

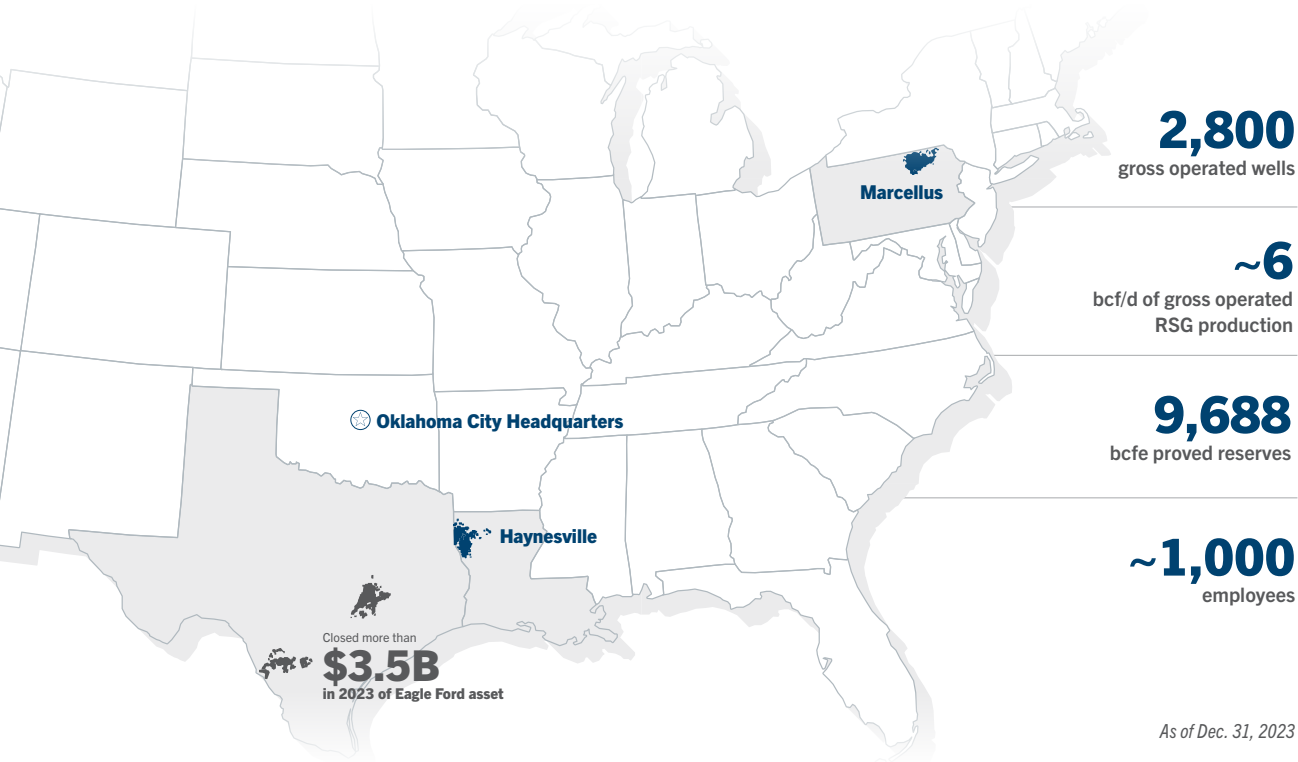


# SUSTAINABILITY APPROACH

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## About This Report

Headquartered in Oklahoma City, Chesapeake Energy Corporation is powered by dedicated and innovative employees focused on responsibly developing a leading position in top U.S. natural gas plays. With a goal to achieve net zero greenhouse gas (GHG) emissions (Scope 1 and Scope 2) by 2035, Chesapeake is committed to safely answering the call for affordable, reliable, lower carbon energy.



To best respond to diverse stakeholder interests, our disclosures are guided by several sustainability reporting standards and disclosure frameworks. These include: Global Reporting Initiative (GRI) Sustainability Reporting Standards, Ipeca's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting, Value Reporting Foundation / SASB Standards: Oil and Gas – Exploration and Production, and AXP's ESG Metrics and Framework. An index that maps content to disclosures is [available here](#).

## Verified Performance Data and Targets

Chesapeake's performance data table reflects 2023 operational performance and includes year-over-year comparison. The data has been verified by our Internal Audit team and is believed to be correct at the time of reporting. For certain reporting elements, later revisions or changes in categorization could affect data and will be updated for accuracy on [our website](#).

Our 2023 Scope 1 and Scope 2 GHG emissions, GHG intensity, methane intensity, Employee Total Recordable Incident Rate (TRIR), Contractor TRIR, Combined TRIR (employee + contractor) and net spill intensity data were provided limited assurance by a [third-party organization](#). In addition, all our production is certified as responsibly sourced gas (RSG), offering another layer of data assurance as part of the independent certification process.

Specific to our interim and long-term performance targets, we remain committed to reducing our operational GHG footprint as driven by our Board of Directors and executive management team. We recognize the dynamic nature of the E&P sector and will enhance our pledges, corresponding with any change in our asset mix, emergence of new emissions monitoring and quantification technology, and stakeholder priorities.

## A&D Activity and Its Reporting Impact

In 2023, we divested our Eagle Ford assets across three transactions. Since these transactions closed in 2023, each asset's performance data will be included in our metrics through closure date. Only 2023 GHG emissions will be excluded per EPA Subpart W reporting rules.

Eagle Ford Divestitures	Transaction Closure Date	2023 Sustainability Reporting Impact
Brazos Valley	Mar. 20, 2023	Included in performance data through closure date; excluded from 2023 GHG emissions per EPA Subpart W reporting rules
Black Oil	Apr. 28, 2023	
Rich Gas	Nov. 30, 2023	

## Chesapeake to Merge with Southwestern

On Jan. 11, 2024, Chesapeake and Southwestern Energy announced their agreement to merge in an all-stock transaction with a combined value of ~\$24 billion.

Upon closing, the combined company will assume a new name and integrate operations. Through our integration processes, we are determining sustainability strategy, goals and commitments for the new company — taking the strongest elements of each company and maintaining our high standards of operations.

**ESG Materiality Assessment**

We perform an environmental, social and governance (ESG) materiality assessment to help prioritize the reported ESG topics and issues of most significance to our stakeholders. The results of this process determine what is included in our reporting as well as content placement. Content is also informed by informal interactions with key stakeholders throughout the year.

The term “materiality” has different definitions depending on the circumstance. We define ESG materiality, in alignment with Ipeica’s reporting guidance, as those issues that “in the view of management or stakeholders, affect a company’s performance significantly and inform external opinions.”<sup>(1)</sup> Our ESG materiality assessment and its results are not intended to comply with the concept of materiality associated with U.S. Securities and Exchange Commission required disclosures. Our [Company Reports](#) page and other financial filings report on material risks as defined by regulatory requirements.

**Stakeholder / Company Alignment on Top ESG Issues**

Based on our assessment, we found the below issues to be of the highest (current) importance when considering the cross-section of both the interests of our stakeholders and the company.

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>• Biodiversity and land impacts</li> <li>• Conventional air quality</li> <li>• Methane emissions reduction and climate change</li> <li>• RSG certification</li> <li>• Water management</li> </ul>	<ul style="list-style-type: none"> <li>• Community and landowner relations</li> <li>• Contractor management and safety performance</li> <li>• Employee engagement and inclusion</li> <li>• Human rights and labor rights</li> <li>• Recruiting (local hiring) and retention</li> <li>• Security</li> <li>• Stakeholder engagement</li> <li>• Workforce health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Company performance and operational changes (A&amp;D) activity</li> <li>• Corporate governance and compensation</li> <li>• Cybersecurity and AI</li> <li>• Public policy and regulatory compliance</li> </ul>

*The above list is not inclusive of all stakeholder or company interests or priorities.*



**Identify**

Develop ESG issues list and gather stakeholder input

**Analyze**

Score and categorize results

**Check**

Validate the process, confirm topic coverage and audit via our ESG Advisory Board

**Disclose**

Include in annual sustainability report, climate report and/or on company website

**Monitor**

Continuously monitor the ESG landscape for key and emerging issues



**Archived Reports**

Prior sustainability and climate reports are available on our [website](#).



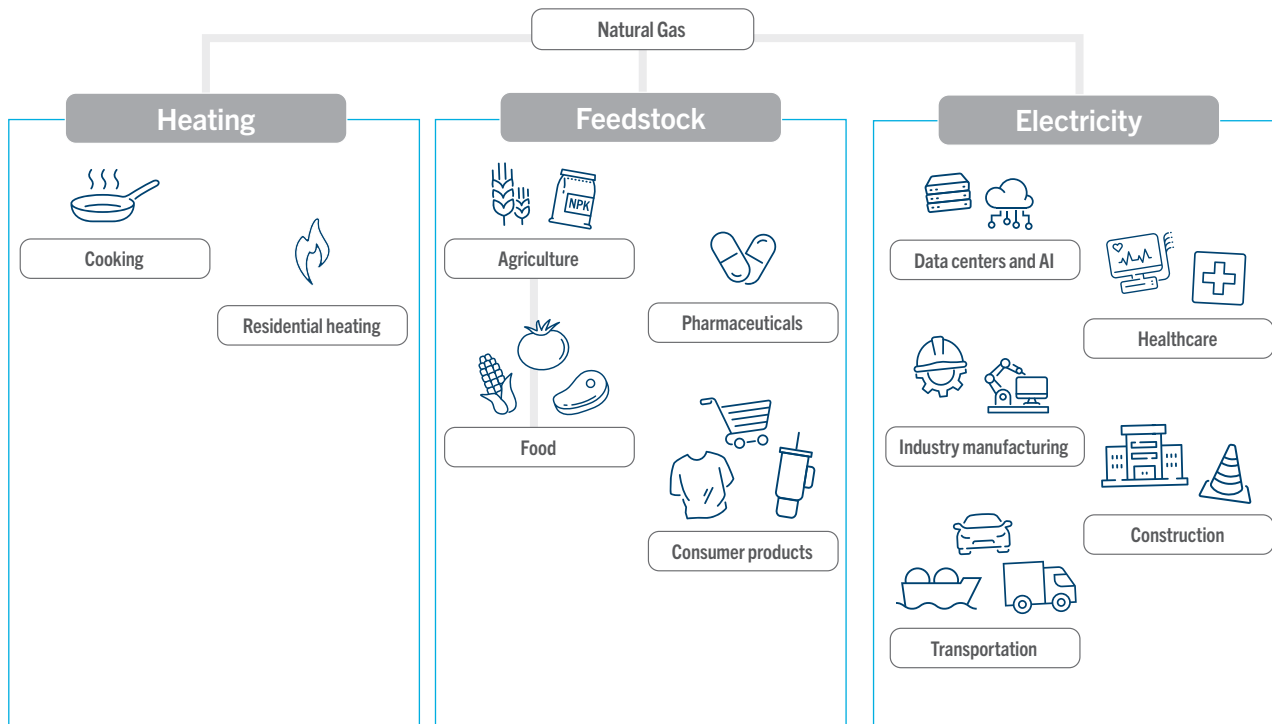
(1) Ipeica. “Sustainability Reporting Guidance for the Oil and Gas Industry,” March 2020, pg. 1.11.

## Our Role in a Sustainable Energy Future

Chesapeake is committed to being a leader in natural gas production — responsibly supplying the affordable, reliable, lower carbon energy that the world needs.

### Natural Gas is Essential to Quality of Life

Power generation, residential consumption and feedstock sources are among natural gas' most common uses, but the energy source also makes up many products critical to our modern life and the health of American industry.

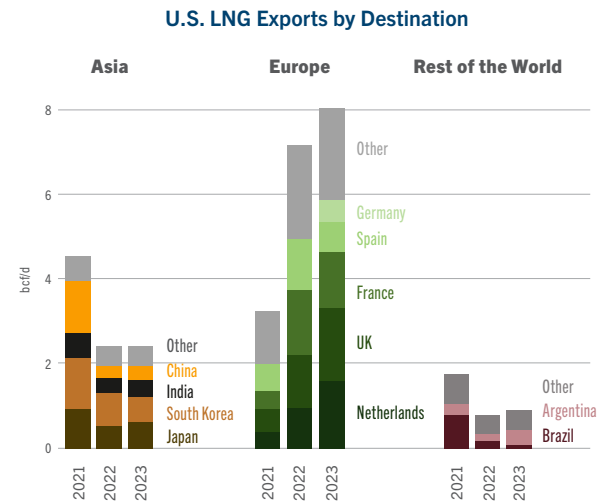


**Natural gas demand is expected to rise materially over the next several years. In the U.S., growing markets of data centers and artificial intelligence (AI) tools are requiring more electricity, and power generators are increasingly looking to natural gas to supply the base load.**

### American Natural Gas Will Fuel the Global Market

The U.S. is now the world's leading producer of natural gas with a minimum 100-year supply. Many countries, particularly those in eastern Europe, are counting on the U.S. to respond to geopolitical uncertainty. In addition to increasing global energy security, importing U.S. natural gas (as liquefied natural gas or LNG) has the potential to modernize energy infrastructure and reduce global CO<sub>2</sub> emissions by displacing higher carbon fuels.

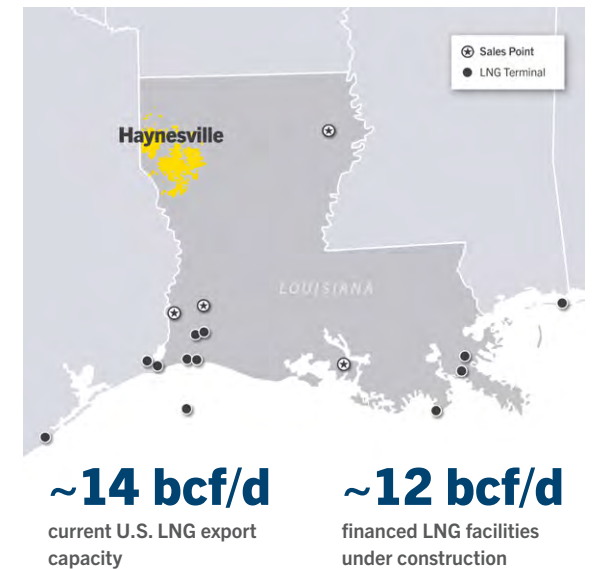
In 2022, the U.S. announced a commitment to dedicate ~50 bcm of U.S. LNG export to Europe through 2030. In December 2023, approximately 61% of LNG exports were delivered to European countries. Asia was the next closest recipient, receiving approximately 26% of U.S. LNG exports.<sup>(1)</sup>



LNG exports can also help play a significant role in meeting energy demand in developing countries. At least 1 billion people don't have access to reliable electricity — a gap that can be bridged with LNG imports.<sup>(2)</sup>

### Chesapeake is LNG Ready

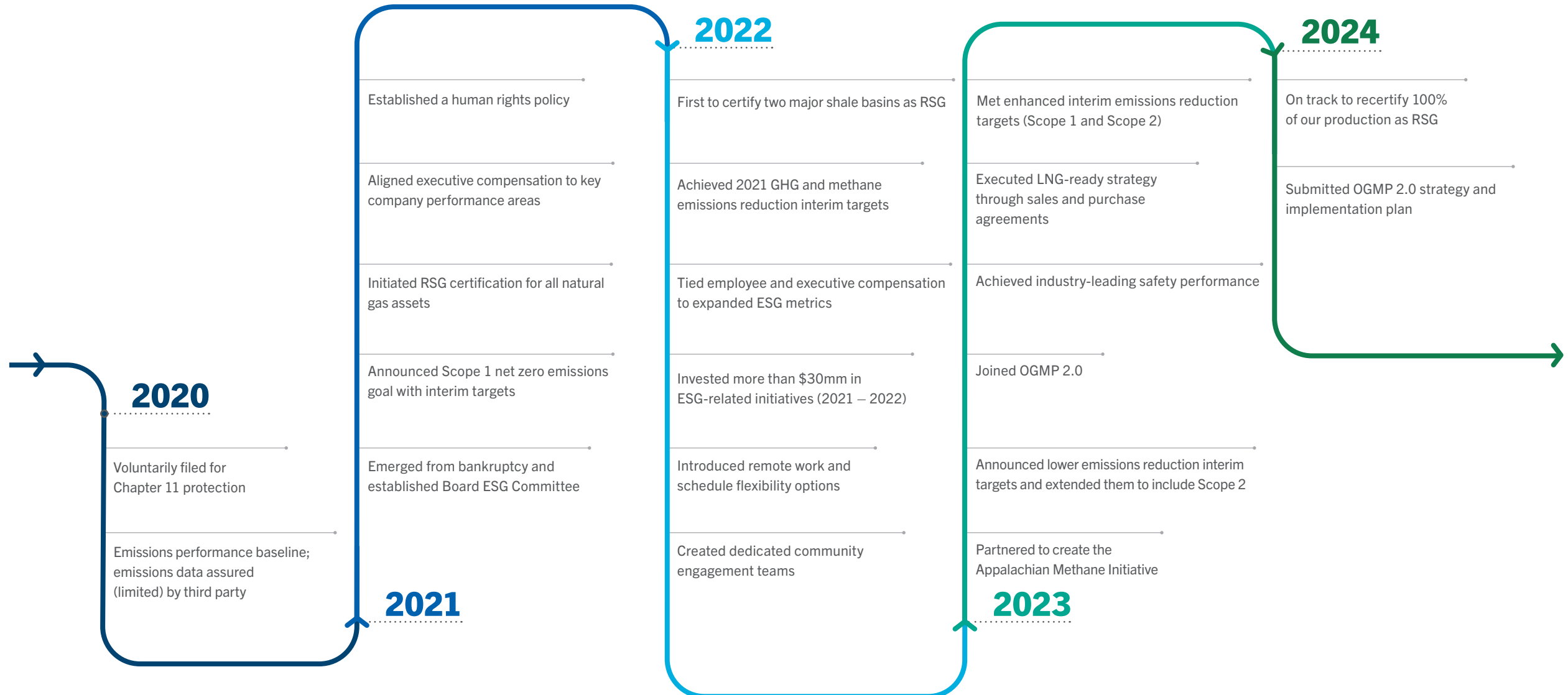
With our deep, proven inventory, Chesapeake's assets are well-positioned to supply LNG to meet growing global energy needs. Our premier natural gas portfolio offers favorable market access — and the potential capacity to mitigate natural gas price volatility and increase energy access and reliability.



(1) Reuters, "U.S. was Top LNG Exporter in 2023 as Hit Record Levels." Jan. 3, 2024.  
 (2) Energy In Depth, "U.S. Natural Gas Could Play Key Role in Reducing World Energy Poverty." Nov. 27, 2018.

## Our Sustainability Progress

Our sustainability journey reinforces the progress we have made, both since our company's founding in 1989 and emergence from bankruptcy in 2021. We used bankruptcy as a fundamental reset, being intentional about our ESG commitments to shape our sustainable future. We will build upon this foundation as our company expands to establish the industry's premier natural gas portfolio, meeting growing domestic and international demand. [Read more](#) about Chesapeake and Southwestern's merger to accelerate America's energy reach.



## 2023 Sustainability Highlights

Target

# Reduce

Scope 1 and Scope 2  
GHG emissions intensity by 2025 to

# 3.0

mtCO<sub>2</sub>e / gross operated mboe produced

Target

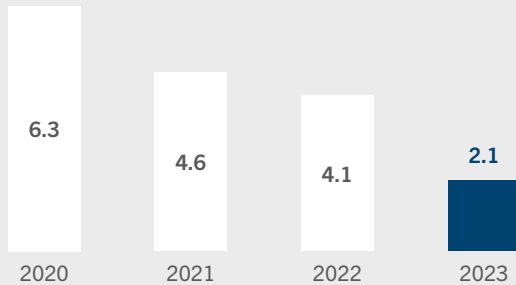
# Reduce

Scope 1 and Scope 2  
methane emissions intensity by 2025 to

# 0.02%

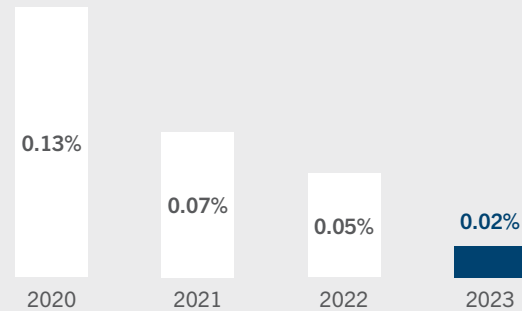
volume methane emissions / gross  
operated natural gas produced

## Achieved



>60% reduction in GHG emissions intensity<sup>(1)</sup>

## Achieved



>80% reduction in methane emissions intensity<sup>(1)</sup>

### Industry-leading safety performance

as noted by our combined TRIR of 0.14  
(a 42% improvement YOY).

[Read more](#)



### Transitioned to SIF

to better pinpoint where company  
resources should be allocated to prevent  
fatal, life-altering or life-threatening injuries.

[Read more](#)

### Empowering STEM scholars

through dedicated charitable giving programs  
including our Botley sponsorship.

[Read more](#)



### Advancing water conservation

through water recycling efforts (100% produced  
water recycling in Marcellus).

[Read more](#)



### OGMP membership

Joining OGMP 2.0 to improve the transparency and  
accuracy of our methane emissions reporting.

[Read more](#)

### Dedicated community engagement

at our in-person meetings in our field operations,  
including lunch and learns in every parish where  
we operate in Haynesville.

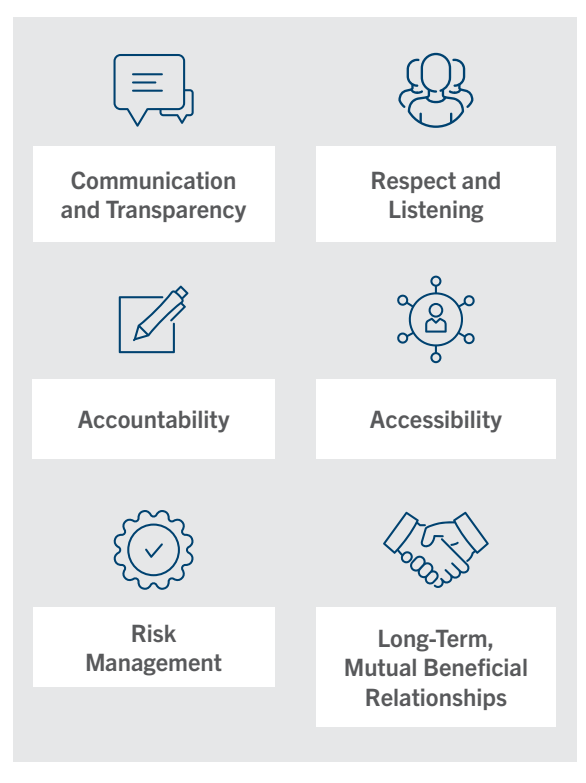
[Read more](#)

## Stakeholder Engagement

At Chesapeake, we recognize the breadth, depth and diversity of our stakeholders and understand their partnership is critical to mutually beneficial and balanced outcomes.

Our core value of respect is central to how we engage with our stakeholders. Through regular interaction, we listen, educate and deepen those relationships with stakeholders throughout our operating areas.

### Engagement Focus Areas



Stakeholder Type	Engagement	Frequency	2023 Topics of Interest
<b>Contractors and Suppliers</b>	On-site and safety meetings, certifications and trainings, supplier outreach, ethics helpline	Daily	Operational and financial performance, workforce training and development, on-site safety, RSG certifications, regulatory and policy compliance
<b>Community and Owners</b> <i>(Owners and neighbors in the PA counties and LA parishes where we operate; the Oklahoma City community surrounding our corporate campus; local nonprofit organizations)</i>	Owner Relations, Community Affairs and local team interactions and in-person meetings, community meetings, emergency responder trainings, quarterly newsletters, philanthropic giving and volunteerism, ethics helpline	Daily	<i>Marcellus-specific:</i> Noise, royalty owner questions <i>Haynesville-specific:</i> Noise, road wear and dust, on-site gate closures <i>Both:</i> Ongoing operations and schedules, maintenance and reclamation repairs, community engagement, local hiring
<b>Education</b> <i>(e.g. local schools in the neighborhoods near where we operate; colleges or universities with energy programs; colleges or universities researching topics relevant to our industry and operations)</i>	School events, college internships, research participation	Monthly	Industry introduction, recruiting and internships, emissions reducing technology research, scholarships and program funding
<b>Employees</b>	Town hall and other leadership meetings, HR business partner interactions, trainings, performance management and professional development opportunities, intranet, ethics helpline	Daily	Financial and operational performance, A&D activity, workforce health and safety, workforce training and development, retention, ESG performance (tied to compensation), LNG
<b>Government and Regulatory</b> <i>(e.g. local elected officials in the counties or parishes where we operate; local, state and federal regulatory agencies)</i>	Meetings, fundraisers, agency interactions, Political Action Committee (PAC) activities, lobbying activities	Regularly	Climate and emissions, industry consolidation, compliance, LNG
<b>Industry Peers</b>	Industry forums and meetings, committee and board memberships	Weekly	Advocacy and education, climate and emissions, environmental impact, workforce health and safety, workforce training and development (contractor management), climate and environmental disclosures
<b>Investment Community</b> <i>(e.g. company shareholders; institutional investors; analysts; ratings agencies)</i>	Board and Investor Relations team contact, conference participation, quarterly earnings, Annual Meeting of Shareholders	Daily, as needed	Financial and operational performance, A&D activity, climate and emissions, LNG, corporate governance / compensation
<b>Media</b>	Press releases, social media, self-published materials, leadership interviews, Media team contact	Weekly, as needed	Financial and operational performance, A&D activity, LNG, climate and emissions
<b>Special Interest Groups</b> <i>(e.g. trade association committees)</i>	Trade memberships and meetings, committee and board memberships, ESG ratings and reviews	Weekly	Climate and environmental disclosures, governance oversight and risk, sustainability performance, public policy and regulatory compliance

The above list is not all inclusive or in priority order; many of these engagement activities are discussed more in-depth in their respective sections