

Tomorrow



Today

# What's present is already past.

We can only experience it fleetingly as it rushes by.  
At BKV, we work, think and live on tomorrow's terms.  
Because that's the world we can change—and a  
future we are changing.





We're on a fast track to  
net-zero carbon emissions,  
making history a day early.

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# Leadership Message

## FRIENDS,

It feels like the future is already here.

As you read BKV Corporation's (BKV's) second annual ESG report, you'll see the meaningful steps we're taking to create a better world through the safe and reliable production of clean energy. We focus relentlessly on technological innovation, operational excellence, carbon-negative initiatives and capital discipline, and by always keeping our investors, customers, employees, communities and partners top of mind. We are thrilled to share with you the progress we've made over the past year.

If 2021 was a year of setting our sustainability commitments, 2022 was a year of striving to deliver on those commitments. First and foremost, we continued operating safely and furthering our safety culture. Our Total Recordable Incident Rate (TRIR) ranks in the top quartile of available public peers' data, consistently beating our target of maintaining a workforce TRIR below 0.5. Additionally, by advancing our Pad of the Future (POTF) program for emissions reductions and responsibly sourcing our gas through Project Canary certifications, we reduced our direct greenhouse gas (GHG) emissions by 16% from a 2021 baseline. This exceeded our 2022 reduction goal, bringing us closer to reaching net-zero emissions across Scope 1 and 2 for our upstream owned and operated operations by year-end 2025.

We're also making significant investments in Carbon Capture, Utilization and Sequestration (CCUS), which will play a critical role in offsetting our Scope 1, 2 and 3 emissions from our owned and operated upstream operations and advancing our net zero strategy. In 2022, BKV formally initiated multiple CCUS projects and partnerships, including the creation of our wholly owned subsidiary and dedicated CCUS business line, BKV dCarbon Ventures.

As an outcome of our net zero strategy, BKV is also developing a new Scope 1, 2 and 3 carbon-neutral Measured Net-Zero (MNZ) gas product. This goes above and beyond our gas production that has been certified as Responsibly Sourced Gas, which is achieved routinely across much of our production.





“At BKV, we believe that without action, sustainability is just a word. That’s why we’re taking meaningful steps to help create a better world by safely, profitably and reliably producing clean energy now.”



“If 2021 was a year of major sustainability commitments for BKV, 2022 was a year of striving to deliver on those commitments.”

By first reducing, then offsetting the remainder of our emissions profile of our gas through BKV’s CCUS projects, we are on track to offer our Measured Net-Zero gas product at a premium in the future. This is just one among many examples of how the decisions we make are rooted in our commitment to creating a cleaner, healthier world. We’re creating a future of sustainable energy and helping our country transition to it.

We have a significant role to play in our shared energy future. Passionately, we dedicate ourselves to ensuring that we remain a force for good in our society. With our communities in mind, BKV also identified key strategic community partners across our operating areas and contributed over \$175,000 in social investment to local nonprofits in Denver, Barnett and NEPA to create a unified team with a shared vision to achieve our emission reduction and energy impact goals.

To the BKV team and our community of stakeholders—Thank you. Over this past year, your efforts have made our significant and meaningful progress possible. I look forward to all that we will accomplish together in the months ahead.

Thank you.



Chris Kalnin, CEO

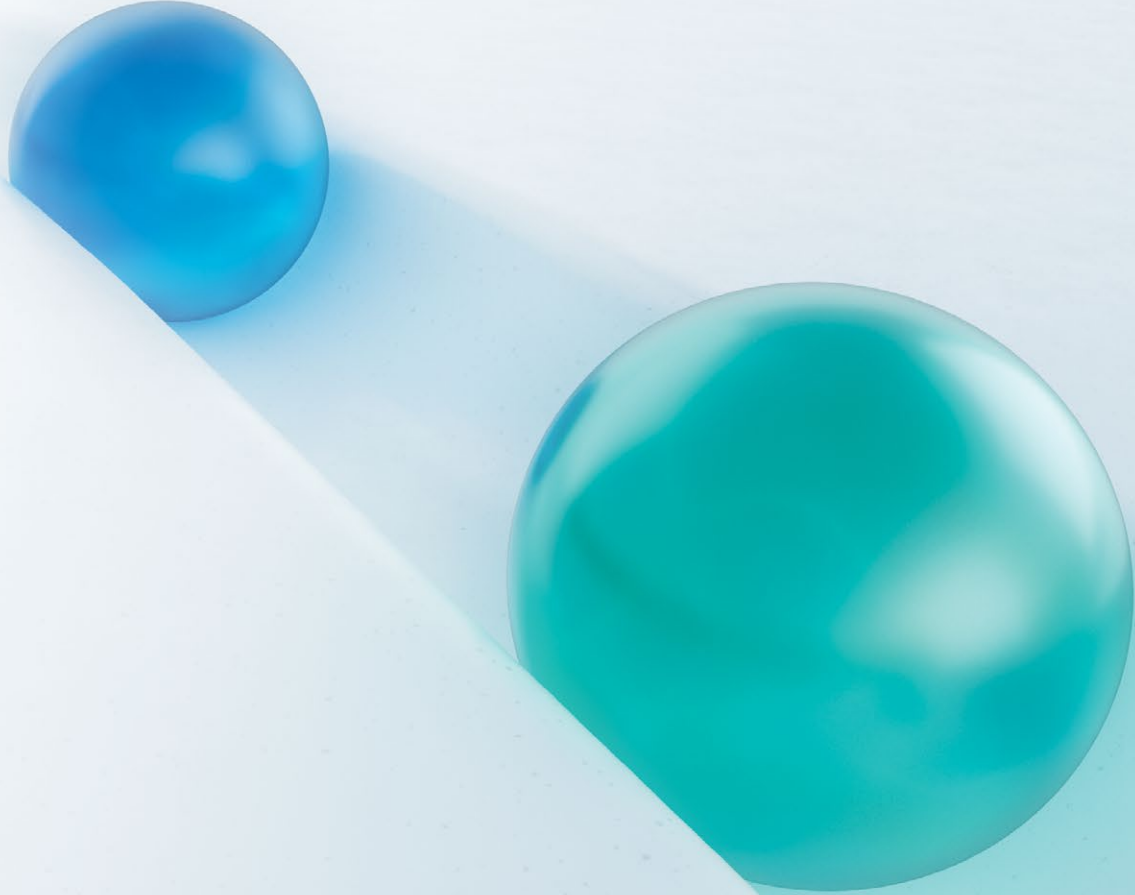


“We’re creating a future of sustainable energy and helping our country transition to it. We have a significant role to play in our shared energy future.”





# Overview



# What's present is past.

At BKV, we work, think and live on tomorrow's terms. Because that's the world we can change—and a future we are changing. We're on a fast track to net-zero carbon emissions, making history a day ahead of schedule.

## About Us

Headquartered in Denver, Colorado, BKV Corporation is a privately held, forward-thinking, growth-driven energy company focused on creating value for our stockholders. BKV's core business is to produce natural gas from its owned and operated upstream businesses, which we expect to achieve net zero Scope 1 and Scope 2 emissions by the end of 2025. Founded in 2015, BKV has approximately 370 employees across the U.S. that are committed to building a different kind of energy company. BKV is one of the top 20 gas-weighted 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.

On June 30, 2022, we closed on the purchase of natural gas upstream and associated midstream infrastructure from Exxon Mobil Corporation in the Barnett Shale in the form of their XTO Energy, Inc., and Barnett Gathering LLC. subsidiaries. We acquired approximately 160,000 total net acres in the Barnett, primarily Tarrant, Johnson and Parker counties, with upstream assets that

include low decline wells, ideal for delivering consistent cash flow, and high average working interests of approximately 94 percent in over 2,100 wells with operatorship positions. The transaction also included approximately 778 miles of gathering pipelines, compression and associated midstream infrastructure.

\*In November of 2021 we became a 50 percent owner in a combined cycle electric power plant near Temple TX,. In this report, data from this power plant is not referenced.

## TRACK RECORD OF CONSISTENT AND ACCRETIVE ACQUISITIONS/PARTNERSHIPS:

Strategic Marcellus entry provided foundation for Barnett, power generation



Note: Dates represent PSA signing. Only showing major transactions. BKV has completed a total of 19 acquisitions and entered into two CCUS partnerships.

<sup>1</sup> BKV-BPP Power is a joint venture owned 50% by BKV and 50% by BBPUS, a wholly owned subsidiary of Banpu Power.

## 2022 Key Progress Highlights



Reduced our GHG emissions by 16% from a 2021 baseline, exceeding our reduction goal

Integrated the Exxon Barnett acquisition into our sustainability goals, maintaining our net zero commitments

Formalized our wholly owned subsidiary and dedicated CCUS business line, BKV dCarbon Ventures

Reached Final Investment Decision (FID) with two CCUS projects and created BKVerde to evaluate and develop CCUS projects throughout the United States

Attained TrustWell Gold certification in the Barnett for 64 pads and 168 wells, and 31 pads and 135 wells for Northeast Pennsylvania (NEPA)

Performed a gap assessment and continued to move forward with ISO 14001 alignment

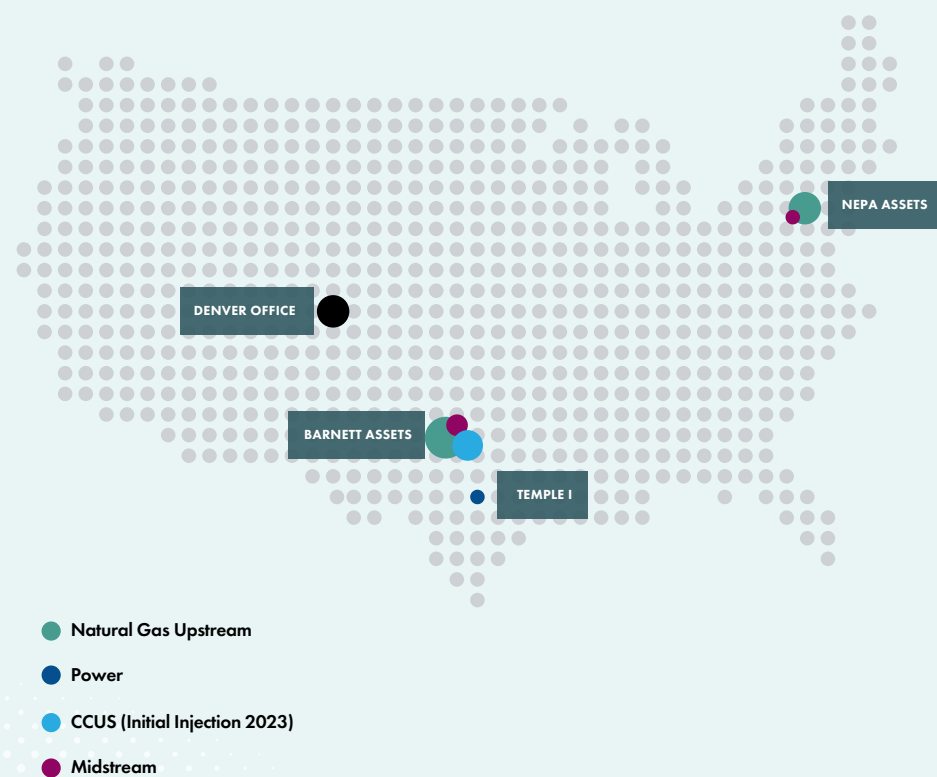
Maintained a workforce TRIR below 0.5

Expanded our charitable and volunteer partnerships and contributed over \$175,000 in social investment

Introduced a formal internal training portal that holds all required trainings and documents related to IT, cybersecurity, ethics, compliance, Environmental, Health, Safety and Regulatory (EHSR), etc.

Published a separate Task Force on Climate-related Financial Disclosures (TCFD) report with an updated, comprehensive climate scenario analysis

## BKV ASSETS



### Overview of BKV Assets

#### Natural Gas Upstream

	Twelve Months Ending Dec '22 Net Production (MMcfe/d)	Dec '22 SEC 1P Reserves (Tcfe)	Producing Wells <sup>1</sup>	Net Acres
Barnett	733	5.24	6,926	458,000
NEPA	139	0.90	411	37,000
Total	872	6.14	7,337	495,000

#### Operated Midstream

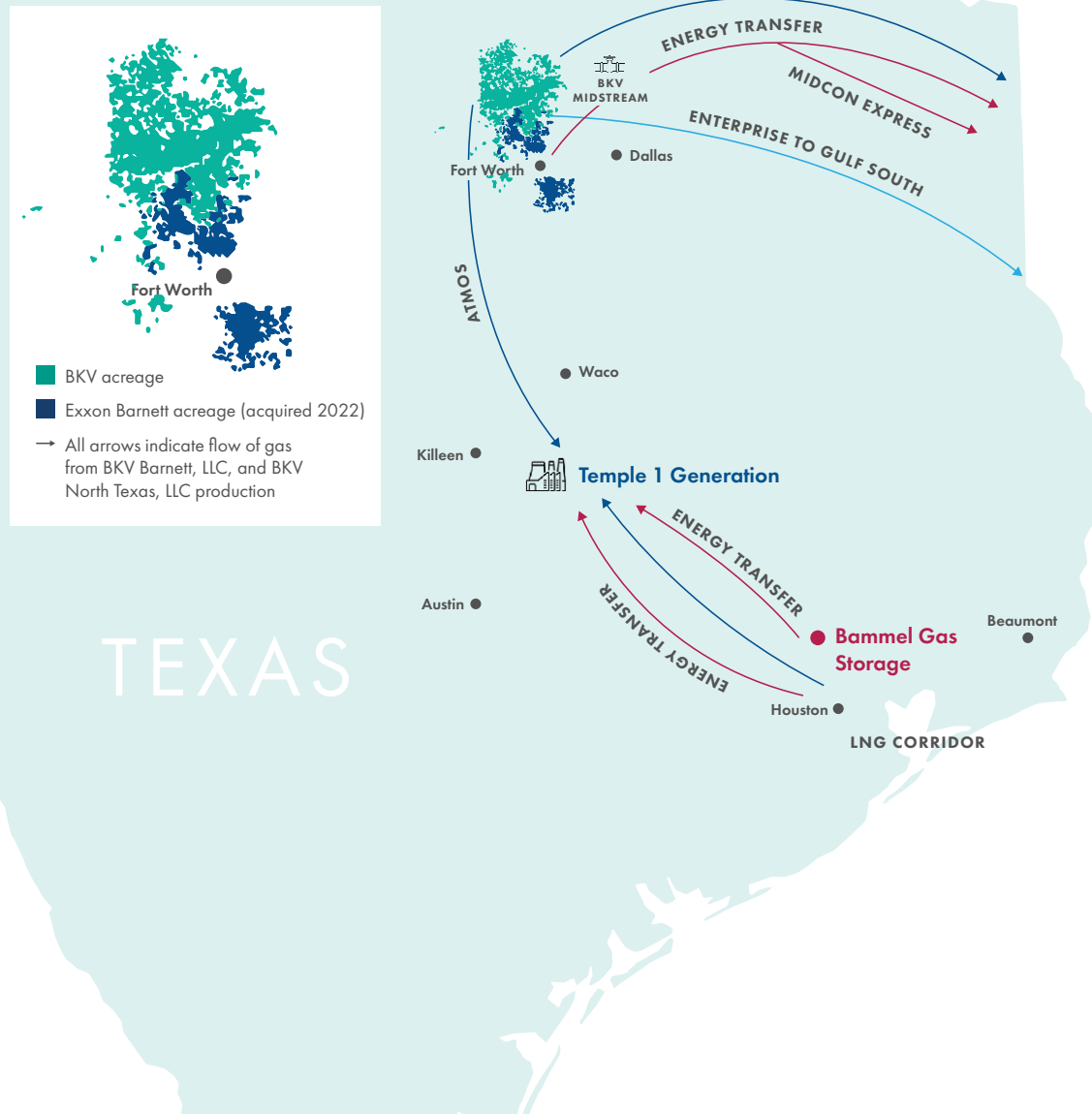
	As of Dec '22 Throughput (Mmc/d)	Pipeline Miles	Midstream Compressors
Barnett	220	778	65

#### Power

	Location	Heat Rate Btu/kWh	Capacity MW+
Temple 1	Bell County, TX	6,950	755

<sup>1</sup> Includes producing wells in which BKV has an Overriding Royalty Interest (ORRI) or Non-Operated interest

## A Highly Efficient Operational Footprint



### Texas Barnett Shale

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

Location: Denton, Johnson, Parker, Tarrant and Wise counties primarily, as well as small positions in Jack, Ellis, Erath and Hood counties

Net Acreage: 458,000 +/-

Producing Wells: 6,926

Average Daily Production: 733 MMcf/d

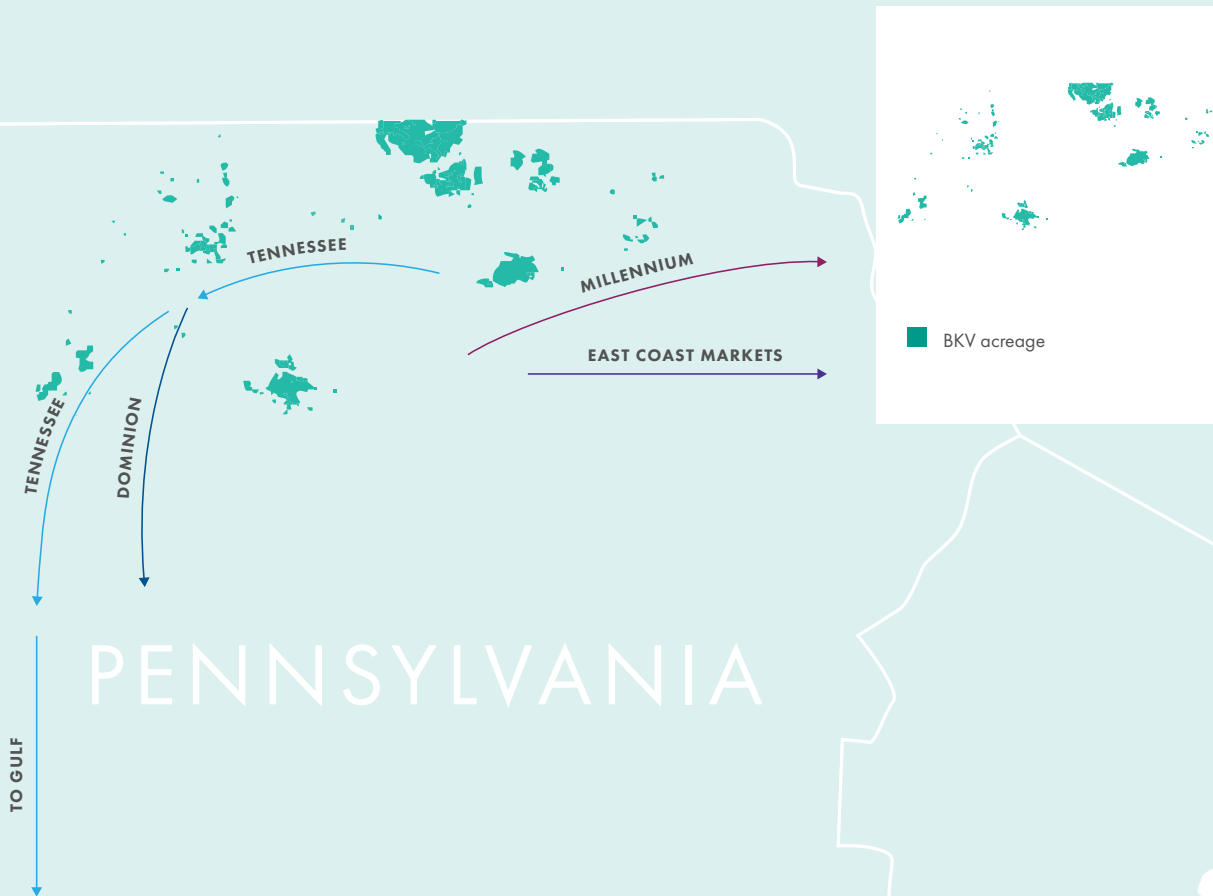
Gas Gathering Pipelines: 778 miles

Midstream Compression Units: 65

Amine Processing Unit: 1

\*All data as of 5/1/2023





### Pennsylvania Northeast Marcellus

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.

Locations: Bradford, Susquehanna and Wyoming counties

Net Acreage: 37,000 +/-

Producing Wells: 411

Average Daily Production: 139 MMcf/d

Gas Gathering Pipelines: 16 miles

Freshwater Distribution Pipelines: 14 miles

Gas Compression Units: 6

\*All data as of 5/1/2023

## MISSION

**Be One BKV**

Founded in 2015, we started BKV Corporation 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 smart minds committed to the relentless pursuit of that dream. Today, we are focusing on operating with the highest level of integrity to challenge the status quo and take smart risks, delivering reliable, sustainable energy to the community.

We are a group of innovators passionate about how the energy industry can change the world. We understand the impact climate change has on our community, the world and future generations, and addressing these impacts in how energy is produced is a top priority.



## 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

As a force for good, 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.

### 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.

### 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.

### 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.



# About this Report

Our environmental, social and governance (ESG) goals are tied to our business operations. As our business and landscape continue to evolve, we will remain committed to ESG excellence across our operations and anticipate conducting an assessment every two years or when needed due to major business changes.

In 2021, we completed a materiality assessment that incorporated insights from internal and external stakeholders around the ESG risks and opportunities that generate the most impact on our business. An analysis of the results led to the buildout of a meaningful and robust program, including goals and commitments that are discussed in detail in this report.

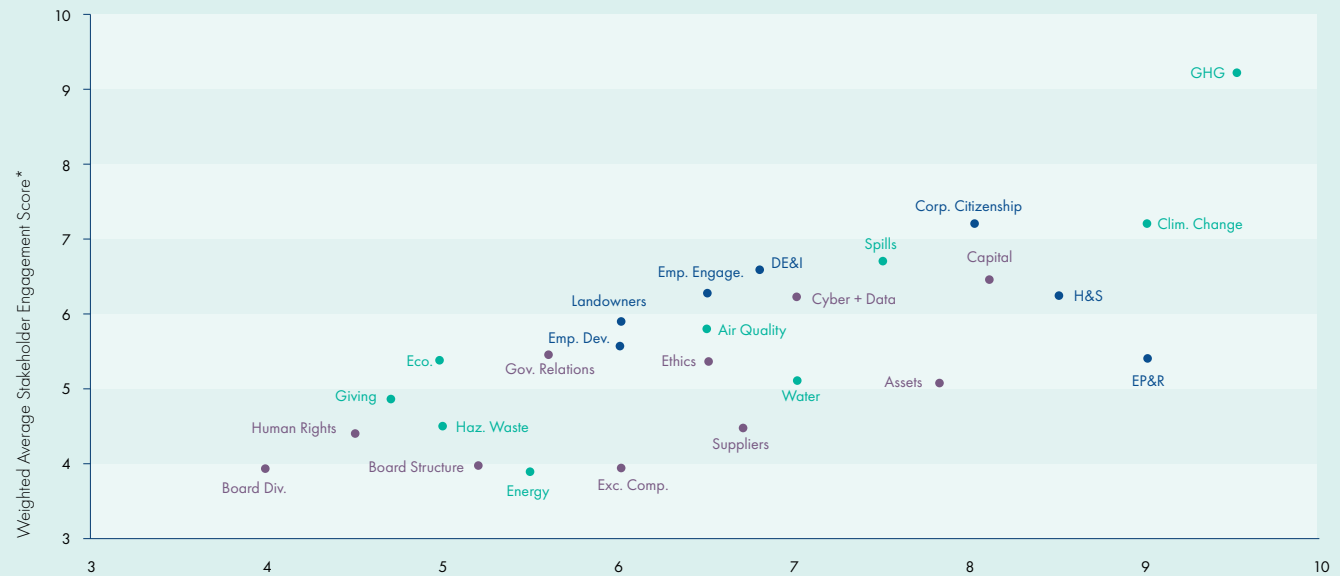
The materiality assessment was executed by FTI Consulting, an independent, third-party ESG consultancy firm, to ensure confidentiality and impartiality throughout the process. The firm identified a set of topics relating to oil and gas exploration and

production, which were then used to survey a cross-functional group of BKV experts and stakeholders. They also reached out to critical external stakeholders and held a series of in-depth interviews that resulted in the prioritization of material topics.

External interviews for the materiality assessment included non-governmental organizations (NGOs), community leaders, trade associations and our controlling stock holder, Banpu Public Company Limited (Banpu). These stakeholders have deep, industry-related ESG expertise, and their feedback was critical in identifying which issues to prioritize to advance our ESG performance.

Any issue flagged as being less material or of a lower priority does not indicate a lack of management or oversight on the topic by us. Rather, the 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.

## Materiality Assessment 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.
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	Human Rights
Capital Expenditures	Capital
Asset Integrity	Assets
Cybersecurity and Data Privacy	Cyber + Data
Business Ethics and Transparency	Ethics
Board Structure and Independence	Board Structure
Executive Compensation	Exc. Comp.
Board Diversity	Board Div.
Government Relations & Regulatory Strategy	Gov. Relations
Supplier & Contractor Engagement	Suppliers

\*2021 Materiality Assessment

# Sustainable Value Creation is at Our Very Core

We believe that the world needs and demands a different energy product, that one can rely on, and where all product-related GHG emissions have already been offset before it reaches the household, giving consumers the comfort of knowing that they are utilizing Measured Net-Zero energy.

At BKV, we continue to prove that the production of lower impact carbon-based energy is a viable business, and that natural gas plays a key role in a low-carbon future. 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.

In fact, the pursuit of differentiated gas products such as Measured Net-Zero natural gas has driven numerous innovations and improvements throughout our enterprise.

Throughout our organization, we are committed to operating in a responsible manner. We believe that creating value by way of sustainable business practices yields market

advantages. Moreover, it is a priority for the stakeholders we serve. 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.

Every day, we are proving that sustainability and environmental responsibility create opportunities rather than barriers—opportunities can benefit the environment, reward stakeholders, and protect future generations. For example, we are capturing millions of cubic feet of methane from our wells to lower our emissions and lessen our environmental impact. This not only allows us to sell the captured product but also aligns us with future regulations and dramatically reduces our GHG emissions. The emergence

of stronger legislative and regulatory incentives, such as those established in the Inflation Reduction Act, is helping to create new markets for captured carbon and to improve the economics for our CCUS initiatives.





# ESG Oversight

## Accountable Leadership

Developed with the collaboration of teams across the organization, our ESG plan is forward-looking, bold, measurable and achievable.



Our governance structure is designed to maintain robust and proper oversight of ESG risks and opportunities. Key to this is BKV's Board of Directors, which comprises diverse and experienced professionals who are committed to our emission reduction and energy impact goals. Monthly meetings are conducted to review company performance and provide guidance on material issues, including ESG and sustainability topics. Our Nominations & Governance Committee is also charged with ESG oversight, which will be a key pillar of responsibility for this committee.

At the executive 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, our Senior Director of Environmental, Health, Safety and Regulatory (EHSR) and ESG reports to the COO, providing direct access to Executive Management and expedited decision-making opportunities.

At the management level, we have an ESG Working team, a cross-functional group of BKV leaders who specialize in ESG strategy and meet biweekly to identify, assess and implement critical ESG program initiatives.

## ESG GOVERNANCE



Beyond this, we also have a Risk Management Committee with representation from Operations, Legal, Finance, Investor Relations, IT, HR, Security, Marketing and Environmental Compliance. The committee meets quarterly to review potential risks, including those that are climate-related, and identify how these risks may be evolving while ensuring they are being properly managed. This committee regularly reports to BKV's executive team and Board of Directors.

# Environment



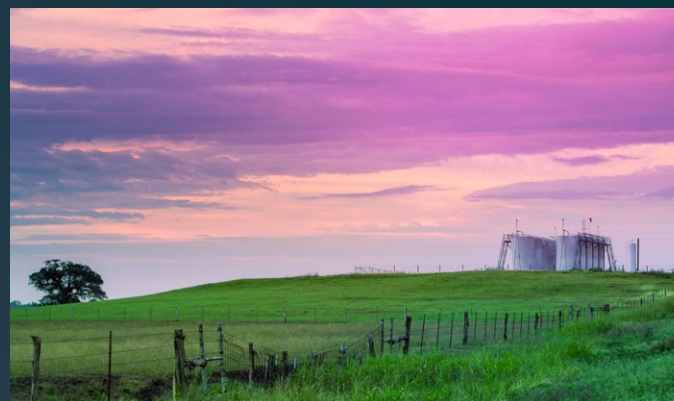
# Mission: emissions.

While carbon isn't the only environmental elephant in the room, it's a big one. BKV is addressing the issue head-on. Not only with big goals but even bigger ideas for achieving them—and making serious progress.

## How We Operate is as Important as the Results We Deliver



Excellent environmental stewardship and management is central to BKV's success. In our commitment to protect and preserve the environment, we are reducing our carbon footprint, protecting wildlife around our operations, achieving full environmental compliance and conserving and reusing water to address climate change head-on. We understand the impact climate change has on our community, the world and future generations. That's why addressing these impacts in how energy is produced and delivered are our top priorities. It is also why we have formally adopted a goal of net zero Scope 1 and Scope 2 GHG emissions from our owned and operated upstream operations by the end of 2025, and we continue to advance our net zero strategy to meet our rigorous targets.



Our company-wide Environmental Management System, encompassed by the way we're tracking and measuring impact, enables us to align with the expectations of ISO 14001. Continued with the growth of our systems, we performed a gap assessment in 2022 for ISO 14001 and are working on implementing additional policies and procedures in 2023.

We believe that natural gas will remain a staple of the global energy portfolio for decades. As a result, natural gas operators have an environmental responsibility to minimize emissions, employ leak detection and continue acting as an ally and advocate for a greener future.



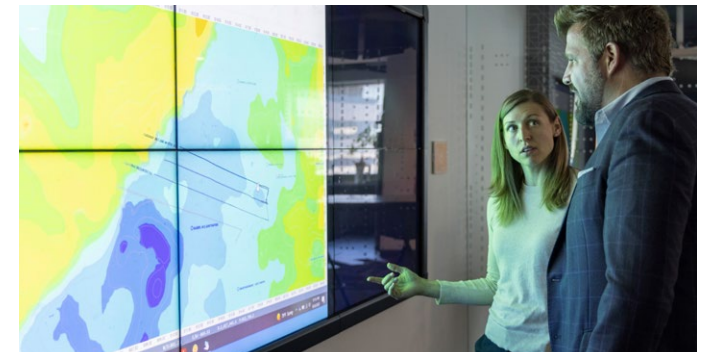
## Meeting the Challenge of Climate Change

At BKV, we are acutely aware of the risks and opportunities associated with climate change. To that point, we are transparent and clear regarding our climate goals and the many approaches we are taking to address this critical issue. Not only are we playing a leading role within our industry to mitigate our impact on the climate, but we are also committed to annual sustainability reporting so that all our stakeholders—including our employees, customers and investors—have complete visibility into our progress. We are actively promoting

responsible environmental stewardship by using the SASB and GRI index to guide our ESG reporting proactively. Additionally, we have conducted a climate impact assessment, aligned to the Task Force on Climate-related Financial Disclosures (TCFD), and completed a holistic economic impact scenario analysis to account for the financial risks and opportunities associated with a variety of global warming scenarios. Read our TCFD report [here](#).

## Responsible Environmental Governance & Risk Management

Governance of climate-related risks and opportunities is integrated into our enterprise risk management structure. Our climate solutions are consistently included as a discussion topic at the monthly board meetings, where the Board of Directors review and provide clear direction on climate-related risks and opportunities, among other issues. Further, our environmental and climate programs are overseen by our CEO and COO. The Senior Director of EHSR and ESG is responsible for



managing climate-related mitigation of our identified risks, supported by a team of environmental, health, safety and regulatory personnel.

Led by the Senior 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.

As detailed in the Governance section of this report, our executive short-term incentive plan is tied to ESG-related initiatives. This plan is designed to elicit an even higher level of ESG excellence that further incentivizes strong oversight and management of climate-related risks and opportunities.



\*Not including transportation and processing



## Emissions Management— Our Strategy

### Bottom Up and Top Down Approach to Monitoring, Detecting and Eliminating Leaks

On-Ground Leak Detection  
and Repair (LDAR)

Aircraft Fixed-Wing Flyover

Satellite Monitoring

Continuous Monitoring

### Pad of the Future

Pneumatic Conversion

Electrification of Producing  
Wells and Drilling Rigs

Asset Consolidation

Liquid Consolidation and  
Vapor Capture

### Project Sunshine (Field Solar Installation)

Carbon Capture, Utilization  
and Sequestration

Carbon Offsets

## The Value We Create



**Increased Energy  
Production**



**Increased Sales  
Margin**



**Reduced Maintenance  
Costs**



**Minimized Costs  
for Carbon Offsets**



**Incentives from IRA**



**Reduced emissions**

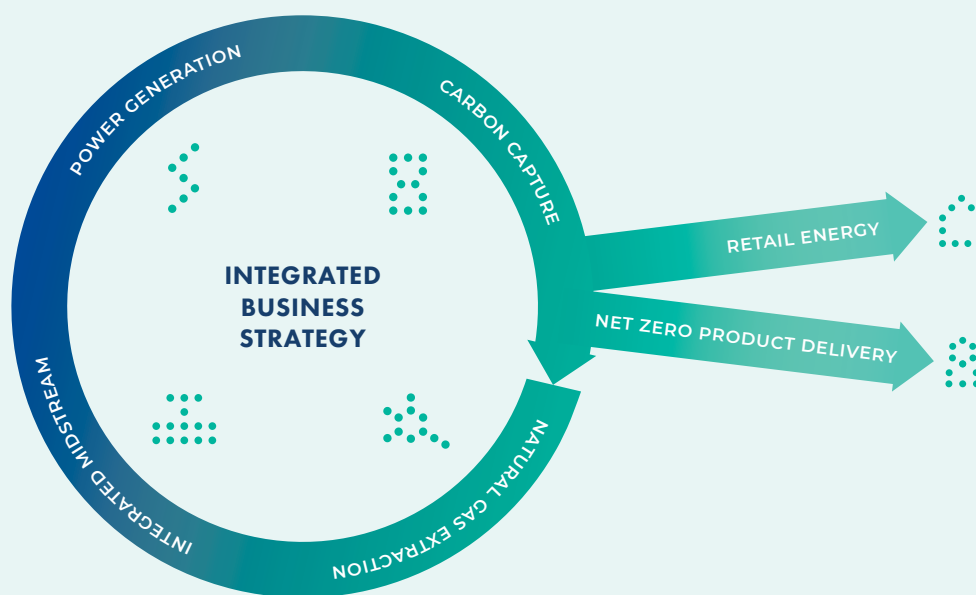
AN INTEGRATED BUSINESS STRATEGY

While our core business is to produce natural gas from our owned and operated upstream assets, we believe in the safe production of lower impact energy. As such, we take an integrated approach to emissions reductions towards our net zero emissions goals across all four of our business lines\*: natural gas production (our upstream business), natural gas gathering and boosting (our midstream business), power generation and CCUS.

Together, our four core business lines reflect our approach to our net zero emissions goal, which leverages deep synergies and our commitment to building a vertically integrated business that supports the environmental goals of our customers.

\*Not including transportation and processing.

## Integrated Business Strategy



The emission data from our power plant, which is half owned by BKV, is not included at this time.

**Natural Gas Production:** We are engaged in the operation and development of natural gas and natural gas properties located in the Barnett Shale formation (Barnett) and our assets in the Marcellus Shale formation located in Northeast Pennsylvania (NEPA). In 2021, we certified our entire NEPA production and, in 2022, we certified a portion of our Barnett production and, in each case, achieved a Gold rating with Project Canary's TrustWell environmental assessment (Project Canary is an environmental certification and ESG data company). This is the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as Responsibly Sourced Gas (RSG), or gas that is considered to be less carbon-intensive by some purchasers due to the way it was produced.

**Natural Gas Midstream:** Through our ownership of midstream systems, we are active in the gathering and boosting of natural gas that supports some of our upstream assets and third-party producers in Barnett and NEPA. Our midstream assets allow us to better manage the timing, development and optimization of production of our upstream assets.

**Power Generation:** We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which includes Temple I, a newly constructed, modern, combined-cycle gas and steam turbine power plant located in the Electric Reliability Council of Texas (ERCOT) North Zone in Temple, Texas. Recognized by utilities as one of the most efficient generators supplying power to ERCOT, Temple I has an annual average power generation capacity of 755 MW.

**CCUS:** We seek to mitigate GHG emissions through our CCUS business by capturing CO<sub>2</sub> emitted in conjunction with natural gas activities, whether from our own or third-party operations, as well as from other energy and industrial sources. Our process entails capturing CO<sub>2</sub> before it is released into the atmosphere, compressing it and then delivering it by pipeline to locations where it can be injected into underground injection control (UIC) wells.

### **The Birth of Measured Net-Zero Gas**

As an outcome of our net zero strategy, BKV aspires to offer a product called Measured Net-Zero gas in the future, which is carbon neutral across Scope 1 – 3 emissions from production, gathering and boosting, as well as transmission and distribution, if applicable. Aligned with our Scope 1 and 2 net zero

targets, by reducing and offsetting the emissions profile of our gas and generating carbon offsets through BKV's new CCUS project, we expect to be able to offer this product at a premium. This solution demonstrates how we can quickly pivot and align to new strategies that create value.

**“When you fire up the burner in your kitchen, the offset has already been taken care of. This is affordable energy delivered to the consumer, completely guilt-free.”**

**ASEEM TELANG**  
PROGRAM MANAGER,  
ESG AND AIR

## CASE STUDY

## Closed-Loop Approach in the Barnett



Our natural gas production in the Barnett is gathered and transported through our own midstream assets as well as third-party midstream assets. We are seeking to establish new arrangements to supply our natural gas production directly to the BKV-BPP Power joint venture. Through this approach, our goal is to create a vertically integrated business that reduces our costs, strengthens synergies across the business, improves overall commercial optimization of the full value chain and systematically minimizes our emissions footprint for our customers.



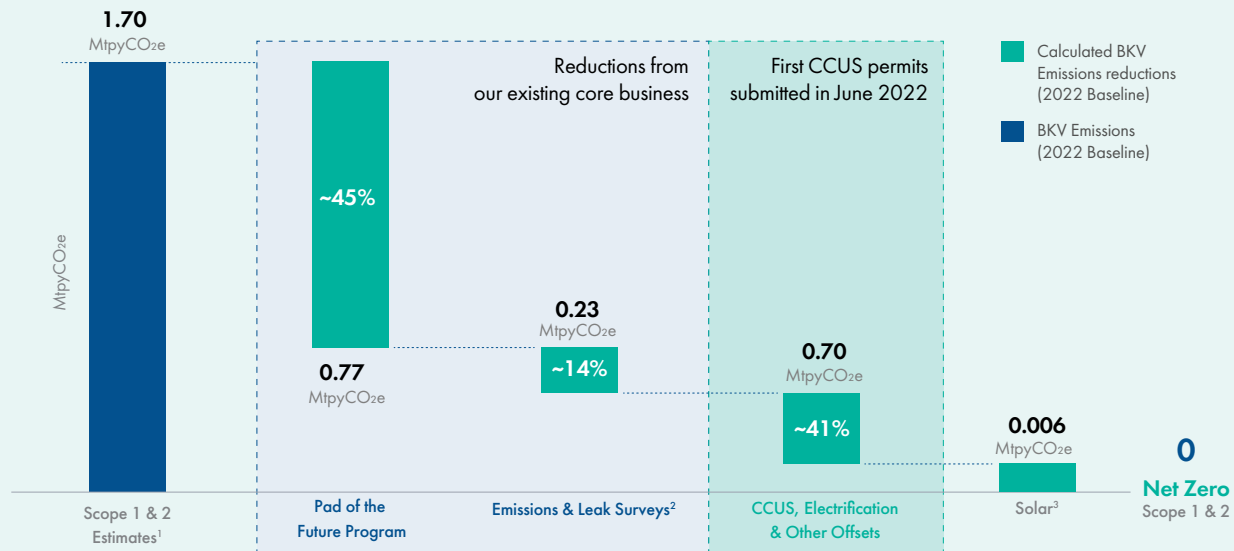


Our goal is to create a vertically integrated business that reduces our costs, strengthens synergies across the business, improves overall commercial optimization of the full value chain and systematically minimizes our emissions footprint for our customers.



## BKV's Planned Path to Net Zero (Scope 1 & 2): Barnett and NEPA Production

Based on total BKV upstream emission estimates in the Barnett and NEPA



- 1 Scope 1 and 2 calculated emissions are based on 830 MMscf/d production volume (net sales) for 2022 Subpart W in the Barnett and 144 MMscf/d production volume for 2022 Subpart W in NEPA.
- 2 Emissions surveys to accomplish a one-to-two month leakage review period versus 12-month period which must have regulatory updates (current proposed OOOO.b,c) to include continuous flyover/satellite technology sensitivities.
- 3 Installation of a 2.5 MW to 5 MW solar farm. We have obtained permits for 2.5 MW and are in the process of obtaining permits for the remaining 2.5 MW.

\*Following the Exxon Barnett acquisition, we have expanded our Scope 1 and 2 baseline to include the emissions from the newly acquired facilities.

As part of our climate strategy, we have set a net zero goal for our Scope 1 and 2 emissions from our owned and operated upstream business by year-end 2025, and aspire to offset 100% of our Scope 3 emissions from our owned and operated upstream production businesses by the early 2030s.

To reduce and offset our upstream Scope 1 emissions, we are actively reducing our emissions through investments in BKV's Pad of the Future and monitoring and detecting leaks. We intend to offset the emissions we cannot reduce with the implementation of CCUS and other offsets.

To reduce and offset our upstream Scope 2 emissions, we are pursuing investment in renewable energy and energy-efficient technology through the

implementation of solar skids and the installation of a commercial solar farm.

To address our Scope 3 emissions, we aspire to offset 100% of emissions from Category 11 by the early 2030s. We have developed a viable and credible path to achieving these goals through the expansion of our CCUS business.

### Investing in Emissions Reduction

To address our Scope 1 and 2 emissions, we invested \$12.7 million in 2022. In addition, we are investing an aggregate estimated cost of \$35 – 40 million to reduce emissions from our operations by the end of 2025.

Our initial investments are already pointing to numerous benefits. This includes enabling 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.

### Making Steady Progress Towards Net Zero

As of December 31, 2022, we have implemented elements of our "Pad of the Future" on approximately 2,500 of our existing wells, thereby eliminating an aggregate of approximately 0.38 Mtpy CO<sub>2</sub>e in GHG emissions from commencement in the fourth quarter of 2021 through such date. We have achieved this progress primarily through conversion of pneumatic devices. We currently anticipate that

approximately 60% of our Scope 1 and 2 emissions from our owned and operated upstream operations will be abated through our investments in technological innovation and operational optimization, while the remaining emissions will be addressed through offsets from CCUS, electrification emissions monitoring and other investments. We have made significant progress towards our 2025 net zero goals. With the advancements we've achieved in 2021 and 2022, and progress we have made towards our net zero goals, we are confident that we are on track to meet our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream business by year-end 2025.



## Integrating the Exxon Barnett Into Our Sustainability Goals

As we continue to expand our businesses, we will take practical measures to monitor and model new assets into our 2025 net zero goal. During our acquisition of the Exxon Barnett Energy's Barnett assets in 2022, one of the key factors for completing the acquisition was our ability to integrate the Exxon Barnett assets into our net zero path.

## Partnerships to Reduce Methane

In the span of just one year, we have made tremendous progress in the development of our ESG and emissions management ecosystem by initiating a series of fundamental programs, projects and investments. As a member of the ONE Future

Coalition, we are part of a group of more than 50 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025. In the most recent ONE Future report, 2021 methane intensity of member companies was recorded at 0.462%, surpassing the goal for the fifth year. \*

### Mission: Estimating GHG Emissions

Real measurement and genuine transparency remain our key emissions reduction priorities. As such, we have implemented a process for calculating and managing emissions beyond the requirements of the EPA Greenhouse Gas Reporting Program. We understand the limitations of EPA GHG reporting program and are working on quantification mechanisms to track real emissions and build a

transparent net zero strategy. Our calculations are subject to change as we conduct internal measurement validations and audits, and our commitments will remain dynamic to ensure we drive the most impact as we learn and grow. Where relevant, we will continue to use applicable regulatory requirements, such as Subpart C and Subpart W, for U.S. Environmental Protection Agency (EPA) GHG reporting.

**“Our subsidiaries have operated in the Barnett Shale safely and responsibly for nearly two decades, and we are encouraged by BKV’s plans to develop the resource in line with its stated pathway to net zero greenhouse gas emissions by 2025.”**

**EXXON MOBIL**

## Emissions Reduction:

### Scope 1

The Pad of the Future program is our largest commitment to improving our operations and environmental performance.

To mitigate our Scope 1 emissions, our strategy is to upgrade and consolidate our assets as well as continue to detect and monitor leaks throughout our operations.

#### The Pad of the Future

The Pad of the Future program is our flagship initiative to upgrade existing facilities to reduce emissions by way of operational improvements. We take pride in being a company that prioritizes investing in modern technologies to enhance efficiency and reduce emissions, rather than solely divesting from older assets.

The program consists of four key elements with our primary strategy being pneumatic conversion:

**Pneumatic Conversion:** Converting natural gas-powered pneumatic controllers to compressed air on existing electrified pads.

**Electrification:** Electrifying pads where feasible to supplant use of natural gas in processing units and adding solar power to allow for pneumatic conversions from natural gas to air.

**Asset Consolidation:** Streamlining and modernizing existing pad facilities to reduce emissions caused by aging assets, which in turn reduces maintenance expenses, environmental risk and production time.

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

The first complete Pad of the Future retrofit project was completed in 2021 at our NEPA operations with continued pad retrofits throughout 2022, primarily pneumatic conversions.

Already, these efforts have led to a reduction of approximately 16% of our Scope 1 and 2 upstream emissions in 2022\*. We are in the process of converting pneumatics on every pad in NEPA, and to date have converted pneumatics on almost 2,500 wells in our Barnett and NEPA operations.

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 commitments to avoid disturbing supply. We expect to implement elements of our Pad of the Future program on more than 6,000 of our existing wells (more than 8,000 pneumatic devices and 2,000 pneumatic pumps) by the end of 2025 for an aggregate estimated cost of approximately \$35 to \$40 million.

\*Using AR4 methodology for emission calculations.

## Pneumatic Conversions

Our Pad of the Future program converts natural gas-powered instrument gas pneumatics to compressed air on our pads, which is the major driver in reducing our GHG footprint. In 2022, we converted over 6,000 pneumatic devices at our sites. While the project realized an approximate reduction of approximately 55,000 MtCO<sub>2</sub>e in 2021, the conversions realized an increase in annualized emissions reduction of approximately 330,000 MtCO<sub>2</sub>e in 2022—orders of magnitude beyond what was achieved in 2021. We anticipate that we will be able to eliminate approximately 770,000 MtCO<sub>2</sub>e from our currently estimated Scope 1 and 2 annual emissions from our owned and operated upstream businesses

through our Pad of the Future program by the end of 2025. This alone represents approximately 45% of our currently estimated 2025 Scope 1 and 2 emissions reduction target.

With such strong, proven results from the conversion efforts, we see an opportunity to continue these improvements and corresponding emissions reductions across the full asset base. This is particularly exciting for the newly acquired Exxon Barnett assets, which are ripe for these changes. Overall, we see significant opportunity for directing investment capital into similar projects that generate both an economic and environmental benefit for the company.

We have also 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, we have 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.



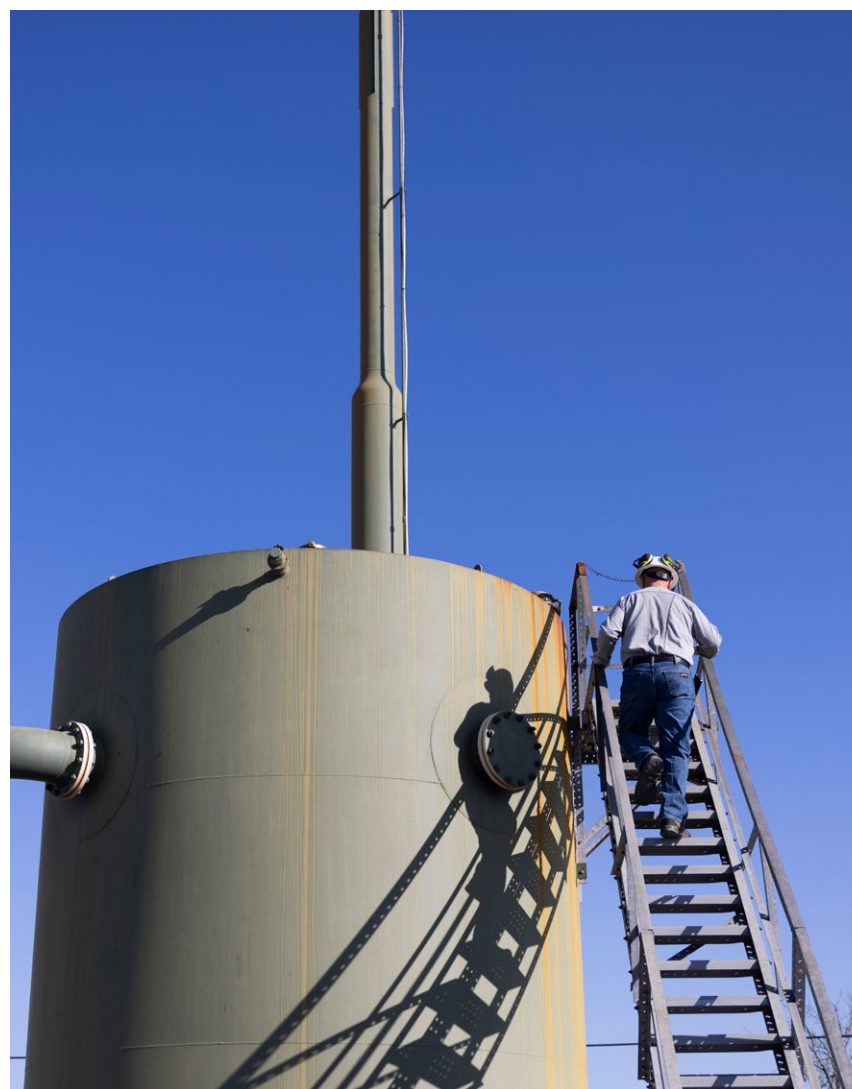
## Defining Future Improvement

We continue to expand the program, assessing lessons learned and opportunities to define further improvements. We are focused on two areas: our internal review process and realizing cost savings.

Our internal review process, which we refer to as Operational Planning and Risk Assessment (OPRA), gives us the opportunity to conduct a lookback exercise and challenge ourselves to understand the true emissions reductions and cost savings realized through the project. These cost savings—and ultimately the value created by the project—represent the molecules that are no longer being vented and instead are now available as products.

## Reducing Emissions Beyond the Standard

We have also forecasted the anticipated savings we can realize by reducing our emissions intensity to below the thresholds established in the IRA. With significant IRA penalties being phased in for methane emissions starting in the next two years, BKV will benefit significantly by reducing the methane intensity of our operations. Pad of the Future will play a critical role in our journey to reduce our methane intensity to below the required threshold in the IRA—allowing us to not only operate more sustainably, but also to reap the significant financial benefits of reducing any methane penalties set forth in the IRA.





### Leveraging Electrification to Support Conversions

While many of our existing pads are electrified, we are evaluating electrification for additional pads wherever possible to primarily support the conversion of pneumatics from natural gas to air. We are currently examining 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 already underway or in the planning process. Where electrification is prohibitive, we plan to leverage solar power. In 2022, we continued the testing of solar-powered pneumatic skids for locations that do not have easy access to electricity.

### Consolidating and Optimizing Assets

Through asset consolidation, we are modernizing and streamlining various assets across our portfolio. 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 modernize these assets with new, more efficient technologies and processes, our production, safety and environmental performances improves.

### 2022 Gas Lift Compressor Optimization

In 2022, we focused on compression optimization and associated emissions reduction from combustion-related emissions, particularly in the Barnett, by replacing and “right-sizing” our gas lift compressors. This included investing in the purchase and installation of approximately 77 gas compressors for our Barnett operations. The purchased gas compressors were retrofitted with state-of-the-art engine integrated control systems to manage engine performance while meeting our exceeding regulatory emissions requirements. We also invested over \$3MM dollars to replace the older compressors in order to decrease fuel combusted and reduce hazardous and GHG emissions. This not only saved us fuel gas to power the gas-lift technology but also reduced our overall emissions profile.

## Monitoring and Detecting Leaks

As part of our commitment to reducing emissions, we continue to utilize a multi-level organizational structure and process to identify, monitor, calculate and mitigate our emissions from our oil and gas assets. This level of monitoring 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, authentically and transparently improve our emissions profile.



### 1. Leak Detection and Repair (LDAR)

Using advanced technology, our onsite employees and contractors examine the equipment and identify potential leaks which are significant contributors to our Scope 1 emissions. This inspection takes place on the pad with a sensitive Forward-Looking Infrared (FLIR) camera. Inspections are performed at a variety of frequencies to ensure regulatory compliance and adherence to best practices, and our teams are trained to repair identified leaks immediately.

### 2. Fixed-Wing Emissions Flyover

We partner with Kairos Aerospace to perform Fixed-Wing Emissions Flyovers. By deploying this highly sensitive and advanced technology, we can scan our entire field to determine if any assets are experiencing leakage, quantify emission rates, and mobilize our team to reduce or eliminate the detected leak. This data is then fed into our system and dashboard so that emissions information can be calculated and assessed. This amalgam of technology helps us identify and address leaks in a timely and effective manner to ensure they don't compound. In 2023, we are planning to increase the frequency of flyovers to better align with our reduction goals.

### 3. Satellite Monitoring

Conducted twice a month, satellite monitoring technology enables us to update readouts of our regional emissions footprint and make adjustments as needed by sourcing a combination of low- and high-resolution methane detection imagery from a number of commercial satellites in orbit.

#### 4. Continuous Monitoring with Project Canary

We have partnered with Project Canary to leverage continuous emissions monitoring for managing our pad-level emission detection and quantification and use enhanced data management methods to identify and target emission-reduction efforts. Using real-time, continuous emissions monitoring of well pads, we are validating the high environmental standards by which our natural gas is produced.





LOOKING FORWARD  
TO 2023

## PROJECT CANARY CERTIFICATIONS





Project Canary has developed a rigorous qualitative and quantitative assessment of operations in the energy sector, evaluating operational performance across four key categories: air, water, land and community. Our arrangement with Project Canary allows for the assurance and marketability of low environmental impact and Responsibly Sourced Gas (RSG). We are leveraging the Project Canary TrustWell certification, along with other ESG-forward technologies and applications, across our operations. In 2022, we attained TrustWell Gold certification in the Barnett for 64 pads and 168 wells, and 31 pads and 135 wells for NEPA. Based on current certified production capacity, we have certified almost our entire NEPA production and approximately 20% of our Barnett production under the TrustWell Gold standards, and we are

continuing to certify our legacy assets and Exxon Barnett acquisitions at Barnett in 2023.

Certification of natural gas showcases the credibility of our efforts and accuracy of our emissions-reduction programs. Continuous emissions and data monitoring provide science-backed accreditation around the integrity of our assets and environmental management practices. By monitoring and tracking this data, we can minimize our emissions footprint and maximize the production and sales of RSG, supporting our journey to ultimately becoming a verified Measured Net-Zero gas producer. It also allows us to quantify our emissions on a real-time basis, making us well-positioned to provide greater transparency in emissions reporting and adjust as needed to mitigate operational emissions.

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

Through targeted investments and innovative technologies, we are proud to be one of the few companies that is actively eliminating emissions from our legacy assets.

## Emissions Reduction:

### Scope 2

To offset our Scope 2 emissions, we are investing in renewable energy that will power our operations or generate Solar Renewable Energy Credits (SRECs) that offset our electrical usage as part of our net zero strategy. Through our Project Sunshine program, we are installing a 2.5 MW solar farm in the heart of our operations in the Barnett Shale, with the expectation that these assets will begin generating power in 2024. We anticipate that by the end of 2025 we will have developed a solar generation capacity, up to 5MW, consistent on a 1-1 basis to offset our Scope 2 emissions.

The solar farm is projected to generate enough SRECs that we anticipate will offset approximately 0.23 Mtpy CO<sub>2</sub>e in GHG emissions.

### Emissions Management: Scope 3

As a natural gas company, the majority of our Scope 3 emissions are generated from the use of our sold products (Category 11). As such, we report only Scope 3 emissions from Category 11. We plan to offset Scope 3 emissions primarily by deploying carbon capture technology. BKV's Scope 3 annual emissions are currently estimated at approximately 14 Mtpy CO<sub>2</sub>e\* as of December 31, 2022.

### Offsetting Emissions: Scope 1, 2 and 3

We are considering a series of offset options, factoring in environmental impacts, financial viability and scalability suitable for BKV's forecasted growth. We identified two particularly strong offset opportunities to explore and invest in: CCUS and Accredited Carbon Offsets.

### Carbon Capture, Utilization and Sequestration

Our targeted CCUS projects will be used to achieve our residual ~0.7 MtCO<sub>2</sub>e (2022 baseline) of Scope 1 and 2 upstream emissions and are anticipated to be grown to ultimately achieve full Scope 3 neutrality as well.

### Our strategy in CCUS 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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.

## Capturing Opportunities to Do Good

CCUS is recognized as one of the most promising approaches to mitigate climate change by capturing CO<sub>2</sub> from point sources, recycling the carbon emission for other purposes or injecting them into underground injection control (UIC) wells for storage. To meet the increasingly growing demand for the world's energy, implementing a set of CCUS technologies is vital in reducing global GHG emissions. As a result, CCUS plays a critical role in our strategy and overall approach to sustainable value creation.



According to the International Energy Agency (IEA), there are around 35 commercial facilities applying CCUS to industrial processes, fuel transformation and power generation as of October 2022. Among our CCUS peers, BKV is at the forefront of executing CCUS projects firmly and timely, supported by our internal engineering, business development and regulatory professionals, along with academics and CCUS-focused partnerships.

Through over a year's worth of research, we determined that CCUS best fits in with BKV's existing strengths and has tremendous synergy with the upstream, midstream and power businesses, as

BKV already possesses the capability to assess the subsurface, build pipelines and inject carbon into the ground. With the formation of BKV dCarbon Ventures in March 2022, we formally launched our CCUS business. We assessed the opportunities to minimize GHG emissions by collecting CO<sub>2</sub> emissions from natural gas activities, including from our own or third-party operations, as well as from other energy and industrial sources. As of today, we have identified twelve commercially viable CCUS projects that can be supported by the carbon tax credits available through new policies including the IRA and the under Section 45Q of the Code (Section 45Q tax credits).

### Investing in a Cleaner Future

Most importantly, we are investing in and operating CCUS projects to obtain the offset credits that are critical to achieve our net zero strategy. As it currently stands, based on the 2022 baseline, we estimate a need for up to 0.7 Mtpy CO<sub>2</sub>e of carbon offsets to address residual emissions from Scope 1 and Scope 2 emissions from our owned and operated upstream operations. We are ramping up our investments in short, mid- and long-range CCUS projects in the U.S. onshore, and investment targets for each year have been determined based on achieving net zero Scope 1 and 2 emissions from our owned and operated

upstream operations by year-end 2025. Part of our goal is to prove that carbon emissions can be offset in a cost-effective and credible manner through permanent, highly regulated operations to store CO<sub>2</sub> underground.

### BKV dCarbon Ventures

In 2022, we formally initiated multiple CCUS projects and partnerships including the creation of BKV dCarbon Ventures, our wholly owned subsidiary and dedicated CCUS business line, which focuses on permanent sequestration of point-source emissions. Although we formally launched our CCUS business in March 2022 with the establishment

Among our CCUS peers, BKV is at the forefront of executing CCUS projects firmly and timely, supported by our internal engineering, business development and regulatory professionals, along with academics and CCUS-focused partnerships.

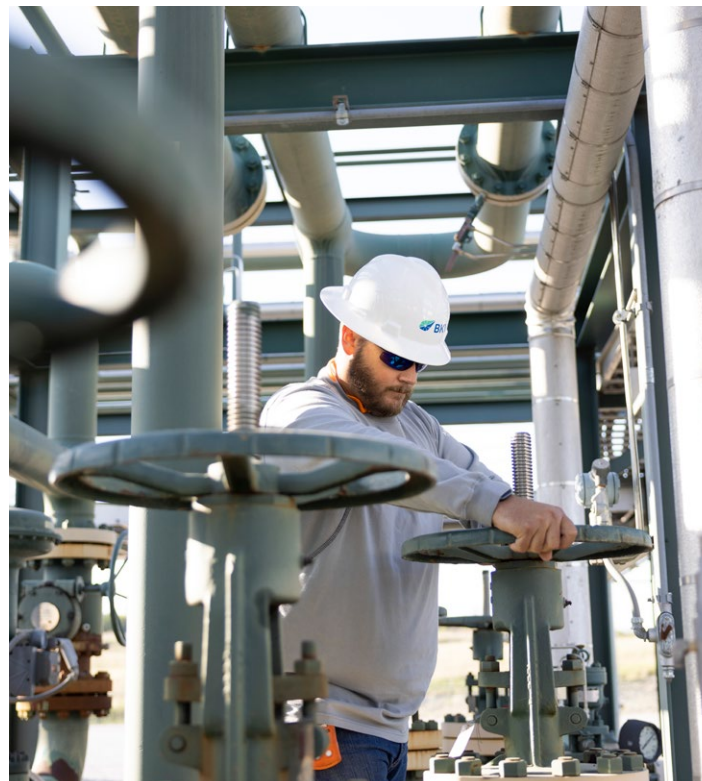


of BKV dCarbon Ventures, we have been evaluating project opportunities and developing our CCUS business for over 24 months.

### Identifying, Evaluating and Developing CCUS Projects with BKVerde

In August 2022, we also announced a new partnership with Verde CO<sub>2</sub> CCS, LLC, an independent carbon capture and sequestration developer and operator, to create BKVerde, an entity that will identify, evaluate and develop CCUS projects throughout the United States. We believe our agreement with Verde CO<sub>2</sub> will expand our CCUS and GHG emissions reduction efforts as we seek to decarbonize industrial point sources of various sizes through carbon capture and permanent sequestration.

Through BKVerde, we will be able to identify viable projects in which BKV dCarbon Ventures may wish to invest. Backed by a team with strong experience in the CCUS space and with significant bandwidth to identify CCUS investment opportunities, BKVerde will play a critical role in allowing our company to identify and capitalize on attractive and promising CCUS projects. As of May 24, 2023, we have invested \$17.3 million with BKVerde under our development agreement. We expect to invest up to \$250 million over the next three years to fund these efforts to identify and evaluate feasible CCUS projects, and ultimately execute on those opportunities.



### Ongoing CCUS Projects:

We continuously evaluate and identify CCUS projects that are potentially viable to pursue. Currently, we have identified twelve potential CCUS projects that we believe can be completed by the early 2030s to achieve our Scope 1, 2 and 3 emissions goals. Of these twelve identified projects:

We have reached FID and entered into definitive agreements with respect to the Barnett Zero Project and reached internal FID for the Cotton Cove Project, which have a combined forecasted annual sequestration volume of approximately 0.26 Mtpy CO<sub>2</sub>e by the end of 2024.

Three are natural gas processing projects that we anticipate reaching FID in either 2023 or 2024 and, if FID is approved, achieving forecasted sequestration volume of approximately .96 Mtpy CO<sub>2</sub>e by the end of 2025.

Three are medium to higher concentration industrial projects that we anticipate reaching FID in either 2023 or 2024 and, if the FID is approved, achieving first sequestration between 2025 and 2029 with a combined forecasted sequestration volume of approximately 16.7 Mtpy CO<sub>2</sub>e.

Four other CCUS projects are under evaluation that have a combined forecasted sequestration volume of approximately 9.8 Mtpy CO<sub>2</sub>e.

With our expansion into midstream assets this past year via the Exxon Barnett acquisition, we see the value and potential of advancing our post-combustion carbon capture capabilities. While post-combustion capture technology is more nascent, we will be piloting two projects in 2023 that will significantly expand our ability to perform post-combustion capture “in our own backyard” of our upstream and midstream compressor units. While capturing CO<sub>2</sub> emissions from our compressors presents significant technical challenges, BKV sees tremendous potential value in directly capturing these emissions rather than seeking to offset them in other ways.

### Barnett Zero Project—Our First CCUS Undertaking

In the very same county where we drilled our first well, we will now implement our first CCUS project. In June 2022, we reached the FID and entered into a definitive agreement in connection with our first high concentration CCUS project in the Barnett with EnLink Midstream, LLC (EnLink). Known as the Barnett Zero Project, this CCUS undertaking will capture CO<sub>2</sub> from substantially all of our EnLink-gathered natural gas production. In the Barnett Zero Project, EnLink will transport our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO<sub>2</sub> waste stream will be captured, compressed and then sequestered via our nearby injection well.

We expect the Barnett Zero Project to achieve an average sequestration rate of up to approximately 210,000 metric tons of CO<sub>2</sub>e per year, with the first injection expected by December 2023.

### Cotton Cove Project—Our Second CCUS Project in the Barnett

On October 18, 2022, BKV dCarbon Ventures reached internal FID to develop our second CCUS project in the Barnett. The Cotton Cove Project will separate, dispose of and geologically sequester CO<sub>2</sub> generated as a byproduct of our natural gas production in the Barnett and will utilize our newly acquired BKV Midstream assets to do so. We estimate the Cotton Cove project will geologically sequester up to approximately 45,000 metric tons of CO<sub>2</sub> per year.

We are also seeking to expand the Barnett Zero and Cotton Cove Projects to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO<sub>2</sub>e from low-concentration emissions from within our BKV Midstream and/or EnLink's Bridgeport processing operations.

*While capturing CO<sub>2</sub> emissions from our compressors presents significant technical challenges, we see tremendous potential value in directly capturing these emissions rather than seeking to offset them in other ways.*

We are targeting the first half of 2024 to commence sequestration activities, pending all required permits. As part of the Cotton Cove Project, we also seek to pilot, and then scale, post-combustion carbon capture technology that would allow us to sequester up to an additional approximately 250,000 metric tons per year of captured CO<sub>2</sub>e from low-concentration emissions from within our BKV Midstream operations. As part of this process, we intend to utilize compressor waste heat to reduce energy requirements and cost.

THE BKV WAY

# Our word on carbon is gold





For Lauren Read, BKV's Vice President of BKV dCarbon Ventures, the intent was made clear early on. Carbon CCUS initiatives would be far more than subject matter for a sustainability report. It would drive the company's culture, from CEO Chris Kalnin down.

"I remember being in a leadership meeting where Chris asked each of us to personally commit to the decarbonization effort. We stacked hands on it," said Read. "That sincerity made a profound impression on everyone in the room."

**"Decarbonization is not just PR to us. It comes from wanting to do the right thing."**

#### LAUREN READ

VICE PRESIDENT OF BKV DCARBON VENTURE

Putting sincerity to work, BKV looked at the gamut of sustainability strategies, from purchasing offsets to hydrogen and ammonia production, from solar to wind. To advance its CCUS strategy, the company quickly decided to leverage its own capabilities and expertise in areas like subsurface geology, drilling and completing wells, carbon-dioxide management and project logistics. Not only did they have the knowledge and tools to capture and permanently sequester carbon, but they could start in their own backyard. This was the genesis of the Barnett Zero Project.

From there, those efforts have gathered significant momentum. Additional projects and partnerships have put the company well on its way to achieving its Scope 1, 2 and 3 owned and operated upstream emissions goals by 2030. Beyond sequestering carbon, BKV plans to extend these services to other midstream and upstream providers, as well as to manufacturing and industrial facilities.

Carbon tax credits and other policies resulting from the IRA have accelerated the process, incentivizing CCUS projects industry wide. While economic viability is a factor, it's not the driving force. "BKV launched this initiative well before the 2022 IRA bill. And regardless of natural gas prices, we're moving forward and

fast," said Read. "We've set some big goals and we're not about to go back on our word."

In either case, BKV continues to aggressively source growth opportunities, with sequestration permits approved and LOIs signed to sell measured Net-Zero gas to Europe, they are committed to being a leader in the industry.

"With all these projects, we're trailblazing new territory, becoming experts on post-combustion technology, CCUS-specific risk mitigation and carbon accounting," said Read. "Instead of just reciting our values, we're living them. And that's exciting."



**Q: How is BKV executing CCUS differently than our peers?**

**A:** We aim to be a first mover in the industry by focusing on Class II projects, which are quicker to execute. We also leverage technology to enhance our projects that are anchored with pre-combustion CO<sub>2</sub> volumes to drive economic value.

BKV also has great existing relationships with midstream companies. We collaborate with industrial emitters across sectors and are able to leverage our abilities and knowledge in the subsurface space that our midstream partners might not have.

**Q: How does BKV's approach to CCUS differ from major oil and gas companies?**

**A:** BKV prioritizes point source emitter projects over large hubs, as we believe these projects have better economic outcomes with lower infrastructure costs and enable us to move faster. While these types of smaller projects may not catch the attention of major oil and gas companies, we see the opportunity to be a leader in this space.

**Q: What are your long-term goals for CCUS?**

**A:** As part of our "closed-loop" approach to our net zero emissions goal, we have identified twelve commercially viable CCUS projects with an estimated combined forecasted annual volume of carbon capture and sequestration of approximately 30 Mtpy CO<sub>2</sub>e,

which can be applied to enable us to achieve our Scope 1, 2 and 3 emissions goals. Our objective is to deliver projects and injection goals with speed and accuracy, leading the market in accomplishing economically sound projects that also support our emissions reduction targets.

**Q: Can you walk us through the economic incentives that allow BKV to take on the CCUS business on the upstream side?**

**A:** The primary economic incentive for CCUS projects is the 45Q tax credit. Once we utilize our taxable income, we can use that as acquisition capital, offsetting taxes that a competitor would not be able to. Additionally, there is an economic incentive in the form of carbon offset credits, which we do not currently plan to sell. Instead, we will be using them to offset our own emissions to reach our net zero goal.

**Q: From a technological standpoint, how mature is CCUS? Additionally, what measures has BKV put in place to ensure the safety of implementing CCUS?**

**A:** CCUS is a proven technology that has been used in various scenarios for the past 50 years and is now gaining popularity. To ensure operational safety, we utilize the Monitoring Reporting and Verification plan (MRV), which involves conducting zone monitoring and groundwater monitoring to ensure CO<sub>2</sub> hasn't reached the atmosphere. We also conduct seismic surveys to verify that we're not causing any seismic activity. From a pipeline perspective, we have pressure monitoring on both sides of our pipeline to ensure safety.

**Q: What are some of the biggest challenges to scaling up CCUS, and how is BKV addressing them?**

**A:** One of the biggest challenges to scaling up CCUS is that emitters are still uncertain about who will be committed for the long term. To address this, we are focused on forming relationships with emitters and providing them with assurances that we are willing and able to invest capital in these projects, executing and operating them for the long term.

The second challenge is the classic permitting process, which currently takes a long time. We are mitigating this challenge by obtaining permits as soon as possible for projects that are in the queue.

Additionally, we are also mitigating this challenge through our Class II approach to processing natural gas waste, where we essentially are able to bypass that classic permitting process.



# Clearing the Air:

## Air Quality and Emissions

Our emissions reduction strategy goes beyond carbon and methane to other non-GHG emissions. To that point, we are responsible for managing and mitigating regulated criteria air pollutants such as volatile organic compounds (VOCs), nitrogen oxides (NOx), carbon monoxide (CO), sulfur oxides (SOx), and particulate matter (PM/PM10/PM2.5), as well as toxic and hazardous air pollutants (HAP), as regulated by the U.S. EPA under

the Clean Air Act (CAA). Strategies to reduce these air pollutants are primarily addressed through our continuous monitoring efforts, Pad of the Future retrofits, our regional certification efforts such as TrustWell and compliance with the applicable regulatory requirements for permitting, emissions management, monitoring, recordkeeping and reporting.

For all emissions, our priority is to meet and exceed compliance with federal and state permit regulations. We continuously seek to minimize any emissions beyond what is required by regulation.

## Progress in Our NEPA Assets

For our assets in NEPA, we continue to implement design changes from our POTF program. The design changes allow for us to eliminate the use of natural gas combustion as fuel in the Gas Processing Units (GPUs) and reduce our criteria and HAP emissions from natural gas combustion by replacing the natural-gas-fired GPUs with heat trace, powered by onsite electricity. In addition to the reduction in fuel usage, the added environmental benefit of eliminating the use of GPU burners is aiding in the elimination of the use of ethylene glycol in the GPU system. Ethylene glycol is considered a HAP under the U.S. EPA CAA.

## Progress in Our Barnett Assets

For our assets in the Barnett, we continue to implement our compressor gas lift optimization program. The program is intended to optimize compression needed for appropriate gas lift at our upstream operations. The compressor installation and replacement to optimize compression is facilitated through the use of compressors that are retrofitted with state-of-the-art engine integrated control systems to manage engine performance while meeting or exceeding regulatory emissions requirements. Overall, our compression optimization has shown a need for reduced overall compression capacity, thereby



reducing our associated annual fuel consumption, and coupled with the engine-integrated control system support, we will realize a reduction of criteria, HAP and GHG emissions associated with the natural gas combustion in the compressors.

We have eliminated flowback from re-stimulation and refracs, allowing natural gas to proceed directly 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. As such, we continuously look for opportunities to improve our practices and to demonstrate strong environmental stewardship through responsible consumption.

## Our Water Consumption Programs and Initiatives

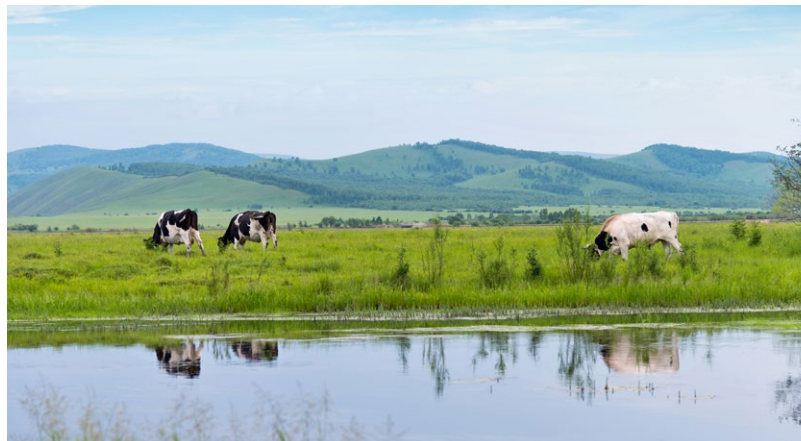
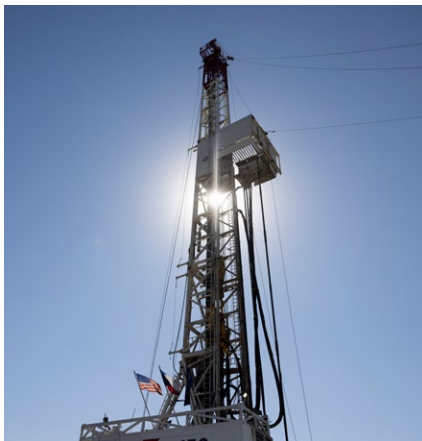
We recognize the importance of water conservation and the need to leverage creativity and innovation to effectively manage water use in our operations. As such, we continuously look for opportunities to improve our practices and to demonstrate strong environmental stewardship through responsible consumption.

We utilize both freshwater and produced water for operations in

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 when possible by using almost all fixed or lay-flat pipe for

transport. We use a lay-flat pipeline to transport water to our operational sites, and we have a water sharing agreement 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

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. We also provide water to other operators for their operations.

We no longer experience flowback from re-stimulation and refracs as natural gas is now able to proceed directly to production and maximize water efficiency.

Once the recyclable materials have been recovered, the purified produced water is then returned, under full regulatory approval, into clean waterways. In 2022, our freshwater withdrawal in NEPA was 290,589,257 (6,918,792 BBL)\* up 209% from 2021.

At our Barnett operations, we conduct due diligence around freshwater ponds and limit water drawn from freshwater wells.



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

### Monthly Monitoring and Reporting

We continue to meet water standards required by the Texas Railroad Commission and conduct monthly monitoring and reporting. As a testament to our adherence 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.

We work closely with the Susquehanna River Basin Commission in NEPA and regulators in the

Barnett, who 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. 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.

Based on the activities in our assets in 2022, the following water was used: Barnett was 3.3 Million Cubic Meters. NEPA was 1.1 Million Cubic Meters.

### Mitigating Seismic Activity

To prevent potential seismicity, we are diligent in monitoring wells to ensure that pressure levels remain within acceptable ranges. In the Barnett, where we utilize saltwater disposal wells, our geology team actively monitors wells on a regular basis to detect any change in seismic activity.



## Our 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 deeply committed to the communities where we work and live, and we put measures in place to protect our mutual interests and dependencies on natural resources. One way we are doing this is by reducing our dependence on freshwater use through expanded reuse opportunities and enhanced water infrastructure. Training employees to safely execute the process of reusing water in our operations is a core tenant of this commitment.

The space between the surface and intermediate, known as the bradenhead, is monitored across all

wells on a regular basis. If there is a potential problem with the surface casing, this process flags it to ensure freshwater is protected.

## Ensuring Freshwater Integrity and Safety

Our wellbore design ensures the integrity and safety of our freshwater resources. As such, we focus on 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 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.

We are confident that our operations can continue with low to no risk. As we continue to reduce dependency on freshwater use through expanded reuse opportunities and water infrastructure, the risk of contributing to water stress will continue to decline.

## Protecting Our Water Resources

In 2022, our NEPA drilling program brought 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.

# 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.

## Consistent Spill Prevention and Control

In 2021 we conducted 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 in 2022. Additionally, new SPCC plans were prepared for the newly acquired assets in 2022. The policies and procedures outlined

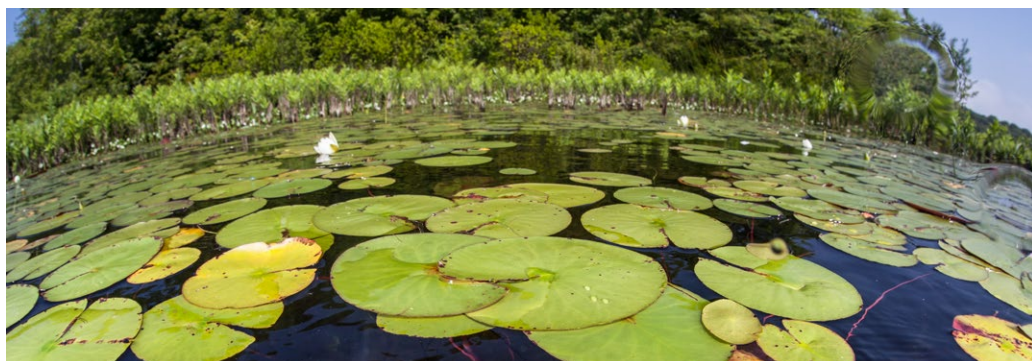
in the plan are supported at the local level through training specific to the needs of each operational location. The next review and assessment is planned for 2024.

Additionally, we have integrated our spill prevention and control system into the overall risk management process. We conduct annual risk assessments to identify the locations with the highest risk and impact for spills, which allows us to focus our spill infrastructure and resources where they are most needed.

We also perform regular inspections of all relevant equipment and assets to ensure they are properly maintained. With our new SPCC plans, we will continue to proactively work to minimize and eliminate the risk of spills through regular training and close monitoring of our leak detection systems.

## Asset Management, Training and Remediation Practices

We conduct routine maintenance and inspections at our facilities and use



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.



established practices and operational infrastructure to control and mitigate potential spills or discharges. In the event of any spill or discharge, no matter its size, we will attend to and treat it with the same high level of urgency, 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.

### Minimize Spills

Throughout our operations, we strive to minimize spills and continue to refine and improve our spill prevention programs. We maintain clear targets around spills to ensure that we are upholding the highest possible environmental standards.

At our NEPA facilities, we add 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 created a comprehensive Spill Risk Assessment Tool through which we review all existing spill containment systems to assess repair needs and ensure the team is equipped to handle release scenarios. This risk assessment helps us prioritize repairs and improvements to spill containment systems that are in the closest proximity to homeowners and other sensitive environments.

### Assuring Mechanical Integrity

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 sets the requirements for 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.

In 2022, we rolled out a new initiative to integrate the use of the Good Catch program app, which has improved employee engagement, accountability in the proactive identification and reporting of potential integrity concerns. The software facilitates real-time reporting of observations, allowing for timely remediation before they escalate into significant issues.



## Efficiently Managing Waste

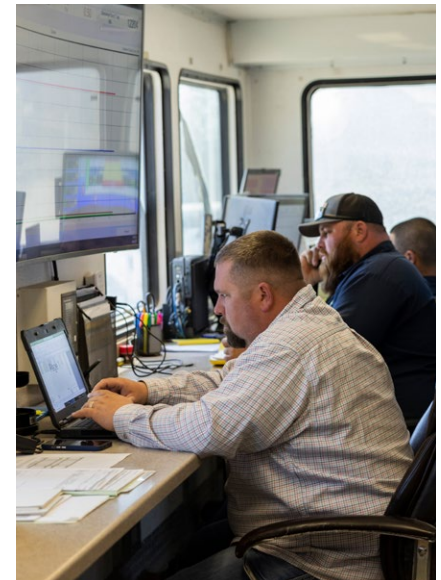
Sound waste management practices help us protect the health of our communities, represent an opportunity to realize efficiencies throughout our operations and generate environmental benefits and outcomes. At each facility, we manage and dispose of waste to meet and exceed regulatory requirements.

The nature of our work generates waste that can be either hazardous or non-hazardous. We 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. Our protocols for waste management

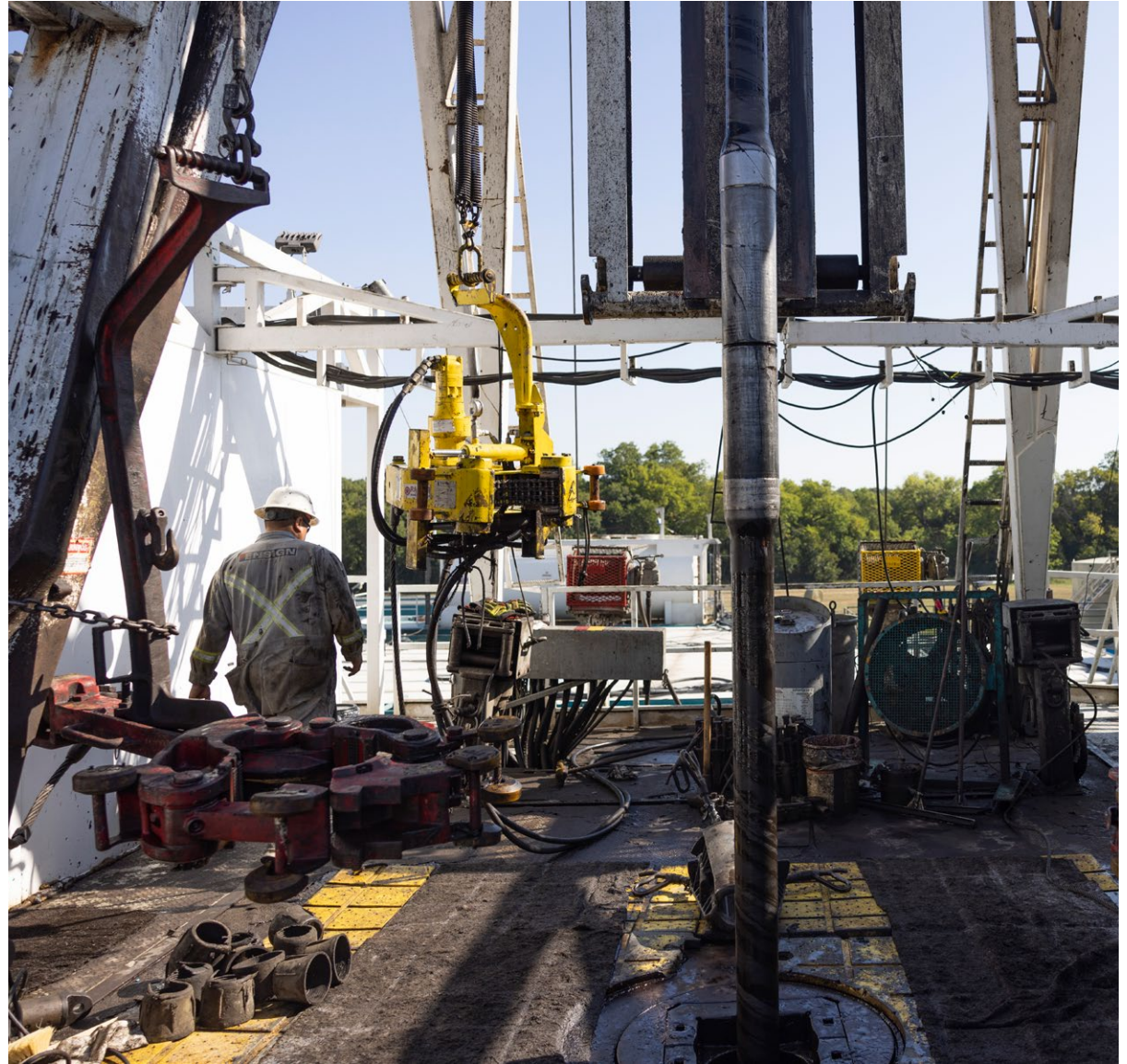
specify roles and responsibilities for how we manage waste, including training, shipping, disposal and waste reduction programs. Just as with our own employees, we hold contractors responsible for managing any waste that they generate and for complying with all waste regulations at the state and federal levels.

Production companies occasionally encounter naturally occurring radioactive material (NORM). We have established formal NORM protocols to manage all encounters responsibly and in compliance. 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. We provide radiation safety officer training for those in that role.



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 also receives job-specific training related to waste management and chemicals used or stored in the workplace.



# 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.

## Focused on Protecting Native Species and Their Habits

Biodiversity loss is a global issue that requires local solutions. We are actively working to mitigate the potential impacts of our operations on species and habitats.

To minimize the disturbance to the environment and sensitive habitats around our operations, we have striven to place new wells on existing pads where possible. In 2022 we drilled 12 wells on four existing pads and only built one new well pad,

where we drilled three wells. Refracs and Drilled Uncompleted (DUC) represent the majority of activity on our existing well pads.





In 2021, we established an Environmental Impact Assessment (EIA) process to identify, assess and manage biodiversity risks for major project activities. We also adjusted well site locations to accommodate habitat features and priorities for certain species at our NEPA and Barnett facilities. We undergo the EIA process prior to settling in new operational areas.

#### **The assessment includes:**

**Data collection and analysis** – We survey grasslands/wetlands and their biodiversity within or adjacent to our operating assets for review and analysis.

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**Collaboration with government agencies and institutions** – We work together to identify potentially sensitive areas within habitats near our operations.

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

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

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#### **Our Reclamation Policy**

In instances where biodiversity impacts cannot be completely avoided, 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 define internal expectations for biodiversity and habitat restoration near BKV operations.

In NEPA, we reclaim unused areas and minimize the operational footprint. In the Barnett, we reclaim unused areas when it is requested by the landowner but minimize disturbance in the design phase prior to operation.

# Social





# Doing good feels good.

At BKV, volunteerism permeates the culture. We are a part of—not apart from—the local communities in which we operate. It's only natural that our employees are passionate about pulling together for the good of our extended families.

## HSE PROGRAMS AND TRAINING

We continue to strengthen our Health, Safety and Environmental (HSE) programs and their governance and oversight. Our HSE programs are governed directly by our CEO and COO, who meet weekly to discuss HSE updates, risks and opportunities. The Sr. Director of EHSR and ESG for both Barnett and NEPA reports to the COO, with direct access to the CEO for any immediate needs.



## Establishing Goals and Tracking Progress

A core part of our HSE program is the Safety Committee. This committee oversees health and safety across the enterprise, working across disciplines and regions to define goals and the optimal strategies to achieve 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 nurtures a culture of safety at BKV. Metrics such as the TRIR provide a clear window into the safety performance of the enterprise. We also monitor a number of additional leading and lagging safety and environmental metrics. These metrics are reported monthly and aggregated quarterly for the Executive Management team's review. Frequent HSE communications to employees drive a culture of transparency and help enforce health and safety as an enterprise priority.

## Prioritizing Health and Safety, Every Day

“We believe that providing a safe workplace and building a culture that truly values safety first is not just our responsibility, it is how we show we care about our workforce, their families and our communities. Our values guide us to do what’s right, manage risk, stop work, and support and empower each other to stay safe.”

**ERIC JACOBSEN**  
COO

No job is so important, and no task so urgent that we ignore the necessary steps to perform it safely.

At BKV, 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. Senior Director of EHSR and ESG ensures that the COO receives regular monthly updates on all health and safety

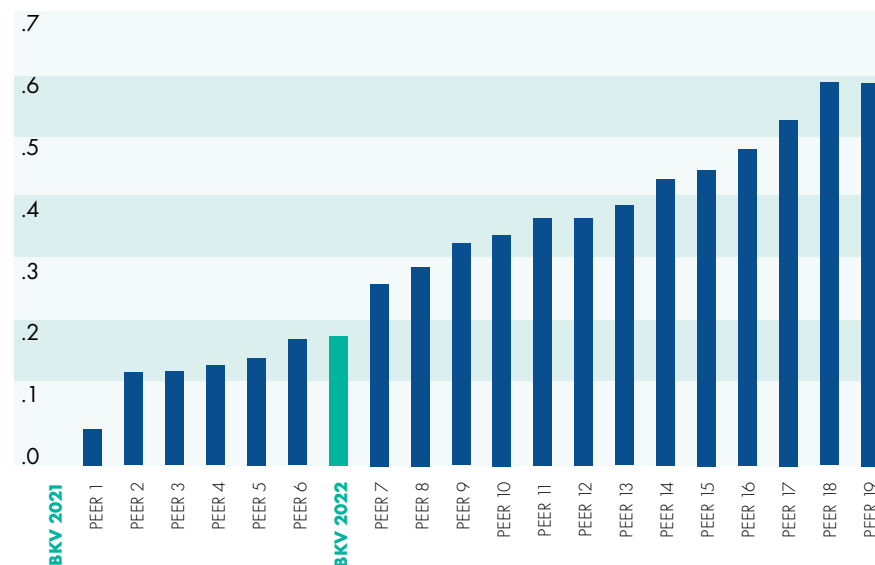
updates and provides additional updates as necessary during weekly 1-1 update meetings. The Head of Operations is responsible for the health and safety of the operations which are directly overseen daily by regional Operations Directors.

In addition to regular meetings with the COO, the Senior Director of EHSR and ESG is in regular contact with Operations Leadership to ensure the timely and transparent sharing of important safety updates to the enterprise.

### 2022 TRIR Peer Analysis

■ Total

Sum of Workforce Total TRIR (Averaged)



In 2022, we have attained our target of maintaining a workforce TRIR (including contractors) below 0.5, with the inclusion of workforce data obtained from the Exxon Barnett acquisition.

# Safety That Goes Beyond Simple Compliance

Our commitment to looking out for our people is demonstrated through a culture of safety excellence beyond compliance.

The CEO sets the tone for our safety culture. He expects that employees live BKV's culture of safety every day through proper behavior and performance, and that corrective action is taken swiftly as needed. From a workforce perspective, the field-level staff are the eyes and ears on the ground. They identify and communicate potential safety issues they observe and provide recommendations to improve safety processes and performance where appropriate. The workforce is empowered to lead and continually shape BKV's safety practices.

## Improving Protocols and Practices Via Our Safety Culture Survey

Our Safety Culture Survey is another way we track and measure the safety of our workers. Supported by the ISN, this is the second year that we have sent out a survey to BKV employees and

contractors to better understand how our people feel we can improve our safety protocols and practices, and we once again received one of the highest safety scores among our peers on the Safety Culture Survey. In 2022, we added over 100 new staff members, integrating them into our safety initiatives and "Be One BKV" culture.

As we grow, we remain completely dedicated and focused on building on this culture of safety excellence so it can be adopted across regions, facilities, teams and as individuals. Our company-wide EHSR Manual and Standard Operating Protocols facilitate workforce alignment and provide clarity around safety expectations and protocols. Supported by the ISN, this manual is informed by the perspectives of our regional teams and employees, who bring a unique expertise and lens to safety that benefits the enterprise.

## Incident Management and Prevention

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

At BKV, the day-to-day implementation of health and safety practices is enacted in the field. We work to capture the input from every employee as their feedback is a catalyst for execution, evolution and excellence.

If an incident occurs at BKV, lessons learned are shared with safety and operations teams and across our broader operations. Adopting new incident learnings and practices is not in response to any leadership mandates or demands, but rather born from a place of caring for each other and the communities we serve.

We received a high score among industry peers in a standardized survey administered by ISN.





## SAFETY

## Programs That Drive Safety Engagement and Employee Participation

We promote and encourage employees to speak up. For instance, if an employee submits an idea or recommendation to improve safety performance, they receive some form of recognition or reward for that action. We routinely communicate to all employees that transparency and candor with respect to safety issues is key.

WE HAVE TWO PROGRAMS TO HELP DRIVE SAFETY ENGAGEMENT AND EMPLOYEE PARTICIPATION:

**1. Stop Work Authority Program:** If any employee, regardless of band or level, sees a safety risk or hazard with any aspect of a project or at a work site, they have the authority to put an immediate stop to work and operations.

We operate with a strict policy of zero retaliation if an employee observes unsafe behavior and exercises their Stop Work Authority. If an incident occurs, we expect transparent communication of the issue and all employees and contractors to abide by the motion to stop work. For employees and contractors who do not follow protocol, performance conversations happen immediately to address the issue.

**2. Good Catch Program:** At BKV, “if you see something, say something.” This program centers around employees logging their observations via a smartphone app to ensure documentation in real time. This allows managers to proactively assess potential incidents and identify needed changes in behavior, contributing mechanical risks, and/or process change requirements.

## EHSR Training

Our culture of safety excellence is further enhanced through robust and hands-on safety training. These trainings include hands-on and computer-based safety skills for field employees (twice per month), office safety training (monthly) and other role-specific sessions. Our training policies and processes are maintained on an internal intranet site as well as a handheld phone application, providing easy access to key reference documents that outline critical health and safety behaviors and expectations of the organization.

### Examples include:

Confined Space Awareness

EHSR Manual and Policies

Emergency Response

Environmental Awareness

Hot Work

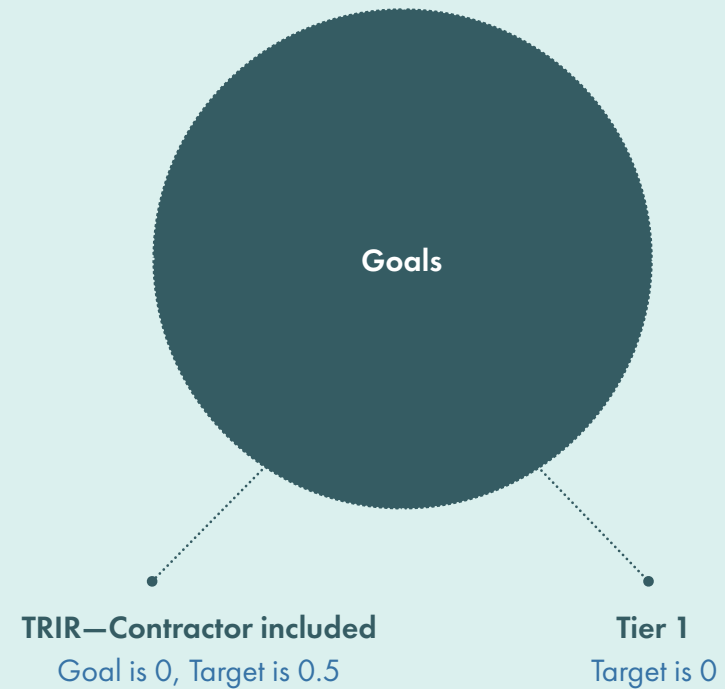
JHA and Hazard Identification

Lockout/Tagout

Personal Protective Equipment

Safe Driving

Other Industry-Specific Technical  
Safety Training



# Emergency Response Preparedness

In the event of an emergency, our workforce is trained to respond to the event in a safe, thorough and effective manner.

## Designated Safety Tier events

BKV follows the American Petroleum Institute (API) classifications to identify the Tiers of Process Safety Events. A Tier 1 Process Safety Event refers to an unplanned or uncontrolled release of any material, including non-toxic and non-flammable materials from a process that results in one or more of the following:

an employee, contractor or subcontractor “days away from work” injury and/or fatality;

a hospital admission and/or fatality of a third-party

an officially declared community evacuation or community shelter-in-place;

fire or explosion damage greater than or equal to \$100,000 of direct cost;

an engineered pressure relief discharge, an upset emission from a permitted or regulated source, and/or a release of material in any one-hour period that exceeds the thresholds and meets consequences as detailed in the API Guide.

We recognize that the consequences of a Tier 1 Process Safety Event can be severe, not only for our employees and contractors but also for the communities and environment

surrounding our operations. As a result, we have established a goal of zero Tier 1 incidents. We regularly review and update our safety procedures and protocols, provide

annual safety training to our workforce and conduct rigorous regulatory compliance assessments. Through these efforts, we are committed to continuously deliver on our zero Tier 1 incidents goal and maintaining the safety and well-being of our workforce and communities.

Should an emergency event occur, we assign an incident commander to manage the situation from beginning to end. Escalation protocols are activated, and notice is passed through the chain of command up to the Head of Operations, who will mobilize resources and conduct further information sharing as appropriate.

### Our Strategy in Action

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 his oversight and engagement. Furthermore, other designated executives and leaders 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 enhance company infrastructure, develop as well as deliver new training and create new roles.

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

**Emergency Drills:** Conduct regular emergency response drills.

**Site or Tailgate Drills:** Occur on a weekly or biweekly basis.

**Multi-Functional Tabletop Drills:** Occur quarterly.

**Company Wide Drills:** Occur annually.

In 2021, we set a goal to develop consistent and aligned emergency response and incident management policies and protocols across our operations. In 2022, we executed that goal. As we have grown through acquisition, we ensured alignment among incident response materials and protocols. We consolidated the EHSR manuals across sites, streamlined Standard Operating Procedures and updated the Emergency Response Plan to reflect all party interests and unify an approach.



## 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, practices and protocols.

### Leveraging ISN to Vet Contractors and Other Partners

Our process leverages ISN to vet contractors and other partners. Our regional health and safety managers will check to see if contractors are part of ISN, and if they are not, we will do further due diligence to determine if they fit the necessary vetting requirements, standards and preparedness. Within ISN, we can request specific company performance audits to determine performance grades. We also conduct due diligence by partnering with other companies to discuss contractor performance.

Contractors are prioritized based on their perceived risk to the company. The contractors with the lowest risk are prioritized to be hired. For contractors that have been identified as higher risk, we schedule proactive meetings to engage with them more frequently for oversight and management.

### Ensuring Performance Expectations

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 attentive to new contractors and partners to ensure and facilitate

seamless integration. We have also developed a formal contractor engagement program for ongoing performance-based evaluations and discussions relevant to safety program adherence. These engagements are a part of each asset's safety performance goals. For any contractor exhibiting substandard performance in safety, a BKV manager will quickly initiate a conversation and action plan to restate expectations. A failure by the contractor to quickly correct the issue may result in termination. It's our job to ensure that everyone working at our facilities and living in the surrounding community are fully protected from potential safety risks.



# Workforce Engagement

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

## Empowering Our Employees

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 want to be a caring and connected company where employees feel that they are heard, seen and valued. We strive

to give our team opportunities to solve problems, innovate, push for excellence, embrace change and be a force for good.

We are proud to provide our employees with family-friendly practices, wellness programs and opportunities for workplace

betterment. We communicate proactively and consistently with employees about our goals and performance. We do not accept the status quo, and we are working to advance diversity, inclusion and equity for all stakeholders.



THE BKV WAY

# When Kept, Words Go a Long Way



Nothing has the potential for uniting a culture quite like giving it a monumental task. When BKV acquired Exxon Barnett at the end of June 2022, it gained roughly 160,000 net acres in the Barnett, with assets that included wells and approximately 778 miles of midstream infrastructure.

The initial obstacle to overcome was timing. BKV needed to swap Exxon Barnett's Wonderware SCADA system with its own Cygnet. An acronym for Supervisory Control and Data Acquisition, it's a system that monitors and controls all the various infrastructures. This significant undertaking would be challenging in any circumstance. But in this case, it would require legacy Exxon Barnett teams to go from about 45 wells per man to about 90, essentially doubling their well capacity, without their field technology.

"We only had 30 days to implement this new system, and that's not nearly enough time," said Carl Rangel, BKV Director of Operations for North Texas. "But there wasn't any pushback from anyone. We all rallied together and said, 'Let's figure it out and get it done.'"

Roland Thornhill, a Senior Artificial Lift Foreman who was part of the Exxon Barnett legacy team, notes that the lack of bureaucracy at BKV was a positive culture shock. "They give you total ownership at every level. They expect a lot, but they also take care of you."

This approach aligns well with the company's Pay for Performance model, which rewards initiative and hard work. From Rangel's perspective, the motivation to tackle a job like this comes straight from the top. "Along with the rest of leadership, Chris

Kalnin does what he says, and keeping your word goes a long way."

Part of that commitment is reflected in the company's harmonization effort during the acquisition. It's not uncommon for companies to lay off people or cut salaries. But in this case, Exxon Barnett legacy employees were assured they'd keep their jobs, their titles and pay—at least until the following July—without worrying about having the financial rug pulled out from under them.

"There's a genuine care for people that's evident," said Rangel. "Back in 2021, I was electrocuted, working on my own time, and nearly died. Chris and Eric (Jacobsen) called me personally to see what my family needed, including my wife and kids. And they followed through."

Articulating a vision, or communicating a value, isn't unique in corporate culture or on company websites. Following those words with action is another thing altogether. And the results speak loudly.

**"If you do your job, they're going to take care of you. That's more valuable than a paycheck."**

**ROLAND THORNHILL**  
SENIOR ARTIFICIAL LIFT FOREMAN,  
FORMERLY ON EXXON BARNETT  
LEGACY TEAM

# Diversity, Equity and Inclusion (DE&I)

We work tirelessly to ensure we're providing a diverse, inclusive and equitable environment for all our employees and contractors.

## Diverse Ideas, Experiences and Backgrounds Make Us Stronger

Our continued success is 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 talents and strengths of our employees and inspire the best in them to achieve excellence. We know that a diverse workforce fosters new ideas and makes us stronger as a company. We are working to cultivate diversity across all cultures, ages, generations, and life experiences, and we are incorporating this approach into our workforce engagement strategies.

Our Board and Executive Leadership team are committed sponsors and supporters of programs that foster an increase in diverse talent representation, nurture the careers of underrepresented groups and create a greater sense of inclusion

and belonging. DE&I factors and criteria are embedded into succession planning, talent management processes and decision-making. In 2022, all supervisors and employees were required to complete training that included, among many topics, how to avoid bias in the hiring and recruitment process. It also underlined the value that DE&I brings to team building and company success. We achieved 100% compliance with the training.

## Assuring Equal Opportunity for All

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.

## Providing a Platform for Voicing DEI Concerns

Our DE&I and Human Rights focus is underscored by our robust employee Code of Conduct and the refreshed Employee Handbook that was launched in 2021. One of the policies updated was our Whistleblower Policy, which was paired with the launch of an ethics and compliance hotline. Hosted by Navex Global, the hotline offers our employees and stakeholders a confidential reporting mechanism, encouraging them to come forward to report unethical business conduct, compliance issues and DE&I matters. The hotline is



available 24 hours a day, 7 days a week, and there is also an online submission portal that is easily accessible to all parties at any time.

See our Business Conduct and Ethics for more information.

### Employee Resource Groups

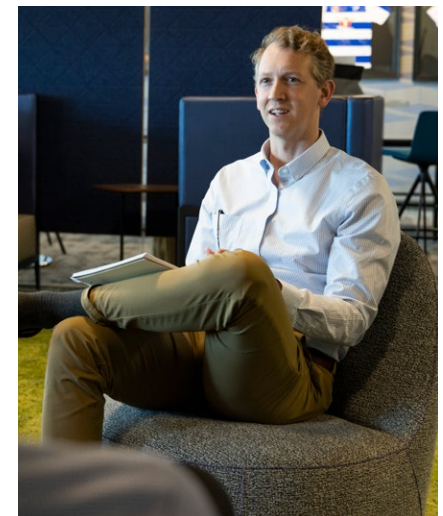
As part of our commitment to employees to make BKV an outstanding place to work, we continue to prioritize the formal buildout of employee resource groups. We foster and encourage employee to provide an opportunity for colleagues and peers to connect with others facing similar interests, situations or 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

In 2021, a group of female employees came together to network, share experiences and build community. The group calls itself, “Women Who Work,” and its goal is to foster support and dialogue among the women of BKV. This group meets monthly to exchange stories, insights, challenges and laughs. Based on the success of our Women Who Work group, we added training opportunities and out-of-office social activities to support the continued development and engagement of our female employees. The activities spanned from hikes in Colorado to flower arranging courses for our employees in NEPA, guest speakers’ series and holiday events in all offices. This enhanced programming launched in early 2022.

As further support, we launched a mentoring program open to all female employees where they can receive coaching and support from senior-level female and male mentors at BKV.

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.





## DE&I PROGRESSION 2022

### Employee Training

In 2022, we implemented comprehensive manager and employee training programs across the company, which were tracked by Navex through an online Learning Management System to ensure 100% participation. We work with Navex to provide an inclusive course list of topics, such as business ethics, human rights and DE&I.

### These training courses include:

Discrimination-Free Workplace

Unconscious Bias—Promoting  
Fairness in the Workplace

Workplace Harassment

Workplace Violence and Abusive  
Conduct

### Mentorship and Allyship

During the year, we piloted a Mentorship and Allyship program that will continue to diversify networks, bridge differences and provide more opportunities for our employees to develop their careers at BKV.

### “Voice of the Employee” Survey

We included DE&I-based questions in our Annual “Voice of the Employee” survey, allowing us to capture the general sentiments of our workforce around existing programs as well as opportunities to improve from an equity and inclusion standpoint.



# Employee Engagement

Feedback is a gift. And it's our job to understand what we do well and where we have opportunities to improve the workplace for all our employees.

Employee engagement is critical to BKV's success, as well as the success of the employees themselves. To ensure transparent communication, we host 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 enterprise review meetings, so the entire business understands BKV's financial performance and target business outcomes.

## Integrating Employee Input

In 2022, we fielded a third-party-led engagement survey for the second year in a row and secured a 91% participation rate. The survey is anonymous, to ensure that employees feel comfortable sharing. We use the candid feedback to continue to improve employee engagement and satisfaction and to position BKV as

an employer of choice. For example, based on 2021 survey feedback, we implemented a program to further formalize career and growth-mapping opportunities across the enterprise, as well as more clearly define and communicate company priorities.

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 we can build on and our opportunities for growth. These focus groups offered an important opportunity to gather feedback while demonstrating to employees that we value 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.

## Morale-Building Activities

We recognize the demands on our workforce stemming from recent acquisitions and rapid growth. To that point, we continue to focus on creating opportunities for employee engagement and positive interaction through morale-building activities and policies. This includes continued flexibility for employees to work from their home, when possible, encouraging small group team building activities, hosting family picnics and zoo events for employees and their families and celebrating the workforce at our holiday parties, as well as many other employee-oriented activities.

THE BKV WAY

# A Legacy of Generosity



From the time he was diagnosed with stage-4 pancreatic cancer to losing his battle, Gavin Chilson had just 37 days. Tragically little time to fight, to prepare or to reflect on his 35 years and the family he'd leave behind, including his wife, Dinah and his four young children. But Gavin Chilson understood the value of time and donated much of his own to helping others.

In Northeast Pennsylvania, the BKV community is small and tight-knit. Most grew up and went to school together, so Gavin's loss was particularly profound. Hired in 2018, he quickly established himself as a leader and proponent of giving back.

In addition to coaching a Little League team, he volunteered at the Seven Loaves Soup Kitchen in Tunkhannock, Pennsylvania, a program supported by BKV. "I don't think Gavin ever missed a day," said Dale Bennett, former EHSR Supervisor NEPA. "And as helpful as he was at the kitchen, he never missed an opportunity to pick up litter for Pennsylvania's Adopt-a-Highway program. Gavin even got his family involved."

"Family" applies broadly at BKV, so when Gavin was diagnosed, his co-workers stepped up. They set up a charity golf tournament to benefit his wife and kids. The event drew in BKV employees from all areas of the company and from each geographic location. An unprecedented success, Golf for Gavin

raised upwards of \$60,000 and will continue annually to provide ongoing support for his family.

Giving back is strongly reinforced within the BKV culture. Through an HR program, for example, employees can donate PTO to co-workers who need it. When another employee's wife was recently diagnosed with terminal cancer, his colleagues responded quickly. "We only have about 20 people here in Pennsylvania," said Joe Fowler, Production Foreman.

"Fifteen minutes after that email went out, individuals had already donated 14 weeks of time off."

Gavin Chilson embodied that generosity, and his impact is everywhere.

**"Anytime you ran into Gavin, you'd have a 30-minute-to-an-hour conversation," said Fowler. "He was just that pleasant to be around."**

In the NEPA office, a large conference room, officially renamed for him, bears his portrait as a testament to his generous spirit. But his colleagues would agree that his true legacy was the time he gave. That includes the 37 days he spent with those he cherished most.

## Employee Welfare

Good health is good business. As part of our employee wellness program, we focus on a different 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.



### 2021 Wellness Programs

**Physical Wellness:** Fitness challenges and gym reimbursements, weight-loss counseling and access to an online trainer. This also includes a quarterly weight-loss competition backed with significant prizes for challenge winners.

**Social Wellness:** 9:80 work schedules for applicable employees, employee and family social events, team building activities, charitable giving and volunteer opportunities.

**Mental Wellness:** Educational opportunities, stress management resources, meeting block-out times

so employees take a break from meetings, and an “email curfew” that was introduced in the fourth quarter of 2021 to reduce work distractions during the evening.

### 2022 Wellness Programs

**Financial Wellness:** Launched in the first quarter of 2022, it comprises financial planning resources, financial aptitude and financial literacy training and resources.

**Wellness Communications:** To remind employees of the importance of their mental and physical health and wellness, we continue to send out a wellness-oriented communication

each month. Each email offers practical wellness tips and guidance to help employees navigate and adapt to the challenges of the workplace and work-life balance. The emails, as well as the wellness information on the company intranet, provide both educational and informative materials as well as an avenue to build community, network with co-workers and an outlet to actively engage in the employee’s health journey.



## Employee Training

BKV's organizational training program consists of enablement (resources and support) in the following areas:

	INNOVATOR	SUPERVISOR	EXECUTIVE
Differentiator	Achieve results through own efforts and team collaboration	Achieve results through managing direct reports and enabling team collaboration	Achieve results mostly through broad organizational influence and collaboration
<b>LEAD BUSINESS</b>	Align personal goals and activities with Business Priorities	Align team goals and activities with Business Priorities	Align organizational goal and activities with Business Priorities
Strategy	Align individual goals with strategy & team goals	Set team goals aligned with	Define strategy
Execution	Plan, execute and manage risk in role	Plan, execute and manage risk in team	Plan, execute and manage risk in organization
Innovation	Drive innovation and continuous improvement in work area	Enable innovation and continuous improvement in team	Enable innovation and continuous improvement in team
Change Management	Manage personal change resilience	Manage team change resilience	Manage organization change resilience
<b>LEAD TEAM</b>	Contribute to the team	Lead Team Performance	Lead Function/Organization Performance
Knowledge Sharing	Demonstrate, coach and mentor	Coach and mentor the team	Coach and mentor across the organization
Collaboration	Effective networking and Collaborative Way	Manage team collaboration	Orchestrate collaboration across the organization
Communication	Communicate effectively (verbal and written)	Team communication and Conflict resolution	Organization and external networking
Problem Solving	Solve problems within work area	Enable team to solve problems	Enable organization to solve problems
<b>LEAD SELF</b>	Manage Personal Effectiveness	Manage Personal Effectiveness	Manage Personal Effectiveness
Mindfulness	Manage personal mindfulness and resilience	Manage team mindfulness and resilience	Orchestrate organization mindfulness and resilience
Recognition & Feedback	Seek feedback, provide feedback and peer recognition	Provide feedback to team	Provide feedback and recognition across the organization
Performance Optimization	Optimize own performance	Optimize team resourcing and performance	Optimize organization resourcing and performance
Continuous Growth	Grow personal career and skill capability	Grow team capability and plan contingencies	Build organization succession capability and plan contingency

## BKV HR Intranet Portal

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.

The BKV HR SharePoint was designed and developed to provide a centralized channel for BKV employees on HR-related information and support, including the following topic areas:

Performance & Learning

Health & Wellness

Policies & Pay including Ethics & Compliance

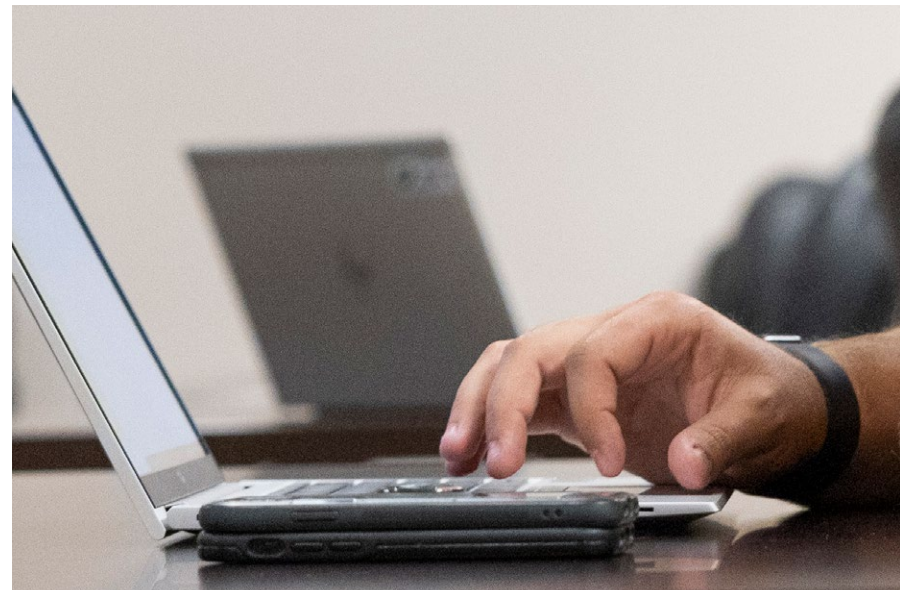
Community & Additional Resources

A Recognition page that celebrates our employees' living

The SharePoint also provides space for organization news, featured content, personalized content and a social channel. Additionally, many other documents, guides and support resources are linked in this site to support employees with their HR needs.

## New Intranet Training Portal

We introduced a formal training portal on our intranet portal (called "Top Class") that holds all required trainings related to IT, cybersecurity, ethics, compliance, etc. We also leverage the portal to distribute our employee Code of Conduct to each employee: all employees, contractors and vendors are required to acknowledge the Code of Conduct annually.



## Workplace Flexibility

In today's workforce, work-life balance remains a priority. We continue to support our employees by providing a flexible working environment so they can be satisfied and productive. Our workforce is able to execute their roles and responsibilities remotely with remarkable success. Remote and home-based work has improved work-life balance for many employees, and in some cases enhanced their mental health and performance.

## Employee Recognition and Awards

Our CEO hosts enterprise-wide meetings twice a month, in which employees are recognized for their excellence and thanked for their contributions to BKV's growth, performance and success. Supervisors and employees help strengthen engagement around these events, submitting nominations for recognition. Many who are recognized for their accomplishments and commitment to BKV values are even thanked with a personal, handwritten note from the CEO.

This is just one example. At BKV, we leverage many forums to recognize the achievements and work of our employees. This includes recognizing employees that exemplify our values on our intranet site, in our employee newsletter and at monthly town halls hosted by each region.

## Succession Planning and Career Development

With the goal of allowing employees to understand all development opportunities across the organization, our succession planning and career mapping provides employees with the path and expectations to advance to their next professional level. We also developed a contingency plan to backfill key roles, helping to ensure the continuity of our business.

We have standardized the employee review process by integrating formal milestones for managers and employees to discuss growth opportunities. We encourage managers and their direct reports to maintain these conversations on an ongoing basis.

## Compensation and Benefits

Our employees are the company's most valuable resource. To retain top talent, we must provide competitive compensation. As part of this commitment, we participated in a third-party evaluation to confirm our wages were competitive and commensurate to employee performance. We started working toward standardizing salary ranges in 2021, and in 2022, the work continued by implementing our competitive compensation packages.

Our full-time and part-time employees also have access to financial, health and wellness programs. BKV ranks "high" on national compensation, incentive plans and contribution amounts for healthcare compared to similarly sized oil and gas companies.\* In addition, we offered a matched 401K plan, medical insurance coverage, a maternity and paternity leave program, and

paid time off for holidays, personal days and vacation. We recognize that robust benefit plans are a key component in the attraction and retention of top talent, and we strive to be an employer of choice. We continually evaluate our total compensation and benefits packages and are committed to doing the best we can for our employees.

### Incentive Plans

To attract and retain top talent, we offer both short-term and long-term incentive plans (to eligible employees) as part of our package to attract and retain top talent. Our short-term plan is a merit-based bonus program based on BKV's performance as well as the performance of the individual employee. Our long-term plan provides direct ownership of the company. More than 50 percent of our employees have long-term

incentive plans, and everyone has a vested interest in how BKV performs.

### Mental Health

We provide a competitive mental health package, including EAP webinars, and we encourage counseling and assistance programs. To help employees care for their physical health, they are eligible for a monthly fitness reimbursement. We also have a private room for nursing mothers to use.

### Promoting Wellness by Listening to Our Employees

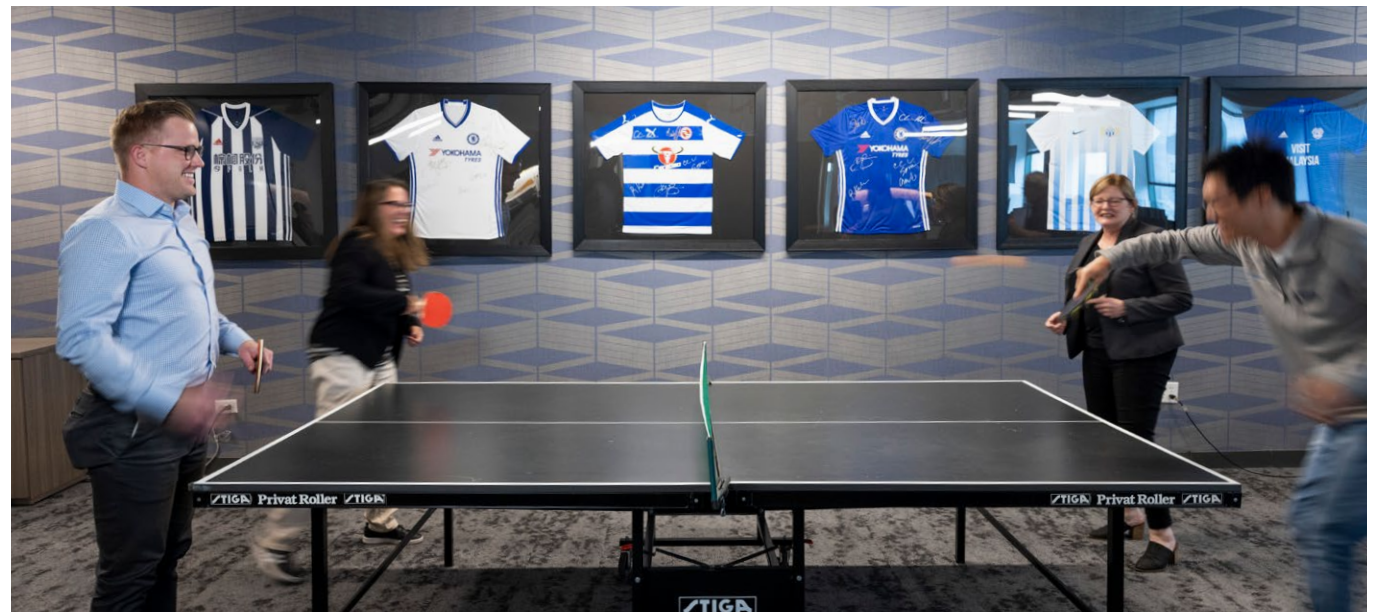
We believe it is our responsibility to do all we can to support the physical and mental health of our employees. We value feedback and pride ourselves in being responsive to the feedback we receive from current, future and past employees. In response to

\*External Broker Analysis

feedback from previous employee wellness surveys, 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 encouraged departments to identify and implement time slots when meetings were discouraged, giving employees additional, focused time to

work. Many of our employees work regularly with team members who live in different regions, so if employees engage across locations and time zones, meetings and formal interactions are encouraged to take place within each region's established office hours. This practice helps encourage work-life balance and is appreciated by employees across the organization.

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





# 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.

Our Human Rights Policy applies to all 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 and Code of Business Conduct and Ethics with the goal of growing and aligning our business to the dynamic rights of our workforce. Employees are trained in both policies, with a 100% compliance rate. Those who cannot or will not fulfill the values and conduct required at BKV may be released. BKV policies extend to all our operations, as well as our partners and suppliers—including security providers—who are expected to read and fully comply with all stated policies.

## Compliance Hotline

BKV's Ethics and Compliance Hotline acts as a formal whistleblower option, providing a grievance mechanism for employees, suppliers,

third-party partners and community members. The hotline can be used anonymously, and we take our legal obligation to investigate submissions 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

We prioritize relationship development and integration by understanding and addressing the unique needs of the surrounding communities and strive to find ways we can most effectively work with our new local partners to foster strong, lasting relationships.

Prior to settling in new areas, we conduct a community impact assessment in accordance with the

principles of Free, Prior and Informed Consent (FPIC), and 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 practices and traditions. 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

BKV is driven to be a force for good in society. We are dedicated to having open and honest relationships with our stakeholders and committed to being an active part of the community. We support and invest in the communities where we operate

and that our employees call “home.” When possible, we also support local suppliers and prioritize purchases that support local communities as 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 programs, events and initiatives.

Engagement with our community stakeholders is critical in strengthening our social license to operate. As such, we have established reporting channels and proactive telephone and email communications. For example, our Ethics and Compliance Hotline which is hosted by third-party provider, NAVEX Global/EthicsPoint®, also serves as a confidential way to collect candid and accurate concerns from local community members raised about potentially unethical conduct. All reports submitted via the hotline are

documented in detail and escalated within BKV promptly.

In 2022, one of our most significant achievements with respect to our community engagement approach was to identify key strategic partners that ladder directly to the areas where BKV is most focused on serving, across the company and irrespective of geography. For example, we identified an opportunity to partner with the Boys and Girls Club—an organization that squarely aligns with our community engagement and corporate citizenship priorities—locally in Denver, Texas and Pennsylvania. Making these efforts cohesive and consistent across the company and identifying partners that most align with our giving pillars will help us to maximize our engagement and impact. We certainly made significant strides with these efforts last year.

## BKV HUMAN RIGHTS POLICIES

“BKV does not tolerate discrimination or harassment of any kind, and we follow through on this policy, which can be read in Our Code of Business Conduct and Ethics.”

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

BKV has also taken a proactive approach to engaging with community groups regarding our operations. For example, we often meet with local homeowners’ associations and other groups if we anticipate any significant changes or activity from our operations, such as the installation of new sound walls near our facilities.

# 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.

Relationships matter, which is why we established a formal process for soliciting feedback from land and royalty owners in the communities where we operate. To that point, we have a designated Owner Relations Hotline that is available to all owners where they can to ask questions, discuss concerns and provide feedback. Our Ethics and Compliance Hotline is open to everyone, both inside and outside the company.

Our Owner Relations Hotline is closely monitored. Within 24 hours of receipt, each landowner inquiry is escalated to the appropriate BKV Internal Land team. While most inquiries can be immediately resolved, we strive to have personal follow-ups with owners who call in with inquiries that cannot be instantly resolved. Since we want all landowners in our

communities to have a voice, we also mail out an Owner Relations Survey annually to collect feedback. The same Owner Relations Survey is available anytime on the Owner Relations page of our company website, and a link is also available to owners when they receive their royalty payments.

We partner 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 method of response and speed of resolution. 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.

In addition, it is important to the BKV team to provide proactive and transparent updates regarding potential impacts that our operations could have on our neighbors. "Anyone who knows me, knows I'm honest and straightforward, and I believe that honest communication really is the best policy for getting things done the right way. Jackie Montgomery, BKV Land Administrator. The Land, Community Relations and Communications teams work together to ensure that proactive communications are prioritized and delivered. They have developed a website template that is designed to be an easy resource and reference for landowners and neighbors living near our operations. The web content is designed to be a one-stop reference

for our neighbors on the scope of work, timeline, potential impacts and measures we have taken to mitigate the impact to their daily lives, whether that be modified operations hours and/or modified traffic routes, etc. An easy to remember URL is provided to nearby residents through their HOA or by posting the website and/or a QR code near our location that

they will readily see. The content is updated and refreshed throughout the operations to stay current, reflect changes and also provide a portal for them to communicate directly with our team, ask questions, etc.

“Anyone who knows me, knows I’m honest and straightforward, and I believe that honest communication really is the best policy for getting things done the right way.”

**JACKIE MONTGOMERY**

BKV LAND ADMINISTRATOR



**BKV**

## BKV Operations Updates – Sendera Ranch

BKV plans to perform re-stimulation and well maintenance operations on several wells located in the Sendera Ranch neighborhood in north Fort Worth. At the end of April, our team began working to prepare the locations for the upcoming operations at our Morris Harmonson location. Re-stimulation of natural gas wells in the Barnett Shale is a standard best practice of our development plans. We leverage state-of-the-art technology to “re-stimulate” existing wells for increased production and maximum well efficiency. During this time, and always, safety is our top priority. Employees and contractors are held to a high standard and required to comply with all safety rules and regulations. In addition, we are closely adhering to the requirements provided by the City of Fort Worth Oil & Gas ordinance, as well as other local operations regulations, and are committed to partnering with the neighbors to ensure everyone’s safety.

We will update this site with information regarding current and upcoming re-stimulation projects in Sendera Ranch.

### Morris Harmonson Project Timeline

<p><b>May 9th - May 12th</b></p> <p>Installation of sound walls</p>	<p><b>May 25th - May 27th</b></p> <p>Re-Stimulation of Wells</p>
<p><b>June 10th - June 14th</b></p> <p>Drill out rig on locations to bring wells back online</p>	<p><b>June 15th - June 17th</b></p> <p>Removal of sound walls</p>

# Social Investment

Regional Committees review all 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.

## Our 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 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 community pillars. We have a Community Investment Process to ensure we generate meaningful and authentic impact in the communities we operate. We also developed a Social Investment Approval Process to align investments with local community needs and company strategy, drive transparency around our contributions and capture value and impact created through these investments.

All social investment and donation requests are vetted through our regional Community Relations Committees. These committees are key to driving bespoke investment opportunities. They review all corporate-backed donation requests, volunteer and community investment opportunities to ensure alignment with BKV's six community investment pillars for maximum impact.

## In 2022, BKV invested \$175,320 in local nonprofits in Denver, Barnett and NEPA.

Our key operational regions have a Community Relations Committee with the autonomy to approve investments and donation requests up to \$25,000. Our Community Relations Manager, the local Operations leader for the appropriate region, and the ESG

Steering Committee provide oversight on 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 that matter.

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.



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 conservation efforts, research and programming
Military & Veteran Support	Programs that help military service members during and after their service
Social Services	Services intended to aid disadvantaged, distressed or vulnerable persons or groups

We engage with local stakeholders so we can listen to and better understand their needs, values, concerns and priorities.

Together, our goal is to partner and find meaningful and impactful solutions. Specifically in 2022, we were focused on strategically aligning our contributions and investments across our entire footprint with our community investment pillars, ensuring that we can maximize the impact and purpose of these contributions.

## Contribution Request

In 2023, BKV is making it a goal to streamline all contribution requests both through updated team member responsibilities and system processes. All initial requests will be sent to Community Relations (CR) team members or regional CR lead.

## Community Relations Committee

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Community Relations (CR) Committees formed regionally, as determined by CR Manager

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Committee rosters designated by CR Manager, regional CR lead and VP Operations, or appropriate leader, from each office

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CR Committee meets monthly to review donation requests, volunteer opportunities, etc.

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CR Committee can approve donation requests for up to \$25,000

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CR Committee must work within predetermined budget guidelines

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## ESG SteerCo

For requests over \$25,000, approval must be given from CR Manager, local Operations leader, appropriate senior leader (Denver) and ESG SteerCo.

The CR Manager will present appropriate \$25,000+ requests to ESG SteerCo at existing monthly meetings. Both the CR Manager and regional CR leads will own the

community investment budget for their designated office and will track spend by pillar.

## BKV's New Donation Matching Program

In late 2022, BKV kicked off the company's first ever dollar-for-dollar matching opportunity for charitable giving. In its initial year, the company identified non-profit agencies in Colorado, Pennsylvania and Texas

that aligned with the company's community investment pillars and educated the workforce on their work and impact on the local community. Employees were then encouraged to make a financial contribution to the organization(s) of their choice. Those financial contributions were matched dollar-for-dollar and given to each agency. In this initial giving campaign, BKV employees donated over \$11,000 to local agencies.

## BKV COMMUNITY RELATIONS COMMITTEE

**Contribution Request**

All initial requests sent to Community Relations (CR) team member or regional CR lead

Reviewed by CR Manager/CR Lead to determine if request complies with company CR policy

Recommendation added to monthly CR meeting approval matrix for CR Committee meeting

**Community Relations Committees**

CR Committees formed regionally, as determined by CR Manager, CHRO and CEO

Committee rosters designated by CR

Manager, regional CR Lead and VP Operations, or appropriate leader, from each office

CR Committee meets monthly to review donation requests, volunteer opportunities, etc.

CR Committee can approve donation requests up to \$25,000

CR Committee must work within predetermined guidelines

**ESG Steer Co**

For requests over \$25,000, approval must be given from CR Manager, VP Operations (Barnett, NEPA), appropriate senior leader (Denver) and ESG SteerCo

CR Manager will present appropriate \$25,000+ requests to ESG SteerCo at scheduled monthly meetings

**Contribution Execution**

CR Manager or regional CR lead will communicate contribution request status to requesting organization and facilitate contribution fulfillment

CR Manager and regional CR lead will own community investment budget for their designated office and will track spend by pillar



## 12 Days of Giving



Giving back. Spreading kindness. Volunteering. All of these are incredibly important at BKV and part of our mission to be a different kind of energy company—one that is a force of good in our communities.

We also believe in leading by example, which is why in 2022 we launched the inaugural 12 Days of Giving Campaign, two full weeks of special internal events designed to spread holiday cheer and help those in need. During the first 12 working days of December, BKV focused on hosting volunteer efforts, teaching employees about various non-profits in their community and their impact on our neighbors and encouraging participation in the employee-giving campaign by making financial contributions to one of the featured agencies.



BKV also focused on spreading the holiday spirit and camaraderie among employees by having holiday dress up days complete with prizes, bringing in special winter treats for employees and showcasing the excellent work our team had done in the community throughout the year. It was a very merry season for the BKV team, indeed.





THE BKV WAY

# Volunteering as Vocation





It didn't take long for Megan Stiller, BKV's new Community Relations Manager, to get a sense of the company's passion for giving back. "It was my second day when someone asked if we were going to do a matching gift program and on my third day at BKV I was asked to plan a week's worth of volunteer activities for our Texas employees during National Volunteer Week. To me, that really showcased how engaged the employees were, how excited they are to give back and that formal programs around giving and volunteering would not just be welcomed but embraced by the workforce."

By the end of 2022, BKV had initiated its 12 Days of Giving program. Held over the first 12 days of December, this was the company's first formal dollar-for-dollar matching opportunity for charitable giving, in addition to its numerous other giving initiatives. From literacy programs to food pantries and Boys & Girls Clubs across Pennsylvania, Texas and Colorado, contributions were given from employees across the company and then matched by BKV, doubling the impact that was made for the non-profit organizations in our communities.

As a natural gas company committed to reducing carbon emissions, BKV has built a business model around the idea of doing good in their community and environment. Volunteerism not only complements the culture. It's second nature. BKV employees are a force for good in the world. And our employees don't just give financially, they are also generous with their time.

In Northeast Pennsylvania, the local BKV team hosts a monthly buffet-style soup kitchen with Seven Loaves, a non-profit that partners with different groups to address hunger in the Tunkhannock community.

**"Giving back is a directive from the ground, up."**

**MEGAN STILLER**

BKV COMMUNITY RELATIONS MANAGER

"We average about a hundred people a night, so we heavily depend on our volunteer partners like BKV," said Donna Shaffer, Mission Coordinator at Seven Loaves. "In addition to preparing and serving meals, they help with organizing food drives, restocking pantries, even making deliveries. They are wonderful."

Demonstrating its commitment to education, BKV collaborates with the Denver Public Schools Education Foundation, providing books and financial support. In 2022, the CEO and other executives volunteered their

time to read to children during their school day.

BKV also supports the Tarrant Area Food Bank, which combats hunger across North Texas. Every week, volunteers from numerous organizations inspect, repack and distribute a million meals to families in a 13-county area. Stephen Raeside, Chief External Affairs Officer for the food bank, notes the social aspect of the work. "Hungry children can't learn. That affects the community. As community leaders, we have an obligation to help. BKV has certainly joined us in this mission of alleviating

hunger for all citizens in our community by providing both financial resources and supporting us with volunteer service at the food bank and out in the community. That is a true partnership."

All of which gets back to something fundamental. While BKV's volunteerism aligns with its values-driven culture—solving problems, doing good—it's the realization that there's no line between a company and the community in which it operates. These programs are not just another side of the company but an integral part of its identity. Being an active and engaged part of the community is in the company's DNA.



“In addition to preparing and serving meals, they help with organizing food drives, restocking pantries, even making deliveries. They are wonderful.”

### DONNA SHAFFER

MISSION COORDINATOR, SEVEN LOAVES



## CASE STUDY

## Denver Public School Foundation



In 2022, BKV provided a \$20,000 grant to the Denver Public Schools Foundation to CLASS: Community Leads and Student Succeeds—a strategy to improve student and school outcomes across Denver Public Schools. The program matches two to three corporations per Denver Public School campus to provide financial and in-kind resources aimed at improving student engagement and success. By having the community lead in the process of supporting our students, educators will be able to focus on their core mission of teaching, which will lead towards positive student development outcomes and a higher level of school performance overall. In 2022, BKV employees also kicked-off employee volunteer opportunities in Denver, sending employees to read and participate in activities that focus on student social and emotional wellness.



# Volunteerism

We believe that working to improve the quality of life in the communities where we live and work builds trust among employees, builds goodwill with our external stakeholders and makes us a better, stronger company.

Through charitable giving and employee volunteerism, we continue to contribute to the well-being of our communities. We encourage volunteerism by providing employees with opportunities to take time away from their day-to-day jobs to give back. Each year, we develop a calendar of regional opportunities for employees to volunteer in areas aligned with our six community investment pillars. More recently, we established a company-wide volunteer program to further streamline the process. In total, BKV employees gave over 500 hours of community service through the employee volunteer program throughout 2022.

## Our employees volunteer to:

Serve meals at local missions and sort and pack supplies at food pantries to support social service initiatives;

Clean up trash along the Susquehanna River, in local parks and along downtown to support the environment and conservation;

Volunteer with students both in the classroom and through afterschool programs like the Boys & Girls Club in support of K-12 education initiatives;

Host drives to collect items for active-duty military members for military and veteran support;



## CASE STUDY

Boys & Girls Club of  
Tarrant County

BKV employees in North Texas volunteered with the Boys & Girls Club of Tarrant County in 2022, supporting their holiday outreach by providing gifts and a festive holiday experience to the underserved youth who participate in their programming. This volunteer opportunity is only one way that BKV has partnered with the Boys & Girls Club of Tarrant County. We also made a \$15,000 contribution to the organization to support their mission of enabling all young people to reach their full potential as productive, caring and responsible citizens. BKV also partners with the Boys & Girls Club in NEPA and in Denver.

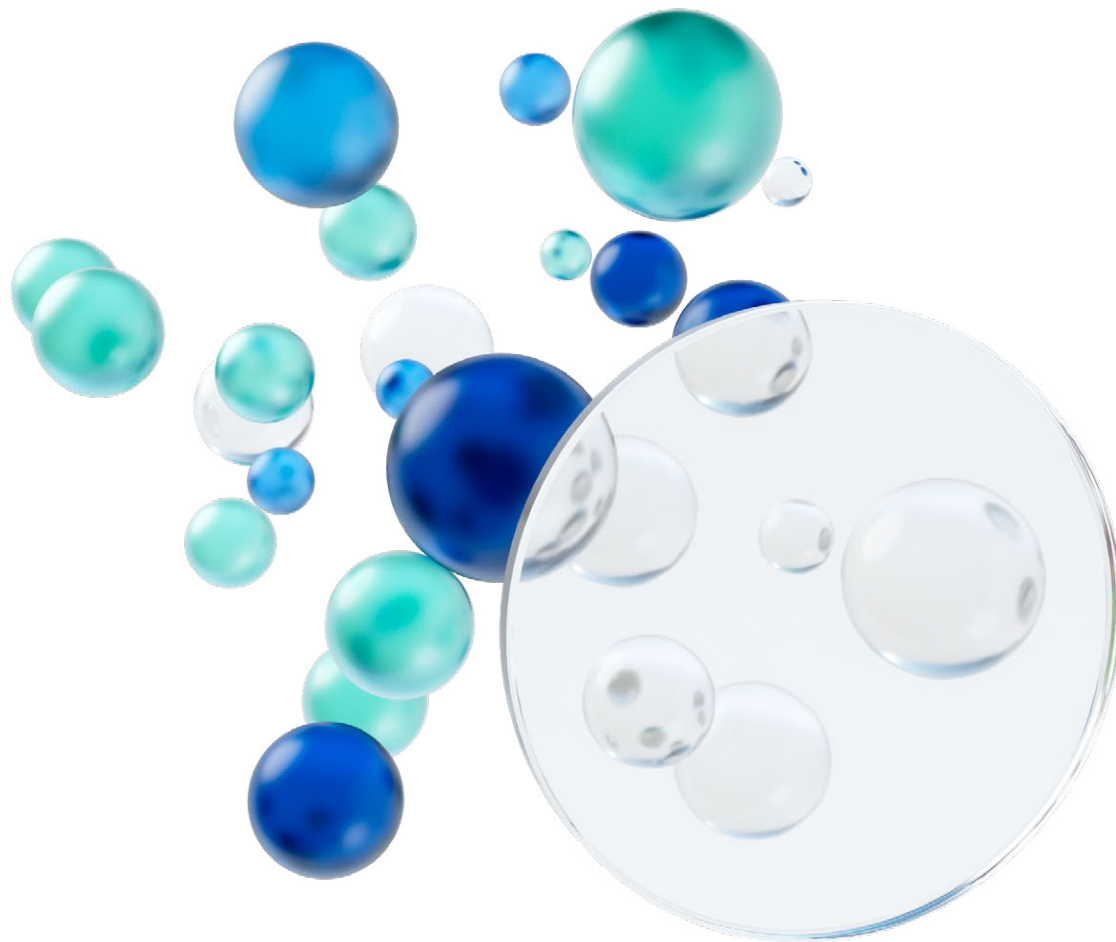


“Giving my time to volunteering seems like such a small thing, but it makes my heart so full. I appreciate that BKV prioritizes giving back and allows me to have these wonderful experiences with such great people.”

**LAURA MAMAZZA**  
FACILITIES ENGINEER, BKV



# Governance



# Passion meets methodology.

We've set our sights on some ambitious goals. Achieving them requires process, discipline and benchmarks. This has been our approach since day one, which could explain how we've accomplished so much already.



## Effectively Addressing Key Responsibilities



Governance at BKV comprises all our ESG priorities and programs and enables us to approach progress in a systematic way and strive toward improving value for our stakeholders each day. By doing so, we uphold our mission to be a leader in the safe and profitable production of net-zero natural gas. We work hard to achieve

this through our relentless focus on technological advancement and 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

Through our comprehensive approach to corporate governance, our commitment to excellence in ESG performance is ingrained at every level of the organization.



This commitment starts at the top with the Board of Directors—a diverse, skilled and experienced group of 11 Directors whose varying expertise bolsters our business strategy. The backgrounds of our Board members include risk management, financial reporting, organizational leadership, geoscience, mergers and acquisitions, among others.

The Board meets monthly to review BKV's performance and provide guidance on various topics, including those central to ESG. The Audit & Risks and Compensation Committees, sub-working groups of the Board,

meet regularly to discuss business matters and provide strategic guidance, including topics in ESG. Further, 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		✕	✕		✕		✕	✕
Carla Mashinski	✕	✕	✕		✕	✕	✕	✕
Thiti Mekavichai		✕			✕		✕	
Charles Miller					✕		✕	
Sunit Patel		✕	✕		✕	✕	✕	✕
Anon Sirisaengtaksin		✕		✕	✕	✕	✕	✕
Chanin Vongkusolkrit	✕	✕		✕	✕		✕	✕
Sinon 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

Chief Legal Officer



Ethan Ngo

Chief Technical  
Resources Officer



Sunit Patel

#### Highlighted Work Experience:

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Ibotta, Inc., CFO

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T-Mobile, EVP

---

Century Link, EVP and CFO

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BJ Services, Manager and  
Business Development

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#### Educational/Certifications:

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Rice University,  
Bachelor of Science, Chemical  
Engineering and Economics

---

Chartered Financial Analyst (CFA)

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Carla Mashinski

### Highlighted Work Experience:

Primoris Services Corporation,  
Independent Board Director

Carbo Ceramics, Independent  
Board Director

Unit Corporation,  
Independent Board Director

Cameron LNG, Chief Financial  
& Administrative Officer

Sasol Ltd., Chief Financial Officer  
& VP, Finance & Administration

SBM Offshore Inc, VP,  
Finance & Administration, US CFO

GulfMark Offshore Inc,  
Chief Accounting Officer/  
Controller

### Educational/Certifications:

Accounting, University  
of Tennessee

MBA from University  
of Texas at Dallas

M&A Executive Education  
Program – Wharton

Texas CPA

CERT Certification in  
Cybersecurity Oversight

COSO Enterprise Risk  
Management

### Highlighted Additional Activities:

Recognized by WomenInc. as  
one of the 2019 Most Influential  
Corporate Board Directors

Top 50 Most Powerful Women in  
Oil & Gas Recognition (2020)

Authored article in 'Corporate  
Board Member'

2021 Published Book Author –  
'Five Attributes to a Successful  
Career'

## Our Incentive Program

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

ESG-grounded initiatives are tied to executive compensation within our short-term incentive program. Some ESG goals are tied to the compensation of the entire executive committee, while other, more specific ESG goals are just for select members of the executive committee. Beyond executives, our ESG goals extend company-wide to align priorities to all levels of the organization.

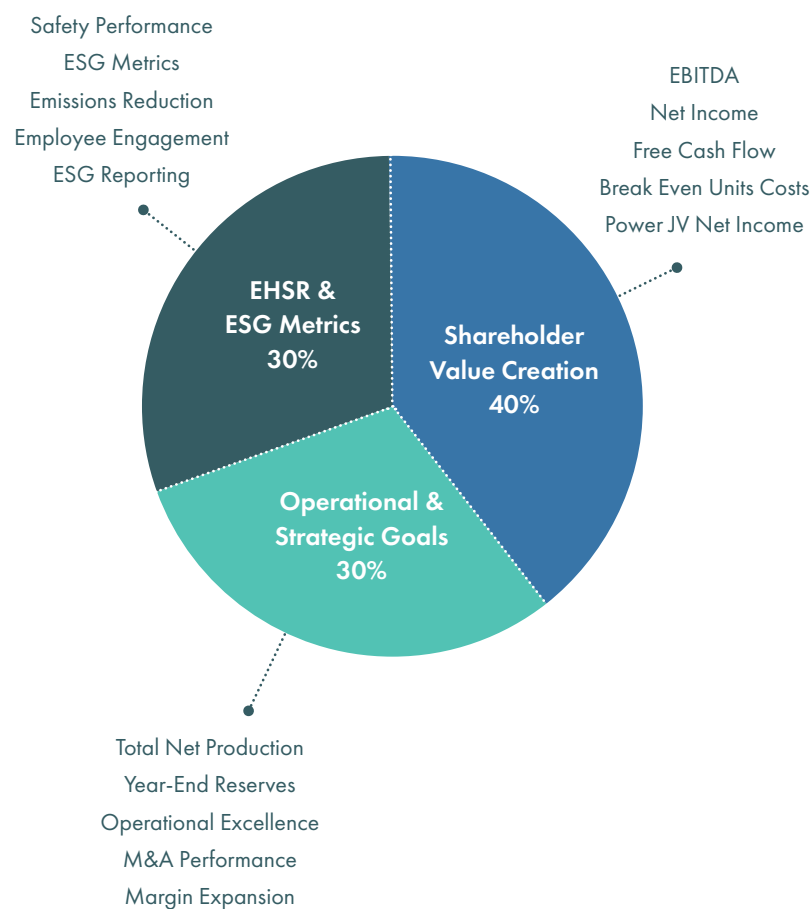


For 2022, our executive committee-wide goals included a TRIR of 0.5 (# per 100 FTEs per year), zero Tier 1 incidents, minimal reportable violations and the build-out of an industry-leading ESG program focused on sustainability and emissions reductions.

For 2022, our executive-specific goals were tailored to the role. One example of these specific goals included a TRIR goal of <0.5 and emissions reduction targets for our COO, and employee engagement-related goals for our Chief Human Resources Officer.

In 2022, 30% of our short-term incentive program was tied directly to ESG-specific targets related to safety performance, ESG metrics, emissions reduction, employee engagement and ESG reporting.

## BKV STIP Goals



EHSR & ESG Performance - 30%		ESG Indicators				
#	Bucket	Definition	Unit	100%	Wtd	STP Value
6	ES - Operational ESG & EHSR (TRIR, Tier, NOVs)	Total Recordable incident Rate (inclusive of contractors) Major incidents (blow-outs, explosions, etc.) Notice of violation (NOVs) from current year activity that carry a penalty or fine	A per OSHA Calc # per Year # per Year	0.5 0 3	38.0%	11.4%
7	S - Employee Engagement	Improvement on 3 key goals each wtd. at 75% Total rating wtd. at 25%	% Improve key goals Total Rating	2% 77%	10.0%	3.0%
8	E - Emissions Reduction Targets	Executed reduction in metric Tons of CO <sub>2</sub> e by YE22 compared to YE21	MtCO <sub>2</sub> e reduction	0.45 MtCO <sub>2</sub> e	20.0%	6.0%
9	ESG - MSCI Diligence Rating, Sustainability Report, RSG Sales	Delivery of the provisional MSCI score card by 3Q and Qualifying E&S scores Date of Sustainability Report Date of RSG Sales	E&S Scores Only Date Date	BB On 4/22 By 9/30	16.0%	4.8%
10	E - CCUS Business Development	Date FID 1 CCUS Opportunity	Date	9/30/2022	16.0%	4.8%

# Compliance, Business Ethics and Professional Conduct

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

We aim to set the standard of professionalism and conduct for our industry, and that means living our core values every day in ways both great and small. The BKV Code of Business Conduct and Ethics provides the fundamental tenets of integrity, passion and commitment that we expect all our team members to uphold. 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.





**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 Business Conduct and Ethics covers an array of topics, including:

**Workplace Environment:**

Diversity and anti-harassment

Safety and security

Protecting systems and resources

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

## Anti-Harassment Policy

Our Code of Business Conduct and Ethics details a zero-tolerance policy for any form of harassment, discrimination or bullying, violence or threats of violence and expects 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 the responsibility to keep personal information private and secure.

We comply with the confidentiality and nondisclosure provisions of all applicable agreements. We also expect our employees to conduct activities with integrity, ethics and in accordance with applicable laws and regulations.

## Anti-Corruption and Bribery

The anti-corruption and bribery section of our Code of Business Conduct and Ethics provides employees with definitions and examples of bribery, kickbacks, facilitation of payments or other forms of corruption. Our approach to anticorruption seeks to comply with all applicable laws, including the U.S. - Foreign Corrupt Practices Act of 1977 (FCPA). The Code of Conduct details zero tolerance for bribes and requires employees to exercise caution when selecting third parties, to keep accurate records and report any incident. In 2022, we drafted an anti-money laundering policy that we are adding to our existing formal treasury policy.

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

## Ethics and Compliance Hotline

Underpinning our Code of Business Conduct and Ethics is our commitment to comply with the law and to 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, ensuring 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 toward those that report unethical behaviors or concerns.

## Ethical Behavior Training

Every year, employees and contractors are required to complete ethical behavior training and certify they have read the company's Code of Business Conduct and Ethics.

Our trainings, which yielded 100% compliance rate in 2022, include:

Anti-Bribery and Corruption Basics for Business Partners

Data Privacy and Cybersecurity

Use of Assets and Technology: Protecting Organizational Assets

Use of Assets and Technology: Confidential Information

Conflicts of Interest

Gifts, Entertainment and Hospitality



# 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.

A robust enterprise risk management process is critical to identifying, assessing and managing risk for successful long-term performance. Our Risk Management Committee meets quarterly to identify, assess and monitor priority risks to the company. The Committee also regularly reports to our Senior Management team and the Board.

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

**Risk Strategy and Governance:** This pillar clearly defines our risk appetite and tolerance and aligns them with company values, capabilities, strategies and the competitive landscape. It ensures that appropriate policies and procedures are in place for proper risk governance and

control, integrating risk management as a practice in decision-making at all levels of the organization.

**A Culture of Risk Mitigation:** An emphasis on nurturing a culture built on risk management and mitigation allow us to continually develop new capabilities and domain knowledge to support a thorough understanding of the risk landscape. It also creates internal ownership, expectation and responsibility around risk management—from field-level workers up to the Senior Leadership team and the Board.

**Risk Management Process:** This 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, monitoring and reporting.

**Technological Advancement:** The use of technology to find digital solutions for dynamic risk management improves efficiency in supporting decision-making. Analytics tools offer rich data streams to create quantitative pathways that enable superior error detection and more accurate risk assessment and predictions.

## Information and Cyber-security

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

We rely on significant volumes of data and business insights to support our ongoing push to innovate and improve throughout the enterprise. As such, we require a strong information security network that protects our people and assets while delivering information securely to support our long-term value creation. Our information technology and security are led by our Vice President of Information Technology and Head of Digital Transformation, both of whom report to our CFO and serve on our Corporate Risk Committee. The committee formally meets quarterly and more frequently as needed.

Our Infrastructure and Service Desk teams report to our Vice President of Information Technology, while our Data Management team reports to our Head of Digital Transformation. These teams work across our organization in a collaborative manner, providing support to our internal teams to deliver results through innovative technology and access to a modern, cloud-based platform that powers Business Intelligence tools and Data Science applications.

Our information technology practices and points of operational focus are informed by annual cybersecurity assessments conducted by a third-party vendor. We 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 security system to monitor any type of suspicious activity in the regions.

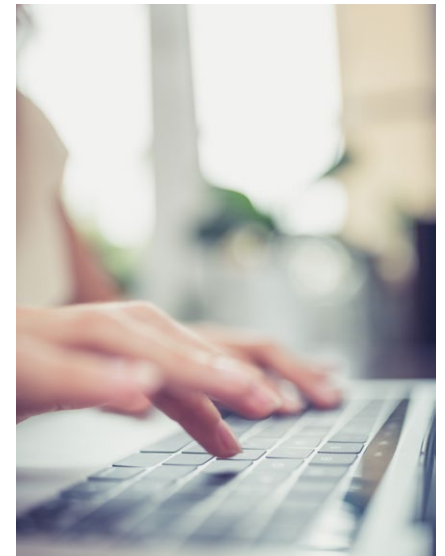


## Maintaining Best Practices

We follow best practices to protect the confidential and critical information we access. Our individual security policy and cybersecurity incident response policy provide all employees with guidance on their roles and expectations. We conduct full off-cloud and nightly backups for restoration purposes in preparation for any cybersecurity incidents as well as cybersecurity incident response drills at least once a year to test the

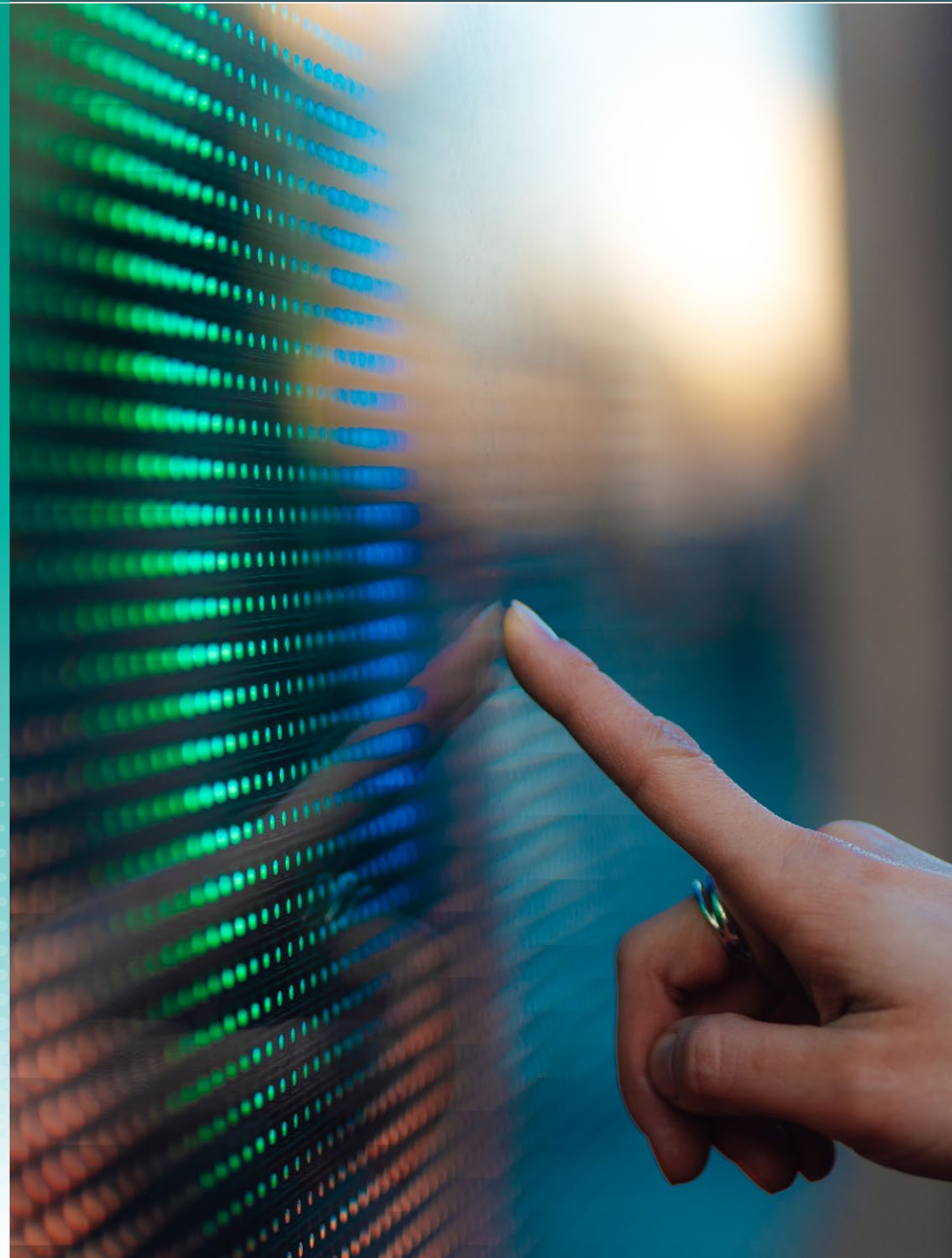
preparedness of our systems and staff. All employees are required to complete monthly security training, and we expect our contractors to abide by similar standards. We also have higher licensing and controls in place for access to certain information, individual accounts or assets. These controls work to educate our employees and help prevent phishing attacks, fraud, malware and other risks.

“BKV adapts regularly to the needs of our employees. When we began working more remotely, we added secure remote access via secure edge technologies to enable our employees with corporate laptops to work anywhere.”



THE BKV WAY

# Thinking outside the firewall



In 2021, the Colonial Pipeline ransomware attack exposed weaknesses in U.S. infrastructure. The incident disrupted energy supplies across the East Coast, raising gas prices and highlighting the vulnerability of industry's operational and economic interconnectedness.

For any organization doing business in the 21st century, cybersecurity has become a critical pillar of its risk portfolio. This holds particularly true at BKV. As a technology-forward company, we rely heavily on digital operations and communications to do our jobs, which includes overseeing and maintaining the security of some 6,200 wells. To ensure the confidence of our customers and investors, it's imperative that we protect our infrastructure from geopolitical risks, cyber threats and other disruptions.

Overseeing that directive is BKV's robust Information Technology team. Kevin Barrett, BKV's Cloud Infrastructure Architect, said, "Health and safety have always been our top priorities. That commitment extends to our employees and the communities which we are a part of. And one of the biggest identified risks for any operator is a third party gaining control of a well and causing an environmental incident."

To mitigate that risk, BKV has established a significant cybersecurity footprint around its operations. Our multi-layered defense and response protocols rely fundamentally on the integrity of data and communications, constantly monitored to enable the right decisions swiftly.

In assessing threats, the team looks at our continuum of operations—

upstream, midstream, downstream, CCUS and energy. We evaluate network security, endpoint security, cloud and infrastructure. After conducting vulnerability assessments, we assign potential risks to the appropriate controls, whether it's a person, a computer, a governance policy or a combination.

"Email, for example, is a major vector for threats because it's used so heavily," said Barrett. To protect it, BKV employs next-generation artificial intelligence and machine learning. For infrastructure, they layer on physical security, which includes 24/7 managed services and threat detection.

With most organizations, as well as at BKV, employees can comprise our number-one defense. We train users monthly on the most current

cybersecurity issues, so they can effectively identify and respond to threats. Adding another layer, a third party evaluates our efforts on a regular basis.

Barrett continues, "But ultimately, our stance must be more than defensive. As our response capabilities become more sophisticated, so do the threats. Which is why BKV is committed to staying ahead of the technological curve."

**"In an IoT-trending industry, it's crucial that we evolve faster than the threats around us."**

**KEVIN BARRETT**  
CLOUD INFRASTRUCTURE ARCHITECT,  
BKV

## Supplier and Contractor Engagement

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

We work side-by-side with our contractors and suppliers to achieve a shared vision and goal of providing simple and clean energy to the world. Our contractors play an integral role in helping us deliver on this promise and in our performance across key environmental and social metrics. Whether it be a new contractor or one we've had a longstanding relationship with, we treat contractors as an extension of our team and expect them to abide by similar standards as our employees.

BKV uses ISN for our engagement with contractors and requires a minimum letter grade for them to be considered and contracted. We expect the companies we do business with to abide by standards similar to our own Code of Business Conduct and Ethics. When engaging with a potential new vendor, we have sourcing controls in place, 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 checkpoints to protect against fraud. In addition, the 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 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.



### Ensuring Vendor Expectations Are Met

Before beginning any work, our vendors must sign and agree to our Vendor Code of Conduct. 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. 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 contact to better understand the situation. Many times, we work closely with the contractor to quickly reestablish compliance. For example, if a contractor is involved in a safety incident on BKV premises, 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

Marcellus Shale Coalition

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One Future Coalition

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Texas Oil & Gas Association \*

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Azle Chamber of Commerce

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Bridgeport Chamber of Commerce

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Decatur Chamber of Commerce \*

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Denver Metro Chamber of Commerce

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Fort Worth Chamber of Commerce

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Greater Susquehanna Valley Chamber of Commerce

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Metroport Chamber of Commerce \*

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Wise County Chamber of Commerce

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Wyoming County Chamber of Commerce

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\* BKV employee holds a committee or Board of Director position.

**Business Performance and Production**

	Units	2021	2022
<b>Exploration and Production</b>			
Gross Annual Production	Bcfe	488.6	532.6
Total net equity hydrocarbon production	Thousand MCFE/D	673.7	765.9
Total operated hydrocarbon production	Thousand MCFE/D	232.9	303.3
Proved reserves (total)	Million MCFE	4,441.8	6,135.9
Reserve life	Years	18.1	19.3
Replaced production (excluding asset sales)	%	735%	706%
<b>Business Performance</b>			
Annual Revenue	\$ Million	889.452	1,662.34
Total assets	\$ Million	1,585.32	2,748.63
Total debt (including finance lease obligations)	\$ Million	176.71	729.04
Total equity	\$ Million	677.42	1,200.95
Debt to capitalization ratio	%	26%	38%
<b>Selected Economic Metrics</b>			
Capital and exploration expenditures	\$ Million	85.48	269.97
Income tax expense / (benefit)	\$ Million	(39.90)	62.65
Employee wages and benefits (U.S.)	\$ Million	54.01	80.41
Royalties and other payments to governments	\$ Million	128.50	322.29
Cash dividends paid to shareholders	\$ Million	98.46	-
Interest expense before income taxes	\$ Million	2.13	37.17
Operating costs	\$/Mcf	1.97	2.82
Supplier spend (approximate)	\$ Million	403.71	541.65
Total social investment ₺	\$ Million	0.14	0.09
Nitrogen Oxides (NOx) Taxes	\$ Million	-	-

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

	Units	2021- GHGRP & AR4	2021-GHG+ & AR5	2022-GHGRP & AR4	2022-GHG+ & AR5	SASB	GRI
<b>Scope 1 and Scope 2 Greenhouse Gas Emissions</b>							
Scope 1 Emissions	Million tonnes CO <sub>2</sub> e	1.34	1.62	1.90	2.06	EM-EP-110a.1	305-1
CO <sub>2</sub>	Million tonnes CO <sub>2</sub> e	0.23	0.27	0.57	0.57	-	305-1
CH <sub>4</sub>	Thousand tonnes CO <sub>2</sub> e	1,111	1,350	1,334	1,494	-	305-1
N <sub>2</sub> O	Thousand tonnes CO <sub>2</sub> e	0.6	0.8	0.4	0.4	-	305-1
Scope 1 by Source	-	-	-	-	-	-	-
Flaring/venting	%	70%	71%	51%	50%	-	-
Fuel combustion	%	17%	17%	30%	28%	-	-
Other	%	13%	12%	19%	21%	-	-
Gross Scope 1 GHG emissions from flared hydrocarbons <sup>1</sup>	Tonnes CO <sub>2</sub> e	0	0	0	0	EM-EP-110a.2	-
Gross Scope 1 GHG emissions from other combustion <sup>2</sup>	Tonnes CO <sub>2</sub> e	231,076	272,612	579,112	607,472	EM-EP-110a.2	-
Gross Scope 1 GHG emissions from process emissions <sup>3</sup>	Tonnes CO <sub>2</sub> e	4,285	16,189	65,495	133,142	EM-EP-110a.2	-
Gross Scope 1 GHG emissions from other vented emissions <sup>4</sup>	Tonnes CO <sub>2</sub> e	941,988	1,147,667	964,028	1,079,356	EM-EP-110a.2	-
Gross Scope 1 GHG emissions from fugitive emissions <sup>5</sup>	Tonnes CO <sub>2</sub> e	163,352	182,904	292,645	327,654	EM-EP-110a.2	-
Methane Emissions (NGSI) <sup>6</sup>	Tons CH <sub>4</sub>	44,653	48,398	53,994	53,994	-	-
Methane Emissions Intensity NGSI <sup>7</sup>	% (production/G&B)	1.06/0.30	1.15/0.96	-	-	-	-
Methane Emissions Intensity NGSI	% production, CY2022	-	-	0.90%	-	-	-
Methane Emissions Intensity NGSI	% GB, CY2022	-	-	0.048%	-	-	-
Methane Emissions Intensity NGSI	% Gas Processing, CY2022	-	-	0.09%	-	-	-

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

	Units	2021- GHGRP at AR4 & NCSI	2021-GHGRP and GHG+ at AR5 & NCSI	2022- GHGRP at AR4 & NCSI	2022-GHGRP and GHG+ at AR5 & NCSI	SASB	GRI
Scope 1 and Scope 2 Greenhouse Gas Emissions (continued)							
Methane Emissions Intensity	%	83.00%	92.00%	70.18%	79.08%	EM-EP-110a.1	-
Scope 2 Emissions	Tonnes CO <sub>2</sub> e	4701.0	4701.0	18,332	18,330	-	305-2
CO <sub>2</sub>	Tonnes CO <sub>2</sub> e	4681.0	4681.0	18,248	18,248	-	305-2
CH <sub>4</sub>	Tonnes CO <sub>2</sub> e	0.3	0.3	30.6	34.2	-	305-2
N <sub>2</sub> O	Tonnes CO <sub>2</sub> e	0.04	0.04	53.9	48.0	-	305-2
Scope 1 and 2 GHG emissions intensity	Tonnes CO <sub>2</sub> e/ thousand BOE	29.7	35.8	31.2	35.2	-	305-4
Scope 3 Emissions <sup>9</sup>	Million tonnes CO <sub>2</sub> e	-	11.0	14.0	14.0	-	305-3
Enterprisewide Air Emissions (Excludes GHGs)						-	-
Sulfur dioxide (SO <sub>2</sub> )	Tons	0.5	-	2.0	-	EM-EP-120a.1	305-7
Nitrogen oxides (NO <sub>x</sub> )	Tons	85	-	533	-	EM-EP-120a.1	305-7
Volatile organic compounds (VOC)	Tons	12	-	562	-	EM-EP-120a.1	305-7
Particulate Matter	Tons	2.1	-	30.0	-	EM-EP-120a.1	305-7
Flaring							
Volume of flared and vented hydrocarbons	MMSCF	3	-	0	-	EM-EP-110a.2	-
Other	MMSCFD	0	-	0	-	-	-
Flaring intensity	SCF/BOE	0.007%	-	0.000%	-	-	-
Activity Metrics							
Production	MBOE	45,336	-	61,565	-	-	-

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.

## 2021 Emissions Management Notes

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 and heaters under 5MMBTU/hr
3. GHGRP value accounts for blowdowns, dehydrator vents, completions and workovers and compressor venting under subPart W, GHG+ includes pigging, other blowdown and compressor starts
4. GHGRP value account for 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. NGSI methane sources added to the GHGRP sources include those specified under that protocol. NGSI is for One Future
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; OneFuture(CH<sub>4</sub>/CH<sub>4</sub>)
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 minimus at this scale.
10. All values are for NEPA only, not required to be reported for TX

## 2022 Emissions Management Notes

1. GHGRP value accounts for only associated gas venting and flaring under subPart W
2. GHGRP value accounts for combustion under US EPA GHG reporting program (Subpart W and Subpart C). GHG+ includes heaters under 5MMBTU/hr and fleet vehicle fuel usage
3. GHGRP value accounts for AGR, dehydrator vents, liquids unloading, completions and workovers, blowdown vent stacks, storage tanks; GHG+ includes NGSI sources not reported under GHGRP and other additional sources to include produced water tanks and NEPA annuli venting.
4. Values account for pneumatics devices and pumps, associated gas venting and compressor seal venting under Subpart W.
5. Values account for emissions associated with equipment leaks under Subpart W.
6. Values represent methane emissions estimated per NGSI protocol
7. Methane emissions intensity estimated per NGSI protocol.
8. Scope 2 emissions are calculated based on EGRID subregional emissions factors multiplied by consumption
9. Scope 3 emissions are estimated for Category 11 of the GHG Protocol.
10. Criteria air pollutant estimates represent values reported by Barnett and NEPA as part of the RY2022 emissions inventories.



**Environment**

	Units	2021	2022	SASB	GRI
<b>Freshwater Use Barnett</b>					
Groundwater	Million cubic meters	0.0299	3.2	-	303-3
Municipal water	Million cubic meters	0.0011	0.0757	-	-
Surface water	Million cubic meters	0.0000	0.0532	-	303-3
Total freshwater	Million cubic meters	0.0309	3.3403	-	303-3
Reused/recycled (estimated) ◇	%	20%	0%	-	-
<b>Non-Freshwater Consumed Barnett</b>					
Brackish Water	Million cubic meters	0.000	0.000	-	-
Produced Water	Million cubic meters	0.006	0.000	-	-
Wastewater	Million cubic meters	0.000	0.000	-	-
<b>Total Volume of Produced Water Barnett</b>					
Amount of produced water discharged	Million cubic meters	0.000	0.000	-	-
Amount of produced water injected	Million cubic meters	1.500	3.192	-	-
Amount of produced water recycled	Million cubic meters	0.006	0.000	-	-
Volume of hydrocarbons discharged to the environment	Metric tons	0.000	0.000	-	-
<b>Freshwater Use NEPA</b>					
Groundwater	Million cubic meters	0.0005	0.0052	-	303-3
Municipal water	Million cubic meters	0.000	0.000	-	-
Surface water	Million cubic meters	0.390	1.090	-	303-3
Total freshwater	Million cubic meters	0.390	1.10	-	303-3
Reused/recycled (estimated) ◇	%	6%	0%	-	-

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	2022	SASB	GRI
<b>Non-Freshwater Consumed NEPA</b>					
Brackish Water	Million cubic meters	0	0	-	-
Produced Water	Million cubic meters	0	0	-	-
Wastewater	Million cubic meters	0	0	-	-
<b>Total Volume of Produced Water NEPA</b>					
Amount of produced water discharged	Million cubic meters	0	0	-	-
Amount of produced water injected	Million cubic meters	0.0002	0	-	-
Amount of produced water recycled	Million cubic meters	0.0247	0.0451	-	-
Volume of hydrocarbons discharged to the environment	Metric tons	0.00	0.00	-	-
<b>Exploration and Production Discharges</b>					
Produced water reinjected	Million cubic meters	0	0	-	-
Cuttings (produced using non-aqueous base fluid) reinjected	Tonnes	0	0	-	-
Cuttings (produced using non-aqueous base fluid) recycled	Bbls	0	7,995	-	-
Dry cuttings (onshore assets)	Tonnes	0	0	-	-

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**Environment**

	Units	2021	2022	SASB	GRI
<b>Waste</b>					
Nonhazardous	-	-	-	-	-
Total Solids	Tons	633	10,391	-	-
Total Liquids	Bbls	7341	55,492	-	-
Percentage of Total Waste Recycled	%	-	59%	-	-
Waste Recycled	Tons	34.80	39,183	-	-
Waste to Landfill	Tons	386	10,585	-	-
Hazardous	-	-	-	-	-
Total Solids	Tons	0	0	-	-
Total Liquids	Bbls	0	0	-	-
<b>Biodiversity and Spills</b>					
Leased or owned acreage in protected areas		0	0	-	-
Hydrocarbon spills - number	#	1	2	-	-
Hydrocarbon spills - volume	Barrels	42	213	-	-
Nonhydrocarbon spills - number	#	9	12	-	-
Nonhydrocarbon spills - volume	Barrels	152	414	-	-
<b>Other Environmental Indicators</b>					
ISO 14001-certified operations	% of production	0	0	-	-
ISO 14001-certified operations	#	0	0	-	-
Environmental fines and penalties - operated	\$ Thousand	0	0	-	-
Environmental expenditures - remediation	\$ Million	0.02	0.11	-	-

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**Energy Use**

	Units	2021	2022	SASB	GRI
<b>Freshwater Use Barnett</b>					
Total Electricity Consumption	Gigajoules	42.8	177.0	-	-
Net purchased electricity by primary energy source <sup>1</sup>	Thousand MWh	11.9	49.2	-	-
Coal	%	16.5	19.0%	-	-
Natural Gas	%	49.9	45.5%	-	-
Nuclear	%	10.8	9.3%	-	-
Conventional Hydroelectric	%	0.4	0.5%	-	-
Wind	%	19.8	21.5%	-	-
Biomass, Solar, Other Renewables	%	2.2	3.6%	-	-
Petroleum (Other Nonrenewables)	%	0.5	0.6%	-	-
Green-e certified renewable energy certificates (wind power)	Thousand MWh	0	0.0%	-	-

2021 Notes:

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

2022 Notes:

1 Primary energy source is estimated based on location-specific generation for NEPA and calculated based on EPA e-GRID fuel mix for Barnett (ERCOT) and Denver (WECC Rockies)

**Our People**

	Units	2021	2022
<b>Employment</b>			
Number of permanent employees	#	221	372
U.S. employees	%	100.0%	100.0%
Part-time employees	%	0.5%	0.5%
Full-time employees	%	99.5%	99.5%
Employee turnover - voluntary	%	3.2%	4.5%
Employee layoffs	%	2.3%	1.3%
<b>Diversity and Equal Opportunity</b>			
Total Female Employees (U.S. and International)	%	18.1%	17.5%
Executives and Senior Officers	%	1.4%	0.3%
First and Mid-Level Managers	%	3.2%	1.6%
Professionals	%	13.6%	10.8%
Total Minority Employees (U.S.)	%	8.1%	14.8%
Executives and Senior Officers	%	1.4%	1.3%
First and Mid-Level Managers	%	0.5%	0.3%
Professionals	%	6.3%	7.5%
<b>Employees by Age Group</b>			
Under Age 30	%	4.5%	1.9%
Age 30-50	%	74.2%	71.5%
Over Age 50	%	21.3%	26.6%
<b>Collective Bargaining Agreements</b>			
Employees represented by collective bargaining agreements	%	0.0%	0.0%

\*The workforce data, including diversity metrics, has been updated to reflect the addition from our Exxon Barnett acquisition in 2021, resulting in a change in our overall workforce demographics.

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.



## Workforce Health & Safety

	Units	2021	2022
<b>Workhours</b>			
Hours worked - workforce	Million Hours	1,054,548	1,927,522
<b>Safety Incidents</b>			
Fatalities - workforce (employees + contractors)	#	0	0
Employee total recordable incident rate	Per 200,000 hours worked	0	0
Contractor total recordable incident rate	Per 200,000 hours worked	0	0.324
Workforce total recordable incident rate	Per 200,000 hours worked	0	0.208
Employee lost time incident rate	Per 200,000 hours worked	0	0
Contractor lost time incident rate	Per 200,000 hours worked	0	0
Workforce lost time incident rate	Per 200,000 hours worked	0	0
Employee occupational illness rate	Per 200,000 hours worked	0	0
Contractor occupational illness rate	Per 200,000 hours worked	0	0
Workforce occupational illness rate	Per 200,000 hours worked	0	0
<b>Other Safety Information</b>			
Products with Safety Data Sheets	%	100	100
OHSAS 18001-certified operations	% of production	-	-

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.

**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, our ability to produce and sell MNZ gas 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.

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### MADE WITH 100% CERTIFIED RENEWABLE ENERGY

Using Neenah Environment paper for this report will save the following estimated resources:



0.499 tons of fresh (green) wood, which is equivalent to 2.99 trees.



240.0 gallons, which is enough water for 0.17 clothes washers operated/year.



1.26 million BTUs, which is enough energy to power 1.50 residential refrigerators operated/year.



10.0 pounds of solid waste, which would fill 0.00037 garbage trucks.



1299.0 pounds of CO<sub>2</sub>, which is equivalent to 0.1176 cars/year.



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