



The Force of Forward.



BKV 2021 • SUSTAINABILITY REPORT



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Leadership Message




Friends,

Welcome to BKV Corporation's (BKV) inaugural ESG report. At BKV, it is our mission to lead the industry on the journey toward the safe and profitable production of net-zero green natural gas. We are achieving this through our focus on technological innovation, operational excellence, carbon negative initiatives and capital discipline—all in concert with our commitment to honesty, fairness and transparency with our investors, partners, employees and communities.

As part of an industry that has a significant role to play in transitioning the future of energy, we are passionately dedicated to making advancements in the production of sustainable energy and being a force for good in our society. BKV believes in taking concrete and transparent actions for the future of sustainability—now. Without action, sustainability is just a word. At BKV, it's in our DNA—embedded in everything we do.

**BKV believes in taking
concrete and transparent
actions for the future of
sustainability—now.**




Each decision
we have made is
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company.

Over the past year, each decision we have made is rooted in our goal to become a profitable net-zero energy company. This report provides a baseline assessment for what we accomplished in 2021. And even though it is early in our company's journey, we stand firm that transparency and a relentless drive for excellence are imperative for change.

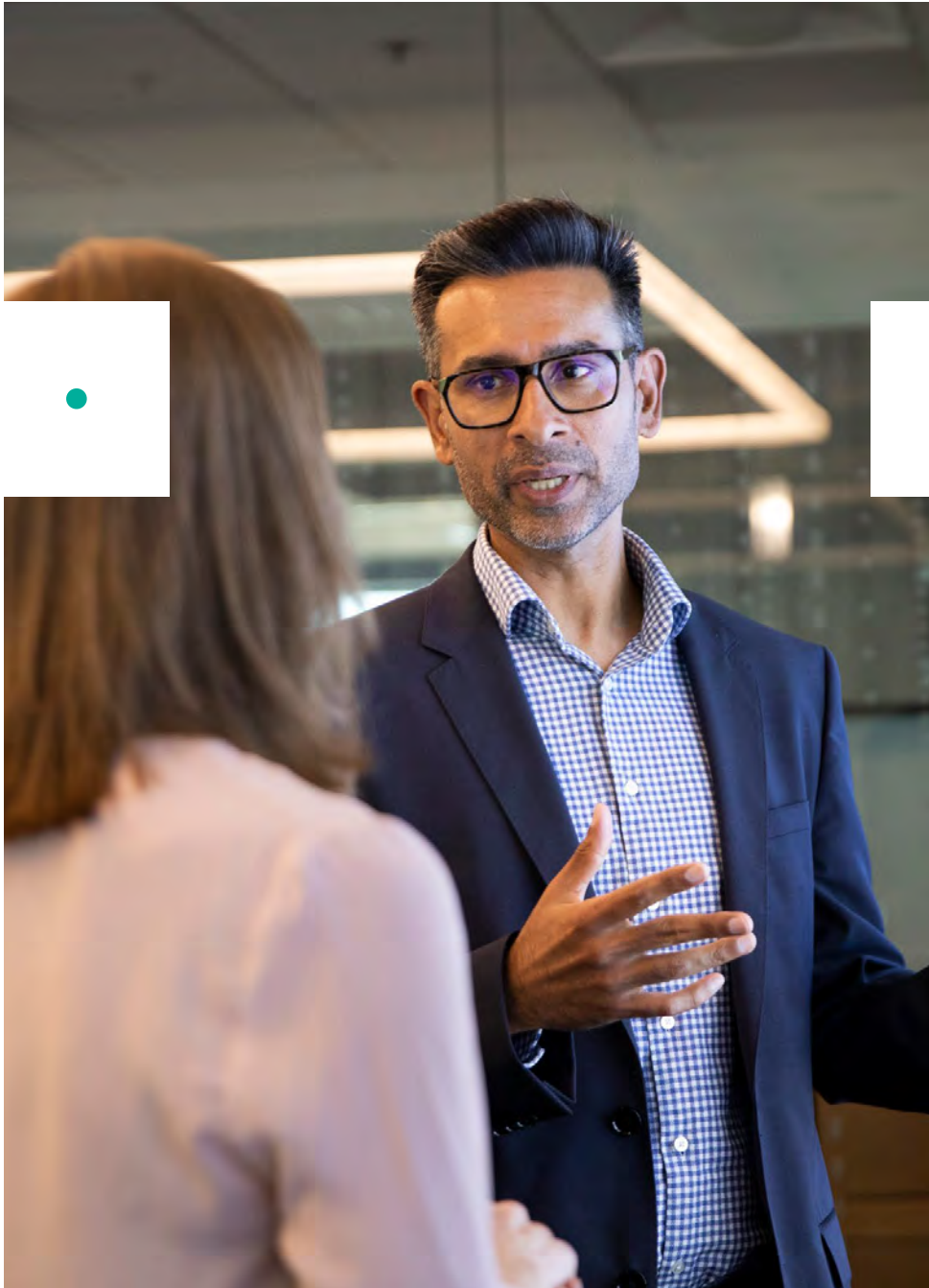
We are thrilled to release this report on World Earth Day as a reflection of that commitment to being better, to changing our impact for good. **In this report, you will find we have a clear and credible path towards reaching net-zero emissions across Scope 1 and 2 by 2025, and we are excited to showcase the work that has been completed thus far.**

Thank you to everyone at BKV and our community of stakeholders that have made this incredible progress possible. I look forward to carrying this momentum forward.

Thank you.



Chris Kalnin, CEO



Be One BKV

Mission

We believe the production of low impact, sustainable energy isn't simply a good idea, it's good business.

We are a group of innovators passionate about how the energy industry can change the world. We believe the production of low impact, sustainable energy isn't simply a good idea, it's good business.

Founded in 2015, we started BKV Corporation (BKV) with the simple belief that the unquenchable demand for energy and the need to take care of the planet would require the creation of a different kind of energy company.

Since then, we have enlisted the smartest minds committed to the relentless pursuit of that dream. Today, we operate as one with the highest level of integrity to challenge the status quo and take smart risks, delivering reliable, sustainable energy to the community.



Vision

To think even bigger.

To execute even more brilliantly.

To push technology to the absolute limit.

To change the world and transform the energy industry.

To be a force for good in society.

Values

Be One BKV:

We are one team, tuned to the same frequency, working toward a common goal. We push together, pull together, rise with the tide together, respect and support each other, and embrace our differences.

Deliver on Promises:

Lofty aspirations mean nothing without delivering on our words. We don't make empty promises or shy away from responsibility. Instead, we take ownership of the challenges, and we capitalize on them in order to grow.

Have Grit:

We eat adversity for breakfast. By lunch, we're hungry for the impossible. We believe any goal worth bragging about is worth putting your back into, with unrelenting focus, determination and perspiration.

Embrace Change:

On the evolutionary timeline, adaptability isn't just a virtue. It's a prerequisite for survival. We survive, and thrive, because of our innate ability to roll with the inevitable shifting sands of circumstance. As the world evolves, we stay one step ahead, resilient to complacency and advocate for a sustainable future.

Show Courage:

True courage requires embracing the unknown. We empower the outliers, encouraging them to step outside their comfort zones to make the tough decisions and the right decisions. Be bold. Speak honestly. Vulnerability comes with the territory.

Solve Problems:

We pursue day-to-day innovation, so that we can deliver big change tomorrow. We apply creativity, ingenuity and discipline toward the relentless pursuit of success. Because, no matter what the size, inside every problem is a solution waiting to happen.

Do Good:

Our actions speak louder than our words. Ultimately, doing the right thing is the only thing. We choose what is right when we are tested. We are a force for good.

Think Beyond:

We challenge the status quo. Results shouldn't just be useful—they should be valuable. We cross the threshold to apply creativity, ingenuity and discipline toward the relentless pursuit of success. Because inside every problem is a solution waiting to happen.

Our values are carved from the fundamental tenets of passion, innovation and commitment. We choose what is right when we are tested, and we persevere through adversity. Above all, we are a force for good.



About Us

Headquartered in Denver, Colorado, BKV is a privately held natural gas exploration and production company that seeks to deliver reliable, sustainable energy to the community. BKV is one of the top 20 natural gas producers in the United States and the largest natural gas producer in the Barnett Shale. BKV Corporation is the parent company for the BKV family of companies, which include upstream and midstream assets.

At our core, we are values-driven and care deeply about our people, products, stakeholders and planet. We have a strong track record of profitability, while leading the industry in sustainability with a clear and credible path to net-zero production operations within this decade.

*BKV is now a 50 percent owner in a combined cycle electric power plant, the purchase of which closed in November of 2021. In this report, data from this power plant is not referenced.

Operational Footprint

Pennsylvania Northeast Marcellus Shale

The Marcellus Shale is composed predominantly of organically rich shale and is acknowledged as one of North America's largest and richest sources of natural gas.

Location: Susquehanna and Wyoming counties

Net Acreage: 36,800 +/-

Operated Wells: 142

Non-Operated Wells: 260

Current Production: 150 MMcfd, gross

Texas Barnett Shale

The Barnett Shale has a diversified production stream of natural gas and natural gas liquids and condensates approximately 300 miles from major Gulf Coast industrial centers and LNG export markets.

Location: Denton, Parker, Tarrant and Wise counties

Net Acreage: 292,600 +/-

Operated Wells: 4,376

Non-Operated Wells: 1,432

Current Production: 550 MMcfd, gross



Sustainable Value Creation

"Promoting and investing in sustainable practices through responsible development minimizes our environmental impact while maximizing efficiencies."

Chris Kalnin, CEO

Sustainability is an inherent part of who we are and why we exist. It's an attribute that is deployed aggressively toward our growth, profitability and leadership in the global movement for expanded corporate and social responsibility.

We are proving the production of low-impact, sustainable, carbon-based energy is a viable business and that natural gas plays a key role in a low carbon future. We employ sustainability to not only produce superior risk-adjusted returns, but also a cleaner, healthier world. In fact, the pursuit of net-zero natural gas* has driven numerous innovations and improvements throughout our enterprise.

Each day, we are proving that sustainability and environmental responsibility create opportunities rather than barriers—and these opportunities can benefit the environment, reward stakeholders and protect future generations.

*We believe natural gas that is produced and verified as net-zero across Scopes 1, 2 and 3 should be classified as net-zero green gas.

We are committed to operating in a responsible manner. Sustainable value creation is a core component of our business strategy, which we believe presents significant market advantages. Our drive to promote a broader sustainability agenda plays an integral role with employees, investors and organizational management. We aim to foster strong sustainability practices to reduce the environmental impacts of our actions and encourage our partners in the energy industry to do the same.

Each day, we are proving that sustainability and environmental responsibility create opportunities rather than barriers.



Sustainability Approach



About this Report

Assessing material topics is intended to act as a mechanism to help our Board of Directors and Executive Management team closely track and monitor the issues that are of the highest priority, while also managing and transparently disclosing information around all other metrics.

Our environmental, social and governance (ESG) goals are intrinsically tied to our business operations. To identify the risks and opportunities that drive the most impact on our business, BKV completed a materiality assessment that incorporated the insights and opinions on varied ESG topics from both internal and external stakeholders. A thorough analysis identified the issues covered in our sustainability disclosure and offered guidance regarding where to focus our commitments and resources in the buildout of a meaningful and robust program.

This assessment was executed by an independent, third-party ESG consulting firm* to ensure confidentiality and impartiality throughout the process. The consulting firm developed a list of topics relating to the oil and gas exploration and production industry and created a survey for cross-functional experts to complete. The firm also reached out to critical external stakeholders and held a series of in-depth interviews yielding additional intelligence and insights into the prioritization of material topics.

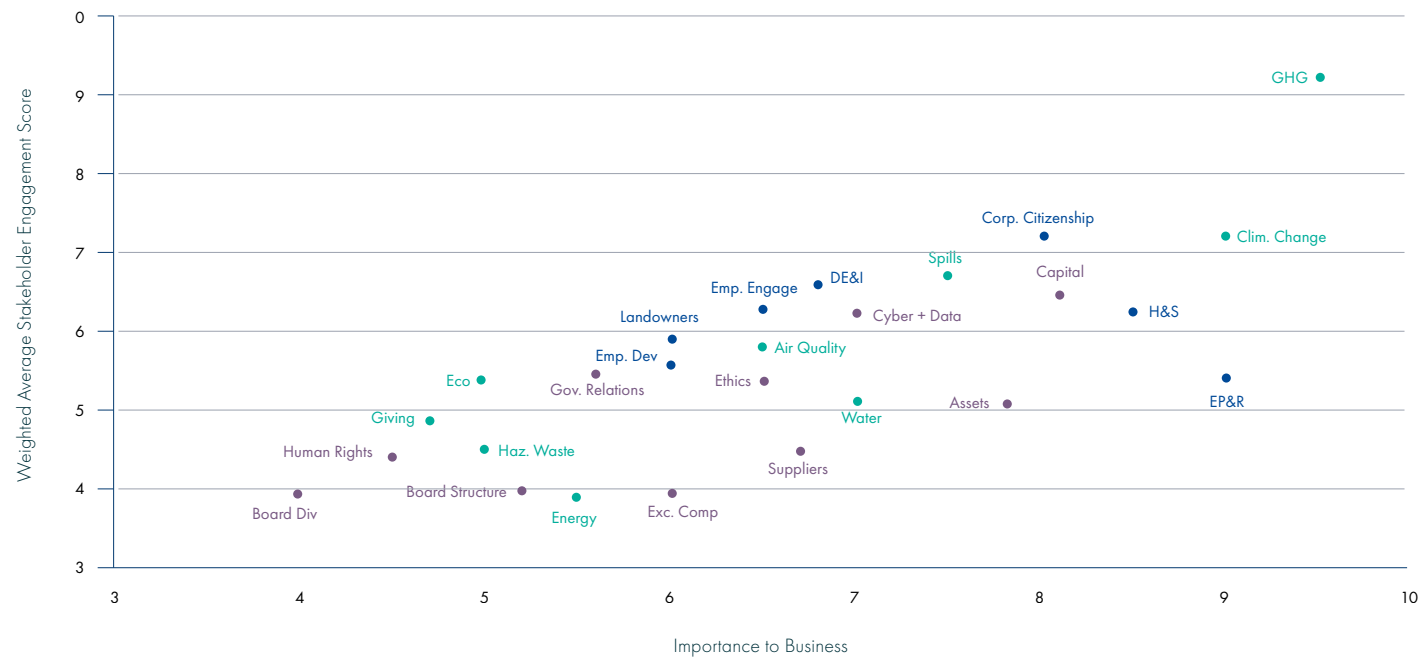
*FTI Consulting

Any issue flagged as less material or a lower priority does not indicate a lack of management or oversight on the topic by us. Rather, the third-party firm's process of assessing material topics is intended to act as a mechanism to help our Board of Directors and Executive Management team closely track and monitor the issues that are of the highest priority, while also managing and transparently disclosing information around all other metrics.

External interviews for the materiality assessment included non-governmental organizations (NGOs), community leaders, trade associations and our investor, Banpu Public Company Limited (Banpu). These stakeholders have deep industry-related ESG expertise, and their opinions were critical in identifying which issues we must prioritize to advance the pursuit of best-in-class ESG performance.

As ESG continues to evolve, we will remain committed to ESG excellence across our operations and anticipate conducting an assessment every two years, or as needed, due to significant business changes.

Stakeholder
Ratings: BKV ESG
Topic Importance



Environment

Key Topic	Abbreviation
Greenhouse Gas Emissions	GHG
Air Quality	Air Quality
Climate Change	Clim. Change
Ecological & Biodiversity Impacts	Eco Impact
Spill Prevention and Control	Spills
Hazardous Waste	Haz Waste
Water Management & Water Supply	Water
Energy Management	Energy

Social

Key Topic	Abbreviation
Emergency Preparedness & Response	EP&R
Employee Health & Safety	H&S
Community Relations and Engagement	Corp. Citizenship
Social Giving and Investment	Giving
Landowner Relations	Landowners
Employee Welfare and Engagement	Emp. Engage.
Diversity Equity and Inclusion	DE&I
Employee Attraction, Retention, and Development	Emp. Dev.

Governance

Key Topic	Abbreviation
Human Rights Policy	EP&R
Capital Expenditures	H&S
Asset Integrity	Corp. Citizenship
Cyber Security and Data Privacy	Giving
Business Ethics and Transparency	Landowners
Board Structure and Independence	Emp. Engage.
Executive Compensation	DE&I
Board Diversity	Emp. Dev.
Government Relations & Regulatory Strategy	DE&I
Supplier & Contractor Engagement	Emp. Dev.

ESG Governance

We've established an ESG Working team, a cross-functional group of BKV leaders who specialize in ESG strategy and meet bi-weekly to identify, assess and implement critical ESG program initiatives.

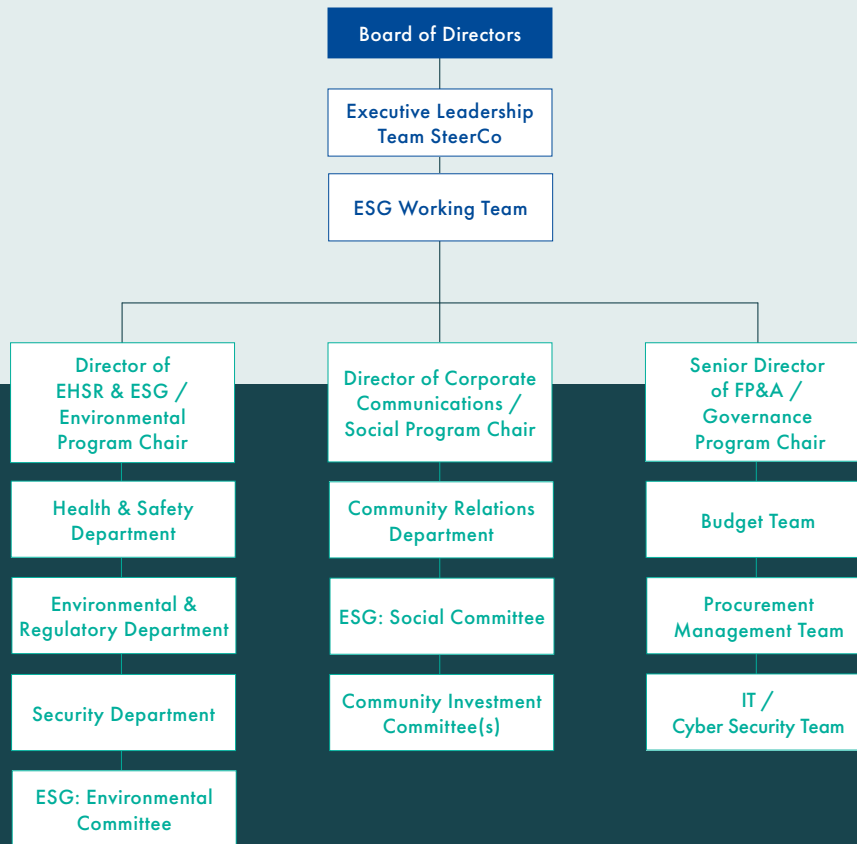
Our governance structure is designed to maintain robust and proper oversight of all ESG risks and opportunities.

BKV's Board of Directors is made up of diverse, skilled and experienced individuals committed to leading the industry as a responsible provider of reliable, affordable and clean energy. Monthly meetings are conducted to review company performance and provide guidance on BKV's most relevant issues, including ESG and sustainability topics.

At the management level, BKV's health, safety and environmental (HSE) programs are overseen directly by our Chief Executive Officer (CEO) and Chief Operating Officer (COO) who meet regularly to discuss HSE updates, including ESG risks and opportunities. Additionally, BKV's Director of Environmental, Health, Safety and Regulatory (EHSR) reports to the COO, providing direct access to Executive Management and expedited decision-making opportunities.

In addition, we've established an ESG Working team, a cross-functional group of BKV leaders who specialize in ESG strategy and meet bi-weekly to identify, assess and implement critical ESG program initiatives.

ESG Governance



In addition to the ESG Working Team, we have a Risk Management Committee. This committee—with representation from Operations, Legal, Finance, Investor Relations, IT, Marketing and Environmental Compliance—meets quarterly to review potential ESG and other risks, tracks how these risks may be changing and ensures they are being properly managed. The committee also regularly reports to BKV’s Senior Management team and the Board of Directors.



Environment



Approach to Managing Climate Solutions



Excellent environmental stewardship—and the approach to managing environmental risks and opportunities—is essential to BKV’s success. We are committed to working every day to reduce our carbon footprint, protect wildlife living near our operations, achieve full environmental compliance and conserve and reuse water to address climate change head-on. We understand the impact climate change has on our community, the world and future generations, which is why addressing these impacts and revolutionizing how energy is produced are our top priorities. It is why the company has formally adopted a net-zero goal—one of the most ambitious in the industry.

Environmental impact can only be managed if all processes and operations are tracked and measured. Our Environmental Management System consists of a formal set of policies and practices that allow our organization to proactively manage and mitigate environmental impact and support operational efficiencies. Our data systems communicate to provide tracking and trending capabilities, aligning our methodologies to the expectations of ISO 14001.

Natural gas will continue to play a critical role in the global energy portfolio over the coming decades. However, global demand for natural gas does not mean the industry can overlook its environmental responsibilities. In fact, BKV ardently believes that it remains the operator’s responsibility to minimize emissions, employ leak detection and monitoring technology and drive environmental stewardship.

Environmental Governance

Our strong governance structure is facilitated by aligning the interests of our leadership with responsible climate stewardship.

Governance of climate-related risks and opportunities is integrated into our enterprise risk management structure, which provides extensive oversight on these issues. Climate solutions are consistently included as a discussion topic at the monthly board meetings, where the Board of Directors reviews and provides clear direction on climate-related risks and opportunities, among other issues. Further, our environmental and climate programs are overseen by the CEO and COO. The Director of EHSR ESG is responsible for managing climate-related mitigation of our identified risks, supported by a robust team of environmental and regulatory managers, regulatory analysts, health and safety managers, and environmental operators.

Led by the Director of EHSR and ESG, our ESG Working team discusses environmental strategy at length and provides continuous updates on the environment and climate-related risks and opportunities to the Executive Leadership team.

Additionally, representatives from our Environmental Compliance team sit on the Risk Management Committee to present and discuss potential climate-related risks.

Our strong governance structure is facilitated by aligning the interests of our leadership with responsible climate stewardship. As detailed in the Governance Section of this report, our executive short-term incentive plan is tied to ESG-related initiatives. These initiatives are further expanded in 2022 to achieve an even higher level of ESG excellence. Including this—and other ESG factors in our executive compensation—further incentivizes strong governance oversight and management of climate change and ESG to deliver tangible results.

GHG and Air Quality

We have set a goal of reaching net-zero emissions across Scopes 1 and 2 by 2025, and we have an actionable and credible path to achieve this goal. For our Scope 3 profile, we plan to offset 100 percent of current measured emissions as a gas producer by 2030.

As a top 20 natural gas producer in the U.S. market with plans to continue expanding, we have a significant opportunity to reduce our environmental footprint by reducing greenhouse gas (GHG) emissions through a series of strategic projects and technological commitments, and by offsetting remaining operational emissions.

This is one of our primary responsibilities as a natural gas producer. To make good on this commitment—and in complete balance with our business objectives—we have set a goal of reaching net-zero emissions across Scopes 1 and 2 by 2025, and we have an actionable and credible path to achieve this goal. For our Scope 3 profile, we plan to offset 100 percent of current measured emissions as a gas producer by 2030. We have developed a viable and credible path to achieving these net-zero and offset goals through the exploration and expansion of carbon negative business, such as CCUS. More information regarding our path to accomplishing this ambitious target is detailed further in this section.

In the span of just one year, we have made tremendous progress in the development of our ESG and emissions management ecosystem. We have undertaken a series of fundamental programs, projects and investments. We also joined [ONE Future](#), a coalition of natural gas companies that voluntarily partner to reduce methane emissions across the natural gas value chain. As a ONE Future member, we are committed to publicly reporting our annual methane emissions results as part of the production sector within the coalition.

Overall, we project that over 77 percent of our emissions reductions will be met through internal investments in technological innovation and operational optimization. For 2022, our budgeted net-zero-related investments represent roughly 16 percent of our total projected capital expenditures.

2030 NET-ZERO GOALS AND PERCENTAGE REDUCTION TARGETS

As mentioned previously, we have outlined a clear, transparent approach to achieving net-zero Scope 1 and Scope 2 emissions across our entire company by 2025 and offsetting 100 percent of our Scope 3 emissions as a gas producer by 2030. Along the journey, pad after pad will realize net-zero green gas production until our company-wide targets are achieved.

We aim to meet our goal by making continuous improvements and innovations under our own roof—letting no opportunity to reduce emissions go overlooked. Overall, we project that over 77 percent of our emissions reductions will be met through internal investments in technological innovation and operational optimization. For 2022, our budgeted net-zero-related investments represent roughly 16 percent of our total projected capital expenditures.

Our roadmap to reaching net-zero is based on four core pillars:

1. Lowering BKV's carbon intensity through operational improvements; aiming to eliminate emissions where possible.
2. Leveraging technology to further enhance the efficiency of our operations and minimize our emissions footprint.
3. Leveraging renewables for power generation where feasible.
4. Transparent measurement and reporting of emission reductions and improvements.

SCOPES 1 AND 2

To address our Scope 1 and 2 emissions between 2021 and 2022, we are investing approximately \$12 million to reduce emissions from our operations.

We have implemented a robust process for calculating and managing emissions, going above and beyond the requirements of the EPA Greenhouse Gas Reporting Program, Subpart W. We understand the limitations of Subpart W and are diligently working on quantification mechanisms to track real emissions and build a transparent net-zero strategy. As such, these numbers and calculations are subject to change as we conduct internal measurement validations and audits. Additionally, our commitments will remain dynamic to ensure we drive the most impact as we continue to learn and grow. Real measurement and genuine transparency remain our key emissions reduction priorities.

To address our Scope 1 and 2 emissions between 2021 and 2022, we are investing approximately \$12 million to reduce emissions from our operations. These investments will allow us to prototype and deploy electrified components into the production processes, convert pneumatic gas instruments, enhance measurement technology, remove redundant equipment and develop and draw on renewable energy sources, among other operational improvements.

Working toward achieving net-zero Scope 1 and 2 by 2025, we expect to reduce our direct Scope 1 and 2 emissions by almost 77 percent—largely driven by our Pad of the Future efforts—against our 2021 baseline. The remaining ~23 percent of Scope 1 and 2 emissions reductions through 2025 is expected to be achieved through investments in solar, carbon capture and carbon offsets.

For the approximately 23 percent of our Scope 1 and 2 emissions that cannot be mitigated through internal emissions reductions, electrification and technological innovation, we examined adjacent sustainability and carbon offset opportunities to cover the rest of our emissions profile and achieve net-zero. The BKV team leading this effort has a diversity of expertise, including extensive knowledge of environmental issues, policy, research, communications and natural resources management.

1. Carbon Capture Utilization and Storage (CCUS):

Thus far, BKV has focused on CCUS project types with an approved protocol for offsets certification by a major market.

2. Carbon Offset Market:

BKV is committed to utilizing offsets that are accredited and recognized in carbon markets, to the extent we anticipate needing to purchase any offsets to complete our net-zero journey.

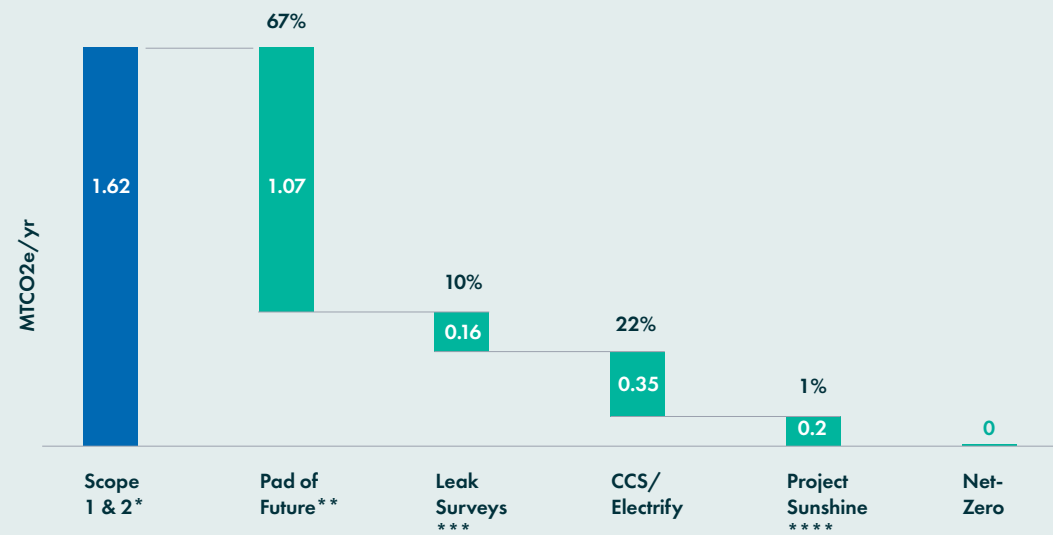
We have created a structural path to net-zero, meaning we are making permanent changes that eliminate or capture and store emissions rather than perpetually purchase offsets that others are generating. Carbon offsets are a last resort—our number one priority is to eliminate our own emissions to the maximum extent through operational improvements and renewable offsets created within our own operations.

Our additional approach is to invest in and operate Carbon Capture and Storage (CCS)/CCUS projects to offset credits which we are actively pursuing at present. As it currently stands, based on the 2021 baseline, we estimate a need for up to 400,000 MTCO₂e of carbon offsets to address residual emissions from Scope 1 and Scope 2 emissions. We are evaluating other strategies to further reduce emissions to minimize the need for offsets across our operations. Current estimates for our annual Scope 1 and 2 emissions total approximately 1.6 million MTCO₂e.

Barnett and Northeastern Pennsylvania (NEPA) have converted from manual tuning of wells to a sophisticated, automated method of plunger-lift well tuning to increase well productivity. This new method means that during unstable conditions, wells load up much less frequently than through a manual method, ultimately requiring less venting to bring the wells back around and reducing our emissions profile.

Path to Net-Zero (Scope 1 & 2) by end of 2025

Emissions Waterfall - Economical Emissions Reduction Efforts & Offsets



*Values are based on 2021 EPA Subpart W and additional internal emission inventories.





**Calculated Barnett Pneumatic emissions = 1,003,886 MtCO2e; NEPA Pneumatic emissions = 29,976 MtCO2e

***Emissions surveys assumption to accomplish a 1-month leakage period vs. 12-month period which must have regulatory updates (current proposed EPA 0000.b,c) to include continuous/flyover/satellite technology sensitivities.

****Project Sunshine will offset our scope 2 emissions with an initial build out of 2.5 - 5 MW solar array.

EMISSIONS MANAGEMENT

Operational strategies and key pilot programs we are deploying to help manage our emissions and reduce our footprint.

Our Commitments	Our Strategy	The Value We Create
Materiality Assessment	ESG Program Development	 Increased Energy Production
ESG Gap Analysis & Roadmap	Emissions Monitoring Ecosystem	
ESG Program Development	Satellite Monitoring	 Increased Sales Margin
Sustainability Reporting & Communications	Aircraft Fixed-Wing Flyover	
Workforce & Community Engagement	Continuous Monitoring (Proj. Canary)	 Reduced Maintenance Costs
Executive Compensation	On-Ground LDAR	
Climate Change Strategy	Climate Change Strategy	 Minimized Costs for Carbon Offsets
Energy Transition	Emissions Monitoring	
Net-Zero Strategy	Renewable Energy Growth	Projects have a 3 to 5 year payout
Governance & Advisory	TCFD Alignment	
	Net-Zero Strategy	
	Project Sunshine	
	CCUS	
	Carbon Offsets	

The Pad of the Future program is our largest commitment to improving our operations and environmental performance, as asset consolidation and replacement require significant capital and time to achieve without disturbing supply.

BKV's industry-leading Pad of the Future program, an effort to upgrade existing facilities with modern technologies and permanently eliminate emissions, is a key strategy that we are leveraging to optimize operational efficiency and reduce our emissions footprint. The first complete Pad of the Future retrofit project was completed in 2021 at our NEPA operations, with ongoing Pad of the Future retrofits initiated in fall 2021 at our operations in the Barnett Shale region. These efforts have already led to a reduction of approximately 90,000 MTCO₂e in 2021. The program consists of four key elements:

1. Asset Consolidation: Streamlining and modernizing existing pad facilities to reduce unnecessary emissions events from aging assets, employing advanced measurement technology, minimizing maintenance and operating expenses, reducing environmental risk and increasing production uptime.

2. Pneumatic Conversion: Initiating natural gas-powered instrument pneumatic conversion to compressed air on existing electrified pads.

3. Electrification: Electrifying pads where feasible and adding solar power to allow for pneumatic conversion.

4. Liquid Consolidation and Vapor Capture: Minimizing onsite storage of condensate and oil by sending liquids rich in natural gas to centralized facilities.

The Pad of the Future program is our largest commitment to improving our operations and environmental performance, as asset consolidation and replacement require significant capital and time to achieve without disturbing supply.

ASSET CONSOLIDATION

As we eliminate these assets and replace them with new, more efficient best-in-class assets, our production, safety and environmental performance improves.

Through asset consolidation, we are modernizing and streamlining assets across our portfolio. Reducing reliance on older assets with lower production rates and fewer emissions controls has a series of benefits. First, less equipment means there are fewer potential points of failure across our asset network, reducing inefficiencies and minimizing incidents, spills, leaks, downtime and costly repairs. Additionally, aging wells steadily decline in production over time while the cost of maintenance remains high. As we eliminate these assets and replace them with new, more efficient best-in-class assets, our production, safety and environmental performance improve.

Our first Pad of the Future project in NEPA was completed on the Plushanski pad with a complete pad retrofit. For this project, we removed older and excess separation equipment and tanks, converted pneumatics to compressed air and added new production monitoring technologies.

The following results highlight the value of the Pad of the Future program:

Reduced calculated CO₂e emissions by 69 percent.

Demonstrated real-world results by perimeter continuous pad monitoring, leading to a 44 percent reduction in emission events compared on a 30-day pre-retrofit and 30-day post-retrofit basis.

The ongoing monitoring is showing consistent emission reduction performance up to 90 percent.

Looking Forward to 2022

Gas Lift Compressors

We intend to add focus on combustion emissions, particularly in the Barnett, with respect to gas lift. We are planning on investigating the capital project opportunities related to one or two large gas-lift compressors to supply gas to several wells, as opposed to the approach of individual gas-lift units on our current assets. This investment is intended to save on fuel gas to power the gas-lift technology and reduce our overall emissions profile.

NEPA Pad of the Future Timeline

Status to Date	2021	2022	2023
Engineering and Planning	Implementation starting with 2 pads	8–12 additional pads	Remaining 17–21 pads
\$7.5MM			\$10MM

Benefits



Decrease pressure loss 1,350 mcf/d



Reduce pneumatics 150 mcf/d



Reduced fuel usage 1,570 mcf/d



31 total pad retrofits planned

2021



Two well pads:
Eliminate Scope 1 emissions:
4,657 MTCO₂e

By 2023



Eliminate Scope 1 emissions:
60,428 MTCO₂e

PNEUMATIC CONVERSIONS

Another key aspect of our Pad of the Future program is to convert natural gas-powered instrument gas pneumatics to compressed air on existing pads, which will help to further reduce our GHG footprint. In 2021, we converted over 1,500 pneumatic devices at our sites. We anticipate that through these efforts, we will be able to eliminate approximately 1,000,000 MTCO₂e from our Scope 1 emissions by the end of 2023. This effort alone represents approximately 90 percent of our 2025 Scope 1 and Scope 2 emission reduction target.

BKV has partnered with a midstream company in the Barnett to convert pneumatic devices on their equipment in an effort to reduce emissions along our entire value chain. As part of this partnership, BKV has implemented full well streams as a solution to manage our emissions profile. This well stream allows us to send condensate and oil with the liquids-rich gas directly to a centralized processing facility where flash emissions are captured, which minimizes the need for local storage of condensate and oil in tanks and associated emissions.

We converted over 1,500 pneumatic devices at our sites. We anticipate that through these efforts, we will be able to eliminate approximately 1,000,000 MTCO₂e from our Scope 1 emissions by the end of 2023. This effort alone represents approximately 90 percent of our 2025 Scope 1 and Scope 2 emission reduction target.

ELECTRIFICATION

In 2021, we added three electric vehicles in the field to assess the feasibility of a broader conversion program in the future.

While many of our existing pads are electrified, we continue to electrify the remaining pads wherever possible and leverage solar power to drive pneumatic conversion. Additionally, we are evaluating pads across geographies to determine the best access to power resources, such as from developers or adjacent land use. We have multiple pad electrification projects currently underway or in the planning process.

We are also testing converting a portion of our vehicle fleet to electric vehicles. In 2021, we added three electric vehicles in the field to assess the feasibility of a broader conversion program in the future.

Barnett Air Jordan Pad of the Future – Pneumatic Replacement Project

Status to Date	2021	2022	2023
Test air compression conversion	Implementation Starting with grid power	Grid power converted; test solar options	Non-grid locations converted with solar/battery
2,600 Wells	\$9MM		1,700 Wells

2021

- 172 pads, total of 393 wells
- 1560 pneumatic devices converted
- 89,176 mTCO2e emissions eliminated
- 16,251 devices inventoried in Barnett

2021–22

- Eliminates Scope 1 emissions associated with pneumatic devices: 637,717 mTCO2e

By 2023

- Eliminate Scope 1 emissions associated with pneumatic devices, pneumatic pumps and TEGs: 371,983 mTCO2e

Empowerment

Retrofitting BKV's Barnett Shale Operations

BKV Technical Services Foreman Cason Jordan and his team are making big moves in the Barnett Shale. As the region's largest producer of natural gas, the company's **mission to achieve net-zero emissions across Scopes 1 and 2 by 2025 is well underway**—and it shows with the undeniably impressive, reduced emissions BKV has already started to see with Project Air Jordan.

Jordan and his small-but-mighty team were given the benevolent challenge of executing an environmental game-changer for the company's Barnett operations—inventorying all pneumatics and converting them to instrument air. From the beginning, the team knew this project would require all hands on deck to achieve a solution without disturbing supply, so in true BKV fashion, they hit the ground running and internally dubbed the project, "Project Air Jordan."

"What's cool about this project is we're making a direct impact. Instead of just buying a bunch of carbon offsets, we are working towards real change everyday," said Jordan. "On a daily basis you're touching the project that can make a big difference in emissions reduction not only for BKV, but across the energy sector as a whole."

Although Jordan and his team is carrying out Project Air Jordan with optimism and enthusiasm, the process is anything but simple. It required "a total pad redesign," including downsizing, removing equipment and replacing the natural gas pneumatics with instrument air—and that was just one element of the project.

BKV encouraged Jordan's team to take the liberty of course-correcting when necessary and to leave no options, nor curiosities, untapped during the process. This approach allowed room for trial and error and, eventually, led to the success they'd hoped for. Jordan described the level of autonomy given to get the job done as "unmatched."

"At BKV, most of these decisions are made at a local level. They empower us, at any level, to make decisions that can impact a project of this magnitude so we can get things done very quickly," said Jordan. "I'm grateful for that level of support. The attitude is very much 'Hey, yeah ok, it didn't work? Pivot and go a different direction. Let's solve the problem.'"

With the overwhelmingly positive results the Barnett operations have already seen with the implementation of instrument air, it's only a matter of time before other companies follow suit—as BKV leads the marathon race toward net-zero.





Looking Forward to 2022

Electrified Drilling Rig

Through our planning processes, we seek to implement best practices wherever possible. In our 2022 development plans, we determined that we can modify a drilling rig to run exclusively on overhead electrical power. This process will eliminate the Scope 1 emissions that are typically produced by the drilling rigs' diesel-powered engines.

EMISSIONS MANAGEMENT: RSG



Another way we are enabling emission reduction from our operations is by increasing our production of Responsibly Sourced Gas (RSG). We received the [Project Canary](#) TrustWell Gold Certification in 2021 across our NEPA operations—earning the highest score achieved for wells taken over by a new operator—and we are positioning ourselves to sell certified RSG and net-zero green gas to customers at a premium while achieving a notably lower environmental and emissions footprint than through traditionally produced gas. Through RSG production, we provide reliable and affordable energy while actively participating in the energy transition. In 2022, we plan to certify a portion of our Barnett asset through Project Canary, an environmental certification and ESG data company, with hopes to achieve certification more broadly across the asset in the future.

We received the Project Canary TrustWell Gold Certification in 2021 across our NEPA operations—earning the highest score achieved for wells taken over by a new operator—and we are positioning ourselves to sell certified RSG and net-zero green gas to customers at a premium while achieving a notably lower environmental and emissions footprint than through traditionally produced gas.

Looking Forward to 2022

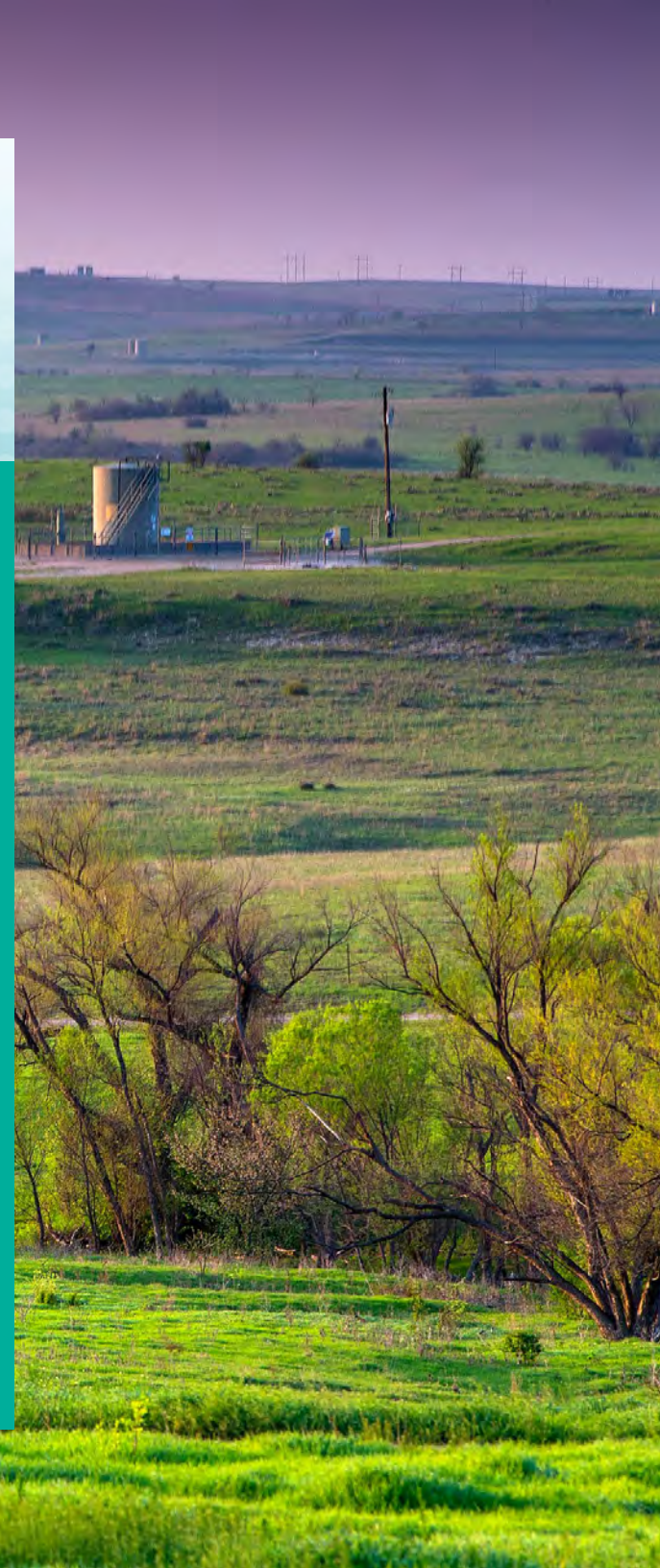
Project Canary

In early 2022, we announced our partnership with Project Canary to address GHG emissions across the upstream and downstream energy value chain through first-of-its-kind environmental assessments and monitoring programs with the intent to deliver RSG to our natural gas power plant. This arrangement with Project Canary supports our journey to becoming a verified net-zero natural gas producer. Consisting of 64 pads and 197 wells, efforts in the Barnett Shale capitalize on opportunities to reduce potential natural gas emissions from the wellheads and downstream.

"We are thrilled to be working with Project Canary on this important effort to become the first gas to power net-zero value chain," said BKV CEO Chris Kalnin. "By continuing to invest in expanding our RSG and net-zero gas production capabilities, we will be able to offer reliable and affordable energy while actively participating in the energy transition."

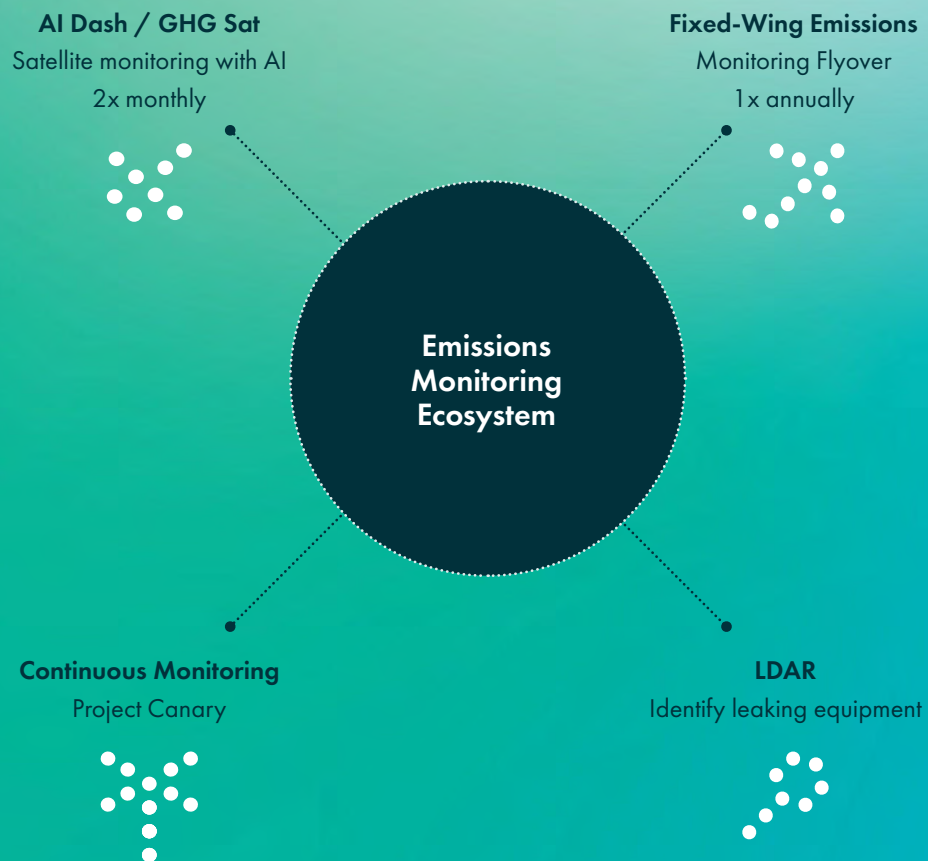
Certification of natural gas showcases the credibility of our efforts and accuracy of our emissions reduction programs. Certification provides science-backed credentials, through continuous emissions and data monitoring, of the integrity of our assets and environmental management practices. By monitoring and tracking this data, we are able to minimize our emissions footprint and maximize the production and sales of RSG.

Our decision to deliver RSG is supported not only by enhanced sustainability performance, but also economics and financial performance. By auditing our assets through credible certification programs and establishing a best-in-class, four-tiered emissions monitoring ecosystem, we are able to capture more gas for sales rather than losing molecules through leakage.



EMISSIONS MANAGEMENT: EMISSIONS MONITORING ECOSYSTEM

The foundation of our strategy to mitigate our Scope 1 emissions is reflected in the effort to detect and monitor leaks throughout our operations. As part of this work, we have established an organizational structure and process to identify, monitor, calculate and mitigate our emissions. This level of transparency is best-in-class for privately held natural gas companies and many of our public oil and gas peers. We refer to these monitoring practices as our Emissions Monitoring Ecosystem. By managing what we measure, we are empowered to make informed, data-driven decisions to meaningfully, and authentically, improve our emissions profile.



OUR FOUR-TIERED APPROACH TO MONITORING

Inspections are performed at a variety of frequencies to ensure regulatory compliance and adherence to best practices for management and inspections.

1. Leak Detection and Repair (LDAR)

Technology that enables on-the-ground employees and contractors to examine the equipment and identify potential leaks. This inspection takes place on the pad with a sensitive Forward-Looking Infrared (FLIR) camera. Our teams are trained to repair identified leaks immediately to minimize excess emissions. Inspections are performed at a variety of frequencies to ensure regulatory compliance and adherence to best practices for management and inspections.

2. AI Dash/GHGSat

BKV has partnered with AI Dash, an innovative start-up based in California, to leverage their software-as-a-service tools to measure the environmental impact of our operations. Sourcing a combination of low- and high-resolution methane detection imagery from a number of commercial satellites in orbit, AI Dash provides a dashboard of predictive analytics and readouts of our emissions from our operations. This ensures an almost real-time view into our regional emissions footprint and allows us to make changes and corrections as needed. This satellite monitoring with AI is conducted a minimum of twice per month.

3. Fixed Wing Emissions Flyover

BKV has partnered with Kiros Aerospace to perform Fixed-Wing Emissions Flyovers to drive an EPA-approved monitoring solution across large areas. By deploying this

highly sensitive and advanced technology, we can scan our entire field to determine if any assets are experiencing leakage. These airborne surveys, currently conducted on an annual basis, scan our assets, identify precise emission source locations and quantify emission rates. The data is fed into our emissions dashboard so that emissions information can be calculated as a whole and assessed for trends. This combination (AI Dash/GIG Satellite and Fixed-Wing Emissions Flyover) of aerial asset monitoring approaches is especially important, given that a small handful of sources are often responsible for the majority of emissions across a set of assets.

4. Continuous Monitoring

BKV has tested multiple continuous monitoring technologies throughout 2021 to continue to drive reductions in emissions from our operations and has selected to partner with Project Canary. Using real-time, continuous emissions monitoring of well pads, we are validating the high environmental standards by which our natural gas is produced. When emissions are detected from these technologies, an alert is sent out to our operations team who will immediately assess and repair any leaks that are found. This data is also fed into our emissions dashboard so that our emissions information can be calculated as a whole and assessed for trends. Continuous monitoring allows us to enter a market for differentiated RSG products.



In addition, Project Canary has developed a rigorous qualitative and quantitative assessment of operations in the energy sector, evaluating the responsibility of operations across four key categories: air, water, land and community—allowing for the assurance and marketability of cleaner, responsibly-sourced natural gas. We plan to leverage the Project Canary TrustWell certification, along with other ESG-forward technologies and applications, across our operations.

We actively incorporate ESG into our strategic business decisions to drive not only environmental impact, but also financial performance. This approach results in additional production revenue from gas that is recaptured to be sold and premium product pricing from the RSG certification.

GENERATING AND RELYING ON RENEWABLE POWER OF OPERATION

As a means of reducing our GHG footprint, we are making investments to develop renewable energy generation assets to power our operations, moving us away from a reliance on electricity from traditional generation sources. Through our Project Sunshine

program, we are installing solar assets in the Barnett Shale that will directly power portions of our operations. We anticipate that by the end of 2025 we will have developed a solar generation capacity, consistent on a 1-1 basis to offset our Scope 2 emissions.

SCOPE 3 EMISSIONS

BKV's Scope 3 annual emissions are currently estimated at approximately 11 MMT CO₂e*.

Just as with our Scope 1 and 2 emissions, we have developed preliminary strategies to manage our Scope 3 emissions as we move toward our goal of offsetting 100 percent of our emissions by 2030. We will achieve offsets in Scope 3 emissions primarily by deploying carbon capture technology, while continuing to maintain some reliance on carbon offsets. BKV's Scope 3 annual emissions are currently estimated at approximately 11 MMT CO₂e*.

We are considering a series of offset options, factoring in environmental impacts, financial viability and scalability suitable for BKV's forecasted growth. Ultimately, we identified two particularly strong Scope 3 offset opportunities, which are Carbon Capture Utilization and Storage (CCUS) and Accredited Carbon Offsets, to explore and invest in further.

These offset strategies will not only allow us to manage the remainder of our Scope 1 and 2 emissions—they are also critical for our Scope 3 strategy.

BKV's targeted CCUS projects will be used toward achieving our goal of ~0.37 MTCO₂e offset to Scope 1 and 2 emissions and are anticipated to be grown to ultimately achieve full Scope 3 neutrality as well. Our strategy in project selection is:

Participation in sectors that closely align with internal technical expertise, primarily carbon transportation, compression and storage.

Using BKV's "backyard," where vertical integration and taking care of our own CO₂ has distinct advantages.

Choosing projects that are economic at current 45Q tax incentives and recognizing there may be an upside in the future.

Prioritizing Class II (disposal of CO₂ resulting from natural gas processing) projects that can be executed with less time and complexity to start making a difference sooner.

*These estimations are based on the end use of our natural gas production and do not include other business activities. BKV intends to develop additional tracking mechanisms to capture the full range of Scope 3 emissions in 2022 and 2023.

Looking Forward to 2022

CCUS

We plan to have a Final Investment Decision (FID) on at least one CCUS project in 2022, ramping up to invest in short, mid and long-range projects in the U.S. onshore. Investment targets for each year have been determined based on achieving Scope 1 and 2 net neutrality by 2025. We aim to prove that carbon emissions can be offset in a cost-effective and credible manner through permanent, highly regulated operations to store CO₂ underground. Our 12-person team of internal and external experts is defining and appraising projects to define criteria for quality projects, which are most likely to be successful based on a comprehensive study of past and current projects across the world.

The primary risks for CCUS are listed below:

Induced Seismicity: Mitigated by geologic understanding/selection and well monitoring.

Regulatory Uncertainty: Mitigated by ensuring projects payout with current timing/incentives but running sensitivities to understand the impact of new legislation/process.

Surface Liability: Mitigated by choosing projects with limited wellbore penetrations and excellent geologic seal.

These projects and opportunities are continuously evaluated based on their quality and the credibility of the offset project and development partner. These criteria reduce project risk and will help to build our reputation as a company that supports accredited offset strategies. We will carefully consider the costs and benefits in selecting any offset projects. Acceptable costs must be determined to be within market range for the offset project type or within our target price range. We will also consider the additional benefits of biodiversity, water quality and rural economic development, which may increase the value of specific projects given our specific ESG and sustainability goals.

With our goal to be net-zero for Scope 1 and 2 emissions by the end of 2025 and offset 100 percent of our Scope 3 emissions by the end of the decade, the time required to develop projects and generate certified credits is critical.

Also in 2022, BKV intends to launch a new business unit focused solely on the development and management of CCUS projects and additional low carbon ventures, reinforcing our commitment to CCUS and our emissions reduction targets.

Net-Zero Plan

	Project Scoping 2021	Project Implementation 2022	Iteration/Evolution/Advancement 2023 – 2026
 ESG Core Program	ESG Core: Develop a robust ESG roadmap, metrics, reporting framework and underpinning processes Methane Intensity: Establish MI baseline and future MI targets/goals Establish Emissions waterfall & value model		
 Net-Zero Scope 1 Emissions	Baseline Scope 1: 1.62 MTCO ₂ e Demonstrate Offsets - Scope 1: Implement Pad of the Future, other internal efforts Pilots/Prototypes - Scope 1: Baseline and test Pad of the Future, other internal efforts		
 Net-Zero Scope 2 Emissions	Baseline Scope 1: 4,701 mTCO ₂ e Demonstrate Offsets - Scope 2: Project Sunshine Pilots/Prototypes - Scope 2: Project Sunshine		
 Net-Zero Scope 3 Emissions/ESG Green Gas & Business Value	Baseline Scope 1: ~ 11 MTCO ₂ e Demonstrate Offsets - Scope 3 “Closed Loop” Purchase/Build: Purchase or build facilities for active carbon capture & storage Build ESG Value Model: Evaluate the value of ESG pursuit Carbon Capture Strategies: Develop an array of carbon capture (CCS) strategies Process & Programs: Evaluate the credibility of credit ideas to ensure market acceptance Brand BKV’s Net-Zero & Green Gas Targets: Validate the intent to establish BKV as an ESG leader with a credible path		

AIR QUALITY AND EMISSIONS

For all emissions, BKV's priority is not only to consistently comply with federal and state permit requirements but to exceed them.

Our emissions reduction strategy goes beyond carbon and methane—we understand that there are a series of other non-GHG emissions that we are responsible for managing and mitigating. These include volatile organic compounds (VOCs), nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matter (PM). Strategies to reduce these air pollutants are primarily addressed through our continuous monitoring efforts, Pad of the Future retrofits, as well as our regional certification efforts, such as TrustWell.

For all emissions, BKV’s priority is not only to consistently comply with federal and state permit requirements but to exceed them. We continuously seek to minimize any emissions beyond what is required by regulation.

We have eliminated flowback from re-stimulation, and refracs, allowing natural gas to go straight to production. This significantly impacts flowback-related emissions, improving our overall emissions profile.

Water Management

We recognize the importance of water conservation and the need to leverage creativity and innovation to effectively manage water use in our operations.

WATER CONSUMPTION PROGRAMS AND INITIATIVES

We continuously look for opportunities to improve our water management practices and to demonstrate strong environmental stewardship through responsible water consumption. We recognize the importance of water conservation and the need to leverage creativity and innovation to effectively manage water use in our operations. We utilize both freshwater and produced water for operations in both of our operating regions, NEPA and Barnett, and we make efforts to limit our dependency on freshwater withdrawals by prioritizing produced water whenever possible. As part of these efforts, we use a water impoundment process to pull water in a controlled and safe manner, while limiting the amount of water retrieved monthly.

We also minimize trucking of freshwater as much as possible. We opt to use a layflat pipeline to transport water to our operational sites, and we have a water-sharing agreement in place based on infrastructure from other operations that allows us to save resources and responsibly manage water use. Not only does this help support our emissions reductions by limiting the need for trucking, it also helps reduce our operational fleet on the road and any of the associated risks that can come from operating a motor vehicle.

PRODUCED WATER / FLOWBACK



At our NEPA operations, we do not use saltwater disposal (SWD) wells. Rather, we partner with Eureka Resources, an industrial water management company, which allows for the complete reuse of produced water. Eureka strips the produced water of any lithium and salt, and resells these materials for end-use products, such as batteries and pool salt. They cleanse the water by removing hundreds of distinct types of particles. The resulting water and minerals are so pure that they meet, and often exceed, regulatory requirements.

Once the recyclable materials have been recovered, the purified produced water is then returned, under full regulatory approval, into clean waterways. In 2021, our freshwater withdrawal in NEPA was 102,973,606 gallons (2,451,752 BBL).*

At our Barnett operations, we prioritize the use of produced water where operationally feasible to minimize freshwater usage. We conduct strict due diligence around freshwater ponds and limit water drawn from freshwater wells. During the re-frac process, where feasible, our operators typically blend two to five percent of produced water to offset freshwater needs. In 2021, nearly 37 percent of our re-fracs used produced water, and that produced water accounted for approximately four percent of the total water use for each job.

*This amount includes total water withdrawn. It also includes the water transferred to other operators through water-sharing agreements.

In 2021, nearly 37 percent of our re-fracs used produced water, and that produced water accounted for approximately 4 percent of the total water use for each job.

We continue to meet water standards required by the Texas Railroad Commission and conduct monthly monitoring and reporting to demonstrate our due diligence. As a testament to our commitment to adhere to strict standards, we recently participated in an audit with a major E&P company in the U.S. for a disposal well that we operate in the Barnett. The independent audit found that we demonstrated sound environmental stewardship, abiding by all regulations and expectations.

Additionally, we are exploring a series of investments in water solutions that would allow for greater reuse of produced water.

Besides our own commitment to water usage, we work closely with the Susquehanna River Basin Commission in NEPA and multiple stakeholders in the Barnett, as they regulate and monitor our water use to avoid conditions of water scarcity. Some of our critical Barnett stakeholders include local

groundwater conservation districts for freshwater wells, such as the Upper Trinity Ground Water Conservation District, the North Texas Groundwater Conservation District and the Northern Trinity Groundwater Conservation District. On a state level, we are subject to the Texas Water Development Board. Finally, the Texas Commission on Environmental Quality governs all our jurisdictional surface water across the State of Texas.

These commissions work with us directly to determine appropriate water use—a process that provides automatic checks and balances for effective water management within our operations.

In 2021, our total freshwater withdrawn in the Barnett was 7,894,366 gallons (187,961 BBL).

SEISMIC ACTIVITY

We are highly diligent in monitoring wells to ensure that pressure levels remain within acceptable ranges, preventing potential seismicity. In the Barnett—where

we do utilize saltwater disposal wells—our geology team actively monitors wells on a regular basis to detect any change in seismic activity.

COMMITMENT TO WATER IN LOCAL COMMUNITIES

We are dedicated to reducing our dependence on freshwater use through expanded reuse opportunities and enhanced water infrastructure.

We are committed to the communities where we work and live, and we put measures in place to protect them while drawing on natural resources in our operations when needed. We are dedicated to reducing our dependence on freshwater use through expanded reuse opportunities and enhanced water infrastructure. Part of this commitment includes training employees how to safely execute the process of reusing water in our operations. The training extends beyond employee groups working directly on our hydraulic fracturing operations to include our truckers who haul away produced water.

We test the bradenhead, the space between the surface and intermediate, of all newly purchased and acquired wells on a regular basis. This process indicates if there is a potential problem with the surface casing and ensures freshwater preserves are protected.

Our wellbore design ensures the integrity and safety of our freshwater resources. We have top-tier casing and cement designs, in addition to intermediate (within NEPA operations) and production casing to ensure that operators isolate drilling to production zones only. Additionally, our production zones are nearly a mile below where we derive our freshwater resources. In pre- and post-drilling scenarios, our land and environmental teams actively communicate and interact with landowners or concerned citizens, particularly on the topic of well integrity and water safety. If requested by a landowner, we will also conduct water sampling.

Based on the World Resources Institute's (WRI's) Water Risk Atlas tool, Aqueduct, none of our activities across our assets in NEPA withdraw or consume water in locations that are considered stressed by meeting the High or Extremely High Baseline Water Stress level classifications under the WRI system.

In the Marcellus, we are classified as low risk (0 to 1, out of 5). In the Barnett and depending on the location, the WRI classifies our water risk in that region as low/medium (1 to 2, out of 5) or medium/high (2 to 3, out of 5). Although these classifications do not reach the high-stress level, we still undertake the utmost responsibility for water usage, as this region is more at risk for water stress than our Marcellus assets. Since our business relies on water availability, it is imperative that our sources of water remain viable.

In the Marcellus, we continue to focus on the effectiveness of our water reuse program, which posts a 99.6 percent reuse rate in our core operating areas.

Overall, we are confident that our operations can continue without risk to water availability for our surrounding communities. As the company continues to reduce dependency on freshwater use through expanded reuse opportunities and water infrastructure, the risk of contributing to water stress will continue to decline.

Looking Forward to 2022

Water Resources

In 2022, our NEPA drilling program plans to bring cement to the surface as an above and beyond regulatory design to help minimize leak paths and gas migration. This practice enhances well-bore integrity and aids in the protection of local water resources.



Energy Use

We engage in ongoing operational tuning and maintenance, including regular tuning schedules for compression and other devices, as well as asset upgrades, to maximize operational energy efficiency.

We engage in ongoing operational tuning and maintenance, including regular tuning schedules for compression and other devices, as well as asset upgrades, to maximize operational energy efficiency.

We also have a number of efforts underway to draw on renewable power sources in our operations, such as solar skids and solar-derived electric compression.

We are also working to deliver smaller-scale solar, as an element of the Project Sunshine program, to supplement our energy commitments.



Spill Prevention and Asset Management

Our SPCC plan serves as a comprehensive resource and guide on best practices to protect the communities and ecosystems where we operate in 2022 and beyond.

SPILL PREVENTION AND CONTROL

This year, we prioritized conducting a thorough review and assessment of our Spill Prevention, Control, and Countermeasure (SPCC) plans across geographies to establish a consistent set of policies and procedures for preventing spills in each region. This work resulted in the development of new site plans, which we effectively rolled out and introduced to our employees and contractors.

Our SPCC plan serves as a comprehensive resource and guide on best practices to protect the communities and ecosystems where we operate in 2022 and beyond. The policies and procedures outlined in our new plan are supported at the local level through training specific to the needs of each operational location.

ASSET MANAGEMENT, TRAINING AND REMEDATION PRACTICES

We conduct routine maintenance and inspections at our facilities, and we have established practices and operational infrastructure to control and mitigate potential spills or discharges.

Safety is our highest priority, including the prevention of any releases from our operations. We conduct routine maintenance and inspections at our facilities, and we have established practices and operational infrastructure to control and mitigate potential spills or discharges. In the event of a release—reportable or not—we will address it with the same level of focus and attention, ensuring proper cleanup and remediation.

We also offer annual specialized training to staff on spill prevention and host routine Response Tabletop Sessions to ensure our teams are fully trained on BKV's response plan in the event of any releases. These measures continue to strengthen our process safety culture.



OPERATIONAL INFRASTRUCTURE TO MINIMIZE SPILLS

Throughout our operations, we strive for zero spills. No spill is acceptable by our standards, and we will continue to refine and improve our spill prevention programs until we hit this goal.

In 2021, we invested in critical operational infrastructure improvements to enhance spill containment measures at our facilities. At our NEPA facilities, we added temporary secondary containment mats and berms on all pads during various operations. These mats provide superior protection from spills, leaks, and other discharges during facility operations, capturing spills at the point of release. Strong construction and welded joints, in addition to spill containment kits, are designed to prevent product from reaching the ground in the event of a spill.

At our Barnett operations, we've created a comprehensive Spill Risk Assessment Tool through which we review all existing spill containment systems to assess repair needs and ensure they are equipped to handle any number of release scenarios. Through

this risk assessment, we are prioritizing repairs and improvements to spill containment systems in the closest proximity to homeowners and other sensitive environments.

Throughout our operations, we strive for zero spills. No spill is acceptable by our standards, and we will continue to refine and improve our spill prevention programs until we hit this goal.

We maintain clear targets around spills to ensure that we are upholding the highest possible environmental standards.

MECHANICAL INTEGRITY PROGRAM

Safe operations across all our assets are an important part of our commitment to safety, responsible and proactive operations and environmental stewardship. Our Mechanical Integrity Program requires responsible design, construction, operation, inspection and maintenance of all equipment and pipelines we operate. All process piping, pressure vessels, storage tanks, secondary containment, safety shutdown devices and gathering pipelines are regularly inspected by specially

trained field employees and contractors to confirm they are safe, efficient and environmentally responsible. Our use of the Good Catch program app has improved employee engagement and accountability in the proactive identification and reporting of potential integrity concerns, allowing these observations to be tracked and repaired before they become actual problems.

Waste Management

We make available Safety Data Sheets (SDS) outlining hazard information and disposal considerations for materials and chemicals used or stored at our workplace and facilities.

We view waste management as an essential piece of our commitment to sustainability and environmental stewardship and an important part of how we protect the health of our communities. In addition to their environmental benefits, sound waste management practices also represent an opportunity to realize efficiencies throughout our operations.

At each facility, we manage and dispose of waste to meet, or even exceed the most stringent regulatory requirements. We are continually innovating to optimize the use of materials and resources, and actively monitoring our waste management practices to reduce waste throughout the company.

The work we do results in waste that can be either hazardous or non-hazardous, including both drilling and production operations. We also regularly generate office waste in the form of paper, packaging, bottles, etc. We maintain robust waste management practices in our operating areas to promote compliance with applicable regulations and corporate policies. The entire BKV team—including both employees and contractors—is responsible for managing waste. Our protocols for waste management clearly specify roles and responsibilities for how we manage waste, including training, shipping, disposal, and waste reduction programs. Just as with our own employees, we hold contractors

responsible for managing any waste that they generate and for complying with all waste regulations both at the state and federal levels.

We make available Safety Data Sheets (SDS) outlining hazard information and disposal considerations for materials and chemicals used or stored at our workplace and facilities. Our team receives job-specific training related to waste management and chemicals used or stored in the workplace.

Production companies occasionally encounter naturally occurring radioactive material (NORM) throughout the course of their operations. We have established formal NORM protocols to manage all encounters responsibly and within regulatory requirements. These protocols are designed to successfully address health and safety considerations for our team and minimize any potential exposure to NORM. We also offer training for employees working where NORM is present and detailed training for our teammates who have exposure to NORM. Additionally, we provide radiation safety officer training for those who assume the responsibilities of that role, which is to make available technical resources for ensuring safe operations and regulatory compliance.

Biodiversity and Ecosystems

We engage in ongoing operational tuning and maintenance, including regular tuning schedules for compression and other devices, as well as asset upgrades to maximize operational energy efficiency.

CONSERVATION OF BIODIVERSITY AND HABITS

The diversity of species and ecosystems is declining faster than at any other time in human history. We recognize that biodiversity loss is a global issue that requires local solutions, which is why we are actively seeking to mitigate the potential impacts of our operational footprint on species and habitats.

As some biodiversity impacts can be avoided by planning or establishing infrastructure through an environmental lens, we are focused on maximizing how we can utilize our existing infrastructure footprint and limit new infrastructure build-outs to minimize the disturbance to the environment and sensitive habitats in proximity to our operations. For example, we have made a cognizant effort to not construct new well pads at any facilities over the past two years. Refracs and Drilled Uncompleted (DUC) represent the only recent activity on our existing well pads.

In 2021, we established an Environmental Impact Assessment process to identify, assess and manage biodiversity risks for major project activities, as well as adjust well site locations to accommodate habitat features and priorities for certain species at our NEPA and Barnett facilities. This process is executed prior to settling in new operational areas.

The assessment includes:

Environmental and habitat surveys of grasslands/wetlands located within or adjacent to our operating assets to collect data and information on local biological diversity.

Collaboration with government agencies and institutions to identify potentially sensitive areas within habitats near our operations.

Work with private landowners to secure easements for plots of land with minimal impacts on habitat and biodiversity.

On-the-ground conservation research utilizing high-resolution satellite imagery and third-party software programs to monitor and analyze local ecosystems.

RECLAMATION POLICY

When biodiversity impacts cannot be completely avoided or further minimized, we employ the necessary measures to remediate or restore disturbed areas to a stable and self-sustaining ecosystem. We have established a company reclamation policy to clearly define internal expectations for biodiversity and habitat restoration near BKV operations.

Climate Risk Management and Strategy



WHY IT MATTERS

As leaders in natural gas production, we understand the impact climate change will have on our community, world and future generations, which is why addressing these risks and opportunities for revolutionizing how energy is produced is our top priority. At BKV, the drive for climate solutions is ingrained in our operations. We are proud to align our disclosure of this process to the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD).

As part of this process, we regularly assess climate-related risks and opportunities to understand their potential impact on the industry and company. We have identified the climate-related transition risks as well as physical climate-related risks that could potentially impact our business.

TCFD Process

Transition Risks

Policy and Legal: Increasingly stringent regulations could reduce profitability as additional emissions reduction requirements are adopted. These requirements could hinder our ability to generate revenue or decrease profitability. If a regulated price on carbon is instituted, the additional cost could be borne by E&P operators depending on where in the value chain the fee is collected.

Emerging Technology: Increased investments are being seen in renewable energy technology. As the world continues to increase the proportion of renewable energy in their energy portfolio, natural gas demand could be impacted.

Market Supply and Demand: As is the case with most industries, an exogenous shock in the supply or demand of natural gas or another fossil fuel has the possibility to impact the price at which we can sell our product, along with how much energy our customers are seeking to buy.

Reputation: Reputational risks can hinder relationships with any of our stakeholders. Any reputational damage to the company has the potential to limit our ability to raise capital, attract new talent, operate in certain regions and maintain strong relationships with our communities.

Physical Risks

Acute: Potential physical risks associated with climate change, such as increased severity of storms, droughts and flooding, have the possibility to impact our operations or ability to deliver a product to customers. The inability to provide energy to the world during critical moments has the potential to negatively impact revenue if we cannot operate, while storms and similar events may also lead to repair costs if they are damaged.

Chronic: The gradual, physical effects of climate change could have a negative impact on our operations, customers' operations and the overall demand for products and services. Additionally, severe weather patterns could change the feasibility of our operations, such as a drought leading to a decline in available water necessary to conduct business.

Our ability to sell RSG and net-zero green gas at a premium price is an opportunity that stems from emerging technology, reputation, and market sources.

Opportunities

While the aforementioned risks could negatively impact the industry and our business specifically, serving as an industry leader in sustainability helps us better navigate these risks relative to peers—something we see as a competitive advantage. Beyond successfully navigating risks, there are numerous climate-related opportunities that BKV seeks to continue capitalizing on.

For example, our ability to sell RSG and net-zero green gas at a premium price is an opportunity that stems from emerging technology, reputation, and market sources. With emerging technology and our relationship with Project Canary, we can certify our gas as responsible. This, in turn, improves our reputation as a provider of simple, clean energy. Our customers, focused on emissions across their whole value chain, have placed an added emphasis on the demand for RSG and net-zero green gas. As a result of these factors, we can sell certified RSG and net-zero green gas at a premium price, increasing our top and bottom line.

Policy and Legal: With increasingly stringent requirements, higher emitting companies may be forced to sell assets at a reduced value. A price on carbon could make the costs of business comparatively more

expensive for higher-emitting companies than lower-emitting ones. As a result, we may have a competitive advantage relative to peers to either purchase those assets or continue our operations while others can't.

Reputation: Quite simply, we see an opportunity to be recognized by our stakeholders as the go-to company providing clean and responsible energy to the world. Positive relationships with stakeholders improve our value and further cement us as a leader in ESG.

Market: We are strategically positioned near LNG terminals to export our product, which enables us to take advantage of market shifts in supply and demand by region while natural gas serves as a transition fuel towards a low carbon economy.

Technology: Technology, such as emissions monitoring and carbon capture, continues to improve. As it does, we will be able to implement new technologies to scale our production while lowering emissions throughout the value chain. Beyond this, emerging technology in other sectors may cause increased demand for our products.

Climate Change Policy Scenarios

Regardless of the specific climate path the world takes, our ambition is to be a part of the solution toward a low carbon economy below a 2°C temperature rise.

The identification of climate-related risks and opportunities, and how they can impact our organization, is something that is regularly revisited by the Executive Management and Board of Directors who assess how these factors have evolved. After identification, we stress test our strategy against various climate scenarios. It is imperative that we evaluate how different climate paths can potentially impact our business so that we can further understand and prepare for the aforementioned risks and opportunities. Regardless of the specific climate path the world takes, our ambition is to be a part of the solution towards a low carbon economy below a 2°C temperature rise.

As a result, we've conducted a scenario analysis to test the resilience of our business. For the purposes of our analysis, we use the publicly available scenarios produced by the International Energy Agency's (IEA) World Energy Outlook (WEO) 2021, which is one of the most widely recognized publications contemplating the transition risks associated with climate change. The WEO 2021 presents three main scenarios in order of increasing GHG reductions:¹

Stated Policies Scenario (STEPS), which reflects current policy settings based on a sector-by-sector assessment of the specific policies that are in place, as well as those that are under development by governments around the world.² This scenario is the most conservative because it does not assume that governments will reach all announced goals.

Announced Pledges Scenario (APS), which assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions and longer-term net-zero targets, will be met in full and on time. This new scenario reflects mid-2021 global ambitions to tackle climate change.

The Sustainable Development Scenario (SDS) assumes that key energy-related United Nations Sustainable Development Goals (SDGs) are met. These goals are related to universal energy access and major improvements in air quality and align with achieving outcomes targeted in the 2015 Paris Agreement of a "well below 2°C" temperature rise.

The WEO 2021 also presents a fourth scenario, Net-Zero Emissions by 2050 Scenario (NZE), which sets out a narrow but achievable pathway for the global energy sector to achieve net-zero CO₂ emissions by 2050. For the purposes of this report, the STEPS, APS and SDS are used for our scenario analysis as those scenarios have the most complete data sets over the forecasted period.

Each scenario assumes a distinct set of policy changes along with associated technological advances, market demand trends and energy efficiencies. The energy market projections of the scenarios extend to 2050, while assumptions around population growth and economic growth are the same in all four scenarios.

¹International Energy Agency, 2021, World Energy Outlook (2021), IEA, Paris, p. 27.

²International Energy Agency, 2021, World Energy Outlook (2021), IEA, Paris, p. 28.

We are well-positioned because we are a low-cost producer and support the ongoing diversification of capital investments to weather these scenarios.

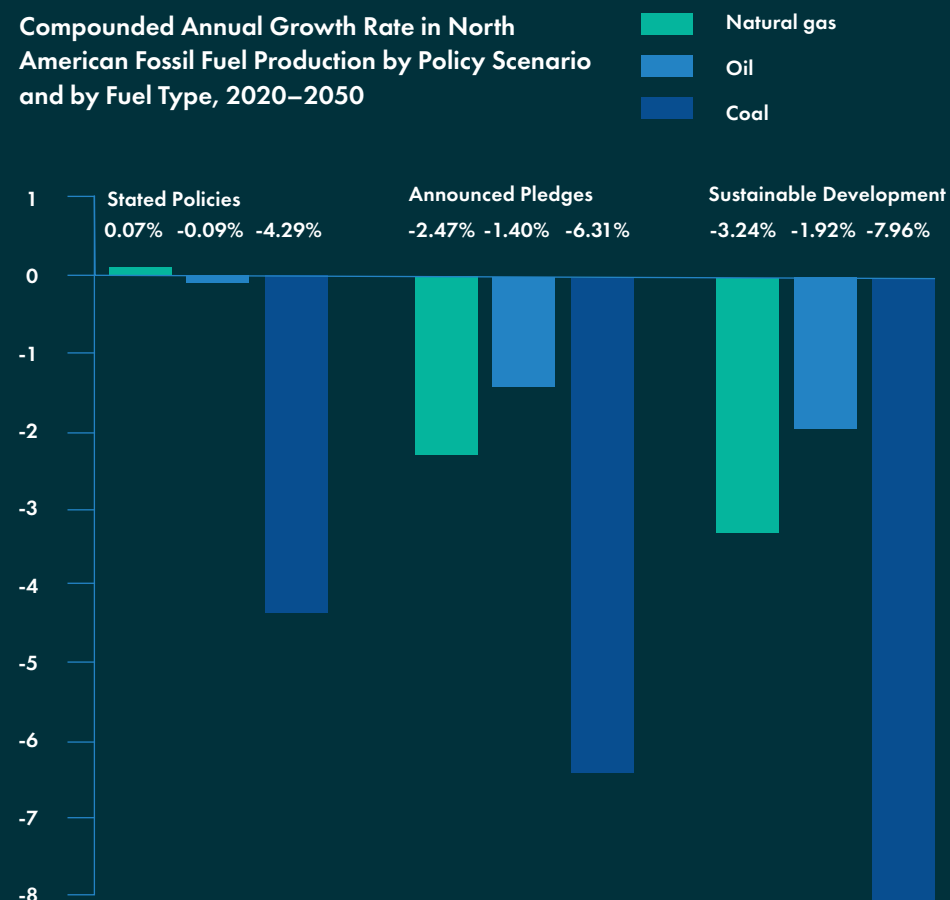
Natural Gas Production Scenarios

Potential Situation: The following charts show North American natural gas production through 2050 and the 2020–2050 compounded annual growth rate (CAGR), respectively. The three scenarios suggest that North American natural gas production by 2050 will either be relatively flat or fall significantly by 2050 due to climate policies. As discussed later in this section, we are well-positioned because we are a low-cost producer and support the ongoing diversification of capital investments to weather these scenarios.

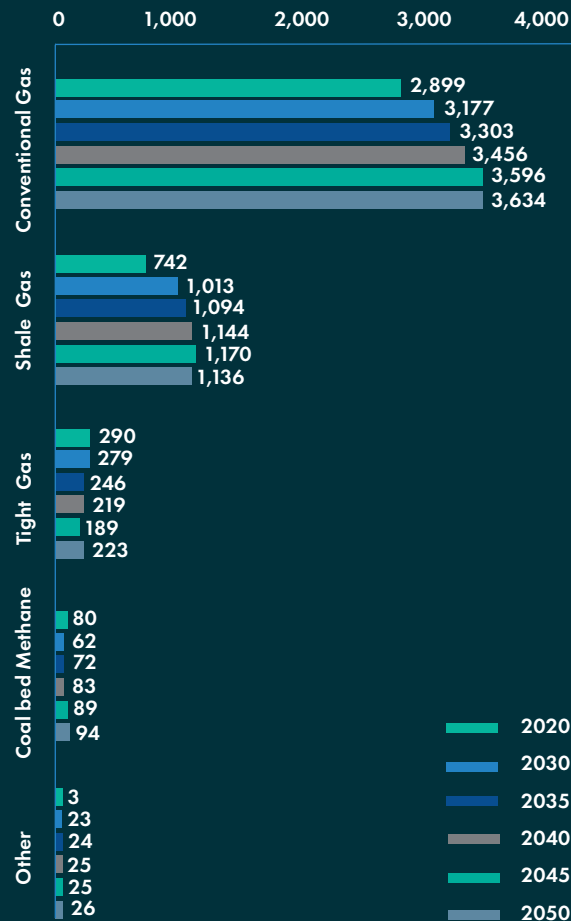
North American Natural Gas Production by Policy Scenario, Annual Production Volumes in BCM



Compounded Annual Growth Rate in North American Fossil Fuel Production by Policy Scenario and by Fuel Type, 2020–2050



Stated Policies: Global Natural Gas Production Projections by Gas Type, Annual Production Volumes in BCM



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Under STEPS, North American natural gas production rises slightly by 2.1 percent from 2020–2050 or a CAGR of 0.07 percent. Production peaks in 2030 and then declines thereafter to just above 2020 levels in 2050.

The APS and SDS forecast sizable declines of 53 percent and 63 percent, respectively, in North American gas production from 2020 to 2050. Both scenarios indicate a measurable production decline through 2030, and then production falls steeply thereafter. Overall, North American gas production declines at CAGRs of 2.47 percent and 3.24 percent from 2020 to 2050 in the respective scenarios.

While not shown in the charts, North American gas demand trends closely with production. In the more aggressive APS and SDS, the WEO assumes cost-effective fuel switching is accelerated. For both scenarios, gas demand growth will come from the industrial sector but will be outweighed by renewables claiming a larger share of power generation.

While the WEO does not report North American gas production by type, it does for global production as shown in the chart for STEPS.

The prospects for shale gas diverge significantly under the three scenarios. Projections for STEPS show shale gas production in 2050 increasing by 53 percent compared to current production,

while production for tight gas is projected to drop significantly. Conventional gas production in this scenario grows by 25 percent in comparison.

While not shown here, at the other extreme, SDS projections show hefty reductions in all types of natural gas production, with shale and tight gas losing 50 percent and 61 percent, respectively, and conventional production experiencing a 35 percent drop. The APS, however, forecasts only a slight decline in shale gas production from 2020 to 2050. This implies that shale producers, similar to our company, are relatively well-positioned in two out of the three more likely WEO scenarios.

Preparation: In a scenario where the production of natural gas decreases, we believe the demand for cost-effective RSG will increase dramatically, leaving high-cost and lagging environmental performers out of the equation. This can take place through legislation, customers paying a premium for RSG, net-zero green gas or other mechanisms. Regardless of how this plays out, this is why we have taken such an aggressive approach toward managing our environmental performance to be a leader in the industry. Highlighted by our 2025 net-zero commitment, one of the most aggressive in the industry, our climate reduction efforts include asset consolidation through the Pad of the Future program, pneumatic conversion, electrification and more, as detailed in this environmental section of the report.

Natural Gas Price Scenarios

Potential Situation: Our business strategy outline recognizes the favorable projections in the STEPS scenario but incorporates the fact that our industry faces challenges that will require us to maintain operational and financial flexibility under other possible scenario outcomes.

As shown in the chart below, the price of natural gas in the APS and SDS remain at relatively low levels, which underlines the need to maintain discipline and focus on cost efficiency.

Preparation: In a world with significantly less natural gas demand as in SDS, we believe the companies that come out on top will be the producers who are responsible from a cost and environmental perspective. BKV is resilient to market volatility and can maintain

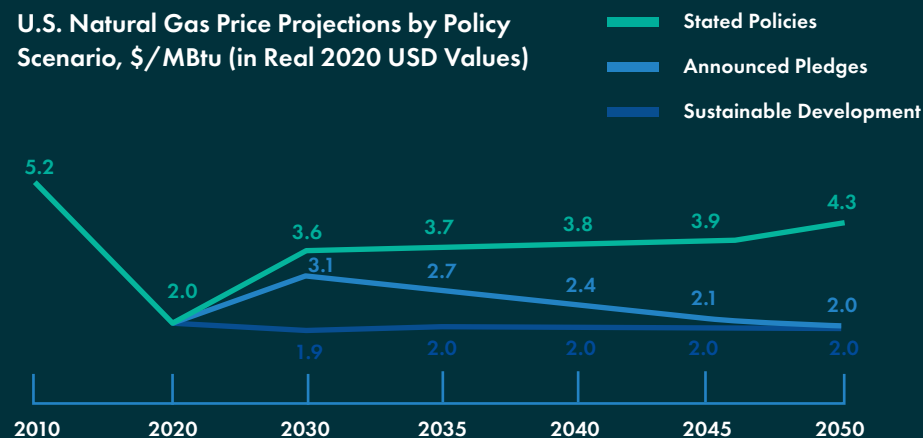
strong financial performance in different operating environments due to a combination of 1) an industry-leading reinvestment rate, 2) competitive free cash flow margins, and 3) a strong balance sheet with low debt levels. By not carrying third-party debt, BKV maintains low cash costs to optimize returns. BKV's mature, low-decline assets result in a low-reinvestment rate to maintain base production and generate durable free cash flow.

Another key element of our climate risk mitigation strategy is the production of certified RSG. In 2021, we obtained the Project Canary TrustWell Gold Certification across our NEPA operations, and we have concrete plans in place to expand into the Barnett in 2022. Certification provides science-backed credentials, through continuous emissions and data monitoring, validating the high environmental standards by which our natural gas is produced. By monitoring

and tracking this data, we can minimize our emissions footprint and enter a market for differentiated RSG and net-zero products where we can maximize the sale of RSG at a premium to traditional natural gas prices.

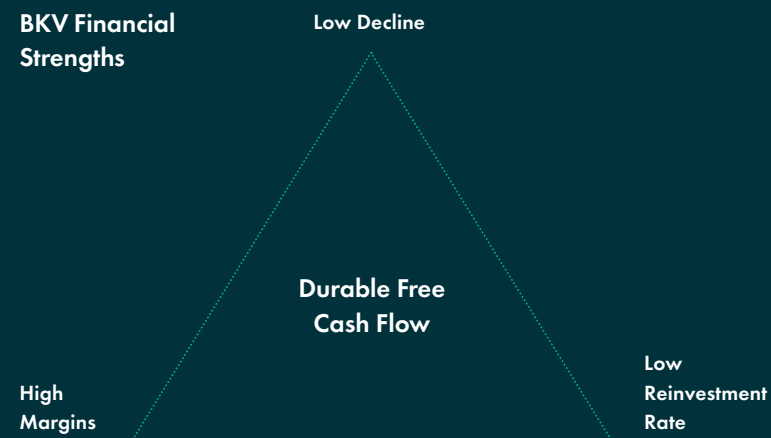
This will offer further price resilience in that it is a comparatively low-cost production model coupled with a higher sales price for RSG. We expect this premium will enable us to operate profitably despite the potential lower prices projected in the APS and SDS scenarios. It can also help navigate a volatile price environment, particularly as the U.S. is increasingly exposed to global gas price movements as a top natural gas pipeline and LNG exporter. Internally, we have modeled various scenarios for the market demand of RSG, how that impacts our production of RSG and how it changes our finances.

U.S. Natural Gas Price Projections by Policy Scenario, \$/MBtu (in Real 2020 USD Values)



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BKV Financial Strengths



We are extremely well-positioned to capture global demand upside given our proximity to U.S. liquefaction terminals both in NEPA and in the Gulf Coast, which amounts to approximately 12 Bcf/d of export capacity, with 3 to 4 Bcf/d more planned by 2025.

Natural Gas Regional Trading Scenarios

Potential Scenario: Under all three policy scenarios, North America is projected to remain a net exporter of natural gas as demand is expected to grow more rapidly in other parts of the world, shown in the chart below. In fact, in 2022, the U.S. is expected to become the top exporter of LNG in the world, and while this only comprises roughly 10 to 15 percent of total U.S. production, this is a significant component of the supply and demand equation for global LNG.

A recent study released by API and conducted by researchers at ICF found that using U.S. LNG rather than coal for electricity generation in China, Germany and India produces on average 50.5 percent fewer GHG emissions in all base case scenarios for these three countries. These findings demonstrate the importance of natural gas for achieving global emissions reductions, especially in countries where coal makes up a sizable portion of power generation. The study also found that transportation and shipping distance have low impact on emissions levels in the supply chain (only 10 percent of the

total GHG supply chain emissions), demonstrating that the U.S. LNG exports have a limited net environmental impact.*

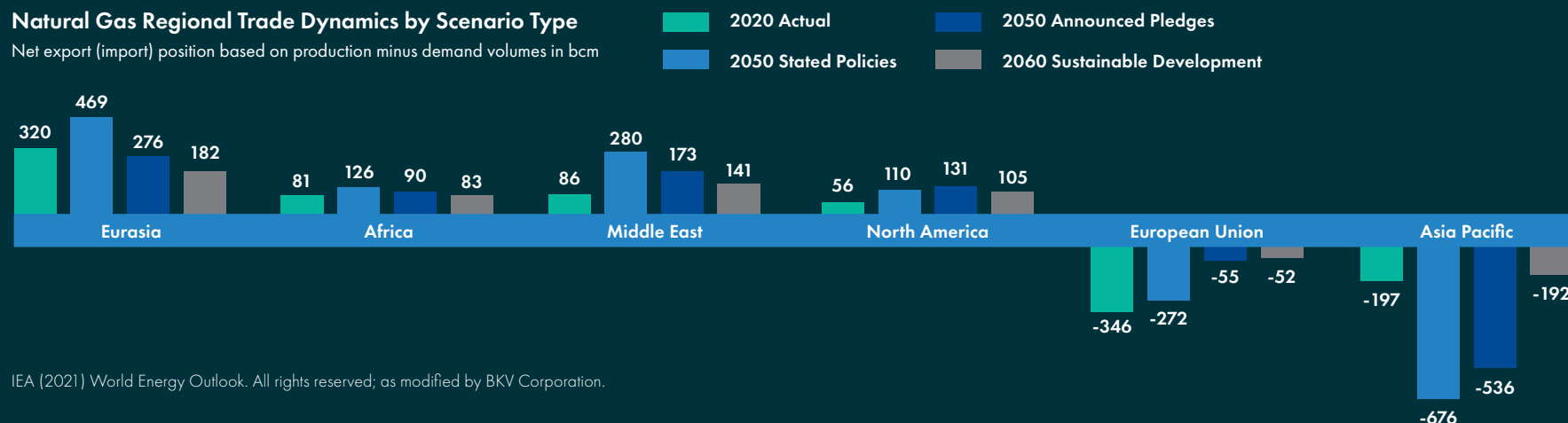
Preparation: In line with our business strategy to market our products to a broad customer base, global market dynamics may reward us for the positioning of our natural gas for exports. We are extremely well-positioned to capture global demand upside given our proximity to U.S. liquefaction terminals both in NEPA and in the Gulf Coast, which amounts to approximately 12 Bcf/d of export capacity, with 3 to 4 Bcf/d more planned by 2025.

Pressure for cleaner sourced gas to supply LNG terminals in the U.S. Gulf is also prominent, particularly from European buyers who have shown willingness to shun U.S. shale gas that has not been produced with the highest environmental standards.

*API-ICF, July 2020, "Update to the Life-Cycle Analysis of GHG Emissions for U.S. LNG Exports Analysis," available at <https://www.api.org/news-policy-and-issues/lng-exports/new-lifecycle-analysis-of-us-lng-exports>.

Natural Gas Regional Trade Dynamics by Scenario Type

Net export (import) position based on production minus demand volumes in bcm





North American LNG Export Terminals: Existing³

Export Terminals

US Jurisdiction – FERC

1. Kenai, AK – 0.2 Bcfd (Trans-Foreland)
2. Sabine, LA – 4.55 Bcfd (Cheniere/Sabine Pass LNG – Trains 1–6)
3. Cove Point, MD – 0.82 Bcfd (Dominion – Cove Point LNG)
4. Corpus Christi, TX – 2.40 Bcfd (Cheniere – Corpus Christi LNG, Trains 1–3)
5. Hackberry, LA – 2.15 Bcfd (Sempra-Cameron LNG, Trains 1–3)
6. Elba Island, GA – 350 MMcfd (Southern LNG Company Units 1–10)
7. Freeport, TX – 2.13 Bcfd (Freeport LNG Dev/Freeport LNG Expansion/
FLNG Liquefaction, Trains 1–3)

³Federal Energy Regulatory Commission, February 16, 2022,
<https://cms.ferc.gov/media/north-american-lng-export-terminals>

With our data and dashboards now stored exclusively in the cloud, we can identify any problem areas from wells and transport systems as they occur, allowing the team to prioritize response and recover much faster from any incident.

Our Commitment Across Scenarios

A careful analysis of climate change policy scenarios reinforces our commitment to the current business strategy. Each key element of our strategy aligns with the risks and opportunities presented by climate change and drives us to a competitive and resilient market position under the various policy scenarios discussed above. Across all three WEO scenarios, the forecasts indicate the following:

The U.S. will be the natural gas production leader globally.

The U.S. will remain a net exporter of natural gas.

The use of natural gas for power generation, and in the industrial sectors, is associated with significantly lower GHG and other air emissions compared with fuel oil or coal.

While no scenario can predict future events with complete accuracy, scenarios help shape how we think about strategic priorities and positions under a variety of policy circumstances. Based on our review of North American energy market projections, it is apparent that the natural gas industry is better positioned relative to other fossil fuels under all three scenarios. Regardless of the climate path that progresses over the next 30 years, we are taking proactive steps to be prepared for any climate scenario. Additional efforts include:

System Resiliency

Winterization is a key element of system resiliency, particularly as we are experiencing more frequent extreme weather events. We have been winterizing our

operations over the course of 2021 after Winter Storm Uri hit Texas and are continuing our winterization plans through 2022. These preparations include a special focus on training our employees to act quickly and safely to prepare assets in advance of winter weather events. The asset preparation involves many proactive steps, such as following a winterization preparation checklist, dispatching the workforce based on need, strategically dethawing equipment and repowering equipment after winter weather strikes. We are also continuously budgeting for key capital spending that supports the integrity of our assets in extreme weather conditions.

Also, because of previous collaborative architectural design sessions and third-party assessments, we have taken steps to significantly increase the resiliency of our IT systems to extreme weather. We made architectural decisions to host our network on the cloud instead of on-premises for operations. With our data and dashboards now stored exclusively in the cloud, we can identify any problem areas from wells and transport systems as they occur, allowing the team to prioritize response and recover much faster from any incident.

Due to these mitigation efforts and our comprehensive winterization plan, we were able to continue operations during the historical 2021 freeze in Texas—one of the few operators able to maintain a significant amount of production. In turn, we provided energy to many regions during a critical time frame when many other wells were not able to do so. Our deployment of innovative information technology practices throughout the business is a competitive advantage and one that we are eager to further evolve and develop in the future.

Our application of this technology enables the wells to load up much less frequently than in a manual method, which requires less venting to bring the wells back around. This reduces our emissions profile significantly.

Technological Innovation

Innovation is critical to streamlining operations to produce lower-cost, environmentally friendly natural gas. Our Barnett and NEPA plays have converted from manual tuning of wells to very sophisticated automated plunger lift tuning of wells with the main goal of increasing productivity. Our application of this technology enables the wells to load up much less frequently than in a manual method, which requires less venting to bring the wells back around. This reduces our emissions profile significantly.

Carbon Offset Commitments

We are committed to utilizing offsets that are certified and recognized in established carbon markets to complete our net-zero journey. We plan on purchasing offsets for our Scope 1 and 2 emissions to the extent needed. Additionally, we plan on measuring and

calculating our Scope 3 emissions and will use our CCS-generated offsets or recognized offsets for those as well.

Managing Identified Climate Risks and Opportunities

Our Board of Directors is responsible for climate risk oversight and has designated the Risk Management Committee to aid in fulfilling its oversight responsibilities with respect to our processes and policies on this topic. Our approach to climate risk ensures consistent risk management methodologies and tools, providing an integrated approach to broader organizational risk management. Once assessed, risk mitigation, monitoring and reporting are put into place.



Innovation

From the Barn to the Field

BKV Technical Services Foreman Dan Malave has always been a hands-on, self-starter—especially, when it comes to solving problems through innovation. A self-instructor and jack of all trades, Malave taught himself how to weld objects in his barn as a youngster. He started small with everyday household projects and now takes on projects to change the future of the energy industry, which recently includes improving the start of a compressor and eliminating methane emissions by building battery boxes.

“Do I think it’s possible to create a groundbreaking invention in your backyard or at home? Absolutely,” said Malave. “Anyone can create something that could be a catalyst for change if you are passionate about it. You don’t have to be an engineer to be smart. You can use your passion to be smart.”

BKV encourages its employees to be self-starters and solutions driven. Malave takes innovation to the next level, and his track record is quite impressive. His projects have included an instrument air project, which he built successfully at his home and after a safety and functionality review ran a small pilot at one of BKV’s assets.

How does he generate buy-in from his colleagues to test out his inventions? He continues, “Usually there is a problem and there is an answer. Next, you need to solve and up-sell it. I’ve found it pretty easy to get my colleagues on board, as they are equally invested in solving universal challenges.”

Inspired by innovators like Elon Musk, Bill Nye and Richard Fine, Malave always believes there is room for others in innovation and strongly encourages others to get creative. When asked what he thought might be the next groundbreaking at-home energy innovation, he said, “If people could figure out fusion, that would be the one thing that could change how things are done in the energy industry.”

On any given day outside of work, you can find Malave in his barn, building a new solution to an old problem with the sounds of country music radio playing in the background. He is currently teaching himself how to draw with CAD, print 3D and work on mobility scooters.

“Anyone can create something that could be a catalyst for change if you are passionate about it. You don’t have to be an engineer to be smart. You can use your passion to be smart.”

Dan Malave, Technical Services Foreman





Social



HSE Programs and Training

Health, Safety and Environmental (HSE) programs and practices are critical to our ongoing operational success and risk management. We continue to strengthen our HSE program and take accountability for our performance in this area by establishing best practices for HSE oversight.

Our HSE programs are overseen directly by our CEO and COO, who meet weekly to discuss HSE updates as well as risks and opportunities. Additionally, the Director of EHSR and ESG for both Barnett and NEPA reports to the COO and has the ability to reach out to the CEO, giving leadership direct access to immediate strategic decision-making.

Another core aspect of our HSE program is the Safety Committee. This cross-functional, cross-regional committee has the primary role of overseeing health and safety across the enterprise. Working collaboratively, the committee establishes health and safety goals and sets the course for BKV to execute against them. The goals are created for each asset on a regional basis and built into individual KPIs and short-term incentive plans, helping to ensure proper buy-in and investment from leadership.

Tracking, monitoring and reporting health and safety statistics creates a culture of safety at BKV, allowing employees to understand exactly how we are performing on critical measures of health and safety. Metrics such as the Total Recordable Incident Rate (TRIR) provide a clear window into the safety performance of the enterprise. These metrics are reported monthly and aggregated quarterly to share with the Executive Management team. Regular updates to employees and leadership drive a culture of transparency and accountability around HSE issues and help reinforce health and safety performance as a top priority.

Occupational Health and Safety

"The safety of our workforce is our top priority and most valued accomplishment. We are very proud that we have had zero recordable injuries through the 2019, 2020 and 2021 operating years for our employees and contractors. It is our goal to continue to build upon this legacy of outstanding safety performance moving forward."

Eric Jacobsen, COO

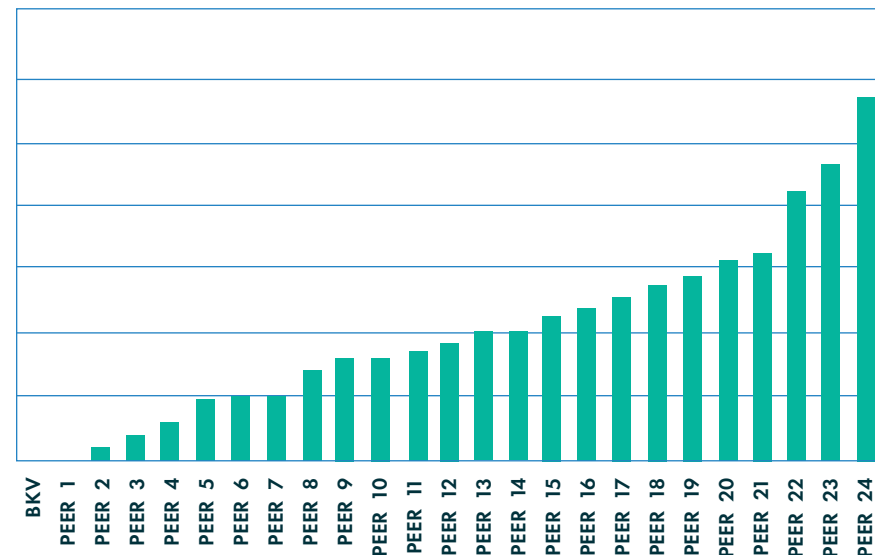
Providing a safe workplace is an essential part of our values. It's the right thing to do for our employees, contractors and communities. We actively maintain a dynamic culture of health and safety, and we are fully committed to providing the tools, training and resources required to sustain it. No job is so important and no task so urgent that we ignore the necessary steps to perform it safely.

We deploy a robust set of occupational health and safety oversight practices to address the safety of our workers. The COO oversees BKV's health and safety programs and efforts. All health and safety updates are reported to the COO, and the Director of EHSR engages regularly to provide relevant updates. Beyond the corporate office, each operating region has a Regional Vice President of Operations, and each of these executives is responsible for the health and safety of their geographic regions. In addition to regular meetings with the COO, the Director of EHSR is in regular contact with the Regional Vice Presidents and Directors of Operations to ensure the timely and transparent sharing of any important safety updates across the enterprise.

2020 TRIR Peer Analysis

■ Total

Sum of Workforce Total TRIR (Averaged)



A CULTURE OF SAFETY

We put a high priority on safety and demonstrate that by fostering a culture of safety excellence rather than simple compliance.

We put a high priority on safety and demonstrate that by fostering a culture of safety excellence rather than simple compliance. This culture of excellence is driven by a top-down and a bottom-up approach, with both our CEO and field-level staff assuming full ownership of BKV's safety performance.

The CEO sets the tone for our safety culture. He demands that employees live BKV's culture of safety every day through proper behaviors and performance, and he ensures that corrective action is taken swiftly when appropriate. From a workforce perspective, the field-level staff are the eyes and ears on the ground. They identify and communicate any potential safety

issues they may observe in the course of their work and provide recommendations to improve safety processes and performance as appropriate. By giving the workforce a voice with respect to safety practices, we ensure that everyone is fully empowered to participate in BKV's outstanding culture of safety.

Additionally, transparency remains a key element of our thriving safety culture. On an ad-hoc basis, and formally during each monthly performance update, health and safety issues and safety performance are recognized, discussed and critiqued. Through this productive, positive and transparent approach, we continuously learn and improve our safety performance.

SAFETY CULTURE SURVEY

We received one of the highest safety scores amongst our peers in a standardized survey administered by ISN.

BKV's Safety Culture Survey is one example of our total commitment to the safety of our workers. In 2021, in partnership with ISN and their CultureSight team, we sent out a survey to employees and contractors to better understand how our people feel we can improve our safety protocols and practices. After analyzing the feedback, we built a comprehensive roadmap laying out how the company can enhance high-performance areas and add improvements to our safety culture to heighten safety performance year-over-year. By holding ourselves accountable to this feedback, we empower employees and contractors to drive personal and company safety performance.

Through the Safety Culture Survey, we were able to identify outstanding safety performance relative to our peers. We received one of the highest safety scores amongst our peers in a standardized survey administered by ISN.

We strive to have a unified safety culture across all of our operations. As we grow and acquire additional assets, we are highly focused on instilling this culture of safety excellence so that our people understand and adopt it across regions, facilities, teams and as individuals. Our updated company-wide EHSR Manual facilitates workforce alignment and provides clarification around safety expectations and protocols. The unique perspectives of our regional teams around safety practices further strengthen our approach to safety, and we work to integrate these different perspectives, listening to the expertise of employees to identify new best practices, ultimately operationalizing them across the enterprise.

INCIDENT MANAGEMENT

We operate with a strict policy of zero-retaliation if an employee observes an unsafe behavior and uses their stop work authority.

We know that health and safety leadership starts at the top of the organization; however, day-to-day implementation and buy-in come from those in the field. We work to capture the input from every employee for our health and safety practices. Their feedback is invaluable and drives excellence, helping BKV actively shape improvements in our practices and protocols.

If an incident occurs at BKV, teams share lessons learned with safety and operations teams, and these learnings are then shared across our broader operations. Adopting new learnings and practices does not come as a result of new mandates or demands from leadership. Rather, teams reach a mutual agreement about the protocols designed to keep all workers, contractors and the surrounding community safe.

We have two programs to help drive safety engagement and employee participation in incident management and prevention.

1. Stop Work Authority Program: All employees, regardless of level, are empowered with a Stop Work Authority if the employee sees a safety risk or hazard with any aspect of a project or at a work site. All employees are accountable for and have an active role in our safety culture of excellence.

2. Good Catch Program: The Good Catch Program helps drive effective field behavior and capture insights into employee safety performance across our operations. Employee observation data is captured in the program, allowing managers to identify changes in behavior, determine mechanical risks, diagnose potential process change needs, etc. At BKV, you ‘see something, say something.’ Employees are trained to

log observations so they can be tracked and managed. This program is extremely accessible for employees as a smartphone application, facilitating immediate documentation should a situation or issue arise.

Rather than deploying a field safety performance model of enforcement—implying that workers are scrutinized and monitored with respect to following safety protocols—we encourage genuine buy-in and motivation to demonstrate good safety behaviors in the field. For example, if an employee submits an idea or recommendation to improve safety performance, she or he will receive some type of recognition or reward for that action.

Additionally, we operate with a strict policy of zero-retaliation if an employee observes an unsafe behavior and uses their stop work authority. We routinely communicate to all employees that transparency and candor with respect to safety issues is key. If an incident occurs, elevating the incident will support key lessons learned, growth and safety performance improvements for the company and fellow workers. For employees and contractors who do not follow established practices, we ensure that performance conversations happen immediately to address the issue.

We routinely communicate to all employees that transparency and candor with respect to safety issues is key.

Our culture of safety excellence is further developed through robust and hands-on safety training. These trainings include safety skills for field employees (twice monthly), office safety training (monthly) and other critical and role-specific hands-on training. Our training policies and processes are maintained on an internal intranet site, providing easy access to key reference documents that outline critical health and safety behaviors and expectations in the organization.

Examples include:

EHSR Manual and Policies

Confined Space Awareness

Personal Protective Equipment

Emergency Response

Hot Work

JHA and Hazard Identification

Lockout/Tagout

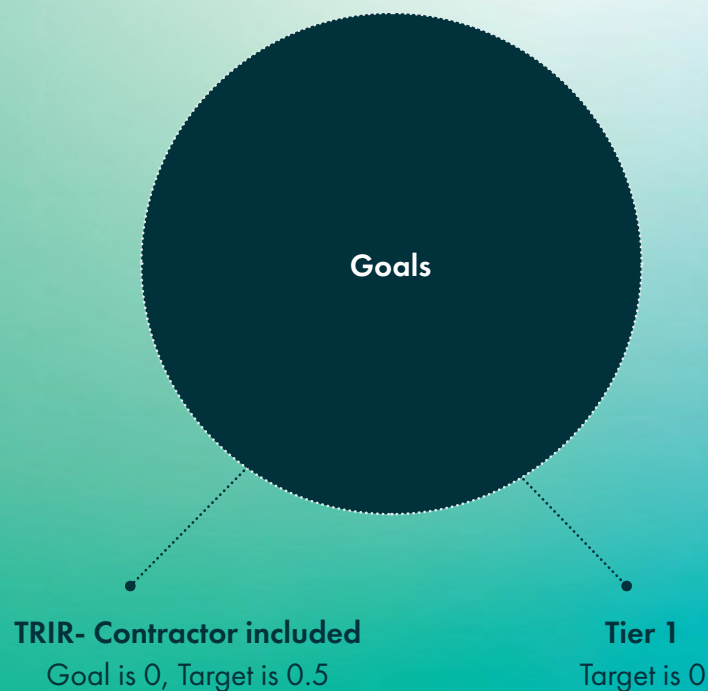
Safe Driving

Environmental Awareness

Other Industry Specific Technical Safety Training

Process Safety, Incident Management and Emergency Training and Preparedness

In 2021, it was our goal to develop consistent and aligned emergency response and incident management policies and protocols across the entire operations. As we have continued to grow through acquisition, we recognized the need for greater alignment among a disparate set of incident response materials and protocols. As part of our work to accomplish this, we consolidated the EHSR manuals across sites, streamlined Standard Operating Procedures and consolidated and updated the Emergency Response Plan. The consistent and aligned approach to incident response across the enterprise establishes a unified and effective approach to our incident and emergency management.



EMERGENCY RESPONSE

In the event of an emergency, our workforce is trained to communicate and immediately involve the people who are trained to respond to the event in a safe, thorough and effective manner.

We are prepared for a series of emergency response procedures, depending on the scenario. In the event of an emergency, our workforce is trained to communicate and immediately involve the people who are trained to respond to the event in a safe, thorough and effective manner. We assign an incident commander to manage the emergency from beginning to end. Escalation protocols are activated and notice is passed through the chain of command up to the Vice President of Operations, who will mobilize resources and conduct further information sharing as appropriate.

Depending on the designated “Tier” level of the incident denoted by its severity and magnitude, our protocols trigger an immediate escalation process to the CEO, requiring their oversight and engagement. Additionally, other designated executives and individuals within leadership are notified, and the group quickly activates to discuss the status of the incident, its level of containment, and next steps to drive full resolution both operationally and reputationally.

In the event of an incident of the greatest magnitude, the Risk Committee is notified. Such incidents may include situations where new capital must be committed to enhancing company infrastructure, developing and delivering new training, and creating new roles.

Once the incident is resolved, we conduct a root-cause analysis and formulate lessons learned and action items from the analysis. Actions may include the determination that processes need to be updated, new policies are required, or that new equipment or training may be needed. Action items are logged and discussed monthly following the incident to ensure that they have been fully executed and operationalized as needed to prevent other future incidents. .

Emergency Drills: Conduct regular emergency response drills

Site or Tailgate Drills: Occur on a weekly or bi-weekly basis

Multi-Functional Tabletop Drills: Occur quarterly

Company Wide Drills: Occur annually

We also conduct ongoing engagement with local emergency responders to learn from one another and help them understand and appreciate our focus on safety. By investing in these relationships, we strengthen our overall emergency response capabilities, and better protect our workforce and the communities in which we operate.

Management of Third Parties and Contractors

We take a robust approach to contractor and third-party management, ensuring that anyone working at our facilities who is not a direct employee of BKV will also honor and adhere to our rigorous health and safety policy, safety practices and protocols.

Proper vetting and management of contractors and other third parties associated with our operations is an important aspect of health and safety performance in the energy industry. We take a robust approach to contractor and third-party management, ensuring that anyone working at our facilities who is not a direct employee of BKV will also honor and adhere to our rigorous health and safety policy, safety practices and protocols.

Our robust process leverages ISN to vet contractors and other partners, establishing their preparedness to work at our facilities. Our regional health and safety managers will check to see if they are part of ISN, and if they are not, they will do further due diligence to determine if they fit the necessary vetting requirements and standards. Within ISN, we can request specific company performance audits to determine performance grades, and we also conduct due diligence by partnering with other companies to discuss contractor performance. We prioritize contractors based on their perceived risk to the company. The lower the risk, the highest priority for partnership. For contractors that have been identified as higher risk, we will schedule

proactive meetings to engage with them more frequently for oversight and management.

Before we begin an engagement at any facility or location, we will first meet with the contractor's management team to discuss performance expectations. We remain very hands-on with new contractors and partners for the first few jobs to facilitate seamless integration into our safety culture. Additionally, we have developed a formal contractor engagement program for ongoing evaluations and discussions around their performance and to communicate any updates to our safety programs. These engagements are a part of each asset's safety performance goals. For any contractor exhibiting substandard performance around safety, a BKV manager will quickly initiate a conversation to restate expectations. A failure by the contractor to quickly correct the performance issue may result in termination from work with BKV. This ensures that everyone working at our facilities, and those living in the surrounding community, are fully protected from potential safety risks.

COVID-19 Response Efforts

As always, the health and safety of our employees remains a top priority. We continue to enforce robust practices and protocols—as we have since the onset of the pandemic—to protect our people both in the field and in the office.

In 2021, we continued to be tested by the global COVID-19 pandemic. And once again this year, we rose to the challenge, demonstrating tremendous grit, resilience and adaptability, maintaining our operations and continuing to deliver critical and sustainable energy products that consumers around the globe rely on every day.

As always, the health and safety of our employees remains a top priority. We continue to enforce robust practices and protocols—as we have since the onset of the pandemic—to protect our people both in the field and in the office.

We have taken strong precautions to mitigate the spread of COVID-19 within our operations. We follow CDC, state and local guidelines to mitigate contagion. In response to the pandemic, we created a formal COVID-19 committee, comprised of the COO,

Chief Human Resources Officer, Director of EHSR, Vice President of Operations from both our Barnett and NEPA locations and EHSR team members from all offices to manage our response and execution of critical health and safety measures across our entire footprint. The committee was also charged with continuing to update and enforce the BKV COVID-19 Policy. We have also actively encouraged our workers to take every measure possible to protect themselves from the virus by offering time-off incentives for those who wish to be vaccinated and additional PTO for vaccinated employees who have received their booster shot. We also scheduled vaccine appointments for employees and eligible family members and made COVID tests available to employees at offices across our network. Additionally, work travel was limited to significant business needs, and prior to any travel, employees were required to show proof of a negative COVID test.



Return to Office

We are focused on maintaining the cleanliness of our facilities to reduce the potential spread of COVID-19 and ensure that those coming into the office have immediate access to proper PPE.

State and local requirements and guidelines dictated our plans for a return to the office, requiring us to remain flexible and adaptable amidst changing conditions. All dates and timings for office re-openings were outlined in a strategic, phased approach in our official BKV COVID-19 Policy and were driven by BKV leadership and the latest guidance from the proper authorities. We have continued to maintain an open dialogue with employees about expectations for returning to in-person work and share office procedures and updates weekly in all-staff meetings and inter-office communications.

We remain focused on the comfort of each individual employee in returning to the office, ensuring our process is flexible and tailored to the specific needs of our people. We have evaluated each of our offices for the essential employees that had to be in the workplace based on the nature of their work, and those employees established a set rotation providing that only the minimum number required was working at an office location at any given time.

We also factored more vulnerable employees into the plan and policy, including those who are older and/or have pre-existing health conditions. The company has also clearly specified when meetings should remain virtual and what meetings can occur in person, providing that proper personal protective equipment (PPE) is worn to those meetings.

We are focused on maintaining the cleanliness of our facilities to reduce the potential spread of COVID-19 and ensure that those coming into the office have immediate access to proper PPE. All offices are stocked with the CDC-recommended cleaning supplies to allow surfaces to remain disinfected and clean. We also follow recommended best practices and require employees to wear masks whenever they are not alone in an office or are in shared/common spaces. Lastly, we enforce social distancing best practices and guidelines aligned with CDC protocols.

Workforce Engagement

We are proud to provide our employees with family-friendly workplace practices, wellness programs and opportunities to make and be accountable for decisions.

We work tirelessly to promote a company culture that is employee-first, driven by our values and built on supportive relationships and employee empowerment. We strive to give our team opportunities to solve problems, innovate, push for excellence, embrace change and deliver on their promises. We want to be a caring and connected company where employees feel that they are heard, seen and valued.

We are proud to provide our employees with family-friendly workplace practices, wellness programs and opportunities to make and be accountable for decisions. We communicate proactively and consistently with employees about our goals and performance. We do not accept the status quo, and we are working to cultivate inclusive, diverse, equitable and respectful communities for all our stakeholders.



Engagement

**Upholding culture
through growth**

Think differently and dream big. This is at the core of our company culture, and we plan to keep it that way. It's the how and the why behind our success. Too often, company culture is placed on an indefinite back burner, especially after an acquisition takes place when the pace is fast and the workload is heavy. We believe that company culture plays a key role in the longevity of an organization. For us, it's the glue that holds our team together and keeps us as one, as we work toward creating a more sustainable environment—in the workplace and in the world.

Be One BKV is one of our core values with the intention of creating a unified team with a shared vision. How did we do this? By involving everyone in the conversation—from employees right out of school to the seasoned leadership team. We want to create a sense of we're all in this together. When we acquire another company, we look at the integration as an opportunity to enhance our culture, creating something every team member can feel connected to in an authentic way.

To uphold "Be One BKV" through acquisition, we established an integrated working environment starting with the New Ventures team. The team ensures that people are placed in the right spots when they come on board to set them up for success. The team not only takes in leadership and management advice, but gets direct input from frontline employees on how to best integrate the environments. Javier Hinojosa, Vice President Strategic Initiatives and Technology at BKV, oversees the company's PMO and works closely with the New Ventures team on this process.

"BKV is a place where ideas are able to grow instead of being dismissed," said Hinojosa. "We want BKV to always reflect a culture of openness to learn from others and provide an experience where everyone has a voice.

Maintaining this type of culture also requires attracting the right people to the team. Nick Kunze, Barnett Vice President Operations at BKV, was on the other side of the acquisition process, joining BKV in 2019 in the middle of an acquisition process. Although change can be intimidating, Kunze felt differently after witnessing the efforts of the Executive Leadership team and transparent conversations held with the New Ventures team. "BKV listened to what the incoming team members had to say. A few weeks later, they had a plan and strategy to revitalize the asset. As the new kid coming in, this was the perfect opportunity to give folks

a chance to make a difference," said Kunze. "Those who resonate with BKV's core values and are willing to operate in a fast-paced, fluid and action-driven environment will succeed here."

**Hinojosa continued,
"What's special about our
employees is that they inherently
want to do more and achieve
more. We all see Be One BKV as a
means to transform the company
and the world forever."**

**Javier Hinojosa, Vice President Strategic
Initiatives and Technology**

Diversity, Equity and Inclusion

Providing a safe, inclusive working environment for our employees and contractors is among our top priorities.

We are a forward-thinking, growth-driven, innovative natural gas exploration and production company. The foundation of our company, tremendous growth and technological innovations are due to our team of highly skilled, dedicated and driven professionals who represent a wide array of backgrounds and experience. We look to harness the innate talent and strengths of our employees and inspire the best from them in an environment of mutual respect and collaboration.

Our Board and Executive Leadership team recognizes the importance of a diverse and inclusive workforce to being an employer of choice, able to drive business innovation and success. Leaders are committed sponsors and supporters of programs that foster an increase in diverse demographic representation, nurture the careers of underrepresented groups and create a greater sense of inclusion and belonging.

When it comes to gender, racial and ethnic diversity across our organization, we strongly believe that a diverse workforce fosters new ideas and makes us stronger as a company. Providing a safe, inclusive working environment for our employees and contractors is among our top priorities. Our code of Business Conduct and Ethics provides the foundation and framework that drives our commitment to equality and inclusivity. We are working to cultivate a more diverse workforce across all cultures, ages, generations, and professional and life experiences, and we are incorporating this approach into our workforce engagement strategies both now and in the future. We intentionally embedded the promotion of equal opportunity, diversity and inclusion into

succession planning, talent management processes and decision-making. In 2021, all supervisors and employees were required to complete recruiting training that included how to avoid bias and seek best-fit individuals with a range of experiences that may be missing from the organization.

We provide equal opportunity for all employees and consultants regardless of race, religion, gender, sexual orientation, age, ethnic or national origin, social origin, disability, family status or any other protected status and personal characteristics for all aspects of employment. This applies to recruitment and talent attraction, training and professional development opportunities, promotions and all employee benefits. Additionally, we prioritize local hiring for both employees and contractors—particularly in areas of field operations—to support employment opportunities in our local communities.

In 2021, we elevated our Diversity, Equity and Inclusion (DE&I) and Human Rights focus by implementing a new Code of Conduct, updating our employee policies and completing an Employee Handbook refresh. Amongst the policies that were updated was our Whistleblower Policy. In conjunction with the update of the Whistleblower Policy, we launched our confidential ethics and compliance hotline. The hotline, hosted by Navex Global, offers our employees and stakeholders a confidential reporting mechanism, encouraging them to come forward to report business conduct, ethics and DE&I issues. The ethics and compliance hotline is available 24 hours a day, 7 days a week, and there is also an online submission portal that is immediately and easily accessible for all parties.

Diversity and Inclusion

We Can Do It!

Just 10 years ago, a career path for a female in the oil and gas industry was considered an anomaly. Now in 2022, it's more common, but there is still significant progress to be made. That's why BKV is passionate about diversity and inclusion in the workforce and for breaking glass ceilings.

BKV Principal Geologist Rebecca Harrington graduated from Dartmouth and then headed west to attend the University of Wyoming for her master's degree, taking a job as a radio host while she was in school. But she wasn't behind the microphone for long—she met an oil and gas recruiter on campus and soon landed a gig at Exxon in February 1999. Harrington immediately fell in love with the industry but seeing the lack of diversity, she was determined to find opportunities to inspire women to join the field—not just oil and gas, but geology as well.

And since then, she has made tremendous headway in advocating for women in energy. She is thrilled to see energy companies increasing their focus on

diversity and inclusion, and working with colleges to show the potential career paths for women within the industry.

At BKV, Harrington has continued to inspire women and helped start an internal group 'Women Who Work,' a platform for women to get advice, talk in an open environment, attend lunch and learns with various subject matter experts and much more.

Harrington's advice for encouraging women to get into the energy industry—it's pretty simple. She said, "Stand tall and stand on your own, but use support when it is there. Let your words speak for themselves. And take every opportunity you can to share your craft with the next generation of women."

"Stand tall and stand on your own, but use support when it is there. Let your words speak for themselves. And take every opportunity you can to share your craft with the next generation of women."

Rebecca Harrington, Principal Geologist





EMPLOYEE RESOURCE GROUPS

As part of our commitment to employees to make BKV an outstanding place to work, we are prioritizing the formal buildout of employee resource groups. In the interim, we are encouraging employee 'meetups'—an opportunity for colleagues and peers to connect with others facing similar situations or challenges. Our goal is to create a sense of community within the workplace where colleagues can provide support, friendship and opportunities for engagement and shared activities.

WOMEN WHO WORK

The COVID-19 pandemic created many challenges for our employees. We have worked hard to be flexible and supportive of our employees during this time and have identified creative ways of finding additional opportunities to support and connect them with one another since they aren't always in an office space together.

In 2021, a group of female employees came together to network, share experiences and build community. The group calls itself, "Women Who Work," and it fosters support and open dialogue between the women of BKV. Currently, this group meets monthly to share stories, insights, challenges and laughter.

Our goal is to create a sense of community within the workplace where colleagues can provide support, friendship and opportunities for engagement and shared activities.

Looking Forward to 2022

DE&I

Employee Training: In 2022, comprehensive manager and employee training programs will be implemented across the company, tracked by Navex through an online Learning Management System to ensure 100 percent participation. BKV will work with Navex to provide an inclusive course list of topics, such as business ethics, human rights and diversity, equity and inclusion. These training will include:

Discrimination-Free Workplace

Unconscious Bias-Promoting Fairness in the Workplace

Workplace Harassment

Workplace Violence and Abusive Conduct

Mentorship and Allyship: Combining data from surveys and ideas from the Women Who Work group, BKV provides a speaker series on topics of interest. In 2022, we will pilot a Mentorship and Allyship program that will diversify networks, bridge differences and provide more opportunities for our employees to develop their careers at BKV.

“Voice of the Employee” Survey: We intend to include DEI-based questions in our Annual “Voice of the Employee” survey, allowing us to capture the general sentiment of our workforce around existing programs as well as opportunities to improve from an equality and inclusion perspective.

Women Who Work: Based on the success of our Women Who Work group, we are adding training opportunities and out-of-office social activities to support the continued development and engagement of our female employees. This enhanced programming will launch in early 2022.



Employee Engagement

We also focus on gathering feedback, understanding what we do well and how we can continue to improve the workplace for our employees

Our employees are the lifeblood of our company and engagement is a critical component to the success of the company, as well as the success of the employees themselves. To create a foundation for transparent communication, we host regular town hall meetings—both at the enterprise level and by business unit—that allow our employees to directly engage with leadership, ask questions and provide feedback. We also host monthly finance and asset review meetings, so our entire team understands BKV's company performance and personal connection to business outcomes. The town hall meetings are open to all employees, providing transparency on the state of our business and strengthening the employees' understanding and feeling of ownership in BKV's results. These meetings include transparent discussions of our financials, company performance, goals, objectives, and employee recognition and rewards.

We also focus on gathering feedback, understanding what we do well and how we can continue to improve the workplace for our

employees. In 2021, we launched a third-party-led engagement survey and secured 97 percent participation across the organization. The survey is completely anonymous, encouraging candid feedback about how we can improve BKV and make it a better place to work. This feedback helped us to define our goals for 2022 and understand how we can continue to support the workforce in a meaningful way.

Beyond surveys, we hosted culture focus groups across all operating areas, which allowed us to speak with small groups of employees about our culture, the strengths to build on and the opportunities for growth. These focus groups offered an important opportunity to gather feedback while demonstrating to employees that we valued their voices and are focused on enhancing two-way communication between our leadership and employees. These focus groups have also been helpful in continuing to define and strengthen our company values.

EMPLOYEE WELFARE

We actively work to promote overall wellness. As part of our employee wellness program, we focus on one specific aspect of wellness each quarter, which is highlighted through various BKV communications channels, including the intranet, competitions and contests, town hall meetings and a variety of additional communications channels.

The employee wellness program was launched during the second quarter of 2021 and covers the following wellness categories:

Physical Wellness: Fitness challenges and gym reimbursements, weight-loss counseling and access to an online trainer.

Social Wellness: 9:80 work schedules for applicable employees, social events, charitable giving and volunteer opportunities.

Mental Wellness: Educational opportunities, stress management resources, meeting block-out times so employees take a break from meetings and focus on productivity and an “email curfew” that was introduced in the fourth quarter of 2021 in hopes of reducing work distractions during the evening.

Financial Wellness: Launching in the first quarter of 2022, financial planning resources, financial aptitude and financial literacy.

To further demonstrate our commitment to the well-being of employees, we began sending out a wellness-oriented email each week, encouraging employees to care for themselves both mentally and physically. The emails offer practical wellness tips and guidance to help employees navigate and adapt to a workplace that continues to change amidst the global pandemic.

WORKPLACE FLEXIBILITY

We strive to create a work environment and culture that supports a strong work-life balance and the much-needed flexibility desired by today’s workforce, and our team is no different. Throughout the COVID-19 pandemic, while working primarily from home, our workforce continued to execute their roles and responsibilities with remarkable success. In turn, we

have seen in many cases that remote work has improved work-life balance for employees, enhanced their mental health and improved their performance. Accordingly, we continue to support a work culture that delivers on the need for greater flexibility among our workers so that they can be satisfied and productive.

We strive to create a work environment and culture that supports a strong work-life balance and the much-needed flexibility desired by today's workforce, and our team is no different.

EMPLOYEE RESOURCE GROUP

As part of our commitment to employees to make BKV an outstanding place to work, we are prioritizing the formal buildout of employee resource groups. In the interim, we are encouraging employee ‘meetups’—an opportunity for colleagues and peers to connect with

others facing similar situations or challenges. Our goal is to create a sense of community within the workplace where colleagues can provide support, friendship and opportunities for engagement and shared activities.

EMPLOYEE RECOGNITION AND AWARDS

Trust and transparency are key elements of our culture. We believe it starts at the top of the organization with our CEO, and he sets the tone for the entire company. One of the CEO’s key areas of focus is keeping employees apprised of company performance through financial and sustainability updates. Our CEO hosts all-hands meetings twice a month, recognizing employees for their excellence and thanking them for their contributions to BKV’s growth, performance and success. Supervisors and employees help strengthen engagement around these events, submitting nominations for recognition.

We leverage many forums to recognize the achievements and arduous work of employees. Employees that exemplify our values are recognized on the intranet and in the employee e-newsletter, and each region hosts a monthly town hall that provides a venue to bring employees together and recognize the excellence that occurs throughout the company.

Trust and transparency are key elements of our culture. We believe it starts at the top of the organization with our CEO and he sets the tone for the entire company.

Looking Forward to 2022

Retire the Hard Hat

Retire the Hard Hat is a new peer-to-peer recognition program that will officially kick off in 2022. Employees will be able to formally recognize their peers, colleagues and supervisors for personifying the BKV values by submitting a quick form acknowledging their above-and-beyond behavior. For each recognition that is submitted, employees will receive a BKV logo sticker to place on their hardhat—a physical, and visible, representation of their accolade. At the end of the year, BKV will invite the employee who has received the most accolades/stickers on their hard hat to “retire their hard hat.” This employee and their family will be recognized across the company for exemplifying the BKV values and will be flown out to the headquarters in Denver, Colorado, to have a special celebratory dinner with the CEO.



SUCCESSION PLANNING AND CAREER DEVELOPMENT

In 2021, we focused on succession planning and career mapping, identifying a clear career path to the next professional level for every one of our employees. We took this on with the goal of helping employees understand all development opportunities across the organization and ensuring that they see a defined path to advance their careers. We also worked to develop a contingency plan to backfill key roles, ensuring the continuity of business.

We leverage a standardized review process with formal milestones for managers and employees to discuss growth opportunities at both mid-year and year-end, ensuring that employees have a clear understanding of their strengths, opportunities and areas for growth. We also encourage managers and direct reports to have ongoing conversations to discuss feedback and growth opportunities throughout the year.

COMPENSATION AND BENEFIT STRATEGY

We believe it is our responsibility to do all we can to support the physical and mental health of our employees.

We recognize that our employees are our most valuable resource, and to ensure we retain top talent we must provide competitive compensation. As part of our commitment to these efforts, we underwent a third-party evaluation to confirm our wages were both competitive and reflective of the work our people were performing. In 2021, we assessed our existing compensation strategy and have begun working towards standardizing salary ranges. This work will create a system that will pay employees fairly and consistently based on the function they perform and help us to offer competitive packages compared to other companies in our industry.

To foster the health and well-being of our employees and their families, we offer all our full-time and part-time employees access to financial, health and wellness programs. Our employees are salaried at competitive levels, and BKV ranks 'high' on national compensation, incentive plans and contribution amounts for healthcare compared to similarly-sized oil and gas companies.* We also offer a matched 401K plan, medical insurance coverage, a competitive maternity and paternity leave program, and paid time off for holidays, personal days and vacation.

We have found that a total compensation plan is important to attract and retain top talent, and we offer both short-term and long-term incentive plans as part of our package. Our short-term plan is a merit-based bonus program based on BKV's performance and the performance of the individual employee, and our long-term plan provides direct ownership in the company to further incentivize the workforce. We provide more than 50 percent of our employees with long-term incentive plans, and everyone has a vested interest in how BKV performs.

We believe it is our responsibility to do all we can to support the physical and mental health of our employees. We have programs in place that enhance the total wellness of our employees and help address the variety of circumstances that they may face. We provide a competitive mental health package, including EAP webinars, and we encourage counseling and assistance programs. In addition, we offer a monthly fitness reimbursement to encourage employees to care for their physical health. We also have a wellness room that offers breastfeeding mothers a private space to pump and gives employees a space to refresh themselves and maintain their mental wellness.

*External Broker Analysis

We believe it is our responsibility to do all we can to support the physical and mental health of our employees.

In our wellness survey, we asked employees to identify their biggest mental health challenges so that we can proactively support the workforce in managing those issues. For instance, we implemented a policy restricting employees from scheduling recurring Friday afternoon meetings to allow employees to wind down and focus on their own projects to close out the workweek. We also empowered departments to identify and implement their own times when meetings were discouraged, giving employees additional, focused time to work. Many of our employees work regularly with team members who live in different time zones, so if employees engage across locations and time zones, meetings and formal interactions must take place within each region's established office hours. This practice helps encourage work-life balance and is appreciated by employees across the organization.

As the pandemic took hold, it became clear that employees were struggling with feelings of being disconnected from their fellow employees and peers. To help create additional opportunities for employee interaction, we implemented virtual coffee breaks for full-time and remote employees allowing time for them to connect outside of meetings and work calls and begin to strengthen connections within the workforce. This also helped ensure our team could build relationships and recapture time at the "water cooler" that so many felt they were missing.



Human Rights

BKV's Ethics and Compliance Hotline acts as a formal whistleblower option, providing a grievance mechanism for employees, suppliers, third-party partners and members of the community.

Providing a safe, inclusive working environment for our employees and contractors is a priority. Our Code of Business Conduct and Ethics clearly states that we do not tolerate discrimination or harassment of any kind, and we follow through on this policy. Furthermore, we have a Human Rights Policy that applies to all of our employees and is aligned with the UN Declaration of Human Rights and the UN Guiding Principles. We continue to monitor the effectiveness of our human rights policy with the goal of growing and aligning our business to the dynamic rights of our workforce. Employees are trained on our Human Rights Policy and our Code of Business Conduct and Ethics. Those who cannot or will not fulfill the values and conduct required at BKV may be released. Our Human Rights Policy extends to all our operations, as well as partners and suppliers—including security providers—who are expected to read and comply with our policy.

We take all concerns and violations seriously. BKV's Ethics and Compliance Hotline acts as a formal whistleblower option, providing a grievance mechanism for employees, suppliers, third-party partners and members of the community. The Ethics and Compliance Hotline can be used anonymously, and we take our legal obligation to investigate any submission and take appropriate action seriously. This policy allows us to maintain a working environment where employees know that we are committed to equality, mutual respect and the rights of our workers.

COMMUNITY IMPACT ASSESSMENT

As BKV has grown via acquisition, we treat all newly acquired wells and the surrounding communities are treated with the same level of community engagement best practices. BKV prioritizes relationship development and integration through outreach and engagement in an effort to understand and address the unique needs of that community. We always strive to understand how we can most effectively work with our local communities to foster strong, lasting relationships.

If BKV were to operate in a new area, we would conduct a community impact assessment, prior to settling in new areas, that is in line with the principles

of Free, Prior and Informed Consent (FPIC). We follow FPIC best practices as stipulated by International Human Rights Guidelines. In line with our Indigenous People's Policy, if we were to initiate operations in a new area, we would minimize community impacts to Indigenous people and their traditional way of life. When conducting an initial site analysis during the planning stages, we avoid operating in high conservation areas, such as World Heritage sites or areas of cultural significance.

COMMUNITY ENGAGEMENT AND CORPORATE CITIZENSHIP

When possible, we support local suppliers and prioritize purchases that support local communities, guided by our Local Procurement Policy.

At BKV, we are driven to be a force for good in society. We are dedicated to having open and honest relationships with our stakeholders, and we are committed to being an active part of the community. We actively support and invest in the communities where we operate and where our employees call home. By proactively engaging with local community stakeholders, we can better understand their interests and concerns. When possible, we also support local suppliers and prioritize purchases that support local communities, guided by our Local Procurement Policy. Our commitment to local communities also inspires us to support the causes that matter most to them through BKV-led community engagement programs, events and initiatives.

Our Ethics and Compliance Hotline also serves as a confidential way to collect candid and accurate concerns from local community members raised about potentially unethical conduct. This Ethics Hotline is hosted by a third-party hotline provider, NAVEX Global/EthicsPoint®. All reports submitted via the hotline are documented in detail and escalated within BKV promptly.

Engagement with our community stakeholders is critical in strengthening our social license to operate. As such, we have established reporting channels, proactive telephone and email communications and host in-person events, such as a Community Open House BBQ honoring local emergency responders, to name a few of the ways we foster community engagement.



CASE STUDY #1: WINTER STORM URI RELIEF IN TEXAS

In February 2021, the state of Texas experienced a once-in-a-lifetime winter storm that resulted in record-breaking low temperatures, significant snow and ice accumulation, and catastrophic power blackouts. A survey conducted by the University of Houston (UH) Hobby School of Public Affairs in mid-March of 2021 found that more than two out of three, or 69 percent, of Texans lost power at some point during the storm, and almost half of the state's population had disruptions in water service. Across the state, 246 people died as a result of the storm, and the Texas Comptroller's office estimated that the financial fallout landed somewhere in the range of \$80 to \$130 billion.

As the winter weather moved in and natural gas and electricity demand skyrocketed, BKV quickly sprang into action to help keep the community's lights on and assist those impacted by the outage. Our entire Texas employee base worked to support operations efforts that would keep natural gas production flowing to the Texas power grid. Many of our employees, even those who do not normally work in the field, were in the field as long as they could each day working hand-in-hand with their supervisors and colleagues defrosting lines, repairing equipment and ensuring as much gas production as possible. The natural gas we produced during the storm was sold to Atmos, and other power generators and deliverers, without negotiating any contracts, in an effort to maintain the power generation and keep lights on across North Texas and the entire state. While working in the field,

our employees supported our community neighbors as well, clearing driveways of snow for elderly landowners, checking on livestock and even breaking up the ice on tanks and ponds so that livestock had water to drink.

Caring for our colleagues and neighbors didn't stop in the field either. We booked hotel rooms to provide overnight shelter to BKV employees and their families who had lost electricity at their homes, and the rooms that went unused by our employees were then turned over to support and house the homeless with nowhere else to turn. When local hotel space exceeded maximum capacity and there were no more hotel rooms available, we converted one of BKV's buildings into an emergency shelter, providing cots, water and food to BKV employees and families. Employees even began buying bottled water, sleeping bags, air mattresses, and other supplies, delivering them to fellow employees when possible.

The response to Winter Storm Uri was a beautiful testament to communities pulling together in light of a crisis. We also had the support of local emergency response organizations who spotted a water leak from a busted pipe at our office, provided access to fire hydrants for freshwater to run steamers and other equipment, assisted us safely navigating roads and much more.



CASE STUDY #2: NEAR NEIGHBOR OPERATIONS IN PONDER, TX

In 2011, when the gas wells were drilled on our Massey-Stevens and Georgia Massey pads in Denton County, Texas, the property was located far enough from neighborhoods and local businesses that day-to-day operations at the site functioned with minimal disturbances for those living and working in the area.

Fast forward 10 years when we decided to apply newer completion technology to those same wells, the nearby neighborhood—the town of Ponder—had experienced a residential development boom. This gentrification brought on a new set of challenges, as we needed to minimize our impact on the neighbors who now lived right along the property line. We pulled together a cross-functional team to proactively discuss how to best mitigate our impact and be a good neighbor while conducting operations on the pad. The team established a multi-step approach to ensure that we were living up to our values of solving problems and doing good. This approach included:

Our team members had regular communication and interaction with the Ponder secretary to ensure all timelines and plans were understood by city staff, in the event they had questions or fielded questions from the community.

We created a community outreach website to share a project timeline, operations updates and company contact information to all neighbors and community members. MasseyStevensPonder.com was an opportunity for BKV to educate neighbors on the operations as well as to field questions and collect direct feedback from the community.

We installed temporary sound walls on all sides of the two pad locations to create a sound barrier between the work conducted on the sites and the neighbors nearby.

We enforced and followed a strict operations curfew that limited work to daytime hours only so that evenings were quiet for nearby residents.

We implemented the first-ever mono-line to extend from the wellbore on one pad to the wellbore on the adjacent location. This state-of-the-art, innovative technology eliminated the need for noisy and time-consuming equipment moves and allowed the completion work to be performed from a single location. This also eliminated a significant amount of construction traffic on and near the pads.

To ensure security on the pad, BKV partnered with the Ponder Police Department, Denton County Sheriff's Office and other local law enforcement agencies to monitor the pad activity and traffic off and on the location 24-hours a day. We leveraged local off-duty officers to serve as location security for the duration of the operation, providing additional income to the local officers.

We remain committed to being an accountable, trusted and engaged partner to the Ponder community, as well as being a good neighbor to all communities where BKV operates.

Communication

Courtesy and Collaboration

The moment that BKV Land Administrator Jackie Montgomery stepped foot on the Massey Stevens pad site, she knew that it would be a challenging project. Challenging in the sense that it involved communicating with a lot of different people—each with distinct priorities, needs and expectations. And of course, we would be remiss to note that Montgomery likes to “keep everyone happy,” especially the neighbors whose homes now sat on the once-far-away property line of the pad site.

It has been ten years since Massey Stevens was developed and Ponder has experienced significant residential growth, specifically with the Remington Park development. What previously was a few homes sprawled across several acres now included hundreds of homes with Massey Stevens sitting almost in the middle.

Fortunately, BKV had the perfect person on the team to facilitate the internal collaboration needed to ensure this project went smoothly. “I previously worked at [BKV-acquired] Devon for 17 years, which at one time had 343 wells in the middle of Forth Worth, so I’m well versed in what groups need to be involved for successful execution.”

First, she made sure the right BKV teams were at the table to determine a game plan and address issues that she knew would be of concern to the nearby neighbors.

Next, she connected directly with city officials at Ponder. “I think we over-communicated project status updates with the city,” Montgomery laughed. Once construction was underway, it wasn’t long before the positive feedback began to stream in. “It was great,” she said. “The city supported our efforts and really helped us clearly communicate with the community, setting expectations from day one.”

And the collaboration paid off, Montgomery said she felt supported from the top down. “I absolutely felt and continue to feel empowered. BKV advocates for their employees to make decisions and is open to change. We had to work through things on this project, but by clearly communicating our recommendations, BKV leadership supported us one hundred percent,” she said.

**Montgomery continued,
“Anyone who knows me, knows
I’m honest and straightforward.”
And it’s safe to say honest
communication really is the best
policy for getting things done the
right way.**

Jackie Montgomery, BKV Land Administrator



Landowner Relations

Our Owner Relations Hotline is closely monitored, and the team escalates each landowner inquiry to the appropriate BKV Internal Land team within 24 hours of receipt.

We believe that relationships matter. Having strong and transparent relationships with landowners in the communities where we operate allows us to proactively address concerns before they become issues. We have established a formal process for soliciting feedback from land and royalty owners and for maintaining ongoing engagement with these groups to resolve issues as they arise. We have a designated Owner Relations Hotline that is available to all owners with questions, concerns and feedback, in addition to the Ethics and Compliance Hotline that is open to all BKV stakeholders.

Our Owner Relations Hotline is closely monitored, and the team escalates each landowner inquiry to the appropriate BKV Internal Land team within 24 hours of receipt. Most inquiries can be immediately resolved, but we strive to have personal follow-up and connection with owners who have called in with inquiries that cannot be immediately resolved by the hotline team within 48 hours. Additionally, we want all landowners in our communities to have a voice, which is why we also mail out an Owner Relations Survey annually to collect feedback. The same Owner Relations Survey is also available anytime on the BKV's website's Owner Relations page.

We've partnered with the leading global energy data analytics and SaaS technology company, Enverus, to collect and maintain a database of all landowner feedback, rank the addressable concerns and issues, and track our response method and resolution speed. We also leverage Enverus' industry-standard owner relations platform called "EnergyLink," to maintain frequent, transparent communications with this critical stakeholder group around joint interest billings, land invoices and revenue and royalty statements.

Social Investment

Regional Committees review all corporate-backed donation requests, and volunteer and community investment opportunities to ensure alignment with BKV's six-pillar approach to community investment and to help maximize the impact of our contributions.

COMMUNITY INVESTMENT FRAMEWORK

We are committed to serving as social leaders in the communities where we operate. We encourage our employees to actively support opportunities that are centered on community building, education, military support, environment and conservation, emergency preparedness and social services—critical pillars for a thriving community. And, as a company, we support these same critical community pillars. We have defined a Community Investment Process to ensure we generate meaningful and authentic impact in the communities in which we operate. We have developed a Social Investment Approval Process to align investments with local community needs and company strategy, drive transparency around our contributions and capture the value and impact we seek to create through these investments.

We proactively engage with local stakeholders so we can listen and better understand their needs, values, concerns and priorities. Our goal is to partner together and find meaningful and impactful solutions. All social investments and donation requests are vetted through our regional Community Relations Committees. These regional committees are key to driving bespoke investment opportunities. They review all corporate-backed donation requests, and volunteer and community investment opportunities to ensure alignment with BKV's six-pillar approach to community investment and to help maximize the impact of our contributions.

BKV Community Investment Pillars

Pillar Name	Pillar Description
Community Enhancement	Programming and events intended to build community and foster community growth
Education	K-12 education support (emphasis on STEM)
Emergency Response & Preparedness	Local emergency responder support
Environment & Conservation	ESG aligned environmental and conservative efforts, research and programming
Military & Veteran Support	Programs that help military service during and after their service
Social Services	Services intended to aid disadvantages, distressed or vulnerable persons or groups

In 2021, BKV invested \$105,000 in local non-profits in Denver, Barnett and NEPA.

We have empowered each regional Community Relations Committee with the autonomy to directly approve investments and donation requests of less than \$25,000. Our Community Relations Manager, Regional Vice President of Operations and the ESG Steering Committee provide strategic oversight for the approval of investments and donation requests greater than \$25,000. We track all contributions and social investments internally and collectively review them annually to assess our social impact, identify any emerging social trends and ensure we are contributing in meaningful ways to make a difference where it matters the most.

Our Community Relations Committees are based in our key operational regions—Denver, Barnett and NEPA. These committees review requests on at least a monthly basis and members of the committees work collaboratively to determine what BKV can and will support.



Community

Fueling good in the
NEPA community

At BKV, we're committed to actively supporting and investing in the communities we operate in and where our employees call home. For example, once a month, our NEPA team in Susquehanna County hosts a buffet-style soup kitchen with meals made from scratch for families in need—lending way for lots of bonding, flour-drenched shirts and fun, like being chased by local turkeys in the parking lot (but that's another story).

It all started a little over a year ago with BKV Operations Accountant Amy Brady who has volunteered for various causes since she was a little girl. Like BKV, serving the community has always been at the core of who she is—from participating in service-based youth groups to volunteering at a homeless shelter for LGBTQIA teens who were kicked out of their homes. When Brady joined BKV in 2019, she brought her passion for volunteerism with her. "Volunteering is something my mom always instilled in us," she said. "And it was usually centered around food, whether that's handing out warm meals the day before Thanksgiving or collecting cans to donate."

What started out as a one-time ask of Brady has turned into a consistent act of kindness. Community engagement has become "a key part of our culture," Brady said. "We're always searching for new ways to give back. It's become part of our routine to solicit ideas from the team and find fun ways to engage with our community."

In addition to the monthly soup kitchen, Brady and her colleagues make an effort to identify a variety of opportunities throughout the year for the team to participate in, including a Christmas toy drive, winter coat drive, and the Saint Joseph's Center drive—a donation campaign for sensory toys for children with disabilities.

Team-oriented volunteer initiatives at the NEPA office has created a "family-like bond" and led to colleagues discovering new things about one another. "You're able to reconnect with your coworkers on a different level and just have a good time," Brady expressed. It has also played on the team's innate competitive spirit. There was a unanimous poll that BKV Automation Specialist Gavin Chilson is the best cook on the soup kitchen team. "We've done boneless chicken bites, a full Thanksgiving meal, sausage and peppers, ribs, dessert, just to name a few," Chilson said. "Although I'll gladly take the best cook accolade, I've been really impressed with the culinary skills of our team."

"We're always searching for new ways to give back. It's become part of our routine to solicit ideas from the team and find fun ways to engage with our community."

Amy Brady, BKV Operations Accountant



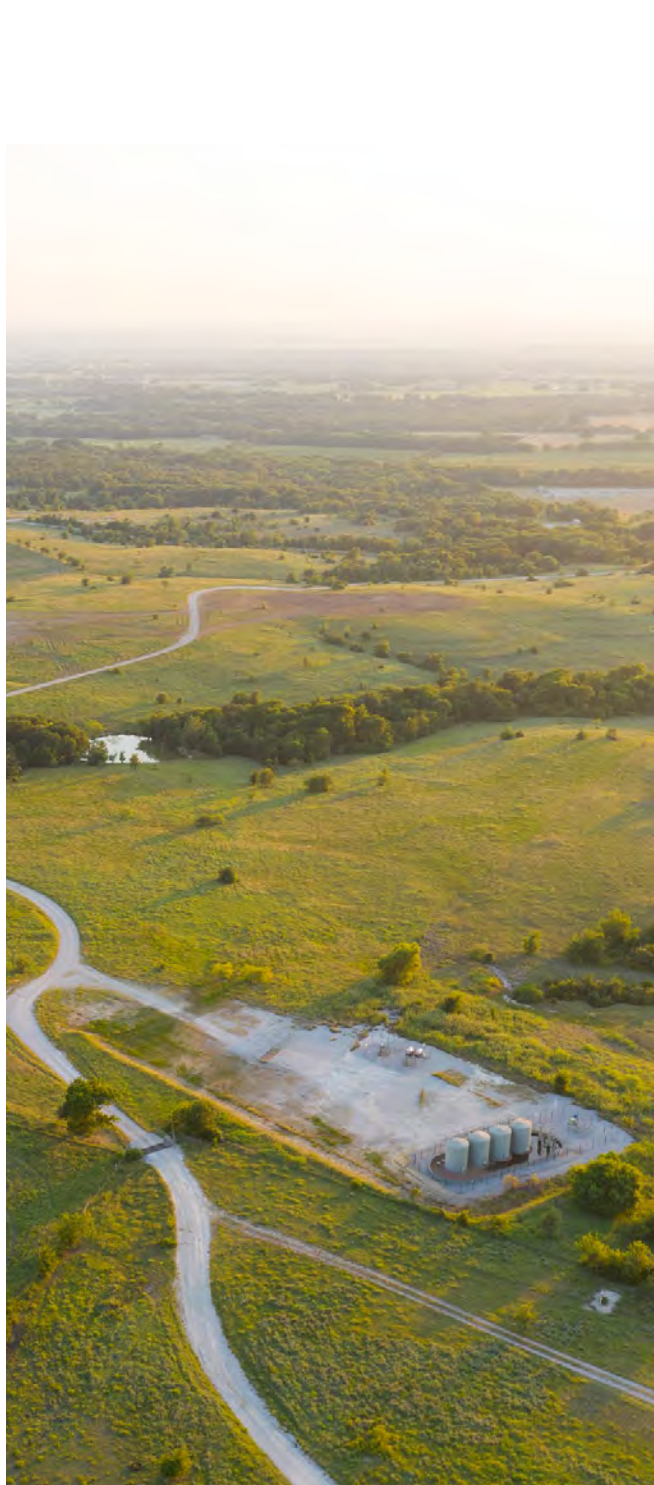
Volunteerism

We believe that working to help improve the quality of life in the communities where we live and work will build trust amongst employees, build goodwill with our external stakeholders and make us a better, stronger company.

We invest in programs, events and initiatives that enhance our communities and provide opportunities for people where we live and work. Through charitable giving and employee volunteerism, we continue to contribute to the well-being of the communities with our time, our talents and our resources.

We believe that working to help improve the quality of life in the communities where we live and work will build trust amongst employees, build goodwill with our external stakeholders and make us a better, stronger company. We actively encourage volunteerism by providing employees with opportunities to take time away from their day-to-day work to give back to the communities that give us so much.

Each year, we develop a robust calendar of volunteer opportunities for employees in each region of operations, with opportunities available across each of our six community investment pillars. Our employees serve meals at local missions and sort and pack supplies at food pantries to support social service initiatives. They clean up trash along the Susquehanna River to support the environment and conservation. They host drives to collect items for active-duty military members for military and veteran support. All this, and we are just getting started on formalizing our employee volunteer programs. There is much more to come.



CASE STUDY #1:

WISE COUNTY EMERGENCY MANAGEMENT

In 2021, BKV provided a \$10,000 grant to the Wise County Office of Emergency Management in Wise County, Texas, to purchase drone technology software for the county's emergency responders for emergency management of rural oil and gas areas. The updated drone technology software allows the local emergency response organizations to monitor large rural areas more quickly and efficiently during emergency response events. They can easily fly over a pipeline or access a remote operation, assess the situation and determine a response plan faster than ever before. In addition, we also initiated a joint effort to map out the entire county using drone technology, which will enable emergency responders to develop tailored emergency response plans for residences and businesses located in rural areas.



CASE STUDY #2: COMMUNITY STOREHOUSE

Community Storehouse is a non-profit in northeast Tarrant County, Texas, focused on keeping children in school by connecting the gaps so they can succeed in life. Specifically, Community Storehouse assists children and their families who face a variety of challenges—a parent’s job loss, family poverty or even a sudden catastrophic event—with a variety of services, such as reading and school supply programs, nutrition needs, clothing, health care, etc. BKV donated \$20,000 to support the non-profit’s summer enrichment program where qualified, low-income students can receive hands-on experience to provide them with problem-solving opportunities, academic skill review and a safe place to learn and connect over the summer.



Governance

Governance



We believe in transparent and accountable governance. We work tirelessly to improve the way we work with stakeholders to set the pace for the energy industry. Governance within BKV underpins all our ESG progress and enables us to approach it in a systematic way—a way in which we are able to strive toward improving value for our stakeholders each day. By doing so, we uphold our mission to lead

the industry in the safe and profitable production of net-zero natural gas. We expect to achieve this through our intentional focus on technological innovation, operational excellence and capital discipline. This is all in concert with our commitment to honesty, fairness and transparency with our investors, partners, employees and communities.

CORPORATE GOVERNANCE

The corporate governance structure provides extensive oversight over our ESG efforts. Through our robust approach to governance, our commitment to excellence in ESG performance is instilled at every level of the organization.

This commitment starts at the top, with the Board of Directors, which is composed of diverse, skilled and experienced individuals whose varying experience and expertise align with our business strategy. Our Board includes Directors with relevant industry and professional experience, and backgrounds in risk management, financial reporting, leadership, geoscience, risk management, mergers and acquisitions experience and more. The Board meets monthly to review BKV's performance and to provide guidance on a variety of topics, including those central to ESG. Our

Directors are strategic thinkers with high expectations for BKV's performance and are attuned to the demands of the Board's oversight role. In addition, both the Audit and Compensation Committees meet regularly to add additional layers of oversight and strategic guidance. In addition to our Board, our Executive Management team plays an integral role in driving our ESG program forward and receives monthly ESG project performance reports.

BKV Board of Directors Skills Matrix

	Risk Management	Energy Industry Experience	Financial Experience	EHSR	Executive Leadership	Geology & Engineering	M&A Strategy & Execution	Operations
Somruedee Chaimongkol	✕	✕	✕	✕	✕		✕	✕
Joseph Davis		✕		✕	✕	✕	✕	✕
Akaraphong Dayananda	✕	✕	✕		✕	✕	✕	✕
Christopher Kalnin		✕	✕		✕		✕	✕
Thiti Mekavichai		✕			✕		✕	
Charles Miller					✕		✕	
Anon Sirisaengtaksin	✕	✕		✕	✕	✕	✕	✕
Chanin Vongkusolkrit	✕	✕		✕	✕		✕	✕

**BKV Executive
Management Team**



Chris Kalnin

Chief Executive Officer



Eric Jacobsen

Chief Operating Officer



John Jimenez

Chief Financial Officer



Brid Kealey

Chief Human
Resources Officer



Lindsay Larrick

General Counsel



Ethan Ngo

Senior Vice President,
Engineering

Enterprise Risk Management

We understand that a robust enterprise risk management process is critical to identifying, assessing and managing risk—ultimately ensuring the successful long-term performance of the company.

We understand that a robust enterprise risk management process is critical to identifying, assessing and managing risk—key to the successful long-term performance of the company. Our Risk Management Committee meets quarterly to identify, assess and monitor top potential risks to BKV. The Committee also regularly reports to our Senior Management team and the Board.

Our enterprise risk management strategy comprises four key pillars that guide our approach to risk management:

Strategy and Governance: This pillar clearly defines our risk appetite and tolerance limits and aligns them with company values, capabilities, strategies and the competitive environment. It ensures that appropriate policies and procedures are in place relating to governance, practices and risk control, and it clearly states the risk management structure across the company, clarifying roles and responsibilities. This pillar also integrates risk management in decision-making at all levels of the organization.

Culture: Our focus on culture enhances risk management communications programs to strengthen and communicate the benefits of fully managing risk, in addition to clarifying its expectations from leadership. It allows us to continually develop new capabilities and domain knowledge to support a thorough understanding of the risk landscape, and it creates internal ownership and responsibility around risk management—from field-level workers up to the Senior Leadership team and the Board.

Process: The process establishes consistent risk management methodologies and tools to provide an integrated approach to effective risk management. It considers and includes risk objectives, identification, assessment, mitigation, and monitoring and reporting.

Technology: Our emphasis on technology as a part of risk management embraces digital solutions to build dynamic risk management systems and improves efficiency in supporting management decision-making. Data and analytics tools offer rich data streams to create analytical pathways that enable superior error detection and more accurate risk assessment and prediction.

BKV'S INCENTIVE PROGRAM

Beyond executives, our ESG goals extend company-wide to align priorities to all levels of the organization.

ESG-related initiatives are tied to executive compensation within our short-term incentive program. While some ESG-related goals are for the entire executive committee, specific ESG-related goals are assigned to individual members of the executive committee. Beyond executives, our ESG goals extend company-wide to align priorities to all levels of the organization.

For 2021, our executive committee-wide goals included a Total Recordable Incident Rate (TRIR) of 0.5 (# per 100 FTEs per year), zero Tier 1 incidents, minimal reportable violations and the build out of an industry-leading ESG program focused on sustainability and emissions reductions.

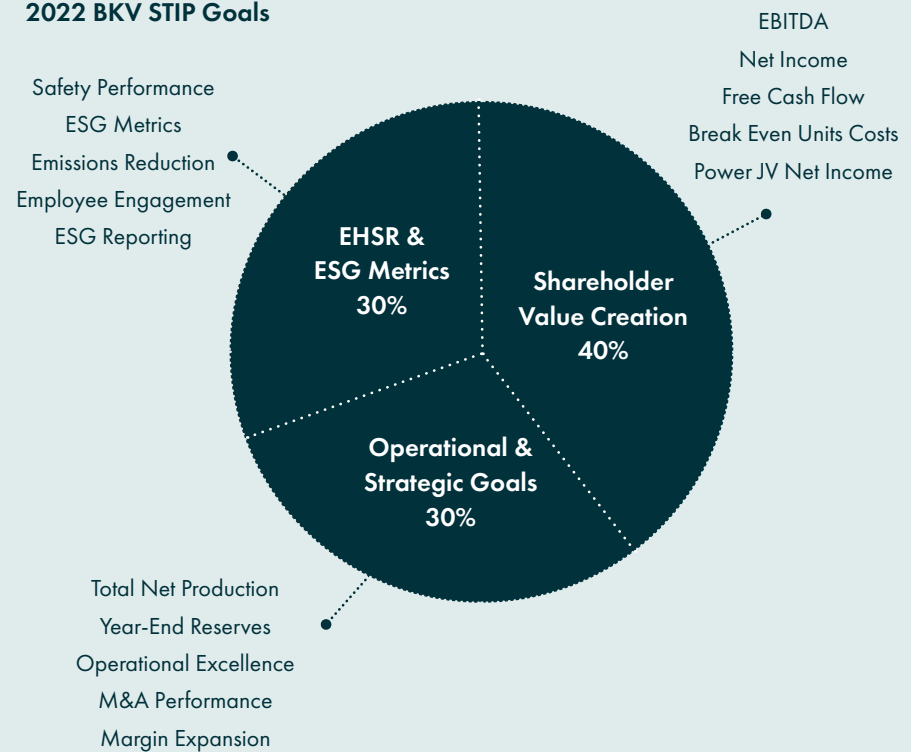
For 2021, our executive-specific goals were tailored to the role. One example included a TRIR goal of <0.5 for our COO and employee engagement-related goals for our Chief Human Resources Officer.

Looking Forward to 2022

Incentive Programs

BKV's 2022 short-term incentive program (STIP) is even more robust than 2021 thanks to our emphasis on ESG excellence. Company-wide goals are separated into three pillars, one of which is dedicated to EHSR and ESG totaling 30 percent of the total program. These goals highlight our commitment towards producing net-zero natural gas and upholding ESG as a pillar of our culture.

2022 BKV STIP Goals



Compliance, Business Ethics and Professional Conduct

Our Code of Conduct details the principles employees follow and the expectation of every employee to do the right thing and comply with all policies that govern our activities.

Across everything we do, we aim to set the pace within our industry. A key element of this leadership is integrating our core values into everyday operations and decision-making, which is formalized by the BKV Code of Conduct. We have built our business on the fundamental tenets of integrity, passion and commitment—tenets that we expect to be upheld by all our team members. Oversight of our compliance, business ethics and professional conduct is provided at the Board level by the Audit Committee and at the management level by our Executive Committee.

Our Code of Conduct details the principles employees follow and the expectation of every employee to do the right thing and comply with all policies that govern our activities. Every BKV employee is expected to:

Always be professional, honest and ethical in everything they do on behalf of BKV.

Know the BKV Code of Conduct, having read the standards carefully.

Ask questions if they are unsure about the right course of action, in any scenario.

Report any concerns as they are identified.

Cooperate fully and honestly when responding to an investigation or audit.

Be accountable for their actions.

Our Code of Conduct covers a wide array of topics to provide guidance for our employees, including:

Workplace Environment: Diversity, anti-harassment, safety and security, protecting systems and resources, and privacy and personal information.

Business Practices: Confidential information, conflicts of interest, gifts and entertainment, public communications and accurate records.

Responsible Corporate Citizenship: Social responsibility, anti-corruption and bribery, insider trading and political activity.

Our workplace environment is the foundation for everything we do at BKV. We appreciate the differences of our team members and work to create an environment that is inclusive of all people, allowing their individual abilities and strengths to shine. The diversity of our teams enables us to be dynamic and successful. We are proud to provide equal employment opportunities to all employees and applicants and are committed to making every reasonable effort to accommodate our employees. Our Code of Conduct details a zero tolerance for any form of harassment, discrimination or bullying.

Our employees are our most valuable resource, which is why the Code of Conduct lays out our commitment to protecting the health and safety of all employees and other individuals we engage with. We have zero tolerance for violence or threats of violence and expect all employees to promptly report all accidents or unsafe conditions. We also trust our team members to protect company assets, report any malfunctioning equipment and use company assets as intended. Every BKV employee has responsibility for keeping personal information private and secure.

Underpinning these areas of our Code of Conduct is our commitment to comply with the law and ensure our employees feel comfortable asking for guidance or raising concerns.

The Code of Conduct provides employees with thorough guidance and expectations regarding our Business Practices. We comply with confidentiality and non-disclosure provisions of all applicable agreements. We also expect our employees to conduct activities with integrity, ethically and in accordance with applicable laws and regulations.

The anti-corruption and bribery section of our Code of Conduct provides employees with definitions and examples of bribery, kickbacks, facilitation of payments or other forms of corruption. Our approach to anti-corruption seeks to comply with all applicable laws, including the U.S.' Foreign Corrupt Practices Act of 1977 (FCPA). The Code of Conduct details BKV's zero tolerance for bribes, and requires employees to exercise caution when selecting third parties, keep accurate records and report any incident.

Despite being a privately held company, our Code of Conduct prohibits insider trading within the context of any publicly traded companies with which we conduct business. We support lawful political involvement by its employees in compliance with applicable laws but expect employees not to use company assets to support the political process. We make it clear that an employee's views are their own personal views and not those of BKV.

Underpinning these areas of our Code of Conduct is our commitment to comply with the law and ensure our employees feel comfortable asking for guidance or raising concerns. Through our whistleblower program—our 24/7 Ethics and Compliance Hotline—we provide employees multiple resources when seeking guidance

or voicing concerns, and we ensure legal protection for those who do report. Managers, the Human Resources Department, Legal department and Executive team members are all prepared to receive feedback from any BKV employee and respond appropriately. The hotline provides employees the option to report online or through a free phone number, both of which are available in local languages and allow employees to report anonymously. BKV prohibits retaliation towards those that report unethical behaviors or other concerns. We are committed to making sure our employees feel secure when reporting concerns.

On an annual basis, employees and contractors are required to complete ethical behavior training and certify they have read the company's Code of Conduct. Our critical trainings include:

Anti-Bribery and Corruption Basics for Business Partners

Data Privacy and Cyber Security

Use of Assets and Technology: Protecting Organizational Assets

Use of Assets and Technology: Confidential Information

Conflicts of Interest

Gifts, Entertainment and Hospitality

Information and Cyber Security

We follow best security practices to protect the confidential and critical information we have access to.

The pursuit of net-zero natural gas production and the drive to be a trailblazer within the energy industry lead us to constantly innovate and implement improvements throughout the enterprise. Our approach to innovation and consistent improvement is a tactical one that is driven by timely, accurate and useful data. As a result, a strong information security network that is able to deliver pointed insights in a secure manner is crucial to our long-term value creation.

Our approach to information technology and information security is led by our Vice President of Information Technology, who reports directly to our CEO and also serves on our Corporate Risk Committee. The committee formally meets on a quarterly basis and more frequently as needed. Our Infrastructure team, Service Desk team and Data Management team all report to our Vice President of Information Technology. These teams work across our organization in a collaborative manner, providing support to our internal teams to deliver results through the use of innovative technology and access to modern data architectures via Business Intelligence tools.

Our information technology practices are guided by annual cybersecurity assessments conducted by an external third party, which have an operational focus while identifying areas for improvement within BKV's robust programs. We aim to use the insights delivered from these assessments to ensure our production and back-office systems are resilient, secure and scalable. For example, guided by our recent cybersecurity assessment, BKV recently installed a 24/7 managed security provider to

monitor any type of suspicious activity with the goal of keeping information as private and secure as possible.

We follow best security practices to protect the confidential and critical information we have access to. Our individual security policy and cybersecurity incident response policy provide all employees with guidance on their roles and expectations under numerous circumstances. We conduct full off-cloud backups and nightly backups for restoration purposes in preparation for any cybersecurity incidents. We also conduct cybersecurity incident response drills at least once a year to test the preparedness of our systems and staff. Further, all employees complete monthly security training, and we expect our contractors to abide by similar standards. We also have higher licensing and controls in place for access to certain information, individual accounts or assets. These controls work to educate our employees and help prevent phishing attacks, fraud, malware and more.

Because our information technology and cybersecurity efforts permeate throughout our organization and include all employees, we can quickly adapt to a changing work environment, such as during the onset of the COVID-19 pandemic. We quickly worked to add secure remote access via secure edge technologies to enable our employees with corporate laptops to work from anywhere effectively. As a result, our teams continued to work efficiently and execute their objectives despite the changing work environment during the pandemic.



SEVERE WEATHER STORMS HIGHLIGHT THE RESILIENCE OF BKV'S IT SYSTEMS

In February 2021, severe weather storms hit the Barnett region where BKV operates. With extreme winds, cold weather, rain, hail, thunderstorms and other elements, many systems in the region lost power or some capacity to operate and to receive natural gas when the region and other areas desperately needed it.

Due to previous collaborative architectural design sessions and third-party assessments, BKV had proactively taken steps to significantly increase the resiliency of its systems. BKV made architectural decisions to host its network on the cloud instead of on premise for its operations. With the data and dashboards in the cloud, BKV was also able to identify any problem areas from wells and transport systems as they occurred, allowing the team to prioritize response and recover much faster to any incident.

As a result, BKV was able to provide energy to many regions during a critical time frame when many other wells were not able to operate. BKV's deployment of innovative information technology practices throughout its business is a competitive advantage and one that BKV is eager to further evolve and develop in the future.

Supplier and Contractor Engagement

We treat contractors as an extension of our own team and expect them to abide by similar standards as our employees do.

We work side-by-side with our contractors and suppliers to reach the common goal of providing simple and clean energy to the world. Our contractors play an integral role in helping us to deliver this energy, and they also play an integral role in our culture, values and performance across key environmental and social metrics. Whether it be a new contractor or one we've had a relationship with since day one, we treat contractors as an extension of our own team and expect them to abide by similar standards to those our employees do.

BKV leverages ISN for every stage of our engagement with contractors and requires a minimum letter grade in order to be considered as a potential business partner. BKV expects companies to abide by similar standards to our own Code of Conduct, including having policies for conducting business in an ethical way to prevent bribery and corruption. When engaging with a potential new vendor, we have controls in place for sourcing new vendors, as well as new vendor set-up protocols. These controls include validating their safety performance and effectiveness, validating their insurance, verifying banking details, and other checks to protect against fraud. In addition to safety performance, environmental performance and diversity programs of our suppliers may be factored into our decision to engage with a potential contractor. We also require vendors to show proof of training programs, and we often provide a contractor safety orientation led by a BKV safety manager before any work begins.

Through ISN, we have access to audits of vendors' books to ensure they have training protocols, a health and safety manual and other critical policies in place that will allow them to be safe and successful partners. If any contractor or potential contractor has not had this audit conducted, we have the ability to contact ISN and request a proper audit that will allow us to assess these key factors.

Our vendors must sign and agree to our Vendor Code of Conduct prior to beginning any work. Once a contractor begins working for BKV, we continue to monitor their compliance with the Vendor Code of Conduct and performance across key metrics, including safety performance. If a vendor falls below our minimum letter grade performance per ISN, the vendor management team will immediately be notified by ISN and begin the process of analyzing the situation.

In the event of receiving a notification regarding a contractor, our vendor management team will reach out to the appropriate contractor contact to better understand the situation. Many times, we work closely with the contractor to quickly re-establish compliance. For example, if a contractor is involved in a safety incident on BKV premises or elsewhere, we will conduct extra monitoring, remind the contractor of our safety protocols and provide any other support as deemed appropriate. We also retain the right to terminate work with any vendor who fails to regain compliance with BKV's Vendor Code of Conduct.



Memberships and Associations

Memberships and Associations

Marcellus Shale Coalition / marcelluscoalition.org

One Future Coalition / onefuture.us

Texas Oil & Gas Association / txoga.org

Bridgeport Chamber of Commerce

Decatur Chamber of Commerce

Denver Metro Chamber of Commerce

Greater Susquehanna Valley Chamber of Commerce

Metroport Chamber of Commerce

Wise County Chamber of Commerce

Wyoming County Chamber of Commerce



Appendix

Business Performance and Production

	Units	2021*
Exploration and Production		
Gross Annual Production	Bcfe	488.6
Total net equity hydrocarbon production	Thousand MCFE/D	673.7
Total operated hydrocarbon production	Thousand MCFE/D	232.9
Proved reserves (total)	Million MCFE	4,441.8
Reserve life	Years	18.1
Replaced production (excluding asset sales)	%	735%
Business Performance		
Annual Revenue	\$ Million	\$889.53
Total assets	\$ Million	\$1,585.32
Total debt (including finance lease obligations)	\$ Million	\$176.71
Total equity	\$ Million	\$677.42
Debt to capitalization ratio	%	26%
Selected Economic Metrics		
Capital and exploration expenditures	\$ Million	\$85.48
Income tax expense / (benefit)	\$ Million	\$(5.81)
Employee wages and benefits (U.S.)	\$ Million	\$54.01
Royalties and other payments to governments	\$ Million	\$128.50
Cash dividends paid to shareholders	\$ Million	\$98.46
Interest expense before income taxes	\$ Million	\$2.13
Operating costs	\$/Mcf	\$1.97
Supplier spend (approximate)	\$ Million	\$403.71
Total social investment	\$ Million	\$0.14
Nitrogen Oxides (NO _x) Taxes	\$ Million	–

Financial statements are presented in accordance with US GAAP. All are subject to final audit.

*preliminary

Emissions Management / Climate Change

	Units	2021 - GHGRP at AR4 & NCSI	2021-GHGRP and GHG+ at AR5 & NCSI	SASB	GRI
Scope 1 and Scope 2 Greenhouse Gas Emissions					
Scope 1 Emissions	Million tonnes CO ₂ e	1.34	1.62	EM-EP-110a.1	305-1
CO ₂	Million tonnes CO ₂ e	0.23	0.27	–	305-1
CH ₄	Thousand tonnes CO ₂ e	1,111	1,350	–	305-1
N ₂ O	Thousand tonnes CO ₂ e	0.6	0.8	–	305-1
Scope 1 by Source	–	–	–	–	–
Flaring/venting	%	70%	71%	–	–
Fuel combustion	%	17%	17%	–	–
Other	–	13%	12%	–	–
Gross Scope 1 GHG emissions from flared hydrocarbons ¹	Tonnes CO ₂ e	0	0	EM-EP-110a.2	–
Gross Scope 1 GHG emissions from other combustion ²	Tonnes CO ₂ e	231,076	272,612	EM-EP-110a.2	–
Gross Scope 1 GHG emissions from process emissions ³	Tonnes CO ₂ e	4,285	16,189	EM-EP-110a.2	–
Gross Scope 1 GHG emissions from other vented emissions ⁴	Tonnes CO ₂ e	941,988	1,147,667	EM-EP-110a.2	–
Gross Scope 1 GHG emissions from fugitive emissions ⁵	Tonnes CO ₂ e	163,352	182,904	EM-EP-110a.2	–
Methane Emissions ⁶	% (production/G&B)	44,653	48,398	–	–
Methane Emissions Intensity ⁷	%	1.06/0.31	1.15/0.96	EM-EP-110a.1	–
Methane Emissions Intensity	Tonnes CO ₂ e	83	92	–	–

All environmental metrics were compiled by BKV Corporation using the best available data at the time of publication. Historical metrics are subject to change in future reports as we seek to continuously refine and improve our calculation and tracking methodologies to provide the highest level of transparency and accuracy.

Emissions Management / Climate Change

	Units	2021- GHGRP at AR4 & NCSI	2021-GHGRP and GHG+ at AR5 & NCSI	SASB	GRI
Scope 2 Emissions ⁸	Tonnes CO2e	4,701	4,701	–	305-2
CO ₂	Tonnes CO2e	4,681	4,681	–	305-2
CH ₄	Tonnes CO2e	0.31	0.31	–	305-2
Scope 1 and Scope 2 Greenhouse Gas Emissions					
N ₂ O	Tonnes CO2e	0.04	0.04	-	305-2
Scopes 1 and 2 GHG emissions intensity	Tonnes CO2e/thousand BOE	29.7	35.8	-	305-4
Scope 3 Emissions	Million tonnes CO2e	–	11	–	305-3
Enterprisewide Air Emissions (Excludes GHGs)¹⁰					
Sulfur dioxide (SO ₂)	–	0.5	–	EM-EP- 120a.1	305-7
Nitrogen oxides (NO _x)	–	85	–	EM-EP- 120a.1	305-7
Volatile organic compounds (VOC)	–	12	–	EM-EP- 120a.1	305-7
Particulate Matter	–	2.1	–	EM-EP- 120a.1	305-7
Flaring					
Volume of flared and vented hydrocarbons	MMSCF	3	–	EM-EP- 110a.2	–
Other	MMSCFD	0	–	–	–
Flaring intensity*	SCF/BOE	0.007%	–	–	–
Activity Metrics					
Production	MBOE	45336.1751	–	–	–

All environmental metrics were compiled by BKV Corporation using the best available data at the time of publication. Historical metrics are subject to change in future reports as we seek to continuously refine and improve our calculation and tracking methodologies to provide the highest level of transparency and accuracy.

Emissions Management / Climate Change

1. GHGRP value accounts for only associated gas venting and flaring under subPart W
2. GHGRP value accounts for flare stacks, and combustion under subPart W, GHG+ includes fleet emissions, heaters under 5MMBTU/hr, and flare pilot emissions.
3. GHGRP value accounts for blowdowns, dehydrator vents, completions and workovers, and compressor venting under subPart W, GHG+ includes pigging, other blowdowns and compressor starts
4. GHGRP value account for tanks, pneumatics devices and pumps, and well venting under subPart W, GHG+ includes produced water tanks, working and breathing from oil tanks, liquid loadout, and annuli venting
5. GHGRP and GHG+ values accounts for fugitive emissions under subPart W
6. Methane sources added to the GHGRP sources include those specified under that protocol. (Column F includes GHGRP plus GHGI. Column G includes column F plus GHG+)
7. Methane emissions expressed as methane emissions / methane content of natural gas for the production segment and the gathering and boosting segment per ONE Future guidelines
8. Scope 2 emissions are calculated based on EGRID subregional emissions factors multiplied by consumption
9. Scope 3 emissions are most conservative case based on assumption that all produced fuel is combusted. Other scope 3 emissions such as business travel, etc. are de minimis at this scale.
10. All values are for NEPA only, not required to be reported for TX

All environmental metrics were compiled by BKV Corporation using the best available data at the time of publication. Historical metrics are subject to change in future reports as we seek to continuously refine and improve our calculation and tracking methodologies to provide the highest level of transparency and accuracy.

Environment

	Units	2021	GRI	SASB
Freshwater Use Barnett				
Groundwater	Million cubic meters	0.0299	303-3	–
Municipal water	Million cubic meters	0.0011	–	–
Surface water	Million cubic meters	0.0000	303-3	–
Total freshwater	Million cubic meters	0.0309	303-3	EM-EP-140a.1
Reused/recycled (estimated) ◇	%	20%	–	EM-EP-140a.2
Non-Freshwater Consumed Barnett				
Brackish Water	Million cubic meters	0.000	–	–
Produced Water	Million cubic meters	0.006	–	–
Wastewater	Million cubic meters	0.000	–	–
Total Volume of Produced Water Barnett				
Amount of produced water discharged	Million cubic meters	0.000	303-4	EM-EP-140a.2
Amount of produced water injected	Million cubic meters	1.500	–	EM-EP-140a.2
Amount of produced water recycled	Million cubic meters	0.006	–	EM-EP-140a.2
Volume of hydrocarbons discharged to the environment	Metric Tons	0.000	–	EM-EP-140a.2
Freshwater Use NEPA				
Groundwater	Million cubic meters	0.0005	303-3	–
Municipal water	Million cubic meters	0.000	–	–
Surface water	Million cubic meters	0.390	303-3	EM-EP-140a.1
Total freshwater	Million cubic meters	0.390	303-3	EM-EP-140a.2
Reused/recycled (estimated) ◇	%	6%	–	–

All environmental metrics were compiled by BKV Corporation using the best available data at the time of publication. Historical metrics are subject to change in future reports as we seek to continuously refine and improve our calculation and tracking methodologies to provide the highest level of transparency and accuracy.

Environment

	Units	2021	GRI	SASB
Non-Freshwater Consumed NEPA				
Brackish Water	Million cubic meters	0	–	–
Produced Water	Million cubic meters	0	–	EM-EP-140a.2
Wastewater	Million cubic meters	0	–	–
Total Volume of Produced Water NEPA				
Amount of produced water discharged	Million cubic meters	0	–	EM-EP-140a.2
Amount of produced water injected	Million cubic meters	0.0002	–	EM-EP-140a.2
Amount of produced water recycled	Million cubic meters	0.0247	–	EM-EP-140a.2
Volume of hydrocarbons discharged to the environment	Metric Tons	0.00	–	EM-EP-140a.2
Exploration and Production Discharges				
Produced water reinjected	Million cubic meters	0	–	EM-EP-140a.2
Cuttings (produced using non-aqueous base fluid) reinjected	Tonnes	0	–	–
Cuttings (produced using non-aqueous base fluid) recycled	Tonnes	0	–	–
Dry cuttings (onshore assets)	Tonnes	0	–	–
Waste				
Nonhazardous Total Solids	Tons	633	306-3	–
Nonhazardous Total Liquids	Bbls	7341	–	–
Nonhazardous Waste Recycled	Tons	34.80	306-4	–
Nonhazardous Waste to Landfill	Tons	386	306-5	–
Hazardous	–	–	–	–
Total Solids	Tons	0	–	–
Hazardous Total Liquids	Bbls	0	–	–

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Environment

	Units	2021	GRI	SASB
Biodiversity and Spills				
Leased or owned acreage in protected areas	–	0	–	–
Hydrocarbon spills - number	#	1	–	EM-EP-160a.2
Hydrocarbon spills - volume	Barrels	42	–	EM-EP-160a.2
Nonhydrocarbon spills - number	#	9	–	–
Nonhydrocarbon spills - volume	Barrels	152	–	–
Other Environmental Indicators				
ISO 14001-certified operations*	% of production	0	–	–
ISO 14001-certified operations	#	0	–	–
Environmental fines and penalties - operated	\$ Thousand	0	–	–
Environmental expenditures - remediation	\$ Million	0.02	–	–

All environmental metrics were compiled by BKV Corporation using the best available data at the time of publication. Historical metrics are subject to change in future reports as we seek to continuously refine and improve our calculation and tracking methodologies to provide the highest level of transparency and accuracy.

* BKV has aligned our environmental management systems to ISO 14001 and is evaluating certification in 2022/2023.

Energy Use

	Units	2021	GRI	SASB
Energy Use				
Total Electricity Consumption	Gigajoules	42.80	302-1	–
Net purchased electricity by primary energy source ¹	Thousand MWh	11.9	302-1	–
Coal	%	16.5	302-1	–
Natural Gas	%	49.9	302-1	–
Nuclear	%	10.8	302-1	–
Conventional Hydroelectric	%	0.4	302-1	–
Wind	%	19.8	302-1	–
Biomass, Solar, Other Renewables	%	2.2	302-1	–
Petroleum (Other Nonrenewables)	%	0.5	302-1	–
Green-e certified renewable energy certificates (wind power)	Thousand MWh	–	302-1	–

¹ Primary energy sources are calculated based on EPA subgrid fuel supplies multiplied by the percentage each supplies to BKV's total electric consumption

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Our People

	Units	2021	GRI
Employment			
Number of permanent employees	#	221	–
U.S. employees	%	100%	–
Part-time employees	%	.05%	–
Full-time employees	%	99.5%	–
Employee turnover - voluntary	%	3.2%	–
Employee layoffs	%	2.3%	–
Diversity and Equal Opportunity			
Total Female Employees (U.S. and International)	%	18.1%	405-1
Executives and Senior Officers	%	1.4%	405-1
First and Mid-Level Managers	%	3.2%	405-1
Professionals	%	13.6%	405-1
Total Minority Employees (U.S.)	%	8.1%	405-1
Executives and Senior Officers	%	1.4%	405-1
First and Mid-Level Managers	%	0.5%	405-1
Professionals	%	6.3%	405-1
Employees by Age Group	–	–	–
Under Age 30	%	4.5%	405-1
Age 30-50	%	74.2%	405-1
Over Age 50	%	21.3%	405-1
Collective Bargaining Agreements			
Employees represented by collective bargaining agreements	%	0.0%	–

Workforce Health and Safety

	Units	2021	SASB
Work Hours			
Hours worked - workforce	Million hours	1,054,548	–
Safety Incidents			
Fatalities - workforce (employees + contractors)	#	0	EM-EP-320a.1
Employee total recordable incident rate	Per 200,000 hours worked	0	EM-EP-320a.1
Contractor total recordable incident rate	Per 200,000 hours worked	0	EM-EP-320a.1
Workforce total recordable incident rate	Per 200,000 hours worked	0	EM-EP-320a.1
Employee lost time incident rate	Per 200,000 hours worked	0	–
Contractor lost time incident rate	Per 200,000 hours worked	0	–
Workforce lost time incident rate	Per 200,000 hours worked	0	–
Employee occupational illness rate	Per 200,000 hours worked	0	–
Contractor occupational illness rate	Per 200,000 hours worked	0	–
Workforce occupational illness rate	Per 200,000 hours worked	0	–
Other Safety Information			
Products with Safety Data Sheets	%	100	–
OHSAS 18001 - certified operations*	% of production	–	–

*The OHSAS 18001 standard has been replaced by ISO 45001 in 2021. BKV has aligned our safety management systems to these standards and is evaluating certification in 2022/2023.

TCFD Table

	Description	Response
Governance	The organization's governance around climate-related risks and opportunities.	"Approach to Managing Environmental Risks and Opportunities"
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning.	"Climate Risk Management and Strategy"
Risk Management	The process used by the organization to identify, assess and manage climate-related risks.	"Managing Identified Climate Risks and Opportunities" "Approach to Managing Environmental Risks and Opportunities"
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities.	"BKV Performance Data Table"

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements concerning our expectations, beliefs, plans, objectives, goals, strategies and future operations, and can generally be identified by words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “may,” “plan,” “target,” “will” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking. Any statements herein regarding future events, such as our carbon emission reduction goals, including our net-zero emission goals, and our ability to achieve such goals and related timing thereof, the advancement of and use of new technologies to reduce emissions, executive management continuity and succession planning, board composition, corporate governance commitments, strategic plans and value creation, capital investments, business opportunities, renewable energy growth objectives and any other statements that are not historical facts, are forward-looking statements.

Our forward-looking statements are based on our management’s beliefs and assumptions derived from information currently available to our management. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties are difficult to predict and relate to factors that are beyond our control such as competition for assets, technology, people and capital, risks relating to climate change, regulatory restrictions and cyberattacks, compliance costs and other risks relating to our operations. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

The information presented herein speaks only as of the date of this report. We undertake no obligation to update the information presented herein, except as required by law.

