

# 2022

## SUSTAINABILITY REPORT



**CALLON**  
PETROLEUM

## Table of Contents

Foreword	Environmental	Social	Governance	Climate Change Risk and Resiliency (TCFD)	Disclosure Frameworks
▼	▼	▼	▼	▼	▼
03 Our Values	09 Overview	26 Overview	43 Overview	59 Overview	65 Performance Metrics
04 CEO Letter	10 Highlights and Commitments	27 Highlights	45 Board at a Glance	60 Governance Structure	70 TCFD Index
06 About Callon	12 Sustainable Operations	28 Safety at Callon	46 Board of Directors	61 Strategy	71 SASB Index
07 2022 ESG Highlights and ESG Journey	14 Emissions Management	32 Our Team and Culture	50 Risk Oversight	64 Climate Risk Management	72 AXPC Index
08 ESG Reporting Approach	21 Water Management	39 Community Engagement and Support	52 Executive Compensation	64 Climate Metrics and Targets	74 UN SDG Index
	24 Biodiversity and Land Stewardship		54 Stakeholder Engagement		
			56 Ethics and Transparency		75 Report Footnotes
			57 Public Advocacy		75 Forward-looking Statement

Our Values

Respect

.....  
We value the ideas and contributions of all team members and show consideration and appreciation for one another. We recognize and embrace each other’s differences and work toward our common goals.

Excellence

.....  
Our business requires focused innovation and evaluation of new opportunities for resource extraction. We balance the application of new technologies and testing of new concepts with prudent risk management and thorough data analysis.

Drive

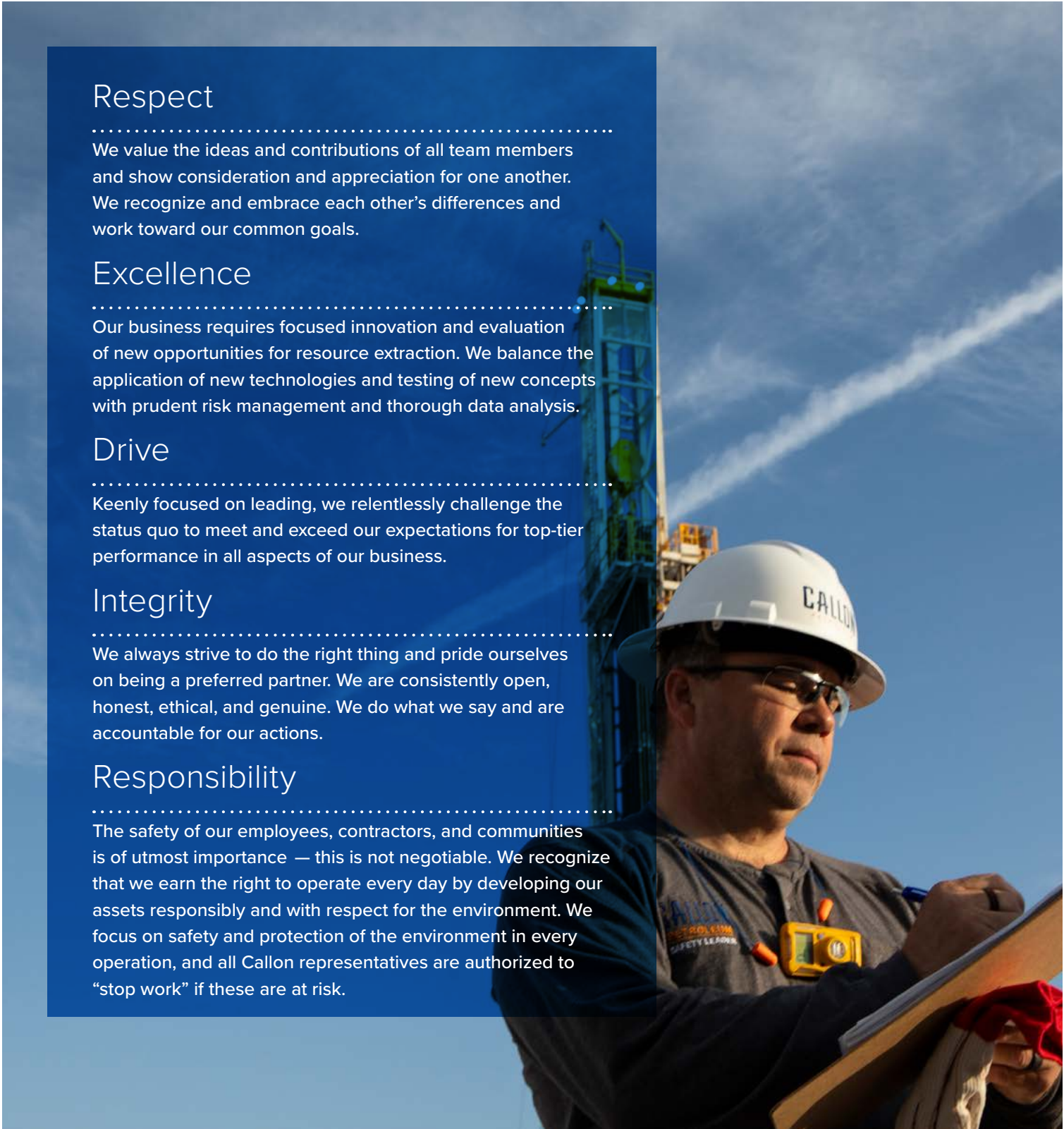
.....  
Keenly focused on leading, we relentlessly challenge the status quo to meet and exceed our expectations for top-tier performance in all aspects of our business.

Integrity

.....  
We always strive to do the right thing and pride ourselves on being a preferred partner. We are consistently open, honest, ethical, and genuine. We do what we say and are accountable for our actions.

Responsibility

.....  
The safety of our employees, contractors, and communities is of utmost importance — this is not negotiable. We recognize that we earn the right to operate every day by developing our assets responsibly and with respect for the environment. We focus on safety and protection of the environment in every operation, and all Callon representatives are authorized to “stop work” if these are at risk.



## CEO Letter



I am pleased to share with you our 2022 Sustainability Report, which highlights our continued efforts to advance our environmental, social, and governance (ESG) initiatives. As you will read throughout the pages of this report, we have embraced a thoughtful approach to sustainability, recognizing the interconnectedness of environmental stewardship, social responsibility, and economic growth. We place profound importance on fulfilling our responsibilities and conducting our business ethically. Our approach aims to generate value for our shareholders while fostering positive impacts in the communities we serve.

### Providing Affordable and Reliable Energy

The energy industry has long been a catalyst for human progress, propelling transformative advancements that have shaped modern society and redefined the way we live. Looking ahead, in line with prevailing forecasts and expert analysis, we firmly believe that oil and gas will remain indispensable components in any energy transition, powering economies, driving technological innovation, and enhancing the quality of life for people worldwide.

The dynamic global energy landscape is continuously evolving, presenting both challenges and opportunities. Recent global events have highlighted the profound impact that energy availability and affordability have on societies, economies, and the most fundamental human needs. They serve as a powerful reminder of the importance of a sustainable, secure, and resilient energy system that can withstand uncertainties and effectively address emerging challenges.

At Callon, we stand resolute in our commitment to fulfilling our role as a trusted provider of safe and affordable energy. We recognize the importance of meeting the world's energy demands while embracing sustainable practices. Through our "acquire and improve" track record, responsible resource development, and continuous improvement in our operations, we are dedicated to proactively tackling challenges and responsibly seizing opportunities. By harnessing our expertise, engaging in strategic industry partnerships, and nurturing a mindset of tackling challenges head-on, we will continue to contribute to a sustainable energy future that benefits present and future generations alike.

### Our Permian Focus & Our Eagle Ford Legacy

In 2023, we strategically repositioned ourselves by divesting from the Eagle Ford region and acquiring additional assets in the Permian Basin. By consolidating our operations and sharpening our focus on the Permian, we anticipate enhanced operational and capital efficiencies due to increased scale, streamlined operations, and the ability to leverage existing infrastructure. This strategic alignment positions Callon for long-term success, enabling us to capitalize on the Permian's immense potential while delivering sustainable value to our stakeholders.

As we transition away from the Eagle Ford, we are proud to leave a legacy of responsible operations and a meaningfully improved environmental footprint. Throughout our tenure in the region, we remained committed to operating responsibly and positively impacting the communities we had the privilege to work with. As we move forward, we carry these values with us; our focus on responsibility and sustainability remains unwavering in all our endeavors.

### Our ESG Progress

Sustainability at Callon is not only about responsibly developing natural resources. It extends to the way we treat our employees, contractors, suppliers, communities, and the environment. We continue to focus on efficient, safe, and responsible operations by advancing initiatives aimed at reducing emissions, protecting the environment, and enhancing the safety and well-being of our employees and the communities where we operate. Our efforts are defined by a steadfast commitment to setting and achieving meaningful, quantifiable goals.



## CEO Letter CONTINUED

Reducing emissions remains a top priority at Callon, and we continue to make progress toward meeting the new and accelerated emission reduction goals we announced in early 2022. Through our dedicated efforts and investments of \$20 million during the year, we significantly reduced our greenhouse gas (GHG) emissions in 2022, achieving a 17% reduction in Scope 1 GHG emissions intensity from 2021. Notably, since 2019, we have reduced our Scope 1 GHG emissions intensity by more than 40%, meeting our original emissions intensity goal three years ahead of schedule. In 2023, we have committed an additional \$20 million to further reduce our carbon footprint.

In 2022, we made significant strides in enhancing our safety performance with a record-setting Total Recordable Incident Rate (TRIR), reflecting our commitment to safety across all aspects of our organization. While we take pride in this achievement, we recognize that our journey toward safety excellence is ongoing, and we are dedicated to our continued focus on safety. Our goal is for everyone to return home safely at the end of each day, and we are resolute in our efforts to make that a reality.

We also have made significant strides in employee development, nurturing the growth and potential of our diverse workforce. As a result, we have achieved peer-leading racial and ethnic diversity statistics, demonstrating our commitment to fostering an inclusive and equitable workplace. This progress reflects our dedication to creating a culture of equal opportunities and empowerment for all individuals within our organization.

Furthermore, our governance structure has evolved to embrace fresh ideas and perspectives, paving the way for meaningful changes within our Board. This evolution strengthens our ability to make informed decisions, enhance transparency, and ensure the alignment of our corporate governance practices with the evolving needs of our stakeholders. We are excited about the positive impact these developments will have on our organization's long-term success.

To guide our ongoing commitment to sustainability, we established a new Management Committee on Sustainability in early 2022. Comprised of members from our senior management team, this committee leads our strategic initiatives and ensures that sustainability remains at the forefront of our business practices. By harnessing their expertise and collaborative approach, we are poised to drive our ESG initiatives further while we help meet the world's growing energy needs.

### Looking Ahead

Reflecting upon the past year, we at Callon are filled with a deep sense of accomplishment and an unwavering determination to propel our organization forward. As we navigate the dynamic energy landscape, we remain focused on identifying synergies that enhance both our ESG performance and our bottom line. Our strategic approach reflects a broader philosophy of anticipating future challenges, continuously seeking opportunities for improvement, and making deliberate decisions that position us competitively in the long term.

Our employees are fully engaged in our sustainability journey, and their commitment and attention to detail create an energy that is driving our progress. Looking forward, we will continue to embrace new ideas while remaining grounded in our values. Our vision for the future is clear and resolute: to be a successful business, we must also be a responsible corporate citizen committed to making a positive impact.

We are proud to share the highlights of our 2022 sustainability efforts, and are dedicated to making continued progress in the years to come. Thank you for exploring our report. We appreciate your feedback and your continued trust and support.

Sincerely,



Joseph Gatto Jr.

President and Chief Executive Officer (CEO)

## About Callon

**104.3** MBoe/d **2022 Production**

**479.5** MMBoe **2022 Reserves**

**\$1** billion **Reduction in total debt<sup>1</sup>**

**Life** of field **Co-development Strategy**



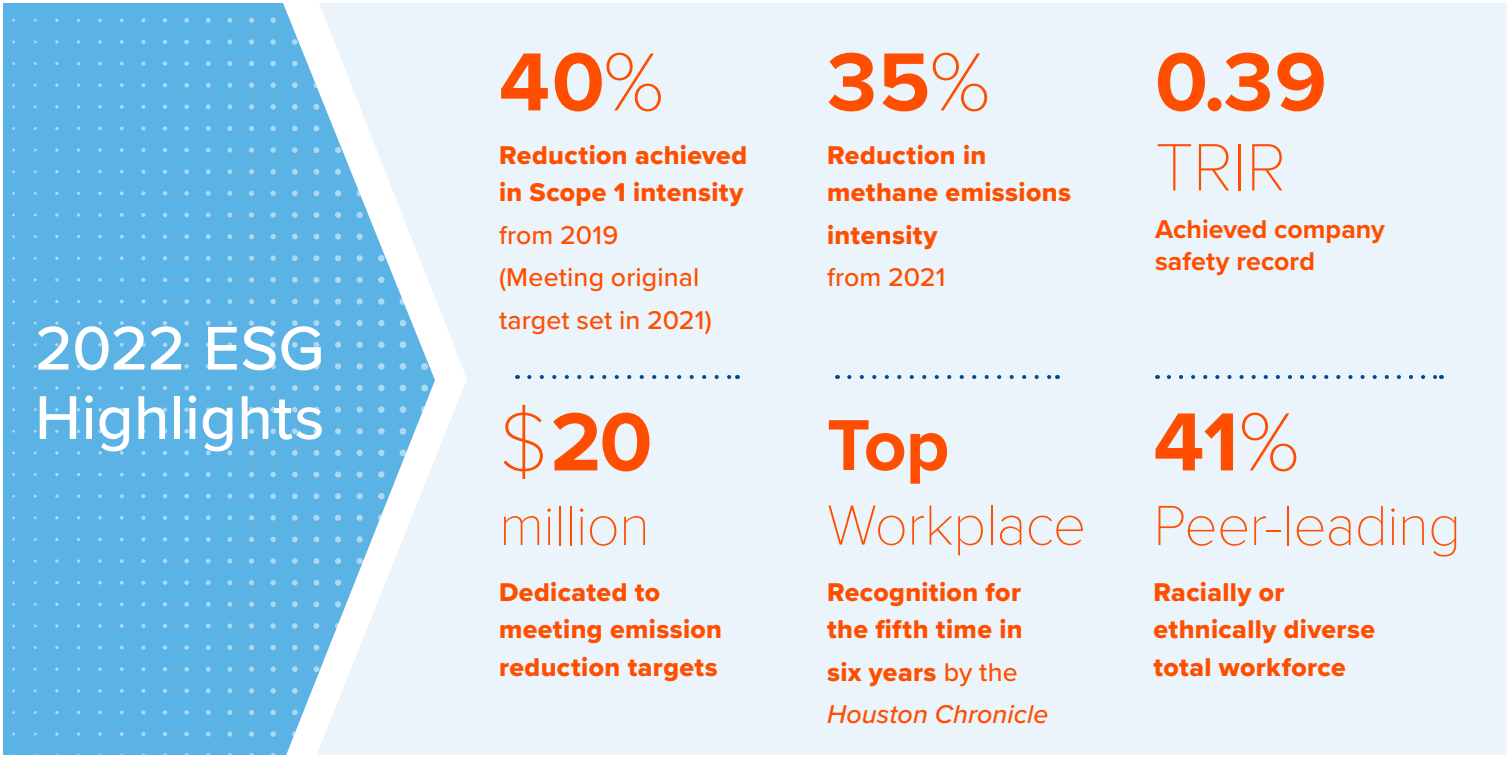
Headquartered in Houston, Texas, Callon Petroleum (NYSE: CPE) is an independent oil and natural gas company focused on the acquisition, exploration, and sustainable development of high-quality assets in the Permian Basin in West Texas. With a 70+ year operating history and 25 years listed on the NYSE, our mission is to build trust, create value, and drive sustainable growth for our investors, our employees, and the communities in which we operate.

Since 1950, Callon Petroleum has been focused on the exploration, development, acquisition, and production of domestic oil and natural gas properties. In 2009, Callon made its first acquisition of oil and gas properties in the Permian Basin, acquiring 8,800 net acres. The Primexx acquisition in late 2021 expanded our core acreage in the Delaware Basin by 35,000 net acres and increased our production by approximately 20%. In 2022, we focused on improvement projects throughout all assets as we increased our capital efficiencies and production while reducing our GHG emissions and strengthening our balance sheet.

In 2023, we divested our assets in the Eagle Ford Shale and acquired the membership interests of Permian-based Percussion Petroleum Operating II, LLC. The acquisition added approximately 18,000 net acres, which is largely contiguous with our existing core positions in the Delaware Basin. Today, our total Permian acreage is approximately 145,000 net acres, and we ended the second quarter of 2023 with an average of over 107 MBoe per day.

The oil and gas industry has weathered many volatile periods over its long history. We believe the companies that are most nimble and have a long-term, sustainable business model are the ones that will succeed in any environment. We are fortunate to have a 70-year history and the flexibility to respond to a dynamic and changing market. Our depth of inventory, life-of-field development perspective, and high cash margins will continue to be differentiating factors as the unconventional oil and gas business matures. Looking forward, Callon will continue to focus on making the most of every dollar in ways that are innovative, safe, and environmentally responsible.

— Joseph C. Gatto Jr., President and Chief Executive Officer



Our ESG Journey

Our focus on integrating sustainable business practices and achieving long-term results drives our business decisions. As shown in the timeline below, we have been focused on sustainable business practices for many years and continue to evolve our commitment to operating responsibly by protecting our workforce, the communities we serve, and the environment.



## ESG Reporting Approach

In this report, we disclose information about our ESG policies and programs that we believe are of value to our stakeholders. Unless otherwise noted, the information and data in this report cover the Company's operated assets for the calendar year that ended on December 31, 2022. This report includes results for 2019, 2020, 2021, and 2022. Reported financial highlights were drawn from the Callon Petroleum Company Form 10-K for the fiscal year ended December 31, 2022, filed on February 23, 2023.

As it relates to GHG emissions, per Environmental Protection Agency (EPA) regulations, we report full-year Scope 1 emissions for all assets owned as of December 31 for each respective reporting year as reported to the EPA. For acquired assets, we disclose full-year Scope 1 emissions for the year of acquisition but do not disclose emissions for years prior to our ownership. Emissions for sold assets are not included for the year in which the asset was sold. For all other metrics, we report performance for the periods in which assets were under our operational control.

As part of our efforts to continuously improve our ESG transparency, reporting, and performance, we welcome feedback on this report. Please send comments and questions about this report to:

Callon's Sustainability team

[Sustainability@callon.com](mailto:Sustainability@callon.com)

or

Callon Petroleum Company

2000 W Sam Houston Pkwy South, Suite 2000  
Houston, Texas 77042  
Attn: Sustainability

### Report Content

This report is informed by the Sustainability Accounting Standards Board (SASB) Standards for Oil and Gas – Exploration & Production, the Task Force on Climate-Related Financial Disclosures (TCFD), the American Exploration and Production Council (AXPC)'s ESG Metrics Framework, and the United Nations' Sustainable Development Goals (UN SDGs). Callon determined the contents for this report in discussions with key internal and external stakeholders, including investors, senior management, and our internal subject-matter experts. The report was also informed by an internal review of industry and peer ESG reporting practices. This report reflects the most accurate information available at the time of publishing. Results have been calculated using the best available information at the time of preparation and are subject to change if updated data or other information becomes available. In this report, Callon is at times referred to in the first person as "we," "our," or "the Company."

### Data Validation

A quantitative review of the data included within the Performance Metrics table was performed internally by individuals separate from those who compiled the data. This review included both discussions with data owners to obtain a high-level understanding of the systems and tools used to record and consolidate the data, as well as verification that the data adequately substantiates the information disclosed in this report. In addition, the Management Committee on Sustainability and the Callon Board of Directors reviewed this report.



Environmental Overview

Our commitment to environmental responsibility guides our operations as we navigate the evolving energy landscape.

Guided by our principles, we have established an integrated Operations Management System (OMS) that sets rigorous standards and fosters accountability. Through constant pursuit of technological advancements, implementation of advanced practices, and a dedication to continuous improvement, we strive to minimize our environmental impacts and to drive positive change.

Over the past decade, our diligent efforts in developing our asset portfolio have consistently demonstrated a commitment to environmental progress. Through our “acquire and improve” approach, we proactively invest in facility upgrades, optimize maintenance schedules, and adopt advanced practices. These targeted initiatives are aimed at reducing our emissions and improving the environmental performance of our industry.

We continuously refine our sustainability practices, and our efforts in recent years have yielded notable improvements in operational and environmental performance. We are particularly proud of the fact that between 2019 and 2022, we reduced our GHG intensity by over 40%. While we take pride in our accomplishments within a relatively short timeframe, we understand the need to continuously challenge ourselves to do more. This is especially relevant to our environmental footprint as we strive to achieve a balance between affordable energy and reduced carbon emissions.



Performance Highlights



Commitments and Targets

50%

BY 2024  
Reduce GHG emissions intensity  
by 50% over 2019 levels

<1%

BY 2024  
Reduce Callon-controlled flaring  
to less than 1%

<0.2%

BY 2024  
Reduce methane emissions  
to less than 0.2%<sup>2</sup>

In early 2021, we announced the adoption of meaningful medium-term emission reduction goals to reduce flaring and GHG emissions in our operations. After making substantial progress on our action plans throughout that year, in early 2022 we were proud to announce the accelerated, and new, emission reduction goals which are listed on this page. These goals are incorporated into our executive compensation program, as described on page 52. To advance our goals, we invested nearly \$20 million to help expand field electrification and implement other system upgrades in 2022. In 2023, we are allocating an additional \$20 million as part of a broader multi-year emission reduction program aimed at decreasing our overall carbon footprint.

During 2022, we achieved our initial Scope 1 GHG intensity reduction goal — originally set in 2021 — two years early by achieving a 40% reduction in Scope 1 intensity compared to 2019. We are now on track to achieve our enhanced goal to reduce our Scope 1 GHG emissions intensity by 50% by 2024.



# Operations Management System (OMS)



Our OMS outlines expectations and accountability for conducting our operations safely, responsibly, and in an environmentally sound manner for the benefit of our stakeholders. The OMS framework is implemented with 11 essential elements designed to identify, measure, and mitigate risks in our operations. Our Environmental Management System (EMS) is embedded within select elements of our OMS.



## Environmental Management System (EMS)

Our EMS, which is embedded within our OMS, is a multidimensional approach to safeguard the environment and consists of nine elements that work together to set expectations and goals, monitor and evaluate performance, and drive continuous improvement. Our values reinforce the responsibility of each Callon employee and contractor to take ownership of environmental performance.

### Environmental Management Programs

Our ongoing environmental programs and requirements are described in our Environmental, Health, and Safety (EHS) Manual. These programs have not only reduced our operational impacts, but also improved efficiency, lowered costs, and reduced risk. In this way, environmental stewardship does more than allow us to maintain our license to operate, it helps drive the sustainability of our business.

### Safety and Environmental Policy

We ensure that our workforce is aware of our environmental programs, protocols, and performance expectations in compliance with all applicable environmental laws and regulations. Employees and contractors are held accountable for adhering to the operating principles in our Safety and Environmental Policy.

### Board of Directors Oversight and Aligned Compensation Incentives

The expectation that Callon will operate an environmentally conscious business starts with oversight of our performance by our Board of Directors. To ensure that our management team focuses on continuous improvement, the Board has included environmental performance metrics in Callon’s 2022 and 2023 annual and long-term executive compensation program as described on page 52.

### Management’s Environmental Responsibilities

Callon establishes priorities and allocates resources to meet our environmental commitments, including our performance goals. Job assignments are in place for employees to implement environmental programs and plans. Management periodically reviews and assesses the progress of our goals and objectives and assigns corrective actions to stimulate continual improvement. In 2022, we

established the Management Committee on Sustainability to formalize responsibility for setting strategy and overseeing performance for sustainability matters.

### Targets and Objectives

After making substantial progress on our environmental goals in 2021, we announced accelerated, and new, goals in early 2022. For additional information about our environmental targets and objectives, see page 11. Our compensation is linked to the achievement of short- and medium-term emission reduction goals.

### Monitoring and Data Management Systems

We use a combination of internal and third-party systems to collect and aggregate environmental data so it can easily be reviewed, monitored, and used to improve our performance and meet our objectives and goals. In addition, we use this data for regulatory reporting purposes.

### Environmental Inspections

Routine inspections and maintenance are performed by trained personnel to verify that engineering controls are in place and functioning properly to prevent unnecessary releases to the environment. We use optical gas imaging (OGI) cameras to scan production facilities for leaks as part of our leak detection and repair (LDAR) program, and we conduct voluntary surveys beyond regulatory requirements. Regulatory-required inspections are periodically conducted on production facilities to verify that environmental controls are in place and functioning as intended.

### Environmental Training and Awareness

Annual compliance training is conducted for our operations personnel regarding spill prevention and response. Awareness training is also provided to operations personnel regarding emission leaks and repairs. Workers who are new to the industry receive additional training during onboarding.

### Contractor Management

We believe that all contractors are external champions of Callon’s values. We communicate our environmental and behavioral expectations to all contractors and vendors who work at our locations. For additional information, see page 31.

## Emissions Management

We understand our responsibility to balance the global need for reliable, cost-effective energy solutions with an urgent, shared necessity to safeguard our planet’s future. Our focused efforts to minimize our carbon footprint echo the gravity of this dual mandate. This commitment does not simply reflect an industry trend; it represents our pledge as a responsible company to strive for operational excellence while prioritizing environmental stewardship. We focus on implementing best practices, monitoring and mitigating leaks, conducting regular maintenance on our facilities, and investing in new equipment and technologies.

2022 pilot test of monitoring system

### Reporting Methodology and Scope

The primary metric we use to evaluate our progress is GHG intensity, which provides a comparable year-over-year measure of performance normalized for changes in activity levels. A report of air emissions from our operations can be found on page 66. Last year, we added Scope 2 (indirect) emissions to our list of disclosures, which reflect emissions from purchased energy sources, including purchased electricity to power our field operations and all our offices.

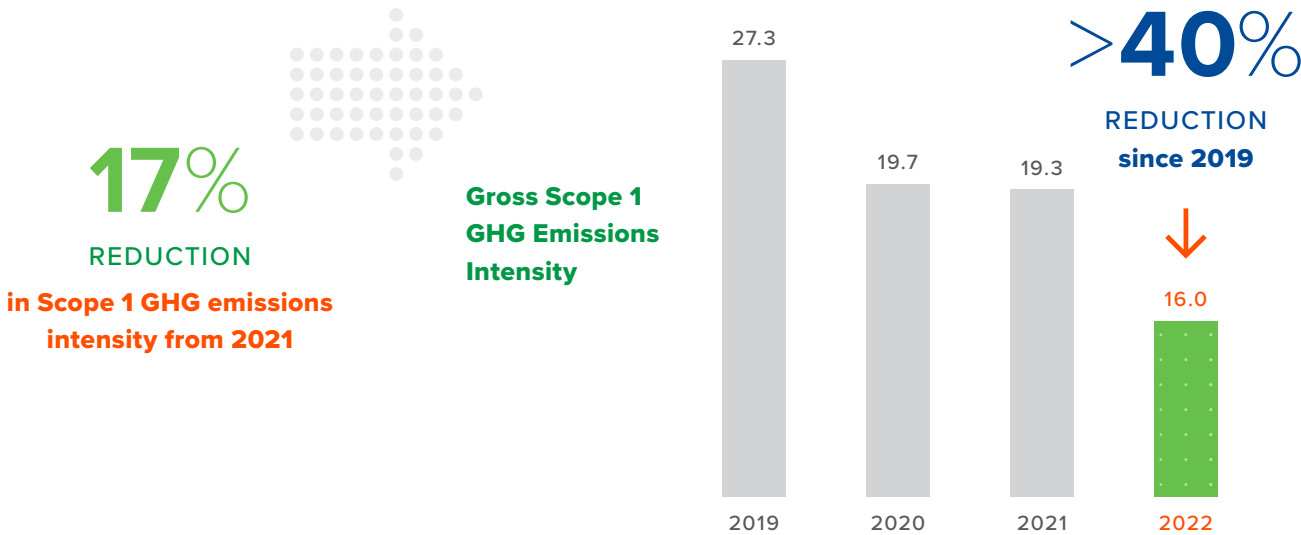
To determine our overall GHG inventory, we aggregate relevant data sources for gross Scope 1 emissions throughout our operations, including combustion equipment, storage tanks, flaring, dehydration, pneumatic devices, fugitive emissions, drilling, and completions activity. Callon reports gross operated Scope 1 GHG emissions in accordance with the EPA Mandatory Reporting of Greenhouse Gases Rule for our production and gathering and boosting segments. As such, Scope 1 emissions tied to dispositions during a calendar year were excluded per EPA reporting guidelines. Our annual reported emissions are publicly available on the EPA’s website. Scope 2 emissions are informed by the GHG Protocol location based methodology. Results reflect our commitment and efforts to reduce emissions through continuous improvement and capital investments in facilities and technology.

### 2022 Emissions Performance

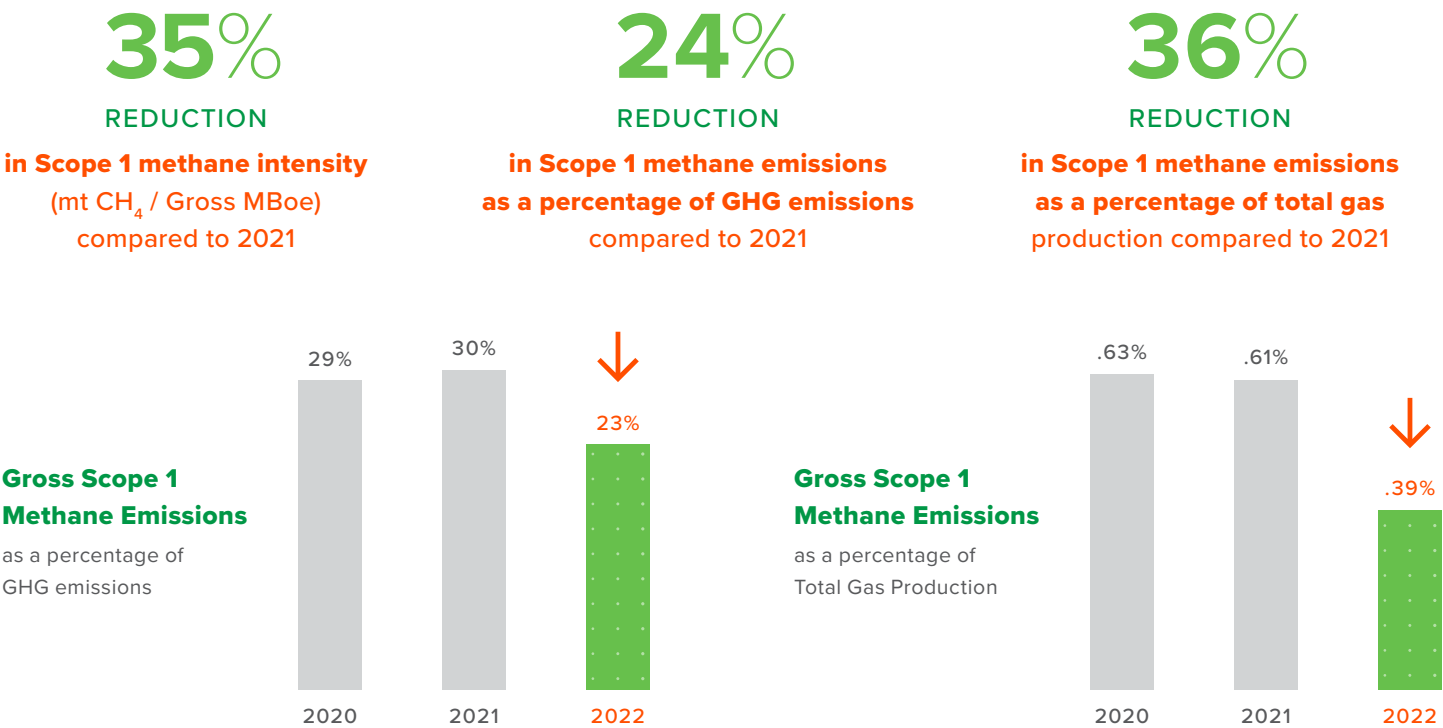
Reducing emissions remains a top priority across all facets of our business operations at Callon. Through our dedicated efforts in 2022, we significantly reduced our Scope 1 (direct) emissions throughout the year, even though we experienced an increase in natural gas flaring due to third-party performance as described below. We reduced our emissions by focusing on key initiatives such as converting most of our natural gas-driven pneumatics to no-bleed or instrument air pneumatics, upgrading electrical systems and natural gas treatment facilities, commissioning electric compressors in lieu of internal combustion engines, converting natural gas engines to dual fuel engines, and updating our calculation methodologies to improve accuracy. These strategic actions have not only helped us minimize our environmental footprint but also showcase our commitment to sustainable practices and responsible resource management.

Emissions Management CONTINUED

Scope 1 Emissions Intensity Reduction



Methane Emissions Reduction



Emissions Management CONTINUED

GHG Reduction Commitments

In 2021, we developed and implemented a rigorous multi-year GHG Reduction Action Plan. The initial phase focused on establishing GHG reduction targets and objectives, providing a solid framework for the subsequent phases of our plan. Building upon this foundation, we progressed to phase two, which included a thorough technical evaluation that involved conducting pilot tests and feasibility studies to inform future emissions reduction investments. After the successful completion of the technical evaluation, we advanced to phase three — full program implementation. In this phase, we are strategically prioritizing GHG emissions reduction projects aligned with our overarching strategy and ambition to set more aggressive reduction targets.

Through this plan, we have identified, prioritized, and achieved significant reductions in our Scope 1 GHG emissions. In 2022, we reduced our Scope 1 emissions by an additional 20%, marking a significant 40% total reduction since 2019. Methane abatement continues to be a focus area for Callon and in 2022, we achieved a 35% reduction in methane intensity compared to 2021.

Building upon the accomplishments of our plan, we remain committed to advancing our emission reduction efforts through proactive investments, strategic planning,

and collaboration with stakeholders. By embracing a culture of continuous improvement, we aim to sustain our progress in improving environmental performance and driving meaningful change within our industry.

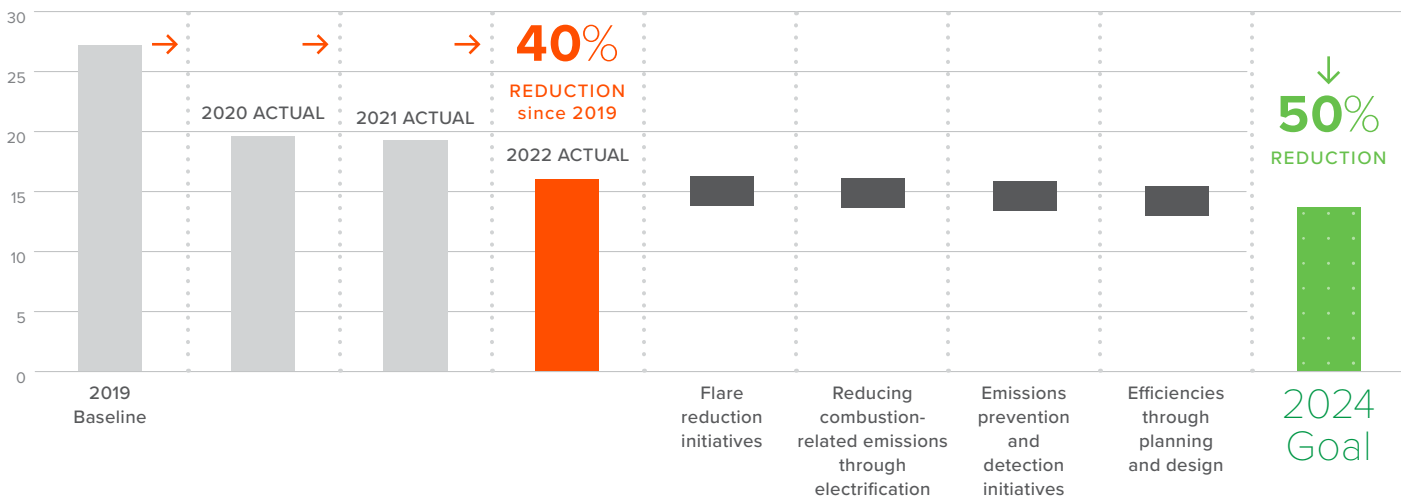
Performance Drivers and Opportunities

• Impact of Acquisitions •

We have built the current-day Callon portfolio over the past decade with a series of acquisitions. Throughout this period, we have demonstrated an “acquire and improve” environmental track record – helping to raise the overall environmental performance of our industry. When we acquire and assume operational control of an asset, we upgrade facilities, improve monitoring and maintenance schedules, and adopt best practices to lower emissions in line with our goals.

Consistent with this track record, during 2022, we improved the emissions footprint of the Southern Delaware Basin assets we acquired at the end of 2021. Improvements included upgrading the electrical infrastructure to increase power reliability. Additionally, we improved facilities emissions control equipment and added redundant H<sub>2</sub>S treatment systems to minimize flaring and enhance safety of our operations.

Pathway to Achieving our Goals GHG EMISSIONS INTENSITY (metric tons CO<sub>2</sub>e/MBoe)



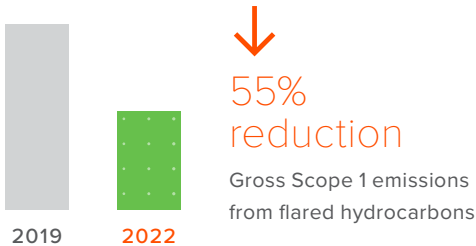


Emissions Management CONTINUED

• Flaring •

Over the years, we have made significant strides in reducing flaring of natural gas, which is a controlled process for eliminating emissions of otherwise vented hydrocarbons. **Between 2019 and 2022, we have reduced our total flaring by 55%.**

Total Flaring



While we experienced an increase in our total reported flaring in 2022 compared to 2021, this was mostly due to flaring caused by or exacerbated by force majeure conditions and third-party operational issues. We have multiple initiatives underway to reduce flaring in our operations, as outlined on page 19. We continue to secure secondary takeaway, where possible, and work with our midstream partners to implement operational and commercial solutions. In instances where third-party performance does not improve, we will seek to connect to new providers when our current contractual commitments expire. Our efforts to find solutions will continue, but we remain partially reliant on our midstream partners' performance to reduce flaring.

By the end of 2022, we achieved our goal of ensuring that all new and legacy producing wells are connected to gas gathering systems to eliminate any associated flaring of natural gas due to a lack of takeaway connections. We continue to work toward our goal of reducing Callon-controlled flaring to less than 1% by 2024 by improving our H<sub>2</sub>S treatment, compressor runtime, and evaluation of strategic changes to facilities design.

• Scope 2 Emissions •

Our Scope 2 GHG emissions (indirect) are associated with the purchase of electricity in our operating activities. As we progress in our efforts to electrify our field operations and reduce our Scope 1 emissions, it is expected that our Scope 2 emissions will increase although by a much smaller amount, resulting in a net decrease in Scope 1 + Scope 2 emissions. Callon has made significant investments to connect our facilities to electrical power stations. By utilizing electricity from the ERCOT grid, which encompasses a mix of renewable and non-renewable power sources, we reduce the reliance on and use of combustion engines in our operations. Our emissions reduction strategies include the continued electrification of our field operations where practical, and we continue to evaluate strategies to reduce both Scope 1 and Scope 2 emissions.

In 2022, our Scope 2 emissions increased due to incorporating a full year of emissions data from our 2021 acquisition of the Southern Delaware Basin asset, as well as increased use of electric power in our field operations. We are exploring opportunities to minimize our Scope 2 emissions through long-term commitments to purchase renewable energy.

Emissions Management CONTINUED

SPOTLIGHT • Callon’s Positive Legacy: Strategic Divestment in the Eagle Ford

In 2023, we made a strategic decision to exit the Eagle Ford Shale. As we divested our assets in the Eagle Ford region, we upheld our commitment to leaving a positive legacy. The operating standards we implemented during our ownership of these assets from 2019 to 2023 led to meaningful outcomes. By following our “acquire and improve” model, we made significant progress in enhancing environmental performance, safety practices, and the well-being of our local communities.

Eagle Ford Environmental Improvements

- ↓ 81,970  
mtCO<sub>2</sub>e

Installed instrument air compressors, which allows conversion from natural gas-driven pneumatics to air-actuated pneumatics, and replaced intermittent- and low continuous-bleed pneumatic devices with no-bleed pneumatic devices, eliminating 81,970 metric tons of CO<sub>2</sub>e per year
- ↓ 13,470  
mtCO<sub>2</sub>e

Installed two dual-drive compressors that primarily operate on an electric motor, reducing potential emissions by 13,470 metric tons of CO<sub>2</sub>e per year
- 6 leases  
electrified

Installed electrical power at six lease locations, eliminating the use of natural gas generators in connected areas
- Reduced  
surface footprint

Developed centralized facilities at several locations to replace an estimated 26 tank battery facilities, resulting in a reduced surface footprint and improved emissions control for production operations
- ↓ 10,730  
mtCO<sub>2</sub>e

Converted gas lift wells to rod pump in select areas to reduce the need for gas lift compression (23 conversions were completed, eliminating two compressors and approximately 10,730 metric tons of CO<sub>2</sub>e per year)
- VRU  
installations

Installed vapor recovery units (VRUs) at main facilities to capture low pressure gas prior to it entering the tanks and lowering overall emissions
- Fleet  
optimization

Optimized compressor fleet placement to minimize redundancy and reduce natural gas engine usage, resulting in the release of eight compressors through stand-alone or other projects
- ↓ Flare  
volumes

Conducting trials of small electric VRU-style compressors in low discharge pressure applications to decrease flare volumes and eliminate the use of natural gas engines (one electric compressor was installed, eliminating three natural gas engines)

As a result of our focused efforts in the Eagle Ford, the asset area will continue to benefit from a reduced environmental footprint, reflecting our lasting dedication to responsible operations and our broader commitment to sustainable development.

Emissions Strategies and Focus Areas

We have made significant progress in reducing our emissions compared to our 2019 baseline, and we continue to focus on developing and implementing initiatives to reduce our emissions further across our asset base, including recent acquisitions. We implement long-term and short-term strategies, as well as best practices, to address emissions from various sources within our operations. Our efforts are

focused around four main areas: reducing flaring, decreasing combustion-related emissions through electrification, preventing and detecting emissions, and realizing efficiencies through planning and design. These strategic focus areas will be instrumental in helping us achieve our goal of reducing our Scope 1 emissions intensity by 50% by 2024.

Emissions Mitigation Strategies

FOCUS AREA	CALLON INITIATIVES
<div>Reducing Flaring</div> <div>1</div>	<ul style="list-style-type: none"> <li>• <b>Secondary Gas Gathering</b> — To mitigate reliance on particular third-party systems of facilities we continue to evaluate and secure additional secondary gas gathering options to mitigate flaring risks.</li> <li>• <b>H<sub>2</sub>S Management</b> — We continue to improve response times to address causal factors when flaring is necessary for the safety of our operations. By adding redundant (backup) processing equipment, we are able to switch to the secondary system, reducing the need to flare.</li> <li>• <b>Working with our Midstream Partners</b> — We continue to work with midstream partners to implement additional operational and commercial solutions.</li> </ul>
<div>Decreasing Combustion Emissions through Electrification</div> <div>2</div>	<ul style="list-style-type: none"> <li>• <b>Electrify Operations</b> — We have invested in field electrification wherever economically feasible. During 2022, we made significant investments to electrify our operations. We continue to invest in future electrification and power stabilization for our ongoing and upcoming developments.</li> <li>• <b>Electric Submersible Pumps (ESP) and Electric-driven Gas Compression</b> — We have reduced our reliance on natural gas combustion engines for artificial lift by utilizing electric driven compressors, converting to rod pumps, and installing ESPs and electric-driven gas compression for artificial lift where practical.</li> <li>• <b>Low-emitting Equipment</b> — We continue to deploy and source low-emitting equipment, such as high-efficiency generators, on the well pad when onsite generation is required.</li> <li>• <b>Installed Electrical Power</b> — By the end of 2022, we installed electrical power at numerous sites in the Permian Basin, eliminating the use of natural gas and diesel generators in connected areas.</li> <li>• <b>Renewable Power Generation</b> — We continue to evaluate and pursue renewable power generation for field operations.</li> </ul>
<div>Preventing and Detecting Emissions</div> <div>3</div>	<ul style="list-style-type: none"> <li>• <b>Active Review</b> — We continuously evaluate new emissions detection technologies and prevention methods. In 2022, we piloted various continuous monitoring systems and are considering next steps based on these results.</li> <li>• <b>Pneumatic Device Replacement</b> — During 2022, we continued our efforts to convert or replace pneumatic devices in our operations. By replacing or retrofitting pneumatic devices with zero emissions air-actuated or no-bleed pneumatic devices, we reduced our methane emissions intensity by 35% compared to 2021.</li> <li>• <b>Leak Detection and Repair (LDAR)</b> — We use OGI cameras to identify and repair fugitive emission leaks from equipment and associated piping and fittings as part of our LDAR program. Deficiencies found during these leak inspections are repaired and re-inspected to verify the repair was effective. Based on findings associated with our LDAR program, we continue to refine best practices in facility design, identify equipment improvements, and enhance our preventative maintenance program with the aim of further reducing our emissions.</li> </ul>

Emissions Strategies and Focus Areas CONTINUED

FOCUS AREA	CALLON INITIATIVES
<div>Preventing and Detecting Emissions CONTINUED</div> <div>3</div>	<ul style="list-style-type: none"> <li>• <b>Vapor Recovery Units (VRUs)</b> — We continue to install VRUs to capture low pressure gas prior to it entering the tanks, reducing the need to flare.</li> <li>• <b>Supervisory Control and Data Acquisition (SCADA)</b> — We have expanded our SCADA monitoring to include real-time alerts and status updates for the operational condition of key equipment like combustors, flares, VRUs, and tank pressure monitors. This allows us to respond more quickly to upset events.</li> </ul>
<div>Efficiencies through Planning and Design</div> <div>4</div>	<ul style="list-style-type: none"> <li>• <b>Facilities Design and Consolidations</b> — We design and build facilities to a high standard of performance to minimize vented emissions with equipment that captures the largest amount of natural gas, including vapor recovery towers, VRUs, combustors, and low-pressure flares. We are also consolidating facilities within our acquired asset base to reduce emissions and our environmental footprint.</li> <li>• <b>Low-emitting Well Pad Equipment</b> — We choose more efficient designs, such as mechanical controlled equipment over pneumatic devices.</li> <li>• <b>Operational Diesel Reduction and Substitution</b> — We run dual-fuel drilling rigs and dual-fuel or electric-powered frac fleets, which reduces Scope 1 emissions in our operations by replacing a portion of the diesel fuel with electricity or cleaner burning natural gas.</li> <li>• <b>Design and Timing</b> — We reduce emissions from well completions by ensuring permanent facilities and takeaway capacity are in place for all new production.</li> </ul>

Continuous Improvement and Investment

We are committed to continuous improvement in everything we do. We focus on evaluating and investing in initiatives that are both good for business and help to reduce our environmental footprint. As part of this effort, we conduct ongoing evaluations of new emissions detection and quantification technologies. We also collaborate with various industry and association partners to share best practices and reduction strategies. We believe it is crucial for the entire industry to work together to reduce flaring and emissions.

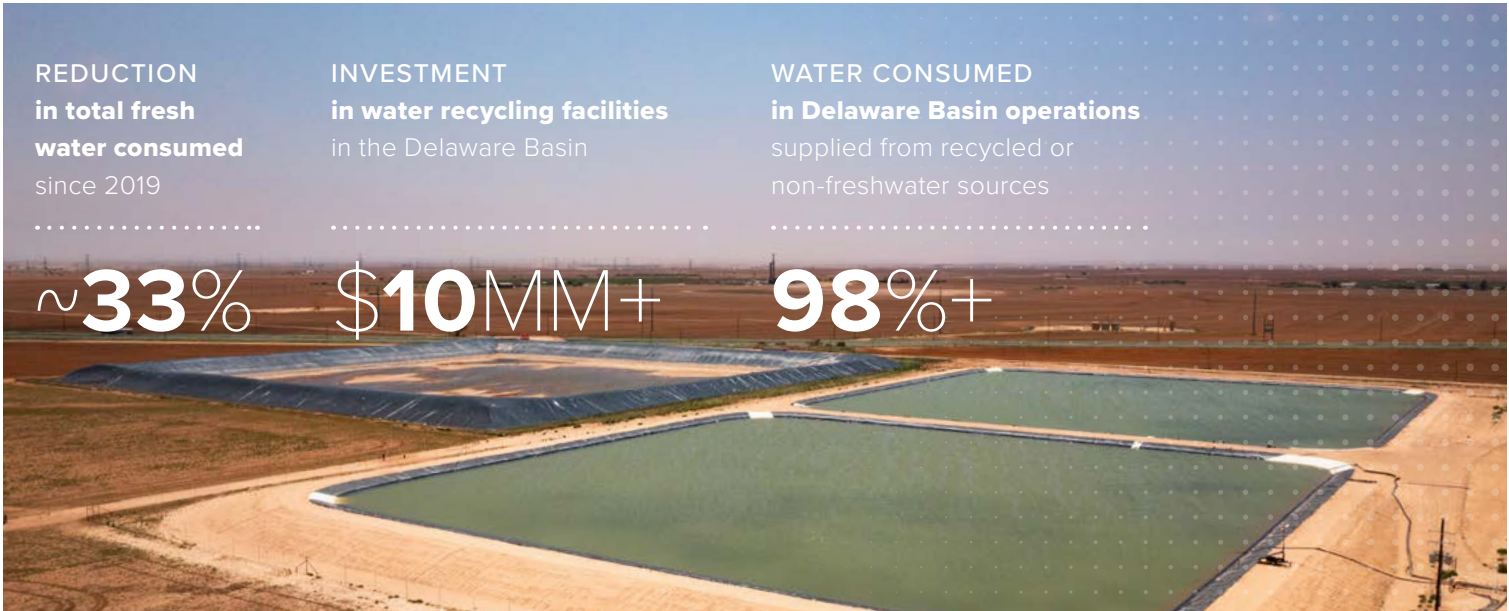
We remain focused on achieving our 2024 emissions reduction targets and are exploring plans for our next phase of long-term environmental commitments. Through our focused efforts, we hope to advance our goals and continue challenging ourselves with more ambitious targets that reflect our commitment to lowering our carbon footprint while producing a product that will be needed for years to come.

SPOTLIGHT • Device Actuating

Pneumatic devices traditionally use pressurized natural gas to actuate facility equipment, which intermittently or slowly emits the working gas, resulting in the release of methane emissions. Instrument air systems replace natural gas with compressed atmospheric air, eliminating those emissions and providing additional safety benefits. In recent years, we have been replacing gas-driven pneumatic devices with instrument air and no-bleed pneumatic devices at specific facilities throughout our operations, which has contributed to a 60% reduction in methane intensity since 2019.



Water Management



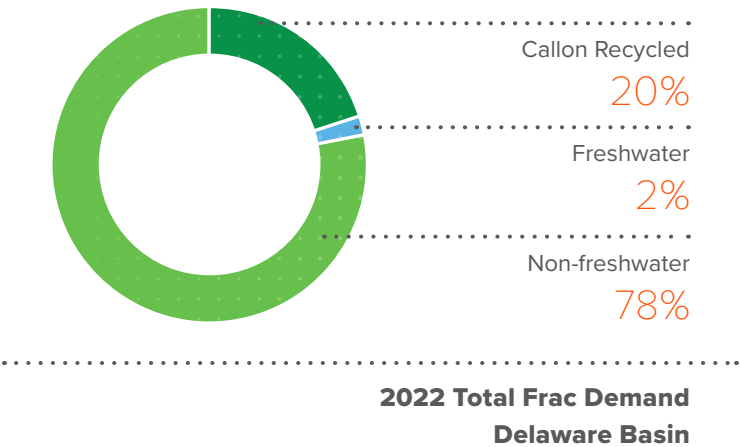
We recognize the importance of water as a critical resource for the communities in which we operate. Water also plays a crucial role in our industry and our company. To minimize the impact on local water supplies, we implement responsible practices such as careful sourcing, recycling, reuse, and safe disposal of water in our operations. We seek to implement engineering design enhancements and prioritize water recycling whenever possible to reduce our overall water consumption.

In 2022, we took significant strides toward enhancing our water management practices. Recognizing the importance of water in our operations, we began developing a more robust strategy that focuses on our water usage, sourcing, recycling capabilities, and disposal processes. We are actively working to minimize our freshwater usage and reduce our impact in the water-stressed Permian Basin.

Performance

Since 2019, we have reduced our total freshwater consumed by more than 33%. During this time, we have made sustainable improvements to our water sourcing and recycling capabilities and continue to prioritize the use of non-freshwater in our operational activities.

These efforts are most apparent in our Delaware Basin operations, where we have invested over \$10 million in water recycling infrastructure. The efficacy of this investment was evident in 2022, when we met completions demand in the Delaware Basin almost entirely with recycled and non-freshwater, with only 2% freshwater used.



Water Management CONTINUED

In 2022, we reduced our total freshwater consumption by over 6% despite an overall increase in water usage, owing to an increase in non-freshwater consumption. We have been more reliant on freshwater sources in the Midland Basin but are working diligently to continue the implementation of sustainable and impactful water strategies and infrastructure investments where practical. Overall, our pace of progress has been impacted by existing long-term contractual obligations, which provide operational certainty and competitive operational costs but reduce our ability to advance our water strategy in certain areas.

Management and Oversight

Our approach to water management is rooted in our EMS. Within this framework, we integrate considerations of water availability and disposal alongside other environmental, health, and safety risks during both our development process and daily planning. In addition, we diligently monitor local, regional, and federal laws and regulations, as well as other stakeholder concerns regarding water availability and usage.

Our operations leaders, along with subject-matter experts, oversee local water management activities, leveraging their comprehensive knowledge of the specific opportunities and challenges related to water in each area. As we seek to improve our water management performance, we consistently evaluate and embrace best practices and emerging technologies to ensure responsible usage.

Responsible Water Use

Callon understands the critical need for freshwater in a world of increasing demand. Freshwater resources exist within lakes, rivers, wetlands, and groundwater reservoirs below the surface. Where feasible, we strive to preserve local freshwater supplies in our operational activities, particularly in areas where community water supplies are at risk. We do so by using alternatives like recycled produced water and non-freshwater. Callon does not utilize surface water resources in our operations, but we do utilize non-fresh groundwater resources such as brackish and saline aquifers.

We make a concerted effort to manage the water that is produced along with oil and natural gas in our operations. We recycle water, when possible, through our own or third-party facilities, and plan for the safe transport and disposal of water to mitigate spills, protect underground resources, and ensure the safety of our local communities. When recycling is not available, we dispose of our water in safe, well-constructed saltwater disposal (SWD) wells. The injection rates, pressure, and mechanical integrity of SWD wells are regulated by state agencies, such as the Texas Railroad Commission.

SPOTLIGHT • Texas Produced Water Consortium

Callon is proud to be part of the Texas Produced Water Consortium (TxPWC), a collaborative produced water initiative established on June 18, 2021, by Senate Bill 601 with the purpose of bringing together information and resources to study the economics and technologies related to beneficial uses of produced water, including environmental and public health considerations. Administered by Texas Tech University, the consortium will also develop an economic model for using produced water in a way that is economical, efficient, and protects public health and the environment, and provide guidance for establishing produced water permitting and testing standards. This educational endeavor aligns with our core values and allows us to contribute to meaningful change alongside our industry peers. We view our participation as not just an investment in our own operational efficiency, but also as a commitment to environmental stewardship and community well-being.

Water Management CONTINUED

Protecting Ground Water

At Callon, we utilize hydraulic fracturing on all our wells to produce hydrocarbons from depths that can exceed two miles beneath the surface. During drilling operations to reach these depths, we encounter multiple shallow zones, some of which contain freshwater sources. Our well designs and operational procedures are developed to ensure that we do not impact these resources.

Our wells are designed according to industry standards, with layers of steel casing and cement to protect underground sources of freshwater. Casing and cementing are critical parts of the well construction process that not only protect groundwater but also help ensure efficient production of oil and natural gas from the well. Before hydraulic fracturing begins, the cased and cemented well is pressure tested per industry standards to ensure well integrity and safety. We also utilize available 3-D seismic data to interpret and evaluate geologic hazards, such as faults, and we use those interpretations to drive our development strategy and philosophy for well locations.

Hydraulic fracturing requires different types of sand, proppant, and chemicals, and we take steps to protect groundwater supplies during hydraulic fracturing operations. As responsible neighbors to our peers, we notify nearby operators of our drilling and completion schedules to reduce the risk of impacting offset operator activity. By proactively notifying our neighbors of our pending completion activity, we can work together to minimize any potential or unintended impacts to groundwater supplies. While this notice is required in some areas, we operate under a good neighbor policy, so we provide notice regardless of local requirements.

Our hydraulic fracturing fluids do not contain diesel or volatile organic compounds (VOCs) such as benzene, toluene, ethylbenzene, or xylenes (BTEX). We support public disclosure of the chemical composition of fracturing fluids by working with our vendors to submit information to FracFocus. We seek to provide this information in a transparent manner so that all our stakeholders can take comfort in the practices, procedures, and technology necessary to find and develop oil and natural gas. For comprehensive information of our fluid usage on a per-well basis, please visit the website [www.fracfocus.org](http://www.fracfocus.org).

The State of Texas regulates freshwater protection, and Callon meets or exceeds all State of Texas and federal guidelines.

Managing Seismicity Risks

In recent years, increased seismic activity has been observed in the Permian Basin. Callon, along with our peers, has worked with the Texas Railroad Commission to determine mitigation actions and alternative disposal options. Our operations have been minimally impacted by the related regulatory restrictions, as we proactively redirect all our produced water in the affected regions from injection wells to our available recycling pits or disposal zones with lower risk for seismic activity. To support our future production growth while minimizing potential seismicity, we work with landowners to secure additional disposal rights that will accommodate future produced water volumes.





## Biodiversity and Land Stewardship



### Conscientious custodians

We are committed to being conscientious custodians of the land on which we operate, minimizing our impact on both the environment and wildlife. Our dedication to safeguarding biodiversity extends to all operational sites and stages of our projects. To achieve this, we adhere to industry best practices, conducting thorough environmental site assessments prior to new construction, implementing spill prevention measures during active operations, and ensuring responsible waste disposal upon project completion.

### Biodiversity Management

Our EMS guides our biodiversity practices. We have a thoughtful biodiversity management process that is integrated into our approach for selecting locations for our well pads, access roads, and pipeline corridors. Starting with the end in mind, our Surface Land Team strives to address future reclamation concerns and requests with landowners prior to the start of operations.

### Biodiversity Management Process

#### 1 PRE-CONSTRUCTION ENVIRONMENTAL ASSESSMENT

- Identify sensitive environmental and ecological areas utilizing geographic information systems (GIS) analyses, computer-based reviews, and onsite inspections. Included in every pre-construction environmental assessment is a check for threatened or endangered species

#### 2 OPERATIONS MANAGEMENT PLANS

- Implement site-specific plans to avoid or minimize negative impacts
- Take measures to ensure that facilities are actively maintained to prevent migratory birds and other wildlife from accessing temporary pits, heaters, and all other equipment that could pose a hazard

#### 3 POST-OPERATING RECLAMATION PLAN

- Proactively take steps to return operational sites to their natural states, including plug and abandonment, material/equipment removal, and planting native soil/grass blends, based on current industry standards and best practices, requirements set by regulatory agencies, and agreements with landowners

Biodiversity and Land Stewardship

CONTINUED

Currently, we do not have acreage or reserves in areas containing critical habitats of threatened or endangered species as described by the U.S. Fish & Wildlife Service.

Minimizing Surface Impacts

At Callon, one way we minimize the environmental impact of our operations is by implementing multi-well, multi-pad drilling and completion operations whenever possible. We also work with neighboring operators and landowners to secure rights to utilize existing infrastructure. This approach allows us to avoid unnecessary disturbance to the land by consolidating multiple wells on a single well pad and sharing access roads. By implementing lateral drilling techniques, we can extract resources from several wells originating from the same pad, reducing our overall surface presence and minimizing the need for additional access roads and pipelines. Through these practices, we demonstrate our commitment to sustainable resource development, optimizing operational efficiency while minimizing our footprint on the land.

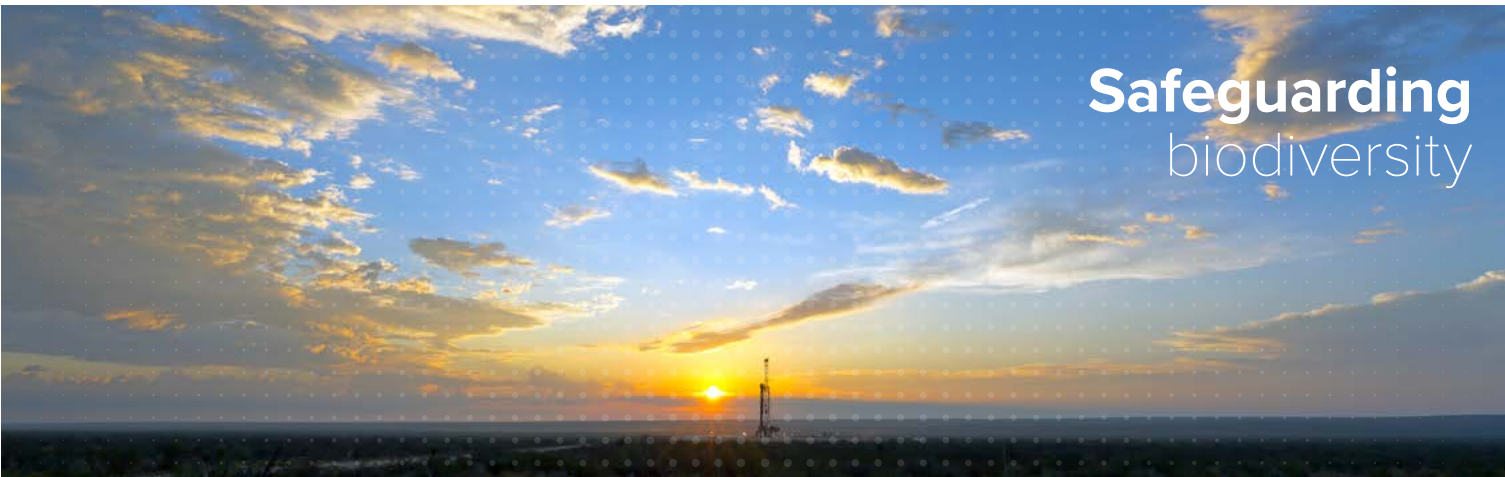
Spill Prevention and Response

We implement numerous measures across our operations to prevent unnecessary releases to the environment. Spill prevention, along with management and response plans, are prepared and maintained for each operating area. These plans describe preventative measures, as well as control and countermeasures in the event a spill occurs.

Routine inspections and maintenance are performed by trained personnel to verify that engineering controls are in place and functioning properly. In addition, annual training is required for our operations personnel to review the requirements of the plan and personnel responsibilities.

We have a system to track, record, and determine the cause of any oil, produced water, or other spill or release over one barrel. This allows us to actively identify trends and improve our processes to prevent future releases. We continue to implement additional spill mitigation measures, including night-time monitoring, actuated wellhead valves to shut in wells based on overpressure, and flow alarms for higher-risk facilities and pipelines. We also proactively utilize new technology, including aerial surveillance and drone units, to identify active and potential produced fluid releases in our field operations facilities.

While our spill rate experienced a slight increase of 3% in 2022 compared to the previous year, we have made significant progress over the past few years. Since 2019, we have reduced our spill rate by nearly 73%. We continuously strive to enhance our spill prevention practices through rigorous monitoring, comprehensive training programs, and the implementation of advanced technologies. Our commitment to preventing spills and protecting the environment remains unwavering as we work toward achieving even greater reductions in the future.



Safeguarding

biodiversity



Social Overview

Our core values of responsibility, integrity, drive, respect, and excellence guide us in fulfilling our social responsibility to all our stakeholders.

By upholding these values, we strive to forge a relationship of trust among our employees, suppliers and contractors, shareholders, landowners, and the communities where we live and operate.

Safety is a top priority at Callon, and we are fully committed to maintaining a culture of safety across our operations, implementing robust protocols, training programs, and regular safety audits to safeguard our employees, contractors, and the surrounding communities. We are committed to fostering a people-centric culture that values diversity, inclusion, and employee well-being, creating an environment where team members feel respected, supported, and empowered. In line with our dedication to community investment, we actively engage with local communities, striving to make a positive and sustainable impact through initiatives that promote education, environmental stewardship, and local development.



Highlights



## Safety at Callon

### Management and Oversight

At Callon, the protection and well-being of our employees, contractors, and communities are at the core of our operations. Our objective is that every individual goes home safely every day. We establish a robust foundation for our safety culture through engaged leadership, effective contractor management, comprehensive risk management practices, and extensive training programs.

Our governance structure is designed to prioritize safety. We proactively identify and mitigate safety risks by adhering to our Operational Management System (OMS) standards, processes, and procedures (see page 12 for additional information about our OMS). By integrating a culture of safety throughout our organization, we create an environment where safety is ingrained in every aspect of our operations.

Embedded within our OMS is our [Safety and Environmental Policy](#), which serves as a guiding reference for all employees and contractors. We expect all our employees and contractors to comply with our safety programs, state and federal regulations, and to respect our safety culture and values. This includes a signed commitment from our CEO providing everyone who works for or on behalf of Callon with the authorization and responsibility to halt any activity or situation that poses a danger or risk, without the fear of job reprisal.

Additionally, our Board recognizes the importance of accountability for safety outcomes and has included safety performance as a factor in our annual bonus program.

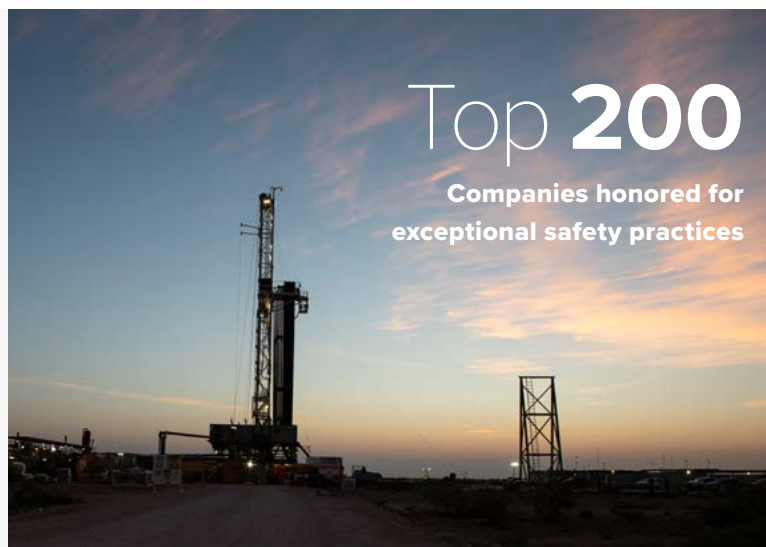
We are dedicated to fostering a culture that empowers every member of our workforce, whether they are employees or contractors, to embody leadership on the job site. As part of our commitment to safety, we diligently investigate safety incidents and near misses. With thorough analysis, we gain valuable insights into the root causes and contributing factors, allowing us to take appropriate corrective actions. By sharing the lessons learned from these incidents across our company and with our contractors, we reinforce the importance of safety and create a collective sense of responsibility across our operations.

### Performance and Progress

In 2022, we made significant strides in enhancing our safety performance, with a company record-setting Total Recordable Incident Rate (TRIR) of 0.39. This rate is far below the industry average over the last five years, according to the U.S. Bureau of Labor Statistics. Our performance reflects our commitment to continuously enhance safety across all aspects of our operations. Increased field engagements and enhanced procedures supported our performance in 2022.

### SPOTLIGHT • Platinum Partner Safety Award

In 2022, Callon was awarded the Platinum Partner Safety Award from Texas Mutual, recognizing our safety performance. Out of 74,000 businesses, Callon's dedication to employee safety and commitment to maintaining a safe work environment has placed it among the top 200 companies honored for their exceptional safety practices. This recognition highlights our unwavering commitment to promoting a strong safety culture, and ensuring the well-being of our workforce.



## Safety at Callon CONTINUED

Safety culture in the field is led by front-line supervisors and is well supported at all levels.

Callon takes care of its employees by prioritizing safety and training.

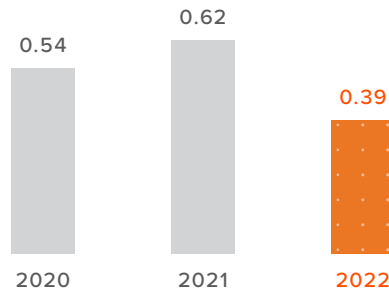
— Anonymous Responses on 2022 Engagement Survey

In addition, through a reorganization of our safety department, we have achieved a heightened focus on higher risk operations while maintaining the steadfast support we have always valued.

In 2022, we also implemented monthly in-person safety meetings at the field level and a Safety Trendsetter award to recognize employees and contractors who raise the bar for safety and encourage others to do the same.

### Total Recordable Incident Rate (TRIR)

New company record



### Safety Focus Areas

#### • Incident Response & Incident Management •

At Callon, the care and support of our team members is a top priority. In the event a team member is injured or falls ill, Callon collaborates with a case management company called XtremeMD to provide time-sensitive medical care. XtremeMD provides workers with access to direct consultations with qualified medical personnel, first aid assessments, an individualized medical care plan, which can include recommendations for additional treatment or return-to-work guidelines, and a complete reassessment 24 hours after the initial injury or illness.

Incident management is a core component of our safety program. All incidents are required to be promptly reported to an Environmental, Health, and Safety (EHS) representative, who assesses and investigates each situation appropriately. Every incident, regardless of severity, is logged into our EHS software system to determine root cause, contributing factors, and necessary corrective actions. To promote shared learning and continuous improvement, monthly “High Potential Incident Review” meetings are conducted, involving all operational leaders who review incidents from the previous month and share valuable lessons learned. Safety alerts and comprehensive investigation presentations are distributed for every Occupational Safety and Health Administration (OSHA) recordable accident to proactively prevent future occurrences. Additionally, the EHS department conducts internal reviews of all incidents, including environmental incidents, monthly to ensure data accuracy in our EHS software system. Finally, a monthly EHS Scorecard is sent to operational leaders, providing them with updates on safety progress, reinforcing Callon’s commitment to a culture of safety and accountability.





## Safety at Callon CONTINUED

### • Engaged Leadership •

At Callon, we strongly believe that active and engaged leaders are instrumental in establishing a robust safety culture. Our leaders achieve this by reinforcing our core values, setting clear expectations, providing essential resources, and embracing accountability. To underscore the significance of leadership in our safety framework, we prioritize it as the foundational element of our OMS.

Our field employees, contractors, and leaders contribute to enhancing our safety culture through active participation in our behavior-based safety observation program. This program empowers them to identify and address unsafe acts and conditions, while also reinforcing adherence to our safe work practices and requirements. We also provide our site supervisors with the necessary training and skills to manage their workplace and workforce effectively. In addition, our leadership, all the way up to the CEO, has given their approval of Stop Work Authority.

### • Risk Management •

Within our OMS, the Risk Assessment and Management element serves as a crucial component in preventing workplace injuries, accidents, and fatalities. This element encompasses a comprehensive framework for proactive measures to identify and mitigate hazards associated with work activities before they commence.

At Callon, pre-job planning plays a pivotal role in this process, ensuring that potential risks are thoroughly accessed and communicated to all relevant stakeholders. Every safety-sensitive task is preceded by pre-job safety meetings, job safety analysis, and safe work permits. In addition, pre-startup safety reviews are used to verify completion and accuracy of key activities and safety measures prior to commissioning any new facility, vessel, powerline, or other high-risk equipment or process.

Furthermore, periodic risk assessments are conducted to maintain ongoing evaluation and management of risks. These assessments prioritize risks based on their ranking,

### SPOTLIGHT • Vehicle Safety

Our vehicle safety program prioritizes the well-being of our employees and the communities where we operate. Safe driving practices are discussed as part of our operator onboarding program. In addition, all vehicles at Callon are equipped with GPS monitoring systems, enabling us to assess driving behavior and identify areas where corrective action is needed. We promptly address any issues and provide targeted training and support when needed. In addition, all employees who are assigned a company vehicle are required to complete driver safety training during 2023. We will continue to focus on vehicle safety and promoting a culture of responsible driving.



Driving behavior

prioritizes the well-being  
of our employees and the  
communities where we operate



## Safety at Callon CONTINUED

and specific levels of management are responsible for addressing and mitigating risks in accordance with their level of significance. Hazard Identification and Stop Work Authority trainings are provided to all field employees annually.

### • Training •

Safety training plays a pivotal role in equipping individuals with the knowledge, skills, and awareness needed to identify and mitigate potential hazards and minimize incidents. By providing comprehensive safety training, we empower our workforce to make informed decisions, take proactive measures, and contribute to the overall culture of safety. In 2022, our full-time field employees completed an average of nearly 12 hours of health, safety, and emergency response training.

### • Contractor Management •

At Callon, we consider our contractors as integral to our safety culture. During the contractor assessment and selection process, we prioritize safety performance and programs. In collaboration with Veriforce, we have implemented a robust system to verify and evaluate our contractors' safety policies, procedures, insurance coverage, and other critical elements. As part of our OMS, our Third-party Services element requires all contractors to acknowledge and uphold our core values, Safety and Environmental Policy, and EHS Manual.

To ensure a clear understanding of our safety standards and operational protocols, we provide in-person orientation to contractors before they commence work at Callon facilities. This orientation familiarizes them with our expectations and requirements. We closely monitor contractor performance, providing regular feedback and collaborating to improve performance as necessary. Through our EHS software system, we identify contractors with safety incidents, conduct additional audits, and engage with their leadership teams to enhance safety measures. Contractors who do not adhere to our safety practices are removed from the job site.

Our commitment to sustainability extends to our supply chain. We strive to partner with suppliers and vendors who share our dedication to responsible development and operate in an ethical manner. Upholding high standards, we conduct regular evaluations to ensure compliance with our company policies, performance expectations, and regulatory requirements. In 2022, we introduced a [Contractor Code of Conduct](#) to provide further clarity to our contractors, suppliers, vendors, and partners on our expectations for conducting business together.

By actively engaging with our contractors and supply chain, we foster a culture of safety, sustainability, and social responsibility throughout our operations. Through these measures, we aim to uphold the highest standards and maintain strong partnerships that align with our values and contribute to our long-term success.

### • Emergency Preparedness and Response •

Emergency preparedness and response is a core component of our safety program at Callon and part of our commitment to our employees, contractors, and surrounding communities. We have established emergency response plans and procedures that are regularly reviewed and tested to ensure their effectiveness in various scenarios. Incident command system roles, responsibilities, and drills are all in place and regularly updated, enabling coordination and effective management during emergencies. Our dedicated emergency response team is trained and equipped to respond to any emergencies that may arise, mitigating potential risks and minimizing the impact on our stakeholders.

Recognizing the importance of prompt communication, we have prominently displayed an emergency hotline (1-800-301-5122) number on all Callon signs, enabling citizens and law enforcement officers to notify us of any emergencies 24/7. We also have established dedicated incident command centers in both our Houston and Midland offices, as well as a mobile incident command center in the field. These centers serve as central hubs for coordination, communication, and decision-making during emergency situations.

# Our Team and Culture



At Callon, our people are our most valuable asset and the driving force behind our success. In an industry faced with increasing complexities, we rise to the challenge by nurturing a culture of diversity of thought, innovation, and passion. These cultural differentiators set us apart and empower individuals to contribute their unique ideas and perspectives. We understand that to build a sustainable business with lasting impacts, we must foster a diverse team equipped with a wide range of skills and experiences.

Our commitment to our employees goes beyond mere words. We actively seek and value their feedback, leveraging it to shape initiatives that enhance the Callon employee experience. We believe in creating a work environment that truly reflects the needs and aspirations of our team, ensuring that every individual feels respected, valued, and empowered to bring their best and authentic selves to work.

Our Board of Directors holds us responsible for aligning our actions with our values. Our leadership team provides clear direction and sets the tone for a culture of empowerment, collaboration, and innovation. By providing encouragement, fostering inclusivity, and investing in employee growth, we strive to create a sustainable work environment that nurtures individual potential and drives collective success.

In 2022, Callon was recognized as a Top Workplace by the *Houston Chronicle*, marking the fifth time we have received the award since 2017. This accolade serves as a testament to our ongoing efforts to create a work environment where employees thrive and feel a true sense of fulfillment.

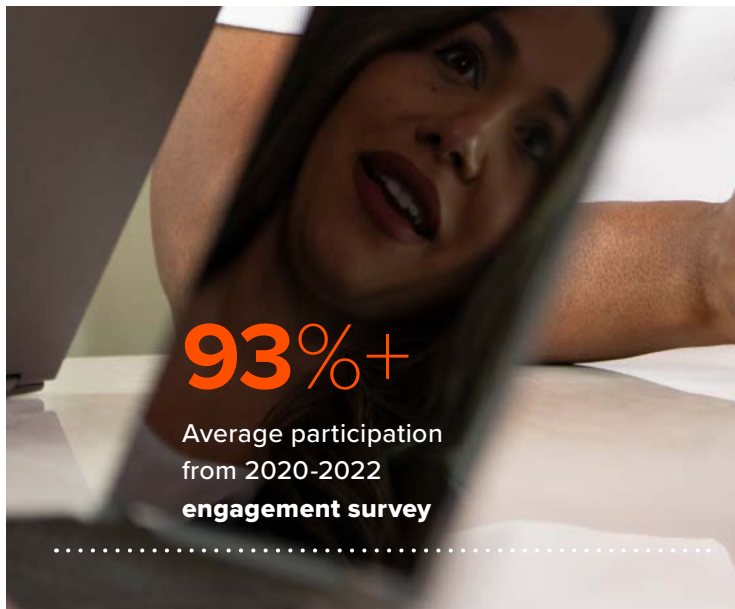


**Our Culture**

Callon stands out as a truly unique place to work. We are driven by the exceptional energy and passion our employees bring to their roles each day. Within our dynamic environment, we foster a culture of excitement, innovation, and entrepreneurship, encouraging every individual to embrace curiosity, creativity, and continuous growth. We deeply value ownership, individual initiative, and the opportunity for employees to generate new ideas and implement them with a forward-looking vision and a collaborative mindset. Our commitment to effective teamwork is encapsulated in our unifying principle: WE ARE CALLON.

## Our Team and Culture CONTINUED

We prioritize active listening, mutual understanding, and open communication to foster an environment where everyone's voice is valued and respected. Our Executive Leadership Team (ELT) is engaged throughout the organization, ensuring that every team member can contribute and be inspired to pursue excellence. We understand that every individual's work holds meaning and value, and we actively seek diverse perspectives that challenge our thinking and enable us to navigate complex problems more effectively. Our goal is for each Callon employee to arrive at work with enthusiasm and commitment, driven by a shared sense of purpose to meet our collective goals and exceed the expectations of our stakeholders.



### Employee Engagement and Empowerment

At Callon, we cultivate a distinctive entrepreneurial spirit that differentiates us from others. We believe in empowering our employees, involving them in decision-making processes at all levels, and acknowledging their invaluable contributions to our collective success. To foster a culture of connectivity, we host quarterly town halls, facilitate direct access to senior leadership, organize team-building events, and maintain regular communication regarding our company strategy, execution, and workplace initiatives.

Callon participates annually in a third-party employee engagement survey to measure and track efforts and strategies surrounding employee engagement and culture. From 2020 to 2022, our average participation rate was over 93% among our employees taking the survey. These consistently high participation rates exhibit a prominent level of engagement among the Callon team.

### SPOTLIGHT • The Larry D. McVay Petro-Technical Excellence Award

The Larry D. McVay Petro-Technical Excellence award was established in 2022. The award will be given annually to a high-performing professional who embodies the values, professionalism, and Callon pride exhibited by Larry D. McVay throughout his 15-year tenure as a member of the Board of Directors. The award recipient is selected each year by senior management to recognize a Callon petro-tech professional whose technical excellence drives significant and sustainable impacts on our business, is a collaborator who works effectively with others to produce positive results, and serves the company with dedication and integrity.

The inaugural award winner was **Chesney Petkovsek** who undertook a project to help Callon better define and understand geologic hazards through advanced technical seismic mapping. This project immediately influenced our development and completions programs by allowing us to better identify and understand drilling issues and where we could expect similar interferences with geohazards.



Our Team and Culture CONTINUED

SPOTLIGHT • Mobile Health Clinics

Callon’s wellness program – Well Works – incentivizes employees to undergo an annual physical, recognizing that early disease detection and intervention significantly contribute to overall health, cost-effective treatments, and work productivity. To enhance program participation in 2022, we partnered with regional healthcare providers to introduce mobile health units onsite. This strategy effectively addressed potential logistical obstacles and time constraints that could deter employees from completing their annual physical.



Benefits and Support

Our employees are the reason Callon is successful, and we support them with a competitive benefits package. One of the ways we invest in the health and well-being of our team members and their families is by paying 100% of the premiums for our health care plan, which includes telemedicine and an Employee Assistance Program (EAP).

We also offer a comprehensive wellness program designed to incentivize annual physical check-ups, a maternity management program focused on teaching employees how to reduce the risk of complications and prepare for a successful, full-term pregnancy, and a diabetic management program that provides employees with a registered nurse health coach to help manage their diabetes. We also provide family-friendly workplace practices, a competitive vacation policy, family leave, an educational assistance program, and a variety of insurance plans, and other benefits. We also provide an employee severance program for “not for cause” terminations. Furthermore, we do not require mandatory arbitration from our employees.

Callon is a company that cares for its employees by providing a safe workplace and excellent benefits.

— Anonymous Response on 2022 Engagement Survey

To help employees save for retirement, we sponsor a 401(k) plan that includes a company match of employee contributions up to 6% and up to 2% in pre-tax profit-sharing contributions. In 2022, we provided additional education around our benefits and 401(k) program to increase utilization. Approximately 96% of Callon employees participated in the 401(k) plan during 2022.

Diversity and Inclusion

Callon takes immense pride in being a peer leader in fostering diversity and inclusion within our organization. We believe that building a sustainable and impactful business is reliant on the strength of a diverse, skilled, and empowered team. Our achievements are a direct result of the innovative ideas and actions that emerge from individuals who bring varied perspectives to the table.



Our Team and Culture CONTINUED

We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Our company policies are designed to ensure that all employees are treated fairly and with respect and dignity by our company representatives and each other. We will hire, evaluate, transfer, compensate, and promote employees based on skills, merit, and performance, not on unlawful considerations. We are firmly committed to providing a workplace free of discrimination, harassment, or segregation based on sex, gender, gender identity, race, color, religion, national origin, citizenship status, age, disability, marital or veteran status, genetic information, sexual orientation, or any other legally protected status under applicable law. This includes providing reasonable accommodation for employees with disabilities or religious beliefs or practices. Our [Code of Business Conduct and Ethics](#) also prohibits any form of harassment, including offensive or hostile working conditions created by such sexual or other harassment. We extend these commitments to every phase of the employment process, including hiring, training, promotion, compensation, benefits, discipline, termination, and company-sponsored educational, social, and recreational programs, as applicable.

We are committed to nurturing a workforce comprised of talented professionals and providing them with an inclusive environment that fosters career growth and success. In 2022, we conducted anti-bias training for supervisors, and we conduct periodic all-employee training programs on diversity and anti-harassment topics. Our dedication to equal opportunities encompasses all facets of employment, including hiring, professional development, and compensation. We report EEO-1 data annually to the federal government as required by law, and we disclose this information on page 69 of this report and offer the latest report on our website. By the end of 2022, 41% of our full-time permanent workforce identified as belonging to racial or ethnic minority groups, while 22% identified as female.

Moreover, in 2022, our new hires showcased even greater diversity, with 50% identifying as belonging to a racial or ethnic minority group and 36% identifying as female. Looking ahead, we remain committed to cultivating a workforce that embraces diversity in background, perspective, experience, and skill. Our aim is to create an environment where every employee feels acknowledged, connected, and genuinely understood. We know that fostering diversity and inclusion is an ongoing journey, and we are dedicated to continuously improving and setting an example for others to follow.

22%

Women in workforce



67%

New hires identified as female, racially, or ethnically diverse – or both



41%

Total workforce, racially or ethnically diverse



Callon focuses on the big picture and gives employees the freedom to pursue big goals and objectives in creative and efficient ways.

— Anonymous Response on 2022 Engagement Survey



## Our Team and Culture CONTINUED

### SPOTLIGHT • Women in Leadership

We take immense pride in recognizing and fostering the unique talents, perspectives, and leadership qualities of all our employees including women. We understand the value that gender diversity in leadership can have on a business and actively strive to empower women to take on influential roles within the Company.

At year-end 2022, women comprised approximately 30% of our senior leadership roles, including three female Board members and three female officers.

We remain steadfast in our dedication to empowering women in leadership and will continue to create an inclusive and supportive environment where all individuals have equal opportunities to thrive and succeed. As part of our efforts to support connection and growth among our female team members, in 2022 we continued our Women of Callon initiative including a professional development event featuring our women directors.



## Our Team and Culture CONTINUED

### Development

We strive to inspire a culture of entrepreneurship, where employees feel encouraged to take initiative, develop and pursue new ideas, and advance their professional journeys. As the Company evolves and expands, so do the opportunities for our workforce to learn and progress. Being part of a synergistic team in a vibrant, fast-paced setting offers our employees the unique experience of seeing the direct impact of their work on our strategic outcomes.

We have made important strides in advancing personal and professional growth opportunities at Callon. We provide rotational opportunities when available to expose employees to different parts of the business. Over the last year and a half, nearly a third of our workforce has seen their roles transform, either through new responsibilities, developmental tasks, or upward movement in the organization. Our approach to development has led to improvements in both collective and individual capabilities, enabling more responsible and efficient management of our assets.

We continued our Employee Development Program in 2022, providing our employees with an opportunity to advance their skill sets, voice their aspirations, and improve their career trajectory at Callon. Through the program, employees work with their supervisors to craft a learning and development plan based on their individual goals.

Callon's pay-for-performance model rewards and incentivizes employee's accomplishments in accordance with their contributions and impact. Each year, we complete goal setting, performance evaluations, and talent reviews for all employees. Through these evaluations, we offer feedback, support advancement, and identify areas for further development. By investing in the growth of individuals, we equip them with essential skills, knowledge, and opportunities for personal and professional progression, fostering a highly skilled and capable workforce that drives innovation and societal progress, benefiting both Callon and the broader community.

**I love Callon because I get to improve processes and make a difference. My manager is always willing to take time to help me learn and grow as an employee.**

— Anonymous Response on 2022 Engagement Survey



Nearly **1/3**

of workforce saw their roles transform since 2022, either through new responsibilities, developmental tasks, or upward movement in the organization

## Our Team and Culture CONTINUED

### SPOTLIGHT • Respecting Human Rights

At Callon, we hold deep regard for the protection and promotion of universally recognized human rights, fostering an organization culture that upholds these fundamental principles. To formalize our commitment, in 2022, the Callon Board of Directors adopted a comprehensive Human Rights Policy that applies to all individuals associated with our operations, including employees, contractors, vendors, suppliers, and service providers. This policy is rooted in the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, encompassing the Universal Declaration of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

While we acknowledge that governments have a primary duty to establish and enforce laws and policies to prevent human rights abuses, we firmly believe that we, as a business entity, also bear a responsibility to conduct our operations in a manner that upholds the rights intrinsic to all individuals. We prioritize equal treatment and non-discrimination based on characteristics such as race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, marital status, veteran status, genetic information, or any other protected characteristic outlined by the law. As an integral part of our commitment to respecting human rights, we strive for compliance with applicable laws and regulations governing our operations. For more comprehensive information about our Human Rights Policy, please visit our official website.

### SPOTLIGHT • Training and Developing our Leaders

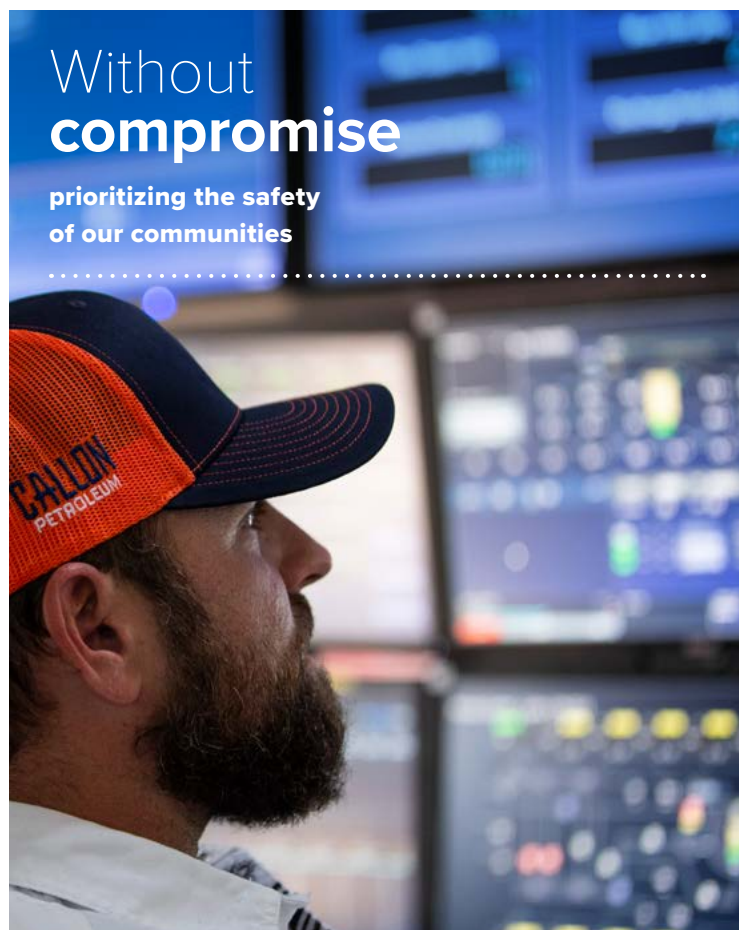
In January 2022, we implemented a formal leadership development initiative, providing our leaders with the opportunity to build their personal leadership skills, expand cross-functional relationships, gain exposure to executives, and provide input on company culture and business initiatives. As part of this initiative, 68 participants were divided into seven cohort groups who met monthly. Our executive management team actively engaged in the initiative by rotating through cohorts each month, and cohorts had the opportunity to present their insights and ideas to the executive team each quarter.

Throughout 2022, the monthly cohort meetings sparked insightful discussions and ideas on an array of leadership topics, including refining skills for delivering constructive feedback, pay-for-performance philosophy, unconscious bias, culture-driven leadership, employee development, and cross-functional collaboration.





## Community Engagement and Support



### Without compromise

prioritizing the safety  
of our communities

At Callon, we actively engage with our neighbors and local officials to develop the energy resources the world needs while minimizing impacts on both people and the environment. Our mission is to support the growth of strong and sustainable communities where we operate. We deeply value being a good neighbor and making meaningful contributions to the places we call home. Through trust, cooperation, and integrity, we foster relationships built on transparency and open communication. We are committed to enhancing the quality of life by supporting various activities and organizations that promote education, health, environmental conservation, and cultural enrichment.

### Responsible Operations

At Callon, we acknowledge that the right to operate is a privilege and that we must earn it daily. We prioritize the safety of our communities without compromise. When undertaking development projects near populated areas, we are committed to minimizing the impact of our activities. Through close collaboration with city officials and neighboring landowners, we proactively address concerns such as noise, traffic, greenhouse gas emissions, liquid spill prevention, and other potential risks to our communities.

As a responsible community partner, we take additional measures to mitigate operational disturbances by installing sound barriers when our operations are near developed areas. To ensure the safety, health, and environmental well-being of our communities, we voluntarily display our emergency call number prominently at each well site, facility, and lease entry. We prioritize swift responses to every call received, regardless of whether Callon is directly responsible for the issue. Our dedicated team members assess the situation and take appropriate action to prevent and mitigate incidents, showcasing our commitment to safeguarding our communities.

Through these proactive measures and a strong commitment to collaboration and responsiveness, we strive to be a trusted partner and to maintain the highest standards of safety and environmental stewardship in the areas where we operate.

### Philanthropy and Volunteerism

We believe that fostering the growth of resilient communities is integral to the sustainability of our business. By volunteering and investing in these communities, we provide direct economic support to the residents living and working near our operations. Through educational and developmental initiatives, we contribute to cultivating a pipeline of future leaders who benefit not only our industry but also their own communities. Above all, giving back to the communities that support our daily operations is the right thing to do.

## Community Engagement and Support CONTINUED

We focus our corporate philanthropic efforts on three areas we believe have the most meaningful impact and are consistent with our values.

**1 Education and literacy** We support upward mobility and the workforce of the future by increasing education and development opportunities to strengthen our communities.

**2 Community support** We support the basic health and safety needs of all citizens in our local communities by providing annual contributions to local first responders, food banks, and other service organizations that help improve their quality of life.

**3 Environmental protection and restoration** We invest in the community to help protect the planet and wildlife and to provide greenspace for our communities to gather in and enjoy.



A meaningful difference

### Education

Education is a fundamental focus of Callon's philanthropic efforts as we firmly believe that investing in education within our communities is crucial for the success of children and their families. By supporting education, we aim to foster upward mobility and cultivate a pipeline of future leaders. We support multiple educational organizations in the greater Houston area, as well as educational programs in more rural areas where we operate our field assets.

In 2022, we continued our partnership with Compudopt, enabling us to provide much-needed computer equipment and technology educational programs to over 160 young individuals residing in underserved and remote areas. We brought the organization's Science, Technology, Engineering, Arts, and Math (STEAM) program to South Texas and expanded the program to the Permian region. Through these initiatives, we empower children with valuable technical and digital literacy skills, equipping them to thrive in an ever-evolving technological landscape. These funds helped enable education and provide equipment to help close the digital gap in these rural and under-resourced communities.

### Community Support

Recognizing the significance of supporting the essential health and safety needs of individuals in our local communities, we are dedicated to making a positive impact. In addition to our employees volunteering their time and resources, we provide annual contributions to food banks, first responders, and other community-based service organizations.

In 2022, we expanded our partnership with KidsMeals, an organization committed to providing nutritious meals to preschool-aged children in Houston, Texas, who face severe hunger because of extreme poverty. Through our contributions, KidsMeals was able to enhance its operations by adding a new delivery vehicle and extending its services to reach children in an additional service area. This extended partnership enables us to make a meaningful difference in addressing childhood hunger and ensuring that young children have access to healthy meals.



## Community Engagement and Support CONTINUED



Through its active involvement and volunteer efforts, Callon has played a crucial role in potting and donating hundreds of trees, enriching the surrounding neighborhoods. We are grateful for Callon's partnership, as it shares our commitment to creating a greener and more sustainable future for our community.

— Barry Ward  
Executive Director, Trees for Houston

Callon has been a long-time partner of first responders throughout the Permian Basin and Eagle Ford regions. Our commitment to supporting first responders has taken various forms over the years. We have donated acreage and funded a new volunteer fire department location outside of Midland, Texas. Additionally, we have made monetary contributions and have supplied essential personal protective equipment (PPE) to regional fire departments. These donations have helped bridge funding gaps, ensuring that fire departments can acquire necessary equipment, address vehicle repairs, and make upgrades to enhance their capabilities. Through these initiatives, we strive to play an active role in promoting the safety and well-being of our communities and express our deep appreciation for the invaluable service provided by first responders.

### Environment

At Callon, we are dedicated to community support that extends to protecting the planet, preserving wildlife, and providing green spaces for our community members. We actively engage in programs such as Trees for Houston, Keep Midland Beautiful, Texas Recycle Day, and the Hermann Park Foundation. Through these programs, we aim to create a healthier and more beautiful community for everyone to enjoy.

In 2022, we maintained our strong partnership with Trees for Houston, a program dedicated to creating safe community parks on public school grounds in collaboration with schools and neighborhoods. These parks serve as accessible public spaces beyond school hours, fostering community engagement and recreational opportunities. Additionally, we actively supported Trees for Houston's tree giveaway program by volunteering to pot hundreds of trees, which were then donated to the surrounding community.

### Callon Cares Committees

At Callon, we believe in the importance of corporate stewardship as both a financial obligation and a social duty. To fulfill this commitment, we have established Callon Cares Committees comprised of local employees in our field locations. These dedicated committees play a crucial role in guiding regional philanthropic efforts through volunteerism, donations, and leadership.

Our Callon Cares Committees actively engage with local organizations and causes, addressing the unique needs of each community. Through volunteer efforts, our employees contribute their time and skills to support various projects and initiatives, ranging from environmental clean-ups to educational workshops. Additionally, we facilitate financial

Community Engagement and Support CONTINUED

contributions by donating to local charitable organizations and non-profit initiatives. By actively engaging with the community and working collaboratively with local leaders, we aim to make a positive and lasting impact on the regions we serve.

Supporting Strong, Sustainable Communities

In 2022, Callon supported several dozen philanthropic organizations including:



SPOTLIGHT • Callon Matching Gifts Program

Callon’s philanthropy program encompasses a Matching Gift Program designed to support our employees in their personal philanthropic endeavors. We understand the significance of encouraging and empowering our employees to make a positive impact in their communities. Through our Matching Gift Program, we match employee contributions to registered non-profit organizations up to \$1,000 annually, enabling us to amplify the impact of our employees’ generosity and demonstrating our commitment to fostering a culture of giving and making a difference in the causes our employees care about.

up to \$1,000  
Employee contribution match

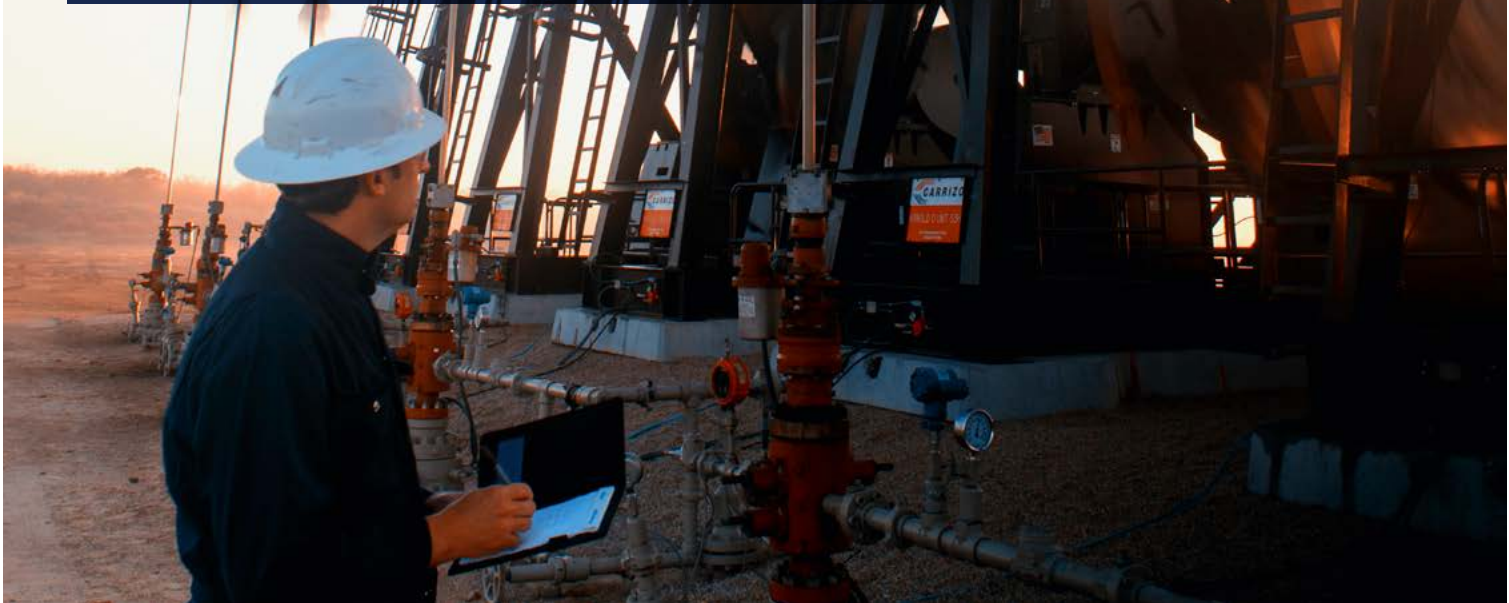




Governance Overview

Callon seeks to operate our business responsibly, ethically, and in a manner aligned with the interests of our stakeholders.

We are committed to effective and sustainable corporate governance, which we believe strengthens accountability, promotes the long-term interests of our stakeholders, and helps build public trust in our Company. Our core values — responsibility, integrity, drive, respect, and excellence — guide our decision-making, including our efforts to integrate sustainable business practices that achieve long-term results.



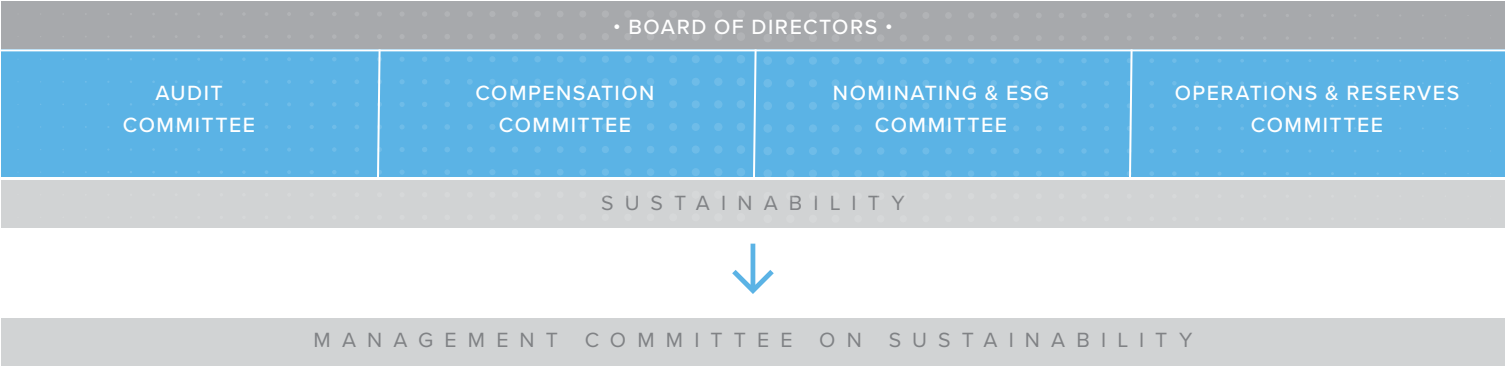
Overview CONTINUED

The Callon Board of Directors is responsible for providing oversight and direction to the management of our business for the benefit of our stakeholders. To assist the Board in fulfilling its responsibilities, our [Corporate Governance Guidelines](#) describe foundational corporate governance policies and practices related to its composition, role, structure, and interaction with external constituencies. Our [Code of Business Conduct and Ethics](#) and [charters](#) for the four standing Board committees provide additional foundations for our governance guidance. We regularly assess our corporate governance principles and practices to ensure they are effective and help us perform to the high ethical standards we set for ourselves. We review our Corporate Governance Guidelines, Codes, and other governance documents annually, or more often if business needs warrant it.

**With our mission to build trust, Callon recognizes the role our ESG performance plays in fostering our sustainability.**

As part of its corporate governance responsibilities, our Board oversees and regularly addresses our progress in safeguarding our team and communities, minimizing our environmental impacts, and developing and diversifying our workforce. In early 2022, we formalized a Management Committee on Sustainability, comprised of members of the senior management team, to guide the Company’s ongoing commitment to sustainability matters. Our ELT, along with the Director of EHS and the sustainability team, actively participate in this committee to help inform and drive strategy, performance, communication, and continuous improvement on our environmental, social, and compliance initiatives. The Management Committee on Sustainability also assesses and manages sustainability-related risks and opportunities for the Company.

Sustainability Structure





Board at a Glance

3 female directors

1 ethnically diverse director

Our Board of Directors is comprised of people with diverse skill sets and a broad range of professional experiences to guide our company strategy and provide oversight. Our current Board of eight directors includes three females and one ethnically diverse director.

6 of 8 w/5 or fewer years tenure

We take a responsible approach to paced refreshment of the Board – Five or fewer years tenure for half of the directors.

7 of 8 independent

Seven directors are independent, and a non-executive director serves as chair of the Board.

100%

All Board committees are composed entirely of independent directors.

\$ compensation alignment

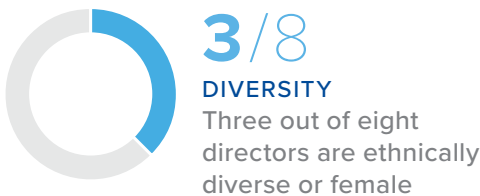
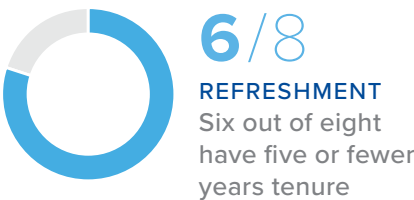
Executive compensation programs align with stakeholder priorities.

annual self-evaluation

The Board and its committees conduct annual self-evaluations.

94.6% support

Average vote in support of our directors up for election in 2023.



## Board of Directors

The Board is responsible for determining the ultimate direction of our business strategy, overseeing our governance policies and culture, and promoting the long-term interests of the Company. The Board possesses and exercises oversight authority over our business and subject to our governing documents and applicable law, delegates day-to-day management to our CEO and senior management. For more information about our Board and our governance practices, please refer to our [2023 Proxy Statement](#).



**MATTHEW R. BOB**  
Chair of the Board,  
and Former President of  
Eagle Oil and Gas (Retired)



**JOSEPH C. GATTO JR.**  
President, Chief Executive Officer,  
and Director



**FRANCES ALDRICH SEVILLA-SACASA**  
Former Chief Executive Officer,  
Banco Itau International (Retired)



**MARY SHAFER-MALICKI**  
Former Chief Executive Officer,  
BP Angola (Retired)



**ANTHONY J. NOCCHIERO**  
Former Chief Financial Officer,  
CF Industries, Inc. (Retired)



**BARBARA J. FAULKENBERRY**  
Major General,  
US Air Force (Retired)



**STEVEN A. WEBSTER**  
Managing Partner at AEC Partners and  
Co-Founder of Carrizo Oil & Gas, Inc.



**JAMES E. CRADDOCK**  
Former Chairman, CEO, and  
President, Rosetta Resources Inc.  
(Retired)

### Board Composition and Recent Refreshment

At Callon, we believe that a Board with a variety of skills and perspectives enhances constructive discussion and decision-making allowing the Board to perform its strategic and oversight roles satisfactorily for our stakeholders. We are committed to building a diverse Board of individuals with different backgrounds, professional experiences, education, gender, race or ethnicity, age, and other individual qualifications and attributes, and we have adopted a Board Diversity Policy within our Corporate Governance Guidelines. In addition, the Nominating & ESG Committee requires that search firms engaged by Callon seek to present a robust selection of women and racially or ethnically diverse candidates in all prospective director candidate pools. Currently, Callon's Board includes three female directors and one ethnically diverse director.

Callon's Board is also committed to thoughtful and responsible refreshment of the composition of the Board to ensure the Company is led by a well-rounded and diverse governing body. In recognition of several planned retirements pursuant to the Board retirement policy that was introduced in 2021, the Board undertook a multi-year succession planning process with the support of an outside firm to ensure the Board had the leadership and expertise needed to support sustainable value creation in today's complex energy industry.

Following this multi-year succession planning process, in February 2023, L. Richard Flury announced his retirement from the Board effective as of the date of the 2023 Annual Meeting. Following Mr. Flury's retirement, the Board named Matthew R. Bob as Chair of the Board at the conclusion of the 2023 Annual Meeting.

Board of Directors CONTINUED

Mr. Bob is an experienced energy executive who has spent his career in the U.S. onshore industry and has a nine-year tenure on our Board. For more information on Mr. Bob, please see our [website](#).

Considering recent and impending retirements, the Board also made the decision to nominate an additional seasoned oil and gas executive to the Board in 2023. Following a thorough review and interview process, James E. Craddock was nominated and elected to a full three-year term by the shareholders, and his biography can be found on our [website](#).

The Board recognizes the importance of effective leadership within its committees. All committee chair positions underwent a comprehensive refresh in 2022–2023 as part of the Board’s ongoing commitment to succession planning. Additionally, three out of the four committees are currently chaired by highly capable and accomplished female leaders. Callon is well-positioned to benefit from a wide range of perspectives and experiences, ultimately enhancing the effectiveness and impact of our Board committees.

Board Committees

Audit

Oversees material risk exposures in the areas of financial reporting, internal controls, compliance, hedging, and cybersecurity.

Nominating & ESG

Focuses on issues relating to corporate governance, ESG and sustainability matters, and Board and committee composition. It also assists the Board in fulfilling its oversight responsibilities with respect to succession planning for our directors and executive officers.

Compensation

Establishes our compensation programs, oversees their alignment with our business strategies, and reviews our compensation policies to ensure they do not encourage unnecessary or excessive risk-taking by management.

Operations & Reserves

Oversees production operations, the Company’s long-term resource development strategy, and the integrity of our reserves estimation reporting process.

Board of Directors CONTINUED

Diverse Board Skills

	Frances Aldrich Sevilla-Sacasa	Matthew R. Bob	James E. Craddock	Barbara J. Faulkenberry	Joseph C. Gatto Jr.	Anthony J. Nocchiero	Mary Shafer-Malicki	Steven A. Webster
Age (on March 2, 2023)	67	65	64	62	52	71	62	71
Tenure (on March 2, 2023)	4	9	NA	5	5	12	2	4
Gender Diversity	•••••			•••••			•••••	
Racial / Ethnic Diversity	•••••							
CEO / President Experience	•••••	•••••	•••••		•••••			•••••
Sr. Executive Leadership	•••••	•••••	•••••	•••••	•••••	•••••	•••••	•••••
Outside Public Boards (Current)	•••••		•••••				•••••	•••••
Outside Public Boards (Prior)	•••••		•••••	•••••		•••••	•••••	•••••
E&P Industry Experience		•••••	•••••		•••••	•••••	•••••	•••••
Energy (other than E&P) Industry Experience		•••••			•••••	•••••	•••••	•••••
Financial Expert	•••••					•••••		
Financial Literacy	•••••	•••••	•••••	•••••	•••••	•••••	•••••	•••••
Financial Oversight / Accounting	•••••			•••••	•••••	•••••		•••••
Petroleum and Other Engineering			•••••			•••••	•••••	
Geologist or Geophysicist		•••••						
Government / Public Policy / Regulatory				•••••				
EHS Experience / Environmental				•••••			•••••	
Strategic Advising	•••••	•••••	•••••	•••••	•••••	•••••	•••••	•••••
Investment Banking	•••••				•••••			
Supply Chain				•••••			•••••	
Technology / IT / Cybersecurity				•••••		•••••		

Leadership Structure

CEO/Chair

Separate roles for the  
CEO and for the  
Board Chair.



Joseph Gatto Jr.  
Chief Executive  
Officer



Matthew R. Bob  
Chair of the  
Board

8 directors

Board comprised of eight directors –  
seven of whom are independent.

The role of our Chair is to oversee and ensure Board effectiveness. As Chair, Mr. Bob has the following responsibilities:

- Establishes Board meeting agendas and ensures critical issues are included.
- Chairs meetings of the Board and the Annual Meeting of Shareholders.
- Attends all Committee meetings as a non-voting member.
- Regularly consults with and advises the CEO on strategy and execution.
- Ensures the flow of information provided to the Board is timely, complete, and accurate.
- Communicates with all directors on key issues and concerns outside the Board meetings.
- Assists the Board and executive officers in assuring compliance with and implementation of our governance principles.



Board of Directors CONTINUED

Board Evaluations

The Nominating and ESG Committee, in consultation with the Chair of the Board, annually conducts a performance review of the Board and its committees. This annual evaluation process seeks to obtain each director’s assessment of the effectiveness of the Board, the committees and their leadership, Board and committee composition, and Board and management interactions. In addition, these regular evaluations inform the Board’s decisions on the re-nomination of existing directors for additional terms of service on the Board. The evaluation process includes individual feedback for each Board member. On a regular basis, including twice in the past four years, the Board engages a third-party facilitator to conduct a full Board evaluation and review relative to best practices in support of its continuous improvement objectives.

• Director Independence •

Independent directors offer different perspectives to our Board that contribute to developing a sustainable corporate strategy. Callon maintains an independent Board of Directors in accordance with New York Stock Exchange (NYSE) standards, U.S. Securities and Exchange Commission (SEC) rules and regulations, and our Corporate Governance Guidelines. We have a policy that requires the majority of the Board to be independent, and seven of eight current Board members meet the qualifications for independence; our CEO is our only non-independent director. At Callon, the roles of Chair and CEO are separate, and our Chair is fully independent.



Risk Oversight

As an independent oil and gas company, we face a number of risks. The Board, as a whole and through its committees, generally oversees risk management ensuring that risks undertaken by Callon are consistent with the Board’s risk tolerance.

Enterprise Risk Management

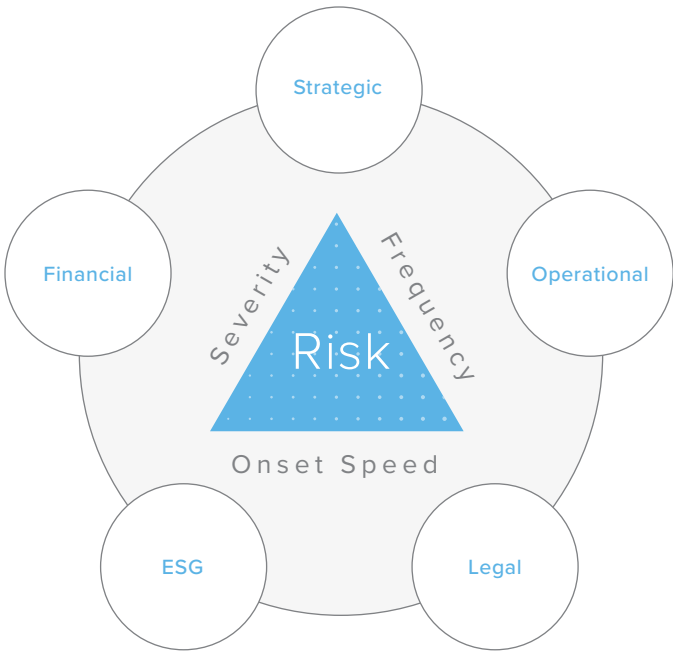
As companies compete in a highly complex business and legal environment, prudent risk management is essential for sustainable operations and for creating durable shareholder returns. Callon has enhanced our risk oversight and risk management by integrating formal ERM processes with our strategic planning and business execution processes.

The Callon management team has daily responsibility for assessing and managing operational and financial risks to the Company, and our Board provides input to and oversight of risk management and Callon’s long-term strategic direction. This leadership structure, coupled with a high degree of interaction among our directors and senior leaders, facilitates the Board’s oversight function and ensures information flow and communication throughout the year. Our executive officers report on and discuss enterprise risk at all regular Board meetings and to address questions or concerns raised by the Board related to risk management and any other matters. Other members of our Management team periodically attend Board meetings to confer with the Board to the extent their expertise is required to address risk management matters.

Our Management team, led by our CFO and finance organization, facilitates our ERM process with input from our ELT and other subject-matter experts. These individuals continually strive to identify and mitigate the Company’s evolving enterprise risk profile. Recent priorities include assessing risks resulting from the dynamic commodity price environment and the impacts on our industry, as well as a growing focus on how climate-related risks impact our strategy. Through this process, we assess, identify, rank, and mitigate the most material risks to Callon. The Board and management regularly reassess the risks to our business as well as the effectiveness of these processes.

Climate Risk

We recognize the rising significance of climate-related risks as an area of interest for our stakeholders and a crucial component of risk management within our industry. As such, we remain vigilant in monitoring potential business implications stemming from these risks, strategically incorporating them into our planning process. For more information about our climate change risk oversight and management, please see the disclosures in the Climate Change Risk section starting on page 59.



Enterprise risk management is a process that is governed by the Board and led by executive management, and focuses on both current and emerging risks, allowing Callon to protect stakeholder interests by integrating targeted mitigation efforts into our corporate planning process.

Risk Oversight CONTINUED

Cybersecurity

At Callon, we recognize the critical importance of cybersecurity in today’s digital landscape. As an organization, we understand the unique challenges and risks associated with protecting our digital infrastructure and safeguarding sensitive information.

During 2022, the Company had no material financial or data losses from cybersecurity incidents. Our management team and Board members are committed to upholding the highest standards of cybersecurity practices to ensure the integrity of our operations. The Board receives quarterly briefings on cybersecurity matters, including evolving threats and mitigation efforts, the security of our IT systems and data, and third-party reports on the IT control environment.

Our Approach to Cybersecurity

- **Risk Assessment and Vulnerability Management:** We conduct regular security assessments to identify potential vulnerabilities and threats to our IT infrastructure. We continuously look to improve our security posture by leveraging the results of vulnerability scanning, third-party cyber assessments, and penetration testing to validate our security controls and mitigate findings as they arise.
- **Best Practices:** We establish, update, and measure our cybersecurity policies and procedures to be consistent with frameworks like the National Institute of Standards and Technology (NIST) and the Center for Internet Security (CIS). On a periodic basis, we engage third-party auditors to conduct penetration tests and evaluate our programs relative to the NIST framework. The resulting recommendations are incorporated into our cyber practices, which have helped us guard against ever-evolving threats and intrusion methods. Our cyber practices are evaluated in conjunction with our enterprise risk management process and are subject to routine control evaluations and audits.
- **Security Measures and Protections:** We make significant investments across our IT infrastructure to safeguard Callon’s systems and information. Our efforts focus on lifecycle improvements and protecting our field operations,

endpoints, networks, servers, databases, and applications from cyber threats. We actively collaborate with industry peers, cybersecurity experts, and government agencies such as the Cybersecurity & Infrastructure Security Agency (CISA) to stay informed about the latest threats and mitigation strategies.

- **Incident Response and Business Continuity:** In addition to mitigating our cyber risks, we take precautions to protect the Company in the event we are exposed to a cyber intrusion. We maintain and conduct periodic reviews of our incident response plan that helps dedicated team members to mitigate and respond to a cybersecurity incident in a timely manner. This plan also includes a cyber incident reporting and escalation procedure that requires certain events to be reported to the appropriate levels of the Company so that appropriate actions and disclosures may be assessed. We also have invested in IT-related recovery solutions to safeguard the Company’s assets and minimize business disruption in the event of a cyber incident.

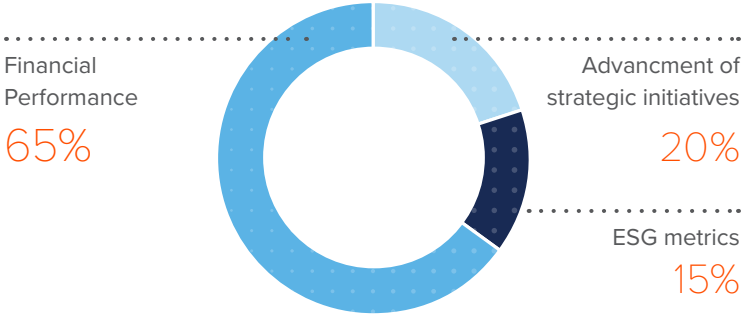


## Executive Compensation

Callon’s executive compensation program is designed to reward the management team for delivering results consistent with our long-term strategic objectives and in alignment with our stakeholders’ interests. The Compensation Committee, made up entirely of independent directors, strives to evolve Callon’s compensation to reflect shifts in shareholder priorities.

During 2021, the Compensation Committee undertook a holistic redesign of Callon’s executive pay programs to strengthen alignment with the Company’s strategy. Within the refreshed program, the Committee sought to align with key investor priorities for sustainability in the energy industry, including strong balance sheets, free cash flow generation, returns to shareholders, and ESG performance. It adopted a compensation structure that would balance near-term incentives linked to each of these investor priorities with long-term incentives to drive sustainable shareholder value creation. Objectives of the refreshed framework include:

- An annual bonus framework that prioritizes financial performance and ESG initiatives and eliminates traditional operational metrics.
- A long-term incentive (LTI) program that maintains a 60% weighting on performance-based LTI and manages equity dilution through the use of cash performance units tied to free cash flow, return on capital employed (ROCE), and GHG emissions reduction performance.
- Incentives that are directly aligned with shareholder outcomes by granting restricted stock units (RSUs) and incorporating relative total shareholder return in the annual bonus program.
- Incorporating ESG performance through 15% quantitative weighting plus qualitative ESG components in the annual bonus program, as well as GHG emissions reduction factors in the LTI program.



### 2023 Annual Incentive Framework for all Employees, Including Officers

Financial	<ul style="list-style-type: none"><li>• Leverage</li><li>• Capital Efficiency</li><li>• Operating Cash Margin</li><li>• Relative total shareholder return</li></ul>
Initiatives	<ul style="list-style-type: none"><li>• Technology advancement</li><li>• Diversity and development</li><li>• Asset development</li><li>• Other strategic initiatives</li></ul>
ESG	<ul style="list-style-type: none"><li>• Flaring</li><li>• GHG intensity</li><li>• Safety</li></ul>

In 2022 and 2023, the Committee has maintained continuity in the overall program design while enhancing alignment with the Company’s ESG goals. In addition to safety performance, the Committee will continue to hold management accountable for progress toward our medium-term GHG goals by including reductions in Callon-controlled flaring and the achievement of an interim GHG intensity goal in the 15% weighting for the ESG factor.



Executive Compensation

CONTINUED

Shareholder Priorities

The Compensation Committee strives to evolve Callon’s compensation to reflect shifts in shareholder priorities.

We believe our compensation program incorporates many sound practices, such as a substantial focus on performance-based pay, strong alignment with shareholder returns, peer group benchmarking of executive compensation, and robust stock ownership guidelines for named executive officers (NEOs) and directors. Callon also has a clawback policy that establishes conditions under which the Committee may recoup previously paid compensation in the event of error, misconduct, or certain other circumstances.

The Compensation Committee reviews shareholder votes and feedback to ensure our executive compensation programs align with their interests. Additional details about Callon’s executive compensation program are available in our [2023 Proxy Statement](#).

Compensation Program Governance Practices

- Substantial focus on performance-based pay
- Strong alignment with shareholder priorities through significant weighting on incentive compensation including financial, ESG, and relative stock price performance
- Review of peer group benchmarks when establishing compensation
- Robust stock ownership guidelines for our NEOs and directors
- Clawback policy applies in the event of error, fraud, or misconduct
- Double-trigger change in control severance for both cash severance and equity vesting
- NO hedging or pledging of our stock
- NO employment agreements
- NO excessive benefits or perquisites
- NO single trigger change in control benefits

## Stakeholder Engagement

At Callon, we believe delivering value to our stakeholders requires alignment and communication. Our governance structure and ongoing engagements with our stakeholders, including shareholders, employees, and communities, help position us to achieve our corporate goals.

### Our Stakeholders

STAKEHOLDER GROUP	ENGAGEMENT METHODS	READ MORE IN THIS REPORT
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>• Annual shareholder meeting</li> <li>• Investor conferences and roadshows</li> <li>• ESG-focused investor meetings</li> <li>• Ongoing one-on-one investor discussions</li> </ul>	Shareholder Engagement, Page 55
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Leadership interactions</li> <li>• Quarterly employee town halls</li> <li>• Regular communications and intranet</li> <li>• Employee satisfaction surveys</li> </ul>	Our Team and Culture, Page 32
<b>Landowners and mineral owners</b>	<ul style="list-style-type: none"> <li>• Ongoing engagement via our land department</li> <li>• Dedicated owner relations department and communications outlets</li> </ul>	Biodiversity and Land Stewardship, Page 25
<b>Local communities</b>	<ul style="list-style-type: none"> <li>• Local community outreach and philanthropy</li> </ul>	Community Engagement and Support, Page 39
<b>Suppliers and contractors</b>	<ul style="list-style-type: none"> <li>• Contractor vetting process</li> <li>• Ongoing contractor assessments</li> <li>• Contractor engagement meetings</li> <li>• Contractor education and trainings</li> </ul>	Contractor Management, Page 31
<b>Regulators and government entities</b>	<ul style="list-style-type: none"> <li>• Support regulatory development relevant to our business in collaboration with trade associations</li> </ul>	Public Advocacy, Page 57
<b>NGOs and academics</b>	<ul style="list-style-type: none"> <li>• ESG investor engagement</li> <li>• Research support and funding</li> </ul>	Water Management Spotlight, Page 22 Community Engagement and Support, Page 39

Stakeholder Engagement

CONTINUED

Shareholder Engagement

Callon’s Investor Relations team facilitates an active shareholder outreach program, which involves Callon’s CEO and CFO, as well as other executive leaders. Over the last year, we have engaged with investors representing over 50% of our outstanding shares as of June 30, 2023. We take shareholder feedback into consideration as it helps us form our ESG initiatives and set new goals and targets.

During 2023, feedback from our various shareholders covered corporate strategy, risk management, executive compensation, and ESG initiatives.

In addition to shareholder engagement, we proactively engage with ESG rating agencies to better align our ESG disclosures. The material included in this report is a result of these discussions and includes what we believe are the most significant priorities for all our stakeholders.



## Ethics and Transparency

Callon has built a strong foundation over our 70-plus-year history as a trusted partner in business and in our communities. Our core value of integrity drives us to do the right thing by being open, honest, ethical, and genuine. We do what we say and are accountable for our actions.

Callon’s integrity, reputation, and success depend on the individual actions of our employees, directors, and others acting on our behalf. Our [Code of Business Conduct and Ethics](#), our [Contractor Code of Conduct](#), as well as our [Human Rights Policy](#) and related policies set out our expectation that team members, including employees, contractors, and vendors, maintain high ethical standards and comply with all applicable legal requirements when conducting Callon’s business. The Codes cover topics ranging from conflicts of interest and equal employment opportunity to anti-harassment, anti-corruption, and compliance with applicable laws. The Codes prohibit bribes, as well as any gifts or impermissible payments to government officials, and in any event, the Company has not engaged any third-party agents to represent the Company in matters with government officials for at least the last five years. The Codes also explicitly prohibit directors, officers, and employees from engaging in insider trading or hedging transactions in Callon stock.

We conduct annual Code training that requires all full- and part-time employees to commit to the Code of Business Conduct and Ethics, the Contractor Code of Conduct, and our Human Rights Policy. This acknowledgment establishes the understanding of and compliance with the key guidelines within the policies and codes.

We encourage Callon team members to bring any issues or concerns to their supervisor, any member of the human resources or legal teams, or a member of the leadership team. In addition, we have a toll-free ethics hotline and website available for anonymous, confidential reporting at 1-844-471-7637 and online at [callon.ethicspoint.com](http://callon.ethicspoint.com). All reports are evaluated and, if deemed necessary, investigated by our internal subject-matter experts. The General Counsel provides a quarterly report to the Audit Committee on any Code of Business Conduct and Ethics allegations and any investigation activity.

Callon does not permit any form of retribution or retaliation against any person who makes a good-faith report of known or suspected violations of the Codes or suspected illegal or unethical conduct.

**Callon maintains a toll-free ethics hotline available for anonymous, confidential reporting by phone or online:**





Public Advocacy

Public interest in the sustainability of the energy industry and its place in the energy transition has increased exponentially over the past few years. Public policy discussions surrounding our industry are evolving rapidly. We believe important discussions and decisions about regulatory and legislative issues need thoughtful, informed deliberation among government agencies, industry, and stakeholders. It is important to Callon to build relationships and have constructive conversations that will help us continue to be a responsible operator while achieving our goals and addressing stakeholder concerns.

While Callon is non-partisan, we are active participants in industry associations, trade groups, and advocacy organizations. We engage with these associations and advocacy groups to help make our views on these matters known. Members of our ELT serve as Board members on the American Exploration and Production Council, the Independent Petroleum Association of America, and the Permian Basin Petroleum Association. We also support employees who are active participants in industry associations. They represent our values within their peer group and help contribute to

industry best practices on various initiatives and committees. We also encourage our employees to be informed on industry matters and regularly share information to help them be informed energy citizens in their discussions with families and friends.

To support Houston’s economic development and sustainability plans, we also support the Greater Houston Partnership as a senior advisory partner and sit on three development committees.

The following table discloses our membership dues to industry associations, trade groups, or advocacy organizations in 2022.

ORGANIZATION	2022 DUES PAID
American Exploration & Production Council (AXPC)	\$210,000
The Environmental Partnership	\$138,800
Independent Petroleum Association of America (IPAA)	\$50,000
Permian Basin Petroleum Association (PBPA)	\$10,800
Texas Independent Producers & Royalty Owners Association (TIPRO)	\$3,000

Public Advocacy CONTINUED

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We are committed to improving the industry’s environmental performance by participating in meaningful partnerships. We believe in the value of working together to achieve Solutions as we continue to help meet the growing demand for energy in a safe and environmentally responsible manner.

— Joseph Gatto Jr., President and CEO

Political Engagement

Consistent with our Code of Business Conduct and Ethics, Callon does not make corporate contributions to individual candidates or political committees supporting specific candidates in federal, state, or local elections. We do not sponsor a political action committee, and we encourage employees to vote and support the candidates and parties of their choice. For more information on our political activity and contributions policy, please refer to our [Code of Business Conduct and Ethics](#).

Supporting Industry Partnerships and Organizations to Improve Environmental Performance

We are proud to support industry partnerships and initiatives that promote environmental transparency and innovation. Callon actively participates in environmental and regulatory peer groups, agency cooperative efforts, subject-matter committees, and environmental non-profit organizations to exchange technical knowledge, innovative ideas, and emissions reduction strategies. These relationships also provide opportunities to engage key stakeholders, develop an understanding of sound science, and further responsible and efficient oil and natural gas production.



Climate Change Risk and Resiliency

At Callon, we share our stakeholders’ concerns about the risks of climate change.

We also recognize the potential impacts on our industry, including the evolving preferences of consumers and investors and increasing regulatory obligations. As concerned citizens and responsible operators, we are committed to diligently minimizing and mitigating our environmental impact while responsibly providing affordable, reliable oil and gas resources that serve to raise standards of living and quality of life for people in the U.S. and around the world.

To address the increasing interest of shareholders in how climate-related risks and opportunities can potentially impact Callon’s operational and financial performance, we provide voluntary disclosures regarding our active approach to assessing and managing climate risks in alignment with the TCFD recommendations. TCFD provides a framework of recommended disclosures, including four reporting elements: governance, strategy, risk management, and metrics and targets. The framework helps us evaluate and communicate how we believe our Company could be impacted by future energy scenarios using different scenarios and assumptions over various time horizons.



## Governance Structure for Climate-related Risks

We believe in an integrated approach to assessing climate-related risks and opportunities. Below describes the oversight and management of the climate-related risks and opportunities that affect our business.

### Board of Directors

The highest level of oversight of business risk management rests with our Board of Directors. The Board recognizes that climate-related risks are interconnected with other business risks and opportunities, and they regularly review salient ESG-related issues alongside other operational, financial, and strategic matters. At each regular Board meeting, time is reserved for reviewing enterprise risks and specific progress on Callon’s environmental programs and targets.

### Board Committees

Each of our Board committees has a role in our climate-related risk strategies. The Nominating & ESG Committee has responsibility for overseeing and guiding our policies and performance relating to ESG matters, including assessment and monitoring of stakeholder concerns and emerging issues such as climate-related risks and opportunities. The Operations & Reserves Committee oversees operational performance relative to established environmental goals, and the Audit Committee oversees risk-related disclosures in compliance with regulatory requirements. The Compensation Committee is responsible for aligning executive compensation with strategic priorities, including environmental performance. See page 11 for information about the incorporation of GHG emissions reduction goals into our incentive compensation program.

### Executive Management

Our Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Financial Officer (CFO), and General Counsel, together with the Executive Leadership Team (ELT), are

responsible for executing the Company’s business strategy and implementing the Board’s recommendations regarding climate-related risk management efforts. As members of our Management Committee on Sustainability (“Sustainability Committee”), the ELT participates in regular briefings on climate-related issues, stakeholder expectations, and regulatory developments from our subject-matter experts and directs our strategic and operational responses. The ELT also reviews our risk framework, which captures and assesses significant risks to our business based on their potential impact and probability of occurrence. The ELT then directs issue-specific working groups or teams to develop initiatives and processes to mitigate, control, and respond to those risks where possible.

To understand the potential long-term impacts of climate-related risks and opportunities on our business, the ELT initiated the scenario analysis described below to assess the resilience of our business strategy in various future energy scenarios. The ELT also assessed our GHG emissions and, with input from the Board, established meaningful GHG emissions reduction goals to mitigate climate-related risks. As members of the ELT, Callon’s COO is responsible for operational execution in support of those goals, and our Senior Vice President and General Counsel is responsible for overseeing our sustainability efforts, including climate-related assessments and disclosures. The ELT and Board are fully committed to responsibly adapting Callon’s operations for the future.

We provide additional discussion on our governance, structure, and enterprise risk management beginning on page 43.





Strategy

We create value for our stakeholders through a life-of-field development model that prioritizes both near-term returns and long-term value optimization. Our diversified, multi-year inventory in the prolific Permian Basin provides us the flexibility to adapt to commercial and market dynamics without sacrificing strategic objectives. Additionally, our durable cash operating margins support cash flow generation through periods of commodity price volatility.

Climate-Related Risks and Opportunities

As we execute the development of our substantial resource base, we are mindful of the climate-related risks we face as the world seeks to balance progress toward a lower-carbon future with the energy needed to support economic growth and human prosperity. As we pursue our strategic objectives, we integrate the evaluation of climate-related risks into our planning processes across short-, medium-, and long-term time horizons.

Time Horizons

Elements of risk manifest themselves over different time horizons. We consider the following horizons when assessing and planning for future development and related risks and opportunities:

• 0 – 2-year Time Horizon •

Callon has built a workflow for formulating and reforecasting an operating plan that is focused on the generation of free cash flow while advancing our “life of field” co-development strategy and emission reduction initiatives. In this timespan, we use a variety of analytical tools to optimize key operational variables and financial outcomes. Moreover, we consider all forms of enterprise risk, and our management team reviews the models to ensure proper risk mitigation strategies are in place. In addition to risk modeling, Callon continues to implement environmental programs and initiatives aimed at reducing GHG emissions within the short-term horizon. Our commitments to minimize flaring, reduce field fuel combustion, and retrofit facility components drive our sustainability objectives while mitigating our transitional risks.

• 2 – 5-year Time Horizon •

Callon’s Strategic Planning team conceptualizes mid-term capital allocation strategies and formulates scenarios addressing life-of-field management, changes in market conditions and risk mitigation, including climate-related risks. This range of development scenarios provides the insight needed to confidently procure the resources, technologies, and talent necessary to optimize asset development. This horizon serves as the foundation upon which the 0 – 2-year development is constructed. Our 5-year plan maintains a capital allocation blend that balances financial performance and inventory optimization based on various strategic assumptions. This blend is similarly built to absorb physical and transitional risks by considering elements highlighted within our enterprise risk management process.

• 5 – 10-year Time Horizon •

Our short-term and mid-term planning approach permeates through and influences our long-term planning outcomes. Under this planning horizon we use various models to quantify a variety of potential full-field development outcomes, along with various pricing implications outlined in the World Energy Outlook scenarios. Our management team and subject-matter experts review the modeled inputs to calibrate assumptions, and outputs are generated through a three-statement financial model. Such outputs provide context on inventory resiliency, movement of Net Asset Value (NAV), and the strategic timing of corporate

Strategy CONTINUED

development pursuits under various macro environments. This ongoing work allows us to understand a probabilistic range of long-term development outcomes while evaluating plans against all emerging risks including those related to climate change.

Scenario Analysis

As a prudent business practice in an evolving energy landscape, we periodically evaluate the resiliency of our business under various assumptions. Our operational and strategic development plans are regularly refreshed and tested against a range of projected market conditions. Callon’s Board and management team evaluate a variety of field development scenarios that thoughtfully balance financial returns and capital efficiency with inventory preservation. In addition, we assess inventory expansion opportunities against projected market scenarios.

The assumptions embedded in our periodic scenario analysis include future global energy scenarios developed by the International Energy Agency (IEA). In its World Energy Outlook, the IEA utilizes a scenario approach to examine future energy trends. The normative and exploratory scenarios frame views on future oil and gas demand and commodity prices, as well as technology, policy, and societal requirements tied to energy transition pathways. For each scenario, we evaluate the range of potential impacts on our business and identify strategic risks and opportunities. The four main scenarios of the IEA’s 2021 World Energy Outlook are:

Stated Policies Scenario (STEPS)

STEPS reflects the impact of specific policy initiatives that already have been announced by governments, including the Nationally Determined Contributions (NDC) submitted by the Paris Agreement signatories. It also accounts for the continued evolution of known technologies. The consumption of both oil and natural gas remains an integral component of this scenario, with both 2030 and 2050 demand levels exceeding current levels.

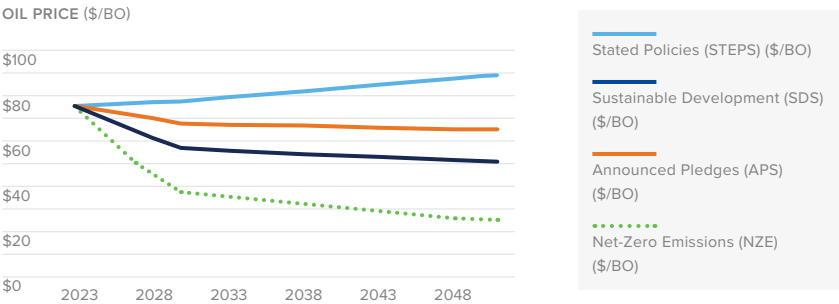
Announced Pledges Scenario (APS)

APS assumes that all climate commitments made by governments around the world, including NDCs and longer-term net-zero targets, will be met in full and on time. This scenario highlights the “ambition gap” that exists between current climate pledges and the goals agreed to in Paris in 2015 to limit global warming to below 2°C, as compared to pre-industrial levels. Under this scenario, CO<sub>2</sub> emissions would rise to 30 gigatons in 2030 and subsequently fall to 22 gigatons in 2050, thereby slowing down the global temperature rise to 2.1°C by 2100. The rise and fall of CO<sub>2</sub> emissions is representative of the increasing consumption of oil and gas through 2030, followed by a continued reduction to pre-2020 levels by 2050.

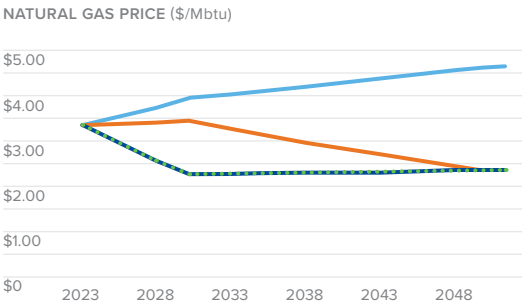
Sustainable Development Scenario (SDS)

SDS outlines a pathway to limit global temperature rise to well below 2.0°C by 2100 while pursuing efforts to limit that rise to 1.5°C. Within this scenario, advanced economies

IEA WORLD ENERGY OUTLOOK SCENARIO PRICING<sup>3</sup>



IEA WORLD ENERGY OUTLOOK SCENARIO PRICING<sup>3</sup>



Strategy CONTINUED

achieve net-zero emissions by 2050, and developing economies follow suit by 2070. The key assumptions that drive emissions reductions beyond STEPS and APS are enhanced clean energy policies, accelerated investments in low-emission technologies and energy sources, and a slight decline in oil and gas consumption. Projected energy replacement technologies in this scenario include wind, solar, batteries, and fuel cells.

Net-Zero Emissions (NZE)

The most ambitious of the IEA scenarios examines measures required within the energy sector over the next ten years to achieve a pathway to net-zero CO<sub>2</sub> emissions by 2050, thereby arresting global temperature rise to 1.5°C above preindustrial levels. While this scenario presents a narrow but achievable pathway to net-zero emissions, the commitments to such an outcome remain less detailed as countries and companies resolve strategies around long-term business implications. Within the NZE scenario, oil and gas inventories are expectedly less resilient, whereby only the lowest cost development opportunities remain economically viable within an energy portfolio of greater diversification. This scenario projects that oil and gas consumption would decrease moderately from current levels by 2030, after which consumption of both products would decrease significantly further by 2050.

Portfolio Resiliency

The resiliency of our business is advantaged by strong assets that are centrally positioned within the Permian Basin, one of the world’s most economically attractive and environmentally sound oil and gas basins, which positions us well for long-term competitiveness relative to worldwide oil and gas assets. The durability of our inventory is enhanced by capitally efficient field development strategies, a continuously improving well cost structure, and competitive supply chain pricing. Callon combines these underlying advantages with data analytics to ensure that plans-of-development are executed in a manner that manages both short-term and long-term business objectives.

We regularly assess the resiliency of our portfolio under a wide range of assumptions, including the IEA scenarios described above. Our most recent analysis provides forecasts for our pro forma 2023 inventory and net asset value using the commodity price assumptions embedded in the IEA scenarios, along with historically calibrated cost assumptions. As described below, this analysis indicates that Callon’s 10-year outlook remains fully resilient in all but the most ambitious of the IEA scenarios.

IMPACTS RELATIVE TO CALLON BASELINE

		STEPS	APS	SDS	NZE
IEA Scenario Pricing	Oil Price	Favorable to Baseline	Neutral to Baseline	Unfavorable to Baseline	Unfavorable to Baseline
	Gas Price	Favorable to Baseline	Neutral to Baseline	Unfavorable to Baseline	Unfavorable to Baseline
Scenario Analysis Results	Inventory	Favorable to Baseline	Neutral to Baseline	Neutral to Baseline	Unfavorable to Baseline
	Net Asset Value	Favorable to Baseline	Neutral to Baseline	Neutral to Baseline	Unfavorable to Baseline

Favorable to Baseline

Neutral to Baseline

Unfavorable to Baseline

Based on our most recent analysis, Callon’s inventory and net asset value are projected to be enhanced in the STEPS scenario, as the IEA forecasts that oil and gas demand — and therefore, commodity prices — would increase if global energy and climate policies are static. Callon’s inventory and net asset value are projected to also be resilient in the APS scenario and in the SDS scenario, which contemplate continued use of oil and gas with gradual declines over the coming decades. Under the NZE scenario, Callon’s inventory and net asset value would likely be impacted. In this theoretical scenario, our tail inventory and associated net asset value could face long-term pressures in the event of a rapid acceleration in energy transition policies.

Overall, this analysis suggests that Callon can be expected to generate competitive returns and continue to operate profitably, even in the case of declining oil prices in most of the carbon-constrained scenarios. We are confident that our high-quality Permian Basin asset base and low-cost operating structure provide our shareholders with an attractive and valuable business that can sustain expected regulatory and policy changes and evolving market conditions.

Climate Risk Management

At Callon, we utilize an enterprise risk management (ERM) framework (as described more fully on page 50) that includes identifying and assessing risks to our business within an evolving economic, policy, and operational

universe. As part of the ongoing ERM activities, our Board and management team regularly assess the potential risks that climate change may pose to our business, along with mitigation strategies.

Climate-related Risks and Mitigation Strategies

		CLIMATE-RELATED RISK	POTENTIAL BUSINESS IMPACT	ONGOING MITIGATION STRATEGIES
Transition Risks	Policy and Legal	<ul style="list-style-type: none"><li>Increasing regulatory requirements</li><li>Taxation of emissions</li><li>Enhanced reporting requirements</li><li>Exposure to litigation</li></ul>	<ul style="list-style-type: none"><li>Increased complexity of operations</li><li>Higher operating and capital costs</li><li>Production delays</li><li>Additional controls and procedures</li><li>Potential for fines, penalties, and unfavorable judgments</li></ul>	<ul style="list-style-type: none"><li>Conduct readiness assessments to prepare for implementation of proposed regulations</li><li>Continued investments to reduce emissions</li><li>Monitoring legislative and regulatory changes</li><li>Participation in industry advocacy groups</li></ul>
	Market	<ul style="list-style-type: none"><li>Changing consumer behavior</li><li>Substitution of products with lower carbon profiles</li><li>Decreasing capital availability</li><li>Decreasing insurance capacity</li></ul>	<ul style="list-style-type: none"><li>Decreased revenue from declining commodity prices</li><li>Increased cost of capital</li><li>Increased expenses</li><li>Increased liability exposure</li></ul>	<ul style="list-style-type: none"><li>Maintaining low cost operating structure</li><li>Continued debt reduction</li><li>Shareholder returns program</li><li>Increasing returns on investment</li><li>Hedging</li><li>Continued reduction in emissions</li></ul>
	Reputational	<ul style="list-style-type: none"><li>Shifts in consumer and stakeholder preferences</li><li>Stigmatization of industry</li><li>Changing investor preferences</li></ul>	<ul style="list-style-type: none"><li>Decreased opportunity set due to local resistance to operations</li><li>Increased cost of capital</li><li>Increased expenses</li><li>Decreased revenue</li><li>Heightened competition for talent</li></ul>	<ul style="list-style-type: none"><li>Stakeholder engagement, transparency in reporting, and continual improvement in ESG performance</li><li>Participation in industry groups</li><li>Continued reduction in emissions</li><li>Community investment</li><li>Workforce development and investment</li></ul>
Physical Risks	Acute	<ul style="list-style-type: none"><li>Severe weather impacts</li></ul>	<ul style="list-style-type: none"><li>Operational shutdowns that reduce revenue</li><li>Increased operating expense</li><li>Increased capital costs</li></ul>	<ul style="list-style-type: none"><li>Business continuity plans</li><li>Facilities upgrades</li><li>Utilizing SCADA to allow remote monitoring</li><li>Partnering with regulatory agencies to designate assets as critical infrastructure</li></ul>
	Chronic	<ul style="list-style-type: none"><li>Water availability/restriction</li><li>Increasing heat and number of extreme weather days</li></ul>	<ul style="list-style-type: none"><li>Risk of operational shutdowns</li><li>Increased operating expenses</li><li>Health and safety of workforce</li><li>Competition for talent</li></ul>	<ul style="list-style-type: none"><li>Contingency planning</li><li>Investment in water recycling and excess water management capacity</li><li>Safety training and protocols</li></ul>

Climate Metrics and Targets

See page 11 for more on Callon’s emissions reduction targets. Performance metrics can be found in the next section on page 65.

2024 Environmental Targets

50% by 2024

Reduce GHG emissions intensity by 50% over 2019 levels

<1% by 2024

Reduce Callon-controlled flaring to less than 1%

<0.2% by 2024

Reduce methane emissions to less than 0.2%<sup>2</sup>



## Performance Metrics

In this section, we disclose quantitative information about our ESG performance that we believe is of value to our stakeholders. Callon strives to provide the most accurate information possible when data is available from a verified source. All 2019 data reflect pro forma Callon results. 2019 Air Quality data reflect updated gas analysis and BTU

values which are consistent with 2020 GHG methodologies. Due to corporate mergers and acquisitions in 2019, certain historical data is not available or could not be calculated for disclosure within this table. Please refer to ESG Reporting Approach for information about the quantitative review performed for the data presented below.

OPERATIONAL METRICS		UNIT OF MEASURE	2019	2020	2021	2022
Gross Daily Production	Oil production, total gross	MBbl / day	105	94	100	96
	Natural gas production, total gross	MMcf / day	246	265	292	270
Net Daily Production	Oil production, total net	MBbl / day	32	64	61	65
	Natural gas production, total net	MMcf / day	57	224	206	238
Daily Synthetic Production	Oil production	MBbl / day	0	0	0	0
	Gas production	MMcf / day	0	0	0	0
Reserves	Proved reserves	MMBoe	540	476	485	480
	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0%	0%	0%	0%
	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	0%	0%	0%	0%
	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	0%	0%	0%	0%
Number of offshore sites		Number	0	0	0	0
Number of terrestrial sites		Number	0	0	0	0

## Performance Metrics CONTINUED

ENVIRONMENTAL METRICS		UNIT OF MEASURE	2019	2020	2021	2022
Greenhouse Gas Emissions	Gross scope 1 GHG emissions	Metric tons CO <sub>2</sub> -e(t)	1,450,165	995,625	1,047,039	824,919
	Gross scope 1 GHG intensity rate	Metric tons CO <sub>2</sub> -e(t) / production (MBoe)	27.3	19.7	19.3	16.0
	Percentage of scope 1 GHG emissions covered under emissions-limiting regulations	Percentage (%)	100%	100%	100%	100%
	<b>Methane Emissions</b>					
	Gross scope 1 methane emissions	Metric tons CO <sub>2</sub> -e	410,957	292,793	315,440	187,594
	Gross scope 1 methane emissions as a percentage of GHG emissions	Percentage (%)	28%	29%	30%	23%
	Gross scope 1 methane emissions as a percentage of total gas production	Percentage (%)	1.0%	0.63%	0.61%	0.39%
	<b>GHG Emissions by Source</b>					
	Gross scope 1 GHG emissions from flared hydrocarbons	Metric tons CO <sub>2</sub> -e	544,678	298,711	233,903	245,416
	Flare percent, as a percent of gas produced (inclusive of all third-party flaring)	Percentage (%)	7.3%	4.1%	2.1%	3.1%
	Gross scope 1 GHG emissions from other combustion	Metric tons CO <sub>2</sub> -e	523,029	429,557	496,619	391,330
	Gross scope 1 GHG emissions from process emissions	Metric tons CO <sub>2</sub> -e	0	0	0	0
	Gross scope 1 GHG emissions from other vented emissions	Metric tons CO <sub>2</sub> -e	372,216	256,359	308,289	174,242
	Gross scope 1 GHG emissions from fugitive emissions	Metric tons CO <sub>2</sub> -e	10,242	10,998	8,228	13,931
Air Quality	<b>Scope 2 Emissions</b>					
	Gross scope 2 GHG emissions (location based)	Metric tons CO <sub>2</sub> -e(t)	118,929	69,103	80,984	172,299
	<b>Scope 1 + Scope 2 GHG Emissions</b>					
		Metric tons CO <sub>2</sub> -e(t)	1,569,094	1,064,728	1,128,023	997,218
	Methane (CH <sub>4</sub> ) emissions	Metric tons (t)	16,438	11,712	12,618	7,504
	Nitrogen oxide (NO) emissions	Metric tons (t)	15,098	12,955	9,367	7,794
	Sulfur dioxide (SO <sub>2</sub> ) emissions	Metric tons (t)	1,485	1,015	930	473
	Volatile organic compounds (VOCs) emissions	Metric tons (t)	265,714	242,410	253,328	245,269
	Particulate matter (PM10) emissions	Metric tons (t)	257	330	105	63

## Performance Metrics CONTINUED

ENVIRONMENTAL METRICS		UNIT OF MEASURE	2019	2020	2021	2022
Water Management	Total freshwater withdrawn	Thousand cubic meters (m <sup>3</sup> )	5,010	3,230	3,541	3,601
	Percentage of total freshwater withdrawn in regions with high or extremely high baseline water stress	Percentage (%)	34%	35%	38%	77%
	Total freshwater consumed	Thousand cubic meters (m <sup>3</sup> )	4,183	2,014	2,976	2,782
	Percentage of freshwater consumed in regions with high or extremely high baseline water stress	Percentage (%)	36%	46%	51%	75%
	Total volume of recycled produced water consumed	Thousand cubic meters (m <sup>3</sup> )	1,484	773	683	623
	Total volume of non-freshwater consumed	Thousand cubic meters (m <sup>3</sup> )	3,024	1,272	2,099	3,182
	Total volume of water consumed	Thousand cubic meters (m <sup>3</sup> )	8,691	4,059	5,074	5,964
	Total volume of recycled produced water	Thousand cubic meters (m <sup>3</sup> )	1,484	953	812	848
	Volume of produced water and flowback generated	Thousand cubic meters (m <sup>3</sup> )	15,854	15,313	15,118	19,614
	Percentage of produced water and flowback discharged	Percentage (%)	0%	0%	0%	0%
	Percentage of produced water and flowback injected	Percentage (%)	91%	94%	95%	96%
	Percentage of produced water and flowback recycled	Percentage (%)	9%	6%	5.4%	4.3%
	Hydrocarbon content in discharged water	Metric tons (t)	0	0	0	0
	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	100%	100%	100%	100%
	Percentage of produced water on pipe	Percentage (%)	>90%	>90%	>90%	>90%

## Performance Metrics CONTINUED

ENVIRONMENTAL METRICS		UNIT OF MEASURE	2019	2020	2021	2022
Biodiversity Impacts	Aggregate volume of hydrocarbon spills to the environment	Barrels (bbls)	715	96	164	168
	Number of hydrocarbon spills to the environment	Number	35	21	24	28
	Aggregate volume of hydrocarbon spills in the Arctic	Barrels (bbls)	0	0	0	0
	Aggregate volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10	Barrels (bbls)	0	0	0	0
	Aggregate volume of hydrocarbon recovered from the environment	Barrels (bbls)	567	29	95	126
	Total fluid spill rate	Barrels of total fluid spilled / million barrels produced	115	39	30	31
	Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0%	0%	0%	0%
	Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0%	0%	0%	0%
	Volume of hazardous waste generated and disposed	Cubic yards (cy)	–	10	0	0
Reserves Valuation & Capital Expenditures	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons CO <sub>2</sub> -e(t)	61,238,606	53,966,975	54,955,979	54,377,614
	Amount invested in renewable energy, revenue generated by renewable energy sales	Reporting currency	273,750	303,600	153,865	31,297
Critical Incident Risk Management	Process safety event (PSE) rates for loss of primary containment (LOPC) of greater consequence (Tier 1)	Rate	–	0.34	0.19	0.17



## Performance Metrics CONTINUED

SOCIAL RESPONSIBILITY METRICS		UNIT OF MEASURE	2019	2020	2021	2022
Total Recordable Incident Rate (TRIR)		Number of work-related injuries and illnesses per 200,000 work-hours	0.60	0.54	0.62	0.39
Total Recordable Incident Rate (TRIR) Employees		Number of work-related injuries and illnesses per 200,000 work-hours for employees	1.75	0	0.31	0.28
Total Recordable Incident Rate (TRIR) Contractors		Number of work-related injuries and illnesses per 200,000 work-hours for contractors	0.49	0.71	0.70	0.41
Lost Time Incident Rate (LTIR)		Rate	—	—	0.06	0.06
Lost Time Incident Rate (LTIR) Employees		Rate	—	—	0.00	0.00
Lost Time Incident Rate (LTIR) Contractors		Rate	—	—	0.08	0.07
Fatality rate (Total Workforce)		Rate	0	0	0	0
Fatality rate Contractors		Rate	0	0	0	0
Fatality rate Employees		Rate	0	0	0	0
Near miss frequency rate (NMFR)		Rate	0.65 <sup>4</sup>	0.88	0.50	0.50
Average hours of health, safety, and emergency response training for full-time field employees		Hours (h)	18	7	8	12
Average hours of health, safety, and emergency response training short-service employees		Hours (h)	37	27	41	41
Workforce <sup>5</sup>	<b>Total permanent, full-time employees</b>	Number	—	303	322	354
	Percent of workforce represented by union	Percentage (%)	—	0%	0%	0%
	Employee turnover – voluntary	Percentage (%)	—	4%	7%	12%
	<b>Employee by age group</b>					
	Under age 30	Percentage (%)	—	6%	8%	8%
	Age 30–50	Percentage (%)	—	73%	71%	71%
	Over age 50	Percentage (%)	—	21%	21%	21%
	<b>Women of Callon</b>					
	All employees	Percentage (%)	—	18%	21%	22%
	Executives and senior officers	Percentage (%)	—	18%	11%	27%
	First- and mid-level managers	Percentage (%)	—	12%	18%	17%
	Professionals	Percentage (%)	—	24%	29%	33%
	<b>Racial or Ethnically Diverse People of Callon</b>					
	All employees	Percentage (%)	—	36%	36%	41%
	Executives and senior officers	Percentage (%)	—	0%	0%	9%
	First- and mid-level managers	Percentage (%)	—	19%	22%	19%
	Professionals	Percentage (%)	—	32%	31%	40%

Task Force On Climate-related Financial Disclosures (TCFD) Index

The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures as a tool for investors and other stakeholders to assess risks associated with climate change. Below

are the core themes covered in this year’s Sustainability Report as well as their referenced location. More details can be found in the Climate Change Risk section on page 59.

CORE THEME	TOPIC	REFERENCE LOCATION
Governance	Describe the Board’s oversight of climate-related risks and opportunities.	Page 60
	Describe management’s role in assessing and managing climate-related risks and opportunities.	Page 60
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 61–63
	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	Page 61–63
	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 64
Risk Management	Describe the organization’s processes for identifying and assessing climate-related risks.	Page 64
	Describe the organization’s processes for managing climate-related risks.	Page 64
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	Page 64
Metrics & Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 65
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Page 65
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 11

## Sustainability Accounting Standards Board (SASB)

SASB standards enable businesses around the world to identify, manage, and communicate financially material sustainability information to their investors. SASB provides a complete set of 77 globally applicable industry-specific standards, which identify

the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. The following table references the specific “Oil & Gas-Exploration and Production” industry standard.

	INDICATOR NUMBER	DISCLOSURE LOCATION
Greenhouse Gas Emissions	EM-EP-110a.1	Page 66
	EM-EP-110a.2	Page 66
	EM-EP-110a.3	Page 14–20
Air Quality	EM-EP-120a.1	Page 66
Water Management	EM-EP-140a.1	Page 67
	EM-EP-140a.2	Page 67
	EM-EP-140a.3	Page 67
	EM-EP-140a.4	Page 67
Biodiversity Impacts	EM-EP-160a.1	Page 25
	EM-EP-160a.2	Page 68
	EM-EP-160a.3	Page 68
Workforce Health & Safety	EM-EP-320a.1	Page 69
	EM-EP-320a.2	Page 28–31
Reserves Valuation & Capital Expenditures	EM-EP-420a.1	Page 65
	EM-EP-420a.2	Page 65
	EM-EP-420a.3	Page 65
	EM-EP-420a.4	Page 62–63 and 10-K
Business Ethics & Transparency	EM-EP-510a.1	Page 65
	EM-EP-510a.2	Page 56, Code of Business Conduct and Ethics
Security, Human Rights & Rights of Indigenous Peoples	EM-EP-210a.1	Page 65
	EM-EP-210a.2	Page 65
	EM-EP-210a.3	Page 54
Community Relations	EM-EP-210b.1	Page 39–42
	EM-EP-210b.2	Page 39–42
Management of the Legal & Regulatory Environment	EM-EP-530a.1	10-K / 10-Q Risks Section
Critical Incident Risk Management	EM-EP-540a.1	Page 69
	EM-EP-540a.2	Page 50
Activity Metrics	EM-EP-000.A	Page 65
	EM-EP-000.B	Page 65
	EM-EP-000.C	Page 65

## American Exploration and Production Council (AXPC)

The American Exploration and Production Council is a national trade association representing the largest independent oil and natural gas exploration and production companies in the United States and of which Callon is a council member. To promote transparency and consistency in ESG reporting among U.S. upstream exploration and

production companies, AXPC launched its voluntary ESG Metrics Framework and Template in February 2021. AXPC's framework includes five key metrics groupings – Greenhouse Gas Emissions, Flaring, Spills, Water Use and Safety.

TOPIC	METRIC	2022
Greenhouse Gas Emissions	Scope 1 GHG Emissions (Metric tons CO <sub>2</sub> e)	824,919
	Scope 1 GHG Intensity Scope 1 GHG Emissions (Metric tons CO <sub>2</sub> e) / Gross Annual Production as Reported Under Subpart W (MBoe)	16.00
	Percent of Scope 1 GHG Emissions Attributed to Boosting and Gathering Segment	0.35%
	Scope 2 GHG Emissions (Metric tons CO <sub>2</sub> e)	171,527
	Scopes 1 & 2 Combined GHG Intensity (Scope 1 GHG Emissions (Metric tons CO <sub>2</sub> e) + Scope 2 GHG Emissions (Metric tons CO <sub>2</sub> e)) / Gross Annual Production as Reported Under Subpart W (MBoe)	19.30
	Scope 1 Methane Emissions (Metric tons CH <sub>4</sub> )	7,504
	Scope 1 Methane Intensity Scope 1 Methane Emissions (Metric tons CH <sub>4</sub> ) / Gross Annual Production – As Reported Under Subpart W (MBoe)	0.15
	Percent of Scope 1 Methane Emissions Attributed to Boosting and Gathering Segment	0.27%
Flaring	Gross Annual Volume of Flared Gas (Mcf)	3,090,531
	Percentage of gas flared per Mcf of gas produced Gross Annual Volume of Flared Gas (Mcf) / Gross Annual Gas Production (Mcf)	3.1%
	Volume of gas flared per barrel of oil equivalent produced Gross Annual Volume of Flared Gas (Mcf) / Gross Annual Production (Boe)	0.060
Spills	Spill Intensity Produced Liquids Spilled (Bbl) / Total Produced Liquids (MBbl)	0.310
Water Use	Freshwater Intensity Freshwater Consumed (Bbl) / Gross Annual Production (Boe)	0.339
	Water Recycle Rate Recycled Water (Bbl) / Total Water Consumed (Bbl)	0.10
	Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer, or other comparable tool or methodology to determine the water stressed areas in your portfolio?	Yes
Safety	Employee TRIR # of Employee OSHA Recordable Cases x 200,000 / Annual Employee Work-hours	0.28
	Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000 / Annual Contractor Work-hours	0.41
	Combined TRIR # of Combined OSHA Recordable Cases x 200,000 / Annual Combined Work-hours	0.39



## American Exploration and Production Council (AXPC) CONTINUED

TOPIC	METRIC	2022
Supporting Data	Gross Annual Oil Production (Bbl)	35,218,205
	Gross Annual Gas Production (Mcf)	98,433,280
	Gross Annual Production (Boe)	51,623,752
	Gross Annual Production (MBoe)	51,624
	Gross Annual Production – As Reported Under Subpart W (MBoe)	51,624
	Total Produced Liquids (MBbl)	158,545
	Produced Liquids Spilled (Bbl)	4,935
	Freshwater Consumed (Bbl)	17,499,988
	Recycled Water (Bbl)	3,920,121
	Total Water Consumed (Bbl)	37,512,979
	Employee OSHA Recordable Cases	1
	Contractor OSHA Recordable Cases	6
	Combined OSHA Recordable Cases	7
	Annual Employee Work-hours	720,994
	Annual Contractor Work-hours	2,892,230
	Methodology	Actual
	Annual Combined Work-hours	3,613,224

United Nations Sustainable Development Goals (UN SDGs) CONTINUED

The United Nations Sustainable Development Goals are the globally agreed-upon action plan for providing affordable and clean energy, protecting our planet, and promoting peace and prosperity for all people. We identified 11 SDGs that we believe Callon makes the most contribution below.

SDG GOAL NUMBER	GOAL DESCRIPTION	DISCUSSION LOCATION
SDG Goal 1	No Poverty	Page 33
SDG Goal 2	Zero Hunger	Page 40
SDG Goal 3	Good Health and Well-Being	Page 33
SDG Goal 4	Quality Education	Page 33–37, 40–42
SDG Goal 5	Gender Equality	Page 36
SDG Goal 6	Clean Water and Sanitation	Page 21–23
SDG Goal 8	Decent Work and Economic Growth	Page 26–42
SDG Goal 11	Sustainable Cities and Communities	Page 39–42
SDG Goal 12	Responsible Consumption and Production	Entire report
SDG Goal 15	Life on Land	Page 24–25
SDG Goal 16	Peace, Justice, and Strong Institutions	Page 32–38, 50–51, 56, Human Rights Policy, Code of Business Ethics and Conduct, Contractor Code of Conduct

Report Footnotes

- <sup>1</sup> As of July 3, 2023, which includes the financial impact of the Delaware Basin acquisition and Eagle Ford shale divestiture.

<sup>2</sup> Calculated as methane emissions as a percentage of gas produced.

<sup>3</sup> Graphs reflect IEA scenario pricing for each of the four main scenarios. Because the IEA scenarios commence in 2030, the graphs (and Callon’s resiliency assessments) reflect an evenly distributed price transition from 2023 until 2030.
- <sup>4</sup> Revised from prior disclosure of 0.90 due to updated information.

<sup>5</sup> Workforce statistics reflect year-end EEO-1 data, that will be reported to and is defined by the U.S. Equal Employment Opportunity Commission. 2019 data not available due to Carrizo-Callon merger.

Forward-looking Statement

This report, as well as related statements on our website, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include all statements regarding projections, future estimates, plans, expectations, and other forward-looking statements, including information about sustainability, environmental, health and safety goals, plans, policies, programs, and initiatives, anticipated returns and financial position, and the implementation of the Company’s business plans and strategy, as well as statements including the words “believe,” “expect,” “may,” “will,” “forecast,” “outlook,” “plans,” and words of similar meaning. These statements reflect the Company’s current views with respect to future events and financial performance based on management’s experience and perception of historical trends, current conditions, anticipated future developments, and other factors believed to be appropriate. No assurances can be given, however, as of this date, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by applicable law. Some of the factors which could affect

our future results and could cause results to differ materially from those expressed in our forward-looking statements include the volatility of oil, natural gas, and natural gas liquids (NGLs) prices or a prolonged period of low oil, natural gas, or NGLs prices and the effects of actions by, or disputes among or between significant oil and natural gas producing countries; general economic conditions, including the availability of credit and access to existing lines of credit; changes in the supply of and demand for oil and natural gas, including as a result of actions by, or disputes among, members of OPEC and other oil and natural gas producing countries with respect to production levels or other matters related to the price of oil; our ability to drill and complete wells; operational, regulatory, and environmental risks; the cost and availability of equipment and labor; our ability to finance our development activities at expected costs or at expected times or at all; our inability to realize the benefits of recent transactions; currently unknown risks and liabilities relating to the newly acquired assets and operations; adverse actions by third parties involved with the transactions; risks that are not yet known or material to us; and other risks more fully discussed in our filings with the Securities and Exchange Commission (the “SEC”), including our most recent Annual Reports on Form 10-K and subsequent Quarterly Reports on Form 10-Q, available at [www.callon.com](http://www.callon.com) or the SEC’s website at [www.sec.gov](http://www.sec.gov).