



2024 SUSTAINABILITY  
REPORT





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## LETTER FROM OUR CEO



We are pleased to present Coterra's 2024 Sustainability Report. We hope you find it data-driven, concise, and readable. We also hope you find it forthright in discussing our efforts to reduce emissions, manage water resources, tackle climate change policies and regulations, and manage our workforce and community relations in ways that reflect our core values. This report describes a comprehensive effort that has been underway at Coterra for many years, placing our environmental responsibilities at the forefront of our corporate goals and technical priorities. We have deployed some of our best talent on these issues, and our entire organization understands their importance.

Sustainability touches a host of issues, including emission reduction, water recycling, produced water disposal, electrification, avoiding induced seismicity, eliminating oil and water spills, and providing a safe workplace for our employees. This effort is not delegated to a single group at Coterra. Although we have a Sustainability group that oversees many of these issues, the responsibility for environmental excellence is shared throughout our operations teams. Our Board of Directors and Executive Team are focused on continuous improvement in all these areas.

In this report, you will find an update on our latest progress in emission reduction and the many initiatives we have underway. We have continued to advance tankless facility design, which eliminates many of the components that cause unintended emissions. Although we eliminated routine high-pressure flaring some years ago, we still have flares at our facilities for emergency conditions. In the past few years, we have centralized our emergency flares, greatly reducing their total number and the need to maintain and inspect dozens of flares. We will continue to invest in projects that offer meaningful emissions reduction and push the engineering envelope forward.

Our emission reductions in 2023 are a testament to our broad organizational efforts. From 2019 to 2023, we achieved a 52% reduction in Scope 1 greenhouse gas emission intensity, an 86% reduction in methane intensity, and an 82% reduction in flare intensity.

We establish annual goals around these emission reduction targets. We track our progress continuously and send scorecards to our organization. We believe that focusing on short-term, annual goals is the right approach. While we do long-term planning for our emission reduction strategy, we think that short-term, operationally achievable goals are preferable to long-term goals that are mostly aspirational. Our performance over the past few years reflects and validates this strategy. As we look ahead, we see tremendous uncertainty in the regulatory environment controlling sustainability practices. We are frustrated with a regulatory and policy environment that oscillates in four-year cycles depending on the results of national and state elections. Regardless of any upcoming changes to the regulations that govern us, Coterra will continue our environmental initiatives unabated. Our commitment to sustainability is a commitment to environmental excellence. The focus on sustainability that entered our arena more than a decade ago has made us a better operator. We will not relax our drive for excellence regardless of the outcome of elections or the regulatory regime.

We look forward to engaging with you on the topics contained herein or any other issues regarding our commitment to sustainability. We firmly believe that the world will need the products we produce for many decades to come, and we are committed to ensuring Coterra is a global leader in delivering these products with the best possible environmental footprint.

Thank you for your continued support.

Sincerely

**THOMAS E. JORDEN**  
*Chairman, Chief Executive Officer and President*

# ABOUT COTERRA

Coterra Energy Inc. ("Coterra" or the "Company") is an exploration and production company based in Houston, Texas, with focused operations in the Permian Basin, Marcellus Shale, and Anadarko Basin. Hydrocarbon products are critical to supporting our everyday lives and Coterra is dedicated to meeting the demands of the evolving energy marketplace in a way that generates sustainable value for our stakeholders.

Our goal is to deliver sustainable returns to investors, to offer a rewarding experience for our team, and to provide reliable energy solutions – safely and responsibly. Ensuring our operations are both safe and responsibly managed remain key pillars of our business.

## OUR PORTFOLIO

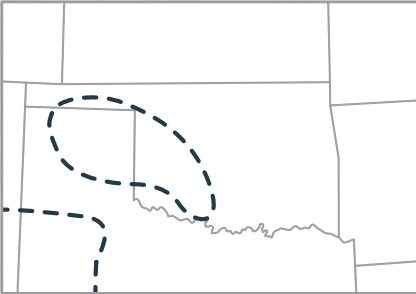


### OUR FOOTPRINT



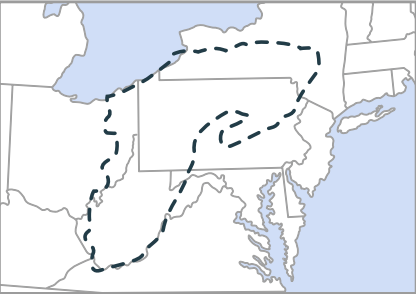
### PERMIAN BASIN

Coterra's Permian assets are located in the Delaware Basin, spanning west Texas and southeast New Mexico.



### ANADARKO BASIN

Coterra's Anadarko assets are primarily located in central Oklahoma.



### MARCELLUS SHALE

Coterra's Marcellus assets are primarily concentrated in Susquehanna County, within northeast Pennsylvania.

## ACTIVITY METRICS [SASB: EM-EP-000.A,B,C](#)

In 2023, our operations produced the following volumes of oil, gas, and natural gas liquids across our three operational business units.

Metric	Production of:	2023 <sup>1</sup>
SASB EM-EP-000.A	Oil	96 Mbbbl/day
	Gas	2,884 MMscf/day
	Natural Gas Liquids	90 Mbbbl/day
	Synthetic Oil	0
	Synthetic Gas	0
SASB EM-EP-000.B	Number of Offshore Sites	0
SASB EM-EP-000.C	Number of Onshore Sites	1,166

1. Production volumes are net numbers and correspond with the information disclosed in Coterra's 2023 Form 10-K



# ABOUT COTERRA (CONTINUED)

## Report Overview

We believe that strong sustainability leadership is critical to creating durable returns for our stakeholders. Given the importance of hydrocarbons in supporting various aspects of our modern-day lives, we conduct operations in a way that provides essential energy resources while striving to limit our environmental impact, prioritizing our people and communities, and aligning with the highest ethical standards.

Our 2024 Sustainability Report (“Report”) details Coterra’s progress, practices, and performance around sustainability topics relevant to the Company’s business. The contents were informed by our stakeholders, recommendations by the Task Force on Climate-Related Financial Disclosures (“TCFD”), and disclosure recommendations included in the Sustainability Accounting Standards Board’s (“SASB”) Extractives & Minerals Processing Sector: Oil & Gas – Exploration & Production Standard.

The Report’s content focuses on performance and initiatives during fiscal year 2023 (“FY2023”), or the period from January 1, 2023, to December 31, 2023, unless otherwise noted. The Report was developed through collaboration with our operating teams and leadership and was subsequently reviewed by Coterra’s Board of Directors (the “Board”).

## Our Approach to Sustainability

Environmental stewardship is a key aspect of ensuring the well-being of our people and communities and promoting a future with long-term value for our stakeholders and our Company. To address the sustainability topics related to our Company and the broader industry, we deploy cross-functional teams to apply the same

data-driven, technologically focused, and innovation minded approach that has supported the success and growth of our business.

We strive to integrate sustainability considerations into our operations. We believe that an effective sustainability program requires participation and support from a broad group of employees and that success begins with strong governance. At the board level, oversight of our sustainability program falls primarily on the Board’s Environment, Health & Safety Committee. The Environment, Health & Safety Committee provides dedicated expertise to oversee risks and opportunities that arise related to climate, our workforce and communities, other relevant sustainability matters, and our associated management practices. In addition, our dedicated sustainability engineering team supports the implementation and planning of Coterra’s emissions reduction efforts and the Company’s ongoing innovation around efficiency and environmental performance.

Our commitment to sustainability is supported by our corporate governance policies, which align with and support the Company’s values and long-term strategy. We work to embed best practices into our culture, including discussions with our executive team on topics that support our sustainability initiatives and goals throughout the Company.

While climate considerations are important to our sustainability program, we recognize that sustainability extends beyond environmental concerns. Social and economic concerns, among others, are also interconnected with sustainability matters. We recognize the importance of efforts that address a range of matters and leverage collaboration across our organization in a holistic approach to sustainability.





# 2023 Sustainability Highlights



## Environmental, Health, and Safety

- Scope 1 GHG emissions intensity was 4.56 in 2023, beating the low end of our target range of 4.96. This was a 16.6% reduction from 2022.
- Methane intensity was 0.023% in 2023, outperforming the target range of 0.034%-0.030%, a 41% improvement from the previous year of 0.039%.
- Flaring intensity declined 23.9% to 0.083% in 2023, outperforming our target expectation of 0.110%-0.101%.
- Permian Basin midstream business increased its percentage of electrified compression horsepower to 30% in 2023, up from 8% in 2022.
- Oil production from tankless facilities passed 50% for the first time in 2023, compared to about 36% of oil production in 2022.



## Human Capital

- In 2023, we launched our first human resources-led training, "Feedback That Works," for field and non-field managers.
- We started a partnership with Lyra Health, a new mental health and employee assistance program ("EAP") provider effective October 1, 2023.



## Community Relations

- In 2023, Coterra invested over \$10 million in the communities in which we operate.
- We provided educational assistance directly to over 1,175 students in the past year with a focus on technical fields.



# ENVIRONMENTAL, HEALTH, AND SAFETY



## Environmental, Health, and Safety Management System (SASB: EM-EP-540a.2)

Coterra’s environmental, health, and safety management system (“EHS MS”) helps ensure our operations are conducted in a safe and environmentally responsible manner. Our EHS MS consists of standards and procedures developed with extensive cooperation with our field operational teams. These standards and procedures facilitate workforce health and safety, environmental stewardship, and regulatory compliance performance by providing controls and safeguards specific to the oil and gas exploration and production sector. Additionally, we monitor our EHS MS for regulatory changes at federal, state, and local levels and regularly update it to ensure compliance and to incorporate newly identified improvement initiatives. Our EHS MS applies to all Coterra operations, employees, and contractors.

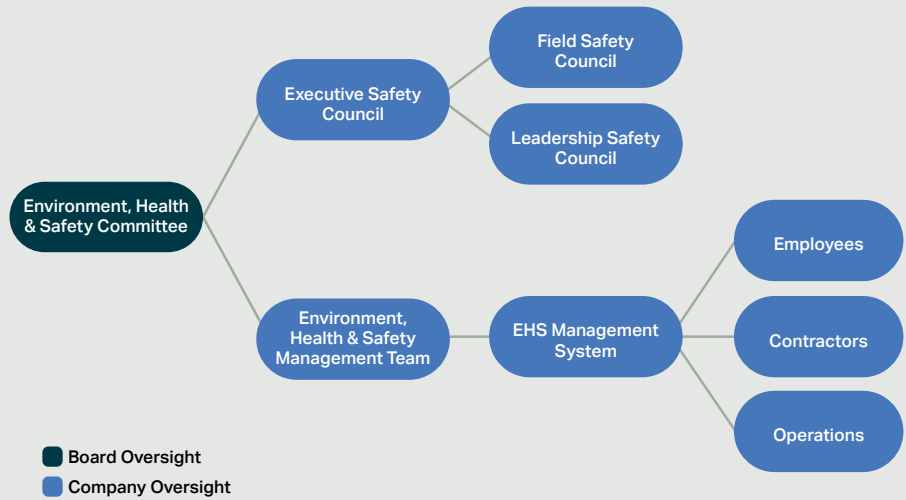
The Environment, Health & Safety Management team, led by Coterra’s Vice President-EHS, monitors the performance and effectiveness of the EHS MS across Coterra’s operations and reports quarterly to the Environment, Health & Safety Committee.

### Environment, Health, & Safety Committee

The Board’s Environment, Health & Safety Committee is integral to the success of our EHS MS. In addition to Board-level oversight of our EHS MS, our Environment, Health & Safety Committee is responsible for the following:

- Assisting the Board by providing risk oversight related to environment, health, and safety topics;
- Overseeing EHS MS and sustainability policies, programs, data, and the reporting and public disclosure thereof;
- Monitoring environmental, health and safety matters, statistics, and trends in such matters that affect the Company’s activities and performance; and

### ENVIRONMENTAL, HEALTH & SAFETY MANAGEMENT SYSTEM



- Reviewing and providing recommendations to management regarding:
  - the Company’s compliance with environmental, health, and safety laws and regulations;
  - the Company’s management of and responses to potential safety incidents and environmental releases; and
  - initiatives and training designed to improve EHS performance.

Coterra conducts monitoring and auditing activities, ensuring guidelines are appropriately implemented throughout our operations. We have processes in place to regularly inspect our facilities and identify, record, and track prevention and mitigation efforts for identified potential hazards.



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Climate and TCFD

In alignment with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”), Coterra actively identifies and manages climate-related risks and opportunities. We believe we are well-positioned to be a part of meeting future energy demand while also operating in an environmentally responsible manner that manages our emissions and overall environmental impact.

### Climate Governance (TCFD: Governance – a,b)

Coterra’s climate initiatives span across our Company. Through this approach, we believe we create more effective and consistent management of potential physical impacts of the climate and risks related to a potential transition to a lower carbon economy, ensuring each is integrated into our overall business strategy.

Coterra’s Board has oversight responsibility for our Enterprise Risk Management (“ERM”) framework. This risk oversight function is, in part, delegated to Board committees. Specifically, the Environment, Health & Safety Committee oversees and provides recommendations to the Board regarding the Company’s sustainability policies and programs. This committee also consults with the Board and internal advisors regarding the management of our EHS programs, including trends in environmental compliance and their economics. Coterra’s risks and opportunities assessment, including potential climate-related risks, is key to understanding the types of considerations that should be integrated into the ERM framework.

Management is responsible for assessing and overseeing both physical and transition risks and opportunities, which are addressed at a business-unit level. Management regularly interacts with the Board and its committees on such climate-related risks and opportunities and other sustainability matters. Through this cross-functional collaboration, we are able to more effectively create accountability and transparency throughout our Company.

## Climate Strategy (TCFD: Strategy – a,b,c; SASB: EM-EP-420a.4)

As part of our annual ERM process, Coterra has identified potential climate-related risks and opportunities that may impact our business over the short-, medium-, and long-term. Our time horizons are defined as follows:

- 1. Short-term Risks:** Risks that might impact near-term financial results, including those that may occur within the current annual reporting cycle.
- 2. Medium-term Risks:** Risks that might materially impact our financial results due to longer-term manifestation of climate-related impacts that might require us to significantly adjust our strategy, including those that may occur over a 2- to 5-year timeframe.
- 3. Long-term Risks:** Risks that may fundamentally impact the viability of our long-term strategy and business model, including those that may take place over a 5- to 10-year timeframe.

The nature of these risks depends on the physical aspects of climate change, as well as market and government regulations, investor pressure to reduce our carbon footprint, and our ability to understand and respond to rapidly evolving developments. As part of Coterra’s risk assessment, we analyzed various risks, including policy and legal risks, technology risks, market risks, reputational risks, and physical risks. For more information about risk factors that could cause actual results to differ materially from those described in this Report, please refer to the Business and Properties and Risk Factors sections of Coterra’s [Annual Report](#) on Form 10-K for the year ended December 31, 2023.

As part of our climate analysis, we also identified the following climate-related opportunities:

### Market Opportunities | (Short-, Medium- & Long-Term)

Coterra believes that global energy demand will continue to grow, with oil and gas remaining a meaningful portion of the energy supply mix over the long term. According to the 2023 International Energy Agency (“IEA”) World Energy Outlook



(“WEO”), the global population is expected to grow by about 1.7 billion to 9.7 billion by 2050, almost all of which will be experienced in urban areas of Asia and Africa.<sup>2</sup> We expect that oil and natural gas will be needed to supply affordable and reliable energy in these developing countries.

Data from the Energy Institute’s 2024 Statistical Review of World Energy (“EI”) showed that Africa and South Asia accounted for less than 10% of the world’s energy demand in 2023, but a number of factors may position those regions for significant energy demand growth. These factors include the prevalence of developing economies,

*2. International Energy Agency, World Energy Outlook 2023, October 2023, pg. 94-95.*





large populations, and the current low rate of access to energy, according to EI.<sup>3</sup> This projected energy demand in developing countries, coupled with expanded import capacity in developed nations, should lead to an increase in U.S. energy exports. In the oil market, the Energy Information Administration (“EIA”) is projecting – in its baseline and all side cases - that the U.S. will remain a net exporter of petroleum products and natural gas through 2050.<sup>4</sup>

In the global liquefied natural gas (“LNG”) market, the U.S. was the top exporting country in 2023, averaging 11.9 Bcf/d—a 12% increase (1.3 Bcf/d) over 2022. The countries that imported the most U.S. LNG were the Netherlands, France, and the U.K., with a combined 35% (4.2 Bcf/d) of all U.S. LNG exports.<sup>5</sup> In addition, LNG regasification capacity is expanding in Europe. Germany is estimated to add 1.6 Bcf/d in capacity in 2024, on top of the 1.8 Bcf/d added in the previous year. Overall, Europe’s regasification capacity is on track to expand to 29.3 Bcf/d in 2024, a more-than-33% increase from 2021, according to the EIA.<sup>6</sup>

We believe we are in a good position to capitalize on this opportunity to participate in meeting the world’s oil and gas demand.

*Emissions Reduction Opportunities / (Short-, Medium-, and Long-Term)*

Coterra actively pursues strategic actions to manage transition risks and capture opportunities by investing in projects and technologies to better manage our greenhouse gas emissions. More information on these activities can be found in the [Emissions Reduction Initiatives](#) section of this report. The Company’s strategy and business planning considers the value of these projects in the context of its overall approach to climate change risk management.

**Climate Risk Management** (TCFD: Risk Management – a,b,c)

Coterra is committed to managing the transition and physical risks related to climate change. We employ a multi-disciplinary, company-wide ERM process for integrating risk management throughout our business, which includes the integration of climate-related risks. This process includes identifying, evaluating, and addressing risks and opportunities on a regular basis.

Our ERM process is overseen by our executive team and reviewed by the Board. To ensure each risk, including potential climate-related risks, is appropriately monitored and managed, executive-level responsibility is assigned to that risk. As part of the integration of climate-related risks into our overall sustainable business strategy, risk management topics are reviewed and discussed on a regular basis amongst our leadership team and across the organization. In addition, Coterra encourages cross functional collaboration amongst departments, business units, and external stakeholders in which business unit leaders are responsible for incorporating business unit-specific risk management plans into their operations.

Coterra evaluates each risk to determine the potential magnitude of impacts, likelihood that the risk will materially impact Coterra, and the expected timing over when the risk might occur, including short-, medium-, and long-term time horizons. Depending on the potential impact of the identified risk relative to the risk threshold we are willing to accept, appropriate risk mitigation and monitoring strategies are put in place with associated controls and assurance mechanisms. Following risk identification and evaluation, we develop management plans and operational procedures that address and mitigate risks specific to our operations and facilities.

**Climate Scenario Analysis**

In alignment with TCFD recommended disclosure, we examined a range of climate-related scenarios, including scenarios structured to prevent a 2°C increase in average global temperatures compared to pre-industrial levels. We then selected three of these scenarios and analyzed the resilience of our asset portfolio based on the prescribed assumptions.

To conduct our analysis, Coterra relies on data and future projections from both public and private providers. The public data is developed by two of the largest

3. *Energy Institute, Statistical Review of World Energy 2024 73rd edition June 2024, pg. 8.*  
4. *Energy Information Administration, Annual Energy Outlook 2023, March 2023, pg. 6, 23.*  
5. *Energy Information Administration, EIA Today In Energy, April 1, 2024.*  
6. *Energy Information Administration, EIA Today In Energy, February 29, 2024.*



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

organizations that collect and track energy data – the IEA and the EIA. These scenarios cover a range of forecasts for energy demand, supply mix, and commodity prices, based on projections of different future policy outcomes.

Each scenario considered by Coterra is underpinned by a variety of assumptions about the future state of the macroeconomic environment, including behavioral changes, cost reductions, technological advancements, policy movement, and resource requirements. Some of these assumptions are often derived from forecasts that are focused on an end-result and do not necessarily factor in feasibility, such as the IEA's Net Zero Emissions by 2050 Scenario. We believe that feasibility, specifically as it relates to energy reliability and potential implications of a lack of energy diversity, should be considered by global policymakers, as energy diversity is a critical component of energy reliability.

The scenarios from each agency selected by Coterra are outlined below. This is an evolving exercise that Coterra plans to update periodically based on new data and changes to our business.

Our analysis considers the following scenarios:

**1. EIA 2023 Annual Energy Outlook (“AEO2023”) Reference Case Scenario<sup>7</sup>:** In the AEO2023 Reference Case Scenario, EIA assesses how U.S. and world energy markets would operate through 2050 under current laws and regulations as of November 2022 under evolutionary technological growth assumptions. EIA's key assumptions in this Reference Case provide a baseline, or experimental control, for exploring long-term trends. An overview of the laws and regulations included in AEO2023 Reference Case Scenario is available on the AEO website.

EIA incorporated provisions of The Inflation Reduction Act into the Reference Case Scenario and side cases, unless otherwise noted.

**2. IEA 2023 World Energy Outlook Stated Policies Scenario (“STEPS”)<sup>8</sup>:** STEPS is designed to provide a sense of the prevailing direction of the energy system progression, based on a detailed review of the current policy landscape. It explores how energy systems evolve under current policies and private sector momentum without additional policy implementation. STEPS is not developed with a particular outcome in mind, but rather aims to reflect to policy makers where current efforts are likely to lead global energy systems. STEPS does not take for granted that all government targets will be achieved. Instead, it takes a granular, sector- by-sector look at existing policies and measures, as of late August 2023. New for 2023, STEPS takes into account industry action, including manufacturing capacity of clean energy technologies, and its impacts on market uptake beyond the policies in place or announced.

**3. IEA 2023 World Energy Outlook Net Zero Emissions by 2050 Scenario (“NZE”)<sup>9</sup>:** NZE depicts a narrow pathway for the global energy sector to reach net zero energy-related carbon dioxide (“CO<sub>2</sub>”) emissions by 2050 by deploying a wide portfolio of lower carbon energy technologies and without offsets from land-use measures. It recognizes that achieving net zero energy sector CO<sub>2</sub> emissions by 2050 depends on effective global cooperation, with advanced economies taking the lead and reaching net zero emissions earlier in the NZE than emerging markets and developing economies. The NZE is consistent with limiting the global temperature rise to 1.5 °C (with at least a 50% probability).



7. Energy Information Administration, Annual Energy Outlook 2023, March 2023. Additional information about case descriptions can be found [here](#).  
8. International Energy Agency, World Energy Outlook 2023, October 2023.  
9. International Energy Agency, World Energy Outlook 2023, October 2023.



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

Based on our analysis of these three scenarios, we conclude that the following factors are relevant to our business planning:

*Global population is expected to grow, bolstering the demand for secure supplies of energy*

Per the 2023 IEA WEO, global population is expected to grow by about 1.7 billion, or 21%, by 2050. This growing population, coupled with global economic growth at an average annual rate of 2.6% during this same time frame will result in the world requiring expanded energy resources.<sup>10</sup>

According to the 2023 IEA WEO, the share of fossil fuels in primary energy demand declines from 80% over the last two decades to 73% in STEPS and

62% in NZE by 2030. However, this projection is largely dependent upon the speed at which new technologies for renewables enter the market. Specifically, the NZE relies on a rapid pace of innovation with support from potential future energy policy changes.<sup>11</sup> These proposed efficiencies may be difficult to achieve. Therefore, the IEA also states that continued investment in fossil fuels is essential in all climate scenarios, as it is a critical component to meet increasing energy demand through 2030.<sup>12</sup>

Fossil fuels remain relevant in all scenarios within our analysis, as fuel shortages could arise if demand for fossil fuels outpaces supply. This is especially relevant in the NZE, which assumes aggressive demand destruction is essential to avoid a

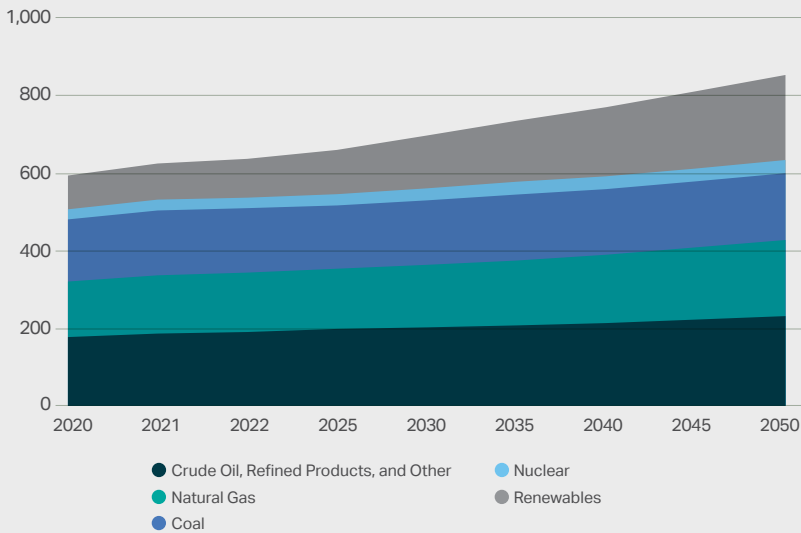
fuel shortage that could result from a decline in energy supply that is greater than the decline in energy demand as seen in the NZE. While not as prevalent in the NZE, a diversified mix of energy sources to supply the world’s energy demand is a feature of the STEPS. In addition, due to market turbulence from recent global conflicts, users of energy may seek more security in established sources of energy, such as fossil fuels, that may be more able to effectively meet demand. As global energy demand continues to grow and demand for fossil fuels persists in many regions, Coterra stands ready to capitalize on this opportunity to supply the world with reliable energy solutions.

10. International Energy Agency, World Energy Outlook 2023, October 2023, pg.93.

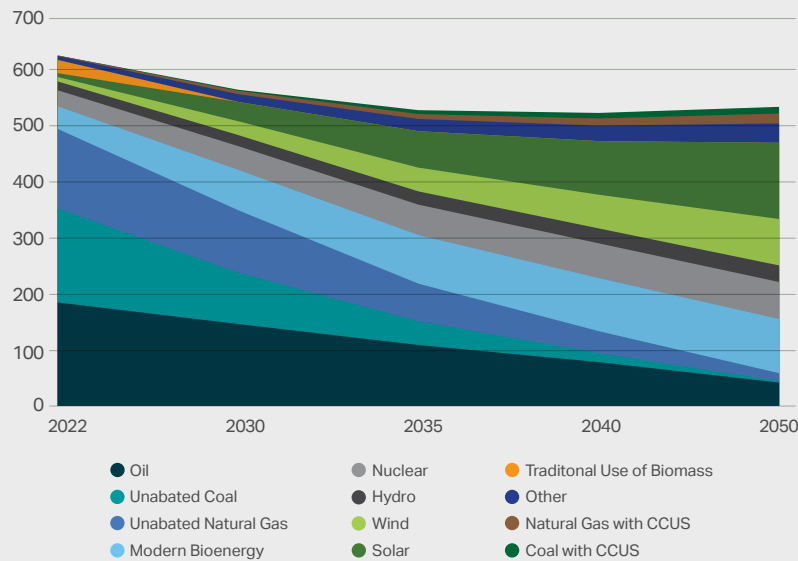
11. International Energy Agency, World Energy Outlook 2023, October 2023, pg. 100-101.

12. International Energy Agency, World Energy Outlook 2023, October 2023, pg. 50.

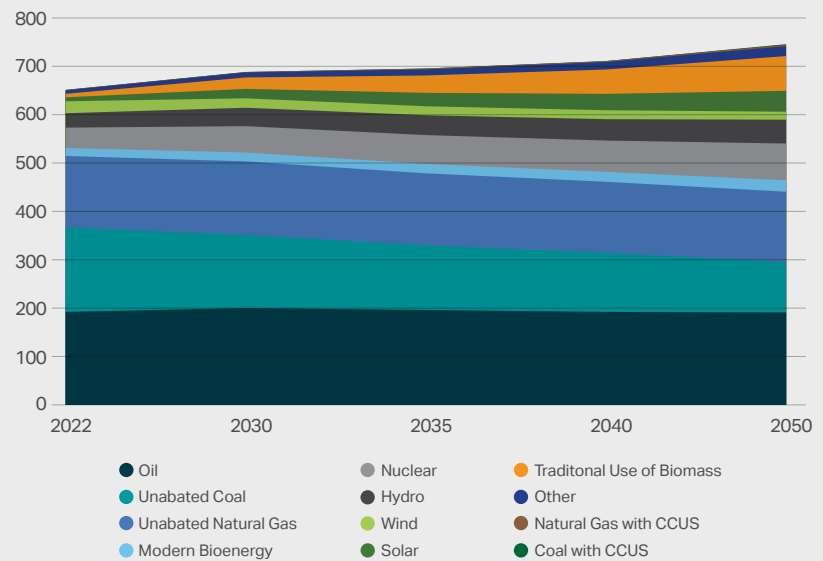
EIA International Energy Outlook 2023: World Primary Energy Consumption By Fuel (Quad Btu) Reference Case



Net Zero Emissions Scenario: Global Total Energy Supply (Exajoules)



Stated Policies Scenario: Global Total Energy Supply (Exajoules)



Source: EIA AEO 2023 and IEA WEO 2023 data.



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## North American oil and gas production expected to remain resilient

Per the 2023 EIA Annual Energy Outlook Reference Case, high international demand combined with relatively little growth in domestic consumption is expected to lead to continued growth in the United States’ production and allow the United States to remain a net exporter of petroleum products and natural gas through 2050.<sup>13</sup> Similarly, in STEPS, the United States maintains its status as the world’s largest natural gas exporter through 2030, with LNG exports from the U.S. increasing by 75% from 2022 levels to reach 6.5 Tcf by 2030, 3.4 Tcf of which is transported to the European Union. Efforts to reduce methane emissions, increased European demand for secure and accessible energy, along with efficiency and fuel switching policies, increase the availability and value proposition of U.S. oil and gas exports.

It is also worth noting that the NZE assumes advanced economies implement a \$250/tonne carbon tax by 2050, inflating the cost to produce hydrocarbons. This results in a higher likelihood of increased costs to consume hydrocarbons for end users.<sup>14</sup> In the NZE, U.S. production may fall. However, output will remain material and production is likely to shift to the most efficient producers with low estimated emissions intensities. Due to our lower-intensity emissions profile, Coterra is well positioned to meet production demands. Since the U.S. is the world’s largest producer, we expect top performing U.S. companies will retain a strong global market share, even in a lower-carbon scenario.

## Barriers to achieving a 1.5 degree Celsius scenario continue to drive demand for oil and gas

The IEA updated the Net Zero by 2050 Roadmap in September 2023 and concluded that the pathway to net zero emissions by 2050 has narrowed since 2021. Barriers to the adoption of low-carbon energy include regulatory hurdles, such as challenges for approval of carbon capture and sequestration wells, higher upfront costs of the underlying infrastructure and technology, which



are unaffordable for many regions, and higher borrowing costs for low-carbon energy projects.

As noted by the IEA, 64% of the global population lives in emerging markets and developing economies, excluding China, and a significant portion of anticipated population growth in future years is expected to be concentrated in urban areas of emerging markets like Africa and Asia. A key challenge to secure a low-carbon energy transition is the disproportionately low share of low-carbon energy investment in these economies, with countries accounting for nearly two-thirds of the world’s population only accounting for about 15% of global low-carbon energy investment. With few exceptions, such as investment in solar photovoltaic technology in India, the level of spending on low-carbon energy in these countries in recent years is less than \$250 billion annually, far lower than what is required to meet rising energy needs in a manner consistent with the NZE.<sup>15</sup>

According to the IEA, reducing the cost of capital by tackling a host of real and perceived risks associated with low-carbon energy investment is an essential step towards improving the situation. Emerging markets and developing economies have an average per capita income that equates to approximately one-fifth the average income of advanced economies.<sup>16</sup> Nonetheless, growing demand for energy in these areas persists due to factors such as increased car ownership. Coterra views these elements of potential future world scenarios as tailwinds based on its diversified portfolio and responsible low-cost energy production.

13. Energy Information Administration, Annual Energy Outlook 2023, March 2023, pg. 6.

14. International Energy Agency, World Energy Outlook 2023, October 2023, pg.99.

15. International Energy Agency, World Energy Outlook 2023, October 2023, pg.88.

16. International Energy Agency, World Energy Outlook 2023, October 2023, pg.63.



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

In addition, facilitating low-carbon technologies is dependent upon the critical mineral market, which would need to remain reliable to ensure energy transitions are affordable. Development of these critical minerals, including copper, lithium, cobalt, and nickel, which are non-renewable and exposed to environmental and social concerns, would need to grow substantially and at a rapid rate to meet demand.<sup>17</sup>

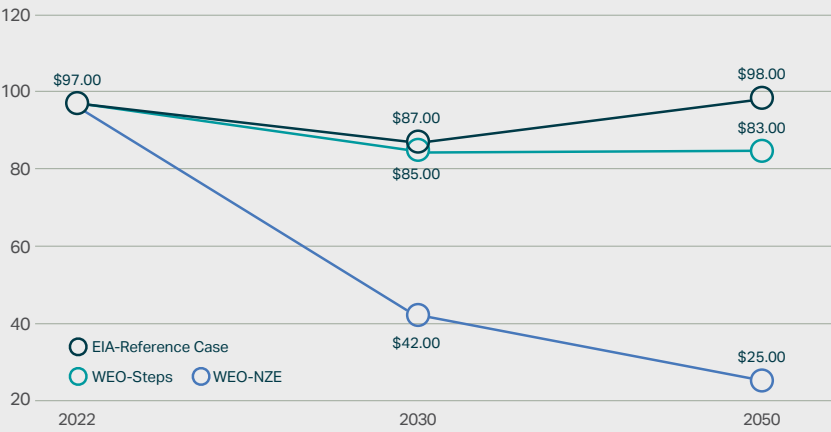
*Coterra is well positioned to continue to supply needed energy to the world*

Based on our analysis, Coterra does not anticipate that technology and policy will advance in a way that would make the NZE feasible in coming years. Given our view of the policy outlook in the U.S, we believe the EIA's Reference Case and the IEA's STEPS are more likely outcomes and that oil and gas will continue to have a critical role in the global energy mix. We also believe we are in a good position to supply those resources due to our low-cost, lower-greenhouse gas emissions intensity assets. Coterra's diversified portfolio across multiple geographic basins with robust low-cost oil, natural gas, and NGL reserves allows us to further mitigate our exposure to potential market risks by being able to adapt to changing energy demand needs.

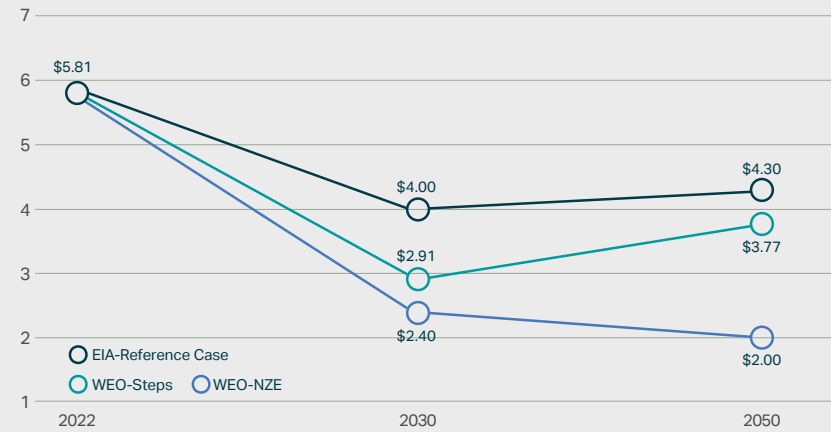
Our discussion of scenario analyses in this report does not indicate that we have determined that a climate-related risk does, or is reasonably likely to, have a material impact on our business, results of operations, or financial condition.

17. International Energy Agency, World Energy Outlook 2023, October 2023, pg. 97.

Oil Price Forecast (2022 \$/Barrel)



Natural Gas Price Forecast (2022 \$/MMBtu)



Source: Annual Energy Outlook, World Energy Outlook Fossil fuel prices by scenario (2022 price is average of EIA and IEA price).





# METRICS AND TARGETS

(TCFD: Metrics and Targets – a,b,c; SASB: EM-EP-110a.1,2,3)

Coterra tracks and reports on a variety of climate-related metrics, including absolute and intensity-based Scope 1 and 2 emissions, methane emissions intensity, and flaring emissions intensity. Our 2023 reported emissions have been verified per the International Standards Organization’s (“ISO”) 14064-3 standard with limited assurance by environmental consulting firm and third-party auditor Spirit Environmental, LLC. Scope 1 emissions were audited against the Environmental Protection Agency’s (“EPA”) Greenhouse Gas Reporting Program (“GHGRP”), and Scope 2 was audited against the World Resource Institute’s (“WRI”) Greenhouse Gas Protocol. No material discrepancies were identified, supporting Coterra’s disclosed greenhouse gas (“GHG”) emissions data.

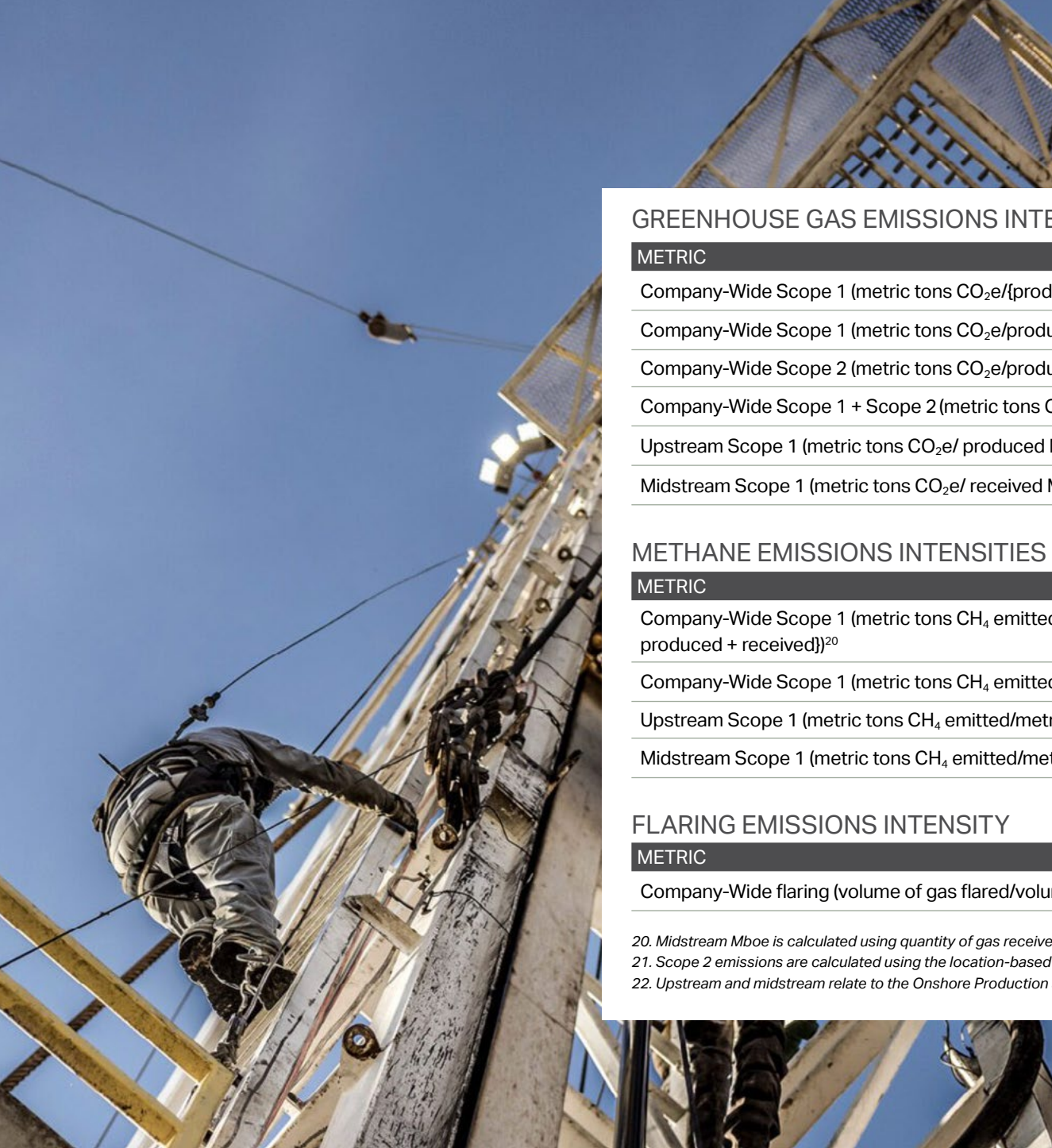
## GREENHOUSE GAS EMISSIONS

METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP-110.a1 <sup>18</sup>	Gross global Scope 1 emissions (metric tons CO <sub>2</sub> e)	1,834,657	1,515,275	1,546,915	1,358,410
	Gross global Scope 1 methane emissions (metric tons CH <sub>4</sub> )	18,704	9,527	9,483	5,818
	Percentage methane of total CO <sub>2</sub> e	25.5%	15.7%	15.3%	10.7%
	Percentage covered under emissions-limiting regulations	0%	0%	0%	0%
	Gross global Scope 2 emissions (metric tons CO <sub>2</sub> e) <sup>19</sup>	136,224	96,454	168,643	248,029
SASB-EM-EP-110.a.2 <sup>18</sup>	Amount of gross global Scope 1 emissions (metric tons CO <sub>2</sub> e) from:				
	(1) Flared hydrocarbons	287,975	145,742	135,228	109,119
	(2) Other combustion	1,125,372	1,124,392	1,191,198	1,110,601
	(3) Process emissions	13,653	12,482	11,456	12,199
	(4) Other vented emissions	352,236	216,524	192,978	113,943
	(5) Fugitive emissions	55,421	16,135	16,056	12,549

18. When converting CH<sub>4</sub> and N<sub>2</sub>O to CO<sub>2</sub> equivalent to account for Global Warming Potential (GWP), Coterra uses a GWP 25 times that of CO<sub>2</sub> for CH<sub>4</sub> and a GWP 298 times that of CO<sub>2</sub> for N<sub>2</sub>O, per 40 CFD Part 98 Subpart A.

19. Scope 2 emissions are calculated using the location-based method.





ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

GREENHOUSE GAS EMISSIONS INTENSITIES

METRIC	2020	2021	2022	2023
Company-Wide Scope 1 (metric tons CO <sub>2</sub> e/{produced + received Mboe}) <sup>20</sup>	5.58	4.65	4.57	3.79
Company-Wide Scope 1 (metric tons CO <sub>2</sub> e/produced Mboe)	6.47	5.48	5.47	4.56
Company-Wide Scope 2 (metric tons CO <sub>2</sub> e/produced Mboe) <sup>21</sup>	0.49	0.35	0.60	0.83
Company-Wide Scope 1 + Scope 2 (metric tons CO <sub>2</sub> e/produced Mboe) <sup>21</sup>	6.96	5.83	6.07	5.39
Upstream Scope 1 (metric tons CO <sub>2</sub> e/ produced Mboe) <sup>22</sup>	3.93	2.85	2.71	2.31
Midstream Scope 1 (metric tons CO <sub>2</sub> e/ received Mboe) <sup>20, 22</sup>	15.19	14.59	13.50	11.15

METHANE EMISSIONS INTENSITIES

METRIC	2020	2021	2022	2023
Company-Wide Scope 1 (metric tons CH <sub>4</sub> emitted /[metric tons CH <sub>4</sub> produced + received]) <sup>20</sup>	0.064%	0.033%	0.033%	0.019%
Company-Wide Scope 1 (metric tons CH <sub>4</sub> emitted/metric tons CH <sub>4</sub> produced)	0.071%	0.038%	0.039%	0.023%
Upstream Scope 1 (metric tons CH <sub>4</sub> emitted/metric tons CH <sub>4</sub> produced) <sup>22</sup>	0.064%	0.031%	0.033%	0.020%
Midstream Scope 1 (metric tons CH <sub>4</sub> emitted/metric tons CH <sub>4</sub> received) <sup>22</sup>	0.063%	0.045%	0.031%	0.017%

FLARING EMISSIONS INTENSITY

METRIC	2020	2021	2022	2023
Company-Wide flaring (volume of gas flared/volume of gas produced)	0.228%	0.141%	0.109%	0.083%

20. Midstream Mboe is calculated using quantity of gas received by the facility and transported hydrocarbon liquids to a facility as defined in Subpart W using a 6:1 BOE ratio.

21. Scope 2 emissions are calculated using the location-based method.

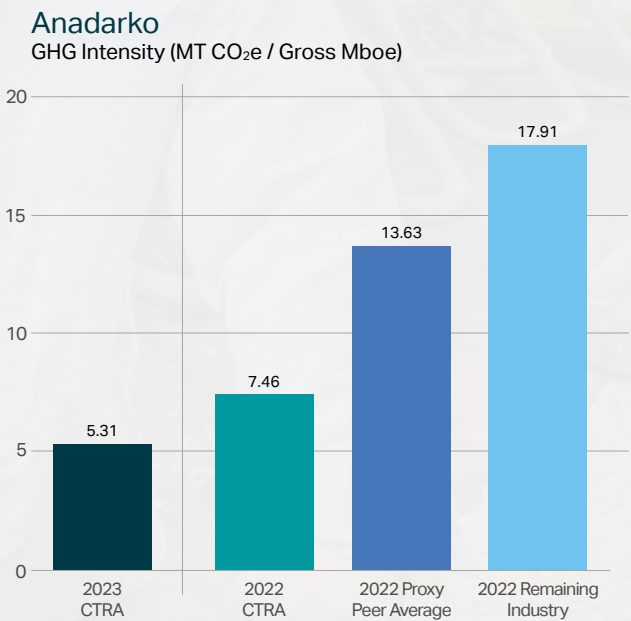
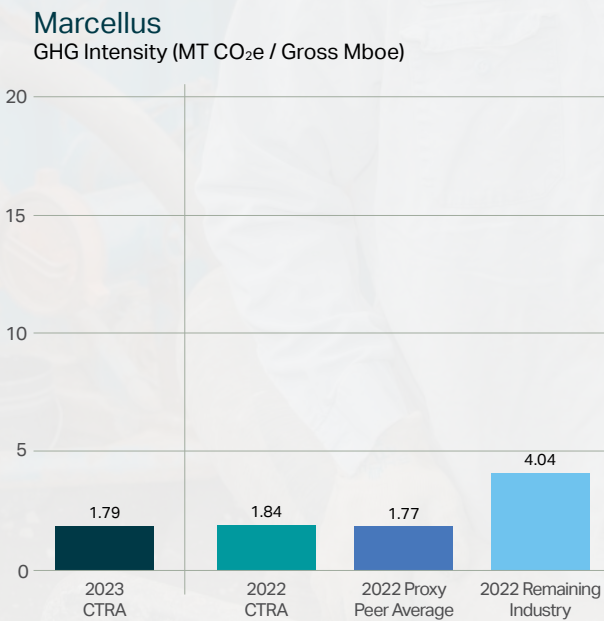
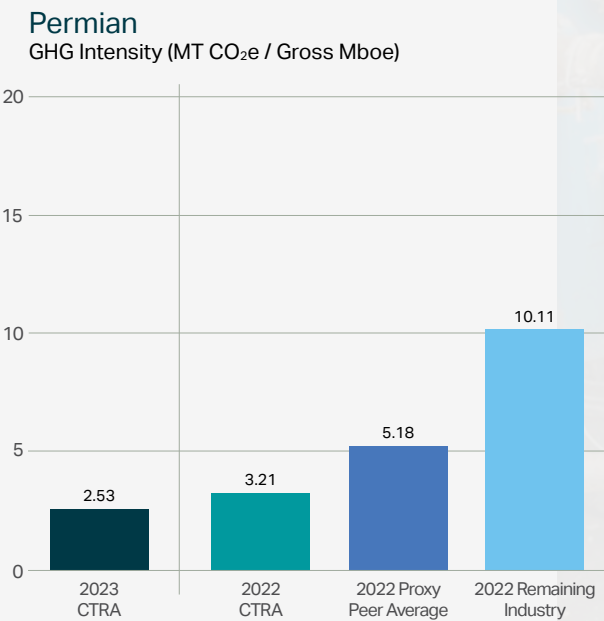
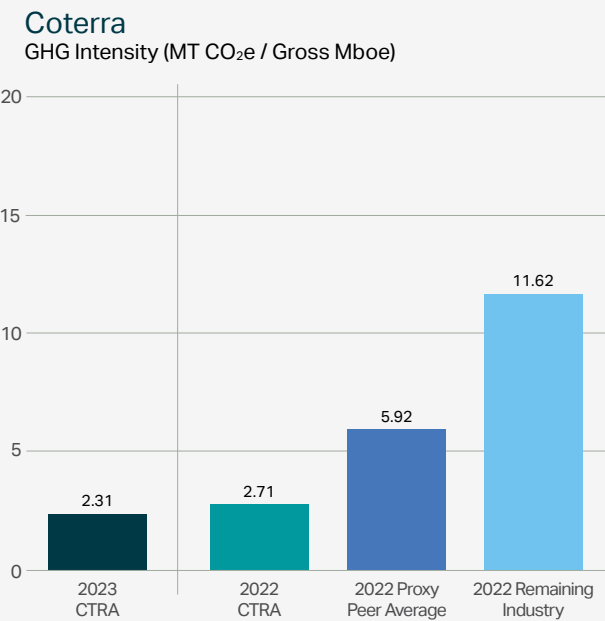
22. Upstream and midstream relate to the Onshore Production and Onshore Gathering and Boosting EPA defined industry segments, respectively.



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Upstream Peer Greenhouse Gas Intensity Comparison

Coterra analyzes our Scope 1 upstream emissions on a standalone basis to compare our performance against our peers, as our peer group has varying levels of operations within the upstream and midstream segments.<sup>23</sup> Based on data submitted to the EPA's GHGRP, Coterra's upstream operations outperformed its upstream peer group by 54% in 2022 on a consolidated basis. We believe our performance on this metric is representative of the efforts we take to operate sustainably and consistently manage our greenhouse gas emissions.



23. Coterra 2022 Peer Group: APA, AR, CHK, DVN, EOG, EQT, FANG, HES, MRO, OVV, OXY, PXD



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

Over the long-term, Coterra targets reducing the carbon profile of our products as much as technically and economically feasible. Our cross-functional collaboration throughout the organization continuously drives forward innovative emissions reduction and energy management initiatives, the success of which is demonstrated through our emissions reduction data and our performance relative to industry peers.

### Targets

We focus on actionable near-term emissions targets. By dedicating our efforts on setting near-term targets, we can focus on a comparatively narrower range of outcomes, grounded in available technology and operational feasibility. The technical and economic uncertainty inherent in long-term forecasts is one of several notable factors behind our strategy to shorten our target horizon:

- **Capital Allocation** Coterra is a multi-basin operating and multi-commodity producing company. As macroeconomic commodity supply and demand evolve through time, we shift the level and location of where we deploy capital in our portfolio. Due to the differing GHG emissions intensities of our assets and considering that a significant amount of our emissions come from the drilling and completing of new wells, it is difficult to predict with certainty what our emission profile will look like in the longer-term.
- **Changing Emission Inventory Methodologies** Emission inventory methodologies are evolving as more is learned about how to estimate emissions more

accurately. Changes in how regulatory agencies prescribe methods for the estimates, such as the recent changes to the EPA's Greenhouse Gas Reporting Program, and work being done by voluntary initiatives like United Nations Environment Program ("UNEP") Oil and Gas Methane Partnership 2.0 ("OGMP"), which is striving to improve methane emission estimates, could materially change our estimated emissions in the future.

- **Technical and Economic Uncertainty** Many of the emission reduction initiatives we consider to improve our future GHG profile involve technologies that are not yet technically or economically feasible. While we are hopeful that these technologies will ultimately prove successful, it is difficult to know if or to what extent they will affect our long-term emission profile.

We find it useful to set annual, actionable goals to help ensure we continue to deliver our products in the most responsible way. Our target setting process involves forecasting emissions based on our annual capital budget and incorporating the expected performance of our emissions reduction initiatives for the year. We set annual goals for our corporate level performance, as well as for our individual business units. These targets are also linked to our executive short-term incentive plans, representing 20% of the overall executive short-term incentives in 2024. Other bonus-eligible employees' short-term incentive plans are impacted by the results of these goals, creating a culture of accountability throughout the organization.





# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

Our performance in 2023, along with our 2024 targets are as follows:

### GHG Intensity Target

Our 2023 Scope 1 GHG emissions intensity target range was 4.96 to 5.42 MT CO<sub>2</sub>e / Gross Mboe Produced. We ended the year with a Scope 1 GHG emission intensity of 4.56 MT CO<sub>2</sub>e / Gross Mboe Produced, beating the low end of our target range and generating a 16.6% reduction of this metric from 2022. This performance represented a cumulative 52.5% reduction in this metric compared to a 2019 baseline. We look forward to building upon this momentum with a 2024 target range of 4.06 to 4.38 MT CO<sub>2</sub>e / Gross Mboe Produced, the midpoint of which would represent a 7.5% year-over-year reduction.

### Methane Intensity Target

Coterra's 2023 methane intensity target range was 0.030% to 0.034% MT CH<sub>4</sub> Emited / Gross MT CH<sub>4</sub> Produced. We finished the year with a 0.023% methane intensity, outperforming the low end of our target range and reducing this metric by 41% compared to 2022. Between 2019 and the end of 2023, we cumulatively reduced our methane intensity by 86.3%. We are targeting a range of 0.015% to 0.017% methane intensity for 2024, the midpoint of which represents a 30.4% year-over-year reduction.

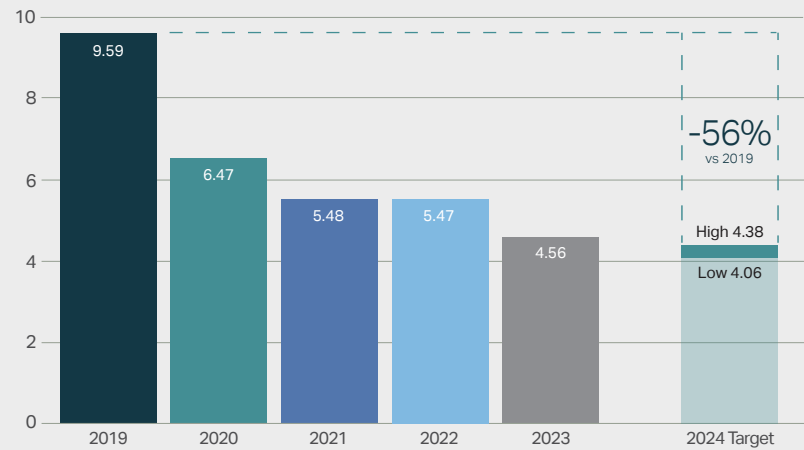
### Flaring Intensity Target

In 2023, Coterra set a target range for flaring intensity of 0.101 to 0.110% calculated as the volume of gas flared divided by the volume of gas produced. We ended the year with a flare intensity of 0.083%, beating the lower range of the target. The reduction in 2023 represents a 23.9% reduction in this metric.

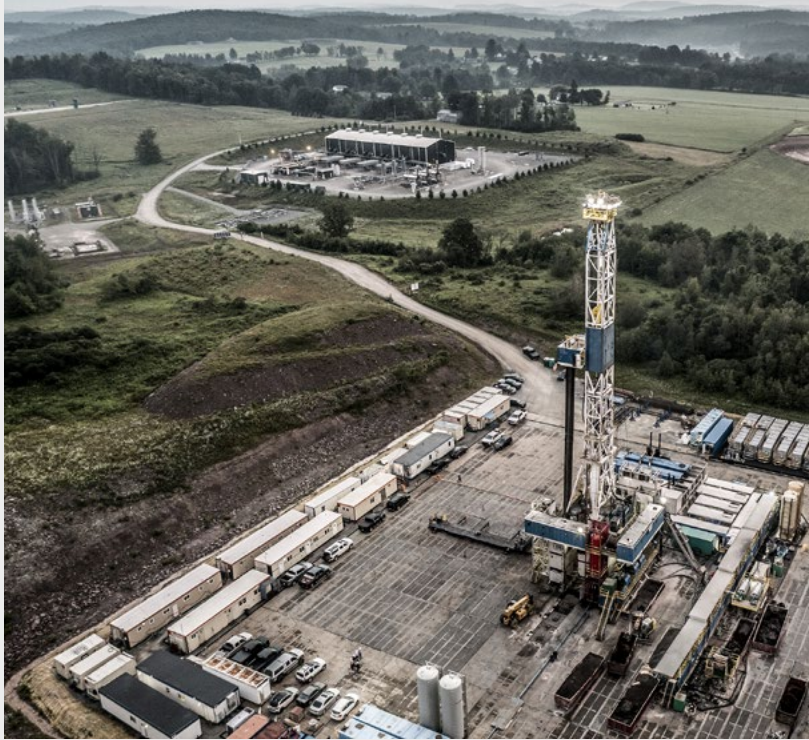
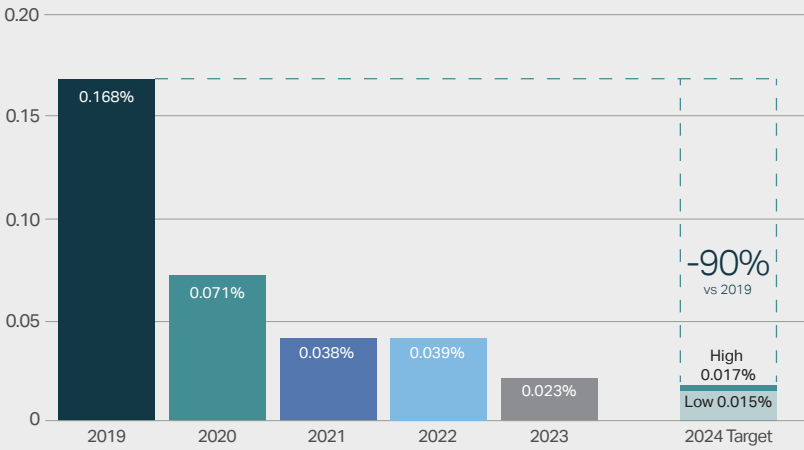
### Flyover Findings Target

In 2024, we instituted a new annual short-term incentive goal related to the emission findings we detect during our contracted third-party monthly methane detection flyovers. The goal focuses on reducing the number of methane emissions findings related to tanks and flares in our Permian Business Unit. Our 2024 target range is a 10%-25% reduction in the number of findings from our 2023 performance.

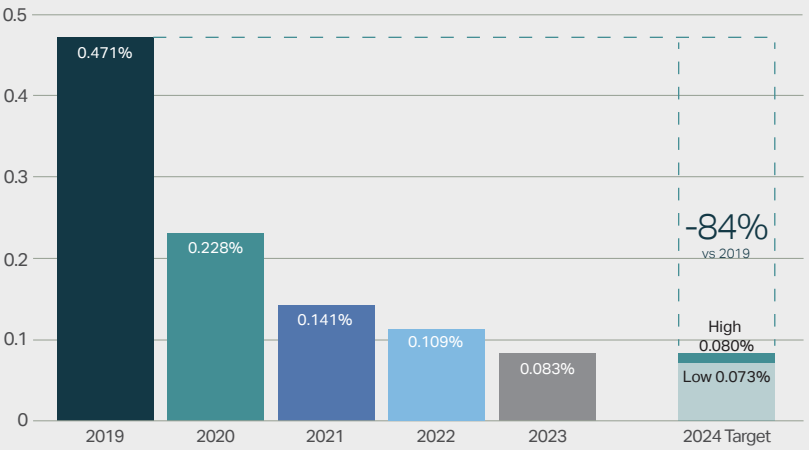
Greenhouse Gas Emissions Intensity  
(MT CO<sub>2</sub>e / Gross Mboe Produced)



Methane Emissions Intensity  
(MT CH<sub>4</sub> Emited / Gross CH<sub>4</sub> Produced)



Total Company Flare Intensity  
(Volume of Gas Flared / Volume of Gas Produced)



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Emissions Reduction Initiatives

(TCFD: Metrics and Targets – a,c; SASB: EM-EP-110a.3)

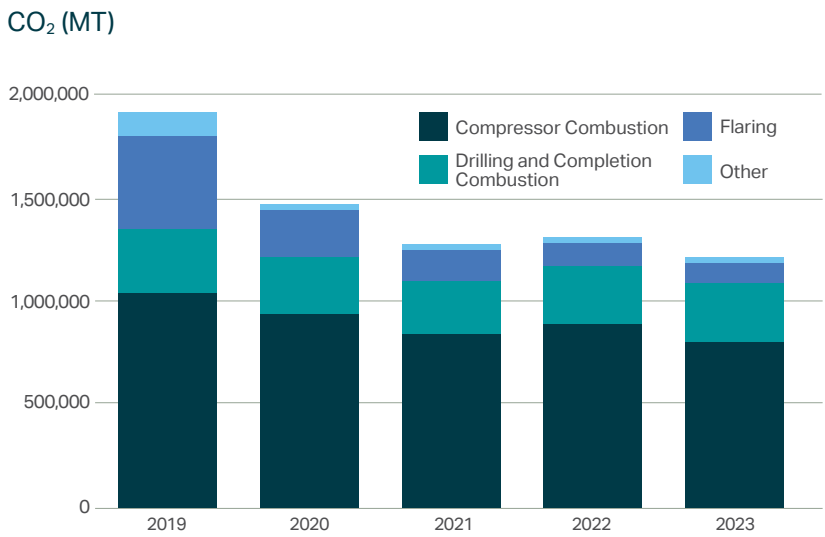
Coterra actively targets reducing our two main sources of greenhouse gas emissions, carbon dioxide (“CO<sub>2</sub>”) and methane (“CH<sub>4</sub>”). Through our ongoing analysis of daily emissions inventories, we are able to track emissions by source, allowing our team to quickly identify and implement optimal emissions reduction strategies.

Our emissions reduction strategy is focused on investing in technologies and developing operational practices that are the most technically and economically feasible and generate impactful improvements to our emission profile. With this strategy, we can effectively allocate capital based on both environmental and economic factors. We also leverage associations with groups like the American Petroleum Institute’s “The Environmental Partnership” and the American Exploration and Production Council (“AXPC”) to further identify opportunities to reduce our emission footprint.



## CO<sub>2</sub> Emissions Reduction Initiatives

Our Scope 1 carbon dioxide emissions are primarily produced through combustion. Approximately 90% of Coterra’s Scope 1 CO<sub>2</sub> emissions are related to combustion in engines used in our compression, drilling, and completion operations, while approximately 8% of our CO<sub>2</sub> emissions are related to flaring. The figure below demonstrates the major components of our Scope 1 CO<sub>2</sub> emissions:



From 2019 to 2023, Coterra reduced its absolute Scope 1 CO<sub>2</sub> emissions by approximately 37%. To achieve this reduction to date, and to continue to reduce our Scope 1 CO<sub>2</sub> emissions in the future, Coterra is utilizing electrification, fuel optionality<sup>24</sup>, and flare mitigation throughout our operations.

## Electrification

Coterra’s strategic investments to electrify significant portions of our operating areas afford us the opportunity to transition a meaningful portion of the large engines in our operations to electric motors, markedly reducing our Scope 1 CO<sub>2</sub> emissions associated with those sources. Although these initiatives transition some of our Scope 1 emissions into Scope 2 emissions, the net Scope 1 plus Scope 2 emissions are typically 25%–45% less due to several factors. First, the emission intensity (CO<sub>2</sub>e/MWh) of the power grid in the areas of our operations are low relative to some other oil and gas producing areas. We expect the grids where we operate to continue lowering their emission intensities through improvement of efficiencies related to thermal generation, increased use of lower carbon electrical generation, and possible utilization of carbon capture, utilization, and storage (“CCUS”) within the power generation sector. Second, the efficiency of electric motors to convert energy input into work output tends to be better than internal combustion engines. Electric motors also reduce other pollutants from our operations such as NO<sub>x</sub>, SO<sub>x</sub>, and particulate matter and the risk of incomplete combustion resulting in carbon monoxide (“CO”) and CH<sub>4</sub> emissions. The three largest operational processes for which we are currently abating CO<sub>2</sub> emissions through electrification are compression (“e-compression”), hydraulic fracturing (“e-frac”), and drilling (“e-drilling”).

In the Permian Basin, we operate three privately-owned substations and over 200 miles of electrical infrastructure with a total capacity of 260 MW. These systems enable a significant portion of our electrification efforts and are made feasible by our large, contiguous acreage positions in Culberson and Reeves Counties, Texas. In our New Mexico and Anadarko assets, we are also leveraging power from local utilities when possible.

24. “Fuel Optionality” section on page 20.



ELECTRIC INFRASTRUCTURE

- A Coterra-owned grid powers our operations in Culberson and Reeves Counties, Texas
- Coterra is running eight rigs and one hydraulic fracturing crew equipped to run off of grid power, where available
- Coterra plans to exit 2024 with 22 midstream electric compressor units in service
- A 9.99-MW behind-the-meter solar farm is being constructed to serve our asset in Culberson County, Texas



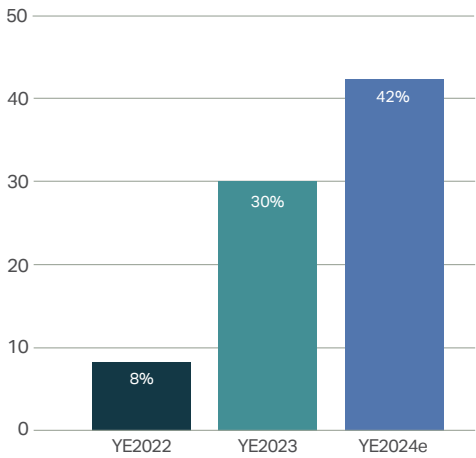
In early 2024, we executed a behind-the-meter power purchase agreement to receive the power from a third-party 9.99-MW solar farm being constructed to serve our Triple Crown substation. The project is expected to be online near the end of 2024.

There are headwinds to our electrification efforts. First, we are experiencing an increase in the price of power in our operating areas, which strains the economics of these projects. Currently, with the depressed natural gas prices in 2024, replacing natural gas with electric power generates unfavorable economics. Second, due to increased power demand in the Permian Basin, receiving new power loads from the electric utilities has been challenging. In certain cases, we have needed to operate onsite generators while waiting for load request approvals from the utilities. Finally, for our Marcellus asset, the complex terrain, coupled with electricity prices that are relatively higher than our other operating areas, and limited access to industrial power infrastructure hinders potential electrification projects.

E-Compression

Compression is the largest source of our Scope 1 emissions, making up approximately 61% of our 2023 Scope 1 CO<sub>2</sub>e emissions of which 46% comes from our Permian Basin midstream operations. In recent years, Coterra made significant strides to electrify its midstream compression activities. We installed four midstream e-compressor units in 2022 and an additional 12 in 2023, with plans to install six more units in 2024. As of December 2023, 30% of our midstream compressor horsepower has been electrified, resulting in a significant decrease in Scope 1 emissions. We continue to evaluate opportunities to convert both Coterra's midstream and well-site compression horsepower to electric compression; however, due to the current price environment for both natural gas and electricity, further compressor electrification in these conditions is economically challenged.

Percent of Electrified Permian Basin Midstream Compression Horsepower



E-Frac

Mid-2022, we began utilizing an electric frac crew in the Permian Basin. While the term “e-frac” has taken several meanings in our industry since its inception, this fleet utilizes grid electricity to power the fleet and does not utilize onsite electricity generation from natural gas-powered turbines or reciprocating engines. For frac projects with this technology, we reduce Scope 1 and 2 emissions related to hydraulic fracturing by 40%-45%, compared to a traditional diesel-powered frac fleet. In 2023, 37% of the wells completed in the Permian basin utilized a grid-powered e-frac fleet.

E-Drilling

In both 2022 and 2023, about 70% of new wells in the Permian Business Unit were drilled using grid power. We expect to maintain this percentage in 2024.

In addition, 47% of wells drilled in the Anadarko Business Unit in 2023 were also on grid power. Prior to 2023, no Coterra wells in Oklahoma had been drilled using grid power. Since we do not own and operate our own electrical system in Oklahoma, we accomplished this by coordinating with three

# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

different local utilities across the region ensuring their infrastructure could handle the power draw for each well drilled. Coterra will continue to drill on grid power as much as is technically feasible in the Anadarko region.

## Fuel Optionality

Many of the large engines we use in our operations have optionality regarding the type of fuels used in their combustion. Coterra uses a portfolio of options ranging from diesel, biodiesel, field gas, and residue gas as fuel for our engines. By investing in infrastructure to deliver, and in some cases utilizing specialized equipment to burn, lower carbon-producing fuels, Coterra is reducing the CO<sub>2</sub> emissions from combustion in our operations.

## Flare Mitigation

Coterra strives to minimize flaring. We have cumulatively reduced our flare intensity by 82% between 2019 and 2023. In addition, Coterra has had zero routine high-pressure flaring across its operations since 2021.

Reducing our flaring has dual benefits: lowering CO<sub>2</sub> emissions, and minimizing volumes of natural gas we produce but are unable to sell. We seek to reduce our flaring intensity through several initiatives.

**1. Gathering and Pipeline Takeaway Capacity:** All Coterra-operated wells have a gas-gathering line to take their gas production. Our operations teams, owned midstream group, and third-party gas gatherers work to ensure gas-

gathering lines are in place before wells begin producing. In the event of planned or unplanned upset conditions which result in reduced gas takeaway capacity, we work with our partners to reduce the associated curtailments. Interconnections in our gas-gathering systems provide Coterra with optionality to divert gas volumes to other portions of the gathering system to continue to allow gas to flow. In the event of long upset durations or large volumes of gas flared, we may choose to shut-in wells until our takeaway capacity is restored.

**2. Guidelines for Completion Activities:** Our completion activities follow reduced emissions completion (“REC”) or green completions guidelines, which are defined by federal regulation as the capture of produced gases during well completion activities and allows for flaring or venting only when it is not technically feasible to capture the gases or when the situation presents a hazardous condition.

**3. Tankless Facility Design:** Our modern, tankless production facility design in conjunction with the use of vapor recovery units reduces the volume of low-pressure flaring in our operations and allows us to sell more of the gas we produce.

**4. High-Pressure Flares Centralization:** By centralizing flares to strategic points in our gathering systems, Coterra reduces the numbers of flares we must manage. This results in less maintenance and fewer incidences of unlit flares. To date, Coterra has installed nine flares at compressor stations throughout our gas gathering systems, which has eliminated 131 high pressure flare sources from our production facilities.

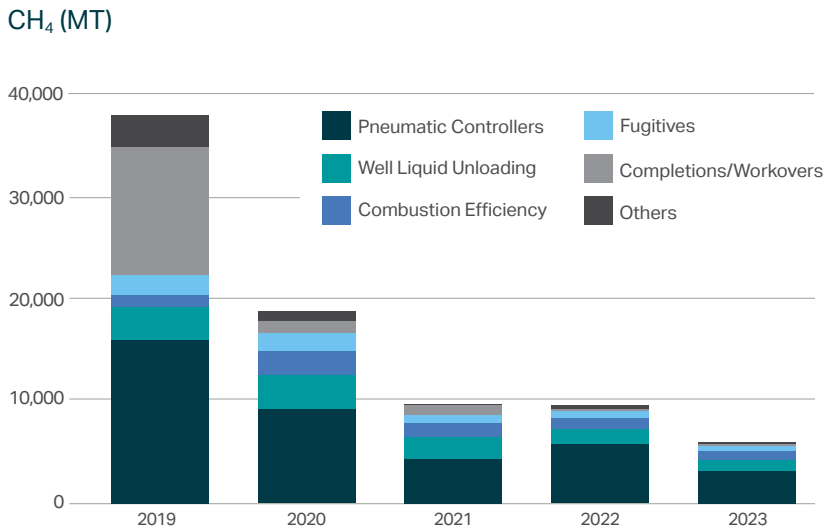




# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Methane Emissions Reduction Initiatives

In 2023, methane (“CH<sub>4</sub>”) made up approximately 10.6% of Coterra’s Scope 1 CO<sub>2</sub>e greenhouse gas emissions. The figure below demonstrates the major components of our CH<sub>4</sub> emissions:



Coterra targets to reduce the CH<sub>4</sub> emissions from our operations to reduce our impact on the environment. We also prefer to capture and sell CH<sub>4</sub> when technically and economically feasible. Between 2019 and 2023, our strategic efforts resulted in an 84% cumulative reduction in CH<sub>4</sub> emissions intensity, which is calculated as total metric tons of methane emitted divided by the total metric tons of methane produced. We attribute this reduction to several operational initiatives, including converting emissive pneumatic controllers, reducing well liquid unloading, improving combustion efficiency, avoiding venting related to completions, and mitigating fugitive CH<sub>4</sub> emissions.

### Pneumatic Controllers

Approximately 54% of Coterra’s total CH<sub>4</sub> emissions in 2023 were attributed to natural gas driven pneumatic controllers. To reduce these emissions, we have installed non-emitting pneumatic devices on new facilities, implemented a retrofit program to convert existing facilities to non-emitting pneumatic devices, and rerouted a portion of our pneumatics-related CH<sub>4</sub> emissions from atmospheric bleed to emission-control devices such as flares. Utilizing compressed-instrument air instead of natural gas to power pneumatic control devices is the primary way Coterra attains non-emitting control systems. When air compressors are not feasible, we utilize nitrogen as a supply gas to power pneumatic control devices to help eliminate methane emissions.

### Well-Liquid Unloading

Well-liquid unloading events constituted approximately 17% of Coterra’s Scope 1 CH<sub>4</sub> emissions in 2023. Well-liquid unloading events are required to remove fluid buildup in wells to improve or restore well production and are performed by venting wells to atmospheric tanks. Coterra cumulatively reduced the CH<sub>4</sub> emissions associated with these events by approximately 69% from 2019 to 2023. This reduction was accomplished via several methods. First, Coterra uses well-liquid unloading data in the prioritization process when deciding where to install artificial lift systems, capillary strings, and wellsite compressors. Second, Coterra requires on-site supervision of the entire unloading process. This allows for the events to be of shorter duration, since they are stopped once the well is unloaded. Finally, we hold monthly meetings to review our liquid unloading events with the regional and field staff to analyze best steps forward to reduce emissions from this source.

### Combustion Efficiency

Approximately 16% of Coterra’s Scope 1 CH<sub>4</sub> emissions in 2023 were related to combustion efficiency. These emissions are related to the incomplete



combustion of fuels burned in engines and flares. Emissions from these sources are calculated using emission factors used in the U.S. EPA’s Greenhouse Gas Reporting Program and are based on the volume and type of fuel burned in the engines and flares within our operations. Coterra’s initiative to electrify large engines where technically and economically feasible in our operations helps reduce our CH<sub>4</sub> emissions related to these sources.

### Fugitive Emissions

Fugitive emissions constituted approximately 8% of Coterra’s Scope 1 CH<sub>4</sub> emissions in 2023. These emissions represent the unintended release of gas through various components such as flanges, valves, connectors, and



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

pressure relief valves. To help identify and minimize fugitive emissions, Coterra employs the use of optical gas imaging (“OGI”) cameras for leak-detection inspections on an ongoing basis as required by regulation. In addition to Coterra’s OGI inspections required by regulation, we have instituted voluntary OGI inspections on certain facilities. These voluntary inspections are designed to capture potentially large, unintended releases and are carried out either by handheld or drone-based OGI cameras. Members of our team are trained and certified thermographers from the Infrared Training Center (“ITC”). ITC is owned by FLIR, which is a recognized manufacturer of OGI technology. The thermography training gives our field Air Quality technicians thorough knowledge of the methodology and concepts related to OGI, as well as guidance to conduct surveys in the field. The training provides our operators with not only the operating techniques and basics of thermal science, but also an understanding of the regulatory framework, safety practices, camera techniques, and video image interpretive skills.

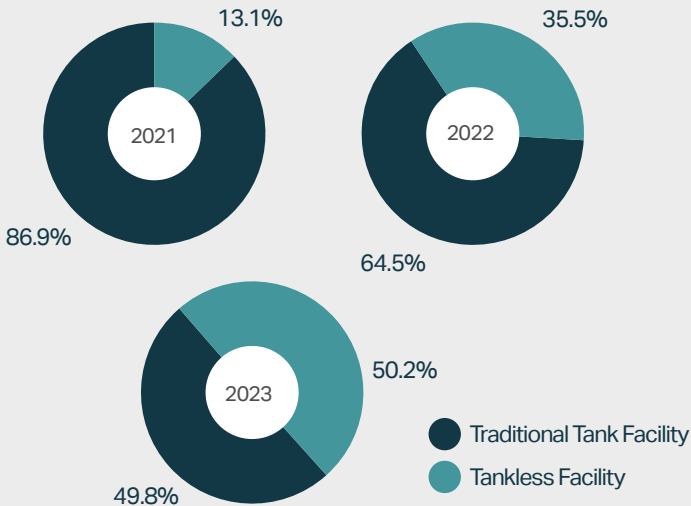
Coterra has implemented enhanced monitoring practices across our operating areas beyond the required surveillance. These monitoring techniques include fixed-wing flyovers, ground-based lasers, and point sensors, which are designed to help alert our teams of unintended releases and allows us to remedy these releases more quickly. The technology available to monitor CH<sub>4</sub> emissions is developing and evolving, and Coterra expects a portfolio of solutions will ultimately play a significant role in reducing our fugitive emissions.

In addition to CH<sub>4</sub> surveillance, Coterra’s maintenance programs are also designed to help prevent our fugitive emissions before they occur. By actively maintaining equipment in proper working order, Coterra helps avoid exposure to fugitive emissions related to component failures. Coterra’s modern tankless facility designs also help reduce our exposure to fugitive emissions by reducing the number of components with a high risk of fugitive emissions.

## Tankless Facilities

Coterra’s tankless facility design reduces fugitive emissions, especially those related to atmospheric storage tanks, by temporarily storing oil and water in surge vessels, which are large pressurized vessels capable of operating at pressures above traditional tanks, before transporting liquids off location. Our tankless designs also incorporate vapor recovery units pulling directly off these surge vessels that reduce low-pressure flare volumes and allow Coterra to sell more of the gas it produces. Coterra is utilizing the tankless facility design on new facilities in our liquid-rich areas of operation, and when Coterra adds new wells to legacy facilities in these areas, we also retrofit those legacy facilities to tankless facilities when technically and economically feasible.

Oil Production from Tankless Facilities  
(% of Gross Oil Produced)





# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Completion Operations

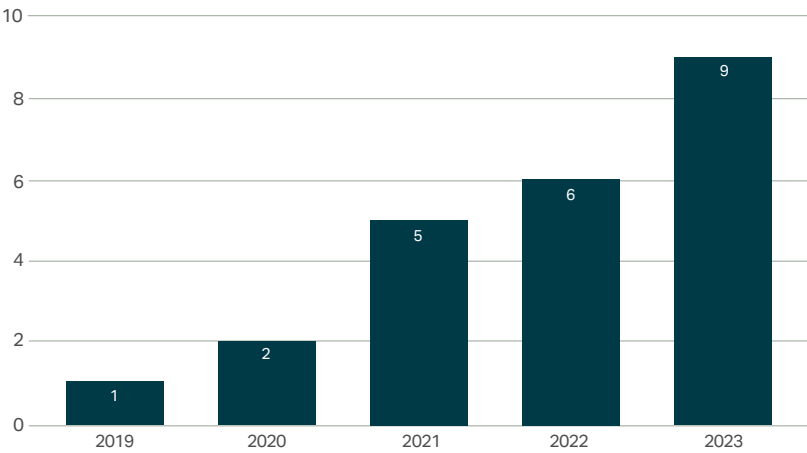
Venting during completion and workover operations represented approximately 3% of Coterra’s Scope 1 CH<sub>4</sub> emissions in 2022. Most of these emissions were associated with milling out frac plugs after wells had been hydraulically fractured. Gas returned to surface during this operation is low pressure, intermittent, and not capable of being sent to sales.

## Methane Measurement

Finding and eliminating CH<sub>4</sub> emissions from our upstream and midstream operations is a key focus for Coterra. Methane is an odorless, invisible gas that is challenging to detect without specialized equipment, and quantification of CH<sub>4</sub> leak volumes is even more challenging. Technologies have been designed to assist companies in detecting and responding to these leaks, with many of them attempting to quantify the volume of the leak. Measurement efforts generally rely on weather data and plume transport models combined with directly measured methane concentrations to attempt to predict the emissions rate of a leak. This process results in variability between technology types, uncertainty related to individual measurements, and possible bias when looking at a population of measurements.<sup>25</sup> Some advanced CH<sub>4</sub> detection and measurement technologies are known as Continuous Emissions Monitoring Systems (“CEMS”), meaning they continually take measurements when deployed and operating correctly. However, time of day, limited site coverage, wind direction, wind speed, humidity, and other weather conditions can impact the effectiveness of CEMS technologies. There are also technologies that are not continuous but can detect and estimate the quantity of CH<sub>4</sub> emissions. One example of these is aerial detection platforms, which can be mounted on aircraft or satellites. While these “survey” style technologies’ current frequency of observations does not yet provide frequent enough inspections to fully profile the dynamic nature of our operations, Coterra believes they provide useful information for leak detection and quantification, and we have incorporated

our performance related to these flyovers into our corporate goals. We have taken and will continue to take findings from flyovers into consideration when designing facilities and leak detection and repair programs.

## Flyover Campaigns Count



A campaign is defined as a series of flights utilizing methane detection equipment over facilities in a basin.

## Oil and Gas Methane Partnership 2.0

In 2023, Coterra joined OGMP 2.0. This framework is a product of the UNEP aimed at promoting reliable measurements, reporting, and mitigation of CH<sub>4</sub> emissions across the oil and gas industry. The OGMP 2.0 framework aligns with UNEP’s initiative to reduce CH<sub>4</sub> emissions globally. As a part of our commitment to the partnership, Coterra will report methane reduction targets and data along the OGMP 2.0 framework. We believe adopting the OGMP 2.0 framework will help progress the measurement and mitigation of CH<sub>4</sub> emissions within our Company and across our industry.

## Air Quality (SASB: EM-EP-120a.1)

In addition to reducing our GHG emissions, we are committed to minimizing air pollutants. Our air quality programs are designed to help our operations meet or exceed federal and state regulations that establish emissions limits, emissions control requirements, monitoring, testing, record-keeping, and reporting requirements to protect and maintain air quality.

Most GHG emissions reduction initiatives described previously have the dual benefit of reducing air pollutant emissions as well. These initiatives include: electrification of drilling, completion, compression, and production equipment; centralized flaring; tankless facilities; non-emitting pneumatic controls; and our leak detection and repair (“LDAR”) program, including flyovers.

METRIC CODE	METRIC	2022	2023
SASB-EM-EP-120a.1	Air emissions of the following pollutants:		
	(1) Metric tons NO <sub>x</sub> (excluding N <sub>2</sub> O)	86,738	56,549
	(2) Metric tons SO <sub>x</sub>	68	15
	(3) Metric tons volatile organic compounds (VOCs)	3,998	3,000
	(4) Metric tons particulate matter (PM10)	1,775	1,539

## Biodiversity Impacts (SASB: EM-EP-160a.1,2)

As part of Coterra’s commitment to the environment, we take an active role in protecting biodiversity and reducing our environmental impact. Our strategy is to strive for avoidance of impacts wherever possible and to follow strict regulations and internal guidelines to remediate and restore impacted land.

25. See Methane Measurement section in 2023 Coterra Energy Sustainability Report.

# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

We rely on our EHS MS, cross-functional internal collaboration, and guidance from local biodiversity subject-matter experts to guide decision making and ensure our commitment to minimize biodiversity impacts is communicated and implemented throughout the organization. Coterra's EHS MS, which is overseen by the Environmental, Health & Safety Committee and Vice President-EHS, plays a significant role in our ability to protect biodiversity. This system incorporates environmental assessments, technology and controls, and response plans to ensure we have the processes and people in place to effectively limit our environmental impact and to be prepared in the event of unexpected releases.

## Site Planning & Minimizing Surface Impacts

Coterra aligns planning, permitting, and compliance processes across our business based on lessons learned from previous activities. Our planning considerations actively account for landowner needs and requests, applicable regulations, and environmental concerns that are specific to each area of operation.

As part of our planning process, Coterra conducts environmental assessments

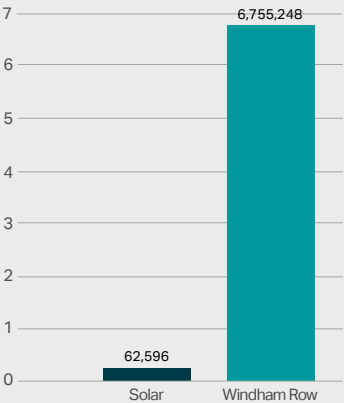
("EAs") to identify biodiversity and resource use considerations, wetland delineations, and endangered species, and works to mitigate potential impacts prior to development. Our EAs are informed by data sets and regulations from various state and federal organizations. Through these EAs, Coterra is able to take proactive measures to manage our impact. For example, we practice wetland mitigation and install culverts to ensure water flows are maintained when constructing stream crossings.

Coterra strives to consolidate its facilities, thus minimizing the square footage of impacted land. To do so, we conduct site planning and incorporate the latest technology in horizontal drilling and multi-well pads to increase lateral lengths, reduce the number of pads needed to access reserves, and reduce our overall surface footprint. Our efforts in this area have resulted in more efficient operations that require less frequent mobilization of drilling rigs and completion crews, fewer individual sites requiring maintenance, and less road construction and traffic. Through our consolidation and reuse of sites, Coterra minimizes the need to construct new well pads, which results in reduced environmental impact, decreased operating costs, and increased safety for employees and contractors at well sites.

In addition to our site planning, Coterra incorporates erosion controls, well pad design and layout optimization, and regular inspections to ensure biodiversity and natural resources are accounted for during operations. For example, in Pennsylvania, well pad designs go through the erosion sediment control general permitting process, which includes a post-construction stormwater management program. These controls help Coterra minimize erosion and sedimentation issues.



MMBTU Produced/Acre of Land Use



Our efforts to reduce the surface impacts of our operations and the high energy density of our products generate favorable energy produced to land use ratios when compared to other energy sources such as solar. On our current Windham Row project in the Permian Basin, we are producing over 100 times more energy per disturbed acre than a solar project in that area would over the life of the solar farm.

*Solar assumes 5 acres of land use per MW of solar development, a 32% capacity factor, a 0.4% per year deterioration of performance and a 35-year useful life. Windham Row assumes our expected ultimate recoveries from that project and our expected land use to execute the project.*



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

## Spill Prevention & Mitigation

Coterra is committed to improving our spill prevention and mitigation capabilities. Through effective planning and control processes, Coterra seeks to limit the number of unplanned releases. We have a designated incident management tracking system with a consistent reporting protocol across the Company. Coterra will investigate the cause and impact of any reportable release in order to identify corrective actions and lessons learned to reduce the occurrence and impact of future events.

Coterra employs numerous spill mitigation efforts, including secondary containment systems and auto-shutoff instrumentation and controls. We have measures in place to maintain the integrity of our assets, such as the integration of enhanced metallurgical designs that minimize the corrosion of components, helping to prevent unintended releases. In our Marcellus operations, we conduct weekly containment inspections during drilling and completion activities, as well as monthly tank inspections during production. Furthermore, we require daily pipeline inspections for well development projects. These pipelines can be freshwater lines that convey water from a freshwater source to the frac, freshwater lines that convey water from a tank pad to the frac, or produced fluid lines that convey water from a tank pad to the frac or from one area on a frac location to another area on a frac location. These practices are critical to catching potential leakage risks that may contaminate surrounding areas. We also leverage secondary and tertiary containment for water transfers and engineering and automated alerts with auto-shutoff instrumentation that help prevent spills outside of containment. In higher water producing operating areas, we generally exceed industry standards for secondary containment and employ enhanced detection measures to prevent spills.

Our spill mitigation efforts have evolved over time and will continue to evolve as we strive to incorporate lessons learned.

## Biodiversity Data

METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP-160a.2	Number of hydrocarbon spills	31	17	26	16
	Aggregate volume of hydrocarbon spills (Bbls)	481	166	941	62
	Volume of hydrocarbon spills in the Arctic	0	0	0	0
	Volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10	0	0	0	0
	Volume of hydrocarbons recovered from spills (Bbls)	150	68	366	8

To help ensure we are prepared for potential releases, Coterra has a corporate emergency response plan, area-specific tactical response plans, and staged emergency response equipment in place. In addition, we communicate regularly with first responders in local communities about these plans.

After a release, Coterra conducts an investigation to determine the appropriate remediation procedures because release remediation may vary depending on the geography, size, and type of release. Coterra confirms successful remediation efforts following a release. Coterra takes affected area samples and sends them to an independent lab for analysis against background samples. The lab will notify Coterra if the sample is remediated back to background or other accepted standards. Coterra also performs on-site measurements, such as with photoionization detectors and conductivity meters, to screen the quality of clean-up processes in real time. Through these controls, Coterra can assess the effectiveness of remediation procedures and gain confidence in its processes. We monitor local, state, and federal regulations to help ensure we meet and exceed compliance requirements post-release.

## Site Reclamation

Once a well pad site is no longer needed, Coterra conducts reclamation activities that are aligned with state and federal regulations and address landowner requests. Well-pads can be either restored to an operating condition that minimizes its footprint or plugged and reclaimed to pre-development conditions.

During the planning process, Coterra not only determines methods to minimize disturbance, but also determines a final land contour design for reclamation. This design is leveraged to return the land to pre-existing conditions or those otherwise desired by the landowner, such as a flat working area. As part of the reclamation processes, Coterra often re-vegetates the area using native or regulatory approved seed mixtures.

## Conservation Efforts

To minimize disturbance and impact on local wildlife, Coterra actively considers landowner desires, environmental concerns, aquatic resources, endangered species reviews, and constructability based on topography, among other factors.

We take an active role in conservation efforts. In Lea and Eddy Counties,

# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

New Mexico, we are enrolled in a Candidate Conservation Agreement and a Candidate Conservation Agreement with Assurances with environmental consulting services provider Center for Environmental Health Monitoring and Management (“CEHMM”) that covers the Lesser Prairie Chicken and the Dunes Sage Brush Lizard. CEHMM is also our conservation partner for the Texas Hornshell Mussel. Similarly, we are active participants in the Texas Conservation Plan and American Conservation Fund, both of which encourage dialogue about methods to promote conservation and protect species. Through our engagement with these organizations, we drive best practices, open a dialogue amongst key players in our industry, and promote methods to conserve and protect species.

In addition to our collaboration with conservation groups, we engage in numerous other activities to promote conservation. We work with respective regulatory agencies to control and eradicate invasive species that are inadvertently introduced to operating areas and follow recommendations from the U.S. Fish and Wildlife Service when operating in areas with threatened and endangered bat species.

We believe these efforts are representative of Coterra’s practice of environmental stewardship and our goal of minimizing the impact of our operations. We look forward to continuing to partner with conservation organizations, regulatory bodies, and other industry players to promote best practices in conservation.

## Waste Management

Implementing a robust waste management program is critical to minimizing local impact and disturbance and mitigating pollution while continuing to produce value for our stakeholders. Working to ensure compliance with state and federal regulations regarding waste management is just our starting point. We apply innovative strategies and technologies to limit our waste generation, in some cases beyond what is legally mandated.

Coterra has implemented e-Manifest into our Marcellus operations, a first-of-its-kind electronic waste tracking system that monitors our waste from cradle to grave. This management tracking system provides transparency and accountability into how waste is managed at our sites with an electronic footprint that specifies where our waste is generated and where it goes. We leverage data from e-Manifest to inform strategic improvements to our waste management efforts.

We conduct due diligence on our waste management providers to ensure our efforts to manage and responsibly dispose of waste are maintained once our waste leaves our facilities. Coterra administers in-person visits and third-party assessments of our waste management providers to validate best-practices, and we assess each company along the waste disposal process, from the waste transportation companies to the waste-handling facilities.

Ensuring compliance with our waste management policies is critical to the effectiveness of our waste management capabilities. Thus, Coterra prioritizes inspection and control efforts when it comes to waste management by auditing prior to and during our operations. Consistent inspection reflects our proactive and thorough approach to waste management.

As Coterra continues to expand our waste management program, we partnered with the Marcellus Shale Coalition (“MSC”) to conduct a health-based study that will evaluate the air and waste-related impacts from oil and gas operations in the Marcellus Shale. We hope to leverage the expertise from across the industry and the results of the study to better understand the impact of our waste to inform future improvements to our waste management program.

Coterra is continuously evaluating our waste footprint and our current strategies





# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

to manage waste to ensure that we are conducting operations in a way that produces the least disturbance on our environment and surrounding communities.

## Water Management (SASB: EM-EP-140a.1,2,3)

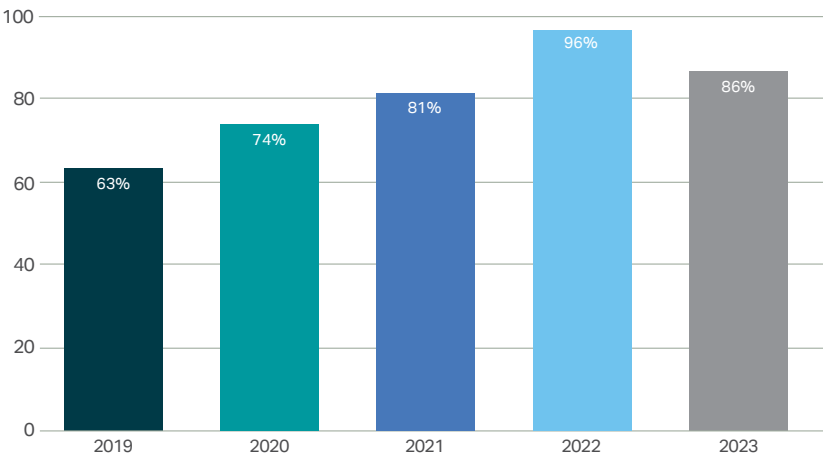
Water is a critical component of Coterra’s oil and gas operations. Responsibly managing water is essential to the stability of our operations and, therefore, our ability to continue to provide stakeholder value. As such, water scarcity is integrated into our risk assessment and plays a role in our business strategy. Coterra prioritizes efficient water management across all our operations and promotes practices to protect water supply while working to abide by regulatory standards in the areas that we operate. Our Environment, Health & Safety

Committee and Vice President-EHS provide oversight to water management activities and issues. We utilize World Resource Institute’s (“WRI”) Water Risk Atlas tool, Aqueduct, to track water usage and water quality among our operations. In 2023, Coterra did not withdraw freshwater from regions with high or extremely high water-scarcity risk, according to Aqueduct.

## Water Reclamation

Our water reclamation program is central to our overall water management. This process allows us to recycle produced water from fracturing activities and reuse it throughout our operations. Integrating water reclamation into our operations has helped us make significant strides to minimize freshwater use. We are particularly diligent about limiting freshwater use in dry areas, such as

Permian Basin % Recycled Water Sourced For Completions Operations



West Texas and New Mexico. Non-recycled water use in these areas for frac operations is due to contractual obligations to landowners for the use of their water for operations conducted on their property. If these agreements were not in place, Coterra would prefer utilizing recycled produced water. In 2023, we developed several projects that contractually required the use of landowner freshwater, which resulted in a moderate drop in performance on our recycled water used for completions metric in that area.

Another major aspect of our water management includes produced water systems primarily in Reeves and Culberson Counties in Texas. These systems are composed of over 200 miles of pipeline that connect our produced water gathering, recycling, and disposal infrastructure. This infrastructure allows us to reuse produced water as source water for our completion operations, greatly improving the efficiency of reusing water by minimizing the need for surface storage and truck transportation. The water pipeline system reduces

## Water Management

METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP140a.1	(1) Total freshwater withdrawn (Thousand cubic meters)	4,169	4,498	5,555	7,082
	Percentage withdrawn in regions of high or extremely high baseline water stress	0%	0%	0%	0%
	(2) Total fresh water consumed (Thousand cubic meters)	3,731	4,065	5,150	6,031
SASB-EM-EP140a.2	Volume of produced water generated (Thousand cubic meters)	29,943	30,500	39,294	45,027
	Volume of flowback generated (Thousand cubic meters)	968	1,870	947	710
	(1) Percentage discharged	0%	0%	0%	0%
	(2) Percentage injected	89.3%	78.7%	78.7%	78.5%
	(3) Percentage recycled	10.7%	21.3%	21.4%	21.5%
	Percentage hydrocarbon content in discharged water	0%	0%	0%	0%
	Percentage of frac water from recycled sources	43%	56%	61%	57%
SASB-EM-EP140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	100%	100%	100%	100%

ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

reuse cost and simplifies operations, leading to reduced need for freshwater.

In our Marcellus Business Unit operations, we recycle nearly 100% of our water generated by our flowback and production operations. Additional water sourcing is used for our Marcellus hydraulic fracturing activity due to the low produced-water volumes. Coterra conducts all water usage activities as permitted by the Susquehanna River Basin Commission ("SRBC")'s Consumptive Use Mitigation Policy through facility-specific conditions and approved by the SRBC. The freshwater withdrawal facilities are also required to comply with facility-specific water management plans which are approved by the Pennsylvania Department of Environmental Protection ("PADEP"). The approval plans specify withdrawal quantities and limitations at each source to abate any potential adverse environmental impacts. Flowback and fluids produced from our operations are either sent to PADEP-permitted beneficial reuse facilities or reused in our own operations. Generally, when permitted beneficial reuse facilities do not return the water back to the Company, they will provide the water to other operations in the basin for reuse in well-completion activities. Further, we employ an Erosion and Sedimentation Control Inspection program at our Marcellus operations to assess and monitor the capability of erosion and sedimentation controls around well-site locations to prevent contamination of our waterways.

By acknowledging and acting upon the elevated importance of responsible water management in these areas, we work to go beyond state or federal regulation concerning water management with the intention of decreasing freshwater withdrawals wherever feasible.

Health and Safety (SASB: EM-EP-320a.1,2)

Safety is a core value at Coterra, and achieving high standards for health and safety is a priority in everything we do. We work to ensure that our employees and contractors act in compliance with regulatory standards as well as our own

health and safety standards. Coterra is consistently monitoring state and federal requirements on health and safety to ensure that we are properly integrating the most up-to-date regulations into our operations.

The Executive Safety Council ("ESC") is tasked with the oversight of health and safety at Coterra. The ESC consists of members of our management team who meet regularly to review health and safety practices and data and identify and implement lessons learned across our operations. The Vice President-EHS

ensures that the health and safety expectations, programs, and procedures are upheld and integrated into the EHS MS.

Our EHS MS reflects Coterra's commitment to health and safety across our entire organization. Both employees and contractors are expected to comply with Coterra's health and safety standards and protocols. Coterra conducts regular safety inspections at our facilities to assess our performance and takes proactive measures to identify and mitigate potential hazards. We also conduct EHS review

METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP320a.1	(a) Full-time employees				
	(1) Total recordable incident rate (per 200k hours worked)	0.69	0.30	0.56	0.45
	(1a) Lost time incident rate (per 200k hours worked)	0.34	0.10	0.23	0.34
	(2) Fatality rate (per 200k hours worked)	0.00	0.00	0.00	0.00
	(3) Near miss frequency rate (per 200k hours worked)	0.77	0.20	0.79	1.80
	(4) Average hours of health, safety and emergency response training	14.32	14.01	17.29	14.36
	(b) Contract employees				
	(1) Total recordable incident rate (per 200k hours worked)	0.37	0.44	0.39	0.23
	(1a) Lost time incident rate (per 200k hours worked)	0.25	0.27	0.19	0.14
	(2) Fatality rate (per 200k hours worked)	0.00	0.02	0.01	0.01
	(3) Near miss frequency rate (per 200k hours worked)	0.98	0.22	0.52	0.76
	(c) Full-time employees & contractor employees				
	(1) Total recordable incident rate (per 200k hours worked)	0.42	0.42	0.40	0.24
	(1a) Lost time incident rate (per 200k hours worked)	0.27	0.24	0.19	0.16
	(2) Fatality rate (per 200k hours worked)	0.00	0.01	0.01	0.01
	(3) Near miss frequency rate (per 200k hours worked)	0.94	0.22	0.56	0.82



# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

assessments through monthly and quarterly internal inspections and are subject to potential external annual facilities inspections by our insurance company.

In addition, our Environment, Health & Safety Committee compares EHS performance with established benchmarks from organizations such as the Bureau of Labor Statistics (“BLS”), American Exploration and Production Council (“AXPC”), and the Independent Producers EHS Managers Forum. This allows the Board to assess our EHS performance on a continuous basis to ensure our programs provide a safe working environment.

## Workforce Health and Safety (SASB: EM-EP-320a.2)

Coterra offers training on safety expectations, practices, and processes to all employees. To ensure we are addressing current and relevant EHS hazards, employees receive monthly EHS trainings that are based on incident or hazard trends and regulatory changes. Further, all operational supervisors are provided EHS leadership training. Coterra’s training programs provide employees and management with the necessary tools to identify and limit potential safety hazards and effectively respond to incidents, including the mitigation of, and response to, high severity incidents.

Coterra’s operations function under a stop work authority (“SWA”) program that empowers anyone to stop work if they identify a hazard. Under SWA, all Coterra employees and contractors have the ability and obligation to stop a task if a potential EHS hazard has been identified and not resume operations until the concern has been adequately addressed. We have also implemented a “safety stand-down” initiative where a job, area, or department is shut down for a period of time while employees and contractors are gathered together to review safety topics or discuss the culture of safety at Coterra. A safety stand-down is highly effective in sharing the identification and mitigation of an identified safety concern.

Proactive safety efforts are central to our EHS program. Coterra utilizes a self-assessment and corrective action management process to identify and strategically address improvement opportunities related to safe operations. Self-assessment efforts are accomplished through a variety of mechanisms, including the “Good Catch Program”, preventative maintenance on equipment, near miss and first-aid incident reporting, Job Safety Analysis (“JSA”) implementation, and regularly performing “hazard hunts.” Proactive safety efforts also include external, third-party assessments to highlight potential risk areas in our operations. Corrective action management efforts rely on performing effective root cause analysis investigations and the identification and implementation of meaningful mitigation plans.

## Contractor Safety

Coterra’s operations require working with an extensive network of contractors that provide specialized service functions. Prior to working with contractors, we review their existing safety practices by auditing safety statistics, written policies and programs, training documentation, and job-specific requirements, as well as reviewing any safety citations.

Coterra expects all contractors to fully abide by our safety standards, as well as the wider EHS MS. To ensure contractors are able to align with our high safety standards, Coterra seeks opportunities to coach and strengthen contractor relationships as a means to proactively strengthen safety compliance. Coterra





# ENVIRONMENTAL, HEALTH, AND SAFETY (CONTINUED)

uses the ISNetworld contractor verification program, an industry-leading safety verification process, to provide a third-party audit of contractors’ safety compliance data and compare their safety performance to peers. We actively monitor and disclose contractor safety performance and participate in local contractor safety councils to assess methods to improve performance.

Contractors are expected to participate fully in on-site safety activities. Contractors frequently attend Coterra EHS meetings, and Coterra operations personnel frequently attend contractor’s EHS meetings. Contractors are expected to complete all required EHS trainings and to upload the training documentation into ISNetworld for review. As outlined in our master services agreements (“MSA”), contractors are contractually obligated to follow Coterra’s EHS policies and protocols. To help ensure that our safety expectations are being met by contractors, we conduct frequent field evaluations to verify the implementation of the EHS programs and standards. Contractors are required to immediately report all details of any near miss, injury, illness, property damage, and environmental impact, and to comply with any associated remediation and restoration efforts. Contractors must also supply their employees with proper safety equipment and training.

As part of Coterra’s ongoing commitment to providing safe operations, a group of contractors is selected each year to complete a verification and review process administered by ISNetworld. The process consists of contractor employee and contractor management interviews to pinpoint any gaps in the contractor’s EHS programs. Based on these reviews, ISNetworld develops action items and works with each contractor to verify completion of those items.

## Emergency Response Program (SASB: EM-EP-540a.2)

Part of Coterra’s proactive approach to health and safety is dedication to emergency response. Our emergency response program is led by Coterra’s Senior Vice President-Operations, along with the Corporate Crisis Management teams.

The Incident Command System (“ICS”) is central to our Emergency Response Program, detailing Coterra’s emergency response plans for every area of our operations. The ICS includes written emergency response plans for all areas of operations, including the Crisis Management Plan (“CMP”), Emergency Response Plan (“ERP”), and Tactical Response Plan (“TRP”). These plans provide employees with coordinated instructions on how to respond efficiently in the case of an emergency to maximize the protection of our people, environment, assets, and reputation. Coterra offers crisis management and emergency response training annually, across all operations, to help ensure adequate preparedness among our employees. The trainings are completed through our Incident Command Module and are supplemented with emergency response drills. Coterra uses a third-party to assess and improve our emergency response and drills. Coterra locations have a posted emergency hotline phone number, which is publicly available for stakeholder visibility.

Recognizing our potential impact on external stakeholders, Coterra closely involves local communities into our emergency response plans and is an active member of local emergency planning committees. Coterra offers a guide on our emergency response protocols to external stakeholders, such as local first responders and officials.







# HUMAN CAPITAL

## Employee Recruitment, Development, and Retention

We are an idea-driven organization where open dialogue is encouraged, and professionalism and integrity are expected at all times. Our priority is to create an environment that fosters personal growth and collaboration, with the ultimate goal of achieving excellence as individuals and as a business.

We have three important viewpoints that shape our culture:

**People First:** Our team members give us the ability to adapt and thrive in all aspects of our business, including those associated with the competitive and challenging industry in which we operate.

**Ideas Welcome:** We believe that anyone can contribute a winning idea, and therefore, we empower all team members to have a voice. To facilitate open discussion, we strive to eliminate barriers that prevent idea sharing throughout our organization.

**Team Approach:** We work and learn together so that we can make informed business decisions. Through cross-functional team collaboration, we make more informed business decisions.

As a commitment to our employees, we value creating a safe and inclusive environment that rewards ideas, excellence, and hard work with opportunities. Establishing this culture is an ongoing effort that involves learning from our people and experiences and evolving accordingly. In doing so, we rely on our core values to ensure we remain aligned with our beliefs as an organization while we evolve and grow.

Our operational framework rests on these key pillars:

**Safety:** We prioritize the safety of our employees and the communities where we operate by emphasizing personal responsibility and safety leadership.

**Integrity:** Integrity, fairness, and honesty are key to good decision making. We honor our commitments and take ownership of both our work and our actions.

**Transparency:** We foster an open culture where our people are committed to a shared mission of creating value by generating sustainable returns for investors and responsibly providing reliable energy solutions to all.

**Excellence:** We are not interested in being average. We believe in challenging ourselves to meet a standard of excellence in everything we do.

**Opportunity:** We give authority and responsibility to those who demonstrate their ability to perform rather than following a system based on tenure.

**Results:** We focus on delivering results. Whether related to safety, environmental stewardship, or economic returns, we focus on endeavors that lead to measurable improvement.

## Recruitment

At Coterra, we embrace progress over comfort, and encourage the use of technology and data analysis to help drive innovation and create value. We strive to recruit and retain a workforce that shares these ideals and can contribute to our culture.

Coterra has university-based hiring programs that allows our Company to reach new talent for full-time and intern positions. Our intern program promotes the development of talent and prepares students to excel in technical and potential future leadership roles at Coterra. We offer students hands-on work experience and, should they demonstrate the appropriate skills, provide an opportunity for them to return to Coterra full-time to further develop their careers. In 2023, we were able to fill 7 full-time positions from our 15-person intern program.

Additionally, Coterra provides a referral award, up to \$5,000, to certain current employees for referring a candidate who is hired for an open position.

## Compensation and Benefits

Coterra recognizes the indispensable value that our employees bring to the Company, and we are committed to offering compensation and rewards that both reflect and motivate performance. We offer highly competitive compensation packages along with industry-leading health, welfare, and retirement benefits. Our premier compensation and benefits continue to distinguish us from industry peers and aid in our ability to recruit and retain top talent.

HUMAN CAPITAL CONTINUED

We actively review our benefits to reflect the evolving needs of our employees and to ensure that we remain competitive with our peers. For instance, last year, we expanded our offerings by implementing surrogacy benefits and enhancing our mental health benefits.

Some of the benefits offered to our employees include:

Health

- Comprehensive medical and prescription insurance, including telehealth options.
- Full vision and dental coverage.
- Enhanced Mental Health Benefit and Employee Assistance Program provides 24-hour resources, including face-to-face or online sessions, to help employees navigate personal issues such as parenting, anxiety, depression, relationships, stress/burnout, and connections for financial or legal advice.

Welfare

- 100% Company-paid life and disability insurance and Company-paid spouse and dependent life insurance with lower-cost supplemental insurance buy-up policies for employees and spouses.
- Coterra will pay up to \$25,000 per lifetime for eligible expenses related to fertility, adoption, and surrogacy. Employees also have access to Ovia, a maternity and family benefits platform that provides support across the entire span of parenthood.
- Health savings accounts with a significant Company contribution. This account, paired with the Coterra medical plan, encourages employees to save pretax dollars to pay for qualified healthcare expenses now and in the future. Coterra also contributes generously — enough to cover the entire in-network medical deductible.
- Employees enrolled in the medical plan have access to Hinge Health, a no-cost virtual physical therapy program for help with chronic joint or muscle pain.

- Coterra offers employees free access to Wondr, a digital, science-based, behavioral weight loss program clinically proven to help individuals lose weight, sleep better, stress less, and improve overall health.
- Comprehensive paid leave, including paid parental leave, competitive vacation time, flexible time off to care for the physical and mental health of the employee or their family, paid Company holidays, floating holidays to use as the employee chooses, and bereavement leave.
- To empower employees in their financial goals, we offer multiple financial wellness programs, through various providers at no cost. These programs equip individuals with the knowledge and tools to save effectively, eliminate debt, plan for college expenses, pay off mortgages, make investments, and build wealth.
- Discounts on identity theft protection, pet insurance, and travel assistance.
- A service award program that recognizes and rewards employees for their commitment to the organization every 5-years.
- Charitable contribution matching.

Retirement

- 401(k) Retirement Savings Plan
  - Coterra automatically contributes 10% of the employee’s annual pay, regardless of the employee’s contribution.
  - Coterra matches dollar-for-dollar employee contributions up to 6% of employee’s salary.<sup>26</sup>

Employee Training and Development

Coterra offers training opportunities to further develop employees’ skills and careers. We recognize the diverse skillsets and ambitions of our workforce and strive to help each employee reach their full potential, thereby creating a more advanced and efficient workforce.



26. Up to limits allowed by the United States’ Internal Revenue Service.





Coterra offers a wide variety of training programs, including formal on-site, remote, and hands-on field experiences, as well as specialized geoscience and engineering technical programs through our vendors and other external partnerships. Additionally, we require ongoing compliance trainings, which are conducted through our internal Learning Management System.

We also provide trainings that target professional development and leadership. In 2023, we launched an in-person, “Feedback That Works” training for field and non-field managers that helps develop constructive feedback skills by providing managers with tips on how to both deliver and receive feedback. We also frequently invite employees to present to management and the Board and to participate in trainings for effective verbal communication.

Employees may seek to further develop their skills and careers through job-relevant higher-education courses, licenses, or certification programs. Our Education Reimbursement Program provides financial opportunities for those situations. As part of this program, we may cover the cost of tuition, books, and laboratory fees up to the maximum IRS allowable reimbursement limit of \$5,250 per calendar year.

Each year, through our Coterra Scholarship Program, we offer at least 10 college scholarship opportunities for dependent children of our employees. For the 2023-2024 school year we awarded 10 scholarships with the potential to provide up to \$20,000 per student, at \$5,000 per year for up to four years. We also awarded one-time scholarship payments of \$2,500 to 10 additional students. Through these efforts we aim to support the continued development of our employees and the wellbeing of our workforce by fostering a culture of excellence and education that extends throughout generations.

Employee Engagement

To align with “People First” and “Ideas Welcome” approaches, Coterra advocates for open communication throughout our organization. One means of establishing a culture of open communication and providing employees with a formal platform to engage with management is through our town halls. The town halls are composed of small groups of employees who meet directly with the Chief Executive Officer and other members of our executive team. These meetings allow for a direct and personal communication platform where employees can feel empowered to voice their feedback. Coterra also provides channels for employees to report concerns throughout the year. Our reporting hotline allows employees to anonymously report grievances, including human resources concerns.

We insist that leaders and employees discuss individual performance, year-over-year results, development opportunities, and career planning and goals. We also facilitate cross-segment engagement among employees to promote a collaborative work environment. For instance, we hold periodic all-employee lunches and socials to encourage open communication and partnership between teams and job functions. These efforts are intended to generate a healthy and collaborative workplace, where employees feel welcomed and empowered to contribute their perspectives.

Our constructive efforts to retain, develop, and engage with our employees are reflected in our low office employee turnover rate of 7.05% in 2023.<sup>27</sup>

U.S. Equal Employment Opportunity Commission

A copy of our latest EEO-1 survey data is available on our website: [www.coterra.com](http://www.coterra.com).

27. Employee turnover rate, excludes GDS employees.

# COMMUNITY RELATIONS



## Community Engagement and Impact

We value being a good neighbor, and we strive to have a positive impact on the communities where we operate. Many of our employees also live in these communities and are personally invested in their success. Our approach to community engagement and charitable giving is guided by our “CAVE” philosophy, in which we focus our efforts on areas that are most meaningful to our Company, employees, and other key stakeholders. These CAVE principles represent:



With this guided approach, we uphold our Company values and continue to demonstrate a steadfast commitment to supporting the surrounding communities in which we operate. We actively engage with community stakeholders to better understand their evolving interests and needs.

## Investment in Community Development and Other Philanthropic Initiatives

In 2023, Coterra invested over \$10 million in the communities in which we operate in alignment with the pillars of our CAVE strategy:

IMPACT	AMOUNT
Education	\$ 4,902,078
Community	\$ 4,048,255
Agriculture	\$ 640,551
Veterans/First Responders	\$ 491,676

### Education

As demonstrated by our contribution allocations in 2023, we have a keen focus on improving the educational opportunities in our communities. Our investments provide resources for both educators and students to enhance the learning environments from pre-K to college, including technical training institutions. Funding the construction



In Pennsylvania, Coterra donated more than \$1.3 million to the Pennsylvania College of Technology, a Penn State affiliate, to help renovate and expand its labs and instructional spaces.



# COMMUNITY RELATIONS CONTINUED

and expansions of such facilities and helping develop programs and curricula for our partners was a key initiative in 2023. We also provided educational assistance directly to over 1,175 students with a focus on STEM (Science, Technology, Engineering, and Math), CTE (Career and Technical Education), and CDL (Commercial Driving License) educational fields. Many of our initiatives develop skills required within our industry and help ensure that the skills needed at Coterra continue to be developed and available.

## Community

We make impactful, long-lasting investments that serve the communities in which we operate in. In 2023, our goal was to ensure that the medical facilities in our communities are available and capable of providing quality care. We also committed funds towards residential community improvement projects.



We provided more than \$1.15 million across two projects involving the Geisinger Health Foundation and the Children's Service Center in 2023. The Geisinger project helped fund a newly relocated and expanded urgent care center in Tunkhannock, Pennsylvania, in Wyoming County. Funding for the Children's Service Center will allow for better integration of primary care and mental health services for at-risk youth populations, meeting the overall needs of this community more effectively.



Our \$2 million annual contribution to the Permian Strategic Partnership ("PSP") in 2023 helped to fund the additional infrastructure needed to sustain the important energy contributions from the region. According to the PSP 2022 Economic Report, the Permian Basin is experiencing economic growth and an expanding workforce, requiring substantial investment in civil and physical infrastructure. Specifically, PSP is focused on some of the most urgent needs in the area, including education, health care, workforce development, and roads.

## Agriculture

We invest in local initiatives that support the health of the agricultural industry in our operating areas. Through our support of organizations like Future Farmers of America, we ensure that the generally prevalent historic industry surrounding our operations continues to thrive alongside our energy development. Our relationship with the agricultural industry also provides cross-pollinating of innovative practices to improve matters that affect both the agricultural and oil and gas industries like water use and environmental stewardship.

## Veterans

Coterra believes in a vibrant community and desires to help pay back those who support our freedoms. Veterans and their support organizations are an important

connection to our local communities' values. We support organizations like the Agency for Community Empowerment's Veterans program that strives to come to the aid of veterans and their families in need. We also specifically contribute to veteran's educational advancement via scholarships to help mitigate the financial barriers to pursuing continued education after their military careers.

## Community Action Group

In 2023, Coterra launched its Community Action Group ("CAG") initiative, a unique approach that strengthens our connection with communities. This initiative places emphasis on gathering input from both employees and community stakeholders to determine which organizations and projects we should support. Similar to our other community investment initiatives, programs vetted through the CAG often extend beyond our local communities to regional and statewide causes.

Our CAG application screening process considers factors such as relevance to Coterra's operations or areas of interest, project description and clarity, availability of matching funds from external sources, and support for under-invested communities, veterans, or first responders. External stakeholders may also participate in the application review process, helping us to choose programs that are most relevant to our communities.

The CAG has become an integral part of our community relations strategy, ensuring that our community engagement efforts reflect comprehensive assessments and remain closely aligned with local needs and philanthropic opportunities that are most meaningful to our local stakeholders.

While we encourage engagement with organizations that align with our CAVE values, groups focusing on causes outside of CAVE remain eligible for the donation matching program in which Coterra will match employee donations up to \$5,000 per employee, per calendar year.

COMMUNITY RELATIONS CONTINUED

Economic Impact

In 2023, we paid \$429 million in income taxes and \$283 million in production taxes. For scale, these cash taxes represent 19% of our 2023 Cash Flow from Operations. We also paid \$1.4 billion to our royalty owners adding to the economic vitality of the areas in which we operate.

Security, Human Rights and Rights of Indigenous Peoples (SASB: EM-EP-210a.3)

Coterra endeavors to conduct its business in a socially responsible and ethical manner consistent with human rights principles. Our dedication to responsible and ethical business conduct is supported by the [Coterra Human Rights Policy](#), which outlines expectations for respecting human rights throughout all aspects of our business. All Coterra employees, contractors, subsidiaries, and suppliers are responsible for upholding these expectations. To ensure compliance, our Board, including its Governance and Social Responsibility Committee, oversees policy implementation and review, while senior management is charged with leading our business in a manner consistent with these principles.

As outlined in our policies, Coterra provides all employees with equal opportunity for development. We protect rights to freedom of association, employee privacy, laws regarding hours and wages, and prohibit any form of forced and child labor. In addition, harassment and discrimination are not tolerated in our workplace. Coterra respects the land rights of Indigenous people and is committed to protecting culturally sensitive areas. We do not operate in any conflict zones and do not tolerate violence or conflict in our operations.

To promote a culture of ethical conduct, we provide training on workplace conduct and maintain policies that support the advancement of human rights, which are contained in our Code of Business Conduct and Ethics. Any violations of these policies can be reported to employees’ supervisors, human resources, our legal department, or through our 24-hour hotline. Coterra encourages employees to report any instances of human rights violations and protects good-faith reporters against retaliation. Any reported grievances will be investigated promptly, and the appropriate actions will be taken based on findings from the investigation.

METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP-210a.1	(1) Percentage of proved reserves in or near areas of conflict	0%	0%	0%	0%
	(2) Percentage of probable reserves in or near areas of conflict	0%	0%	0%	0%
SASB-EM-EP-210b.2	Number of non-technical delays	0	0	0	0
	Duration of non-technical delays	0	0	0	0





# COMMUNITY RELATIONS CONTINUED

## Community and Landowner Relations

Coterra understands the importance of proactively engaging with local communities and landowners to better understand their concerns and needs. We strive to develop positive relationships and mutual respect with our communities through collaboration with local leaders, meetings with volunteer fire departments, and engagement with medical professionals at local hospitals. By creating open channels of communication, we are able to obtain feedback directly from our stakeholders and foster collaboration with community members. We leverage this feedback to prevent and remediate potential grievances while promoting health and safety in our communities.

In addition to our proactive engagement efforts, community members and other stakeholders can engage with Coterra through either an inquiry form or contact number found on the Contact Us page on our website. We also leverage social media to hear from community members. Those who submit an inquiry can expect to hear back from a Coterra team member in a timely manner so that we we can discuss potential issues and opportunities for resolution.



STAKEHOLDER TYPE <sup>28</sup>	FREQUENCY	TYPES OF ENGAGEMENT	
Contractors and Suppliers	Daily	<ul style="list-style-type: none"><li>• Participation in quarterly contractor safety meetings</li><li>• Roundtable discussions</li></ul>	<ul style="list-style-type: none"><li>• Meetings at field offices</li><li>• Partnering on charitable and volunteering efforts</li></ul>
Community and Owners	Daily	<ul style="list-style-type: none"><li>• Owner relations and local team interactions</li><li>• In-person meetings</li></ul>	<ul style="list-style-type: none"><li>• Philanthropic giving and volunteerism</li><li>• Annual township supervisor luncheon</li></ul>
Education	Weekly	<ul style="list-style-type: none"><li>• Pre-K, middle school STEM, high school event, high school career &amp; technical education</li><li>• Support for college dual enrollment and scholarships</li></ul>	<ul style="list-style-type: none"><li>• Corporate and field internship programs</li></ul>
Employees	Daily	<ul style="list-style-type: none"><li>• Well Said Coterra website (blog)</li><li>• Monthly EA update</li></ul>	<ul style="list-style-type: none"><li>• EA participation in monthly meetings</li><li>• Involvement in CAG process</li></ul>
Government and Regulatory	Regularly	<ul style="list-style-type: none"><li>• Meetings</li><li>• Agency interactions</li></ul>	<ul style="list-style-type: none"><li>• Lobbying activities</li></ul>
Industry Peers	Weekly	<ul style="list-style-type: none"><li>• Industry forums and meetings</li><li>• Committee and board memberships</li></ul>	<ul style="list-style-type: none"><li>• Participation joint educational tours</li><li>• Support of similar charitable organizations</li></ul>
Investors	Daily	<ul style="list-style-type: none"><li>• Public filings and documents</li></ul>	<ul style="list-style-type: none"><li>• Contact with the Investor Relations team and management</li></ul>
Media	Weekly	<ul style="list-style-type: none"><li>• Press releases</li><li>• Social media</li><li>• Well Said Coterra website</li></ul>	<ul style="list-style-type: none"><li>• Interviews</li><li>• Media team contact</li></ul>
First Responders	Monthly	<ul style="list-style-type: none"><li>• Monthly meetings</li><li>• Equipment and supply donations</li></ul>	<ul style="list-style-type: none"><li>• Invitations to recreational activities</li></ul>

28. List of stakeholder engagement types is not all-inclusive nor in priority order.



# CORPORATE GOVERNANCE

Our Board, with assistance from our Audit Committee, oversees our risk management program, which has oversight responsibility for our ERM framework. This framework is designed to identify, assess, manage, and communicate risks across our operations, and foster a corporate culture of integrity and risk awareness. Our Board implements its risk oversight function both as a whole body and through delegation to its committees, which meet regularly and report back to the Board. Consistent with this, one of the Board’s and its committees’ primary responsibilities is overseeing and interacting with senior management with respect to key aspects of the Company’s business, including assessing and mitigating the Company’s top risks.

Our Board has adopted Corporate Governance Guidelines to assist the Board and its committees in performing their duties to oversee the governance of the Company. Our Corporate Governance Guidelines outline the functions and responsibilities of the Board, director qualifications, and various processes and procedures designed to promote effective and responsive governance. The guidelines are reviewed annually and periodically revised to reflect changing regulatory requirements and best practices. All our key corporate governance documents, including the Corporate Governance Guidelines, the charters of our Board committees, and our Code of Business Conduct and Ethics, can be found on the Company’s website at [www.coterra.com](http://www.coterra.com).

While the Board and its committees oversee enterprise-wide risk management, we rely on those in management roles to actively govern risks. Throughout the year, the Board and relevant Board committees receive updates from members of management responsible for various enterprise risk management issues and dedicate a portion of their meetings to reviewing and discussing specific risk topics in greater detail. This can include risks related to litigation, regulation, cybersecurity, safety, sustainability, human capital management (including diversity, equity, and inclusion), and commodity prices. The Board receives updates through presentations, memoranda, other written materials, video conferences, and other appropriate

means of communication, with numerous opportunities for discussion and feedback, and continuously evaluates its approach in addressing top risks as circumstances evolve.

### Board Composition

Information about the Board, including details on demographics, business experience, qualifications, and skills of each director, is included in Coterra’s [2024 Proxy Statement](#). For more information on the oversight and management of sustainability, refer to [Our Approach to Sustainability](#).

### Business Ethics and Compliance

Coterra is committed to honest and ethical conduct, and compliance with the laws and regulations when conducting business. We strive to not only act ethically, but to also provide transparency to our stakeholders, including employees, stockholders, business partners, regulators, and the communities in which we operate.

### Code of Business Conduct and Ethics

Every director, officer, and employee of the Company and its subsidiaries is required to comply with the Company’s Code of Business Conduct and Ethics. Our Code of Business Conduct and Ethics is a guideline that helps to promote just and ethical behavior in compliance with the law, as well as expectations for professional conduct, such as those associated with conflicts of interest, customer relationships, insider trading, financial disclosure, intellectual property, political contributions, and confidential information. We provide workplace conduct training at the time of hire and on an annual basis thereafter, which covers topics including anti-harassment, anti-discrimination, inclusion, and workforce management. Compliance with the Code of Business Conduct and Ethics is administered collectively by our Chief Executive Officer, General Counsel, Chief Financial Officer, and Chief Human Resources Officer, and is overseen by our Audit Committee and Governance and Social Responsibility Committee. Any suspected violations of applicable laws, rules



METRIC CODE	METRIC	2020	2021	2022	2023
SASB-EM-EP-510a.1	(1) Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0%	0%	0%	0%
	(2) Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0%	0%	0%	0%

or regulations, or the Code of Business Conduct and Ethics, or any unethical business practices may be reported through use of our confidential hotline at (877) 813-9101 or online at [www.coterra.ethicspoint.com](http://www.coterra.ethicspoint.com).

Regulatory Compliance

Coterra is subject to various types of federal, state, and local laws and regulations that address different areas of our business and operations. We provide details about these laws and regulations in our 2023 Annual Report and Form 10-K.

Political Involvement and Trade Associations

We believe that our potential to create long-term value for our stockholders is enhanced by a business environment that protects and supports the oil and gas industry's ability to responsibly operate and provide necessary energy resources to consumers. As such, Coterra follows political contribution guidelines outlined in our Code of Business Conduct and Ethics, which permits the Company to make corporate campaign contributions when deemed desirable or in the best interest of the Company and its stakeholders.

Direct Contributions

Coterra occasionally supports organizations that are active in public-policy and political-engagement processes concerning the exploration, production, and transportation of natural gas and oil, including those organized under Section 527

of the International Revenue Code. When doing so, Coterra complies with our Code of Business Conduct and Ethics as well as all applicable U.S. and state laws or regulations that are relevant to the political engagement of U.S. publicly traded companies. In 2023, Coterra did not make any contributions to Section 527 organizations.

Indirect Political Spending

Coterra is a member of several business and industry trade groups that collaborate on methods to address issues affecting the oil and gas industry. These business and industry trade groups engage in responsibly managed lobbying activities to promote legislative solutions that protect the goals and interests of our industry and, therefore, our Company. Coterra makes occasional contributions to 501(c)(4) tax-exempt civic or social-welfare organizations that engage in political activity to promote the best interest of our business and industry. Coterra's participation and contributions to business and trade associations and social welfare organizations are approved by our Chief Executive Officer to ensure they are aligned with our Political Contribution and Activities Policy.

In 2023, the non-deductible, lobbying-related portion of our dues paid to business and trade associations and 501(c)(4) organizations, as reported to us by those organizations, was approximately \$1,718,046, as detailed in the IMPACT table.

IMPACT	2023 Dues
American Council on Capital Formation	\$ 2,500
American Exploration and Production Council ("AXPC")	\$ 140,000
American Petroleum Institute ("API")	\$ 1,425,109
Appalachian Natural Gas Operators	\$ 63,000
Marcellus Shale Coalition ("MSC")	\$ 10,750
New Mexico Oil & Gas Association ("NMOGA")	\$ 15,153
Permian Basin Petroleum Association	\$ 15,000
Petroleum Alliance of Oklahoma	\$ 19,000
Texas Independent Producers & Royalty Owners Association ("TIPRO")	\$ 7,200
Texas Oil & Gas Association ("TXOGA")	\$ 15,834
Western Energy Alliance	\$ 4,500
Total	\$ 1,718,046



# APPENDIX

## Task Force on Climate-Related Financial Disclosures (“TCFD”) Index

This report has been informed by Task Force on Climate-Related Financial Disclosures (“TCFD”). Below is a reference to each of the recommended disclosures:

<b>GOVERNANCE</b> Describe the organization’s governance around climate-related risks and opportunities.	a. Describe the board’s oversight of climate-related risk.	Climate Governance: Page 7
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	Climate Governance: Page 7
<b>STRATEGY</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Strategy: Page 7
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Climate Strategy: Page 7
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Scenario Analysis: Page 8
<b>RISK MANAGEMENT</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization’s processes for identifying and assessing climate-related risks.	Scenario Analysis: Page 8
	b. Describe the organization’s processes for managing climate-related risks.	Climate Risk Management: Page 8
	b. Describe management’s role in assessing and managing climate-related risks and opportunities.	Climate Strategy: Page 8
<b>METRICS AND TARGETS</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organization to assess climate risks and opportunities in line with its strategy and risk management process.	Metrics and Targets: Page 13
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse (GHG) emissions, and the related risks.	Metrics and Targets: Page 13
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Metrics and Targets: Page 17



Sustainability Accounting Standards Board (“SASB”) Index

Extractives & Minerals Processing Sector: Oil & Gas – Exploration & Production Sustainability Accounting Standard

This report provides Coterra’s performance data informed by SASB’s Extractives & Minerals Processing Sector: Oil & Gas - Exploration & Production Standard. All data represents full-year 2023 information and represents 100% of Coterra's operating assets. Below is a reference to certain recommended standards.

METRIC CODE	METRIC	2020	2021	2022	2023
Greenhouse Gas Emissions					
SASB-EM-EP-110a.1	Gross global Scope 1 emissions (metric tonnes CO <sub>2</sub> e)	1,834,657	1,515,275.00	1,546,915	1,358,410
	Gross global Scope 1 methane emissions (metrics tons CH <sub>4</sub> )	18,704	9,527	9,483	5,818
	Percentage methane	25.5%	15.7%	15.3%	10.7%
	Percentage covered under emissions-limiting regulations	0%	0%	0%	0%
	Gross global Scope 2 emissions (metric tons CO <sub>2</sub> e)	136,224	96,454	168,643	248,029
SASB-EM-EP-110a.2	Amount of gross global Scope 1 emissions (metric tonnes CO <sub>2</sub> e) from:				
	(1) Flared hydrocarbons	287,975	145,742	135,228	109,119
	(2) Other combustion	1,125,372	1,124,392	1,191,198	1,110,601
	(3) Process emissions	13,653	12,482	11,456	12,199
	(4) Other vented emissions	352,236	216,524	192,978	113,943
	(5) Fugitive emissions	55,421	16,135	16,056	12,549
SASB-EM-EP-110a.3	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	See Emissions Reduction Initiatives, page 18			

Air Quality

SASB-EM-EP-120a.1	Air emissions (metric tonnes) of the following pollutants:				
	(1) NO <sub>x</sub> (excluding N <sub>2</sub> O)			86,738	56,549
	(2) SO <sub>x</sub>			68	15
	(3) Volatile organic compounds (VOCs)			3,998	3,000
	(4) Particulate matter (PM10)			1,775	1,539

METRIC CODE	METRIC	2020	2021	2022	2023
Water Management					
SASB-EM-EP-140a.1	(1) Total freshwater withdrawn (thousand cubic meters)	4,169	4,498	5,555	7,082
	Percentage water withdrawn in regions of high or extremely high baseline water stress <sup>29</sup>	0%	0%	0%	0%
	(2) Total fresh water consumed (thousand cubic meters)	3,731	4,065	5,150	6,031
SASB-EM-EP-140a.2	Volume of produced water generated (thousand cubic meters)	29,943	30,500	39,294	45,027
	Volume of flowback generated (thousand cubic meters)	968	1,870	947	710
	(1) Percentage discharged	0%	0%	0%	0%
	(2) Percentage injected	89.3%	78.7%	78.7%	78.5%
	(3) Percentage recycled	10.7%	21.3%	21.4%	21.5%
	Percentage hydrocarbon content in discharged water	0%	0%	0%	0%
	Percentage of frac water from recycled sources	43%	56%	61%	57%
SASB-EM-EP-140a.3 <sup>30</sup>	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	100%	100%	100%	100%
Biodiversity Impacts					
SASB-EM-EP-160a.1	Description of environmental management policies for active sites	See Biodiversity Impacts, page 23			
SASB-EM-EP-160a.2	Hydrocarbon spills	31	17	26	16
	Aggregate volume (bbls) of hydrocarbon spills	481	166	941	62
	Volume of hydrocarbon (bbls) spills in the Arctic	0	0	0	0
	Volume of hydrocarbon spills (bbls) impacting shorelines with ESI rankings 8–10	0	0	0	0
	Volume of hydrocarbons (bbls) recovered from spills	150	68	366	8

29. As defined by the Water Resource Institute’s (WRI) Water Risk Atlas tool, Aqueduct.  
30. Coterra discloses the chemicals used in hydraulic fracturing fluid through [www.fracfocus.org](http://www.fracfocus.org).



METRIC CODE	METRIC	2020	2021	2022	2023
Security, Human Rights and Rights of Indigenous Peoples					
SASB-EM-EP-210a.1	(1) Percentage of proved reserves in or near areas of conflict	0%	0%	0%	0%
	(2) Percentage of probable reserves in or near areas of conflict	0%	0%	0%	0%
SASB-EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	See Security, Human Rights, and Rights of Indigenous Peoples, page 36			
Community Relations					
SASB-EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests.	See Community Relations, page 34			
SASB-EM-EP-210b.2	Non-technical delays	0	0	0	0
	Duration of non-technical delays	0	0	0	0
Workforce Health and Safety					
SASB EM-EP-320a.1	(a) Full-time employees:				
	(1) Total recordable incident rate (per 200k hours worked)	0.69	0.30	0.56	0.45
	(1a) Lost time incident rate (per 200k hours worked)	0.34	0.10	0.23	0.34
	(2) Fatality rate (per 200k hours worked)	0.00	0.00	0.00	0.00
	(3) Near miss frequency rate (per 200k hours worked)	0.77	0.20	0.79	1.80
	(4) Average hours of health, safety, and emergency response training	14.32	14.01	17.29	14.36
	(b) Contract employees:				
	(1) Total recordable incident rate (per 200k hours worked)	0.37	0.44	0.39	0.23
	(1a) Lost time incident rate (per 200k hours worked)	0.25	0.27	0.19	0.14
	(2) Fatality rate (per 200k hours worked)	0.00	0.02	0.01	0.01
	(3) Near miss frequency rate (per 200k hours worked)	0.98	0.22	0.52	0.76

METRIC CODE	METRIC	2020	2021	2022	2023
Workforce Health and Safety (Continued)					
SASB EM-EP-320a.1	(c) Full-time employees + contractor employees:				
	(1) Total recordable incident rate (per 200k hours worked)	0.42	0.42	0.40	0.24
	(1a) Lost time incident rate (per 200k hours worked)	0.27	0.24	0.19	0.16
	(2) Fatality rate (per 200k hours worked)	0.00	0.01	0.01	0.01
	(3) Near miss frequency rate (per 200k hours worked)	0.94	0.22	0.56	0.82
SASB EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	See Workforce Health and Safety, page 29			
Reserves Valuation and Capital Expenditure					
SASB EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets	See Climate Strategy, page 7			
Business Ethics and Transparency					
SASB EM-EP-510a.1	(1) Percentage of proved reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0%	0%	0%	0%
	(2) Percentage of probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	0%	0%	0%	0%
SASB EM-EP-510a.2	Discussion of the management system for prevention of corruption and bribery throughout the value chain	See Corporate Governance, page 38			
Management of the Legal & Regulatory Environment					
SASB EM-EP-530a.1	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	See Corporate Governance, page 38			



Metric Code	Metric	2020	2021	2022	2023
Critical Incident Risk Management					
SASB EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	See Environmental, Health and Safety Management System, Page 6 – Emergency Response Program, page 30			
Activity Metrics					
SASB EM-EP-000.A <sup>31</sup>	Production of:				
	(1) Oil			87 Mbbl/d	96 Mbbl/d
	(2) Natural gas			2,806 MMscf/d	2,884 MMscf/d
	Natural gas liquids			79 Mbbl/d	90 Mbbl/d
	(3) Synthetic oil			0	0
	(4) Synthetic gas			0	0
SASB EM-EP-000.B	Number of Offshore sites			0	0
SASB EM-EP-000.C <sup>32</sup>	Number of Terrestrial sites			1,195	1,166

31. Net production volumes to Coterra.  
32. Gross operated upstream and midstream sites.

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