

CORPORATE RESPONSIBILITY REPORT

APPENDIX 2014-15



Our Major Operating Companies, Subsidiaries and Operating Units

Exploration and Production (E&P) Operations and Services

- SWN Production (Arkansas), LLC, conducts exploration, drilling and production, exclusively in Arkansas
- SWN Production Company, LLC, conducts exploration, drilling and production in Pennsylvania, Arkansas, Louisiana and elsewhere
- SWN Resources Canada, Inc., conducts our Canadian operations, which are currently in the early exploration phase
- SWN E&P Services, LLC, provides oilfield products and services through the following subsidiaries and operating units:
 - SWN Sand operates a sand plant that provides sand for use in hydraulic fracturing
 - SWN Well Services, LLC, provides hydraulic fracturing services
- SWN Drilling Company, LLC, operates drilling rigs in Arkansas, Pennsylvania, Louisiana and elsewhere

GRI Index

Southwestern Energy's 2014–15 corporate responsibility report was developed in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines at the Core level. We also used non-GRI indicators – specifically, those from the IPIECA oil and gas industry guidance on voluntary sustainability reporting, and from *Disclosing the Facts*, which was developed jointly by the Investor Environmental Health Network (IEHN) and other organizations – when they were more relevant to the aspect reported than the GRI indicator.¹ We determined the material GRI aspects and indicators based on the issues we ranked as highest impact on SWN and/or concern to stakeholders in our analysis of key issues (see p. 9 of the main report). Fully reported indicators are noted in dark blue and partially reported indicators are in light blue. The financial data drawn from our Form 10-K have been externally assured; while other data haven't been externally assured, they have been subject to internal quality assurance procedures.

GENERAL STANDARD DISCLOSURES	
INDICATOR	PAGE/RESPONSE/OMISSION
G4-1	p. 4
G4-2	p. 4, pp. 8–11
G4-3	p. 3
G4-4	p. 5
G4-5	Back cover
G4-6	p. 5 2014 10-K, pp. 6–7 http://investor.shareholder.com/swn/secfiling.cfm?filingID=7332-15-4
G4-7	Southwestern Energy is a publicly held company. Our common stock is traded on the New York Stock Exchange under the symbol "SWN."
G4-8	p. 5
G4-9	p. 5
G4-10	pp. 40–42 See pp. 41–42 for an overview of our approach to working with contractors. SWN does not employ a significant number of seasonal workers.
G4-11	None of our employees are covered by collective bargaining agreements.
G4-12	As SWN is a vertically integrated company supplying a basic commodity product, we do not have a long supply chain. We do purchase equipment (e.g., steel casing pipe, valves, vehicles) from a variety of manufacturers, and we use contractors for some aspects of our work. We utilize approximately 2,200 outside suppliers. Of these, 51% are contractors/service suppliers, 27% supply materials, 16% are consultants and 6% provide transportation. An estimated 99% of our suppliers are U.S.-based, approximately 1% are Canadian and less than 1% are based elsewhere. The estimated annual value of payments made to suppliers is approximately \$2 billion.

Midstream Services

- SWN Midstream Services Company, LLC, oversees the gathering, marketing and transport of natural gas, through the following subsidiaries:
 - DeSoto Gathering Company, LLC, engages in natural gas gathering activities in Arkansas for SWN and other natural gas producers
 - Angelina Gathering Company, LLC, engages in natural gas gathering activities in Arkansas, Pennsylvania and Louisiana, primarily for SWN but also for other producers
 - SWN Energy Services Company, LLC, markets and transports natural gas, crude oil and natural gas liquids, primarily for SWN but also for other producers

INDICATOR	PAGE/RESPONSE/OMISSION
G4-13	pp. 4–5 2014 10-K, p. 17 http://investor.shareholder.com/swn/secfiling.cfm?filingID=7332-15-4
G4-14	pp. 10–11
G4-15	Appalachian Shale Recommended Practices Group (see www.asrpg.org) ONE Future Coalition (see p. 27 and www.onefuture.us)
G4-16	SWN is a member of the following associations, among others: <ul style="list-style-type: none"> • American Exploration & Production Council (AXPC) • America's Natural Gas Alliance (ANGA) • Arkansas Independent Producers and Royalty Owners (AIPRO) • Canadian Association of Petroleum Producers (CAPP) • Canadian Society for Unconventional Resources (CSUR) • Gas Processors Association (GPA) • Independent Petroleum Association of America (IPAA) • Marcellus Shale Coalition (MSC) • National Petroleum Council (NPC) • New Brunswick Oil and Natural Gas Association (NBONGA) • Pennsylvania Independent Oil & Gas Association (PIOGA) • Texas Alliance of Energy Producers (TAEP) • Texas Independent Producers & Royalty Owners Association (TIPRO) • U.S. Chamber of Commerce Also, SWN partners with and supports numerous local and state community organizations in the regions in which we operate. At present, SWN representatives serve on the boards of directors of the following, among others: <ul style="list-style-type: none"> • American Red Cross of Greater Arkansas • Arkansas Game & Fish Foundation • Boys & Girls Country of Houston • Child Legacy International • Comp-U-Dopt • Conway (Arkansas) Chamber of Commerce • Conway (Arkansas) Regional Medical Foundation • Conway (Arkansas) Symphony Orchestra • Heart of Arkansas United Way

¹ See www.ipieca.org/publication/oil-and-gas-industry-guidance-voluntary-sustainability-reporting-2010-update; and <http://disclosingthefacts.org/>.

INDICATOR	PAGE/RESPONSE/OMISSION
G4-16 (continued)	<ul style="list-style-type: none"> • Interfaith CarePartners (Houston) • Junior Achievement of Arkansas • Lackawanna College (Scranton, Pennsylvania) • Penn State, Scranton Campus • University of Arkansas Community College at Morrilton Foundation • University of Central Arkansas Advisory Board of College of Natural Sciences and Mathematics • Wyoming County (Pennsylvania) Chamber of Commerce • Wyoming County (Pennsylvania) United Way
G4-17	Appendix, p. 1 There are no entities in the consolidated financial statement that are not covered in this report.
G4-18	p. 9
G4-19	p. 9 Appendix, p. 4
G4-20	Appendix, p. 4
G4-21	Appendix, p. 4
G4-22	Not applicable, no previous reports.
G4-23	Not applicable, no previous reports.
G4-24	pp. 15–16
G4-25	pp. 15–16, p. 34
G4-26	pp. 15–16
G4-27	pp. 22–25, pp. 27–28, pp. 33–38
G4-28	p. 3
G4-29	None
G4-30	As this is our first report, no reporting cycle has yet been established.
G4-31	Back cover
G4-32	This index
G4-33	Appendix, p. 1
G4-34	pp. 12–14
G4-35	pp. 12–14
G4-36	pp. 12–14
G4-37	pp. 12–16
G4-38	See www.swn.com/corporategovernance/Pages/BoardofDirectors.aspx . Also note, seven of our Board members have had long careers with companies in oil and gas extraction and production, where they encountered and addressed the wide range of environmental, health, safety and social issues applicable to that industry.
G4-39	At our May 2014 annual meeting of stockholders, the Board of Directors elected Steven Mueller, SWN's CEO, as Chairman. Mr. Mueller is continuing as CEO.
G4-40	2015 Proxy Statement, pp. 10–13 www.swn.com/investors/Annual_Reports/SWN15_proxy.pdf
G4-41	Our Board members are subject to our business conduct guidelines, which cover conflicts of interest and also limit membership on other boards. Board members are also subject to the independence requirements of the New York Stock Exchange, including the strengthened requirements relating to Audit, Compensation, Governance, and Nominating committees.
G4-42	p. 3, pp. 8–9, pp. 13–14
G4-45	pp. 12–14
G4-46	pp. 12–14
G4-47	p. 13
G4-48	p. 3
G4-49	www.swn.com/corporategovernance/Pages/contactboard.aspx
G4-51	2015 Proxy Statement, pp. 24–60 www.swn.com/investors/Annual_Reports/SWN15_proxy.pdf
G4-52	2015 Proxy Statement, p. 32 www.swn.com/investors/Annual_Reports/SWN15_proxy.pdf

INDICATOR	PAGE/RESPONSE/OMISSION
G4-53	2015 Proxy Statement, pp. 56–57 www.swn.com/investors/Annual_Reports/SWN15_proxy.pdf
G4-56	pp. 3–4, pp. 9–15 Also, the V+ Development Solutions' mission statement reads in part as follows: "The development of America's abundant supply of natural gas is an essential part of achieving a secure, low-carbon energy future for our country. For Southwestern, the proper development of this resource means balancing the economic, environmental and social impacts of our activities."
G4-57	pp. 15–16
G4-58	pp. 15–16
DISCLOSURES ON MANAGEMENT APPROACH (DMA)	
Economic Performance	pp. 9–16
Market Presence	p. 3, pp. 12–16, pp. 36–37, p. 40, p. 42
Indirect Economic Impacts	pp. 36–38
Materials	pp. 14–15, pp. 22–25
Energy	pp. 13–15, pp. 27–30
Water	pp. 13–15, pp. 22–26
Biodiversity	pp. 13–15, pp. 30–32
Emissions	pp. 13–15, pp. 27–30
Effluents and Waste	pp. 13–15, pp. 22–26, pp. 30–32
Products and Services	pp. 13–15, pp. 22–26, pp. 27–30
Compliance	pp. 13–15
Transport	pp. 13–15, p. 30, pp. 34–35
Overall	pp. 13–15
Supplier Environmental Assessment	pp. 41–42
Environmental Grievance Mechanisms	pp. 22–23
Employment	pp. 39–41
Occupational Health and Safety	pp. 13–15, pp. 17–20
Training and Education	pp. 13–15, pp. 17–20, pp. 39–41
Diversity and Equal Opportunity	pp. 39–41
Non-discrimination	pp. 39–41
Indigenous Rights	p. 34, p. 36
Human Rights Grievance Mechanisms	pp. 15–16, pp. 34–36
Local Communities	pp. 15–16, pp. 33–38
Anti-corruption	pp. 12–15
Public Policy	pp. 12–15
Supplier Assessment for Impacts on Society	pp. 33–38, pp. 41–42
Grievance Mechanisms for Impacts on Society	pp. 22–23, pp. 33–38

INDICATOR	PAGE/RESPONSE/OMISSION
SPECIFIC STANDARD DISCLOSURES	
G4-EC1	p. 5 2014 10-K, pp. 72–76 http://investor.shareholder.com/swn/secfiling.cfm?filingID=7332-15-4
G4-EC2	p. 4, pp. 10–11, pp. 13–14, pp. 27–30
G4-EC3	2014 10-K, p. 64, pp. 102–108 http://investor.shareholder.com/swn/secfiling.cfm?filingID=7332-15-4
Non-GRI IPECA SE6	pp. 36–37, pp. 39–40, p. 42
G4-EC7	pp. 33–38
G4-EC8	pp. 33–38, pp. 39–42
G4-EC9	pp. 39–40, p. 42 SWN makes every effort to work with local suppliers at significant locations of operations. However, we do not record a percentage at this time.
OG1	p. 5, p. 8 2014 10-K, pp. 7–13 http://investor.shareholder.com/swn/secfiling.cfm?filingID=7332-15-4
G4-EN1	The part of this indicator that is material to SWN relates to the use of chemicals in our hydraulic fracturing fluids. SWN discloses that information to the FracFocus database (www.fracfocus.com), as discussed on p. 23.
G4-EN6	p. 32
G4-EN8	p. 25
G4-EN9	No water source is significantly affected by SWN's water withdrawals. We follow state-imposed guidelines for stopping withdrawal from surface water sources during low-flow periods to minimize impacts. We also obtain permits and follow regulatory requirements for water sources to ensure we are considering local needs and impacts.
G4-EN10	p. 25
G4-EN13	p. 26, p. 32
G4-EN14	p. 26, p. 32
Non-GRI IEHN Site Impacts	p. 26, pp. 30–32
G4-EN15	p. 30
G4-EN18	p. 30
G4-EN19	pp. 27–30
G4-EN24	p. 31
Non-GRI IEHN Well Integrity	pp. 22–24
G4-EN27	pp. 21–32
G4-EN29	In 2014, we had no significant fines and no significant nonmonetary sanctions for noncompliance with environmental laws and regulations.
G4-EN30	We do not comprehensively measure greenhouse gas (GHG) or non-GHG emissions associated with our vehicle fleet or transportation of our workforce.
G4-EN32	We identify initial or basic environmental programs implemented by our contractors. We have implemented a comprehensive review of contractor environmental programs, including environmental sustainability. This review and changes to our contractor screening (through ISNetworld) of their environmental programs was initiated in 2014 and includes a robust HSE audit program.
G4-EN34	In 2014, we received 23 water well impairment claims in Arkansas. Of those, all but one were determined to be due to natural conditions or mechanical water well conditions, or the wells had no apparent problem. In the one remaining claim, drilling activity from a nearby rig temporarily made the groundwater turbid near a neighboring home. We paid to install plumbing and to connect the landowner to a rural water system. In northeast Pennsylvania in 2014, we received 10 water well impairment claims. Our investigations closed eight of those claims, and they were determined to be due to mechanical conditions or bacterial infestations in the water well.

INDICATOR	PAGE/RESPONSE/OMISSION
G4-EN34 (continued)	Two of the claims are still being investigated. In Colorado, we received one water well impairment claim in 2014 and determined that our operations had not affected the well. During 2014, we also received four claims of surface water impairment in Arkansas. Three of our investigations concluded that there was no impairment. One surface water claim in Arkansas is in the process of being resolved. In Pennsylvania, we received three surface water impairment claims in 2014. In two of those claims, the impairment was due to natural conditions. The third claim involved turbid spring water that appears to have been associated with nearby seismic operations we were conducting. The turbidity in the spring quickly disappeared and the landowner was satisfied with our response. Our approach to handling community grievances generally is discussed on pp. 33–34.
G4-LA2	pp. 39–41 We offer competitive pay and benefits. In addition to a base salary, our compensation program includes variable pay, stock-based awards, a 401(k) and pension plans. Beyond financial compensation, SWN provides challenging work assignments, potential for advancement, training specific to each role and a competitive benefits package. Our benefit offerings include high-quality health and dental insurance plans; leaves of absence, including family and medical leave, personal leave, military leave, workers' compensation, and short-term and long-term disability benefits; life and accidental death and dismemberment insurance; long-term care insurance; employee assistance programs; and optional supplemental insurance. Recently, we added a high-deductible insurance option and personal health savings accounts, which the company will help to fund. We also implemented on-site health screenings and other health and wellness education and encouragement programs. For more on our benefits programs see: www.swn.com/careers/pages/whyworkforswn.aspx .
G4-LA5	p. 14
G4-LA6	p. 20 As stated on p. 20, we report industry standard data related to health and safety to the American Exploration & Production Council on an annual basis.
G4-LA9	p. 18, p. 41
G4-LA10	p. 41
G4-LA12	p. 40 Of our nine Board of Directors members, one is female and all are over 50 years of age. We do not track ethnic background.
OG10	pp. 34–36 We consider a dispute to be significant if: <ul style="list-style-type: none"> • the safety of members of the public or SWN employees or contractors is in jeopardy, • legal action is required to settle the dispute, or • there is illegal seizure or destruction of company equipment. We attempt to resolve disputes through a number of engagement strategies.
G4-SO1	pp. 33–38
G4-SO2	pp. 33–36
Non-GRI IPECA SE4	pp. 36–38
Non-GRI IPECA SE7	pp. 39–42
G4-SO6	www.swn.com/corporategovernance/Pages/politicalactions.aspx
Non-GRI IPECA SE14	p. 15
G4-SO9	As discussed on p. 31, we screen waste disposal facilities on certain criteria (including proper environmental permits and compliance) prior to use.
G4-SO11	pp. 22–23, pp. 33–34 See also the GRI Index note for G4-EN34.

Report Boundaries

The following table lists SWN's most material issues and their boundaries.

SWN MATERIAL ISSUE	G4 MATERIAL ASPECT	MATERIAL WITHIN THE ORGANIZATION ²	MATERIAL OUTSIDE THE ORGANIZATION ³
ECONOMIC PERFORMANCE			
Company Financial Health	EC – Economic Performance	Relevant to all stages of SWN value chain	Investors, contractors, landowners and communities
Shareholder Return	EC – Economic Performance	Relevant to all stages of SWN value chain	Investors
Volatility in Product Pricing	EC – Economic Performance	Relevant to all stages of SWN value chain	Investors, use phase
GOVERNANCE			
Metrics, Targets and Incentives	None	Exploration, development, gathering and processing	Contractors
Reporting/Transparency	None	Exploration, development, gathering and processing	Investors and local communities
Risk Management	EC – Economic Performance	Exploration, development, gathering and processing	Local operations and stakeholders
HEALTH AND SAFETY			
Working Conditions	LA – Occupational Health and Safety	Relevant to all stages of SWN value chain	Contractors
Training	LA – Occupational Health and Safety	Relevant to all stages of SWN value chain	Contractors
ENVIRONMENT			
Environmental Management, Policies, Targets and Metrics	EN – Environment, Disclosures on Management Approach	Relevant to all stages of SWN value chain	Contractors
GHG Emissions and Energy Use	EN – Energy, EN – Emissions	Exploration, development, gathering and processing	Use phase
Impacts of Transporting Materials	EN – Transport, EN – Energy, EN – Emissions, EN – Effluents and Waste	Exploration and development	Local operations and stakeholders
Regulation/Compliance	EN – Compliance	Relevant to all stages of SWN value chain	Local operations and stakeholders
Site Impacts/Site Development	EN – Biodiversity	Exploration, development, gathering and processing	Local operations and stakeholders
Waste	EN – Effluents and Waste	Exploration, development, gathering and processing	Local operations and stakeholders
Water Quality, Sourcing and Wastewater Management	EN – Water, EN – Effluents and Waste	Exploration, development, gathering and processing	Local operations and stakeholders
Well Construction, Integrity and Closure	SO – Local Communities	Exploration and development	Local operations and stakeholders
COMMUNITIES			
Economic Impact in Local Communities	SO – Local Communities	Exploration, development, gathering and processing	Local communities
Impacts on Community Infrastructure	SO – Local Communities	Exploration, development, gathering and processing	Local communities
Proactive Community Engagement	EN – Environmental Grievance Mechanisms, SO – Local Communities	Exploration, development, gathering and processing	Local communities
Social License to Operate	None	Exploration, development, gathering and processing	Local operations and stakeholders
WORKFORCE			
Workforce Training and Development	LA – Training and Education	Relevant to all stages of SWN value chain	Contractors
Managing Contractors	None	Relevant to all stages of SWN value chain	Contractors

² Defined by value chain stage (see p. 6 of the full report).

³ Defined by value chain stage and/or stakeholders directly affected. "Local operations and stakeholders" includes local communities, contractors and landowners/holders of mineral rights.