

Employee Engagement

Employee Recruitment & Retention

Hiring and retaining the right talent is critical to our success. We provide opportunities for professional growth and support our team members so they can focus on achieving Caerus' strategic goals. We are committed to fostering an environment where employees know they matter and that their voices are heard.

We are also dedicated to ensuring diverse representation across all levels of our business. In 2022, 23% of management and 19% of all other employees at Caerus were female. We continue to empower and support the further development of women at Caerus through participation in the Women's Energy Network and other initiatives.

Community Support & Involvement

We are committed to protecting and supporting the health, safety, and welfare of the communities in which we live and work. We focus our philanthropic efforts on unmet needs in the communities where we operate, particularly those related to children, families, and education. We are proud of our staff for volunteering more than 300 hours of their time to dozens of nonprofit organizations in 2022.

- Alzheimer's Association
- Anchor Center for the Blind
- Club 20
- Colorado Chamber of Commerce
- Colorado Mesa University's Annual Rodeo
- Dumb Friends League
- Farmers Feeding Utah
- Food Bank of the Rockies
- Freedom Service Dogs
- Girls on the Run
- Grand Junction Chamber of Commerce
- Heart & Hand
- Kids Aid Backpack Program
- Riverside Educational Center
- Rocky Mountain Down Syndrome Association Western Slope
- Rose Amidon Foundation
- Special Olympics Colorado
- Special Olympics Utah
- Trees for Charity
- Ute Tribal Pow Wow
- Ute Tribe Education Fund
- Vernal Chamber of Commerce
- We Don't Waste

In Conclusion

Our annual ESG report is part of our commitment to corporate transparency and provides an update on our sustainability progress. To view the full report, go to <https://caerusoilandgas.com/sustainability/>.

CAERUS 2022 ESG REPORT HIGHLIGHTS

2022 By the Numbers

98,000
acres
of surface



7,500
producing
wells



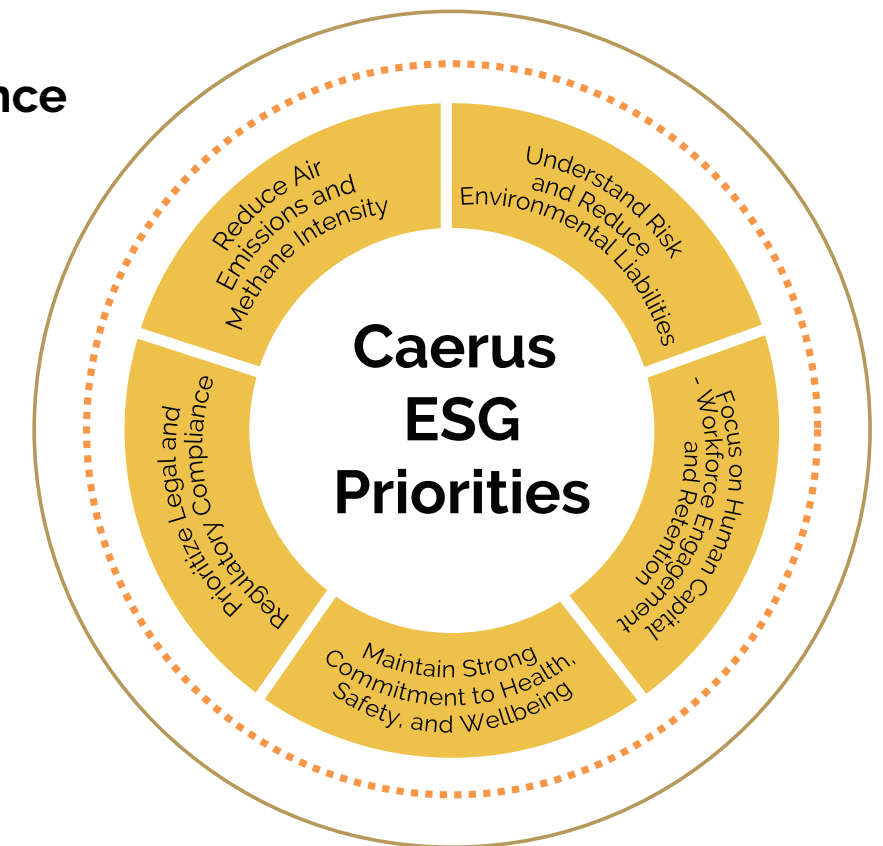
10,000
future drilling
locations



535
MMcfed

Continually Improving Overall ESG Performance

At Caerus, ESG performance is a journey with an ever-changing destination. Each year, we strive to improve our overall ESG performance, whether in methane reduction, reduction in surface impacts, employee engagement, or impactful community involvement. Each target achieved pushes us to strive harder to exceed expectations. Our ESG strategy is embraced by the Board, executives, and employees, which drives engagement throughout the company. It is part of our culture and our ethos.



Environmental Sustainability

Emissions Monitoring and Reduction

Reducing methane and CO₂e emissions is an important goal of oil and gas operations. Caerus is proud to be an industry leader in air quality compliance. We partner with industry, stakeholders, and local communities to reduce emissions across our operations, and have designed our air quality program to meet or exceed state and federal regulations in Colorado and Utah.

Caerus' Air Quality team uses both cutting-edge and time-tested approaches to ensure we comply with state and federal regulations. We are constantly on the lookout for new technologies to apply to our emissions reduction efforts.

- **Real-Time Emissions Monitoring:** Caerus employs continuous monitoring technology to detect and measure emissions on approximately 150 new wells, as well as on the associated flowback facilities, allowing us to rapidly mobilize a team to isolate and address any detected emissions source.
- **Flyovers:** Low-altitude aerial flyovers using continuous-wave light detection and ranging (LiDAR) have helped us identify and reduce methane emissions dramatically. By identifying the sources and magnitude of leaks, we can prioritize our emissions-reduction efforts and address otherwise unidentified sources.
- **Leak Detection and Repair:** Our LDAR program is highly effective at identifying and fixing emissions leaks, due to the expertise of our skilled LDAR technicians who completed a combined 240 hours of training in 2022 who are able to not only identify, but also repair, most leaks on discovery. We completed 1,395 LDAR inspections in 2022 – 848 in Colorado (35% more than the state requirement) and 547 in Utah (6.75 times the number of state-required inspections).
- **Audio, Visual, and Olfactory (AVO) Inspections:** We also rely on our lease operators to look for potential emissions sources through routine audio, visual, and olfactory inspections.
- **Reduction in Surface Impacts:** In addition to reducing our impact to air, we focus on minimizing our impact to the land and water in the areas where we operate. This is done by thoughtfully managing our use of these natural resources.

Water Quality & Management

As a significant agricultural landowner as well as an oil and gas operator, we understand the importance of water conservation firsthand. This understanding has driven the development of our comprehensive water recycling program—one of the most extensive of its kind in the western United States.

We are able to maximize produced water usage and minimize reliance on freshwater by coordinating our drilling and completions operations. In Colorado, we use our Divide Road Treatment Facility and Dissolved Air Flotation (DAF) filtration unit to maximize produced water use in our operations. In 2022, we were able to recycle 11.3 million barrels of the water we used in completion operations in Colorado by strategically timing our operations and using our extensive pipeline infrastructure and DAF filtration system; this meant that only 18% of water used for completions operations came from fresh water sources.

Last year, these conservation efforts enabled us to release 4,500 acre feet (almost 1.5 billion gallons) of fresh water into the Colorado River to support endangered fish species in the 15 Mile Reach.



**474.6 MILLION
RECYCLED GALLONS**

In 2022, we were able to recycle
11.3 million barrels
of produced water.



4,500

acre feet fresh water
released to support
endangered
fish species



Managing Surface Impacts and Risks to Wildlife

Caerus has a ranch management team that actively manages the surface of the land in coordination with our environmental health and safety department. Our goal is to create an environment that is both sustainable and regenerative. We take our cues from nature, striving for variety, balance, and symbiotic relationships to preserve the integrity of the natural landscape.

Caerus assesses all operating sites for biodiversity risks before operations begin. We utilize our Wildlife Resources Matrix to identify and document potential impacts of development. Once we have identified the threatened, endangered, and sensitive plant and wildlife habitats, we follow the Mitigation Hierarchy: seeking first to avoid, then to minimize, and lastly to mitigate impacts.

Caerus owns approximately 98,000 surface acres where we employ regenerative grazing practices that improve soil health and land quality. Improving the land's quality starts with improving the soil's quality to increase carbon sequestration and moisture retention. In 2022, these initiatives included:

- No-till farming practices to build soil and minimize erosion.
- Spring improvements to supply water to areas without access to clean water, improving habitat for wildlife and livestock.
- Brush removal efforts to promote plant life biodiversity and decrease woody shrub encroachment.
- Use of wildlife-friendly fence on Caerus property to limit cattle access within key sage grouse habitat.

