

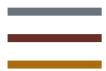


CORPORATE SUSTAINABILITY REPORT



2022

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2022

CHAIRMAN AND CEO LETTER

Dear Stakeholders,

We remain committed to earning our social and environmental license to operate, and take great pride in sharing the highlights of our efforts in these areas with you.

This 2022 Corporate Sustainability Report highlights many of the efforts we take to ensure the safety and success of our employees, our progress towards meeting our environmental goals and our commitment to the communities where we live and operate. Our sustainability priorities and goals focus on delivering best in class performance and best in class disclosure of our results.

- » **Climate:** Achieved a 15% year-over-year reduction in greenhouse gas intensity. Additionally, we reduced our methane and flaring intensity by 24% and 26%, respectively, as we make strong progress on those respective goals.
- » **Water:** Employed 29% recycled water in our operations, as we head to our target over 65% by 2025.
- » **Safety:** Realized our safety goal of a total incident rate at or below 0.25.

Net Zero Now

In 2021, we set a goal that every hydrocarbon molecule produced by Diamondback from January 1, 2021 forward would be produced with zero net Scope 1 GHG emissions, which we will achieve by both reducing our carbon footprint and purchasing certified carbon offsets. Our priority is to reduce our operated emissions, and to utilize carbon offsets as a bridge while we work to continually reduce our carbon footprint. In early 2022, we retired carbon credits to offset 1.2 million metric tons of CO₂e to compensate for our 2021 Scope 1 emissions.

Leading Our People

At Diamondback, we believe our business success is achieved through our disciplined commitment to a culture of excellence, efficiency and low cost structure. We are committed to doing business in the right way—focused on our five core values of integrity, leadership, excellence, people and teamwork.

We have the responsibility and privilege to provide our approximately 870 employees with the opportunity to grow and succeed at Diamondback. We provided nearly 9,300 hours of training in 2021 for skill and technical development, and expanded programs throughout the year to educate our leaders and employees on inclusive practices. The character and culture created by our employees is a source of richness and strength.

We view our environmental, social and governance (ESG) approach discussed within this report as integral to our business strategy. Today, we know these topics are important to our stakeholders, and they form the backbone of our operating philosophy.

Thank you for your interest in Diamondback Energy.

Sincerely,



Travis D. Stice
Chairman and CEO



AT A GLANCE

DIAMONDBACK ENERGY AT A GLANCE



Diamondback Energy, Inc. (the “Company” or “Diamondback”), is an independent oil and natural gas company headquartered in Midland, Texas, focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basin in West Texas.

Our upstream operations are primarily focused on horizontal development of the Spraberry and Wolfcamp formations of the Midland Basin and the Wolfcamp and Bone Spring formations of the Delaware Basin, both of which are part of the larger Permian Basin in West Texas and New Mexico. Additionally, our publicly traded subsidiary, Viper Energy Partners LP, owns mineral interests in the Permian Basin and Eagle Ford Shale. Our midstream operations are focused on ownership, operation, development and acquisition of midstream infrastructure assets in the Midland and Delaware Basins of the Permian Basin.

\$6.8B

2021 REVENUE

445.8K

NET ACRES

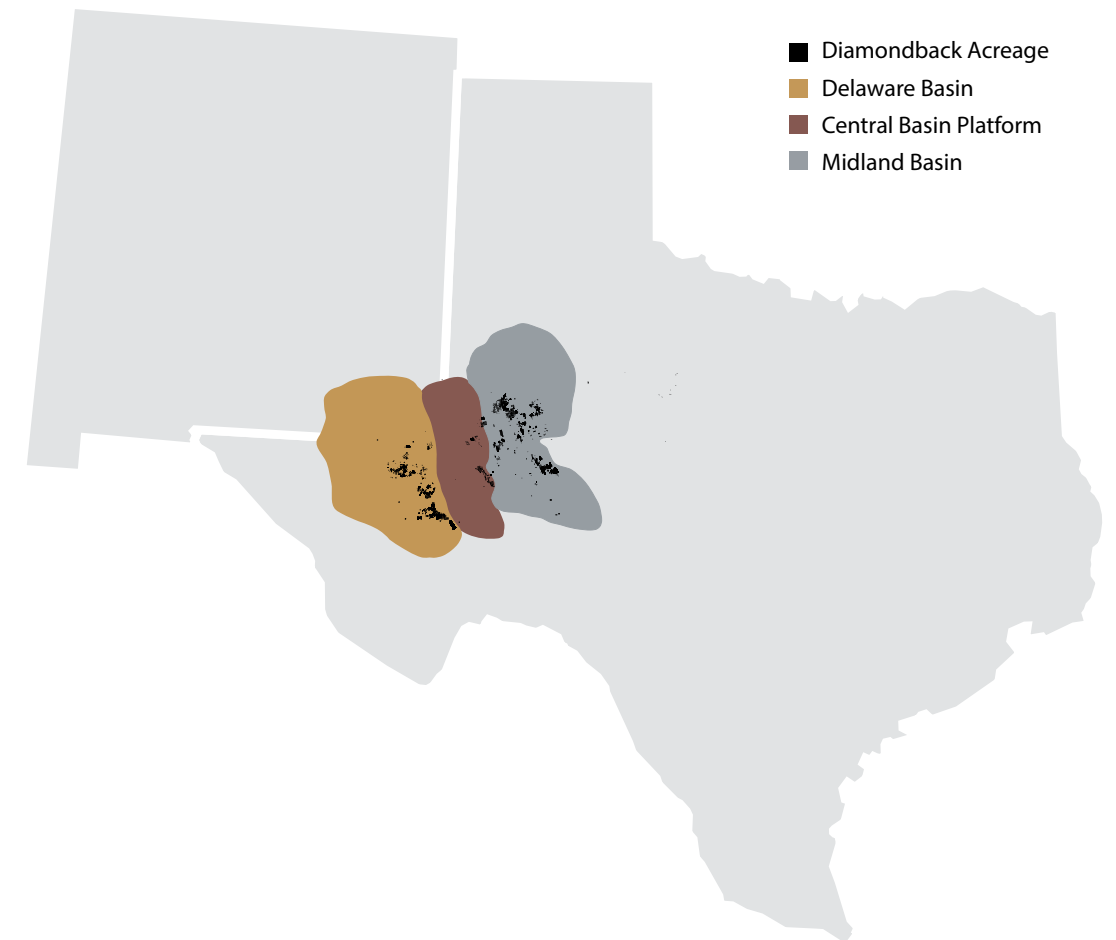
870

EMPLOYEES

1.8B

MBOE ESTIMATED PROVED OIL
AND NATURAL GAS RESERVES

Diamondback Permian Basin Acreage



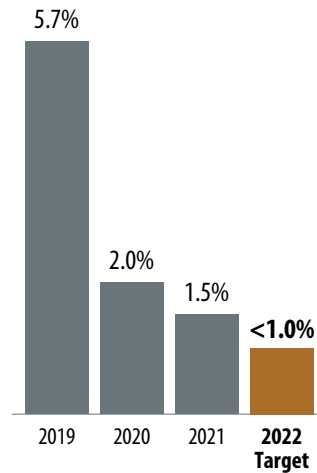
Environmental Strategy Highlights

ENVIRONMENTAL TARGETS	“NET ZERO NOW”	INCENTIVE COMPENSATION
<div>» Reduce Scope 1 greenhouse gas (GHG) intensity per BOE produced by at least 50% from 2019 levels by 2024</div> <div>» Reduce methane intensity by at least 70% from 2019 levels by 2024</div> <div>» Eliminate routine flaring (as defined by the World Bank) by 2025</div> <div>» Source >65% of water used for operations from recycled sources by 2025</div> <div>» Reduce Scope 1+2 GHG Intensity per BOE produced by at least 50% from 2020 levels by 2030</div> <div>» Implement Continuous Emissions Monitoring Systems (CEMS) on Diamondback facilities to cover over 90% of operated oil production by the end of 2023</div>	<div>» Since January 1, 2021, every hydrocarbon produced by Diamondback has been produced with zero net Scope 1 emissions</div> <div>› Diamondback has purchased voluntary carbon offsets that are registered in the American Carbon Registry</div> <div>› Intend to eventually invest in income-generating projects that are expected to more directly offset remaining Scope 1 emissions</div>	<div>» ESG has a 25% weighting in management's scorecard for 2022</div> <div>› Component determined by meeting or exceeding the following five key environmental and safety metrics:</div> <div><div>• Flaring intensity</div><div>• GHG emission intensity</div><div>• Recycled water percentage</div><div>• Produced liquid spills</div><div>• Total Recordable Incident Rate (“TRIR”)</div></div>

DIAMONDBACK SUSTAINABILITY TARGETS

NATURAL GAS FLARING

(% of Gross gas flared/gross gas produced)

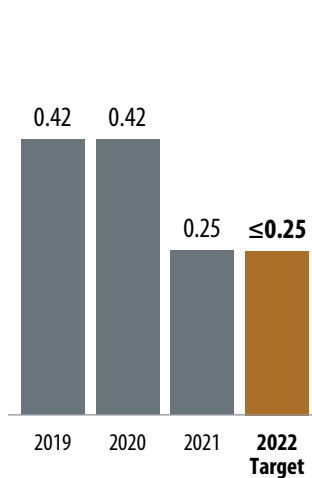


2022 GOAL:

Flare <1.0% of gross gas

WORKPLACE SAFETY

(Employee TRIR)

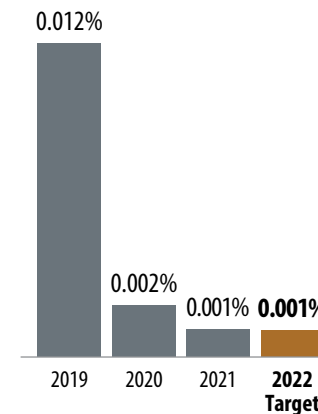


2022 GOAL:

TRIR at or below 0.25

PRODUCED LIQUID SPILLS (LESS RECOVERED)

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

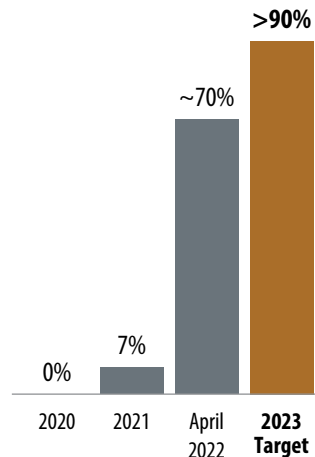


2022 GOAL:

<0.001% of net produced liquids

OPERATED OIL PRODUCTION WITH EMISSIONS MONITORING

(% of operated oil production monitored)

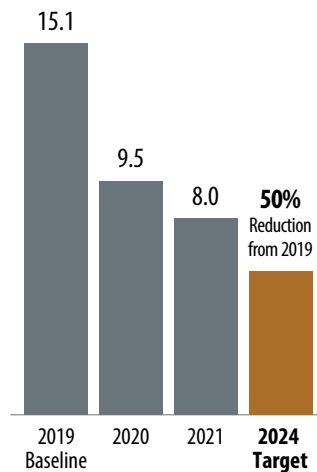


2023 GOAL:

>90% of operated oil production

SCOPE 1 GHG INTENSITY

(mt CO₂e/gross MBOE produced)

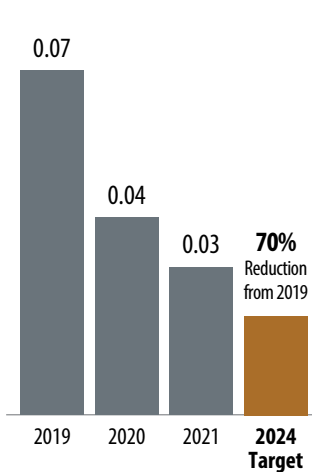


2024 GOAL:

Reduce 2019 intensity by 50%

METHANE INTENSITY

(mt CH₄/gross MBOE)

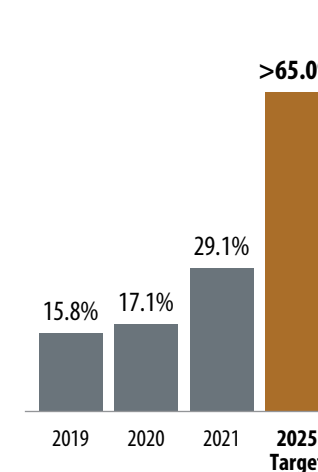


2024 GOAL:

Reduce 2019 intensity by 70%

RECYCLED WATER USAGE

(% of Recycled water/total water used)

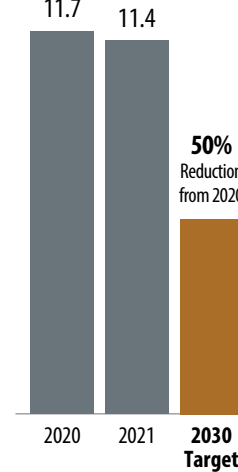


2025 GOAL:

>65% water recycling

SCOPE 1+2 GHG INTENSITY

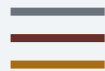
(mt CO₂e/gross MBOE produced)



2030 GOAL:

Reduce 2020 intensity by 50%

OUR APPROACH TO SUSTAINABILITY



Diamondback embraces the opportunity to be a leader in environmental practices, safeguarding the areas where we live and operate. Diamondback continues to deliver on its core values through the safe and responsible development of our resources in the Permian Basin. Our approach to environmental, social and governance matters is highlighted by our commitment to protect our people, operate responsibly, improve our communities and practice sound governance. We know that our long-term success is based on our ability to efficiently and safely develop our resources and as such, have an unwavering commitment to better the communities where we live and work.

At its core, our environmental strategy reflects that the world is transitioning to a lower carbon economy. Many of the foremost authorities on energy demand forecast that oil and gas will continue to account for a substantial portion of global energy demand in even the most carbon-constrained projections. We embrace our role in providing the safest, cleanest barrels of oil possible and continue to adapt our work processes to succeed in the new energy economy.

We have taken a number of significant steps on our path to being an industry leader on ESG matters. We have included specific, measurable environmental and safety performance metrics in our short-term incentive compensation program that incentivize performance on key metrics, including flaring, GHG emissions, recycled water usage, fluid spill control and safety. In 2021, we increased the weighting of current environmental and safety performance metrics for determining annual STI compensation from 15% to 20%, and to 25% for 2022.

Our sustainability strategy and goals are reviewed and approved by our executive management team, with guidance from our Board of Directors through the Safety, Sustainability and Corporate Responsibility (SSCR) Committee maintaining ultimate oversight.

Identifying Material Sustainability Priorities

We focus our corporate responsibility strategy and initiatives in areas that are materially relevant to our business performance and where we can make a

significant positive impact. In doing so, we are guided by feedback from our stakeholders and third-party frameworks, including the Sustainability Accounting Standards Board (SASB), Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative (GRI), International Petroleum Industry Environmental Conservation Association (IPIECA) and American Exploration and Production Council (AXPC).

Our material topics, detailed throughout this report, include:

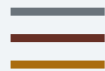
- » **ENVIRONMENTAL RESPONSIBILITY** encompassing climate change, GHG and emissions, flaring, water usage and recycling, spills and spill management, waste and biodiversity
- » **MANAGING AND REDUCING RISKS** through our attention to safety, security and emergency preparedness
- » **GOVERNANCE AND BUSINESS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

Sustainable Development Governance



SUSTAINABILITY

OUR APPROACH TO SUSTAINABILITY



Engaging our Stakeholders

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

STAKEHOLDERS	ACTIVITIES AND OPPORTUNITIES
Stockholders	<ul style="list-style-type: none">» Engaging at least annually for insights and suggestions regarding our corporate governance standards, compensation and sustainability efforts» Met with investors representing approximately 46% of outstanding shares as of June 30, 2021, including seven of 10 largest stockholders
Diamondback employees	<ul style="list-style-type: none">» Regular two-way employee communications» Skills training and professional development courses» Leadership development programs
Community members	<ul style="list-style-type: none">» Interaction and outreach through volunteer programs, service projects and other events» Support of new and expanded learning opportunities in local school districts» Members of the Permian Strategic Partnership, an organization focused on addressing current and future challenges in Permian Basin communities
Surface and mineral interest owners	<ul style="list-style-type: none">» On-site visits with property owners when planning new or expanded projects» Access to our owner relations team
Regulatory agencies	<ul style="list-style-type: none">» Ongoing communication with federal, state and local agencies» Support for development of industry-relevant public policy
Board of Directors	<ul style="list-style-type: none">» Regular briefings to the Board and SSCR Committee from management on corporate responsibility and ESG strategies» Review of ongoing risks and opportunities related to sustainability practices
Supply chain partners	<ul style="list-style-type: none">» Regular screening and evaluation of contractors» Guidance and support in meeting our performance and compliance standards» Vendor audits
ESG research providers	<ul style="list-style-type: none">» Conversations to better understand ESG standards and how performance is assessed» Consideration of performance measures in reporting» Progress updates on new disclosures

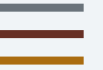
About This Report

This is the fifth annual corporate sustainability report for Diamondback Energy, Inc. Except where otherwise noted, the scope of this report comprises all consolidated operations and includes data through December 31, 2021. This includes operations at our midstream subsidiary, Rattler Midstream LP (“Rattler”), but does not include operations at our public mineral and royalty subsidiary, Viper Energy Partners LP (“Viper”), as Viper does not have physical oil and gas operations.

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



MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE



We understand that the world is undertaking an energy transition, and we understand the timing and scale of this transition to a lower-carbon economy remain uncertain, which poses a business risk to our Company. Diamondback’s approach to our role in mitigating climate risk is aligned with the TCFD recommendations for analyzing the potential impacts of climate-related risks and opportunities to our business. The TCFD provides a framework of recommended disclosures for companies like Diamondback. The TCFD framework allows us to evaluate and communicate to our stakeholders how we believe our oil and gas portfolio could be impacted by this energy transition using different assumptions over time.

Governance

Board Oversight

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

The Board believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. Our Board of Directors meets regularly with our Chairman of the Board and Chief Executive Officer and our President and Chief Financial Officer to discuss strategy and risks facing the Company, including climate-related risks. Our executive officers regularly attend Board meetings and are available to address any questions or concerns raised by the Board on risk management and any other matters. Our Chief Operating Officer has also appointed a Director of Safety and Sustainability, and members of our management team periodically attend Board meetings or are otherwise available to confer with the Board to the extent their expertise is required to address risk management matters. Periodically, our Board of Directors receives presentations from senior management on strategic matters involving our operations.

Additional information regarding the Board’s role in risk oversight including climate-related risk is included in our [2022 Proxy Statement](#).

Management Oversight

Our executive management team sets our sustainability and business strategies, approves goals, provides resources to meet performance targets and has oversight of our sustainability practices, including our approach on climate. Our Board of Directors annually approves the capital investment budget based on the recommendation of the executive management team, including investments in technology to reduce emissions. In 2021, we approved and allocated \$15 million per year through 2024 to investments in technology to reduce emissions.

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

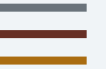
Strategy

Climate-related Risks and Opportunities

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

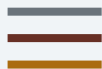


MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE



RISK TYPE	DESCRIPTION
Current Regulation	Diamondback monitors the status of existing and emerging GHG regulations and the potential impact they might have on our business by performing multiple scenario analyses to test the resiliency of our portfolio. There has been new legislation introduced and proposed at the federal and state levels to quantify and limit GHG emissions. The Environmental Protection Agency and the Bureau of Land Management have issued regulations to control methane emissions in our industry.
Emerging Regulation	Diamondback closely follows emerging and proposed regulations. We believe that our current operating plan accounts for stricter monitoring and regulation of emissions and methane than currently required. Diamondback's 2024 emissions reduction targets (GHG intensity and methane intensity) drive the majority of decisions related to responsible development, and we believe that these targets will keep us ahead of emerging regulatory risks.
Technology	Diamondback has cross-functional employees who analyze new and emerging technologies for emission monitoring and control. We believe the use of these technologies is pertinent to operating in an environmentally responsible manner. We also hold quarterly round-table discussions with our engineering- and infrastructure-related field personnel to seek out design changes to better capture emissions moving forward.
Legal	Diamondback closely monitors and manages potential legal risks, including those related and unrelated to climate change.
Market	Diamondback's revenues, operating results, profitability, future rate of growth and the carrying value of our oil and natural gas properties depend significantly upon the prevailing prices for oil and natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors that are beyond our control. These factors include, but are not limited to, the price and availability of alternative fuels, conservation measures and technological advances that could reduce demand for our products. Diamondback evaluates climate risk using scenario analyses of technology and market conditions that consider supply, demand and pricing scenarios at least as challenging as IEA's Sustainable Development Scenario. These scenario analyses are an important tool used by management and Diamondback's Board of Directors to create our annual and long-term operating plans.
Reputation	Diamondback's reputation could decrease or increase our cost of doing business, depending on the perception of various stakeholders. The potential risks as set forth in the TCFD include risks tied to changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.
Acute Physical	Diamondback considers acute physical risks (including floods, tornadoes and hurricanes) in our risk assessments. As with other oil and gas operators, Diamondback's operations can be affected by extreme weather conditions. We currently do not see any acute physical risks affecting our business any more than normal operations. We consider extreme weather conditions when modeling our business plan and are confident in our ability to continue operations in those scenarios.
Chronic Physical	Diamondback does not anticipate chronic physical risks impacting our business in the short-, medium- or long-term time frame. We currently do not see any chronic physical risks (including sea level rise or chronic heat waves) affecting our business any more than normal operations.

MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE



OPPORTUNITY TYPE	DESCRIPTION
Use of lower-emission sources of energy through full-field electrification	<p>Diamondback incorporates a strategy of having electrical infrastructure in place prior to placing new wells on production. This is done through the collaboration of a multi-functional team of facilities engineers, land representatives, reservoir engineers and completion engineers that plan Diamondback’s development and associated infrastructure needs. Through weekly discussions, these teams have been able to provide line power to a significant number of wells Diamondback has completed since 2019.</p> <p>In 2022, Diamondback drilled its first well using a drilling rig powered by line power. We are also planning to use an electrical frac fleet (“e-fleet”) in Q4 2022 and another in early 2023. While both of these activities are expected to reduce our emissions, they also may reduce our capital costs.</p>
Reduced water usage	<p>Diamondback has long been committed to recycling water from our production operations. We primarily reuse produced water for our completion operations, limiting the amount of freshwater sourced for our development plan. In addition to recycling efforts, we have also placed a premium on sourcing water that is not compatible for farming or ranching activities (brackish water). By doing so, we continue to lower our impact on municipalities and reduce our use of freshwater. The combination of brackish and recycled water accounted for approximately 80% of all water usage by the Company in 2021, and we expect this number to continue to increase over time.</p>
Increased revenues through gas captured rather than flared	<p>Diamondback believes reducing flaring is vital to the success of our Company and our industry, and excessive flaring can be a major impediment to a successful upstream business plan. To date, we have been able to nearly eliminate all occurrences of flaring due to operational issues. We have also worked with our midstream business partners to ensure that we have adequate takeaway in place prior to our wells coming on line. By doing so, we are able to reduce the amount of gas flared, increase our revenue and decrease our environmental footprint.</p> <p>We also plan to install CEMS technology to monitor over 90% of our operated oil production by the end of 2023, which will allow us to find and repair emissions leaks in a more timely manner.</p>

Impact on Strategy

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

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

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

MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE

Climate Resilience

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

In order to analyze potential risks to Diamondback’s oil and gas portfolio in a carbon-constrained environment, we utilized the IEA World Energy Outlook (WEO) published in October 2021 to examine various supply-and-demand scenarios through 2050. We utilized two WEO scenarios to test the resilience of our portfolio: Stated Policies Scenario (STEPS) and the Sustainable Development Scenario (SDS), which encompasses an energy consumption pathway that limits global increases in temperature to less than 1.65 degrees Celsius with a 50% probability and without relying on global net-negative CO₂ emissions.

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

Diamondback operates exclusively within the lower-cost Permian Basin

Diamondback operates entirely within the Permian Basin that spans West Texas and southeastern New Mexico. The Permian Basin encompasses several sub-basins, including the Midland Basin and the Delaware Basin. In its May 2022 report, “JPM Shale Economics,” J.P. Morgan identifies the

Midland Basin as one of the most economic North American onshore oil resource plays, with an estimated oil price breakeven cost of approximately \$41 per barrel as of May 2022. In the same report, J.P. Morgan estimated the Delaware Basin oil price breakeven cost to be approximately \$43 per barrel.

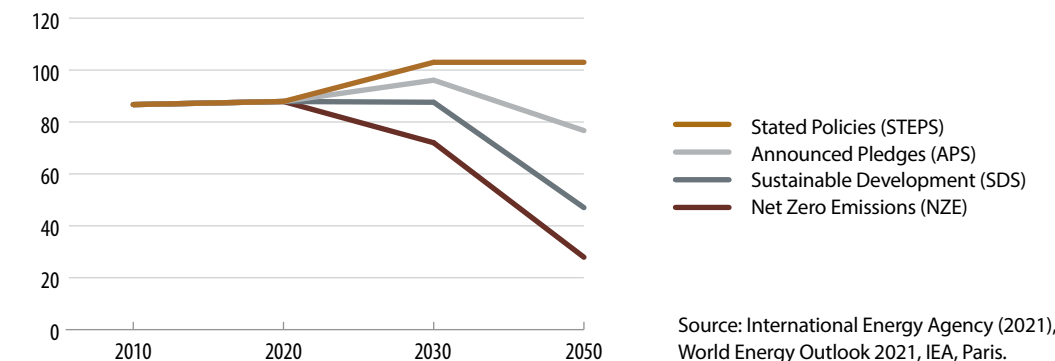
Diamondback is a leading low-cost operator among North American oil shale players

To corroborate the results found by J.P. Morgan in its 2022 breakeven analysis, we performed an internal study and found that our asset base is profitable down to approximately \$32 per barrel. This was calculated as the per-barrel WTI oil price needed to generate enough cash flow to fund the capital required to maintain our estimated Q4 2022 oil production through 2023. Diamondback went a step further and calculated over 8,400 economic drilling locations at an assumed price of \$40 WTI (~20% below the 2050 SDS price of \$50 per barrel). This implies that at Diamondback’s current completion pace, we could drill economic wells for approximately 31 years, beyond the 2050 timeline of the SDS.

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

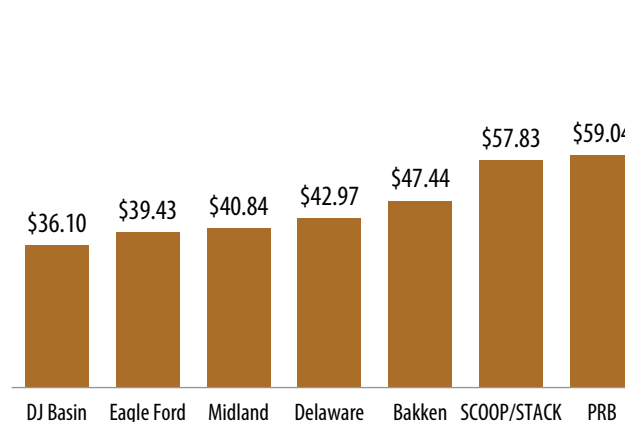
OIL DEMAND BY SCENARIO

(MMBBL/d)



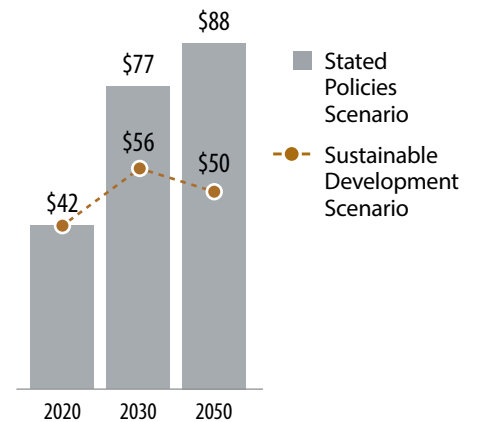
FULL-CYCLE OIL BREAK-EVENS ASSUMING 15% BTAX IRRS

(\$/BBL)



IEA CRUDE OIL PRICE ESTIMATES

(\$/BBL)



MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE

Risk Management

As an exploration and production company, we face a number of risks, including climate-related risks. Management is responsible for the day-to-day management of risks we face as a company, while our Board of Directors, as a whole and through its committees, is responsible for the oversight of risk management. In its risk oversight role, our Board of Directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

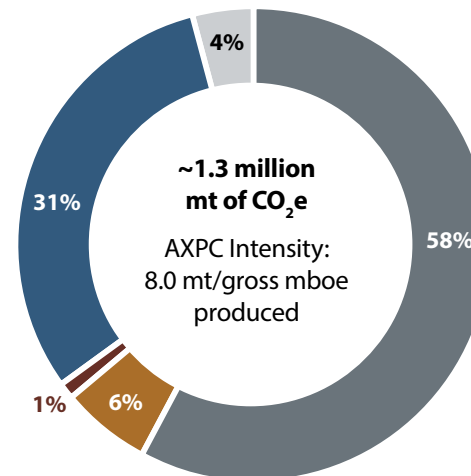
As discussed above, our Board of Directors believes that full and open communication between management and the Board of Directors is essential for effective risk management and oversight. Our Chairman and Chief Executive Officer meets regularly with our President and Chief Financial Officer, Chief Operating Officer and senior Executive Team to discuss strategy and risks facing the Company, including climate-related risks. Our executive officers regularly attend Board meetings and are available to address any questions or concerns raised by the Board on risk management and any other matters. Other members of our management team periodically attend Board meetings or are otherwise available to confer with the Board to the extent their expertise is required to address risk management matters. Periodically, our Board of Directors receives presentations from senior management on strategic matters involving our operations. During such meetings, our Board of Directors also discusses strategies, key challenges and risks and opportunities for the Company with senior management.

Metrics and Targets

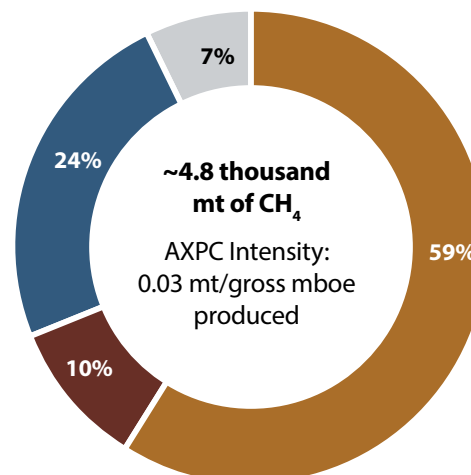
Metrics

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

2021 SCOPE 1 GHG EMISSIONS



2021 METHANE EMISSIONS



COMBUSTION EQUIPMENT:

Drivers: encompasses all drilling rigs, completion crews, workover rigs, generators and gas engine driven compressors.

Initiatives: Remove / replace >200 electrical generation and natural gas driven compression units by 2023; continue electrical substation construction efforts; first electric drilling project began in February 2022.

EQUIPMENT LEAKS:

Initiatives: As of April 30, 2022, Diamondback has installed Continuous Emissions Monitoring Systems that cover approximately 70% of our operated oil production and monitor methane emissions, carbon monoxide and hydrogen sulfide (H₂S) in real time. Diamondback has a target to increase this monitoring effort to cover over 90% of operated oil production by the end of 2023.

GAS PNEUMATIC DEVICES:

Drivers: >1,000 total tank batteries; legacy batteries run off gas pneumatic systems; 50% of our current horizontal batteries use air compression.

Initiatives: Air pneumatics installed on new batteries; plan to spend ~\$60 million from 2021–2024 to retrofit most batteries with air pneumatics and other related projects.

FLARE STACKS:

Drivers: flaring at the wellhead primarily due to take-away/third party issues.

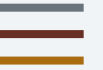
Initiatives: Minimize flaring; ~1.5% of gross gas produced in 2021; down nearly 75% from ~5.7% in 2019; continue work and negotiations with third party gatherers to ensure optimized uptime.

ATMOSPHERIC STORAGE TANKS AND OTHER:

Drivers: encompasses tanks at all batteries; primarily dependent on volume moving through facilities

Initiatives: first tankless facility online in January 2022; limited tank design proven successful, expanding scope throughout 2022

MANAGING CLIMATE AND TRANSITION RISK – TCFD DISCLOSURE



TARGETS

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

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

“Net zero now” Commitment

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

Diamondback recently retired carbon credits to offset nearly 1.2 million metric tons of CO₂e emitted during 2021. We secured voluntary carbon offsets that are registered in the American Carbon Registry. The projects associated with these offsets include the capture, transportation and sequestration of carbon dioxide in Texas and Wyoming.

UNITED IN DRIVING SUSTAINABLE PRACTICES

Diamondback continues to work with The Environmental Partnership, comprised of more than 90 companies in the oil and gas industry committed to continuously improving environmental performance. This group collaborates on initiatives to reduce emissions of methane and volatile organic compounds from industry operations.



Since 2020, we helped drive The Environmental Partnership's efforts to improve leak detection and repair (LDAR) practices across oil and gas production sources. We also took a lead role in encouraging member companies to replace all high-bleed pneumatic controllers with low- or zero-bleed technologies.

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

- » American Exploration & Production Council
- » American Petroleum Institute
- » Permian Basin Petroleum Association
- » Permian Basin Water Management Council
- » Texas Oil & Gas Association



We are committed to developing our resources sustainably and minimizing the environmental impact of our operations. We are dedicated to performing these duties in compliance with applicable federal, state and local laws, including laws regulating emissions of greenhouse gases, such as methane. We take actions beyond those required by law to reduce emissions and freshwater use, and make significant investments in infrastructure to reduce our environmental impact.

Environmental Management

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

We utilize our EHS system to track environmental performance, including maximizing response to flaring events, methane leaks and spills. This tool provides trend data to our management and operational teams, enabling proactive oversight and corrective action to achieve continuous improvement.

Our operations are subject to stringent environmental laws and regulations, including those related to waste handling and remediation of hazardous substances, water discharge and air emissions. We complete compliance audits for all newly acquired facilities in accordance with the Texas Environmental, Health, and Safety Audit Privilege Act.

In 2021, we made an incremental investment in our team by adding additional staff to our Environmental Management group. As part of our environmental programs, we provide training to our employees in our operating procedures and compliance. We continually investigate, evaluate and incorporate BACT, wherever feasible, to reduce or prevent adverse environmental impacts from our operations.

Our annual short-term incentive compensation opportunity for all employees throughout the Company includes metrics regarding achievement of our environmental responsibility targets. This compensation change was expanded in 2021 to a 20% weighting and again in 2022 to 25%.

Energy Use and Emissions

Diamondback is committed to reducing our energy consumption and lowering its greenhouse gas emissions. We implement various emissions controls, detection and repair objectives in order to honor this commitment.

In 2021, we trialed four different technology systems to establish continuous monitoring and response in our operations. Data collection and alarm capabilities allow us to rapidly identify and respond to leaks associated with equipment malfunction or failure prior to an extended release. The data we collect from these systems enables us to enact preventative maintenance plans.

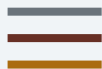
Our goal is to implement real-time continuous monitoring of emissions to cover at least 90% of operated oil production by the end of 2023. As of April 30, 2022, approximately 70% of operated oil production was under continuous monitoring. To monitor our facilities for fugitive emissions, we have implemented a wide range of practices including on-the-ground inspections, dedicated field staff who use Forward Looking InfraRed (FLIR) cameras to monitor our assets daily and repair any leaks identified and flame sensor technology for real-time monitoring.

Our team is focused on our 2022 goal of less than 1% flaring and frequently comes within that range. Our internal auditing program provides additional reinforcement of these practices.

Electrification of Combustion Sources

We are expanding our use of electricity-powered compressors, which emit less GHG compared to natural-gas-fueled equipment. In 2021, we successfully moved over 75 megawatts from generated power to high line power. In Q1 2022, we drilled our first well on electricity supplied directly from power lines instead of through a generator. We expect to expand this program into 2023 wherever feasible.

We use renewable energy in the form of solar-powered pumps for chemical delivery, automated valves (where appropriate) and lighting. We are currently exploring opportunities for more solar installations throughout our operating fields to meet our electricity needs with renewable power.



Key Programs to Reduce Emissions

SOURCE	ACTIVITY	ACTIONS
Equipment leaks	Leak detection and repair (LDAR)	<div>» In 2021, launched trials of four different technology systems to establish continuous monitoring and response in our operations; implemented continuous monitoring covering approximately 70% of operated oil production as of April 30, 2022 and >90% by the end of 2023; all new build batteries will have real-time continuous monitoring</div> <div>» In 2021, created FLIR teams in Operations and Air Compliance to increase frequency of leak detection monitoring</div> <div>» Monthly inspections and reporting</div>
Flaring	Routine	<div>» Connect all new wells to sales pipelines prior to bringing wells online</div> <div>» Shut in oil production to prevent or limit flaring wherever possible</div> <div>» Obtain multiple sales connections wherever feasible</div>
	Non-routine	<div>» Improve third-party maintenance planning</div> <div>» Reduce third-party downtime</div> <div>» Resolve third-party capacity constraints</div> <div>» Shut in oil production to prevent or limit flaring wherever feasible</div>
Combustion	Electrical generation	<div>» Replaced gas-powered generators with line power for >85% of our overall load through Q2 2022</div> <div>» Installing electric drive compression whenever operationally feasible</div> <div>» Active replacement of existing natural gas combustion compression fleet with electric</div> <div>» Drilled our first well using a rig powered by line power in 2022</div> <div>» Plan to begin using an e-fleet in Q4 2022</div>
	Gas-lift engines	<div>» Since 2021, we have eliminated >425 gas-powered generators and compressors</div>
Atmospheric storage tanks	Oil-tank emissions	<div>» Have employed vapor recovery towers and vapor recovery units as part of standard facility design since 2014</div> <div>» Installed 16-ounce tanks to drive remaining flash gas to combustors</div>
Natural gas pneumatic devices	Device actuating	<div>» Continued to replace natural gas controllers with compressed air units; plan to replace nearly all natural gas controllers with compressed air units</div> <div>» Installation of air compressors in lieu of natural gas controls at all new facilities</div>

Methane Detection and Monitoring



Scientific Aviation:
We installed four methane detectors at each corner of our facility to monitor and alert us in case of a leak. The system takes methane readings every second.



LongPath Technologies:
A centralized laser that rotates 360 degrees several times a day was installed in our facility. The laser is used to detect methane in a 2.5 mile radius.

TARGETING ZERO ROUTINE FLARING

Historically, natural gas flaring has been the largest source of Diamondback's GHG emissions. As such, our focus has been on minimizing gas flaring. We have set a short-term target for 2022 to flare less than 1% of our gross natural gas production and will continue to set short-term targets in our Company STI scorecard. Our long-term goal is to eliminate routine flaring (as defined by the World Bank) by 2025 while taking into consideration the safety of our operations.

We flared approximately 1.5% of our gross natural gas produced in 2021 compared with approximately 5.7% in 2019—a nearly 75% reduction. Much of Diamondback's flaring in 2021 stemmed from the activities of our third-party midstream gatherers and processors. We continue to work with our midstream providers by implementing operational and commercial solutions to incentivize performance. Diamondback also actively works to obtain multiple gas sales connections at our larger gas producing batteries wherever possible, which allows us to sell gas to the secondary outlet and minimize flaring in the event a third-party gatherer and processor has planned maintenance or experiences a force majeure event.

We are committed to solutions-oriented discussions with our midstream partners to remedy areas of poor performance, but we need them to commit to the same level of environmental responsibility expected of us as the operator. While these solutions often reduce our cash flow, we have commercially incentivized our third-party gatherers to move our gas to market. We seek to renegotiate contracts with our midstream providers to fix fees wherever possible, as this fee structure removes the potential for gatherers to elect not to take our gas for economic reasons.

We have also proactively shut in or curtailed oil production to limit or minimize flaring due to third-party downtime or lack of sufficient takeaway. While such actions decrease Diamondback's oil production and impact our revenue, we believe they are necessary in setting the example that industry behaviors must change to eliminate routine flaring.

Water

Diamondback is dedicated to the responsible use of water. Our commitment to being good stewards of water is managed by our Chief Operating Officer and Senior Vice President of Midstream Operations. Our target is to source over 65% of our water used for drilling and completion operations from recycled sources by 2025. In Q1 2022, we achieved a milestone of 39.2%.

We recognize that our operations are primarily located in a water-scarce region. As such, we aim to minimize our draw on local resources, particularly our communities' available supply of freshwater. We use the World Resources Institute's Aqueduct Water Risk Atlas to categorize scarce water zones in our operating area. This tool helps guide us to make environmentally responsible decisions for future water needs.

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

PARTNERSHIPS FOR GREATER IMPACT

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



WATER USAGE	2021	2020
Total water used in operations (MBBL)	133,284	103,424
Brackish water used in operations	67,981	61,249
Recycled water used in operations	38,733	17,689
Freshwater used in operations	26,570	24,486
AXPC Water Metrics		
Freshwater Intensity (MBBL/Gross MBOE)	0.17	0.20
Water Recycle Rate (MBBL/MBBL)	29.1%	17.1%

For more details on Diamondback’s water-management program and processes, please refer to our [2022 CDP Water Security response](#).

Effluent

We are committed to reducing and managing our effluents. Currently, more than 98% of our produced water is handled via pipelines, and we continue to increase that percentage. Additionally, we currently conduct 100% of our water movement for completion operations via pipeline. As part of our EHS management system, we monitor effluent performance. Any incidents are investigated as part of our continuous improvement process.

Managing Induced Seismicity

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

Spill Prevention

Diamondback is dedicated to preventing the release of fluid from containment as part of our commitment to protect our employees, our communities and the planet. We hold ourselves accountable to exceed industry standards for effluent management, as well as spill prevention control and countermeasures. Our 2022 target is a spill rate less than 0.001% of the gross barrels of produced liquids net of recovered barrels, and we will continue to have a short-term goal in our future Company scorecards.

Spill-prevention controls and countermeasures are ingrained in our operational culture. We are committed to installing properly designed equipment, inspecting facilities regularly, implementing a vigorous preventative maintenance program and ensuring our employees follow appropriate handling practices. A multifunctional team gathers monthly to review any spills, verifying their classifications, failure mechanisms and locations. We use a comprehensive dashboard to assess trends and create data-driven recommendations for design modifications, additional preventative maintenance and revised operational practices to eliminate similar issues in the future. Spill-prevention is reviewed with senior management on a weekly basis.

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

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

Spill Prevention Technologies

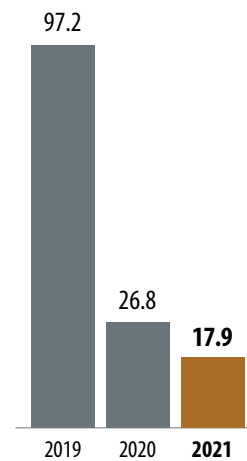
Our incident reporting system enables our employees and contractors to communicate effectively for fast spill response and remediation. We install high-liquid-level alarms on storage tanks, as well as high-level “well-kill” systems. The high-level alarm allows operations personnel to proactively respond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

Spill Recovery

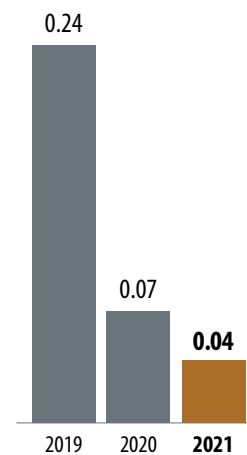
While we are always working to reduce our spill rate, in 2021 we recovered approximately 71% of the volume of spills that occurred.

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

TOTAL LIQUID SPILL VOLUMES
(MBBL)



LIQUID SPILL RATE
(BBL/MBBL)





Waste

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

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

In 2021, we began using water-based mud in our drilling operations, which has not only significantly improved our drilling performance, but also reduces the need to treat cuttings as previously described. This process has been successful in the Midland Basin and in certain areas of the Delaware Basin. As of the end of 2021, we have eliminated the need to use oil-based mud in all of our drilling operations in the Midland Basin, where over 75% of our wells are drilled.

Land Use and Biodiversity

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

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

Reclamation and Restoration

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

- » **Step One:** Temporarily abandon the wellbore by removing the downhole production equipment and setting a plug in the production casing above the top perforations, as well as closing all surface valves. This practice ensures we have redundant barriers that prevent reservoir fluids from being able to flow to the surface. In 2021, we executed this step on approximately 181 wells, primarily older vintage vertical wells in the Midland Basin.
- » **Step Two:** Plug and abandon the well. We endeavor to plug and abandon wells in a manner that is at or above the requirements of the Texas Railroad Commission (TRRC). We currently plan to execute this step on 10% or more of our inactive wellbores each year.
- » **Step Three:** The final step is surface remediation of the well pad. During this step we consult with landowners on how they would like the well pads reclaimed. If the landowner wants the pad and road removed, the caliche rock on the pad and road is reused to repair other lease roads. The majority of caliche rock from remediated pads was reused to repair roads in 2021. The bare land where the lease road and well pad were located is either reseeded or left bare according to the landowner's preference.

Endangered Species

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

Ensuring the safety of our team, communities, business partners and the environment, as well as operating secure facilities, is core to our culture and a steadfast commitment. We systemically identify, assess and resolve risks to our safety and business continuity. Our executive team sets goals, provides oversight and drives accountability for HSE across all areas of our business. We also work proactively to maintain compliance with all applicable HSE standards, laws and regulations.

Diamondback's senior leaders continually monitor performance, proactively address issues as they arise and play a lead role in maintaining a culture that prioritizes safety and security. In 2022, we increased the weighting of ESG in our STI scorecard metrics to 25%, with safety (TRIR) one of the five scorecard ESG metrics. Our commitment to safety is overseen by our SSCR Committee.

We maintain a formal health and safety program that includes employee training and new hire orientation on a variety of environmental and safety topics, including proper reporting. We also ensure that our employees have all the necessary equipment to operate safely. As part of our EHS management system, we have developed robust operating guidelines and procedures for assessing and mitigating safety risks and conducting operations in a safe manner. Employees undergo significant training and education each year to become knowledgeable on regulatory compliance, industry standards and opportunities to effectively manage the challenges of developing our resources.

We also involve employees from all operational levels in our Safety Committee. The Safety Committee:

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

Our HSE organization currently has full-time, field-dedicated coordinators to monitor facilities and help prevent potential issues.

SAFETY TRAINING AND AWARENESS

We devoted approximately 2,565 personnel hours to 10 safety topics in 2021, including:

- » H2S awareness and certification
- » Lockout tagout awareness and certification
- » Infectious diseases
- » Bloodborne pathogens
- » Permit required confined spaces
- » Hearing conservation/occupational noise exposure awareness
- » Heat stress risk factors, signs, symptoms and prevention
- » Fire safety awareness
- » Safe housekeeping
- » Personal protective equipment

SAFETY



Identifying Potential Hazards

We use robust tracking methods and work closely with regulatory agencies to prevent incidents. Diamondback employees and contractors are often in the best position to identify areas where we need to improve mitigation to ensure safety. Field personnel can easily report incidents, near misses and potential issues using our dynamic hazard identification system.

Our hazard information system allows independent contractors or employees to use a mobile app on their smartphone, tablet or laptop and upload a summary and photos of any hazardous situation for timely follow-up by a Diamondback employee. In 2021, we logged approximately 1,400 incidents and 11,100 potential hazards by using this system. We also implemented a more advanced online reporting and analysis system to enable our operations managers and safety specialists to glean even deeper safety insights and recommendations from the data.

Stop Work Authority

All our employees have the responsibility and authority to stop work if they believe hazardous conditions or unsafe practices are occurring.

Vehicle Safety

Driver safety and efficient vehicle operations are paramount at our Company. In 2021, we adopted the Smith System for driver training. This highly respected program focuses on teaching drivers to anticipate dangerous situations and drive defensively.

We utilize the Diamondback Driving Management System to monitor and respond to our driving behaviors. Diamondback uses data obtained by the In-Vehicle Monitoring System (IVMS), which we install in owned and leased vehicles, to

monitor driving habits and develop individualized discussions with our drivers. We also conduct annual driver safety training and semi-annual checks of driving records for all employees who might be expected to operate a Company owned or sponsored vehicle in the course of their daily employment. Any driver involved in a vehicle incident is required to submit to a drug and alcohol test as soon as safely possible. We continue working to improve vehicle safety across our fleet through driver training courses and safety monitoring technologies.

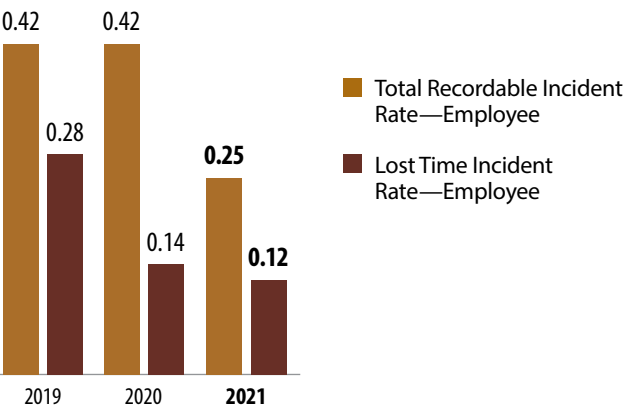
Contractor Safety

We are committed to protecting the safety of our contractors. To conduct business with our Company, contractors must be certified by OSHA and agree to the safety standards in our contract.

We evaluate contractors on criteria such as having a formal safety program, a written safety manual, employee background checks and explicit requirements for personal protective equipment. In 2021, we continued our longtime partnership with Veriforce, which collects safety data related to contractors who perform services for Diamondback’s production operations. Veriforce’s machine learning and predictive modeling technology help us evaluate the likelihood of a contractor having a recordable incident over a three-month period.

Each quarter, contractors upload relevant safety information that Veriforce grades as green (low risk), yellow (moderate risk) or red (high risk) based on Diamondback’s risk-assessment criteria. This relationship allows us to manage risk more efficiently. If a contractor performs as “yellow,” or moderate risk, they must provide a documented plan to get to “green,” or low risk, by a specific date. A score of “red,” or high-risk, may result in termination of contract.

HEALTH AND SAFETY
PERFORMANCE METRICS
(per 200k hours)



Emergency Response Program

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

Our emergency response program is overseen by the SSCR Committee of the Board of Directors, and the responsibility and accountability for management is with our Director of Safety and Sustainability, our Deputy General Counsel and our Chief Operating Officer. We maintain written plans at each office and facility. In cases where our facilities are in populated areas, we post toll-free 800 numbers for stakeholders to ask questions or to report concerns. Calls are routed to our internal safety experts and also to our legal team for further investigation.

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

Guarding Against Cyberattacks and Breaches

We recognize the cybersecurity landscape is dynamic and complex, and protecting data and privacy requires constant vigilance. As such, we take a holistic, multi-layered approach to protect our stockholders, employees, assets and operations against breaches. We leverage expertise, criteria and standards to guide our work, including but not limited to the National Institute of Standards and Technology (NIST) Cybersecurity framework and Cybersecurity & Infrastructure Security Agency (CISA) recommendations. We continue to invest in technology to protect our network and information critical to our operations and trust with our stakeholders. Third-party assessments provide us a critical lens of oversight and continuous improvement. And providing training and development on the latest intelligence and evolving best practices to our security teams remains central to protecting our business and investing in our team.

The Audit Committee of the Board of Directors receives a quarterly update from our Vice President of Information Technology regarding cybersecurity and information security risks, including the nature of threats, defense and detection capabilities, incident response plans and employee training activities, among others, as applicable. In addition, all our employees are required to complete an annual cybersecurity training course. This training is complemented by ongoing security awareness messaging.

Maintaining Secure Facilities and Operations

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



Our people are the heartbeat of Diamondback. We offer our employees comprehensive support for their well-being, including equitable treatment, health, rewards, development and inclusion. We value the perspectives, experiences and ideas contributed by our employees from a diverse range of ethnic, cultural and ideological backgrounds.

Our strategy of operational excellence is achieved by our people through our disciplined and intended culture of clarity, efficiency and inclusion. We are more committed to our culture which is built on the solid foundation of our five core values: leadership, integrity, excellence, people and teamwork, which are adhered to throughout our Company. We understand that our success is based upon not just what we do, but how we do it. Therefore, we set a high bar for all of our employees in terms of how they operate and interact, within our offices, our fields and our communities. We challenge them to ensure all people are treated with dignity and respect.

Commitment to Supporting and Protecting People

Our organizational culture fosters teamwork and open dialogues about work practices, which includes putting safety first. Whether it is minimizing workplace incidents or preparing for the unexpected, we continue to make protecting our people a fundamental component of our corporate responsibility efforts. We reinforce this commitment to safety of our team members through a multi-pronged approach that includes training in the safe operation of equipment, reporting potential hazards, and developing an emergency response plan for numerous potential hazards.

We seek frequent open feedback from our employees, specifically on a quarterly basis through holding townhall meetings. We ask employees to send in their questions ahead of the virtual meetings, so that we can cover those topics and answer their questions during the townhall.

Diversity, Equity and Inclusion

The fair, consistent and equitable treatment of our employees is core to how we manage our dedicated workforce. We are proud of how we operate, who we are and the culture we have created.

We have zero-tolerance for discrimination and a firm belief in equality. We provide a collaborative environment at Diamondback so that all employees are empowered to participate and are treated with respect. We believe that inclusion is the hallmark of true care and compassion for others and that through inclusion, the workplace is made better, including more deeply embedding the safety mindset and other core tenets of our robust culture of excellence.

Equal employment opportunity is fundamental within our People Policies Handbook. Our employment decisions are based on merit, qualifications, competencies and contributions. We actively seek to attract and retain an increasingly diverse workforce and continue to cultivate our respectful work environment.

Our commitment to diversity, equity and inclusion is led by our Chief Human Resources Officer and is overseen by our SSCR Committee. Our diversity initiatives include maintaining our intended focus on the talent pipeline, mentorships, strong total rewards, and workplace flexibility, as well as continuing to celebrate Black History Month, and also adding celebrating Women's History Month in our March 2022 newsletter.

To promote a welcoming environment for our employees who served our nation, we offer a veterans' employee group and we also celebrate with them on Veteran's Day.

Continuing on our journey for sustainable diversity, equity and inclusion improvements and in response to stockholder feedback, we have disclosed for the first time our 2021 Equal Employment Opportunity (EEO-1) data as of December 31, 2021, in this report. Please refer to the [Appendix](#) for more information on our 2021 EEO-1 report.

BOARD AND EMPLOYEE DIVERSITY

As of December 31, 2021

- » Approximately 29% of our employees are women
- » Over 25% of our employees self-identify as ethnic minorities
- » Two of seven members (approximately 29%) of our most senior executive leadership team are women

As of July 11, 2022

- » 50% of Diamondback's Board of Directors are self-identified as diverse by gender or ethnicity (three female directors and three ethnically diverse)



Talent Pipeline

The senior management team took various actions during 2021 to ensure the diversity in our candidate pool and to broaden our outreach, particularly with our college recruiting and internship programs. We expanded our summer internship recruitment program to include a historically black university. Our internship program is an important talent pipeline for our engineering and geoscience roles within the Company. Through supporting various student organizations and having diverse interview teams for all intern interviews, we have continued to demonstrate our desire and intention to ensure that diverse groups are included in our internship outreach efforts. We intend to continue this commitment in the future. These diverse candidates were able to connect with our recruiting team to learn more about our inclusive workforce and were encouraged to apply for open internships or future job opportunities.

In addition, we focused on recruiting experienced hires to augment top industry talent. We believe our historically low voluntary attrition rate is in part a result of our culture focused on our core values, diversity and inclusion, teamwork and commitment to employee development and career advancement discussed in more detail below. Given the challenging labor market and increased competition for talent impacted by the COVID-19 pandemic, our 2021 overall turnover was higher than previous years at approximately 13%.

Throughout 2021, we educated managers on inclusive hiring practices as we filled positions across the organization, and we sent diverse teams to manage our career fair participation.

Mentorship Program

During the summer internships, we formally assign a mentor to each intern to ensure the intern has an additional source of support to foster development and success. The mentors help prepare the interns to present their summer project to the executive team.

Total Rewards and Benefits

At Diamondback, we value results and believe in recognizing and rewarding performance. Our continued business success centers on maintaining our high performing, engaged workforce, and we intend to continue fostering an inclusive Company culture that maintains a positive workplace environment. Our performance management process includes the “how” element of performance against each of our core values. And our comprehensive total reward compensation philosophy is rooted in a real-time market-based approach, where we reward and recognize value creation and cultural alignment. We participate in industry-specific benchmarking surveys ensuring comparison points against local markets in a comprehensive manner. Overall, our non-executive employee compensation programs consist of an annual base salary, a discretionary performance-based annual cash incentive award and a discretionary long-term equity incentive award, taking into consideration both specific Company performance metrics and individual performance outcomes. These awards are a central part of ensuring that we competitively reward our employees in order to attract and retain dedicated talent, as well as ensuring that their work efforts align with our stockholders by providing stock ownership opportunities for 100% of our employees. All of our employees are eligible for the discretionary short-term incentive and long-term equity incentive awards.

Further, we have a competitive Company match on 401(k) retirement savings, and employees are immediately vested in their contributions as well as the Company matching dollars. Our retirement savings plan allows employees to choose between pre-tax or post-tax (ROTH) contributions, so they may plan for retirement in the format which best meets individual financial objectives.

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

EMPLOYEE BENEFITS

We offer all full-time employees comprehensive benefits, including:

- » Comprehensive health and wellness program with no premiums
- » Life insurance and long-term disability insurance with no premiums
- » Tuition reimbursement program (eligible after six months of service)
- » Health Savings Account (HSA) and Flexible Savings Account (FSA)
- » 401(k) retirement plan with Company match
- » Eligible for annual, discretionary restricted stock awards
- » Employee Assistance Program
- » Parental leave
- » Service awards at five-year service intervals

Performance Management

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

Workplace Flexibility

In order to support our employees with work-life balance and making a positive impact in our communities, we offer employees the opportunity to work a flexible schedule under which, during a standard two-week pay period, an employee works a minimum of eight 9-hour days and two 4-hour days on Fridays. We offer time off to volunteer and a competitive parental leave policy. Specifically, to support employees and their families, we offer a ten-day paid parental leave program for employees following the birth or adoption of a child to allow both mothers and fathers bonding time with their new child. Additionally, we offer paid maternity leave for female employees following the birth of a child. These types of family-focused programs demonstrate the Company's commitment to our employees and their families. In 2022, we announced a work from home policy which provides office-based employees the ability to work remotely on some days.

Training and Development

Our inclusive training opportunities are designed to expand the professional knowledge of our team, and most offerings are provided across the organization

to all employees at any level. We also provide on the job development and learning opportunities, which allow our employees to apply and practice work activities with new knowledge and develop various skills, including our CORE (Career Optimization and Refinement for Engineers) training program for new engineers who rotate through different positions before being placed in a specific position, general skills training for all employees, leadership courses, technical courses and health, safety and environmental training.

Our internal course offerings in 2021 and through the first quarter of 2022 included a wide array of topics such as extensive cybersecurity, safety and other compliance training sessions. Additionally, our new hires undergo training and education on our Code of Business Conduct and Ethics and People Policies. Our employees receive training on regulatory compliance, industry standards and innovative opportunities to effectively manage the challenges of developing our oil and gas resources and related environmental and social responsibility. We have also implemented development programs that are designed to facilitate learning and collaboration regarding leadership capabilities at all levels.

In 2022, we launched a four-part series for supervisor development. Designed for employees who are new to supervising a team or want to refresh their skills, the series includes Performance Management, Interviewing Techniques and Creating a Harassment Free Workplace.

We have also recently launched courses that focus on techniques for building and leading productive and harmonious relationships with colleagues and have continued our Microsoft Excel Skills series as well.

In total, approximately 9,300 hours of training were completed by Diamondback employees in 2021.

We conduct pulse checks and ad-hoc employee surveys for quarterly townhalls to engage our employees and ensure employee satisfaction.



Human Rights

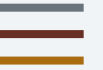
Diamondback is committed to conducting its business in a manner that respects and promotes the fundamental rights and dignity of all people, in compliance with all applicable legal requirements. Our culture is guided by our core principles that serve as a moral compass for how we conduct business within the Company, with our vendors and suppliers, and in the communities in which we operate. To this end, we respect and support universally recognized, fundamental human rights and freedoms set forth in the United Nations Universal Declaration of Human Rights. Guided by the human rights diligence framework set forth in the UN Guiding Principles on Business and Human Rights, we strive to assess how our business operations affect human rights and to address any adverse impacts. We also embrace the principles described in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, including freedom of association, nondiscrimination and the elimination of forced labor and child labor.

We respect the rights of local communities and those who live and work there consistent with the highest human rights standards, including by observing the laws and regulations and respecting the cultural values of those communities. Where people in local communities may be affected by our operations, we strive to identify any potential adverse impacts in advance and take necessary steps to mitigate or eliminate such impacts. We monitor and address the environmental impacts of our business operations on our neighbors and strive to create positive impacts on adjacent communities through local engagement and charitable programs. Where indigenous people may be affected by our business activities, our approach aims to be consistent with the principles set out in the United Nations Declaration on the Rights of Indigenous People.

This Human Rights Policy is overseen by the SSCR Committee of the Board of Directors, and the responsibility and accountability for the management of human rights issues extends across the entire Diamondback organization. Our senior business leaders lead the agenda, and our employees receive routine training on, and recurring recertification to, our policies focused on the advancement of human rights, including those set forth in our [Code of Business Conduct](#) and Ethics and our People Policies Handbook. Our [Human Rights Policy](#) is posted on our website.



OUR COMMUNITIES



Diamondback and our employees value the deep connections we share with our neighbors across the Permian Basin. We support an array of activities and organizations that enhance the quality of life in the communities where we have a social license to operate and across the world.

Community Engagement

We are committed to working with our communities in partnership to understand our impacts and opportunities to succeed together. Our Senior Vice President of Government and Regulatory Affairs has managerial responsibility for our community relations programs. We identify and regularly engage with relevant stakeholders including first responders, landowners, and county, city and community leaders.

We have implemented programs to address community concerns such as using sound walls to screen noise and visuals. In certain outlying areas, we engage with groundwater conservation boards to listen and provide feedback. In case of community grievances, at every property we post our phone number to report complaints, which are then logged in our system and investigated.

Economic Impact

Our success supports our local communities through the taxes we pay and the 870 jobs we provided as of the end of 2021. Additionally, we seek to work with local suppliers where we operate to increase our community impact. In 2021, we paid out over \$1.5 billion in royalties to landowners, as well as contributed \$425 million in state production and ad valorem taxes.

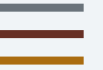
PERMIAN STRATEGIC PARTNERSHIP

Together with 16 other energy companies, we helped form the Permian Strategic Partnership (PSP) in November 2018 to address local and regional needs more effectively, and our collaborative work continues. Diamondback and other PSP members have directly invested approximately \$93 million in Permian Basin projects, and contributed to collaborative investments totaling nearly \$950 million. These investments will help build superior educational programs, accessible housing, a supportive healthcare system, safer roads and a more skilled workforce in West Texas and southeastern New Mexico.

Diamondback employees, including senior executives, participate in initiatives across all five PSP focus areas of healthcare, education, housing, workforce development and road safety. Our work with PSP continues to be a vital part of helping local communities rebound from the economic, social and health impacts of COVID-19. In 2021, the Partnership supported a campaign to increase COVID-19 vaccinations and access to a college education through scholarships. In 2021, ten different initiatives aimed at improving Permian Basin residents' access to healthcare, quality education and workforce skills development were approved by the membership.



OUR COMMUNITIES



Giving Back

In 2021, we donated \$3.3 million to local charities either directly or through the Permian Strategic Partnership.

In various ways, a significant portion of our philanthropic efforts help to remove barriers to inclusion, particularly socioeconomic obstacles. For example, in Texas, we have grown our social contribution to the underprivileged in the communities where we operate, particularly over the last two years. We have contributed funds, physical resources and advice. But, perhaps even more importantly, we have given our time, participating in volunteer events, serving on boards, providing mentorship or advice and serving our communities in multiple other ways. Diamondback was the recipient of the 2021 Governor's Corporate Volunteering Champion Award from the Texas One Star Foundation.

In 2021, we joined our employees in supporting an array of other causes through donations and volunteerism, which remains an integral part of our Company culture.

We match our employees' financial donations to registered nonprofit organizations and double the amount of our matching contribution when employees donate to a charity based in their local community. In 2021, we provided more than \$69,000 in matching funds to 66 organizations ranging from local food banks to charities that provide critical services to the communities where Diamondback operates.

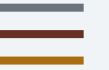
In the summer of 2021, we sponsored and hosted approximately 60 at-risk middle schoolers at our corporate offices for a science, technology, engineering and math (STEM) five-week summer camp. Students were partnered with a volunteer employee who worked on experiments as a mentor with the students each week in Midland, and we were proud to have 30 employees provide mentorship during the STEM camp.

Aimed to spark interest in STEM, our five-week camp aspired to provide fun and engaging ideas and activities to help children focus on tangible objectives that can lead toward opening up opportunities for higher education in engineering and in geosciences, thereby even potentially preparing them to be eligible for the many roles in the oil and gas industry.

We hosted this STEM summer camp again in 2022 because we believe in investing in the future of our children.



OUR COMMUNITIES



SUPPORTING LOCAL SCHOOLS

We invest in the future of our communities by supporting new and expanded learning opportunities that equip students with skills for lifelong success. In 2021, we sponsored summer reading programs at two local non-profits in Midland that specialize in helping disadvantaged children, donated back-to-school kits and winter coats for every student at an elementary school in Oklahoma City and sponsored the instruction of approximately 400 Midland Independent School District students for Pre-SAT prep courses.



TREE PLANTING IN LOCAL PARKS

Diamondback sponsored and volunteer employees planted 100 trees at several Midland public parks in underserved areas, a commitment that continues into 2022. We also paid for irrigation to keep these trees flourishing for years to come.

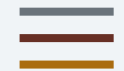
COMMUNITY DEVELOPMENT

In 2021, we committed \$2.5M for the redesign of Hogan Park in Midland and \$500K for Senior Life Midland to build a new facility to assist in our community's growing needs for senior services. We also continued our participation in Meals on Wheels programming.



THANKING FIRST RESPONDERS

In 2021, we were pleased to host the third annual First Responders Appreciation Luncheon for hundreds of first responders from the local area at our corporate offices.



Diamondback Board of Directors

Currently, our Board of Directors is comprised of ten members, elected annually and all independent, with the exception of our Chairman and CEO, Travis Stice. Our Board committees—the audit committee, compensation committee, nominating and corporate governance committee and safety, sustainability and corporate responsibility committee—are each solely composed of independent directors. The independent directors regularly meet in executive sessions, led by the lead independent director. The Board provides oversight of Diamondback’s strategy, including our ESG strategy, through regular interactions with management.

Board Committees

Audit Committee

Responsible for the integrity of accounting policies, internal controls, financial statements, accounting and auditing processes and risk management compliance, including cyber risk. Additional functions including reviewing and approving related party transactions, direct oversight of external auditors including pre-approval of audit and permissible non-audit services.

Compensation Committee

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

Nominating and Corporate Governance Committee

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

Safety, Sustainability and Corporate Responsibility Committee

This committee, formed in 2019, has specific oversight responsibility for Diamondback’s ESG policies and performance in order to provide perspective on significant public issues that are pertinent to the Company, as well as assist management in setting strategy, establish goals and integrate ESG matters into strategic and tactical business activities across the Company.



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



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



VINCENT K. BROOKS
Director since 2020



MICHAEL P. CROSS
Director since 2012



DAVID L. HOUSTON
Director since 2012



REBECCA A. KLEIN
Director since 2022



STEPHANIE K. MAINS
Director since 2020



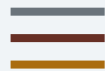
MARK L. PLAUMANN
Director since 2012



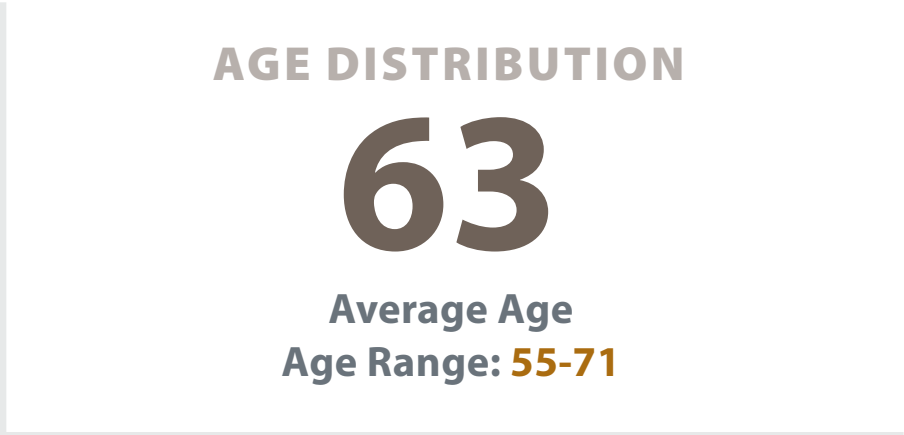
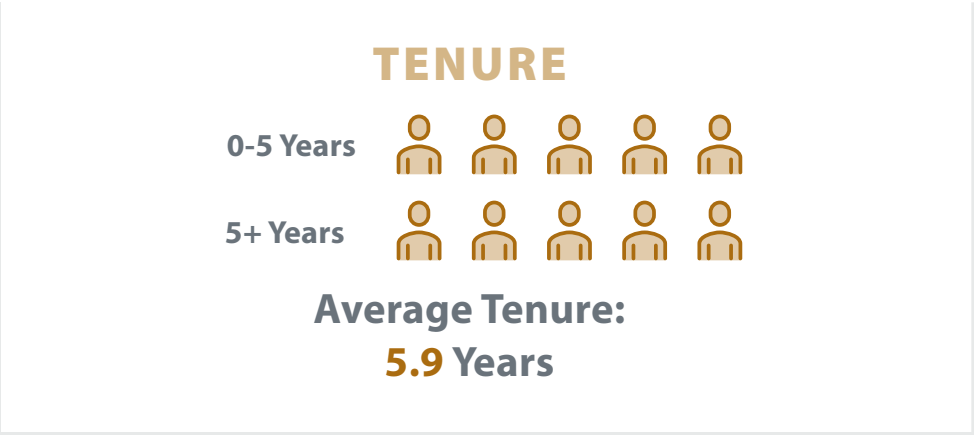
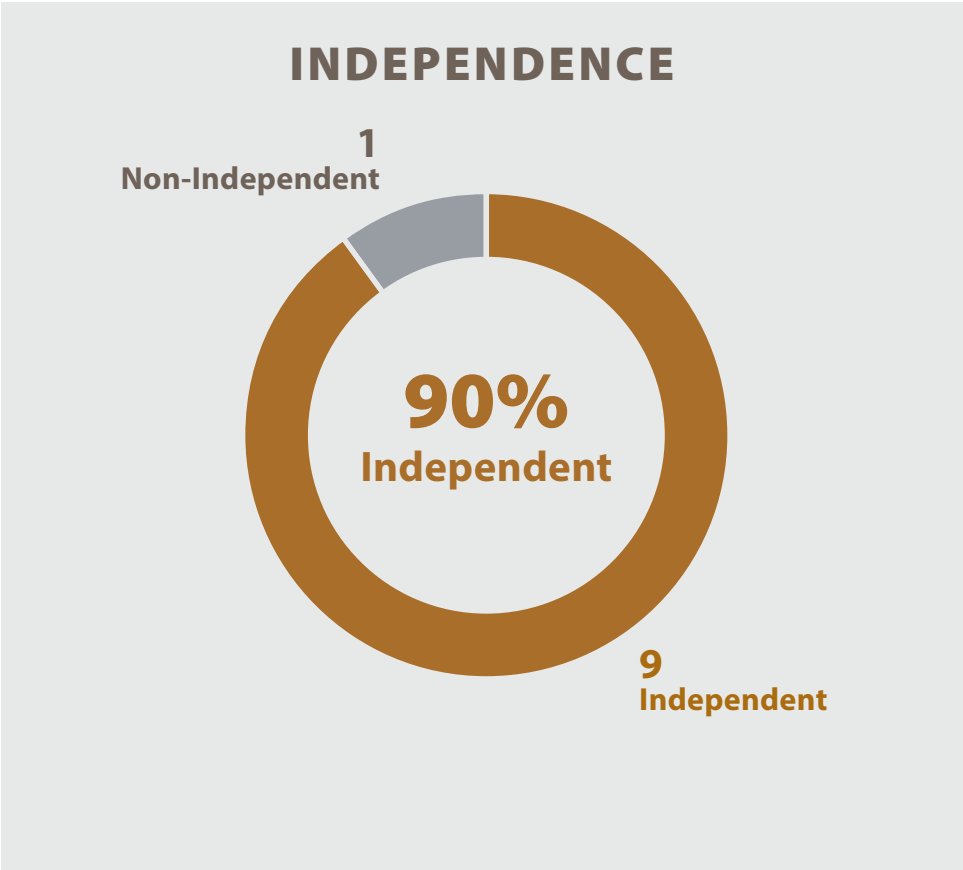
FRANK D. TSURU
Director since 2022

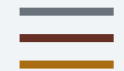


STEVEN E. WEST
Director since 2011



Our directors are independent and have a balance of tenures and perspectives.



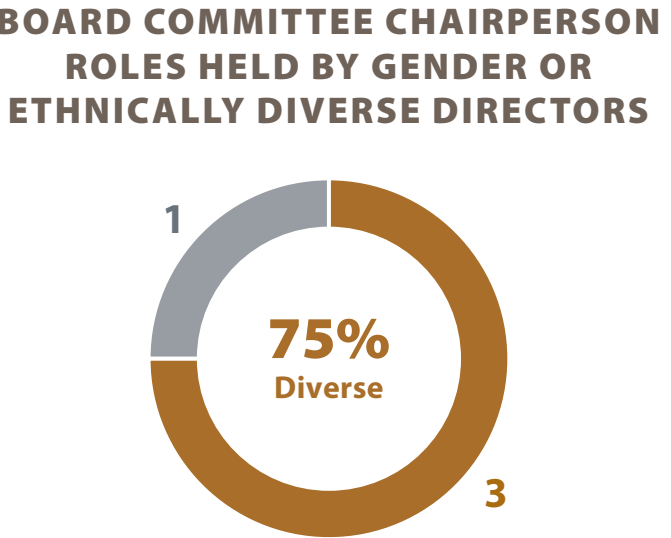
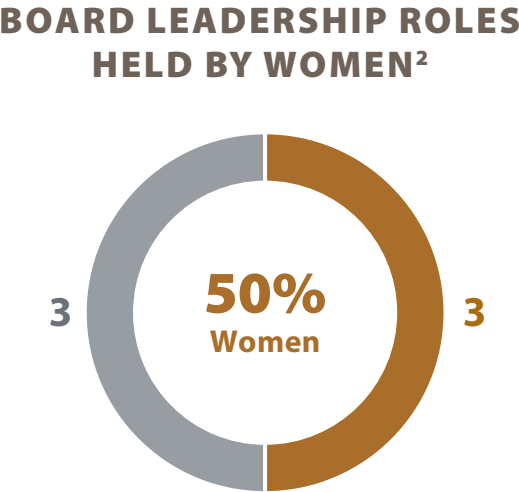
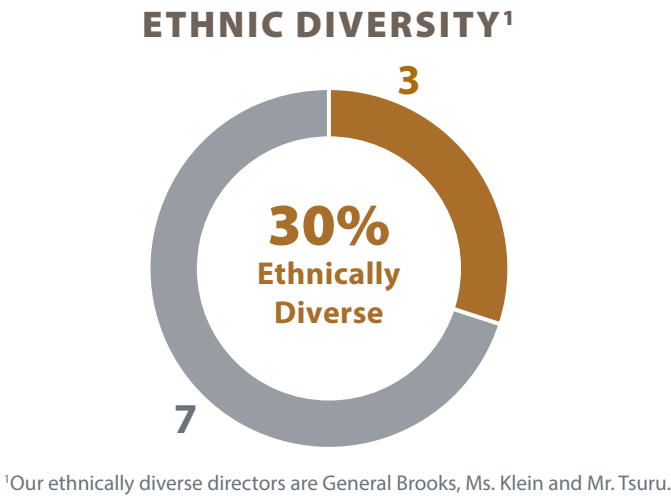
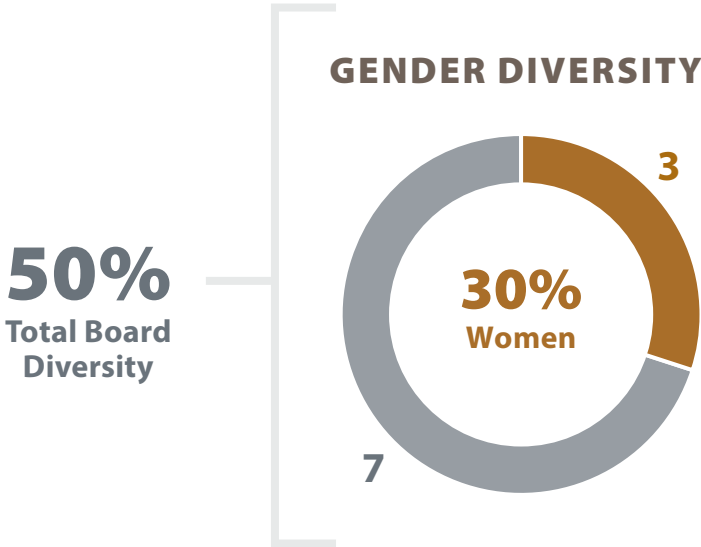


Board Refreshment and Diversity

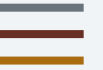
The Board values diversity and, reflecting the determination to keep our Board diverse, the nominating and corporate governance committee seeks to include diverse candidates in all director searches. As part of our ongoing commitment to expand the range of talents, skills, expertise and diversity on our Board, we have increased the size of our Board of Directors from five to ten over the course of the last four years.

In 2022, we appointed two new directors to our Board. Ms. Rebecca “Becky” Klein is currently the Principal of Klein Energy, LLC, an energy consulting company based in Austin, Texas. Over the last 25 years, she has worked in Washington, D.C., and in Texas in the energy, telecommunications, and national security arenas. Mr. Frank Tsuru currently serves as Chief Executive Officer and as a member of the Board of Directors of Momentum Midstream, LLC, a privately held midstream company, which he cofounded in 2004. From 2016 through 2021, Mr. Tsuru served as the Chief Executive Officer and as a member of the Board of Directors of Indigo Natural Resources, LLC, which was acquired by Southwestern Energy Company in 2021. In 2002, Mr. Tsuru founded Aka Energy, which was a midstream company focused on acquiring midstream assets off of the Southern Ute Indian Tribe (SUIT) Reservation.

Currently, half of our Board leadership roles are held by female directors and one Board leadership role is held by an ethnically diverse director. Overall, 75% of our Board committees are chaired by gender- or ethnically-diverse directors.



²Board leadership roles defined as the Chairman of the Board, lead independent director and the chairpersons of the four board committees.



Experience and Skills

The breadth of experience and wide variety of skills, qualifications and viewpoints of our Board of Directors embody key competencies that our nominating and corporate governance committee considers valuable to effective oversight of the Company. The following chart illustrates how the current Board members individually and collectively represent these core competencies. The lack of an indicator for a particular item does not mean that the director does not possess that qualification, skill or experience.

SKILLS MATRIX		Stice	Brooks	Cross	Houston	Klein	Mains	Plaumann	Trent	Tsuru	West
Corporate Governance	Contributes to the Board's understanding of best practices in corporate governance matters.		●	●	●	●	●	●	●		●
Environmental, Health, Safety and Sustainability	Contributes to the Board's oversight and understanding of environmental, health, safety and sustainability issues and their relationship to our business and strategy as we strive to provide the energy necessary for economic growth and social well-being, while securing a stable and healthy environment for the future.	●	●	●		●	●		●	●	●
Finance/Capital Markets	Valuable in evaluating our financial statements, capital structure and financial strategy.	●		●	●		●	●	●	●	●
Financial Reporting/Accounting Experience	Critical to the oversight of our financial statements and financial reports.			●	●		●	●	●		●
Government, Legal and Regulatory	Contributes to the Board's ability to guide us through government regulations, complex legal matters and public policy issues.		●	●		●			●		
Industry Background	Offers pertinent background and knowledge to the Board, providing valuable perspective on issues specific to our business, operations and strategy, including key performance indicators and the competitive environment.	●		●	●		●		●	●	●
Executive Experience	Demonstrates leadership ability and provides valuable insights into operations and business strategy through a practical understanding of organizations, processes, strategy, risk management and the methods to drive change and growth.	●	●	●	●	●	●	●	●	●	●
Executive Compensation	Contributes to the Board's ability to attract, motivate and retain executive talent.	●	●	●	●	●	●	●	●	●	●
Risk Management	Contributes to the identification, assessment and prioritization of significant risks and ensures mitigation strategies are timely adopted.	●	●	●	●	●	●	●	●	●	●
Congressional Engagement; National Security and Cyber Defense and Protection	Demonstrates experience with complex organizations with significant national security interests and risk, international relations and interactions, cyber defense and protection, congressional engagement and strategic planning.		●			●					

ETHICS AND INTEGRITY



The Board of Directors exercises overall compliance program oversight, while the President and Chief Financial Officer and General Counsel assume day-to-day responsibility. The Chief Executive Officer's role is to foster and exemplify transparency, integrity and compliance with all applicable laws.

Our compliance program comprises standards of conduct and internal controls reasonably capable of detecting and reducing the likelihood of criminal and other improper conduct, including these six principal components:

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

Our [Code of Business Conduct and Ethics](#) (Code) embodies our commitment to conduct our businesses in accordance with our core values; all applicable laws, rules and regulations; and the highest ethical standards. Our People Policies set out further obligations regarding conflicts of interest, safety, equal opportunity, harassment and retaliation. These policies also outline our support for employees through various provisions. We require all employees to review these documents and provide written acknowledgment of their responsibility to uphold the expectations.

In April 2022, we updated our Code to reflect additional policies and enhancements. Our Code applies to all directors, executive officers—including the Chief Executive Officer, the Chief Financial Officer, principal accounting officer and controller and persons performing similar functions and all other employees. Our Code covers various topics including, among others, public disclosure, conflicts of interest, equal employment, fair dealing, anti-discrimination, anti-harassment,

confidentiality, data privacy, cybersecurity, intellectual property, political activity and contributions, environmental responsibility, human rights, health and safety, transactions with vendors and gifts and the limited process for waivers. In addition, our Code is focused on compliance with applicable laws, rules and regulations governing, among others, insider trading; anti-trust; anti-corruption; anti-bribery; anti-money laundering; anti-boycott and export controls, and establishes reporting and complaint procedures, including an anonymous compliance hotline (as discussed below) for any irregularities or violations, including with respect to accounting, internal control and auditing matters.

Ethics Hotline

Anyone who suspects unethical or inappropriate behavior is encouraged to use either internal reporting channels or our independent Compliance Hotline, without fear of retaliation. The Compliance Hotline (877-769-2600) is an independent, anonymous service available 24 hours a day, 365 days a year. Employees, contractors, suppliers and community members can call toll-free from anywhere in the world. All reports raised are filed in our database where they are investigated by the appropriate persons and tracked until resolved.

Trade Associations, Lobbying and Political Involvement

Our Government Affairs group works closely with various organizations representing the oil and gas industry in Texas and Washington, D.C. to help shape regulatory and public policy decisions that affect Diamondback operations. Diamondback is a member of, and actively participates in, several U.S. based national, state and regional trade associations. These organizations provide a forum to allow Diamondback and other members to focus on issue advocacy



and promote best practices in areas of operations, health, safety, environment and sustainability within the oil and gas industry. Diamondback's involvement in trade associations and related working groups and committees also creates valuable opportunities to enhance our overall ESG strategy and to promote important educational and public advocacy initiatives.

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

We pay regular membership dues to several trade associations that are organized under Section 501(c)(6) of the Internal Revenue Code. For such organizations to which our annual membership dues total more than \$25,000, Diamondback annually inquires and makes reasonable efforts to obtain information on what portions of our membership dues may be used for lobbying activities. Diamondback disclosed its 2021 trade association dues where the payments were more than \$25,000 and the percentage of such dues used for lobbying activities in a report on our website.

Below is a list of Diamondback's 2021 trade association memberships:

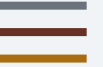
- » American Exploration & Production Council (AXPC)
- » American Petroleum Institute (API)
- » Independent Petroleum Association of America (IPAA)
- » Permian Basin Petroleum Association (PBPA)
- » Permian Strategic Partnership (PSP)
- » Texas Oil and Gas Association (TXOGA)
- » Texas Independent Producers & Royalty Owners Association (TIPRO)

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

We published our first annual 2020 Corporate Political Contribution Disclosure Report in 2021. In 2021, the Center for Political Accountability assessed our political contribution disclosures for its annual CPA-Zicklin Index of Corporate Political Disclosure and Accountability and designated the Company a first-tier score of 84%. Also, we were recognized as one of the most improved companies for political contribution disclosures in 2021. The Company updates the [Corporate Political Contribution Disclosure Report](#) annually, and we encourage you to review our 2021 Corporate Political Contribution Disclosure Report and our [Policy Governing Corporate Political Contributions](#), which are both available on our [website](#).

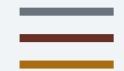


APPENDIX



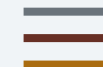
EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018	YEAR ENDED 12/31/2017	FOOTNOTE
Net Hydrocarbons Produced							(a)
Oil	MBBL	81,522	66,182	68,518	34,367	21,418	
Gas	MMCF	169,406	130,549	97,613	34,669	20,660	
NGL	MBBL	27,246	21,981	18,498	7,465	4,056	
Total Net Hydrocarbons Produced	MBOE	137,002	109,921	103,285	47,610	28,917	
Average Daily Net Production	MBOE/d	375.3	300.3	283.0	130.4	79.2	
Proved Reserves							(a)
Oil	MBBL	928,289	759,401	710,903	626,936	233,181	
Gas	MMCF	2,585,807	1,607,064	1,118,811	1,048,649	285,369	
NGL	MBBL	429,734	289,196	230,203	190,291	54,609	
Total Proved Reserves	MBOE	1,788,991	1,316,441	1,127,575	992,001	335,351	
People							
Employees	#	870 [‡]	732	712	711	252	(b)
Female Management	%	21% [‡]	21%	19%	28%	23%	(b)
Female Professionals	%	40% [‡]	42%	40%	42%	24%	(b)
Female Others	%	26% [‡]	30%	34%	23%	49%	(b)
Total Female Employees	%	29% [‡]	32%	32%	30%	34%	(b)
Minority Management	%	20% [‡]	20%	20%	14%	15%	(b)
Minority Professionals	%	19% [‡]	16%	14%	14%	16%	(b)
Minority Others	%	39% [‡]	36%	37%	30%	22%	(b)
Total Minority Employees	%	29% [‡]	25%	25%	22%	18%	(b)
Employee Turnover	%	13% [‡]	7%	11%	6%	7%	(b)(c)

APPENDIX



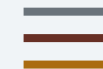
EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018	YEAR ENDED 12/31/2017	FOOTNOTE
Safety (Employee)							(d)
"OSHA Recordable" Cases	#	2	3	3	2	–	
"Days Away From Work" Cases	#	1	1	2	2	–	
Total Recordable Incident Rate	per 200k hours	0.25#	0.42	0.42	0.53	–	(e)(f)(g)
Lost Time Incident Rate	per 200k hours	0.12	0.14	0.28	0.53	–	
Fatalities	#	–	–	–	–	–	
Safety (Independent Contractor)							(d)
"OSHA Recordable" Cases	#	29	14	33	41	20	
"Days Away From Work" Cases	#	10	3	16	18	10	
Total Recordable Incident Rate	per 200k hours	0.49	0.33	0.36	0.35	0.25	(e)
Lost Time Incident Rate	per 200k hours	0.17	0.07	0.18	0.15	0.13	
Fatalities	#	–	–	1	–	–	
Safety (Workforce)							(d)
"OSHA Recordable" Cases	#	31	17	36	43	20	
"Days Away From Work" Cases	#	11	4	18	20	10	
Total Recordable Incident Rate	per 200k hours	0.46	0.34	0.37	0.35	0.25	(e)
Lost Time Incident Rate	per 200k hours	0.16	0.08	0.18	0.16	0.12	
Fatalities	#	–	–	1	–	–	
Vehicle Safety							(d)
Preventable Vehicle Incidents	#	19	23	15	6	1	
Vehicle Incident Rate	per million miles	1.88	2.53	1.56	1.33	0.34	

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018	YEAR ENDED 12/31/2017	FOOTNOTE
Flaring							(d)
Gross Volume of Flared Hydrocarbons	MSCF	4,542,586#	4,914,208	11,772,007	3,026,846	780,630	(e)(h)
Gross Gas Flared as a % of Net BOE Production	%	0.6%	0.7%	1.9%	1.1%	0.4%	
Gross Gas Flared as a % of Gross BOE Production	%	0.5%	0.7 %	1.6%	0.9 %	unavailable	(e)
Gross Gas Flared as a % of Gross Gas Production	%	1.5%	2.0 %	5.7%	4.2%	unavailable	(e)
Flaring Intensity	MSCF/Net MBOE	33.2	44.7	114.0	63.6	27.0	
GHG Emissions							
Scope 1 GHG Emissions	mt CO ₂ e	1,252,665#	1,192,556	1,852,946	538,750	415,336	(d)(e)(f)(i)
Scope 2 GHG Emissions	mt CO ₂ e	528,224#	281,020	unavailable	unavailable	unavailable	(j)
Scope 1 GHG Intensity	mt CO ₂ e/Net MBOE	9.1	10.8	17.9	12.2	14.4	(d)
Scope 1 GHG Intensity	mt CO ₂ e/Gross MBOE	8.0	9.5	15.1	unavailable	unavailable	(e)
Scope 1+2 GHG Intensity	mt CO ₂ e/Gross MBOE	11.4	11.7	unavailable	unavailable	unavailable	
Scope 1 Methane Emissions as a % of GHG Emissions	%	9.5%	10.6%	11.4%	37.6%	27.7%	
Percentage of Scope 1 GHG Emissions Covered Under Emissions Limiting Regulations	%	0%	0%	0%	0%	0%	
Amount of Scope 1 Emissions From:							
Flared Hydrocarbons	mt CO ₂ e	389,322	418,135	1,005,009	unavailable	unavailable	
Other Combustion	mt CO ₂ e	723,531	643,909	699,250	unavailable	unavailable	
Process Emissions	mt CO ₂ e	–	–	–	unavailable	unavailable	
Other Vented Emissions	mt CO ₂ e	128,005	116,716	132,585	unavailable	unavailable	
Fugitive Emissions	mt CO ₂ e	11,807	13,796	16,103	unavailable	unavailable	
CO ₂ Emissions	mt CO ₂	1,131,943	1,064,560	1,640,774	309,812	299,758	(d)

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EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018	YEAR ENDED 12/31/2017	FOOTNOTE
CH ₄ Emissions	mt CH ₄	4,779.4	5,079.0	8,428.5	8,108.1	4,598.1	
CH ₄ Intensity %	%	0.12%	0.15%	0.30%	0.37%	unavailable	(k)(l)
CH ₄ Intensity %	mt CH ₄ /Gross MBOE	0.03	0.04	0.07	unavailable	unavailable	(e)
N ₂ O Emissions	mt N ₂ O	4.15	3.43	4.90	2.01	2.10	(d)
VOC Emissions	mt VOC	9,152	9,216	unavailable	unavailable	unavailable	
Spills							
Hydrocarbon Spills	#	505	386	342	288	211	(m)
Produced Water Spills	#	262	249	490	319	229	(m)
Hydrocarbon Volumes	BBL	2,616	2,853	4,659	4,098	4,013	
Produced Water Volumes	BBL	15,257	23,969	92,544	27,441	14,843	
Combined Volumes	BBL	17,873	26,822	97,203	31,539	18,856	
Hydrocarbon Spills Recovered	%	63%	71%	68%	unavailable	unavailable	
Produced Water Spills Recovered	%	72%	68%	51%	unavailable	unavailable	
Total Spills Recovered	%	71%	68%	52%	81%	90%	
Total Produced Fluid Spill Per 1,000 BBL Produced Fluids	BBL/MBBL	0.04#	0.07	0.24	0.22	0.22	(e)
Total Produced Hydrocarbon Spill Per 1,000 BBL Produced	BBL/MBBL	0.03	0.03	0.05	0.10	0.15	
Total Produced Water Spill Per 1,000 BBL Produced	BBL/MBBL	0.04	0.08	0.29	0.26	0.26	
Produced Liquid Spills (less recovered) Rate	%	0.001%	0.002%	0.012%	unavailable	unavailable	
Water							
Total Water Used In Operations	MBBL	133,284	103,424	176,775	99,922	64,998	
Brackish Water Used In Operations	MBBL	67,981	61,249	86,327	6,182	–	

APPENDIX



EXPLORATION & PRODUCTION	METRIC	YEAR ENDED 12/31/2021	YEAR ENDED 12/31/2020	YEAR ENDED 12/31/2019	YEAR ENDED 12/31/2018	YEAR ENDED 12/31/2017	FOOTNOTE
Recycled Water Used In Operations	MBBL	38,733	17,689	27,936	9,911	435	
Freshwater Used In Operations	MBBL	26,570	24,486	62,512	83,829	64,563	
Total Water Intensity	MBBL/Net MBOE	0.97	0.94	1.71	2.10	2.25	
Freshwater Intensity	MBBL/Net MBOE	0.19	0.22	0.61	1.76	2.23	
Freshwater Intensity	MBBL/Gross MBOE	0.17	0.20	0.51	1.61	1.89	(e)
Water Recycle Rate	MBBL/MBBL	29.1%‡	17.1%	15.8%	9.9%	0.7%	(e)
Governance							(n)
Independent Board Members	%	90%	88%	71%	71%	80%	
Women Board Members	%	30%	25%	14%	14%	0%	
Ethnically Diverse Board Members	%	30%	13%	0%	0%	0%	

‡ This metric was reviewed by our independent certified public accountants in accordance with attestation standards established by the American Institute of Certified Public Accountants for the year ended December 31, 2021, as stated in their report appearing on [page 47](#). Refer to footnotes for the criteria used to present these metrics.

All 2018 figures in the report reflect Diamondback data plus data attributable to Energen Corporation (“Energen”) for December 2018 subsequent to its acquisition by Diamondback, unless otherwise noted.

(a) These figures represent Diamondback plus Viper.

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

(c) Employee turnover does not include data and changes due to acquisition and divestiture activities related to QEP Resources, Energen or Ajax Resources LLC.

(d) 2018 figures represent Diamondback’s activity, excluding Energen.

(e) Criteria used for this metric follows AXPC ESG Framework.

(f) Criteria used for this metric follows SASB methodology. See the table beginning on [page 43](#) for further information on the criteria.

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

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

(i) Criteria used for this metric follows GRI-305-1 methodology. Gases included in the calculation are CO₂, CH₄ and N₂O. Diamondback used the global warming potentials from the Intergovernmental Panel on Climate Change’s Fourth Assessment Report. Diamondback used the Operational Control boundary for this metric.

(j) Criteria used for this metric follows GRI-305-2 methodology. Gases included in the calculation are CO₂, CH₄ and N₂O. Diamondback used the market-based method in accordance with the World Resources Institute’s Greenhouse Gas Protocol. Diamondback used the Operational Control boundary for this metric.

(k) 2018 figures represent Diamondback and Energen combined activity.

(l) Methane intensity % is calculated as (tonnes of methane emissions)/((total gas produced)*(average mole fraction of methane in produced gas)*(methane density of .0192 kg/scf)*(1000 scf/mscf)*(1 tonne/1000 kg)).

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

(n) 2021 Board Member percentages are as of July 11, 2022.

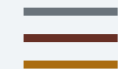
FORWARD-LOOKING STATEMENTS

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

Factors that could cause the outcomes to differ materially include (but are not limited to) the following: changes in supply and demand levels for oil, natural gas, and natural gas liquids, and the resulting impact on the price for those commodities; the impact of public health crises, including epidemic or pandemic diseases such as the COVID-19 pandemic, and any related company or government policies or actions; actions taken by the members of OPEC and Russia affecting the production and pricing of oil, as well as other domestic and global political, economic, or diplomatic developments, including any impact of the ongoing war in Ukraine on the global energy markets and geopolitical stability; inflationary pressures; rising interest rates

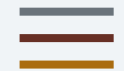
and their impact on the cost of capital; regional supply and demand factors, including delays, curtailment delays or interruptions of production, or governmental orders, rules or regulations that impose production limits; federal and state legislative and regulatory initiatives relating to hydraulic fracturing, including the effect of existing and future laws and governmental regulations; transition risks relating to climate change and the risks and other factors disclosed in Diamondback’s filings with the Securities and Exchange Commission, including its Forms 10-K, 10-Q and 8-K, which can be obtained free of charge on the Securities and Exchange Commission’s web site at <http://www.sec.gov>.

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



This report provides Diamondback’s performance data aligned with the recommended metrics for the SASB Extractives and Minerals Processing—Oil and Gas Exploration and Production sector. All data represents full-year 2021 information and represents 100% of Diamondback’s operating assets.

ACCOUNTING METRIC	CODE	DISCLOSURE
Greenhouse Gas Emissions		
Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	EM-EP-110A.1	1,257,479 mt CO ₂ e, 9.5% methane, none covered under emissions-limiting regulations
Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions	EM-EP-110A.2	(1) 389,322 mt CO ₂ e (2) 723,531 mt CO ₂ e (3) – (4) 128,005 mt CO ₂ e (5) 11,807 mt CO ₂ e
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-EP-110A.3	See Managing Climate and Transition Risk
Air Quality		
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) particulate matter (PM ₁₀)	EM-EP-120A.1	(1) Not disclosed (2) Not disclosed (3) 9,152 mt VOC (4) Not disclosed
Water Management		
(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-EP-140A.1	(1) 5.3 (thousand cubic meters) (2) 4.2 (thousand cubic meters) 76-99% for both (1) & (2), according to World Resource Institute’s Aqueduct Baseline Water Scarcity Data
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	EM-EP-140A.3	100%
Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	EM-EP-140A.4	Not disclosed



ACCOUNTING METRIC	CODE	DISCLOSURE
Biodiversity Impacts		
Description of environmental management policies and practices for active sites	EM-EP-160A.1	See Land Use and Biodiversity
Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160A.2	505 spills, 2,616 BBL, 0 spills in Arctic (no operations), not disclosed, 1,648 BBL recovered
Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	EM-EP-160A.3	Not disclosed
Security, Human Rights & Rights of Indigenous Peoples		
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	EM-EP-210A.1	(1) 0% (2) 0%
Percentage of (1) proved and (2) probable reserves in or near indigenous land	EM-EP-210A.2	(1) 0% (2) 0%
Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-EP-210A.3	See Land Use and Biodiversity
Community Relations		
Discussion of process to manage risks and opportunities associated with community rights and interests	EM-EP-210B.1	See our Human Rights Policy
Number and duration of non-technical delays	EM-EP-210B.2	–
Workforce Health & Safety		
(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-EP-320A.1	(1) 0.25 per 200,000 hours worked (2) 0 (3) Not disclosed (4) Not disclosed
Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	EM-EP-320A.2	See Safety
Reserves Valuation & Capital Expenditures		
Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	EM-EP-420A.1	Not disclosed
Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	EM-EP-420A.2	Not disclosed
Amount invested in renewable energy, revenue generated by renewable energy sales	EM-EP-420A.3	Not disclosed

ACCOUNTING METRIC	CODE	DISCLOSURE
Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	EM-EP-420A.4	See Managing Climate and Transition Risk
Business Ethics & Transparency		
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	EM-EP-510A.1	(1) 0% (2) 0%
Description of the management system for prevention of corruption and bribery throughout the value chain	EM-EP-510A.2	See Ethics and Integrity
Management of the Legal & Regulatory Environment		
Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-EP-530A.1	See Trade Associations, Lobbying and Political Involvement
Critical Incident Risk Management		
Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	EM-EP-540A.1	Not disclosed
Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-EP-540A.2	See Environmental Management
Activity Metric		
Production of: (1) oil, (2) natural gas, (3) synthetic oil, and (4) synthetic gas	EM-EP-000.A	Oil: 81,522 MBbls Natural Gas: 169,406 MMcf Natural Gas Liquids: 27,246 MBbls
Number of offshore sites	EM-EP-000.B	None
Number of terrestrial sites	EM-EP-000.C	2,842 wells across approximately 524,700 gross (445,848 net) acres in the Permian Basin

EEO-1 DATA



JOB CATEGORIES	HISPANIC OR LATINO		NOT-HISPANIC OR LATINO												OVERALL TOTALS
			MALE						FEMALE						
	MALE	FEMALE	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	WHITE	BLACK OR AFRICAN AMERICAN	NATIVE HAWAIIAN OR PACIFIC ISLANDER	ASIAN	AMERICAN INDIAN OR ALASKAN NATIVE	TWO OR MORE RACES	
Executive/Sr Officials & Mgrs	1	0	13	0	0	1	0	0	3	0	0	0	0	0	18
First/Mid Officials & Mgrs	27	0	112	2	0	3	0	2	35	2	0	1	1	2	187
Professionals	20	8	129	2	0	5	3	5	90	6	0	2	1	1	272
Technicians	23	6	51	2	1	1	1	1	25	2	0	0	0	1	114
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	2	11	7	0	0	0	0	1	50	4	0	1	2	0	78
Craft Workers	90	0	105	5	0	0	1	0	0	0	0	0	0	0	201
Operatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Laborers & Helpers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	163	25	417	11	1	10	5	9	203	14	0	4	4	4	870

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS



BOARD OF DIRECTORS AND MANAGEMENT OF DIAMONDBACK ENERGY, INC.

We have reviewed the Scope 1 greenhouse gas (GHG) emissions (including methane emissions), Scope 2 emissions, produced liquid (hydrocarbon and non-hydrocarbon) spills, recycled water used in operations, flared gas, employee incident rates, and employee demographic information/population information of Diamondback Energy, Inc. (“Diamondback” or the “Company”) for the year ended December 31, 2021 as reported in the Company’s 2022 Corporate Sustainability Report (“Subject Matter”). Diamondback’s management is responsible for preparing and presenting the Subject Matter based on the standards and guidelines for the Subject Matter established by the Sustainability Accounting Standards Board (“SASB”), the Global Reporting Initiative (“GRI”), the American Exploration and Production Council (“AXPC”), and the World Resource Institute’s Greenhouse Gas Protocol (collectively, the “Criteria”), as described in the Company’s 2022 Corporate Sustainability Report. Our responsibility is to express a conclusion on the Subject Matter based on our review.

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

the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

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

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

The other information included in the Company’s 2022 Corporate Sustainability Report is presented by management of the Company and is not part of the Subject Matter. Such information has not been subjected to the procedures applied in the review engagement and accordingly, we do not express an opinion or provide assurance on it.

The preparation of sustainability metrics requires management to evaluate the Criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain amounts of sustainability metrics, some of which may be referred to as estimates, is subject to substantial inherent measurement uncertainty, including GHG emissions. Obtaining sufficient appropriate review evidence

to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of different but acceptable measurement techniques could result in materially different amounts or metrics being reported.

Based on our review, we are not aware of any material modifications that should be made to the Subject Matter of Diamondback for the year ended December 31, 2021, in order for it to be in accordance with the Criteria.

Brent Thornton LLP

Oklahoma City, OK
September 26, 2022

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



Diamondback Energy, Inc.

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September 2022

