

A Message from Our CEO

Dear Stakeholders,

The most successful businesses solve real problems for people in a cost-effective manner with vision, leadership and innovation. At Chesapeake, we are proud to deliver solutions to the biggest problems facing our economy today: energy security, affordability and climate impacts. We are looking to the future, focused on our capital efficient, lower carbon natural gas production and delivering a sustainable and profitable business to our shareholders.



At Chesapeake, being responsible and profitable are not mutually exclusive. While it has become common business practice to make environmental, social and governance (ESG) commitments, what is needed most is results. We embrace this challenge and our performance shows that we have the strategy, assets and people to be a leader in a lower carbon future.

Last year, we committed to net zero emissions by 2035 and set short-term targets as our pathway to this ambitious goal. We have installed more than 2,000 methane monitoring devices across our assets, are utilizing flyovers and FLIR cameras for methane leak detection and are retrofitting more than 19,000 pneumatic devices — all to reduce our GHG and methane intensities.

To continue our progress, we are extending our 2035 net zero goal to include both Scope 1 and Scope 2 GHG emissions and making investments in carbon capture and alternative energy solutions. We also publicly announced in August 2022 that we are shifting our strategic focus toward our two premier natural gas shale plays, which offer our best rock, best operations and lowest emissions footprint. As reported for FY2021, the combined GHG emissions profile of our Marcellus and Haynesville Shale assets was an industry-leading 2.3 tCO₂e/gross mboe produced and a 0.02% methane intensity.

Additionally, we were the first company to independently certify two major shale basins as responsibly sourced gas (RSG), earning Grade “A” MiQ and EO100 certifications. By year-end, we expect to deliver approximately 6 bcf/d of gross certified RSG, having incorporated our acquired Chief E&D Holdings assets efficiently into our RSG program.

We also continue our unwavering focus on safety, community engagement and diversity, equity and inclusion (DEI) efforts, among other priorities. Recent work includes incorporating contractor safety metrics into our ESG performance and compensation goals and reconstituting our internal DEI Advisory Board and DEI Council. We’re proud of this progress, and we’re motivated to continue to improve as a company and an industry.

Balancing stakeholder priorities and improving ESG performance, while meeting global energy needs, is challenging and necessary work. I can say with confidence that our team is not only meeting this challenge but taking a leadership role. While we can’t solve global energy problems as a single company, we will be at the forefront of driving sustainable solutions. We are united as a team, working with pride and responsibility to answer the call for affordable, reliable, lower carbon energy.

Domenic J. “Nick” Dell’Osso, Jr.
President, Chief Executive Officer and Director
November 2022

ESG Performance Across All Aspects of Our Business

2022

- Successful acquisition of Chief E&D Holdings, accretive to our overall GHG emissions profile
- Tied employee compensation program to expanded ESG metrics, including employee and contractor safety goals
- Certifying entire Marcellus asset as RSG; delivering ~6 bcf/d of RSG by year-end
- Investing more than \$30 million in ESG-related initiatives by year-end
- Retrofitting >19,000 pneumatic devices — reducing reported GHG emissions by ~40% and methane emissions by ~80% as compared with FY2020
- Commissioned third party methane emissions flyover monitoring
- Partnered with Veritas for more precise methane emissions measurement
- Entered into partnerships with leading companies supporting geothermal energy development technology and carbon capture and sequestration opportunities
- Enhancing our self-reporting system for stronger DEI data and goal setting
- Created dedicated stakeholder engagement teams for dedicated community relations

2021

- Successful acquisition of Vine Energy Inc., accretive to our overall GHG emissions profile
- First company to independently certify its Haynesville operations as responsibly sourced; earned Grade “A” MiQ and EO100 certifications
- Aligned executive compensation program with shareholder returns
- Established Board-level ESG Committee
- Installed ~1,800 continuous methane monitoring devices (200+ installed in 2022)
- Conducted third-party verification of key performance metrics, including GHG emissions
- Established a human rights policy and applied it to our supply chain
- Launched the New Ventures team to explore emerging technologies and commercial solutions to capitalize on a lower carbon future