropriate compensation and non-discrimination on our [SUSTAINABILITY](#) page.

## WORKFORCE SAFETY

**We are always striving for zero incidents and are proud of the programs we have implemented to continue building a belief-based safety culture.**

We are grateful to have zero employee or contractor fatalities for the third consecutive year. Although, like many companies in the industry, our combined workforce Total Recordable Incident Rate (TRIR) increased in 2021, we remain committed to identifying the root cause of these incidents and addressing them to continue building a safe workplace. In response to the increase in TRIR, we hired safety consultants to provide additional support and training for our field employees during critical operations, placed an emphasis on increasing the number and quality of safety observations, and are actively managing or upgrading our contractors to those who consistently perform their work in a safe manner. Workforce safety has been included as a metric in our Company STIP for 2022 to further emphasize our commitment to safety and to drive organizational focus on improving safety performance. Please see our [Appendix](#) for more information on our safety metrics.

### SAFETY TRAINING

Laredo provides safety training designed specifically to mitigate incidents most likely to occur in an employee's role. Field and office personnel both complete safety training.

 **17.5** Hours of annual safety training completed on average by field employees

### 2021 SAFETY METRICS

**0** Employee or contractor fatalities

**35%** Reduction in recordable incidents across combined workforce since 2017

**24%** Reduction in employee Total Recordable Incident Rate (TRIR) since 2017



Laredo is currently updating our emergency response plans and some of our safety best practices, including risk assessments and annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, biannual external safety audits in accordance with Occupational Safety and Health Administration (OSHA), stop work authority, after-action review and root cause analysis.

**Together, we will all go home better each day.**

## TRAINING AND DEVELOPMENT

Laredo prides itself on providing employees training and professional development opportunities and promoting employees from within the organization.

We have a robust training program for our Lease Operators and Field Technicians that allows for consistency in our processes, encourages career development, and gives our management team clarity when considering field employees for promotional opportunities. Administration of this program is a joint effort between leadership of the Production team and the Human Resources staff.

We utilize a third-party Learning Management System for our field employee training courses. There are three levels for each job function: Fundamental, Intermediate and Advanced, with lease operators training an average of 33, 14 and 5 hours respectively for each of the three levels. The coursework for each level contains various training courses that include readings, videos and assessments, and are intended to teach the fundamentals of the industry and how we desire work to be completed in the field. In 2020, we conducted an onsite Wellsite Training for 176 employees. Additionally, in 2021, our lease operators participated in over 7,000 hours of additional operational training. For all employees, we provide a digital competency training platform and an in-depth technical training platform for our IT Staff. Additionally, our leadership teams participate in the Leadership Enhancement Training Series (LETS), which incorporates group sessions, individual coaching, and mentorship, all focused on improving leadership capabilities as individuals and as a team.

To support development among our workforce, our employees are empowered to identify their strengths, career drivers and key development areas through programs and resources such as our Educational Assistance Program, LETS and Spectrum Development (a program focused on developing people and enhancing relationships).

### PARTICIPATION IN THE LEADERSHIP ENHANCEMENT TRAINING SERIES (LETS)





# EMPLOYEE ENGAGEMENT AND WELLBEING

Our commitment to doing the right thing guides our approach to managing our workforce. We ensure there are channels for employees to share feedback on their experience at Laredo and we provide benefits to support their health and wellbeing.

## EMPLOYEE ENGAGEMENT

We regularly engage with our employees and consider their feedback when determining additional employee programs or initiatives to develop. We have regular townhalls, which are opportunities for employees to engage with our executive leadership. Additionally, our leadership team holds Company-wide virtual meetings twice monthly to highlight exciting projects underway and provide space for question and answer sessions with our executives. Furthermore, we conducted an employee engagement survey in Q4 2022 from which we expect to gain insights to enhance engagement across the organization.

## EMPLOYEE HEALTH AND WELLBEING

We provide numerous benefits to our employees as part of our health and wellbeing program.



### Flexible Work Schedule

Flexible work hours and a compressed schedule option allow employees to work a schedule that is most suitable to their work-life needs. This includes allowing employees to work nine hours Monday through Thursday and four hours on Fridays. Our hybrid work schedule also allows employees to work from their home offices on Thursdays and Fridays if their work permits. Relatedly, Laredo provided employees with additional IT equipment for their home offices to increase productivity and ergonomic training to ensure our employees are both productive and safe while working remotely and in the office.



### Family Accommodations

Following the birth of a child, mothers can use up to twelve weeks of paid maternity leave and non-birthing parents can use up to four weeks of paid parental leave. We also provide onsite lactation rooms to give mothers a calm and private space. In order to meet the needs of our evolving workforce, Laredo may offer a reduced hours schedule for employees who have experienced life events and may need additional flexibility.



### Health and Fitness

We pay over 80% of the health insurance premiums for our employees to ensure our employees and their families have access to affordable healthcare. We also provide an on-site fitness center for our Tulsa employees and access to local fitness facilities for our Midland and field personnel. Additionally, we reimburse up to \$50 per employee per month for certain fitness and health-related activities.



### Severance

We provide non-officer severance assistance to ensure our employees are supported following the separation from the Company. This includes three months of salary plus one-week of severance for each year of service, as well as medical benefits throughout the severance period paid by the Company.

## EMPLOYEE SPOTLIGHT



**Q: What has been your career path at Laredo?**

**A:** I started in natural gas measurement in 2014 and have grown my career, now serving as a Senior Production Foreman. Before I joined the Company, I kept hearing about how great Laredo was from my colleagues in the industry. Now that I'm on the team, I get to experience firsthand how Laredo really cares and invests in its people.

**Q: How would you describe Laredo's work culture?**

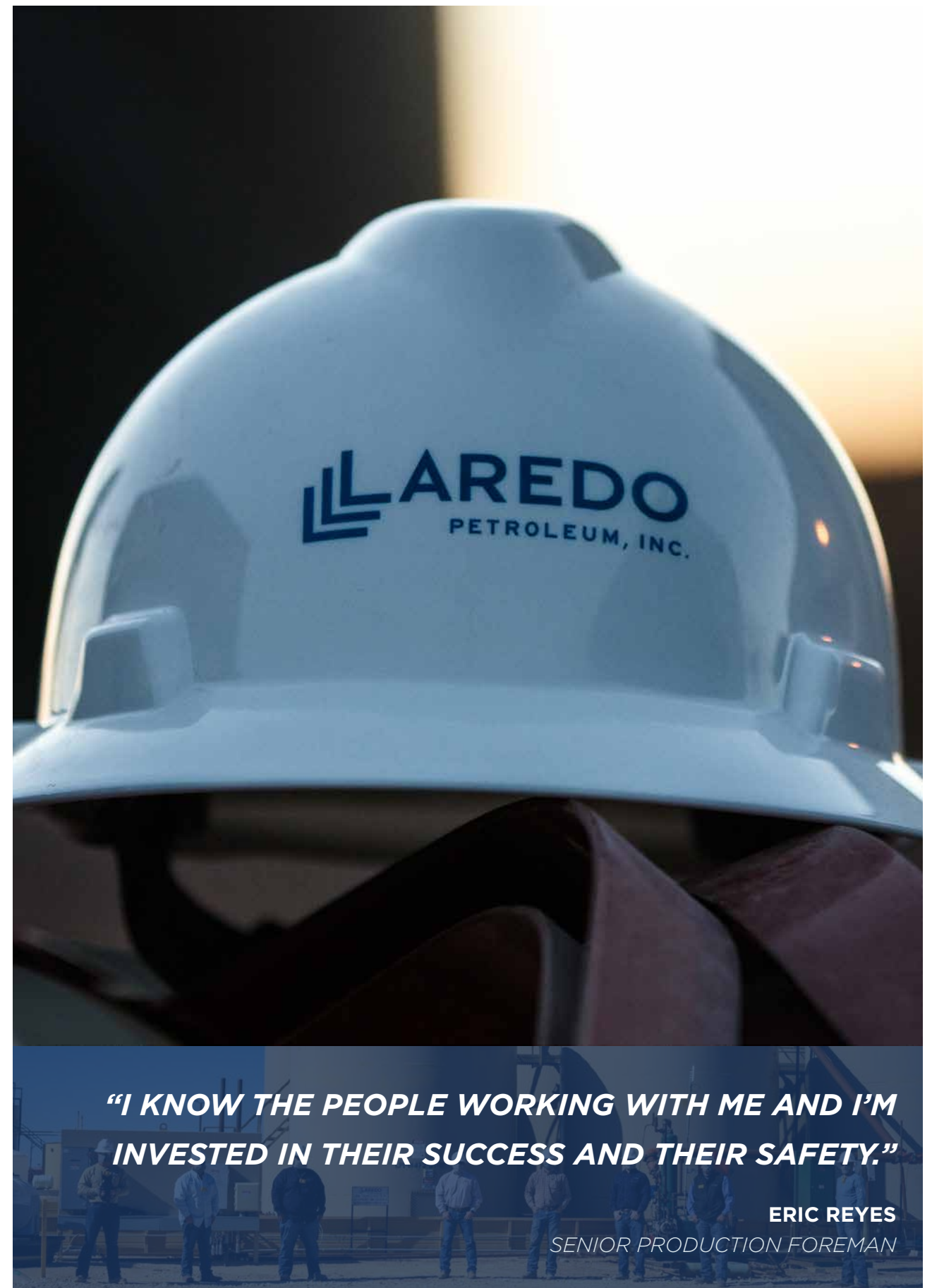
**A:** Laredo is very dedicated to its people and our culture encourages us to care for our whole selves, recognizing that our lives extend beyond the workplace. I also appreciate that it feels like a small company environment where we really know the people that we work with and their families.

**Q: From your perspective as someone who works in the field, how does Laredo encourage workplace safety?**

**A:** Honestly, I think safety starts at home — that means I'm focused on getting home every day to my two boys. Laredo absolutely has policies and programs in place that support safe decisions, but I find that really getting to know my colleagues has helped create the most effective safety-first culture. Because we really care about each other, and know each other's families, we make safety our utmost priority.

**Q: Everyone has a role to play in Laredo's commitment to ESG. How do you support our ESG efforts?**

**A:** Laredo is not afraid of change, and technology is at the forefront of what we do. In my role, I collaborate with other teams to fine tune the technology used in our field operations. This technology allows us to work smarter, not harder, and makes us a more efficient operator. The more efficient we are, the less impact we have on the environment. This work is in addition to my commitment to safe operations, which I believe is my most important contribution.



# COMMUNITY ENGAGEMENT, CHARITABLE GIVING AND ECONOMIC IMPACT

Laredo strives to hire top local talent and provide development opportunities for career advancement. We are also proud to work with many small businesses and service providers in our communities.

In consideration of surrounding communities and in more densely populated areas, Laredo regularly implements dust control protocols during drilling and completion operations and raises sound walls, when needed, to further minimize impact from our operations. As we continue to grow, we are committed to consulting with local communities and engaging with key stakeholders in the early stages of any major project. We will also apply the general principles of

Free, Prior and Informed Consent (FPIC) in keeping with best practices for community engagement.

We do not currently operate on or adjacent to any lands under the governance of Indigenous peoples. Should we do so, we would follow all applicable laws and work to engage in community consultations to ensure business practices are respectful of their sovereignty, security and Indigenous rights.

Laredo is proud of the economic contributions our operations have brought to the communities in which we live and work, with over \$300 million in royalties and county level taxes paid in 2021.



**Over \$300 million in royalties and county level taxes paid in 2021**

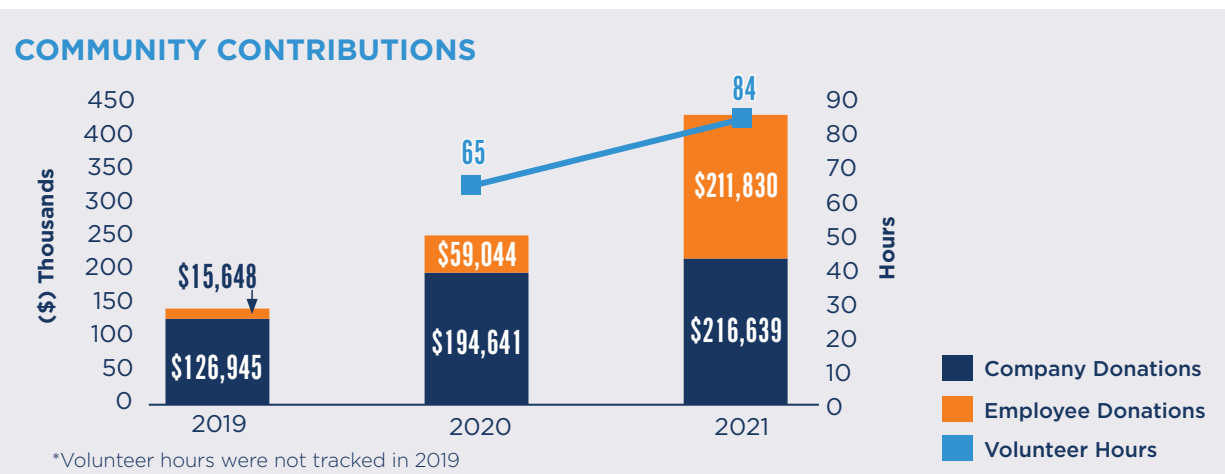
## CHARITABLE GIVING

Engaging with our communities and providing opportunities for our employees to give back is an important part of who we are as a business. In 2021, we significantly increased the amount of our charitable giving to more than \$420,000, nearly doubling our 2020 giving level. This includes both employee and corporate donations as well as our Charitable Matching Program, where we match employee donations of up to \$1,000 per employee per year to a nonprofit organization of their choice.

Laredo and our employees also believe in making a meaningful impact in our communities through volunteering. We allow full-time employees up to eight hours of paid time off, annually, to participate in volunteer programs of their choice. Through this policy and Company-sponsored events, employees

partnered with various charitable organizations, such as the Community Food Bank of Eastern Oklahoma, to offer their support and charitable donations. Furthermore, our giving extends beyond formal philanthropy to include community support, as exemplified by the \$35,000 we donated in 2022 to support volunteer fire departments in West Texas.

We also hold regular office floor competitions for canned food drives for the Tulsa Area United Way's Day of Caring and clothing drives to help support the City Lights Foundation of Oklahoma. Additionally, we support the needs of other charities, including West Texas Rehabilitation Services, West Texas Food Bank and the Make-A-Wish Foundation both in Texas and in Oklahoma.



IN  
**2021**  
WE WERE RECOGNIZED BY THE  
TULSA AREA UNITED WAY WITH  
THE **MOMENTUM AWARD**

IN  
**2022**  
WE WERE HONORED WITH THE  
**HUNGER AWARENESS AWARD** FROM  
THE COMMUNITY FOOD BANK OF  
EASTERN OKLAHOMA





# ABOUT THIS REPORT





This is Laredo's third ESG and Climate Risk Report. In developing this report, we referenced sustainability reporting frameworks, standards and industry groups such as SASB, TCFD, IPIECA, AXPC and API. The report contains quantitative metrics drawn from available data for the 2021 calendar year. This report also includes qualitative information from both 2021 and partial year information from 2022. Laredo discloses gross emissions related to our operated properties and therefore uses gross production associated with those assets.

Laredo engaged Georgeson and HXE Partners to support the stakeholder engagement process, report content development, quantitative data collection, limited data assurance and calculations, and report design. Our environmental information included in this report is preliminary and subject to revision.

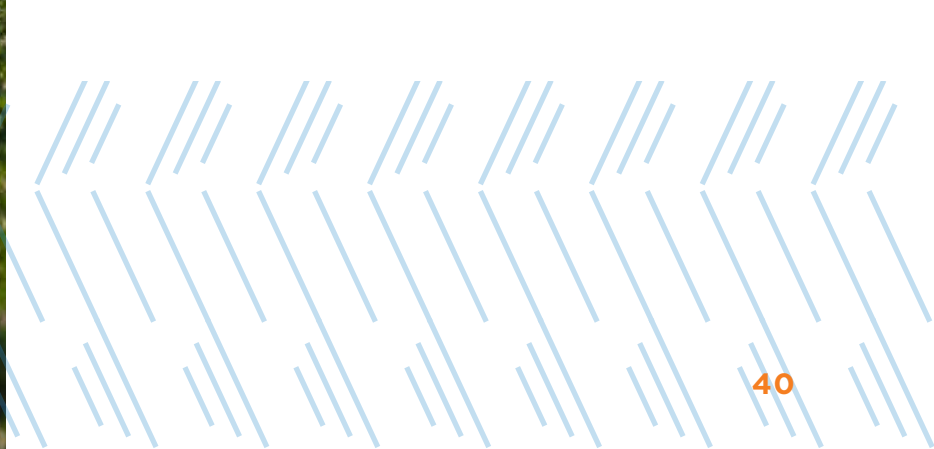
## DISCLAIMER

Various statements contained in this report may be considered forward-looking statements. These forward-looking statements include statements, projections and estimates concerning our operations, performance, business strategy, oil, natural gas liquids and natural gas reserves, drilling program capital expenditures, liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, derivative activities and potential financing. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "potential," "could," "may," "will," "foresee," "plan," "goal," "should," "intend," "pursue," "target," "continue," "suggest" or the negative thereof or other variations thereof or other words that convey the uncertainty of future events or outcomes. Forward-looking statements are not guaranteeing of performance. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. The data and information herein are as of December 31, 2021, unless otherwise indicated.





# INDICES





## SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)



### LAREDO PETROLEUM 2022 ESG AND CLIMATE RISK REPORT

SASB standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors. SASB provides a complete set of 77 globally applicable industry-specific standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. The following table references the specific “Oil & Gas - Exploration and Production” industry standard.

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE		
			2019 <sup>1</sup>	2020 <sup>1</sup>	2021
<b>GHG EMISSIONS</b>					
<b>EM-EP-110A.1</b>	Gross global Scope 1 GHG emissions	Metric tons CO <sub>2</sub> e	1,070,077	950,218	708,178
<b>EM-EP-110A.1</b>	Gross global Scope 1 GHG emissions intensity rate	Metric tons CO <sub>2</sub> e/ MBOE	26.03	23.13	17.26
<b>EM-EP-110A.1</b>	Methane emissions as a percentage of gross Scope 1 GHG emissions	Percentage (%)	48%	41%	29%
<b>EM-EP-110A.1</b>	Percentage of Scope 1 GHG emissions covered under emissions-limiting regulations	Percentage (%)	0%	0%	0%
<b>EM-EP-110A.1</b>	Gross Scope 1 GHG emissions from flared hydrocarbons	Metric tons CO <sub>2</sub> e	337,600	277,991	97,814
<b>EM-EP-110A.1</b>	Gross Scope 1 GHG emissions from other combustion	Metric tons CO <sub>2</sub> e	384,808	294,257	309,509
<b>EM-EP-110A.1</b>	Gross Scope 1 GHG emissions from process emissions	Metric tons CO <sub>2</sub> e	0	0	0
<b>EM-EP-110A.1</b>	Gross Scope 1 GHG emissions from other vented emissions	Metric tons CO <sub>2</sub> e	330,026	361,602	285,538
<b>EM-EP-110A.2</b>	Gross Scope 1 GHG emissions from fugitive emissions	Metric tons CO <sub>2</sub> e	13,466	12,406	11,303

1. In 2021, we closed on two acquisitions. The 2019 and 2020 emissions data published in this report have been recalculated to include emissions for these acquisitions.

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE
<b>EM-EP-110A.3</b>	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	Qualitative	<p>In our 2020 ESG and Climate Risk Report, Laredo set a 2025 Scope 1 GHG emissions intensity target of 12.5 mtCO<sub>2</sub>e / MBOE to be achieved by eliminating routine flaring by 2025 and reducing methane intensity to less than 0.2% as a percentage of natural gas produced. This year, we committed to achieve a combined Scope 1 and 2 GHG emissions intensity of less than 10 mtCO<sub>2</sub>e / MBOE by the end of 2030.</p> <p>We are pleased to report our GHG emissions intensity decreased from 26.03 mtCO<sub>2</sub>e/MBOE in 2019 to 17.26 mtCO<sub>2</sub>e/MBOE in 2021. To mitigate “super emitter” events, we are piloting continuous emissions monitoring systems and other IoT devices to monitor, detect and alert our field personnel should an emissions event occur. Consequently, we expect to minimize the duration and emissions associated with such an event. The deployment of advanced monitoring technology is congruent with our strategy to reduce GHG emissions by mitigating venting and flaring through advanced monitoring and detection, converting our pneumatic devices to non-vent or instrument air and electrifying portions of our field operations to minimize combustion related emissions.</p> <p>Furthermore, beginning in 2022, we committed to LDAR inspections on every Laredo operated location twice annually, up from one visit to each facility in 2019 and plan to inspect each Laredo operated facility four times annually in 2023. We also continue to increase awareness and technical training among employees to mitigate flaring and venting opportunities in our field operations, and we expect to see continued progress toward our 2025 emission reduction targets.</p>

#### AIR QUALITY

<b>EM-EP-120A.1</b>	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM <sub>10</sub> )	Metric tons	Laredo continually works to minimize our GHG emissions. While we track GHG pollutants at the Company level for reporting, we do not currently track and roll up additional air emission pollutants in the same manner. Laredo’s facilities are permitted consistent with federal and state requirements that focus on tracking NO <sub>x</sub> , Sox, VOCs, and PM <sub>10</sub> emissions at a facility level. In addition, we are currently piloting Continuous Emissions Monitoring Systems (CEMS) which have the capability of capturing data for evaluation of NO <sub>x</sub> , SO <sub>x</sub> , VOCs, and PM <sub>10</sub> emissions at our facilities and look forward to sharing this data in the future.
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WATER MANAGEMENT			2017	2018	2019	2020	2021
<b>EM-EP-140A.1</b>	Total fresh water withdrawn	Cubic meters (m <sup>3</sup> )	5,636,928	5,238,310	3,472,717	3,266,870	3,764,762
<b>EM-EP-140A.1</b>	Total fresh water consumed	Cubic meters (m <sup>3</sup> )	5,636,928	5,238,310	3,472,717	3,266,870	3,764,762
<b>EM-EP-140A.1</b>	Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	0%	0%	0%	63%	100%
<b>EM-EP-140A.2</b>	Volume of produced water and flow back generated	Cubic meters (m <sup>3</sup> )	3,467,922	4,523,856	4,779,470	4,346,482	7,484,755
<b>EM-EP-140A.2</b>	Percentage discharged	Percentage (%)	0%	0%	0%	0%	0%
<b>EM-EP-140A.2</b>	Percentage injected	Percentage (%)	70%	77%	61%	83%	82%
<b>EM-EP-140A.2</b>	Percentage recycled	Percentage (%)	30%	23%	39%	17%	18%



SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE				
			2017	2018	2019	2020	2021
<b>EM-EP-140A.2</b>	Hydrocarbon content in discharged water	Metric tons	0%	0%	0%	0%	0%
<b>EM-EP-140A.3</b>	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	100%	100%	100%	100%	100%
<b>EM-EP-140A.4</b>	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	Not currently tracked.				
<b>BIODIVERSITY IMPACTS</b>							
<b>EM-EP-160A.1</b>	Description of environmental management policies and practices for active sites	Qualitative	<p>Continuous improvement has long been part of Laredo's culture of doing the right thing and our efforts around environmental management are no different. While we work to formalize our environmental management system in alignment with the ISO 14001 Standard, the "Plan-Do-Check-Act" (PDCA) methodology has long been integrated into our operations. We continue to implement regular training for employees on the overall environmental impacts and of our operations.</p> <p>For example, in 2021, we reduced the number of spill events and reduced our produced fluid spill intensity rate by 81% year-over-year. Our Operations and Environmental, Health and Safety teams identified potential risks, developed mitigation plans, met monthly to track progress toward our goals and worked through our Root Cause Analysis program to avoid future spills. These efforts led to continued operational improvements, resulting in a 94% reduction in produced fluid spill intensity since 2017.</p> <p>Laredo continued to augment our EMS in 2020 and 2021 by operationalizing our emissions reduction strategy. In 2022, we developed new environmental targets to increase our water recycling rate for completion operations by 2025 and continued reduction of our GHG emissions to achieve our 2025 and 2030 GHG emissions intensity targets. To reach these targets, we are focusing on three key areas: flaring and venting, pneumatics and electrification. Pilots for each strategy area are already underway. Additionally, we expanded our emissions monitoring and third-party data verification, are piloting the construction of all new facilities with instrument air and no-vent pneumatics, and evaluating the electrification of our field operations where sufficient power infrastructure is available.</p> <p>Additionally, we are continuing to expand our water recycling efforts and are committed to increasing the amount of recycled water used in our Howard County operations to decrease the use of potable fresh water in an area of water stress, as evidenced by our new goal that recycled water comprises 50% of the volumes used in our completion operations by 2025. Lastly, we are working closely with our suppliers and business partners to monitor our procurement processes and recognize the significance of these practices for sustainability. Moving forward, we are focused on further strengthening our EMS methodology according to PDCA, ISO 14001, and other best practices.</p>				

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE					
EM-EP-160A.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	Number, Barrels (bbls)	Laredo does not operate in the Arctic nor along shorelines with ESI rankings 8-10. As such, we have no spills in these areas.					
			<b>HYDROCARBON SPILLS (BARRELS): FROM ONSHORE OPERATIONS</b>					
				<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
			Events	155	165	107	87	100
			Spilled	1,715	3,020	1,197	401	443
			Recovered	1,050	826	361	265	195
			Net	664	2,194	835	137	248
			<b>WATER SPILLS (BARRELS): FROM ONSHORE OPERATIONS</b>					
				<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
			Events	203	175	174	120	124
			Spilled	10,084	3,190	7,809	3,931	881
			Recovered	4,721	2,154	4,723	2,966	357
			Net	5,363	1,036	3,086	965	524
			<b>RECOVERY, SPILL, AND SPILL INTENSITY BY YEAR AND PRODUCT<sup>1</sup></b>					
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>			
Recovery Rate Oil	0.61	0.27	0.30	0.66	0.44			
Recovery Rate Water	0.47	0.68	0.60	0.75	0.41			
Spill Rate Oil (Spill / MBO)	0.13	0.22	0.08	0.03	0.02			
Spill Rate Water (Spill / MBW)	0.18	0.05	0.15	0.08	0.01			
Produced Fluid Spill Intensity (Secondary Containment) [Barrels Spilled / 1,000 Barrels Produced]	0.34	0.15	0.20	0.11	0.02			
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>			
EM-EP-160A.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	1) 0%	1) 0%	1) 0%	1) 0%	1) 0%	
			2) 0%	2) 0%	2) 0%	2) 0%	2) 0%	
<b>SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES</b>								
EM-EP-210A.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	1) 0%	1) 0%	1) 0%	1) 0%	1) 0%	
			2) 0%	2) 0%	2) 0%	2) 0%	2) 0%	
EM-EP-210A.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Percentage (%)	1) 0%	1) 0%	1) 0%	1) 0%	1) 0%	
			2) 0%	2) 0%	2) 0%	2) 0%	2) 0%	

1. The total number of discreet, actual crude oil and water spills or releases, which differs from total number of events as some events may include both water and oil spills.

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE		
<b>EM-EP-210A.3</b>	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	Qualitative	<p>Laredo's commitment to human rights aligns with the principles of the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. This includes prohibiting the use of human trafficking, child labor and forced labor. It also protects employees' rights to freedom of association, security and the rights of Indigenous people and the right to water. We also commit to continuing to align our supply chain policies and procurement process with human rights and sustainable practices.</p> <p>We do not currently operate on or adjacent to any lands under the governance of Indigenous peoples. We do not operate in any areas of active conflict and are committed to not doing so in the future. Should we do so, we would follow all applicable laws and work to engage with those communities to ensure business practices that are respectful of their sovereignty, security (including water security and access to resources) and Indigenous rights through community consultations.</p>		
<b>COMMUNITY RELATIONS</b>					
<b>EM-EP-210B.1</b>	Discussion of process to manage risks and opportunities associated with community rights and interests	Qualitative	<p>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights and condemns any violation of such rights.</p> <p>We also do the right thing in protecting our surface owners and their interests. We regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely-populated areas. As Laredo continues to grow, we are committed to consulting with local communities and engaging with key local stakeholders in the early stages of any new project. We will also apply the general principles of Free, Prior and Informed Consent (FPIC) in keeping with best practices for community engagement.</p>		
			<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>EM-EP-210B.2</b>	Number and duration of non-technical delays	Number, days	0	0	0

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE																																																
<b>WORKFORCE HEALTH AND SAFETY</b>																																																			
<b>EM-EP-320A.1</b>	(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	Rate, hours (h)	<p>For complete safety metrics, please see page 72 of the report.</p> <p>(1) Total Recordable Incident Rate (TRIR)</p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td><b>TRIR - Combined</b> (Recordable Incidents / 200,000 Hours Worked)</td> <td>1.20</td> <td>1.19</td> <td>0.86</td> <td>0.74</td> <td>1.44</td> </tr> <tr> <td><b>TRIR - Employees</b></td> <td>1.61</td> <td>0.30</td> <td>0.37</td> <td>0.78</td> <td>1.22</td> </tr> <tr> <td><b>TRIR - Contractor</b></td> <td>1.11</td> <td>1.44</td> <td>1.00</td> <td>0.73</td> <td>1.53</td> </tr> </tbody> </table> <p>(2) Fatality Rate</p> <table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td><b>FATALITIES - Combined</b></td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>FATALITIES - Employees</b></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>FATALITIES - Contractor</b></td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>(3) Not currently tracked</p> <p>(4a) Full-time field employees receive 17.5 hours of annual training. New supervisors receive another 16 hours for HAZWOPER certification, which is renewed annually with 8-hour refresher. Office employees receive 10 hours of annual training, including both environmental and safety training. (4b) Contract supervisors receive 19.5 hours of training per year through our monthly safety meetings. (4c) New field employees must complete the 8-hour SafeLand Certification course before engaging in field work. Additionally, new field employees receive 24.5 hours of training per year and an additional 3 hours of safety training upon new hire orientation. Our lease operators also participated in training related fundamental, intermediate and advanced technical operations and standard operating procedures for a total of over 7,000 hours of additional operational training in 2021.</p>		2017	2018	2019	2020	2021	<b>TRIR - Combined</b> (Recordable Incidents / 200,000 Hours Worked)	1.20	1.19	0.86	0.74	1.44	<b>TRIR - Employees</b>	1.61	0.30	0.37	0.78	1.22	<b>TRIR - Contractor</b>	1.11	1.44	1.00	0.73	1.53		2017	2018	2019	2020	2021	<b>FATALITIES - Combined</b>	0	1	0	0	0	<b>FATALITIES - Employees</b>	0	0	0	0	0	<b>FATALITIES - Contractor</b>	0	1	0	0	0
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<b>EM-EP-320A.2</b>	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Qualitative	<p>We are always striving for zero incidents and are proud of the programs we have implemented to continue building a belief-based safety culture. We are grateful to have zero employee or contractor fatalities for the third consecutive year. Although, like many companies in the industry, our combined workforce Total Recordable Incident Rate (TRIR) increased in 2021, we remain committed to identifying the root cause of these incidents and addressing them to continue building a safe workplace. In response to the increase in TRIR, we hired safety consultants to provide additional support and training for our field employees during critical operations, placed an emphasis on increasing the number and quality of safety observations and are actively managing or upgrading our contractors to those who consistently perform their work in a safe manner. Workforce safety has been included as a metric in our Company STIP for 2022 to further emphasize our commitment to safety and to drive organizational focus on improving safety performance.</p> <p>Laredo is currently updating our emergency response plans and some of our safety best practices, which include risk assessments and annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, biannual external safety audits in accordance with Occupational Safety and Health Administration (OSHA), stop work authority, after-action review and root cause analysis.</p>																																																



SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE				
<b>RESERVES VALUATION AND CAPITAL EXPENDITURES</b>							
<b>EM-EP-420A.1</b>	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Qualitative	<p>Laredo's climate scenario analysis demonstrates our low cost assets are resilient in a variety of climate scenarios.</p> <p>In 2021, we conducted our first scenario analysis under the Task Force on Climate-related Financial Disclosures (TCFD) framework to understand the potential impacts of climate change on our business operations and financial performance. In 2022, we expanded this analysis to include 1.5°C and net zero scenarios to further test the resiliency of our asset portfolio.</p> <p>The United States Energy Information Administration (EIA) and the International Energy Agency (IEA) both project oil and natural gas will remain a significant part of the global energy mix across several different scenarios. In the IEA Net Zero Emissions by 2050 Scenario, oil and natural gas are projected to account for 8% and 11%, respectively, of the world's primary energy demand, meaning even in a net zero scenario, oil and natural gas production will represent approximately 20% of future energy supply.</p> <p>Laredo's assets in the Permian Basin have a breakeven cost of \$43 per barrel (20:1 natural gas to oil ratio) for our near-term development plans, well below the median expected price of crude oil across six different net zero scenarios; thereby, demonstrating the resilience of our near-term development plans through 2030. Beyond 2030, our projected lease operating expense is \$10 per barrel, suggesting Laredo's assets and operations will deliver long-term cash flow, even in a net zero scenario. Accordingly, we are confident that our current asset portfolio will remain resilient in a low-carbon energy future.</p>				
			<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>EM-EP-420A.2</b>	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons CO2e	Not currently tracked.				
<b>EM-EP-420A.3</b>	Amount invested in renewable energy, revenue generated by renewable energy sales <sup>3</sup>	US dollar	\$85,971 revenue received	\$73,970 revenue received	\$73,275 revenue received	\$73,275 revenue received	\$73,275 revenue received

3. Metrics represent revenue received for renewable energy generated on surface land owned by Laredo and does not reflect amount invested in renewable energy.

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE				
<b>EM-EP-420A.4</b>	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	Qualitative	<p>In 2021 and 2022, Laredo conducted third-party scenario analyses to provide an even more comprehensive review of the resilience of our business strategy with respect to climate-related scenarios. The methods used aligned with the TCFD and utilized transition risk scenarios from the IEA. The outcome of our analysis found that Laredo is positioned to continue producing oil and natural gas profitably, even in a carbon-constrained environment, and our business is likely to be resilient to the potential price impacts outlined in the IEA Sustainable Development and IEA Net Zero Emissions Scenarios.</p> <p>Laredo is confident that its portfolio of assets will remain resilient in a range of possible future low oil prices and low-carbon scenarios. Laredo expects to remain a leading low-cost operator through expanding high-margin inventory and leveraging our contiguous acreage position to drive operational efficiency and increase drilling program rates of return. Our scenario planning analysis results support Laredo's strategic focus on capital efficiency and long-term value creation. We believe this indicates that Laredo is positioned to continue producing oil and natural gas profitably, even in a carbon-constrained environment, and our business is likely to be resilient to the potential price impacts outlined in the aforementioned IEA scenarios. Furthermore, Laredo expects to continue acquiring strategic assets which we can not only economically develop but operate in a way which improves the environmental performance of those assets.</p>				
<b>BUSINESS ETHICS AND TRANSPARENCY</b>			<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>EM-EP-510A.1</b>	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	(1) 0% (2) 0%	(1) 0% (2) 0%	(1) 0% (2) 0%	(1) 0% (2) 0%	(1) 0% (2) 0%

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE
<b>EM-EP-510A.2</b>	Description of the management system for prevention of corruption and bribery throughout the value chain	Qualitative	<p>Laredo has built a reputation as a trustworthy and ethical company, and positive member of our communities. All Laredo employees annually certify they are free from conflict of interest and further agree to conduct business honestly and fairly and to not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.</p> <p>Augmenting our Conflict of Interest policy is our Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously. The review of such complaints is overseen by our Board's Audit Committee. The ethics reporting hotline is (844) 732-6240.</p> <p>Further guarding against conflict of interest and corruption is: our Code of Conduct and Business Ethics; policies against hedging or pledging stock; for independent Committee chairs on the Board; regular audits of internal performance; and supply chain, equal opportunity and anti-harassment, advocacy and lobbying and human rights policies.</p> <p>Laredo also strictly prohibits facilitating payments, which are small payments made to government officials in exchange for expedited services such as approvals of permits or licenses. We require all employees to complete mandatory anti-corruption and anti-bribery training that covers giving and receiving gifts, conflict of interest, appropriate record-keeping and our overall commitment to ethical behavior and compliance.</p>
<b>MANAGEMENT OF THE LEGAL AND REGULATORY ENVIRONMENT</b>			
<b>EM-EP-530A.1</b>	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Qualitative	<p>Our Board's Audit Committee oversees and reviews Laredo's compliance with legal and regulatory requirements by reviewing and discussing the implementation and effectiveness of our compliance program. Furthermore, Laredo's ESG Management Committee and the Board's Nominating, Corporate Governance, Environmental and Social Committee review environmental and social factors addressing the industry. Additionally, Laredo fully complies with all political contribution laws. Our funds may not be used for contributions of any kind to any political party or committee or to any candidate or holder of any government position (national, state or local) unless such contribution is permitted by law.</p> <p>We do participate in industry trade associations to collaborate with subject matter experts from other companies and influence the direction of those organizations. We have reviewed the climate statements for each trade association to ensure their statements are generally aligned with our views on climate.</p>

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE		
			2019	2020	2021
<b>CRITICAL INCIDENT RISK MANAGEMENT</b>					
<b>EM-EP-540A.1</b>	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	0	0	0
<b>EM-EP-540A.2</b>	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Qualitative	<p>Laredo has multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact events with potentially significant environmental or social externalities. We annually review our Enterprise Risk Management (ERM) program for continuous improvement opportunities and regularly review our Environmental, Health and Safety performance to understand possible trends.</p> <p>In 2020, Laredo formalized and augmented its ERM process. We further embedded the assessment and management of climate-related risks into our strategy through strengthened governance structures: a newly defined Nominating, Corporate Governance, Environmental and Social Committee and ESG Management Committee. We also undertook a third-party reviewed, TCFD-aligned scenario analysis to quantify the financial impacts of climate change to our business strategy. Finally, we undertook rigorous efforts to improve our data quality, detection and monitoring systems, which will help us better manage our environmental risks and opportunities over time.</p> <p>In 2021, we identified several priorities, including strengthening our process for prioritizing and allocating resources to manage risks and modeling a culture that regularly assesses risks by providing quarterly updates to the executives and Board on climate-related risks.</p> <p>Our Board's Audit Committee is responsible for our cybersecurity. Senior leadership briefs the Board on cybersecurity matters at regularly scheduled Audit Committee meetings or as needed. Laredo has not experienced any security breaches in the last three years. Our information security financial controls are audited annually by third-party auditors, and an independent third-party security partner provides risk assessments on an annual basis.</p>		



SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE				
ACTIVITY METRICS			2017	2018	2019	2020	2021
<b>EM-EP-000.A</b>	Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	Thousand barrels of oil equivalent per day (MBOED)	Net production <sup>4</sup> : 58.3 MBOED	Net production <sup>4</sup> : 68.2 MBOED	Net production <sup>4</sup> : 80.9 MBOED	Net production <sup>4</sup> : 87.8 MBOED	Net production <sup>4</sup> : 81.7 MBOED
		(1) Thousand barrels of crude oil per day (MBOPD)	(1) Crude Oil: 26.0 MBOPD	(1) Crude Oil: 27.9 MBOPD	(1) Crude Oil: 28.4 MBOPD	(1) Crude Oil: 26.9 MBOPD	(1) Crude Oil: 31.8 MBOPD
		(2) Million standard cubic feet of natural gas per day (MMCFD)	(2) Wet Natural Gas: 193.9 MMCFD	(2) Wet Natural Gas: 241.7 MMCFD	(2) Wet Natural Gas: 314.7 MMCFD	(2) Wet Natural Gas: 365.4 MMCFD	(2) Wet Natural Gas: 358.4 MMCFD
		(3) Thousand barrels of synthetic oil per day (MBOPD)	(3) Synthetic Oil: 0 MBOPD	(3) Synthetic Oil: 0 MBOPD	(3) Synthetic Oil: 0 MBOPD	(3) Synthetic Oil: 0 MBOPD	(3) Synthetic Oil: 0 MBOPD
		(4) Million standard cubic feet of synthetic gas per day (MMCFD)	(4) Synthetic Gas: 0 MMCFD	(4) Synthetic Gas: 0 MMCFD	(4) Synthetic Gas: 0 MMCFD	(4) Synthetic Gas: 0 MMCFD	(4) Synthetic Gas: 0 MMCFD
<b>EM-EP-000.B</b>	Number of offshore sites	Number	0	0	0	0	0
<b>EM-EP-000.C</b>	Number of terrestrial sites <sup>5</sup>	Number	We operated 1,226 producing wells (gross) as of December 31, 2017.	We operated 1,246 producing wells (gross) as of December 31, 2018.	We operated 1,269 producing wells (gross) as of December 31, 2019.	We operated 1,322 producing wells (gross) as of December 31, 2020.	We operated 1,917 producing wells (gross) as of December 31, 2021.

4. Using a 6:1 ratio

5. All of Laredo's current operations are on terrestrial sites.

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD)

## LAREDO PETROLEUM 2022 ESG AND CLIMATE RISK REPORT



The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. The work and recommendations of the Task Force help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks and encourage firms to align their disclosures with investors' needs.

PILLAR	TOPIC	METRIC / RESPONSE
GOVERNANCE	Board oversight	The Nominating, Corporate Governance, Environmental and Social Committee of Laredo's Board of Directors is accountable for monitoring and evaluating programs and policies relating to ESG and climate-related matters. This Committee was expanded in early 2021 to take primary responsibility for the review of Laredo's ESG performance, regulatory compliance matters, and strategies and policies related to human capital management. Additionally, the Committee also reviews ESG risks and exposures, including climate-related risks and Laredo's actions for managing those risks, ESG communications, ESG trends and stakeholder concerns. Furthermore, Laredo's full Board receives timely updates on any significant environmental or safety incidents as well as general briefings at regularly scheduled Board meetings.
	Management's role in assessing and managing climate-related risks	Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. Their recommendations provide key considerations for Laredo's operations and business strategy and increase the Company's awareness of ESG matters throughout the organization. The Chief Sustainability Officer, who reports to the Chief Executive Officer, provides updates to the NGE&S Committee at each Committee meeting.
STRATEGY	Short, medium, and long-term climate-related risks	<p>Continuous improvement has long been part of Laredo's culture of doing the right thing and our efforts around environmental management are no different. While we work to formalize our environmental management system in alignment with the ISO 14001 Standard, the "Plan-Do-Check-Act (PDCA) methodology has long been integrated into our operations. We continue to implement regular training for employees on the overall environmental impacts and of our operations.</p> <p>For example, in 2021, we reduced the number of spill events and reduced our produced fluid spill intensity rate by 81% year-over-year. Our Operations and Environmental, Health and Safety teams identified potential risks, developed mitigation plans, met monthly to track progress toward our goals and worked through our Root Cause Analysis program to avoid future spills. These efforts led to continued operational improvements, resulting in a 94% reduction in produced fluid spill intensity since 2017.</p> <p>Laredo continued to augment our EMS in 2020 and 2021 by operationalizing our emissions reduction strategy. In 2022, we developed new environmental targets to increase our water recycling rate for completion operations by 2025 and continued reduction of our GHG emissions to achieve our 2025 and 2030 GHG emissions intensity targets. To reach these targets, we are focusing on three key areas: flaring and venting, pneumatics and electrification. Pilots for each strategy area are already underway. Additionally, we expanded our emissions monitoring and third-party data verification, are piloting the construction of all new facilities with instrument air and no-vent pneumatics, and evaluating the electrification of our field operations where sufficient power infrastructure is available. Furthermore, we are continuing to expand our water recycling efforts and are committed to increasing the amount of recycled water used in our Howard County operations to decrease the use of potable fresh water in an area of water stress. Lastly, we are working closely with our suppliers and business partners to monitor our procurement processes and recognize the significance of these practices for sustainability. Moving forward, we are focused on further strengthening our EMS methodology according to PDCA, ISO 14001, and other best practices.</p>

PILLAR	TOPIC	METRIC / RESPONSE
STRATEGY	Impact of climate-related risks and opportunities on business, strategy, and financial planning	<p>Left unmitigated, climate change legislation or regulations restricting emissions of GHGs could result in increased operating costs for the energy resources we produce. Consequently, we established a new emissions reductions target as part of our 2022 ESG and Climate Risk Report to mitigate the potential environmental impact of our operations and the influence of potential legislation or regulations on our business. Moving forward, we will continue to use the latest tools and industry best practices to improve our environmental performance and manage climate risks and integrate mitigation of potential environmental impacts into our planning and decision-making. We are committed to taking a proactive and action-oriented approach to address current emissions and future emissions reduction opportunities from various sources, as well as reducing our overall environmental impact.</p> <p><b>Air Quality</b></p> <p>Laredo continually works to minimize our GHG emissions. While we track components related to EPA reporting, we do not currently track additional air emissions at the component level. However, we are currently using Continuous Emissions Monitoring Systems (CEMS), covering 30% of oil production, to mitigate emissions related to flaring and venting at Company-operated facilities. CEMS is currently being evaluated for expansion to more facilities in 2023. With respect to our emissions reduction commitment, we have developed, and are operationalizing, our emissions reduction strategy, which is focused on three areas to reach our 2025 emissions reduction targets: flaring &amp; venting, pneumatics and electrification. Relatedly, in line with our zero-flaring target, we are proud to announce a 62% reduction in flared volumes since 2019 as a key step in continued progress toward our 2025 emissions reduction targets. Key elements of our emissions reduction approach include:</p> <ul style="list-style-type: none"> <li>• Replacing pneumatic devices</li> <li>• Expanding electrification of our field operations</li> <li>• Testing and implementing new technologies, including CEMS</li> </ul> <p><b>Water Management</b></p> <p>Water is vital to our communities, and as an exploration &amp; production company, water management is a key resource for our operational activities. We seek to minimize our impact on freshwater supplies and are continuing to expand our water recycling efforts. Consequently, we are committed to increasing the amount of recycled water used in our Howard County operations to decrease the use of potable fresh water in a water-stressed area as evidenced by our goal that 50% of water used in our completion operations would be from recycled water by 2025.</p> <p><b>Spill Management</b></p> <p>At Laredo, we have a robust system for tracking and reporting spills. Our facilities also have early warning alarms that notify our field staff before spills occur. With the use of impermeable liners in our storage sites, we have safely contained 99.99% of the liquids that we handle. Reducing spills of crude oil and water is fundamental for us and our efforts on spill reductions have led to a year-over-year 81% reduction in our spill intensity rate. When a spill does occur, we remediate, investigate the cause and take corrective action to prevent a recurrence.</p>
	Resilience of strategy, taking into consideration climate-related scenarios	<p>Laredo's climate scenario analysis demonstrates our low cost assets are resilient in a variety of climate scenarios.</p> <p>In 2021, we conducted our first scenario analysis under the Task Force on Climate-related Financial Disclosures (TCFD) framework to understand the potential impacts of climate change on our business operations and financial performance. In 2022, we expanded this analysis to include 1.5°C and net zero scenarios to further test the resiliency of our asset portfolio.</p> <p>The United States Energy Information Administration (EIA) and the International Energy Agency (IEA) both project oil and natural gas will remain a significant part of the global energy mix across several different scenarios. In the IEA Net Zero Emissions by 2050 Scenario, oil and natural gas are projected to account for 8% and 11%, respectively, of the world's primary energy demand, meaning even in a net zero scenario, oil and natural gas production will represent approximately 20% of future energy supply.</p> <p>Laredo's assets in the Permian Basin have a breakeven cost of \$43 per barrel (20:1 natural gas to oil ratio) for our near-term development plans, well below the median expected price of crude oil across six different net zero scenarios; thereby, demonstrating the resilience of our near-term development plans through 2030. Beyond 2030, our projected lease operating expense is \$10 per barrel, suggesting Laredo's assets and operations will deliver long-term cash flow, even in a net zero scenario. Accordingly, we are confident that our current asset portfolio will remain resilient in a low-carbon energy future.</p>

PILLAR	TOPIC	METRIC / RESPONSE									
RISK MANAGEMENT	Process to assess climate-related risks	<p>Laredo is committed to assessing both physical, energy transition and climate-related risks as part of our ERM and EMS processes. These processes help embed climate-related risks more deeply into our strategic planning process, including efforts to ensure the highest possible data quality of our emissions inventories and progress toward achieving our goals. For example, in 2021, Laredo worked with third-party consultants to provide limited assurance data verification of our emissions and environmental data. We also conducted a TCFD-aligned scenario analysis to understand the potential impacts of climate change on our business operations and financial performance.</p> <p>To manage our risk assessment processes, matters related to our ERM and EMS are regularly presented to senior management for review. Afterwards, goals or specific projects are often initiated, prioritized and communicated to the organization. Climate-related goals are managed by the ESG Management Committee, a multi-disciplined team of leaders who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. Their recommendations provide key considerations for our operations and business strategy and increase the Company's awareness of ESG matters throughout the organization. The Chief Sustainability Officer, who reports to the Chief Executive Officer, provides updates to the NGE&amp;S Committee at each Committee meeting. Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we look across our organization and operations to assess the probability and predicted impact of risks to our business, including climate-related risks and seek to understand and focus on issues of material significance to both Laredo and our stakeholders. Our assessment of such issues is informed by the Oil &amp; Gas Exploration &amp; Production SASB standards as well as stakeholder feedback. Our ERM process continues to evolve to reflect our sector's dynamic risk landscape. This year, the priorities we identified included:</p> <ul style="list-style-type: none"> <li>• Re-evaluating our top enterprise risks, which include commodity price risk, illiquid capital markets, credit markets and counterparty risk to Laredo</li> <li>• Strengthening our process for prioritizing and allocating resources to manage risks</li> <li>• Integrating climate change and energy transition planning more deeply into our strategic planning, including efforts to ensure high quality data regarding emissions inventory and progress toward achieving our reduction targets</li> </ul>									
	Process to manage climate-related risks	<p>ESG matters at Laredo are overseen by the Nominating, Corporate Governance, Environmental and Social (NGE&amp;S) Committee, which monitors and evaluates programs and policies relating to ESG and climate-related matters on at least a quarterly basis. The Committee holds primary responsibility for reviewing our ESG performance, including environmental, health or safety incidents, strategies and policies related to human capital management and our ESG risks and exposures, including climate-related risks. The Committee members oversee ESG-related efforts across the Company, identify ESG risks, and contribute to our ESG communications. Furthermore, Laredo's full Board receives timely updates on any significant environmental or safety incidents as well as general briefings at regularly scheduled Board meetings.</p> <p>Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders within the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. Their recommendations provide key considerations for Laredo's operations and business strategy and increase the Company's awareness of ESG matters throughout the organization. The Chief Sustainability Officer, who reports to the Chief Executive Officer, provides updates to the NGE&amp;S Committee at each Committee meeting. We use the following mitigation strategies to address each identified climate-related risk:</p> <table border="1" data-bbox="715 1465 2461 1766"> <thead> <tr> <th data-bbox="715 1476 1380 1528">CLIMATE-RELATED RISKS</th> <th data-bbox="1380 1476 2461 1528">MITIGATION</th> </tr> </thead> <tbody> <tr> <td data-bbox="715 1539 1380 1581">GHG emissions laws and regulations</td> <td data-bbox="1380 1539 2461 1581">GHG emissions reduction strategy</td> </tr> <tr> <td data-bbox="715 1602 1380 1644">Increased likelihood of extreme weather</td> <td data-bbox="1380 1602 2461 1644">Emergency response preparedness</td> </tr> <tr> <td data-bbox="715 1665 1380 1707">Access to water</td> <td data-bbox="1380 1665 2461 1707">Water management, water recycling and reuse</td> </tr> <tr> <td data-bbox="715 1728 1380 1766">Energy market demand and price volatility</td> <td data-bbox="1380 1728 2461 1766">Strategic hedging program and focus on developing low cost, high-margin assets</td> </tr> </tbody> </table>	CLIMATE-RELATED RISKS	MITIGATION	GHG emissions laws and regulations	GHG emissions reduction strategy	Increased likelihood of extreme weather	Emergency response preparedness	Access to water	Water management, water recycling and reuse	Energy market demand and price volatility
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PILLAR	TOPIC	METRIC / RESPONSE																		
RISK MANAGEMENT	Integration of risk process into overall risk management	<p>The Nominating, Corporate Governance, Environmental and Social Committee's Charter includes monitoring and evaluating programs and policies relating to ESG matters. Relatedly, the ESG Management Committee is focused on further integrating ESG and climate-related considerations, into our Enterprise Risk Management process.</p> <p>Our ERM system ensures that we focus on significant organization-level risks, including climate change-related risks. As part of our ERM process, we regularly review the financial impact of these risks on the business with material risks elevated to the Board for visibility to ensure our efforts appropriately mitigate the risks.</p> <p>Furthermore, we work to ensure our compensation program is aligned with our sustainability efforts including metrics related to air quality, emissions and spill mitigation. In 2021 and 2022, we tied ESG metrics to our executive compensation program, including adding the achievement of our 2025 emissions reduction goals to our Long-Term Incentive Program (LTIP).</p>																		
		<p>Laredo tracks and monitors a number of climate-related metrics, including Scope 1 and Scope 2 GHG emissions, to assess risks and opportunities. Laredo also estimates Scope 3 emissions based on gross operated sales volumes using the IPIECA Scope 3 Category 11 methodology. This methodology assumes oil and natural gas sold were burned as fuel and incorporates EPA GHG emissions factors. Gross operated sales volumes were used in our Scope 3 emissions estimations to prevent double counting of energy used in operations to produce oil and natural gas, which falls under Scope 1 emissions. Additional metrics related to GHG emissions, air quality, water management, biodiversity, land use can be found throughout the Environmental section, and in the SASB, TCFD, IPIECA, APXC, and API indices of this report.</p> <p>Effective for 2020, our Compensation Committee recommended, and the Board approved, our Short-Term Incentive Plan (STIP) to include environmental metrics based on spill severity rate and air stewardship metrics. We believe these metrics are aligned with our business strategy, place a focus on both environmental and capital efficiency, and provide the type of incentives sought by our Board and stakeholders. Environmental goals make up 20% of our STIP. This year, we also implemented a LTIP tied in part of the achievement of 2025 emissions reduction goals.</p>																		
METRICS AND TARGETS	Metrics used to assess climate-related risks	<table border="1"> <thead> <tr> <th></th> <th>2019<sup>1</sup></th> <th>2020<sup>1</sup></th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Scope 1 and Scope 2 emissions</td> <td>Scope 1: 1,070,077 Metric tons CO2e Scope 2: 20,288 Metric tons CO2e</td> <td>Scope 1: 950,218 Metric tons CO2e Scope 2: 21,578 Metric tons CO2e</td> <td>Scope 1: 708,178 Metric tons CO2e Scope 2: 65,361 Metric tons CO2e</td> </tr> <tr> <td>Scope 3 emissions<sup>2</sup></td> <td>14,574,413 Metric tons CO2e</td> <td>14,451,860 Metric tons CO2e</td> <td>14,720,777 Metric tons CO2e</td> </tr> <tr> <td>Scope 1 intensity</td> <td>26.03 Metric tons CO2e</td> <td>23.13 Metric tons CO2e</td> <td>17.26 Metric tons CO2e</td> </tr> </tbody> </table>				2019 <sup>1</sup>	2020 <sup>1</sup>	2021	Scope 1 and Scope 2 emissions	Scope 1: 1,070,077 Metric tons CO2e Scope 2: 20,288 Metric tons CO2e	Scope 1: 950,218 Metric tons CO2e Scope 2: 21,578 Metric tons CO2e	Scope 1: 708,178 Metric tons CO2e Scope 2: 65,361 Metric tons CO2e	Scope 3 emissions <sup>2</sup>	14,574,413 Metric tons CO2e	14,451,860 Metric tons CO2e	14,720,777 Metric tons CO2e	Scope 1 intensity	26.03 Metric tons CO2e	23.13 Metric tons CO2e	17.26 Metric tons CO2e
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1. In 2021, we closed on two acquisitions. The 2019 and 2020 Scope 1 emissions data published in this report has been recalculated to include emissions for these acquisitions.

2. Estimated Scope 3 emissions based on gross operated sales volumes using the IPIECA Category 11 methodology, which incorporates EPA GHG emissions factors. Our Scope 3 estimates are preliminary, and subject to uncertainty, inconsistency, duplication. Additionally, the 2019 and 2020 Scope 3 emissions data published in this report has been recalculated to include emissions for our 2021 acquisitions.

# INTERNATIONAL PETROLEUM INDUSTRY ENVIRONMENTAL CONSERVATION ASSOCIATION (IPIECA)



## LAREDO PETROLEUM 2022 ESG AND CLIMATE RISK REPORT

IPIECA is the global oil and natural gas industry association for advancing environmental and social performance. The Sustainability reporting guidance for the oil and natural gas industry is a key tool to help companies shape the structure and content of their sustainability reporting. The guidance provides direction on the content of a typical industry report by covering 21 sustainability issues and 43 indicator categories. These issues and indicators have been selected based on industry consensus, together with significant insights and suggestions from an independent panel of stakeholders with expertise in the sector and sustainability reporting.

PILLAR	TOPIC	METRIC / RESPONSE
<b>GOVERNANCE AND BUSINESS ETHICS</b>		
<b>GOVERNANCE AND MANAGEMENT SYSTEMS</b>	GOV-1: Governance approach	Laredo's Board of Directors is elected by the stockholders to oversee management and to ensure the long-term interests of stakeholders are being served. Relatedly, ESG matters at Laredo are overseen by the Nominating, Corporate Governance, Environmental and Social (NGE&S) Committee, which monitors and evaluates programs and policies relating to ESG and climate-related matters on at least a quarterly basis. The Committee holds primary responsibility for reviewing our ESG performance, including environmental, health or safety incidents, strategies and policies related to human capital management and our ESG risks and exposures, including climate-related risks. The Committee members oversee ESG-related efforts across the Company, identify ESG risks, and contribute to our ESG communications. Furthermore, Laredo's full Board receives timely updates on any significant environmental or safety incidents as well as general briefings at regularly scheduled Board meetings. We also work with external advisors for an external view of the environmental risks and opportunities in our industry. For example, this year, Laredo undertook a TCFD-aligned scenario analysis conducted by third-party consultants to assess the potential financial impacts of climate risks to the business in the short, medium, and long-term.
	GOV-2: Management systems	Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. Their recommendations provide key considerations for our operations and business strategy and increase the Company's awareness of ESG matters throughout the organization. The Chief Sustainability Officer, who reports to the Chief Executive Officer, provides updates to the NGE&S Committee at each Committee meeting.

PILLAR	TOPIC	METRIC / RESPONSE
BUSINESS ETHICS AND TRANSPARENCY	GOV-3: Preventing corruption	<p>Laredo has built a reputation as a trustworthy and ethical Company, and positive member of our community. All Laredo employees annually certify they are free from conflict of interest and further agree to conduct business honestly and fairly and to not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.</p> <p>Augmenting our conflict-of-interest policy is our Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously with review of such complaints overseen by the Audit Committee of the Board. The ethics reporting hotline is (844) 732-6240.</p> <p>Further guarding against conflict of interest and corruption are our Code of Conduct and Business Ethics, and polices against hedging or pledging stock, for independent Committee chairs on the Board, regular audits of internal performance, supply chain, equal opportunity and anti-harassment, advocacy and lobbying and human rights policies.</p> <p>Laredo also strictly prohibits facilitating payments, which are small payments made to government officials in exchange for expedited services such as approvals of permits or licenses. We require all employees to complete mandatory anti-corruption and anti-bribery training that covers giving and receiving gifts, conflict of interest, appropriate record-keeping and our overall commitment to ethical behavior and compliance.</p>
	GOV-4: Preventing corruption involving business partners	<p>Laredo's reputation for integrity is directly related to the conduct of its officers and other employees. Laredo's policies regarding gifts, gratuities and conflicts of interest extend to its vendors, suppliers and contractors with all new vendors internally approved at the Vice-President level. Moving forward, we plan to augment employee trainings on corruption, anti-trust violations, conflicts of interest, and other ethics topics.</p> <p>With respect to our supply chain, Laredo's Supply Chain Management process, part of our EMS, is designed to minimize financial and other risks to the Company and define uniform and consistent procurement practices in alignment with our ESG strategy. In 2021, we conducted our first ESG focused survey with our suppliers to understand the diversity of our supply base and the ESG policies they have in place. We are committed to continuing to align our supply chain policies and procurement process with human rights and sustainable practices. Understanding our suppliers' practices provides a baseline for us to assess the alignment of our suppliers with Laredo's ESG commitments. We plan to continue engaging with our suppliers to further strengthen our supply chain resilience, enhance optimal supply alternatives, ensure consistency of service and deepen our supplier relationships.</p>
	GOV-5: Transparency of payments to host governments	<p>Laredo does not operate in foreign countries and operates its business ethically and in compliance with all applicable laws and regulations, including compliance with anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act. Additionally, Laredo strictly prohibits facilitation payments (small payments made to government officials in exchange for expedited services such as approvals of permits or licenses). We require all employees to complete mandatory anti-corruption and anti-bribery training that covers giving and receiving gifts, conflict of interest, appropriate record keeping and our overall commitment to ethical behavior and compliance.</p>
	GOV-6: Public advocacy and lobbying	<p>Laredo does not make contributions to any political party, committee, candidate or holder of a government position unless permitted by law. We do participate in industry trade associations to collaborate with subject matter experts from other companies and influence the direction of those organizations. We have reviewed the climate statements for each trade association to ensure their statements are generally aligned with our views on climate.</p>

PILLAR	TOPIC	METRIC / RESPONSE
<b>CLIMATE CHANGE AND ENERGY</b>		
	CCE-1: Climate governance and strategy	<p>ESG matters at Laredo are overseen by the Nominating, Corporate Governance, Environmental and Social (NGE&amp;S) Committee, which monitors and evaluates programs and policies relating to ESG and climate-related matters on at least a quarterly basis. The Committee holds primary responsibility for reviewing our ESG performance, including environmental, health or safety incidents, strategies and policies related to human capital management and our ESG risks and exposures, including climate-related risks. The Committee members oversee ESG-related efforts across the Company, identify ESG risks, and contribute to our ESG communications. Furthermore, Laredo’s full Board receives timely updates on any significant environmental or safety incidents as well as general briefings at regularly scheduled Board meetings.</p>
<b>CLIMATE STRATEGY AND RISK</b>	CCE-2: Climate risk and opportunities	<p>In 2020, Laredo formalized and augmented its ERM process, which helps the Company identify, prioritize, and mitigate ESG risks, among other risks. Laredo’s ERM program is one of multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. Laredo analyzes risks over a range of time horizons as far into the future as is practical for the Company’s business. Typically, the Company considers risks to its business as near-term between 1-3 years, medium-term as 4-6 years and long-term as 7-10 years.</p> <p>In line with the TCFD recommendations, Laredo assesses potential physical and transition climate-related risks, including regulatory, technological, market, and reputational risks associated with the transition to a low-carbon economy. Laredo identified several transition and physical risks with potential to impact its business operations and financial performance. The climate-related risks include emerging GHG emissions laws and regulations, energy market volatility, extreme weather and access to water. Furthermore, we are working to mitigate the impact of regional transportation constraints; volatility in commodity pricing and services; regulatory impacts on our operations; energy transition; and adoption of new technologies. Our 2021 ESG and Climate Risk Report describes identified climate-related risks and approaches to mitigate these risks within our TCFD-aligned scenario analysis (see section within report for more details). More detailed descriptions of risks and uncertainties is provided in the “Risk Factors” section of the Form 10-K.</p> <p>Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we seek to understand and focus on issues of material significance to both the Company and our stakeholders. Our assessment of such issues is informed by the Oil &amp; Gas Exploration &amp; Production SASB standards as well as stakeholder feedback. Furthermore, we expect continued performance improvement in our operations and, although we are currently formalizing our environmental management system, the “Plan-Do-Check-Act (PDCA)” methodology has long been integrated into our operations.</p> <p>Laredo continued to augment our EMS in 2020 and 2021 by operationalizing our emissions reduction strategy. In 2022, we developed new environmental targets to increase our water recycling rate for completion operations by 2025 and continued reduction of our GHG emissions to achieve our 2025 and 2030 GHG emissions intensity targets. To reach these targets, we are focusing on three key areas: flaring and venting, pneumatics and electrification. Pilots for each strategy area are already underway. Additionally, we expanded our emissions monitoring and third-party data verification, are piloting the construction of all new facilities with instrument air and no-vent pneumatics, and evaluating the electrification of our field operations where sufficient power infrastructure is available. Furthermore, we are continuing to expand our water recycling efforts and are committed to increasing the amount of recycled water used in our Howard County operations to decrease the use of potable fresh water in an area of water stress. Lastly, we are embedding climate risk and other environmental impacts considerations into our supplier procurement process, including procuring renewable energy for our operations, as part of our EMS. Moving forward, we are focused on further strengthening our EMS methodology according to PDCA, ISO 14001, and other best practices.</p>



PILLAR	TOPIC	METRIC / RESPONSE		
TECHNOLOGY	CCE-3: Lower-carbon technology	<p>Consistent with Laredo's GHG emissions reduction strategy, we are piloting continuous emissions monitoring systems (CEMS) on select operated facilities with an expectation of combining this information with a portfolio of IoT monitoring devices to help mitigate venting emissions associated our operations. Furthermore, we expanded our voluntary LDAR inspections on Laredo's operated facilities to twice per year in 2022 and will again expand our voluntary LDAR inspections to four times per year for Laredo operated facilities starting in 2023. Additionally, we began converting pneumatic devices to non-vent in April of 2022 and expect to have all intermittent back-pressure valves converted to non-vent by the end of 2023. We expect all remaining vented devices to be converted to non-vent by 2025. We believe these steps will support our pilot certification program with Project Canary, which is focused primarily on our go-forward development plans in Howard and western Glasscock counties.</p> <p>We recognize the importance of electrifying our operations to further reduce our Scope 1 emissions and are in the process of converting our Tier IV dual-fuel hydraulic fracturing fleet to an electric fleet, which we expect to begin operations in early 2023. Additionally, we use a Closed-Loop Flowback system to mitigate leaks from occurring during our completion and flowback operations. Furthermore, our production operations have eliminated the use of diesel generators and are electrifying portions of our corridor compression system. In areas where there is no access to electric grid power, we use natural gas generators to power our production and completion operations until alternative sources of low carbon electricity are available.</p>		
		<b>2019<sup>1</sup></b>	<b>2020<sup>1</sup></b>	<b>2021<sup>1</sup></b>
EMISSIONS	CCE-4: GHG emissions	Scope 1: 1,070,077 Metric tons CO2e Scope 2: 20,288 Metric tons CO2e Scope 3 <sup>2</sup> : 14,574,413 Metric tons CO2e	Scope 1: 950,218 Metric tons CO2e Scope 2: 21,578 Metric tons CO2e Scope 3 <sup>2</sup> : 14,451,860 Metric tons CO2e	Scope 1: 708,178 Metric tons CO2e Scope 2: 65,361 Metric tons CO2e Scope 3 <sup>2</sup> : 14,720,777 Metric tons CO2e
	Scope 1 GHG emissions intensity	26.03 Metric tons CO2e	23.13 Metric tons CO2e	17.26 Metric tons CO2e
	CCE-5: Methane emissions	Scope 1: 512,276 Metric tons CO2e	Scope 1: 389,167 Metric tons CO2e	Scope 1: 203,871 Metric tons CO2e
ENERGY USE	CCE-6: Energy use	172,019 gigajoules (Scope 2 emissions only)	182,958 gigajoules (Scope 2 emissions only)	554,191 gigajoules (Scope 2 emissions only)
FLARING	CCE-7: Flared natural gas	337,600 Metric tons CO2e and 32% of total Scope 1 emissions	277,991 Metric tons CO2e and 29% of total Scope 1 emissions	97,814 Metric tons CO2e and 14% of total Scope 1 emissions
<b>ENVIRONMENT</b>				
WATER	ENV-1: Freshwater	3,472,717 cubic meters freshwater withdrawn	3,266,870 cubic meters freshwater withdrawn	3,764,762 cubic meters freshwater withdrawn
	ENV-2: Discharges to water	0%	0%	0%

1. In 2021, we closed on two acquisitions. The 2019 and 2020 Scope 1 emissions data published in this report has been recalculated to include emissions for these acquisitions.

2. Estimated Scope 3 emissions based on gross operated sales volumes using the IPIECA Category 11 methodology, which incorporates EPA GHG emissions factors. Our Scope 3 estimates are preliminary, and subject to uncertainty, inconsistency, duplication. Additionally, 2019 and 2020 Scope 3 emissions have been recalculated to include emissions for the aforementioned acquisitions.



PILLAR	TOPIC	METRIC / RESPONSE																														
MATERIALS MANAGEMENT	ENV-7: Materials management	Our materials management efforts were comprised principally of water and natural gas filters from compressor sites as well as contaminated soil associated with spill remediation. In 2021, we generated 42.87 cubic meters of solid waste and 393 cubic meters of liquid waste.																														
	ENV-8: Decommissioning	When decommissioning a facility, our EH&S team ensures that decommissioning is done per our lease agreements and documents the site closure process. We also engage third-parties, as needed, to conduct an independent analysis to confirm we have completed the decommissioning process per our agreement with the landowner and continue to uphold the Laredo Way of doing the right thing.																														
<b>SAFETY, HEALTH AND SECURITY</b>																																
WORKFORCE PROTECTION	SHS-1: Safety, health and security engagement	We are always striving for zero incidents and are proud of the programs we have implemented to continue building a belief-based safety culture. We are grateful to have zero employee or contractor fatalities for the third consecutive year. Although, like many companies in the industry, our combined workforce Total Recordable Incident Rate (TRIR) increased in 2021, we remain committed to identifying the root cause of these incidents and addressing them to continue building a safe workplace. In response to the increase in TRIR, we hired safety consultants to provide additional support and training for our field employees during critical operations, placed an emphasis on increasing the number and quality of safety observations, and are actively managing or upgrading our contractors to those who consistently perform their work in a safe manner. Workforce safety has been included as a metric in our Company STIP for 2022 to further emphasize our commitment to safety and to drive organizational focus on improving safety performance. Laredo is currently updating our emergency response plans and some of our safety best practices, including risk assessments and annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, biannual external safety audits in accordance with Occupational Safety and Health Administration (OSHA), stop work authority, after-action review and root cause analysis. Together, we will all go home better each day.																														
	SHS-2: Workforce health	Our commitment to doing the right thing guides our approach to managing our workforce. To that end, we ensure there are channels for employees to share feedback on their experience at Laredo and we provide benefits to support their health and wellbeing. We pay over 80% of the health insurance premiums for our employees to ensure our employees and their families have access to affordable healthcare. Additionally, we provide an on-site fitness center for our Tulsa employees and access to local fitness facilities for our Midland and field personnel. Furthermore, we implemented a flexible hybrid-work schedule which enables our employees to attend important family events during the workday and provide on-site lactation rooms for mothers to have calm and private spaces. Lastly, Laredo is committed to a transparent and healthy workplace culture. Our hotline provides a mechanism for employees and contractors to report grievances without retaliation and allows the Company to review and adjust, if necessary. The ethics reporting hotline is (844) 732-6240.																														
	SHS-3: Occupational injury and illness incidents	<table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>TRIR - Employee + Contractor Combined</td> <td>1.20</td> <td>1.19</td> <td>0.86</td> <td>0.74</td> <td>1.44</td> </tr> <tr> <td>LTIR - Employee + Contractor Combined</td> <td colspan="2">Not Disclosed</td> <td>0.86</td> <td>0.74</td> <td>1.00</td> </tr> <tr> <td>DART - Employee + Contractor Combined</td> <td colspan="4">Not Disclosed</td> <td>1.11</td> </tr> <tr> <td>Fatalities - Employee + Contractor Combined</td> <td>0</td> <td>1</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>*For complete safety metrics, please refer to page 72 of the report.</p>		2017	2018	2019	2020	2021	TRIR - Employee + Contractor Combined	1.20	1.19	0.86	0.74	1.44	LTIR - Employee + Contractor Combined	Not Disclosed		0.86	0.74	1.00	DART - Employee + Contractor Combined	Not Disclosed				1.11	Fatalities - Employee + Contractor Combined	0	1	0	0	0
		2017	2018	2019	2020	2021																										
TRIR - Employee + Contractor Combined	1.20	1.19	0.86	0.74	1.44																											
LTIR - Employee + Contractor Combined	Not Disclosed		0.86	0.74	1.00																											
DART - Employee + Contractor Combined	Not Disclosed				1.11																											
Fatalities - Employee + Contractor Combined	0	1	0	0	0																											
SHS-4: Transport safety	2021 vehicle incident rate of 0.87 incidents per million miles driven																															

PILLAR	TOPIC	METRIC / RESPONSE
PRODUCT HEALTH, SAFETY AND ENVIRONMENTAL RISK	SHS-5: Product stewardship	<p>Laredo is focused on providing operationally and financially sustainable energy to consumers. We are proud of the meaningful emissions reductions targets we have set for our Company and we will continue to work with our suppliers to mitigate their carbon footprint. Furthermore, we believe our investments in digital systems and physical infrastructure allow us to cost effectively consolidate and develop new assets at scale. Our Howard County sand mine and electric infrastructure will lower costs and provide certainty of execution. Likewise, our Glasscock and Reagan County water infrastructure lowers our lease operating expenses and reduces truck traffic, making roads safer for everyone. Additionally, we continue to collaborate with the third-party midstream and refining companies that purchase our produced products to mitigate emissions across the value chain. Relatedly, we are collaborating with energy consumers in our value chain to explore opportunities for mutual benefit through our certified responsibly sourced oil and natural gas production.</p>
	SHS-6: Process safety	<p>We are always striving for zero incidents and are proud of the programs we have implemented to continue building a belief-based safety culture. We are grateful to have zero employee or contractor fatalities for the third consecutive year. However, like many companies in the industry, our combined workforce Total Recordable Incident Rate (TRIR) did increase in 2021; yet, we remain committed to identifying the root cause of these incidents and addressing them to continue building a safe workplace. Additionally, in response to the increase in TRIR, we hired safety consultants to augment our field employees during critical operations, placed an emphasis on increasing the number and quality of safety observations and are actively managing or upgrading our contractors to those who consistently perform their work in a safe manner. To further emphasize our commitment to safety, workforce safety performance has been included as a metric in our Company STIP for 2022 to drive organizational focus on improving safety and reducing TRIR.</p> <p>Laredo is currently updating our emergency response plans and some of our safety best practices, which include risk assessments and annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, biannual external safety audits in accordance with Occupational Safety and Health Administration (OSHA), stop work authority, after-action review and root cause analysis.</p> <p>In 2020 and 2021, we had no operations which qualified as a Process Safety Event (PSE) or as a Loss of Primary Containment (LOPC) of greater consequence (Tier 1).</p>
	SHS-7: Security risk management	<p>Laredo does not own or operate assets in or near areas of conflict, and has a commitment not to operate in areas of active conflict.</p>
<b>SAFETY, HEALTH AND SECURITY</b>		
HUMAN RIGHTS MANAGEMENT	SOC-1: Human rights due diligence	<p>Laredo's commitment to human rights aligns with the principles of the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. This includes prohibiting the use of human trafficking, child labor and forced labor. It also protects employees' rights to freedom of association, security and the rights of Indigenous people and the right to water. We also commit to continuing to align our supply chain policies and procurement process with human rights and sustainable practices. We do not currently operate on or adjacent to any lands under the governance of Indigenous peoples. We also do not operate in any areas of active conflict and are committed to not doing so in the future. Should we do so, we would follow all applicable laws and work to engage with those communities to ensure business practices that are respectful of their sovereignty, security (including water security and access to resources) and Indigenous rights through community consultations.</p>



PILLAR	TOPIC	METRIC / RESPONSE
HUMAN RIGHTS MANAGEMENT	SOC-2: Suppliers and human rights	<p>With respect to our supply chain, Laredo's Supply Chain Management process, part of our EMS, is designed to minimize financial and other risks to the Company and define uniform and consistent procurement practices in alignment with our ESG strategy. In 2021, we conducted our first ESG focused survey with our suppliers to understand the diversity of our supply base and the ESG policies they have in place. We are committed to continuing to align our supply chain policies and procurement process with human rights and sustainable practices. Understanding our suppliers' practices provides a baseline for us to assess the alignment of our suppliers with Laredo's ESG commitments. We plan to continue engaging with our suppliers to further strengthen our supply chain resilience, enhance optimal supply alternatives, ensure consistency of service and deepen our supplier relationships.</p>
	SOC-3: Security and human rights	<p>Laredo is committed to not operating in areas of active conflict. Although, Laredo does not own or operate assets in or near areas of conflict, we are committed to the implementation and evaluation of effective outcomes of our Human Rights Policy.</p>
LABOR PRACTICES	SOC-4: Site-based labor practices and worker accommodation	<p>Guided by mutual respect, openness, honesty and a spirit of trust and collaboration, we know that an engaged, healthy, well-trained workforce is key to our world-class culture and helps us accomplish our strategic goals. We work to foster an environment of safety and inclusion through our Code of Conduct and Business Ethics and biennial anti-harassment training. Similarly, our flexible work schedule enables our employees to attend important family events, and provide on-site lactation rooms for mothers to have calm and private spaces. We firmly believe that everyone at Laredo contributes to our Company's success. We also recognize there are always areas for continuous improvement and our hotline provides a mechanism for employees and contractors to report grievances without retaliation and allows the Company to review and adjust, if necessary. The ethics reporting hotline is (844) 732-6240. Furthermore, as part of developing an inclusive workforce, Laredo is committed incorporating anti-bias training into our learning and development program going forward.</p>
	SOC-5: Workforce diversity and inclusion	<p>We believe that a diverse workforce will help our organization better accomplish our mission. To increase our hiring of traditionally underrepresented personnel, with oversight from our Board's NGE&amp;S Committee, Laredo incorporated a number of new strategies to improve diversity. To demonstrate our commitment to increasing the diversity of our workforce, we are continuing to share workforce diversity information by publishing our EEO-1 data in this report. With respect to our hiring practices, we expanded our job listings for new positions on job bulletin boards for veterans organizations, female organizations, LGBTQ+ organizations, people living with disabilities, racial and ethnic diversity, and vocational rehabilitation. We also believe in the importance of having a diverse supply chain and include veteran, minority and women-owned suppliers as part of our procurement process.</p>
	SOC-6: Workforce engagement	<p>We regularly engage with our employees and consider their feedback when determining additional employee programs or initiatives to develop. We have regular townhalls, which are opportunities for employees to engage with our executive leadership. Additionally, our leadership team holds Company-wide virtual meetings twice monthly to highlight exciting projects underway and provide space for question and answer sessions with our executives. Furthermore, we conducted an employee engagement survey in Q4 2022 from which we expect to gain insights to enhance engagement across the organization.</p>

PILLAR	TOPIC	METRIC / RESPONSE
LABOR PRACTICES	SOC-7: Workforce training and development	<p>We have a robust training program for our Lease Operators and Field Technicians that allows for consistency in our processes and gives the management team clarity when considering field employees for promotional opportunities. Administration of this program is a joint effort between leadership of the Production team and the Human Resources staff that allows us to train our employees with the goal of promoting from within for all field promotions.</p> <p>We utilize a third-party Learning Management System for our field employee training courses. There are three levels for each job function: Fundamental, Intermediate and Advanced. The coursework for each level contains various training courses that include readings, videos and assessments, and are intended to teach the employee the fundamentals of the industry and how Laredo desires work to be completed in the field. Accordingly, our lease operators participated in over 7,000 hours of additional operational training in 2021. Completion of each training program is vital to our success as we compete in the market and the Learning Management System is a great tool our leaders use to make promotional decisions in the field.</p> <p>Our office personnel and field personnel are required to participate in safety training specifically designed to mitigate incidents most likely to occur in our respective roles and operations, including ergonomics while working remotely during COVID. Furthermore, our leadership teams participate in a training program which incorporates both group sessions as well as individual coaching all focused on improving leadership capabilities as individuals and as a team.</p> <p>Full-time field employees receive 17.5 hours of annual safety training. New supervisors receiving another 16 hours for HAZWOPER certification, which is renewed annually with 8-hour refresher. Contract supervisors receive 19.5 hours of training per year through our monthly safety meetings. New field employees must complete the 8-hour SafeLand Certification course before engaging in field work. Additionally, new field employees receive 24.5 hours per year and an additional 3 hours of safety training upon new hire orientation.</p>
	SOC-8: Workforce non-retaliation and grievance mechanisms	<p>Laredo has a robust Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously with review of such complaints overseen by the Audit Committee of the Board. The ethics reporting hotline is (844) 732-6240.</p>
	SOC-9: Local community impacts and engagement	<p>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights and condemns any violation of such rights.</p> <p>We also do the right thing in protecting our surface owners and their interests. We regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely- populated areas. As Laredo continues to grow, we are committed to consulting with local communities and engaging with key local stakeholders in the early stages of any new project. We will also apply the principles of Free, Prior and Informed Consent (FPIC) in keeping with best practices for community engagement.</p>
	SOC-10: Indigenous peoples	<p>Per our Human Rights Policy, we follow all applicable national and local regulations as they pertain to the fundamental rights of all stakeholders. Laredo's commitment to human rights aligns with the principles of the United Nations' Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, Laredo does not currently own or operate any assets in, or near, areas of conflict. Likewise, Laredo does not currently operate assets on federal or Native American land.</p>
	SOC-11: Land acquisition and involuntary resettlement	<p>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights. Relatedly, Laredo recognizes its responsibilities as a steward of the land on which it operates and maintaining the trust of landowners is important to us. We reach out to our landowners to determine their wishes for their land and strive to minimize our environmental footprint. As an example, we regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely populated areas.</p>

PILLAR	TOPIC	METRIC / RESPONSE
COMMUNITY ENGAGEMENT	SOC-12: Community grievance mechanisms	Laredo provides a hotline to allow any person to report grievances without retaliation and allows the Company to review and adjust, if necessary. These complaints may be submitted anonymously and are reviewed by the Audit Committee of the Board. The ethics reporting hotline is (844) 732-6240
	SOC-13: Social investment	Laredo and its employees believe in making a meaningful impact in their communities through their employee volunteer program and philanthropy. Laredo has a policy allowing full-time employees up to eight hours of paid time off, annually, to participate in volunteer programs of their choice. Our employees have partnered with various charitable organizations such as the Tulsa Area United Way, the West Texas Food Bank, the West Texas Rehabilitation Center, and many more to offer their support and charitable donations.  Relatedly, Laredo sponsors a Charitable Matching Gift Program to match donations of up to \$1,000 per employee per year to a non-profit organization of his or her choice with Laredo and its employees donating \$428,469 to charitable programs in 2021.
LOCAL CONTENT	SOC-14: Local procurement and supplier development	Laredo is proud to work with many of the small, local service providers who work safe, work smart and work local. We strive to develop lasting partnerships with these local service providers in our areas of operations to minimize miles driven and benefit the economy of the communities where we work.
	SOC-15: Local hiring practices	Laredo strives to hire top local talent and provide development opportunities to advance their careers. We are proud to work with many small businesses and service providers in our communities. In 2021, we began collecting demographic data for our supply chain in an effort to support local businesses and are pleased to report that 42% of on-site hours in 2022 were with diverse contractors or suppliers, defined as companies that are small businesses and/or owned by minorities, such as women, racial or ethnic minorities, veterans and more.

# AMERICAN EXPLORATION & PRODUCTION COUNCIL (AXPC)

## LAREDO PETROLEUM 2022 ESG AND CLIMATE RISK REPORT



The American Exploration and Production Council (AXPC) is a national trade association representing the largest independent oil and natural gas exploration and production companies in the United States. This Framework centers around five key metrics groupings that AXPC members believe are essential to capture in promoting more consistent reporting across its members companies – Greenhouse Gas (GHG) Emissions, Flaring, Spills, Water Use, and Safety.

TOPIC	METRIC / RESPONSE (2019) <sup>1</sup>	METRIC / RESPONSE (2020) <sup>1</sup>	METRIC / RESPONSE (2021)
<b>GREENHOUSE GAS EMISSIONS</b>			
GHG Emissions (Metric tons CO <sub>2</sub> e)	Scope 1: 1,065,901 Metric tons CO <sub>2</sub> e Scope 2: 20,288 Metric tons CO <sub>2</sub> e Scope 3 <sup>2</sup> : 14,574,413 Metric tons CO <sub>2</sub> e	Scope 1: 946,255 Metric tons CO <sub>2</sub> e Scope 2: 21,578 Metric tons CO <sub>2</sub> e Scope 3 <sup>2</sup> : 14,451,860 Metric tons CO <sub>2</sub> e	Scope 1: 704,165 Metric tons CO <sub>2</sub> e Scope 2: 65,361 Metric tons CO <sub>2</sub> e Scope 3 <sup>2</sup> : 14,720,777 Metric tons CO <sub>2</sub> e
GHG Emissions Intensity (Scope 1 Only) GHG Emissions (Metric tons CO <sub>2</sub> e)/Gross Annual Production-As Reported Under Subpart W (MBoe)	26.03 Metric tons CO <sub>2</sub> e	23.13 Metric tons CO <sub>2</sub> e	17.17 Metric tons CO <sub>2</sub> e
Percent of GHG Emissions Attributed to Boosting and Gathering Segment	14%	9%	6%
Methane Emissions (Metric tons CH <sub>4</sub> )	20,491	15,566	8,155
Methane Emissions Intensity Methane Emissions (Metric tons CH <sub>4</sub> )/Gross Annual Production-As Reported Under Subpart W (MBoe)	0.50	0.38	0.20
Percent of Methane Emissions Attributed to Boosting and Gathering Segment	2%	3%	5%
<b>FLARING</b>			
Gross Annual Volume of Flared Natural Gas (Mcf)	2,205,971	961,706	958,664
Percentage of natural gas flared per Mcf of natural gas produced Gross Annual Volume of Flared Natural Gas (Mcf)/Gross Annual Natural Gas Production (Mcf)	1.93%	0.75%	0.73%

1. In 2021, we closed on two acquisitions. The 2019 and 2020 Scope 1 emissions data published in this report has been recalculated to include emissions for these acquisitions.

2. Estimated Scope 3 emissions based on gross operated sales volumes using the IPIECA Category 11 methodology, which incorporates EPA GHG emissions factors. Our Scope 3 estimates are preliminary, and subject to uncertainty, inconsistency, duplication. Additionally, the 2019 and 2020 Scope 3 emissions data published in this report has been recalculated to include emissions for our 2021 acquisitions.



TOPIC	METRIC / RESPONSE (2019)		METRIC / RESPONSE (2020)		METRIC / RESPONSE (2021)
Volume of natural gas flared per barrel of oil equivalent produced Gross Annual Volume of Natural Flared Gas (Mcf)/Gross Annual Production (Boe)	6.65%		2.77%		2.34%
<b>SPILLS</b>					
Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	0.20		0.11		0.02
<b>WATER USE</b>					
Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	0.66		0.56		0.63
Water Recycle Rate Recycled Water (Bbl)/Total Water Consumed (Bbl)	0.35		0.19		0.26
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?	WRI Aqueduct		WRI Aqueduct		WRI Aqueduct
<b>SAFETY</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Employee TRIR # Of Employee OSHA Recordable Cases x 200,000 / Annual Employee Workhours	1.61	0.30	0.37	0.78	1.22
Contractor TRIR # Of Contractor OSHA Recordable Cases x 200,000 / Annual Contractor Workhours	1.11	1.44	1.00	0.73	1.53
Combined TRIR # Of Combined OSHA Recordable Cases x 200,000 / Annual Combined Workhours	1.20	1.19	0.86	0.74	1.44

# AMERICAN PETROLEUM INSTITUTE (API)



## LAREDO PETROLEUM 2022 ESG AND CLIMATE RISK REPORT

API is the largest U.S. trade association for the oil and natural gas industry. It represents over 600 corporations in production, refinement, distribution, and many other aspects of the petroleum industry.

API CODE	DESCRIPTION	UNIT OF MEASURE	METRIC (2019) <sup>1</sup>	METRIC (2020) <sup>1</sup>	METRIC (2021)	RESPONSE
<b>1. DIRECT GHG EMISSIONS (SCOPE 1)</b>						
<b>1.1</b>	Direct GHG Emissions (Scope 1)-All GHGs	Million Metric Tons CO2e	1.07	0.95	0.71	In our 2021 ESG and Climate Risk Report, we set a Scope 1 GHG emissions intensity target of less than 12.5 mtCO2e / MBOE by 2025. Additionally, in our 2022 ESG and Climate Risk Report, we set a combined Scope 1 and 2 GHG emissions intensity target of less than 10 metric tons CO2e/MBOE by 2030.
<b>1.1.1</b>	Upstream-All GHGs	Million Metric Tons CO2e	1.07	0.95	0.71	We are pleased to report our Scope 1 GHG emissions intensity decreased from 26.03 mtCO2e/MBOE in 2019 to 17.26 mtCO2e/MBOE in 2021. In 2020, we also hired a third-party to provide limited assurance data verification for Scope 1, Scope 2 and Scope 3 GHG emissions.
<b>1.1.1.1</b>	Upstream-CH4	Million Metric Tons CO2e	0.51	0.39	0.20	Laredo has a goal of reducing methane emissions to <0.20% by 2025 (as a percentage of natural gas production). To achieve this target, we have piloted Continuous Emissions Monitoring Systems (CEMS) and an array of Internet-of-Things (IoT) devices combined with machine learning to detect and mitigate flaring and venting emissions related to our operations. Additionally, we are expanding our LDAR program from inspecting every site twice per year in 2022 to inspecting every site quarterly in 2023.
<b>1.1.1.2</b>	Upstream Flaring-All GHGs (subset of Scope 1)	Million Metric Tons CO2e	0.34	0.28	0.10	Laredo is committed to a goal of zero routine flaring by 2025. Our Scope 1 GHG emissions reductions this year were in part due to reducing volumes flared by 62% from 2019.
<b>1.1.1.3</b>	Volume of Flares	MMCF	2.21	0.96	0.96	
<b>1.1.2</b>	Midstream- All GHGs	Million Metric Tons CO2e	0	0	0	N/A
<b>1.1.2.1</b>	Midstream-CH4	Million Metric Tons CO2e	0	0	0	N/A
<b>1.1.3</b>	Downstream-All GHGs	Million Metric Tons CO2e	0	0	0	N/A
<b>1.1.4</b>	LNG-All GHGs	Million Metric Tons CO2e	0	0	0	N/A
<b>1.1.5</b>	Oil and Natural Gas Field Services-All GHGs	Million Metric Tons CO2e	0	0	0	N/A

1. In 2021, we closed on two acquisitions. The 2019 and 2020 Scope 1 emissions data published in this report has been recalculated to include emissions for these acquisitions.

API CODE	DESCRIPTION	UNIT OF MEASURE	METRIC (2019) <sup>1</sup>	METRIC (2020)	METRIC (2021)	RESPONSE	
<b>2. INDIRECT GHG EMISSIONS FROM IMPORTED ENERGY (SCOPE 2)</b>							
<b>2.1</b>	Indirect GHG Emissions from Imported Electricity + Heat + Steam + Cooling (Scope 2, Market-based)	Million Metric Tons CO2e	0.02	0.02	0.07	Laredo's Scope 2 GHG emissions are derived from electricity purchased from the ERCOT grid to power our upstream field operations.	
<b>2.1.1</b>	Upstream-All GHGs	Million Metric Tons CO2e	0.02	0.02	0.07		
<b>2.1.2</b>	Midstream-All GHGs	Million Metric Tons CO2e	0	0	0		N/A
<b>2.1.3</b>	Downstream-All GHGs	Million Metric Tons CO2e	0	0	0		N/A
<b>2.1.4</b>	LNG-All GHGs	Million Metric Tons CO2e	0	0	0		N/A
<b>2.1.5</b>	Oil and Natural Gas Field Services-All GHGs	Million Metric Tons CO2e	0	0	0		N/A
<b>3. GHG MITIGATION</b>							
<b>3.1</b>	GHG Mitigation from CCUS, Credits, and Offsets	Million Metric Tons CO2e	0	0	0	N/A	
<b>3.1.1</b>	Carbon Capture Utilization or Storage (CCUS)-All GHGs	Million Metric Tons CO2e	0	0	0	N/A	
<b>3.1.2</b>	Renewable Energy Credits-(RECs for Indirect Emissions)-All GHGs	Million Metric Tons CO2e	0	0	0	N/A	
<b>3.1.3</b>	Offsets-All GHGs	Million Metric Tons CO2e	0	0	0	N/A	
<b>5. ADDITIONAL CLIMATE-RELATED TARGETS AND REPORTING</b>							
<b>5.1</b>	GHG Emissions Reduction Target(s)		<p>In our 2021 ESG and Climate Risk Report, we set a Scope 1 GHG emissions intensity target of less than 12.5 mtCO2e / MBOE by 2025. Additionally, in our 2022 ESG and Climate Risk Report, we set a combined Scope 1 and 2 GHG emissions intensity target of less than 10 metric tons CO2e/MBOE by 2030.</p> <p>We are pleased to report our GHG emissions intensity decreased from 26.03 mtCO2e/MBOE in 2019 to 17.26 mtCO2e/MBOE in 2021. To mitigate “super emitter” events, we are piloting Continuous Emissions Monitoring and other IoT devices to monitor, detect and alert our field personnel should an emissions event occur. By doing so, we expect to minimize the duration and emissions associated with such an event. The deployment of advanced monitoring technology is congruent with our strategy to achieve our GHG emissions reduction targets by mitigating venting and flaring through advanced monitoring and detection, converting our pneumatic devices to non-vent or instrument air and electrifying portions of our field operations to minimize combustion related emissions.</p> <p>Furthermore, in 2022, we conducted LDAR inspections on every location twice annually, up from one visit to each facility in 2019 with the program to be expanded to quarterly LDAR inspections of all Laredo operated facilities in 2023. We expect to see continued progress toward our 2025 GHG emissions reduction targets and our ESG Management Committee and our Board's Nominating, Corporate Governance, Social and Environmental Committee will monitor our performance against these metrics.</p>				

API CODE	DESCRIPTION	UNIT OF MEASURE	RESPONSE
5.2	TCFD-informed reporting		<p>Laredo's climate scenario analysis demonstrates our low cost assets are resilient in a variety of climate scenarios.</p> <p>In 2021, we conducted our first scenario analysis under the Task Force on Climate-related Financial Disclosures (TCFD) framework to understand the potential impacts of climate change on our business operations and financial performance. In 2022, we expanded this analysis to include 1.5°C and net zero scenarios to further test the resiliency of our asset portfolio.</p> <p>The United States Energy Information Administration (EIA) and the International Energy Agency (IEA) both project oil and natural gas will remain a significant part of the global energy mix across several different scenarios. In the IEA Net Zero Emissions by 2050 Scenario, oil and natural gas are projected to account for 8% and 11%, respectively, of the world's primary energy demand, meaning even in a net zero scenario, oil and natural gas production will represent approximately 20% of future energy supply.</p> <p>Laredo's assets in the Permian Basin have a breakeven cost of \$43 per barrel (20:1 natural gas to oil ratio) for our near-term development plans, well below the median expected price of crude oil across six different net zero scenarios; thereby, demonstrating the resilience of our near-term development plans through 2030. Beyond 2030, our projected lease operating expense is \$10 per barrel, suggesting Laredo's assets and operations will deliver long-term cash flow, even in a net zero scenario. Accordingly, we are confident that our current asset portfolio will remain resilient in a low-carbon energy future.</p>
5.3	Additional Climate Reporting Resources		Please see Laredo's website for more <a href="#">information</a> .
<b>6. THIRD-PARTY VERIFICATION</b>			
6.1	Assurance Level	Limited	HXE Partners (HXE) was contracted by Laredo to provide independent, third-party verification of Laredo's Greenhouse Gas (GHG) emissions and methane emissions consumption inventory, for the calendar year (CY) 2019 Revision, 2020, and 2021, with responsibility for providing a limited level of assurance regarding their accuracy and completeness, in accordance with the ISO 14064-Part 3 verification standard.
6.2	Assurance Provider	HXE Partners	



# HUMAN CAPITAL METRICS

## EEO-1: 2021 DATA

API CODE	MINORITY CATEGORIES										
	FEMALE	MINORITY	TOTAL DIVERSE	WHITE	BLACK AFRICAN AMERICAN	HISPANIC OR LATINO	ASIAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	TOTAL
<b>EXECUTIVE / SENIOR MANAGERS</b>	<b>16.7%</b>	<b>0.0%</b>	<b>16.7%</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
FEMALE	2	0	2	2	0	0	0	0	0	0	
MALE		0	0	10	0	0	0	0	0	0	
<b>LEADERSHIP</b>	<b>29.8%</b>	<b>10.6%</b>	<b>40.4%</b>	<b>42</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>
FEMALE	14	0	14	14	0	0	0	0	0	0	
MALE		5	5	28	0	5	0	0	0	0	
<b>PROFESSIONALS<sup>1</sup></b>	<b>40.2%</b>	<b>21.6%</b>	<b>50.0%</b>	<b>80</b>	<b>4</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>102</b>
FEMALE	41	12	41	29	4	2	3	0	2	1	
MALE		10	10	51	0	7	1	0	2	0	
<b>ALL OTHERS<sup>2</sup></b>	<b>15.2%</b>	<b>39.3%</b>	<b>50.9%</b>	<b>68</b>	<b>3</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>112</b>
FEMALE	17	4	17	13	0	4	0	0	0	0	
MALE		40	40	55	3	36	0	0	1	0	
<b>TOTAL</b>	<b>27.1%</b>	<b>26.0%</b>	<b>47.3%</b>	<b>202</b>	<b>7</b>	<b>54</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>273</b>
FEMALE	74	16	74	58	4	6	3	0	2	1	
MALE		55	55	144	3	48	1	0	3	0	

## DIVERSITY

DIVERSE NEW HIRES	2019	2020	2021
BY %	38%	65%	43%
BY COUNT	28	7	36

TURNOVER RATE	2019	2020	2021
TOTAL TURNOVER RATE	34.2%	16.2%	18.3%
VOLUNTARY TURNOVER RATE	10.5%	3.8%	9.7%

EMPLOYEES	2018	2019	2020	2021
% Women	32%	29%	27%	27%
% Minority	19%	26%	25%	26%
Total Diversity	45%	49%	47%	47%

### DECREASING AVERAGE DIRECTOR TENURE AND INCREASED DIRECTOR INDEPENDENCE SINCE 2019

	2019	2020	2021	2022
INDEPENDENT DIRECTORS (NYSE STANDARDS)	78%	91%	89%	90%
AVERAGE DIRECTOR TENURE	7.3 Years	4.3 Years	3.3 Years	2.9 Years

1. Using the Department of Labor's Fair Labor Standards Act Exemption definition for Professionals, employees counted in this job category includes Professional, Administrative, Outside Sales or Computer-Related exempt jobs

2. Includes technicians, non-exempt administrative support works, craft workers, operatives, laborers and helpers, services workers and non-exempt sales workers.

## OTHER METRICS

### Safety Metrics

	2017	2018	2019	2020	2021
<b>TRIR - Combined</b> (Recordable Incidents / 200,000 Hours Worked)	1.20	1.19	0.86	0.74	1.44
<b>TRIR - Employees</b>	1.61	0.30	0.37	0.78	1.22
<b>TRIR - Contractor</b>	1.11	1.44	1.00	0.73	1.53
<b>LTIR - Combined</b> (Recordable Incidents * 200,000 Hours Worked / Total Hours Worked)	Not disclosed		0.86	0.74	1.00
<b>LTIR - Employees</b>	0.64	0.30	0.37	0.78	1.22
<b>LTIR - Contractor</b>	0.51	0.42	1.00	0.73	0.92
<b>DART - Combined</b> (Recordable Incidents Resulting in Days Away * 200,000 Hours Worked / Total Hours Worked)	Not disclosed				1.11
<b>DART - Employees</b>	0.96	0.30	0.00	0.39	1.22
<b>DART - Contractor</b>	0.66	0.93	0.56	0.29	1.07
Vehicle Incident Rate (Incidents / Million Miles Driven)	1.01	0.95	0.40	0.00	0.87
<b>FATALITIES - Combined</b>	0	1	0	0	0
<b>FATALITIES - Employees</b>	0	0	0	0	0
<b>FATALITIES - Contractor</b>	0	1	0	0	0

### Environmental

<b>FLARING RATE METRICS</b>	2017	2018	2019	2020	2021
Gross Annual Volume of Flared Natural Gas	409,206	1,060,656	2,205,971	961,706	992,551
<b>WATER RECYCLING</b>	2017	2018	2019	2020	2021
Freshwater Withdrawn (Barrels)	35 Million	33 Million	22 Million	21 Million	24 Million
Volume of Produced and Flowback Water (Barrels)	22 Million	28 Million	30 Million	27 Million	47 Million
Volume Recycled (Barrels)	6.4 Million	6.5 Million	11.8 Million	4.7 Million	8.5 Million
Percentage of Produced and Flowback Water Recycled	30%	23%	39%	17%	18%

### Advocacy

<b>INDUSTRY TRADE GROUP</b>	UNITS	2017	2018	2019	2020	2021
<b>INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA (IPAA)</b>	USD	\$ -	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
<b>AMERICAN EXPLORATION &amp; PRODUCTION COUNSEL (AXPC)</b>	USD	\$ -	\$ -	\$ -	\$ -	\$175,000.00
<b>NATIONAL PETROLEUM COUNSEL (NPC)</b>	USD	\$ -	\$29,035.00	\$29,035.00	\$17,421.00	\$17,421.00
<b>TEXAS OIL &amp; GAS ASSOCIATION (TXOGA)</b>	USD	\$ -	\$ -	\$ -	\$ -	\$20,000.00
<b>THE PETROLEUM ALLIANCE OF OKLAHOMA</b>	USD	\$ -	\$3,115.00	\$2,265.00	\$ -	\$5,000.00
<b>TOTAL</b>		<b>\$ -</b>	<b>\$52,150.00</b>	<b>\$51,300.00</b>	<b>\$37,421.00</b>	<b>\$237,421.00</b>

**INDEPENDENT VERIFICATION OPINION STATEMENT AT THE LIMITED ASSURANCE LEVEL FOR SELECTED GREENHOUSE GAS EMISSIONS, METHANE EMISSIONS AND APPLICABLE ENVIRONMENTAL DATA**

**SCOPE OF ENGAGEMENT**

HXE Partners (HXE) was contracted by **Laredo Petroleum, Inc. (Laredo)** to provide independent, third-party verification of Laredo’s Greenhouse Gas (GHG) emissions, methane emissions, water consumption and waste generation data, for the calendar year (CY) 2021 and selected data from 2019 and 2020, with responsibility for providing a **limited level of assurance** regarding its accuracy and completeness, in accordance with the **ISO 14064-Part 3** verification standard and the International Standard on Assurance Engagements **(ISAE) 3000 Revised**, Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our engagement covered Laredo operations across Permian Basin using the operational reporting method. The scope of our review included Laredo data sources encompassing:

- **All Scope 1** emission sources: Natural Gas Pneumatic Devices [98.236(b)], Natural Gas Driven Pneumatic Pumps [98.236(c)], Blowdown Vent Stacks [98.236(i)], Atmospheric Storage Tanks [98.236(j)], Flare Stacks [98.236(n)], Reciprocating Compressors [98.236(p)], Equipment Leaks Surveys and Population Counts [98.236(q,r)], Combustion Equipment at Onshore Petroleum and Natural Gas Production Facilities, Onshore Petroleum and Natural Gas Gathering and Boosting Facilities, Natural gas Distribution Facilities [98.236(z)] and fleet mileage.
- **All Scope 2** emission sources: Purchased electricity
- **Select Scope 3** emission sources: emissions from oil and gas products sold not included in Scopes 1 and 2
- Electricity consumption through utility bills.
- Water consumption through quarterly water data.
- Waste generation
- Other data sources as relevant

This engagement excluded data and information related to Laredo’s Oil Production (Net Operated, 2 stream), Wet Gas Production, Gross Annual Volume of Flared Gas and Gross Annual Volume of Vent Gas. Data sources and supporting documents provided (“data sources”):

- ESG Report 2022 Data Request (2021 Operations)
- Waste Manifest – Waste Calculation
- Quarterly Water Consumption

Laredo is responsible for collecting, analyzing, and presenting data sources provided to HXE Partners, as well as for maintaining effective internal controls over the systems from which the data is sourced. Data sources have ultimately been approved by and remain the responsibility of Laredo. HXE Partners is independent from Laredo and any of its affiliates, and has not performed data collection, estimation, or calculation of any of the metrics included in this statement. HXE Partners does not act as either management or employees of Laredo and this verification was conducted independently. The verification team has extensive experience in conducting verification over environmental data including GHG emission calculation methodologies and referenced standards.

The verification assessment, conducted in accordance with ISO-14064-Part 3: *Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements and the International Standard on Assurance Engagements (ISAE) 3000 Revised*, Assurance Engagements Other than Audits or Reviews of Historical Financial Information included:

- Verification of Laredo’s reporting methodologies for the GHG emissions, methane emissions and environmental related data sources with:
- The World Resources Institute / World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard (Revised Edition)*
- WRI/WBCSD Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- US EPA - Greenhouse Gas Reporting Program (GHGRP) - Subpart W – Petroleum and Natural Gas Systems
- Review that the data sources have considered sector guidelines
- Evaluation of the accuracy and reliability of provided data sources

**VERIFICATION PROCESS AND DOCUMENT REVIEW**

- As part of this assurance engagement, HXE conducted the following verification activities:
- Conducted an overarching strategic/risk analysis
- Generated and developed a verification plan and a data and information sampling plan
- Interviewed relevant employees at Laredo responsible for managing GHG emissions and environmental data and records
- Verified GHG emissions and environmental data and records at an aggregated level for calendar year 2021
- Reviewed Laredo’s data management systems, from data handling to internal verification procedures, to confirm that there were no significant errors, omissions, or misstatements in provided data sources
- Conducted materiality review of findings

HXE provided verification findings to Laredo which detailed the specific review tasks completed and which areas were flagged for clarification or improvement. Laredo has addressed all requests for clarification and has completed all necessary corrective actions. The following data has been fully verified.

**TABLE 1. SUMMARY OF LAREDO’S GHG EMISSIONS DATA FOR CALENDAR YEAR (CY) 2021:**

Scope of GHG Emissions	mtCO2e
Scope 1 GHG emissions	708,178
Scope 2 GHG emissions (location-based)	65,361
Scope 2 GHG emissions (market-based)	65,361
Scope 3 GHG emissions (Category 11 – Use of Sold Products)	14,720,777
Methane Emissions (Scope 1)	203,871
Methane Emissions as a Percentage of Natural Gas Production (mtCH4 / MCF)	0.32%

**TABLE 2. SUMMARY OF LAREDO’S ENVIRONMENTAL DATA FOR CALENDAR YEAR (CY) 2021:**

ENVIRONMENTAL DATA	CY 2021	UNITS
Energy Consumption	153,941,964	KWH
Freshwater Withdrawn	23,679,638	Barrels
Freshwater Consumed	23,679,638	Barrels
Volume of Produced Water	42,730,599	Barrels
Volume of Flowback Water	4,347,096	Barrels
Liquid Waste Generation	393.0	Cubic Meters
Solid Waste Generation	42.87	Metric Tons

**TABLE 3. SUMMARY OF LAREDO’S SCOPE 3 GHG EMISSIONS DATA FOR PREVIOUS YEARS:**

SCOPE 3 GHG EMISSIONS (CATEGORY 11 – USE OF SOLD PRODUCTS) – RECALCULATED DUE TO ACQUISITIONS	mtCO2e
CY 2019 - Recalculated	14,574,413
CY 2020 - Recalculated	14,451,860

**ASSURANCE FINDING**

Based on these review processes and procedures, nothing has come to HXE’s attention that would cause us to believe that Laredo has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Tables 1, 2, and 3 above

The opinion expressed is formed based on a **limited level of assurance** and at the materiality of the professional judgement of the verifier. Note the extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



On behalf of HXE Partners LLC  
**October 27, 2022**



IN JANUARY 2023 LAREDO  
PETROLEUM WILL BECOME  
VITAL ENERGY



PLEASE VISIT [LAREDOPETRO.COM](https://www.laredopetro.com) FOR MORE INFORMATION