



Building a  
Resilient Strategy  
for the **Energy Transition**

Managing Climate-Related Risks 2023

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# Building a resilient strategy for the energy transition

## Managing climate-related risks

In a world aiming for net-zero emissions, we have a robust climate-related risk framework consisting of strong governance, strategic capability, risk management processes and disclosure that will allow us to demonstrate resilience across a range of transition scenarios. The energy transition will be complex, with many possible pathways and uncertainties and likely to evolve at different times, at different paces, in different regions. We acknowledge the urgency and importance of limiting global average temperature increases and our actions are aligned with shareholder interests for long-term value and competitive returns.

We employ our Climate Risk Strategy with an objective to manage climate-related risks, optimize opportunities and equip the company to respond to changes in key uncertainties, including government policies around the world, emissions reduction technologies, alternative energy technologies and changes in consumer trends. The strategy guides our choices around portfolio composition, emissions

reductions, targets, incentives, emissions-related technology development, and our climate-related policy and financial sector engagement. Our goal is to support an orderly transition that matches supply to demand and focuses on returns on and of capital while safely and responsibly delivering affordable energy.

Checking equipment at a site in the Delaware Basin.



## 2023 performance summary

- Published a progress report in the [2024 Proxy Statement](#) on our Plan for the Energy Transition to describe key milestones achieved throughout 2023 as we manage energy transition risks and opportunities.
- Published a [new net-zero scenario](#) that models government and societal actions required to limit warming to 1.5 degrees.
- Improved our [greenhouse gas \(GHG\) target framework](#) and made progress against our targets:
  - Accelerated our Scope 1 and Scope 2 GHG emissions intensity reduction target to 50-60% by 2030 on both a gross operated and net equity basis from a 2016 baseline.
  - Progressed methane emissions activities in support of our near-zero methane emissions intensity by 2030 (1.5 kg CO<sub>2</sub>e/BOE) and introduced data quality improvements.
  - Remained on schedule to meet a target of zero routine flaring by the end of 2025, five years sooner than the World Bank Initiative’s goal of 2030.<sup>1</sup>
  - Began developing total flaring intensity target for 2030.
- Spent approximately \$350 million on [Scope 1 and Scope 2 emissions reductions](#) and low carbon opportunities in 2023 that are expected to result in approximately 0.8 million tonnes per annum (MTPA) in emissions reductions.<sup>2</sup> An additional \$300-400 million is allocated for spending in 2024.
- Participated in the [Oil and Gas Methane Partnership \(OGMP\) 2.0](#) initiative to improve methane measurement and reporting transparency and achieved the Gold Standard Pathway for emissions reporting.
- Improved data quality, including updated equipment inventories and classification, and expansion of flare downtime monitoring resulted in increased 2023 emissions intensity estimates compared to 2022:
  - [Scope 1 and Scope 2 gross operated GHG emissions intensity](#) estimate increased to 25.3 kg CO<sub>2</sub>e/BOE.
  - [Methane intensity](#) estimate increased to 4.8 kg CO<sub>2</sub>e/BOE.
  - [Flaring intensity](#) estimate increased to 31.8 MMCF/MMBOE (total flaring volume per total production).
- Decreased [routine flaring](#)<sup>3</sup> more than 90% since 2021.
- Progressed [engagement with suppliers and commercial partners](#) to address climate-related risks in our value chain.
- [Advocated for an economy-wide U.S. carbon price](#) that could address consumer energy demand patterns and end-use (Scope 3) emissions. Supported policy advocacy beyond carbon pricing to include other end-use emissions policy and regulatory actions, such as the direct federal regulation of methane and national policy recommendations to reduce GHG emissions from the U.S. natural gas value chain.
- Secured additional regasification capacity for [liquefied natural gas \(LNG\)](#) and signed new offtake agreements.
- Continued evaluation of energy transition and low-carbon technologies efforts, including [carbon capture and storage \(CCS\)](#) and [hydrogen](#) projects.

<sup>1</sup> Per the [World Bank’s Zero Routine Flaring by 2030 initiative](#), “Oil companies that endorse the Initiative will develop new oil fields they operate according to plans that incorporate sustainable utilization or conservation of the field’s associated gas without routine flaring. Oil companies with routine flaring at existing oil fields they operate will seek to implement economically viable solutions to eliminate this legacy flaring as soon as possible, and no later than 2030.”

<sup>2</sup> Emissions reduction projects include both mandatory and voluntary projects.

<sup>3</sup> Routine flaring is defined as associated gas that occurs during the normal production of oil in the absence of sufficient facilities to utilize the gas onsite, dispatch it to a market or reinject it. Flaring for safety reasons, non-routine flaring or flaring gas other than associated gas is not included as part of the World Bank Zero Routine Flaring initiative.

## Governance framework

Our comprehensive climate-related risk governance framework extends from the board of directors through executive and senior management to the working levels in each of our business units.

### Board oversight

The ConocoPhillips Board of Directors oversees our position on climate change and related strategic planning and risk management policies and procedures, including those for managing climate-related risks and opportunities. In particular, the board reviews:

- Sustainable development (SD) risk management processes.
- Enterprise risk management policy and output.
- Corporate strategy and Climate Risk Strategy.
- Energy transition scenarios and planning.
- GHG emissions target and progress.
- Low carbon technology plans.

There are five standing [committees](#) of the board:

- Executive
- Audit and Finance
- Human Resources and Compensation
- Directors' Affairs
- Public Policy and Sustainability

Each committee, other than the Executive Committee, is made up of independent directors. Issues considered by the committees are, as appropriate, regularly reported to the full board. The board divides certain elements of climate oversight functions among its committees.

The [Audit and Finance Committee](#) (AFC) oversees enterprise risk management (ERM). The AFC facilitates appropriate coordination among the committees to ensure that our risk management processes, including those related to climate change, are functioning properly with necessary steps taken to foster a culture of prudent decision making throughout the company. The AFC receives annual updates on how, through the enterprise risk management system, we identify,

address, mitigate and manage enterprise risk, including climate-related considerations that influence market, reputational, operational and political risks.

The [Public Policy and Sustainability Committee](#) (PPSC) oversees the identification, evaluation and monitoring of climate-related trends and risks that could affect business activities and performance. In 2023, the PPSC met five times, received in-depth briefings and engaged in discussions on the following climate-related topics:

- Development and implementation of strategies for climate risk, progress on our Plan for the Energy Transition, addressing Scope 3 emissions and financial sector engagement.
- Progress against climate goals and improvement to target setting with an accelerated 2030 GHG intensity target.
- SD risk management processes, governance, results, integration into enterprise risk management and link to compensation.
- Evolving expectations for sustainability reporting, including emerging regulations and standards and our actions to strengthen and improve verification and assurance, processes and controls, and data measurement and quality.
- Engagement outcomes from the 2023 annual general meeting season.
- Review of SD achievements in 2023 and priorities for 2024.

The PPSC reports out at each regularly scheduled full board meeting. The full board also reviews the Climate Risk Strategy at the annual Board Strategy Session.

Other board committees also address climate-related issues. The [Human Resources and Compensation Committee](#) reviews executive compensation and performance-based components, including sustainability performance. The annual Variable Compensation Incentive Program (VCIP) includes metrics for strategic and energy transition milestones that address climate-related and other SD-related risk-based priorities.

[Read more](#) about the skills and qualifications of our board members.

## Executive management

The Executive Leadership Team (ELT) manages climate-related risks and opportunities and drives the business in implementing climate-related plans, including:

- Reviewing and approving carbon pricing forecasts for inclusion in our long-range planning and project authorization reviews.
- Supporting climate-related VCIP milestones.
- Reviewing the GHG emissions expected to result from our Long-Range Plan and an analysis of peer emissions.
- Approving plans for advancing low-carbon technologies and transition opportunities.

The senior vice president (SVP), Commercial, Strategy, Sustainability and Technology, who reports to the chief executive officer, has overall accountability for corporate planning and development, including corporate strategy and long-range planning. This includes responsibility for climate risk management and the implementation of our net-zero ambition. The SVP, Government Affairs, is responsible for government engagement and advocacy on climate-related public policy. In addition, the Sustainability and Public Policy Executive Council (SPEC), a subcommittee of the ELT, leads global oversight of existing and emerging sustainable development and public policy risks including climate-related risk.

Members of the SPEC met five times during the year for detailed briefings and discussion on emerging climate-related issues, strategic priorities and the Climate Risk Strategy. Examples of climate-related issues reviewed by the SPEC during 2023 include:

- Lower 48 methane abatement scenarios, implementation plan for OGMP 2.0, and advocacy strategy for methane regulations.
- Lower 48 flaring and total flaring intensity target development.
- 2024 marginal abatement cost curve (MACC) strategic objectives and 2023 MACC program update.
- Strategy updates: Progress report on our Plan for the Energy Transition, Climate Risk Strategy, Low Carbon Technology Plan, Net-Zero Corporate Roadmap, and shareholder engagement.

- Supplier sustainability update.
- 28th meeting of the Conference of the Parties (COP28) outcomes.

The SPEC meets prior to the scheduled PPSC and board meetings, at which time they may review and endorse an agenda and content for the PPSC, and recommend issues that may warrant additional board engagement. SPEC also plays a critical role linking the board of directors and the business on public policy and SD risks and trends that could affect business activities and performance. The scope of the SPEC is aligned with the scope of oversight of the PPSC, with the exception of health, safety and security.

Climate-related risks are communicated and integrated into strategy through the SD risk management process and ERM system. Climate-related risks from the corporate SD Risk Register are mapped to relevant enterprise risks. Owners of these enterprise risks, who are ELT members or senior managers, are briefed on the risks and our mitigation activities. Enterprise risks are then presented to the Audit and Finance Committee of the board. The climate-related risk category is managed by the SD team; the SVP, Commercial, Strategy, Sustainability and Technology, and SVP, Government Affairs, are jointly accountable for this risk category.

## Key processes

Climate-related considerations are integrated into the following key business planning processes for the company:

- Scenario planning.
- Corporate strategy.
- Long-Range Plan.
- SD risk management process.
- ERM.

Our SD risk management process, risk register and Climate Change Action Plan are used to identify risks, guide goal setting and track performance. Line-of-sight goals for business units and key functions are shown as specific action items within the action plan. Progress against the plan is reported through our governance structure to the ELT and board of directors.

## Organizational management Sustainable Development Leadership Team

The Sustainable Development Leadership Team (SDLT) is comprised of global business unit presidents and functional department heads supported by the SD team. Chaired by the vice president, Sustainable Development, the SDLT consults on and facilitates alignment on SD strategic priorities, goals, action plans and results throughout the company.

### Sustainable Development team

The SD team is responsible for advising the ELT and board on long-term climate-related risks and opportunities for our business and ensuring that these issues are integrated appropriately into strategic decisions. The SD team reports to the SVP, Commercial, Strategy, Sustainability and Technology, who reports to the chief executive officer. The vice president, Sustainable Development, leads the standing SD agenda item for the PPSC.

The SD team works closely with the Environmental Assurance group within the Health, Safety and Environment (HSE) function to provide and validate environmental metrics for public disclosure and track our performance against those metrics, aiming for completeness, accuracy and consistency. The groups collaborate so that appropriate climate risk tools, processes and procedures are developed and integrated into our activities. The SD team also works with the Low Carbon Technologies (LCT) organization on cross-functional efforts to achieve our net-zero operational emissions ambition. The individual SD and LCT governance processes are each fit-for-business governance structures established to drive oversight and accountability.

### Operations

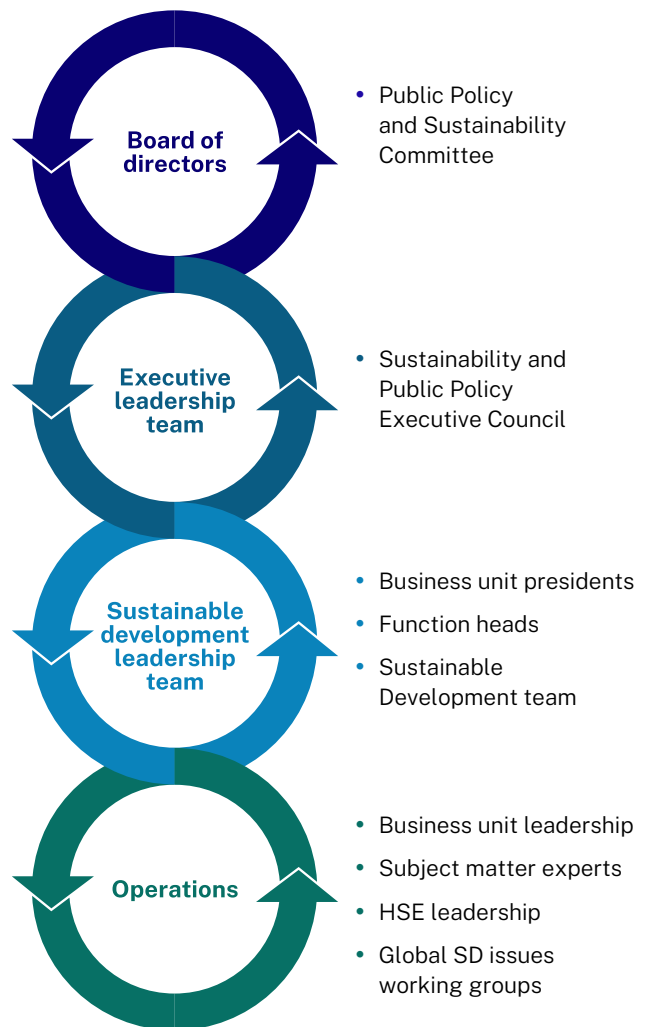
Each ConocoPhillips business unit is responsible for identifying and monitoring near and medium-term climate-related risks and opportunities and integrating sustainability issues, as appropriate, into day-to-day operations, project development and decision making. Business units

participate in our internal HSE auditing program, quarterly submission of GHG reporting, as well as quarterly risk management reporting to mitigate SD-related risks.

They report risk management progress to the SD team for inclusion in final results for our annual VCIP Strategic Milestones.

## GOVERNANCE FRAMEWORK

Feedback and communication at all levels of the chain is an important feature of our governance structure to allow integration.



Note: Each layer represents a governance level and the corresponding membership entity/support.

## Climate-linked compensation

The company is closely engaged with the Human Resources and Compensation Committee to ensure our emissions reduction and climate-related goals continue to be reflected in our employee and executive compensation programs. Effective with our 2023 short-term VCIP, we created a separately weighted measure for “Energy Transition Milestones.” These milestones are guided by our Triple Mandate of meeting transition pathway demand, delivering competitive returns on and of capital, and progressing towards our net-zero operational emissions ambition. Creating a separate metric serves to add accountability, transparency and awareness to reducing our GHG emissions intensity and further enhance the link between our climate commitments and our executive compensation programs.

In 2023, we achieved each of our Energy Transition Milestones, including:

- Demonstrating progress against our Plan for the Energy Transition.
- Achieving an annual GHG emissions intensity aligned with our improved 2030 target trajectory range.
- Executing our capital and cost budget for approved MACC projects.
- Advancing multiple low carbon opportunities.

Full results of our 2023 VCIP performance may be found in the [2024 Proxy Statement](#).

[Read more](#) about how sustainability performance is considered in executive compensation.

## Strategy

We aim to manage climate-related risk, optimize opportunities and better equip the company to respond to: Evolving investor sentiment, technologies for emissions reduction, alternative energy technologies and uncertainties such as government policies.

The evolving energy landscape requires a strategy that will remain robust across a range of potential future outcomes. Our strategy is comprised of four pillars:

- **Objectives:** Our framework consists of a hierarchy of objectives — a long-term ambition that sets the direction and aim of the strategy, medium-term performance targets for operational GHG emissions and methane intensity, and near-term targets for flaring and methane intensity reductions that guide implementation of our strategy.
- **Technology choices:** We continue to enhance our emissions reduction programs in our current operations, while also evaluating new opportunities and technologies that can closely integrate with our global operations, markets and competencies.
- **Portfolio choices:** We have integrated climate-related risk into our portfolio decision making through consideration of carbon pricing and focusing on low cost of supply, low GHG intensity resources by asset class.
- **External engagement:** Our stakeholders’ points of view inform the evolution of our climate-related frameworks, actions and public policy.

Progress in these four pillars is demonstrated throughout the following sections. Across the pillars, our strategy takes into consideration transition demand, results from scenario planning, near, medium, and long-term risks and ways to address impacts from those risks.



# Plan for the Energy Transition

## Overview

An important component of our Climate Risk Strategy is the [Plan for the Energy Transition](#), first published in our Proxy Statement in 2022. The plan shows how we intend to play a valued role in the energy transition by executing on our Triple Mandate.

First, meeting transition pathway energy demand requires a focus on delivering production that will best compete in any transition scenario. This production will be delivered from resources with a competitive cost of supply and low GHG intensity, as well as portfolio diversity by market and asset type. Next, in delivering competitive returns, ConocoPhillips has been a leader in shifting the exploration and production (E&P) sector’s value proposition away from one focused on production toward one focused on returns. Finally, to drive accountability for the emissions that are within our control, we are progressing toward our net-zero Scope 1 and Scope 2 emissions ambition.

In service of these three objectives, our plan describes how the company will:

### Maintain strategic flexibility:

- Build a resilient asset portfolio with a focus on low cost of supply and low GHG intensity to meet transition pathway energy demand.
- Commit to capital discipline through use of a fully burdened cost of supply, including cost of carbon, as the primary basis for capital allocation.
- Track the energy transition through a comprehensive scenario planning process to calibrate and understand alternative energy transition pathways and test the resilience of our corporate strategy to climate risk.

### Reduce Scope 1 and Scope 2 emissions:

- Set targets for emissions over which we have ownership and control, with an ambition to become a net-zero company for Scope 1 and 2 emissions by 2050.

### Address Scope 3 emissions:

- Advocate for a well-designed, economy-wide price on carbon and engage in development of other policy and legislation to address end-use emissions.
- Work with our suppliers and commercial partners to reduce emissions along the value chain.

### Contribute to an orderly energy transition:

- Build an attractive LNG portfolio as an important component of responsibly meeting energy transition demand due to its lower GHG emissions than coal used for electricity generation.
- Evaluate potential investments in emerging energy transition and low-carbon technologies.



<sup>1</sup> Scope 1 and 2 emissions on a net equity and gross operated basis.

## 2023–2024 progress report

STRATEGIC FLEXIBILITY	Resilient portfolio and scenario analysis	<ul style="list-style-type: none"> <li>Continued focus on low cost of supply and low GHG intensity resources that meet energy transition pathway demand.</li> <li>Published a new net-zero scenario modelling the collective global government and societal actions that would be required to align with limiting warming to 1.5 degrees.</li> </ul>
REDUCING SCOPE 1 AND 2 EMISSIONS	Methane	<ul style="list-style-type: none"> <li>Reduced methane intensity by ~50% since 2015.</li> <li>Progressed toward near-zero methane intensity by 2030 (1.5 kg CO<sub>2</sub>e/BOE) and introduced data quality improvements.</li> <li>Participated in OGMP 2.0 to improve methane measurement and reporting transparency and achieved the Gold Standard Pathway for emissions reporting.</li> <li>Invested in LongPath Technologies, a scalable laser-based continuous emissions monitoring solution with the potential to cover targeted assets or provide basin-wide multi-operator coverage.</li> </ul>
	Flaring	<ul style="list-style-type: none"> <li>On schedule to meet the World Bank Zero Routine Flaring goal by the end of 2025.<sup>1</sup></li> <li>Developing total flaring intensity target for 2030.</li> </ul>
	Overall GHG	<ul style="list-style-type: none"> <li>Accelerated our Scope 1 and Scope 2 GHG emissions intensity reduction target through 2030 from 40-50% to 50-60%, using a 2016 baseline for both gross operated and net equity emissions.</li> <li>Completed our approved Scope 1 and Scope 2 emissions reductions projects and advanced low carbon opportunities within the allotted capital and cost budget.</li> <li>Participated in a Ceres-led Roundtable to discuss solutions for reaching net-zero emissions with cross-sector participation from the financial sector and exploration and production (E&amp;P) oil and gas companies.</li> <li>Conducted third-party limited assurance on all sustainability disclosures in our Sustainability Report.</li> <li>Continued to strengthen sustainability reporting processes, controls and assurance to prepare for pending disclosure requirements.</li> <li>Chaired a National Petroleum Council study on GHG emissions reduction across the U.S. natural gas value chain.</li> </ul>
	Offsets	<ul style="list-style-type: none"> <li>Developed guidelines for company participation in the voluntary carbon market, including due diligence requirements.</li> <li>Increased our investment in the Climate Asset Management Carbon Fund.</li> <li>Continued to evaluate a wide range of future offset projects and funds to diversify our portfolio.</li> </ul>
	ADDRESSING END USE (SCOPE 3) EMISSIONS AND CONTRIBUTING TO THE ENERGY TRANSITION	Advocacy and public policy
Supply chain engagement		<ul style="list-style-type: none"> <li>Hosted annual Supplier Sustainability Forum with a focus group of suppliers to identify opportunities to reduce emissions in our value chain.</li> <li>Collaborated with industry groups and third-party partners to align on collection, reporting and supplier engagement for supplier emissions.</li> </ul>
LNG		<ul style="list-style-type: none"> <li>Secured regasification capacity at the Gate LNG terminal in the Netherlands, in addition to our regasification capacity at German LNG.</li> <li>Secured 5 MTPA of LNG offtake along with 30% equity in Sempra's Port Arthur LNG Phase 1 project on the U.S. Gulf Coast which began construction in March 2024.</li> <li>Signed offtake agreements at Mexico Pacific's Saguaro Energia LNG, pending final investment decision, and Energia Costa Azul export facility on the west coast of Mexico.</li> </ul>
Low Carbon Technologies		<ul style="list-style-type: none"> <li>Continued evaluation of potential opportunities to develop CCS hubs along the U.S. Gulf Coast.</li> <li>Participating in Canada's Oil Sands Pathways Alliance working toward emissions reductions through CCS.</li> <li>Completed an equity investment in Avnos, a hybrid direct air capture innovator, and began evaluating the technology for project development.</li> <li>Evaluating the development of green and blue ammonia from the U.S. Gulf Coast with Japanese energy company JERA.</li> <li>Investing in Radia Gigawind as a potential advantaged power solution with lower cost of supply and high-capacity factor.</li> </ul>

<sup>1</sup> Per the [World Bank's Zero Routine Flaring by 2030 initiative](#), "Oil companies that endorse the Initiative will develop new oil fields they operate according to plans that incorporate sustainable utilization or conservation of the field's associated gas without routine flaring. Oil companies with routine flaring at existing oil fields they operate will seek to implement economically viable solutions to eliminate this legacy flaring as soon as possible, and no later than 2030."

## Scenario analysis

### IEA energy outlook

We reference two energy scenarios from the International Energy Agency (IEA) 2023 World Energy Outlook that illustrate their concept of future demand and track the Paris Agreement goal of reducing global GHG emissions to limit the global temperature increase to 2 degrees Celsius while pursuing efforts to limit warming to 1.5 degrees Celsius.

Total energy demand in 2050 stays flat compared to 2022 in the Announced Pledges scenario but declines in the Net Zero Emissions scenario. Demand for natural gas and oil has different outcomes across the IEA scenarios.

Even in the Net Zero Emissions scenario, 2050 oil demand remains at 20 MMBBL per day and natural gas at 15 MMBOED, and despite a reallocation of capital to renewables, significant investment in upstream natural gas and oil is still required. IEA estimates oil investments alone will average \$378 billion each year from 2022 to 2050 globally in the Announced Pledges scenario and \$210 billion per year from 2022 to 2050 in the Net Zero Emissions scenario. This is a cumulative oil investment total of approximately \$11 trillion globally in the Announced Pledges scenario and approximately \$6 trillion globally in the Net Zero Emissions scenario for the period 2022 to 2050.

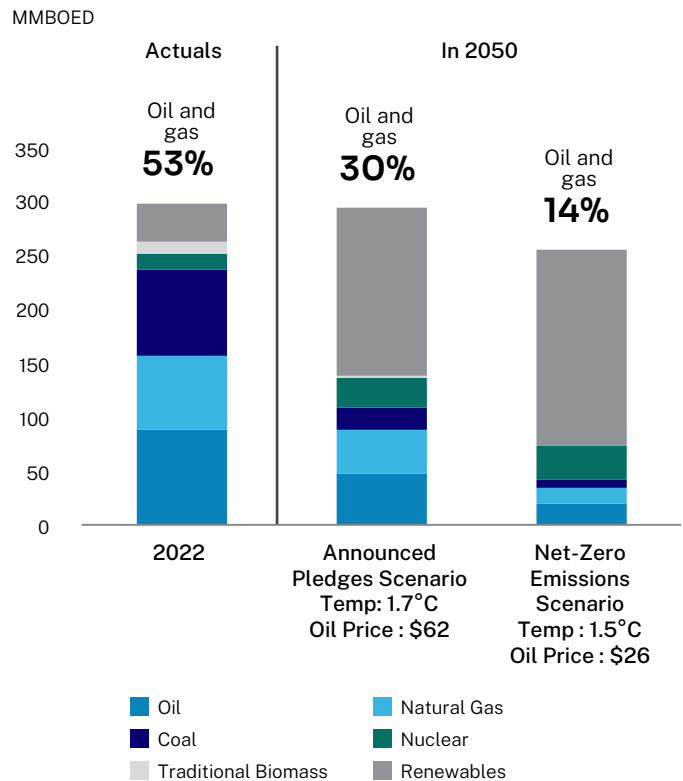
Achieving the IEA’s Announced Pledges Scenario (APS; limiting temperature increase to 1.7 degrees Celsius) requires significant progress on several fronts:<sup>4</sup>

- Improving energy efficiency of power generation, transportation and industrial processes.
- Reducing emissions from fossil fuels or capturing and storing or utilizing those emissions.
- Increasing clean energy electricity, innovation and investment.

The APS requires achieving all major national emissions reduction targets made by governments around the world, as well as meeting all country-level targets in full for access to energy/electricity. This includes supporting policies that could reduce the need for coal-fired capacity or even halt

new coal investment through cost-effective, low-emissions electricity deployment. Even with these changes and requirements, APS will still require flexibility to use existing infrastructure while new options are being developed to replicate natural gas services. Such flexibility requirements in the power sector may be met with low-carbon hydrogen and hydrogen-based fuels. Oil and gas resources will still be needed in the APS but will be consolidated to include a smaller number of low-cost, responsible producers. Changes in the energy system will take time, as energy infrastructure components have long asset lives and require cross-sector, system-wide changes and retrofits to meet new specifications.

### IEA WORLD ENERGY OUTLOOK SCENARIOS — 2050



Source: ©OECD/IEA 2023 World Energy Outlook, IEA Publishing. License: www.iea.org Note: EJ converted to MMBOE at 173.727 per EJ.

<sup>4</sup> The Sustainable Development Scenario (SDS), a component of previous IEA scenarios, is not featured in the most recent edition of the World Energy Outlook, as temperature outcomes and sustainable development goals in the SDS are similar to those in the APS.

Unlike the APS, the IEA Net Zero Emissions scenario starts with the end result of achieving 1.5 degrees Celsius and works backward to fit solutions to the final desired outcome. It provides hypothetical data to inform the decisions to be made by policymakers, who have the greatest cope to move the world closer to its climate goals. The assumptions used in this scenario are challenging. For example:

- Reducing energy demand by about 14% from 2022 levels would require reverting energy demand back to 2010 levels, while supporting 3 billion more people with nearly three times the economic activity.
- Increasing the share of renewable electricity supply to the level assumed in 2050 would require annual capacity additions about four times the record capacity achieved in 2020. The electricity market in 2050 is assumed to be 150% greater than the market in 2022, the equivalent of adding an electricity market the size of India every year between now and then.
- Of 400 milestones needed to achieve net-zero emissions described in the Net Zero Emissions scenario, 85% are demand-side actions that would require government intervention while also addressing energy security and affordability.

These widely varying factors are the reason scenario planning is important. There is not just one pathway to a low-carbon future — there are numerous ways in which government action and technology development could interact with consumer behavior to bring about a low-carbon future. Performance on climate-related risks and opportunities is driven by planning across a range of widely varying scenarios and having the financial strength and asset flexibility to adapt to different outcomes.

## Scenario planning at ConocoPhillips

The scenarios we have developed describe possible pathways leading to a particular outcome. Scenarios are hypothetical constructs and are not predictions or forecasts of what we think is going to happen; they are used to illustrate which factors drive future developments. We use scenarios in our strategic planning process to:

- Gain better understanding of external factors that impact our business to assist in the identification of major risks and opportunities and inform mitigating actions.
- Identify leading indicators and trends.
- Test the robustness of our strategy across different business environments.
- Communicate risks appropriately.
- Inform how we position our business, as technologies and markets evolve, to capitalize on opportunities that meet risk and return criteria.

Using scenarios enables us to understand a range of risks around potential commodity market prices associated with various GHG emissions reduction scenarios. To assist our capital allocation decisions, we can test our current portfolio of assets and investment opportunities against these future possibilities and identify where strengths and weaknesses may exist.

We use a range of analyses, input and information when developing our strategy. The detail of our scenarios gives insight into the analysis we use to inform our strategic decision making and reinforces to stakeholders and shareholders that we are both preparing for reductions in GHG emissions consistent with the Paris Agreement and developing resilient strategies that reflect the complex and uncertain range of energy futures.

We use four main energy transition scenarios in our global energy model: Pre-Pandemic Trends, Moderate Transition, Accelerated Transition and 1.5 Net Zero. The four scenarios incorporate a wide range of possible outcomes for energy and carbon emissions.

While these scenarios extend to 2050, well beyond our near-term operational planning period, they give insights on trends that could have an implication for near and medium-term decisions and enable choices on the creation or preservation of future options.

Each scenario models the full energy system including coal, oil, natural gas, solar, wind, geothermal and nuclear, as well as their related GHG emissions and pricing policies. Each of these plausible pathways is designed to stretch our thinking about potential rates of new technology adoption, policy development, and consumer behavior.

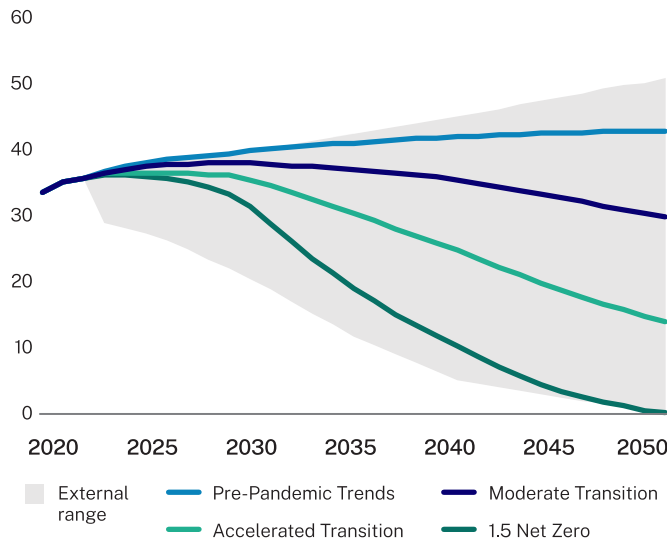
The scenarios describe four pathways out of the myriad that are possible, given the uncertainty surrounding the development of future energy markets out to 2050. They do not describe all possible future outcomes and are not used as a reliable indicator of the actual impact of climate change on the ConocoPhillips portfolio or business.

In addition to using the four scenarios to analyze potential outcomes, we regularly monitor key signposts as we work to track the pace and direction of the energy transition and identify potential leading indicators of change in the demand for hydrocarbons. In this way we aim to establish not just which scenario we are moving toward, but also to identify emerging disruptive scenarios. This analysis is presented to executive management and the board of directors to assist in strategic decision making.

The thoughtful application of scenarios in strategic planning is core to our ability to navigate future uncertainty and is a practical way of conveying this information in a decision-useful manner. The key to scenario planning is the use of a wide-enough range to characterize uncertainty, rather than trying to correctly guess specific future variables or parameters.

## PROJECTED GLOBAL ENERGY-RELATED CO<sub>2</sub> EMISSIONS

Gigatonnes per year



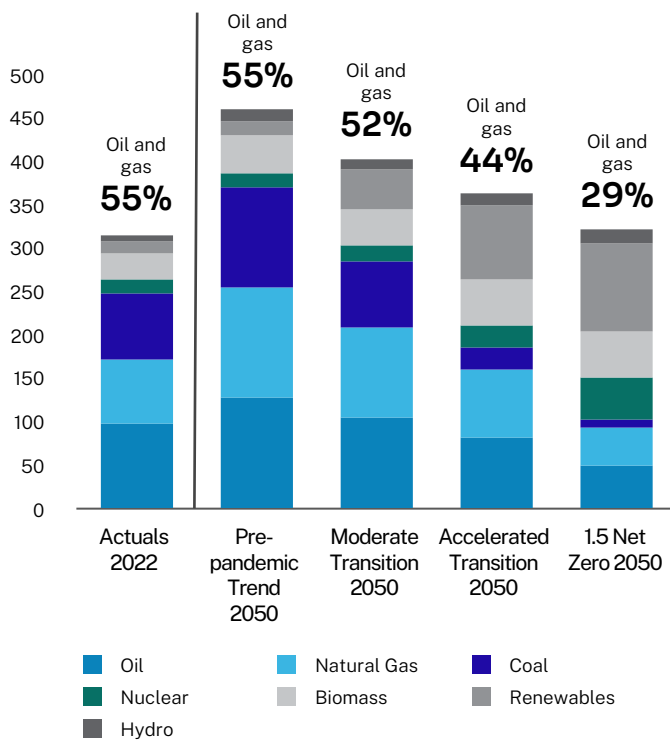
## Scenario descriptions

Scenario	Key assumptions	Carbon taxes (in 2023 dollars)	Energy demand	Oil and gas demand growth from 2022 to 2050
<b>Pre-Pandemic Trends</b>	<ul style="list-style-type: none"> <li>Government policies for carbon emissions remain globally uncoordinated.</li> <li>Technologies evolve at a gradual pace and current modes of transportation and power generation remain the lowest cost, most efficient avenues for energy consumption and generation.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon taxes are introduced at a moderate rate in OECD countries, rising to only \$30/tCO<sub>2</sub>e in 2050.</li> <li>Non-OECD countries do not implement carbon pricing by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>The global oil market grows by 30% over 2022's 100 MMBOD level, driven by solid economic growth and a lack of competitive alternatives.</li> <li>Natural gas demand increases by more than 70% compared to 2022, reaching 680 BCFD as growing economies utilize more natural gas.</li> </ul>	48%
<b>Moderate Transition</b>	<ul style="list-style-type: none"> <li>Moderate advances in national level carbon pricing policies and alternative energy technologies, with incremental shifts in consumer preferences for low-carbon products.</li> </ul>	<ul style="list-style-type: none"> <li>Carbon taxes go into effect across OECD countries during the mid-2020s and are \$25/tCO<sub>2</sub>e in 2030, rising to \$60 in 2050.</li> <li>China implements its proposed national carbon pricing policy at 50% of the OECD carbon fee.</li> <li>No other non-OECD country implements a carbon pricing policy prior to 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Global oil demand plateaus in the early to mid-2030s at around 110 MMBOD and then declines very slowly, remaining above current levels through 2050.</li> <li>By 2050, the global gas market expands by 40% from 2022 levels. The primary driver for natural gas demand growth is power generation, followed by hydrogen production.</li> <li>Captured carbon grows to 2.6 gigatonnes per annum in 2050.</li> <li>Total hydrogen market expands to 250 million tonnes per annum in 2050.</li> </ul>	21%
<b>Accelerated Transition</b>	<ul style="list-style-type: none"> <li>Accelerated deployment of established low-carbon technologies, such as intermittent renewables and electric vehicles.</li> <li>Increased focus on structural and fuel efficiencies.</li> <li>Significant reductions in battery, wind and solar generation costs through economies of scale, and rapid deployment of grid infrastructure, catalyzed by a more favorable regulatory environment and reduced permitting timelines.</li> </ul>	<ul style="list-style-type: none"> <li>Economy-wide carbon pricing goes into effect across OECD countries during the mid-2020s and is \$30/tCO<sub>2</sub>e in 2030, rising to \$100 in 2050.</li> <li>China implements an economy-wide carbon pricing policy at 50% of the OECD price.</li> <li>Non-OECD countries impose a low \$5/tCO<sub>2</sub>e price by 2030.</li> </ul>	<ul style="list-style-type: none"> <li>The global oil market peaks in size by 2028 and remains near that level until tapering more quickly in the mid-2030s.</li> <li>The global natural gas market grows at an average annual rate of 0.7% until peaking near 430 BCFD in 2040 and slowly declining thereafter.</li> <li>Captured carbon increases to 4 gigatonnes per annum by 2050.</li> <li>Advances in renewables-powered hydrogen technology expand the hydrogen market to around 350 million tonnes per annum by 2050.</li> </ul>	-7%
<b>1.5 Net Zero<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Key technological breakthroughs and rapid global policy coordination.</li> <li>Significant technological advances in low-carbon, dispatchable, high-capacity-factor power generation, long-duration energy storage, and carbon removal.</li> <li>Enhanced geothermal systems (EGS), small modular reactors, and nuclear fusion all reach commerciality before 2040.</li> </ul>	<ul style="list-style-type: none"> <li>OECD countries and China implement a transparent economy-wide carbon price mechanism by 2025 which rises from \$50/tCO<sub>2</sub>e in 2030 to \$200 by 2050.</li> <li>Other non-OECD nations follow by imposing economy-wide carbon prices of \$10/tCO<sub>2</sub>e in 2030 rising to \$50 by 2050.</li> </ul>	<ul style="list-style-type: none"> <li>Global oil demand peaks in 2025 and declines to 50 MMBOD in 2050.</li> <li>The natural gas market is much more resilient in this scenario in comparison to oil as natural gas is needed as a lower-carbon fuel for reliable, dispatchable electricity generation. Global natural gas demand peaks in 2030.</li> <li>Captured carbon plays a critical role in emissions reduction, expanding to 6 gigatonnes per annum by 2050.</li> <li>Hydrogen market grows to around 430 million tonnes per annum in 2050.</li> </ul>	-45%

<sup>1</sup> The 1.5 Net Zero scenario is designed to reach net-zero emissions in the energy sector by 2050. The remaining carbon budget of 600 gigatonnes of cumulative CO<sub>2</sub> emissions from 2020 to 2050, is in line with a 1.5-degree warming target before 2100 with a slight temperature overshoot around the middle of the century. See IPCC AR6 Synthesis Report (2023).

## CONOCOPHILLIPS GLOBAL ENERGY MODEL SCENARIOS

MMBOED



Our scenarios have a wide range of assumptions regarding technological advances, government policies (e.g., carbon prices) and consumer behaviors leading to a range of oil and natural gas prices. We take this future price uncertainty into account in our strategy by using a fully burdened cost of supply as our primary criterion for capital allocation. In the 2023 Analyst and Investors meeting, we showed of the ~20 billion barrels of resources with a cost of supply at \$40 per barrel and below held in our portfolio, resources at the average cost of supply can be produced at \$32 per barrel.<sup>5</sup> This compares favorably to the expected commodity prices detailed in our own scenarios as well as external scenarios such as the IEA’s Net Zero Emissions Scenario.

The scenarios are designed to address transitional risks. A separate scenario process addresses physical climate-related risk using consultant scenarios based on the Intergovernmental Panel on Climate Change (IPCC) modeling.

### Key strategic linkages to our scenario planning

Our corporate strategy reflects several findings from our scenario analysis process. We have acted to:

- Use a fully burdened cost of supply, including cost of carbon aligned with our current probability-weighted energy scenario, as an important metric in our project authorization process. In 2023, we had a resource base of ~20 billion barrels of oil equivalent (BOE) with \$40 per barrel (or lower) cost of supply and an average cost of supply of \$32 per barrel. Our strategic objective is to provide resilience in lower price environments, with any oil price above our cost of supply generating an after-tax fully burdened rate of return greater than 10%.
- Prepare for diverse policy environments by maintaining a less than \$40 per BOE sustaining price to generate the cash to fund capital expenditure to keep production flat over time and generate competitive returns to shareholders.
- Maintain diversification in our portfolio to balance our production and capital expenditures as commodity prices become more volatile.
- Identify and fund emissions reduction projects to reduce the impact of any future regulations, carbon prices or taxes, and to help maintain a low life cycle cost of supply.
- Task each business unit with developing potential options to contribute to our operational net-zero emissions ambition.

<sup>5</sup> Costs assume a mid-cycle price environment of \$60/BBL WTI.

- Introduce a proxy cost of carbon into qualifying project economics to help us be more resilient to climate-related risk in the short to medium-term and provide the flexibility to remain resilient in the long-term.
- Focus near-term technology investments on reducing both our costs and our emissions where economically feasible.
- Monitor for potential disruptive technologies that might impact the market for natural gas or oil, enabling us to take advantage of our capital flexibility and reduce our exposure to lower commodity prices at an early point in time.
- Pursue hydrogen production and carbon sequestration as potentially attractive investments in meeting transition demand for lower carbon energy.
- Monitor global regulatory and legislative developments and engage in development of pragmatic policies aligned with the climate policy principles outlined in our [Climate Change Position](#).

## Near, medium and long-term risks

As described in the [risk management section](#), we evaluate and track our climate-related risk through our SD Risk Register and Climate Change Action Plan. Those risks broadly fall into three categories:

- Climate-related policy
- Emissions and emissions management
- Physical climate-related impacts

The time horizons we use for climate-related issues are based on the time we expect it will take for the risks to manifest, our planning time horizons and the time required to realize the majority of the net present value of our projects.

## Near-term risks

Our near-term time horizon is one to five years, during which we can complete short-cycle drilling campaigns and small projects. Our GHG forecasting and financial planning processes are used to determine risks and opportunities that could have a material financial impact for that period. Our near-term climate-related risks are generally government-policy related and managed at the business unit level through policy advocacy and technology to reduce emissions.

Regulations to address climate-related risk, including GHG emissions, are a near-term risk for our business. For example, regulations issued by the Alberta government under the Emissions Management and Climate Resilience Act require any facility existing in 2016, with emissions equal to or greater than 100,000 tonnes of CO<sub>2</sub> or CO<sub>2</sub>e per year, to reduce its net emissions intensity, with reduction targets and carbon price increasing over time. In April 2024, the province of British Columbia introduced a similar Output-Based Pricing System (OBPS) regulation for industrial operations including upstream oil and gas networks. The cost of compliance and investment in emissions intensity reduction technologies influence investment decisions for the Canada business unit, where we are purchasing carbon offsets while evaluating and developing technology opportunities such as CCS, subsurface technology, and electrification of field facilities using low-carbon grid hydropower where available to reduce emissions for existing and new facilities. Good examples of technology developments that decrease GHG emissions intensity and improve our steam-to-oil ratio are:

- Implementation of noncondensable gas co-injection at our oil sands operations.
- Deployment of wellbore technology such as flow control devices and multilateral wells.
- Piloting of steam additives.



Another example of a near-term GHG regulatory risk is the EPA's New Source Performance Standards (OOOOb) and Emissions Guidelines (OOOOC) finalized in early 2024 for U.S. assets. The final rule could result in additional capital expenditures and compliance, operating and maintenance costs. Further, the proposed sub-part W regulations and the Methane Emission Reduction Program (MERP), passed as part of the Inflation Reduction Act of 2022, will potentially result in impacts to our business such as substantial capital expenditures and compliance, operating, maintenance and remediation costs, any of which may have an adverse effect on our business and results of operations.

While a price on carbon in the U.S. will increase costs and could decrease demand for our product, we support a well-designed economy-wide pricing regime on carbon emissions as the most effective and predictable policy action to reduce GHG emissions. By enacting a legislative requirement for a price on carbon, we believe the U.S. would maintain the energy advantage. We are members of the Carbon Pricing Leadership Coalition (CPLC), a voluntary initiative working to catalyze action toward the successful implementation of carbon pricing around the world. We are a Founding Member of the Climate Leadership Council (CLC), a collaboration of business and environmental interests working to develop the Baker-Shultz carbon dividend plan for the U.S. The plan has four key pillars: A gradually increasing price on carbon, a carbon dividend, border carbon adjustments and regulatory simplification. To supplement our work on carbon price advocacy, we also advocate for stable, effective and efficient regulations and legislation to advance incentives and reduce GHG emissions through regulatory approaches.

GHG emissions costs, or carbon costs, are another near-term risk in some jurisdictions where we operate. For example, in Norway, we are managing carbon cost risk with specific actions to study both operational emissions reduction opportunities as well as technical modification opportunities and evaluate project economics that include the Norwegian carbon fee and European Union CO<sub>2</sub> emissions costs, known as the EU Emissions Trading Scheme (EUETS).

Another near-term risk we are monitoring is policy-related to border carbon adjustments (BCAs). For example, the EU Carbon Border Adjustment Mechanism (CBAM) seeks to put a price on carbon for carbon-intensive traded goods. The transition phase for the CBAM began in October 2023, during which importers will begin reporting emissions data to the EU. While oil and gas production is currently outside the scope of CBAM, a review of industries to consider including in the future is due at the end of the transition phase in 2025. We continue to monitor the applicability of CBAM and other border carbon adjustment proposals to our oil and gas operations. We are engaged in discussions around additional policy options, such as a standalone World Trade Organization-compliant BCA mechanism. We will continue working with the CLC, CPLC and our trade associations to identify opportunities to support and shape policies in alignment with our carbon pricing principles.

### Medium-term risks

Our medium-term time horizon is six to 10 years, during which we can complete most major projects and revise our portfolio if required. Our GHG forecasting and financial planning processes are used to determine the risks and opportunities that could have a material financial impact for that period. Medium-term risks take longer to impact our business and may include emerging policy that is not yet fully defined. These risks are managed by business unit planning but, if significant, may also be managed by corporate strategies and company-wide risk assessments.

Offset requirements have been identified as both a medium-term risk and as an opportunity for some business units where carbon offsets can be used for compliance with an emissions reduction program.

Climate-related physical changes are a medium-term risk for some of our operations. In Alaska, mitigation measures include prepacking snow to accelerate the start of the ice road season and engineering and maintaining gravel roads and pads to be protective of underlying permafrost.

Another medium-term risk is access to capital markets. Increasing attention to global climate change has resulted in pressure from and upon stockholders, financial institutions and other financial market participants to potentially limit or discontinue investments, insurance and funding to oil and gas companies. For example, a significant number of financial institutions are now members of the Glasgow Financial Alliance for Net Zero (GFANZ), thereby pledging to the goal of net-zero by 2050, as well as setting interim targets for 2030 or earlier. While they are not prohibited from doing business with oil and gas companies, GFANZ members may self-impose limits. Conversely, we also face pressure from some in the investment community and certain public interest groups to limit the focus on environmental, social and governance (ESG) in our decision making, arguing that ESG considerations do not relate to financial outcomes. As public pressure continues to mount on the financial sector, our costs of capital may increase.

## Long-term risks

Our long-term time horizon is 11 years and beyond. Generally, long-term risks are managed by our scenario analysis and Climate Risk Strategy, as they include long-term government policy, technology trends and consumer preferences that affect supply and demand. They may also include risks that align with long-term physical climate scenarios.

We recognize that our GHG intensity will be compared against peers, so we track this as a competitive risk at the corporate level. Investors, the financial sector and other stakeholders compare companies based on climate-related performance, and GHG intensity is a key indicator. For this reason, our GHG intensity target aligns with the long-term time horizon to ensure we manage the risk appropriately. It also demonstrates our goal to be a leader in managing climate-related risk.

Both chronic and acute physical climate risks are a long-term risk for our business. In some parts of the U.S., we have identified potential storm severity as a risk for future operations, based on previous storms and flooding. Consensus science suggests that future extreme weather events may become more intense and/or more frequent, thus potentially adding incremental risk to our operations in coastal regions and areas susceptible to typhoons or hurricanes. We have a crisis management system in place to manage that risk before, during and after a storm event.

[Read more](#) about our Risk Register and Climate Change Action Plan.

## Risk response

Our Climate Change Action Plan addresses the significant and high risks from our SD Risk Register and includes milestones over several years. Actions within the plan address individual risks identified by our business units or global/regional risks identified by our central corporate staff. For example, some chronic and physical climate-related impacts are more likely to apply to a single business unit, given the specific local nature of the risk and geographical location of our assets.

## CLIMATE CHANGE ACTION PLAN

RISK TOPICS	MITIGATION ACTIONS AND MILESTONES
<b>Climate-related policy</b>	
<b>Climate change policy, including carbon taxes</b>	<ul style="list-style-type: none"> <li>Review global emerging issues with the SPEC on a regular basis.</li> <li>Work with CLC and API Climate Working Group to develop U.S. carbon tax framework; advocate for a carbon price through the CLC Council/Americans for Carbon Dividends (AFCD) as well as the CPC.</li> <li>Directly engage governments on evolving climate policy and monitor policy developments.</li> <li>Engage in industry working groups to provide input to federal consultation on border carbon adjustment policies.</li> <li>Use carbon price in base case long-range planning and forecasting; maintain GHG forecasting practice.</li> <li>Support effective incentives for emissions reductions, including tax and production credits and protocols for use of carbon credits and offsets.</li> <li>Maintain global corporate position and strategy on carbon offsets purchases and advocate for the long-term use of carbon offsets, including market convergence.</li> </ul>
<b>Climate disclosure policy</b>	<ul style="list-style-type: none"> <li>Conduct regulatory reporting gap assessment to plan for new regulatory disclosures.</li> <li>Conduct assurance and internal audit for all sections of annual Sustainability Report and enhance processes and controls.</li> <li>Implement strategy for environmental data management.</li> </ul>
<b>Low carbon technologies activities</b>	<ul style="list-style-type: none"> <li>Explore novel technology and investments through Low Carbon Technologies organization.</li> <li>Explore implementing CCS technology in project design.</li> <li>Explore development of a lower-carbon hydrogen/ammonia project.</li> <li>Consider partnering with future renewable energy project developers to power our operations where operationally and economically feasible and monitor new opportunities.</li> </ul>
<b>Emissions and emissions management</b>	
<b>GHG emissions regulations</b>	<ul style="list-style-type: none"> <li>Support enactment of cost-effective federal methane regulations on new and existing sources that would preserve a state's ability to adapt implementation to local conditions.</li> <li>Explore new technology solutions and facility improvements to meet methane and flaring reduction targets.</li> <li>Continue regulatory advocacy efforts around methane and flaring.</li> <li>Work with industry trade groups and task forces to respond to proposed GHG regulations.</li> </ul>
<b>GHG emissions reductions</b>	<ul style="list-style-type: none"> <li>Design and develop new facilities with lower emission footprints. Focus on operational efficiency globally to reduce GHG intensity.</li> <li>Execute U.S. flare reduction plans and consider developing additional flaring reduction targets.</li> <li>Continue implementation of corporate Climate Risk Strategy including energy transition plan with updated targets. Continue integration of BU emissions reduction approaches.</li> <li>Improve GHG data collection efforts and advance MACC emissions reduction projects, plans and low-carbon ideas. Continue to assess transformational technology pilots.</li> <li>Continue to grow emissions monitoring program. Advance methane mitigation measures through leak detection surveys, source testing and tank monitoring.</li> <li>Participate in OGMP 2.0 to advance methane reporting to Level 5 Gold Standard reporting.</li> <li>Include energy transition milestones in short-term incentive plan to add accountability to reducing our GHG emissions intensity.</li> <li>Increase internal engagement on electricity load forecasting and grid power needs across the company to manage electricity-related planning.</li> </ul>
<b>Physical climate-related impacts</b>	
<b>Acute and chronic physical risks</b>	<p><b>Assessment</b></p> <ul style="list-style-type: none"> <li>Continue to include physical climate risk in SD risk management process.</li> <li>Develop global physical risk assessment guidelines for BUs and continue with ongoing review cycle.</li> <li>Initiate asset-specific climate risk assessments.</li> </ul> <p><b>Fresh water constraints</b></p> <ul style="list-style-type: none"> <li>Increasing use of recycled produced water and produced water infrastructure planning and collaboration.</li> <li>Progressing research to develop and pilot technologies and processes to treat produced water for potential beneficial reuse opportunities beyond the oil and gas industry.</li> </ul> <p><b>Permafrost thaw</b></p> <ul style="list-style-type: none"> <li>Continue assessment of risk of permafrost thaw for construction of new infrastructure and implementation of mitigation measures.</li> <li>Investigate effective approaches for monitoring permafrost.</li> <li>Continually review and update engineering and design specifications, including equipment and site maintenance.</li> </ul> <p><b>Wildfire</b></p> <ul style="list-style-type: none"> <li>Participate in desktop regional wildfire annual risk assessment and mitigation planning efforts.</li> <li>Execute emergency response plan exercises, drills and training for wildfire threats.</li> <li>Engage with local forestry industry on integrated land management plan.</li> <li>Implement and execute safety barriers and controls to enable facility and personnel protection in the case of fire and advance warning of potential wildfire threats.</li> <li>Distribute wildfire daily update to relevant stakeholders.</li> </ul>

## Climate-related opportunities

ConocoPhillips is also focused on participating in, and contributing to, an orderly energy transition and creating business value through differentiated products, business adjacencies, low-carbon opportunities and mitigation measures. Below we describe our efforts to develop our liquefied natural gas portfolio and low-carbon opportunities like CCS and hydrogen.

### Liquefied natural gas (LNG)

ConocoPhillips has a 60-year history of leadership in LNG and LNG technology. While LNG is still considered part of our traditional oil and gas business, its prominence is increasing in global energy markets. We view LNG as an important component of responsibly meeting energy transition demand in the coming decades.

The use of natural gas in place of coal and refined products represents a specific opportunity for significant reductions in end-use GHG emissions across the globe and it is a key contribution to the energy transition. We expect LNG to play an increasingly important role in the global energy mix, as it has lower GHG emissions than traditional hydrocarbon resources like coal used for electricity generation.

Building on our LNG expansions in 2022, in 2023, we continued advancing our LNG portfolio in several key areas:

- Secured regasification capacity at the Gate LNG terminal in the Netherlands, in addition to our regasification capacity at German LNG.
- Reached final investment decision securing 5 MTPA of LNG offtake along with 30% equity in Sempra's Port Arthur LNG Phase 1 project on the U.S. Gulf Coast, which began construction in March 2024.
- Signed offtake agreements at Mexico Pacific's Saguaro Energía LNG, subject to final investment decision, and Energia Costa Azul export facility on the west coast of Mexico.

In addition to these specific projects, we have licensed our liquefaction Optimized Cascade® Process in 28 trains around the world. This is the industry-leading liquefaction technology of choice for low-cost LNG train designs using

scalable, modular construction from 1.5 to 8 MTPA that deliver low-emissions, high availability and efficiency.

In 2023, we supplied Asian markets with approximately 0.34 trillion cubic feet (or nearly 1 billion cubic feet per day) of natural gas and LNG. To put this in perspective, if all the natural gas and LNG we sold to Asia in 2023 had been used to replace coal for electricity generation, GHG emissions would have been reduced by approximately 20 million tonnes, 16% more than the company's combined Scope 1 and Scope 2 emissions for the year, based on EPA GHG emissions factors.

Our marketing efforts are focused on further progressing the placement of our offtake volumes into Europe and Asia.

### Carbon capture and storage (CCS)

CCS involves capturing CO<sub>2</sub> from concentrated sources — such as power plants or industrial sources — preprocessing, compressing, transporting and injecting the CO<sub>2</sub> into geologic formations underground and monitoring the storage site. This process helps reduce the amount of CO<sub>2</sub> released into the atmosphere.

ConocoPhillips is leveraging our land positions, technical expertise, project development skills and safety commitment to evaluate future cost-effective and permanent carbon storage opportunities. We have assembled an internal team of subsurface and surface experts, with support from our Land, Regulatory, Legal, Government Affairs, Commercial, Environmental and Sustainable Development and Stakeholder Relations teams, and are actively engaged in subsurface characterization, business development, appraisal and land acquisition to mature these opportunities.

We have received approved permits from the Texas Railroad Commission to drill two exploratory wells on leased property in Refugio County, Texas, to evaluate subsurface formations for potential permanent geologic storage of carbon dioxide and started field activities in May 2024. Throughout 2024, ConocoPhillips will engage with local stakeholders, collect and analyze technical information from the appraisal activities and determine the viability of the leased area as a potential CO<sub>2</sub> sequestration site. ConocoPhillips is conducting local stakeholder engagement activities in Refugio, Aransas and San Patricio counties, and

when appropriate, seeks regulatory approvals from relevant federal and state regulatory agencies.

We have leased land in Cameron Parish, Louisiana, and have ongoing permitting activities for an appraisal well in that region.

We will continue to evaluate development of low-carbon projects, particularly on the U.S. Gulf Coast, including a CCS project as part of the previously described LNG work with Sempra Infrastructure.

We are a member of the Pathways Alliance Inc., a group of Canada's largest oil sands producers working together to address climate change by reducing Scope 1 and Scope 2 emissions from member operations. One of the key actions is the proposed foundational Alliance project, which includes plans for a CCS network to transport captured CO<sub>2</sub> from oil sands facilities and sequester it deep underground at a storage hub. Supportive fiscal and regulatory frameworks and the development of technologies are critical to advancing this ambition.

## Hydrogen

ConocoPhillips is also evaluating technologies that will enable the cost-effective production of hydrogen. We have identified two types of hydrogen manufacturing for bulk fuel supplies in both hydrogen and ammonia form that have technical and commercial adjacencies that leverage the company's core competencies and the potential to grow into a scalable business — hydrogen from natural gas with associated CCS ("blue hydrogen") and hydrogen from the electrolysis of water using electricity from renewables ("green hydrogen").

We are evaluating optimum locations for low-cost hydrogen manufacturing, monitoring development of the market, and assessing access routes to demand centers. Success factors for blue hydrogen are a reliable supply of low-cost natural gas and proximity to subsurface sites suitable for CCS. For green hydrogen, the success factors are low-cost supplies of renewable electricity, water and large-scale electrolysis.

Technologies for manufacturing both blue and green hydrogen are rapidly evolving, and, as with CCS, we are pursuing various ways to access these technologies and qualify them for use. Leveraging our global reach and our technical expertise, we are evaluating and high-grading hydrogen production and marketing opportunities, including ammonia as a hydrogen carrier, both domestically and globally.

Markets for hydrogen and ammonia are nascent and require further maturity before major investment decisions can be taken. Commitments across the value chain, including long-term offtake commitments from buyers are needed to connect the value chain and develop the market to enable hydrogen delivery at scale.

In early 2022, we made an investment to support the development of a novel turquoise hydrogen production technology from Ekona Power Inc., a Vancouver-based hydrogen technology venture. Ekona's new methane pyrolysis technology platform is expected to produce low-cost hydrogen from methane. The technology converts existing methane streams into hydrogen and solid carbon to reduce CO<sub>2</sub> emissions when applied. This investment represents an opportunity to leverage our existing infrastructure and create optionality at the front end of new technologies that will be important to the future of energy. We continue to follow the project's development.

Our [collaboration with Japanese energy company JERA](#) was announced in September 2022. ConocoPhillips Gulf Coast Ammonia LLC and JERA Americas Inc. are evaluating the potential development of a lower-carbon hydrogen/ammonia production facility on the U.S. Gulf Coast.

## Low carbon equity investments

ConocoPhillips has been an early-stage investor in Radia, a wind energy company, as part of our program to explore different technologies that can help reduce our Scope 1 and Scope 2 emissions. Radia Gigawind offers the potential for an advantaged power solution with lower cost of supply and high-capacity factor.

We have also invested in LongPath Technologies, a scalable laser-based continuous emissions monitoring solution with the potential to cover targeted assets or provide basin-wide multi-operator coverage.

## Addressing climate-related risks and opportunities

Climate-related risks and opportunities that have the potential to impact our company are addressed through business and operational planning, strategic planning and financial planning. Our SD risk management processes identify those risks and assess the potential size, scope and prioritization of each. We have aligned a description of these impacts with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

### Business planning

Climate-related risks and opportunities may affect our business planning through impacts to demand for our product, product costs, supply chain, daily operating and mitigation activities, project design and emissions reduction projects, among others.

### Products and services

Compliance with policy changes that create a carbon tax, fee, emissions trading scheme or GHG reductions could significantly increase product costs for consumers and reduce demand for natural gas- and oil-derived products. Demand could also be eroded by conservation plans and efforts undertaken in response to global climate-related risk, including plans developed in connection with the Paris Agreement. Many governments also provide, or may in the future provide, tax advantages and other subsidies to support the use and development of alternative energy technologies that could impact demand for our products. However, there are also opportunities associated with increased demand for lower-carbon energy sources such as natural gas to displace coal in power generation and in combination with carbon capture and storage in the production of hydrogen for industrial use. More information about these opportunities is included in the [LNG](#) and [Low Carbon Opportunities](#) sections of our website.

### Supply chain

We collaborate and innovate with industry groups, peers and suppliers to integrate sustainability into our supply chain strategies.

We engage with suppliers on the environmental and social aspects of their operations throughout the procurement process. This includes communicating our expectations and priorities and identifying opportunities for improvement and collaboration related to climate issues, including GHG management and environmental supply chain risks.

Supplier's Scope 1 and Scope 2 emissions are a category of our Scope 3 emissions. We have ongoing engagements with major suppliers to seek alignment of their GHG emissions goals with our plans for the energy transition. We also utilize a questionnaire in key bids that includes questions on sustainability and in 2023 we began incorporating an assessment of their emissions reduction efforts into targeted bids.

In 2023, we enhanced our Scope 3 Supplier Emissions Strategy<sup>6</sup> to reflect how we can most effectively manage climate risks and opportunities within our value chain. Our strategy includes the following elements:

- Identifying suppliers with high relative impact on Scope 3 upstream supplier emissions.
- Promoting alignment of suppliers' GHG targets with our net-zero ambition.
- Building a governance framework for supplier sustainability to include Scope 3 supplier emissions.
- Annually reviewing our [Supplier Expectations](#) and updating when applicable to add to expectations associated with climate, nature, responsible use of resources and human rights.
- Collaborating with suppliers in conjunction with industry partners like API and Ipieca to align on disclosure frameworks and systems for collecting and reporting supplier emissions.

<sup>6</sup> Upstream Scope 3 emissions covered under the strategy include Category 1, purchased goods and services and Category 2, capital goods.

In support of our strategy, key 2023 achievements include:

- Issuing a supplier emissions questionnaire to suppliers representing ~50% of our global spend to communicate our priorities, understand the priorities of our suppliers, and to promote and engage in two-way learning opportunities.
- Continuing to highlight climate and sustainability expectations for our suppliers through our annual Supplier Sustainability Forum.

We continue to monitor climate-related risks and believe that maintaining a global network of suppliers will mitigate physical climate-related risks. [Read more](#) about our supply chain sustainability efforts.

### Commercial

Our Commercial organization has frequently consulted and provided ad hoc support for ConocoPhillips sustainability initiatives and is now developing a strategy to more consistently and proactively:

- Support emissions reduction and other environmental initiatives.
- Work with midstream and commercial partners to align on the ambition for net-zero.
- Reduce GHG emissions along the value chain.

Early work and near-term plans include:

- Evaluating the potential to deliver differentiated products (e.g., natural gas, LNG, crude oil, and natural gas liquids) including a refresh of a previous consideration of Certified Natural Gas. This includes:
  - Focusing on methane emissions reduction, measurement and verification.
  - Engaging key certifiers to understand gaps between company plans and evolving certification requirements.
  - Engaging gathering, processing, and transport vendors to understand value chain emissions.
  - Evaluating participation in the differentiated gas market.
  - Monitoring regulatory and voluntary initiatives for requirements related to natural gas and LNG markets.

- Developing a Cross-Commodity Commercial Sustainability Engagement Plan to:
  - Identify potential partners for electrification efforts, low carbon projects, midstream projects and emissions protocols.
  - Find allies in advocacy efforts.
  - Influence processing and transport vendors to improve environmental performance.

### Operations

While our business operations are designed and operated to accommodate a range of potential climate conditions, significant changes, such as more frequent severe weather in the markets we serve or the areas where our assets are located, could cause increased expenses and impact to our operations. The costs associated with interrupted operations will depend on the duration and severity of any physical event and the damage and remedial work to be carried out. Financial implications could include business interruption, damage or loss of production uptime and delayed access to resources and markets. For example, a three-day shutdown of all U.S. Gulf Coast production would result in approximately 700 MBOE of lost production.<sup>7</sup> It is unlikely all our Gulf Coast area production would be affected, as our operations are located across a wide span of the coast including inland and offshore assets.

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<sup>7</sup> Based on L48 Eagle Ford and Gulf Coast production.

## Adaptation

Business-resiliency planning is a process that helps us prepare to mitigate potential physical risks of a changing climate in a cost-effective manner.

### Canada

The Montney development team made a concerted effort to situate pads within existing cut blocks where timber has been cleared to minimize the risk from increased wildfire activity. Similarly, in response to previous years' increased wildfire activity in Alberta, our Surmont team undertook forest fuel reductions near critical infrastructure and completed a Fire Smart hazard assessment to identify additional corrective actions to further reduce risks to critical infrastructure. At a landscape level, we are implementing an integrated land management plan with a local forest company to strategically reduce forest fuel loading in areas of future infrastructure development. We have also developed an automated active wildfire early warning system around both assets to identify active fires as a forewarning measure to keep people and infrastructure safe.

In addition to mitigating fire risk, the Canada BU has addressed increased surface water flow from high-frequency and short-duration storm events in Surmont with increased on-site training for managing the movement of water from well pads and central processing facilities. We have also implemented recommendations from an industry study on bioengineering techniques, such as live willow silt fences to mitigate erosion and sedimentation issues during intense rainfall events. This proactive surface water management is critical in preventing on-site erosion from damaging critical infrastructure. In the Montney region, we monitor streamflow at the Halfway River, which acts as a signal for potential upcoming low-flow conditions in winter so appropriate mitigation measures can be enacted. Seasonal learnings like this inform streamflow prediction exercises and future development. We have also proactively assessed infrastructure design risks to account for a potential increase in high-frequency, short-duration storm events and are piloting the same bioengineering sediment control techniques as Surmont.

### Australia

In 2021, our Australia BU conducted climate water catchment-level modelling to inform a drought risk assessment to determine future impacts to water supply. Results showed that long-term evaporation and long-term and severe drought duration are projected to increase over the next 30 years in the local area. To mitigate this potential risk, both ConocoPhillips and the local water authority are investigating supplementary water supplies from alternate sources. We will use results from this, and future updates to the risk assessment, to plan for water availability in future operations as we adapt our practices to a changing climate.

### Alaska

Climate change is also considered during new project design. In 2020 in our Alaska BU, we updated our foundational design specification to increase the embedment depths for vertical support members and piles to align with predicted soil temperature trends. This revision updated the specification based on permafrost temperature trends and geothermal modeling predictions from 2020 through 2070. Use of the foundational design specification continues to date and will be revised as needed in the future. Additionally, long-term permafrost thermistors were installed in the Willow project area in 2024. Data will be used to evaluate permafrost temperatures near the surface, and data will be incorporated into engineering models and construction best practices.



## Strategic planning

A robust and flexible corporate strategy is key to addressing climate-related risks and navigating the energy transition. Some key climate-related components of an exploration and production company’s strategy are portfolio management, including portfolio resilience and diversification, focus on low cost of supply and capital allocation, carbon pricing, and investment in new technology through research and development.

## Acquisitions and divestments

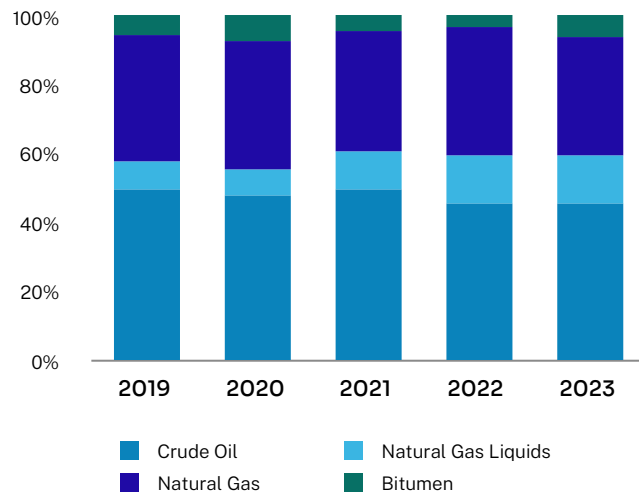
Business development decisions consider possible financial, operational and sustainability impacts to our portfolio. In our long-range planning process, we run sensitivities on our GHG emissions intensity based on possible acquisitions, divestments and project decisions. We focus on cost of supply to account for lower and more volatile product prices and possible introduction of carbon taxes.

## Resilient portfolio

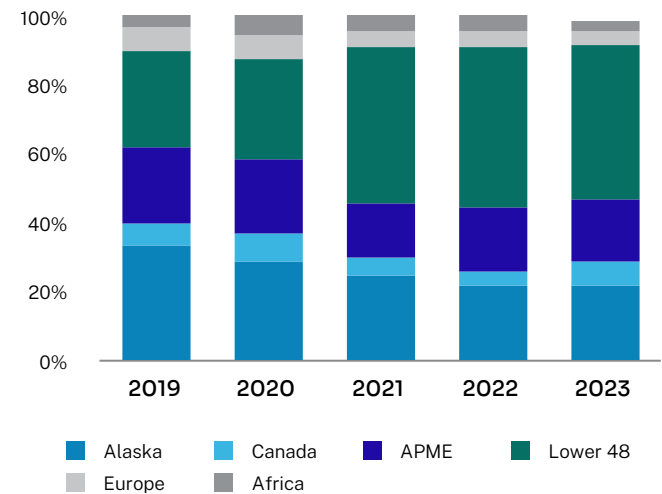
Our ability to address climate-related risks and meet transition pathway demand will depend on our ability to deliver competitive returns on and of capital. Our sector-leading approach focuses on the cost of supply of our portfolio, committing to balance sheet strength and moderating growth by holding to disciplined reinvestment rates.

Oil and natural gas are projected to remain essential parts of the energy supply mix in coming decades across a broad range of transition scenarios. We intend to maintain our key market role through remaining competitive and resilient to transition-related risks in any scenario by providing low-cost, low-GHG intensity production by asset type with continuously improving sustainability performance.

**PERCENT OF PROVED RESERVES BY HYDROCARBON TYPE**



**PERCENT OF PROVED RESERVES BY REGION**



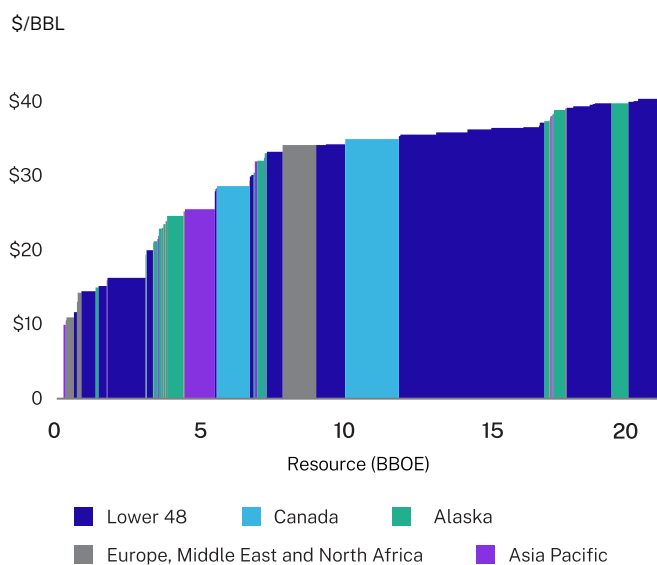
## Portfolio diversification

The mix and location of the resources in our portfolio provide flexibility and adaptability as we monitor scenarios and global trends. Our short-cycle shale project times and capital flexibility enable us to redirect capital to the most competitive basins. Our extensive low cost of supply resource base allows us to divest higher cost assets to high-grade our portfolio as our strategy evolves. This applies to both hydrocarbon mix and geographic region. If policy in a country or region significantly impacts cost of supply, we can shift capital to other opportunities.

One example of portfolio diversification is the significant expansion of our LNG portfolio in recent years through our increased interest in APLNG and participation in joint ventures with QatarEnergy. These projects have a low cost of supply and low GHG emissions intensity on a life cycle basis and align with our view that LNG is expected to play an increasingly important role in helping meet energy transition pathway demand, with its lower GHG intensity compared to burning coal for power generation.

ConocoPhillips has long been a participant in the LNG business, utilizing our commercial capabilities to develop and supply markets. We believe that U.S. LNG is well placed to provide lower emissions intensity, reliable energy to European and Asian markets. Our investment in the U.S. Gulf Coast Port Arthur LNG project also allows for optionality for future offtake from expansion trains and access to excess cargos from equity investments. [Read more](#) about these projects in the LNG section.

## WTI COST OF SUPPLY



Portfolio resource and cost of supply as of 2023 Analyst and Investor Meeting. Does not reflect 100% ownership of Surmont.

## Cost of supply and capital allocation

Cost of supply is the West Texas Intermediate (WTI) equivalent price that would generate a 10% after-tax return on a point-forward and fully burdened basis. In our definition, cost of supply is fully burdened with capital investment, foreign exchange, price-related inflation, G&A and carbon tax (if currently assessed). If no carbon tax exists for the asset, carbon pricing aligned with internal energy scenarios is applied. Cost of supply is the primary metric that we use for capital allocation, and it has the advantage of being independent of price forecasts.

Providing low cost of supply also addresses a key component of a just transition — reliable and affordable energy supply.

The cost of supply of our resource base supports our assertion that resources with the lowest cost of supply are most likely to be developed in scenarios with lower demand, such as the IEA’s Net Zero Emissions scenario. As shared during our 2023 Analyst & Investor Meeting, we have a resource base of ~20 billion barrels of oil equivalent with a cost of supply of \$40 per barrel (or lower) and an average of \$32 per barrel.

To assist our capital allocation decisions, we test our current portfolio of assets and investment opportunities against future possibilities and identify strengths and weaknesses that may exist. As a result of our strategy and scenario work, we have focused capital on resources with low cost of supply, exiting deep water and high emissions intensity gas fields while increasing our investments in unconventional oil projects.

In recent years we have high-graded our portfolio and applied stringent capital allocation criteria that direct investments to resources that will best match transition demand. We are equally focused on developing assets that have a low cost of supply and low GHG intensity, as these are most likely to compete in any future energy transition

### OIL PRICES BY IEA SCENARIO<sup>1</sup>

\$/BBL

	STATED POLICIES <sup>2</sup>	ANNOUNCED PLEDGES <sup>3</sup>	NET ZERO EMISSIONS <sup>4</sup>
Temperature Outcome (°C)	2.5	1.7	1.5
USD 2023 Real Terms in 2030	89	77	44
USD 2023 Real Terms in 2040	87	71	No data
USD 2023 Real Terms in 2050	86	62	26

<sup>1</sup> 2022 IEA prices inflated to 2023 dollars to enable direct comparison with cost of supply figures.

<sup>2</sup> Stated Policies Scenario: No new policies.

<sup>3</sup> Announced Pledges Scenario: Net-Zero pledges.

<sup>4</sup> Net Zero Emissions by 2050 Scenario.

### GHG EMISSIONS INTENSITY OF GROSS OPERATED PRODUCTION

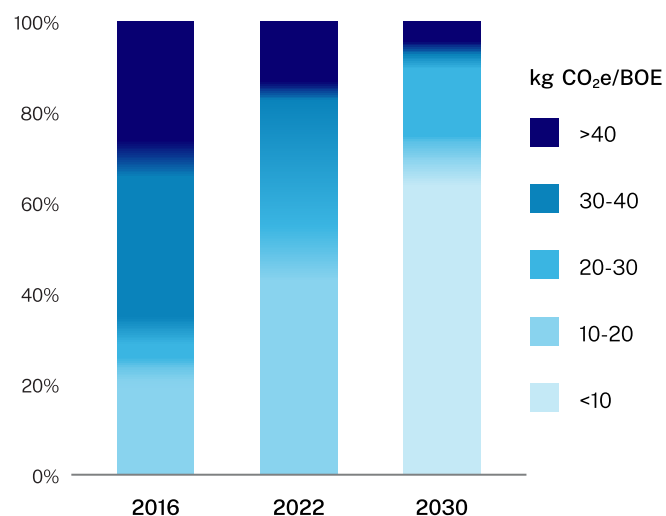


Chart shows gross operated production as a percentage of the company portfolio arranged by GHG intensity. 2030 data is estimated from forecasts current as of August 2023 and are subject to change.

pathway with each asset type contributing to its unique market (e.g., unconvensionals, LNG, oil sands). Based on our current forecasts, our GHG intensity will improve over time and assets with less than 10 kg CO<sub>2</sub>e/BOE are projected to represent a larger portion of our portfolio by 2030. In addition, the cost of supply of our portfolio performs competitively against expected commodity prices across a range of future scenarios.

In 2023, we announced completion of the purchase of the remaining 50% interest in our Surmont asset. As a long-life, low sustaining capital asset, Surmont plays an important role in our diverse low cost of supply portfolio. The asset has competitive operating margins and remains compatible with meeting our 2030 GHG emissions intensity target. We have plans for future operational emissions reduction by applying both current and new technology. While Surmont is an emissions intensive asset, ConocoPhillips is also a member of the Pathways Alliance, working on reducing emissions using CCS from oil sands operations.

## Carbon price

We use assumptions of carbon pricing to navigate GHG regulations, drive culture shift, encourage energy efficiency and low-carbon investment, and stress test investments. In 2023, the company used a range of estimated future costs of GHG emissions for internal planning purposes, including an estimate of \$60 per tonne CO<sub>2</sub>e as a sensitivity to evaluate certain future projects and opportunities. The base case for project approval economics and planning includes either the forecast of existing carbon pricing regulations or our current probability-weighted energy transition scenario for that jurisdiction, depending on which is higher. Where there is no carbon price regulation, we use the current transition scenario for that jurisdiction. We also run two sensitivities:

- With only existing carbon pricing regulations, to reflect near-term cash more accurately.
- With a sensitivity of \$60 per tonne CO<sub>2</sub>e to act as a stress test to reduce the risk of stranded assets should climate regulation accelerate.

This ensures that both existing and emerging regulatory requirements are considered in our planning and decision making.

In addition to the use of carbon pricing in planning and project economics, we use it in impairment testing, cost of supply calculations, and reserve calculations.

- **Impairment testing:** BUS' LRP submissions are the basis for the assumptions used in our impairment testing model for both operated and non-operated assets aligned with the higher of existing regulations or the carbon pricing assumptions used in the current energy scenario.
- **Cost of supply:** On appraised resource volumes in our cost of supply model and LRP, we assume the higher of the carbon prices from existing regulations or those implied by the current scenario where applicable.
- **Reserve calculations:** In accordance with SEC guidelines, the company does not use an estimated market cost of GHG emissions when assessing reserves in jurisdictions without existing GHG regulations. In jurisdictions where GHG regulations exist we base carbon prices on market actuals. In cases where existing carbon prices are not based on the market but are preset by a regulatory body, we use the pre-published prices (e.g., Alberta).

Cost of compliance with carbon legislation may be found in [Form 10-K](#).

## INVESTMENTS TO REDUCE GHG EMISSIONS

TECHNOLOGY AREA	STAGE OF DEVELOPMENT	CUMULATIVE INVESTMENT 2018-2023
<b>Energy efficiency</b>	Applied research and development	\$6 million
	Pilot demonstration	\$71 million
	Small-scale commercial deployment	\$10 million
	Large-scale commercial deployment	\$287 million
<b>Methane detection and reduction</b>	Applied research and development	\$4 million
	Pilot demonstration	\$2 million
	Small-scale commercial deployment	\$29 million
	Large-scale commercial deployment	\$107 million
<b>Other emissions reductions</b>	Applied research and development	\$20 million
	Pilot demonstration	\$10 million
	Small-scale commercial deployment	\$35 million
	Large-scale commercial deployment	\$166 million

## Research and development

Technology will play a major role in addressing GHG emissions, whether through reducing emissions or lowering the energy intensity of our operations or value chain. As discussed in our [External Collaboration and Engagement](#) and [Public Policy](#) sections, we participate in a number of research and industry initiatives, two of which are the Natural Gas Initiative and Pathways Alliance Inc. The Natural Gas Initiative is a program led by Stanford University researchers with participation from industry, government, intergovernmental organizations and foundations. The initiative aims to increase public access to information about the accuracy of methane detection and quantification technologies.

In 2021, ConocoPhillips joined the Oil Sands Pathways to Net-Zero Alliance (now Pathways Alliance Inc., “Alliance”), which includes Canadian Natural Resources, Cenovus Energy, Imperial, MEG Energy and Suncor Energy. Together this group represents the companies operating approximately 95% of Canada’s oil sands production. The ambition of the Alliance is to progress toward reducing Scope 1 and Scope 2 GHG emissions from oil sands operations to help Canada meet its climate goals with the use of CCS. ConocoPhillips is partnering with governments and the founding members of the Alliance to accelerate emissions reduction efforts. Financial support, regulatory approvals and advances in technology are critical to advancing this ambition.

Another way we support technology development is through our annual [MACC process](#), which identifies and prioritizes our emissions reduction opportunities from operations based on the project’s breakeven cost of carbon (\$ per tonne CO<sub>2</sub>e reduced). This data helps identify projects that might become viable in the future through further research, development and deployment. As a result of this work, we have focused our near-term technology investments on reducing both costs and emissions where feasible.

Through the MACC process, since 2018 we have spent approximately \$750 million on research and development, equipment, products and services and projects to reduce our GHG emissions.

## Financial planning

We take climate-related issues into account in our financial planning in several ways. We focus on the fundamental characteristics that drive competitive advantage in a commodity business — a low sustaining price, low cost of supply, low capital intensity that drive free cash flow, capital flexibility and a strong balance sheet. We have aligned a description of the potential impacts on financial planning with the recommendations of the TCFD and included additional descriptions of strategic measures we take to mitigate impacts.

## Commodity prices

In the short-to-medium term, we use a range of commodity prices derived from our scenario work. In the longer term our scenarios provide insight into the possibilities for future supply, demand and price of key commodities. This helps us understand a range of risks around commodity prices, and the potential price risk associated with various GHG reduction scenarios. History has shown an interdependency between commodity prices and operating and capital costs. In the past, lower commodity prices have driven down operating and capital costs, whereas the opposite has been true when commodity prices have risen.

## Capital expenditures and operating costs

New or changing climate-related policy can impact our costs, demand for fossil fuels, the cost and availability of capital and exposure to litigation. The long-term impact on our financial performance, either positive or negative, will depend on several factors, including:

- Extent and timing of policy.
- Implementation details such as cap-and-trade or an emissions tax or fee system.
- Supply and demand-side renewable fuels or energy efficiency mandates.
- GHG reductions required.
- Level of carbon price.
- Price, availability and allowability of offsets.
- Amount and allocation of allowances.
- Technological and scientific developments leading to new products or services.
- Potential physical climate effects, such as increased severe weather events, changes in sea levels and changes in temperature.
- Extent to which increased compliance costs are reflected in the prices of our products and services.

The long-term financial impact from GHG regulations is impossible to predict accurately, but we expect the geographical reach of regulations and their associated

costs to increase over time. We model such increases and test our portfolio in our long-term transition scenarios.

Our strategy is also made more robust by discipline in capital and average production costs per BOE. When oil prices fluctuate, we are able to respond with changes to short and long-term planning, as well as more cost-effective and efficient operations.

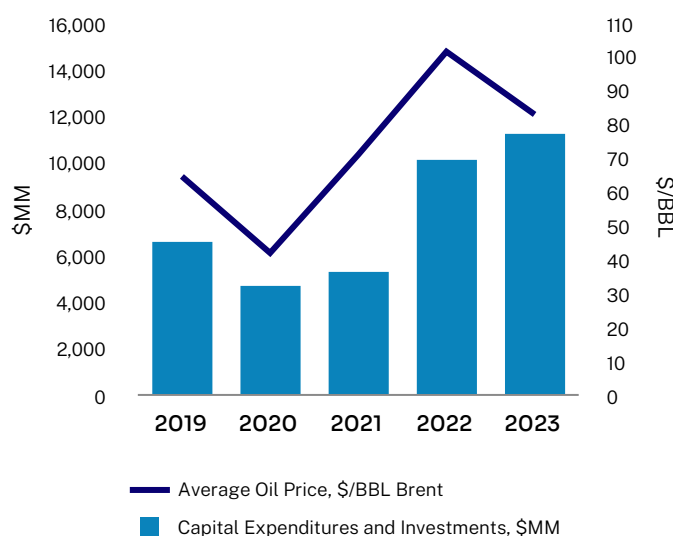
## Reputation and access to capital

In addition to considering cost of supply, portfolio resilience and cost of carbon, we also strive to compete more effectively by earning the confidence and trust of the communities in which we operate, as well as our equity and debt holders. We consider how our relative environmental, social and governance performance could affect our standing with investors and the financial sector, including banks and credit-rating agencies. An important priority in our corporate strategy has been remaining committed to our strong balance sheet that is resilient through commodity prices.

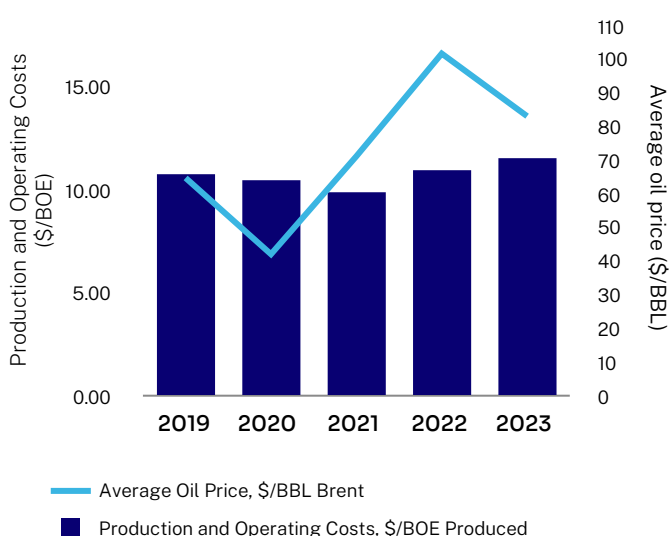
## Financial position

Material information related to our financial position, including material climate-related matters, is disclosed in our most recently filed [periodic report on Form 10-K](#) and subsequent filings on Form 10-Q. Discussion of material climate-related factors includes, but is not limited to, disclosures under the heading “Risk Factors” and within the section “Contingencies – Company Response to Climate-Related Risks.”

### CAPITAL EXPENDITURES<sup>1</sup>



### PRODUCTION AND OPERATING COSTS<sup>2</sup>



<sup>1</sup> Data includes acquisition and other capital.

<sup>2</sup> Production and operating costs are not adjusted for special items.

## Risk management

We utilize an integrated management system approach to identify, assess, characterize and manage climate-related risks. This system links to the enterprise risk management (ERM) process, which includes an annual risk review by the ELT and the board of directors.

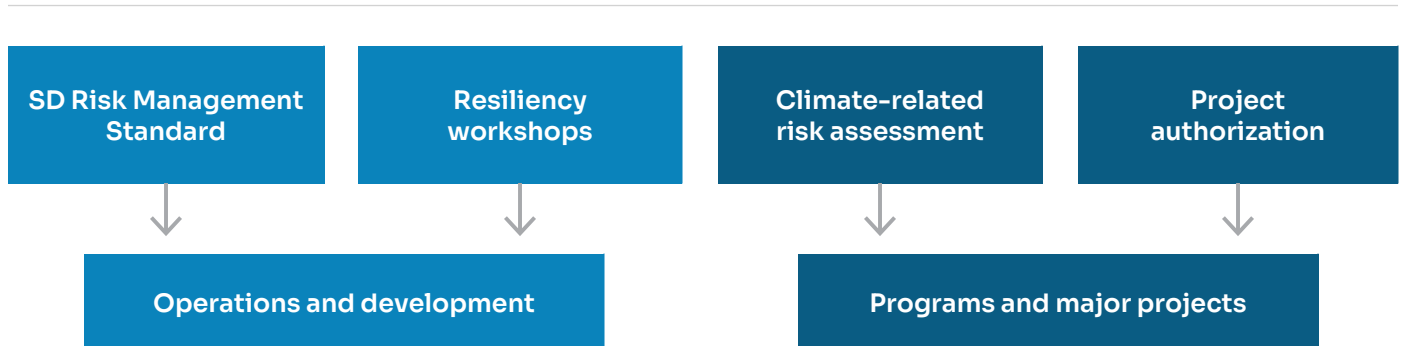
### Assessing climate-related risks

The diagram below illustrates how we assess climate-related physical and transition risks for operations, developments and new major projects.

To understand long-term risk and mitigation options, we utilize four scenarios as described in the [Scenario Planning at ConocoPhillips section](#). This scenario approach helps us evaluate distinct outcomes related to the potential timing and intensity of government climate change policy development, the pace of alternative energy technology development and trends in consumer behavior.

This information is then used to shape our analysis and consideration of various outcomes for policy, technology and market risk.

We periodically review emerging climate-related risks with our ELT as part of our scenario monitoring system, managed by our Chief Economist’s Office. A cross-functional team enters events into a centralized database that is reviewed regularly for indications that risks are changing or developing. We use this “early warning” system to inform our strategies in a timely manner so that we can identify and implement effective mitigation measures. The scenario monitoring system helps us understand the pace and direction of the energy transition. For example, if regulations and technology were moving more quickly than in our scenarios, this would indicate that we might be moving to a 1.5-degree scenario similar to the range identified in the IPCC “1.5 degree” report, and we would evaluate an appropriate business response. In our resiliency workshops, we use externally produced scenarios that describe the range of possible future physical risk.



## SD Risk Management Standard annual assessment

As part of the annual risk management process mandated by our SD Risk Management Standard, we examine operated assets and major projects against the physical, social and political settings of our operations. Subject matter experts in each BU and project identify and describe climate-related risks.

Each risk is then assessed using a matrix that evaluates both its likelihood and consequence. Risks rated significant or high are included in the corporate SD Risk Register. In evaluating the consequence level, we consider potential impacts on employee and public safety, sociocultural and economic impacts to stakeholders, environmental impact, and reputational and financial implications.

As part of the process, we examine the interdependence of risks and work to identify emerging risks such as new regulatory requirements and emerging GHG pricing regimes.

## Resiliency planning workshops

We facilitate resiliency planning workshops within business units to identify and assess the risks and opportunities associated with the physical impacts of changing climate and the potential technology and solutions to mitigate risks and leverage opportunities. These workshops are conducted on a periodic basis aligned with our Capital Projects Management System approval process to ensure that our operations have access to up-to-date science provided by qualified consultants to inform their engineering and infrastructure decisions.

## Climate-related risk assessment

A climate-related risk assessment is conducted on any future project development that costs more than \$50 million net and is expected to emit more than 25,000 tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) net to ConocoPhillips during any year of its operational lifespan. This assessment is mandatory for investment approval in our project authorization process.

Project teams for qualifying projects are required to assess the potential risks and opportunities associated with GHG emissions, GHG regulation and a physically changing climate based on local jurisdictions and geographies as opposed to relying solely on our corporate scenarios. The climate risk assessment guidelines provide a framework for project teams to:

- Forecast operational GHG emissions for the life of the project.
- Evaluate climate-related risks and opportunities, including physical and transition risks that apply to the project.
- Make decisions on GHG emissions control in project design, including energy efficiency solutions, power source selection, emissions management, carbon capture and storage/utilization, and external compliance options such as the purchase or origination of GHG offsets.
- Evaluate the potential cost of GHG emissions in project economics.

We assess climate-related risks early in the project engineering stage to better inform our investment decisions and facility design. The ConocoPhillips Health, Safety and Environment (HSE) and Social Issues Due Diligence Standard also provides further guidance on accounting for sustainable development issues for new acquisitions, new business ventures, joint ventures and property transactions. Further, our corporate authorization process requires all qualifying projects to include carbon pricing in their project approval economics. See the [Carbon price](#) section for more information.



## Managing climate-related risks

Our climate-related risk management process is designed to drive appropriate action for adapting to a range of possible future scenarios. Through integrated planning and decision making, we develop mitigation plans for climate-related risk, track performance against our goals and adjust our plans as we learn and conditions evolve.

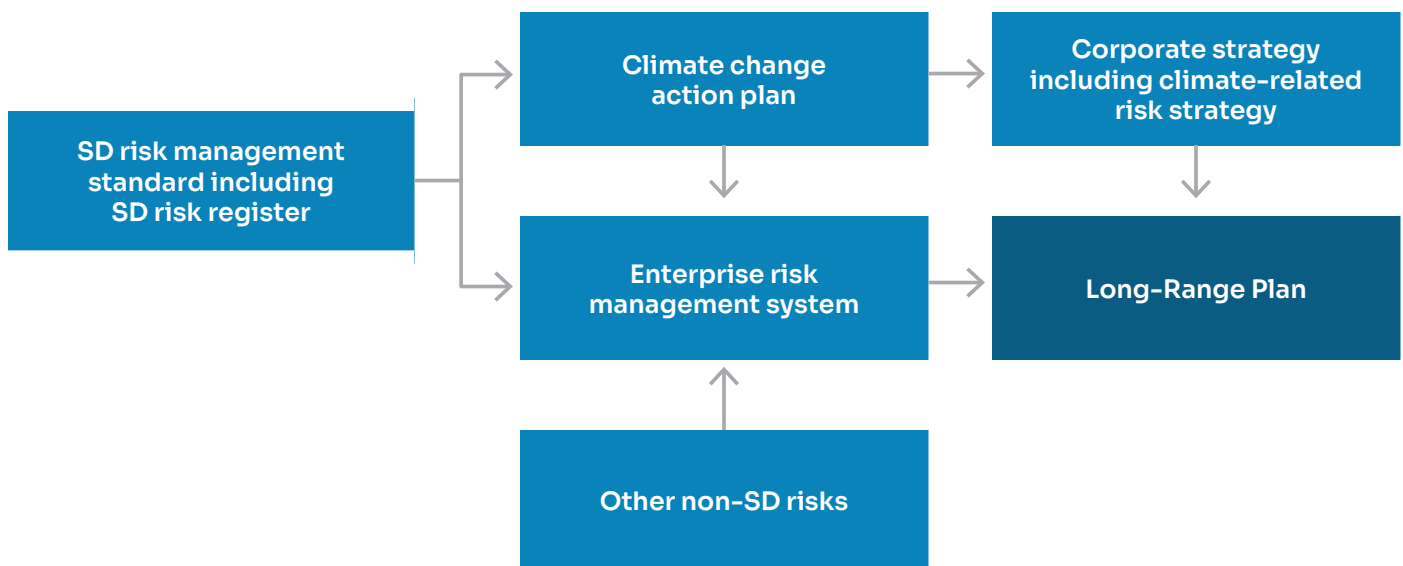
Local risks and opportunities related to our operations and projects are assessed and managed at the BU level, enabling tailored business goals to address the challenges and opportunities unique to each region’s operations. Reporting and overarching climate-related risks, such as GHG target setting and prioritization of global emissions-abatement projects, are managed at the corporate level.

The diagram below shows a simplified process flow of our climate-related risk management process.

Further, the ConocoPhillips LRP provides the data that underlies our corporate strategy and enables us to test our portfolio of projects against our climate-related risk scenarios, and thus make better-informed strategic decisions.

We are integrating climate-related risks into our corporate strategy and LRP resulting in outcomes and activities such as:

- Reducing the sustaining price of the company – the equivalent WTI price at which cash provided by operating activities covers our ordinary dividend and capital expenditures that sustain our production at current levels.
- Lowering the cost of supply to manage market risk and improve returns.
- Maintaining a diversified portfolio of projects and opportunities to mitigate geographical and geological risks.
- Diversifying our portfolio to include assets with lower decline rates and low capital intensity to drive higher free cash flow yields.
- Developing technologies that reduce both costs and emissions.
- Pursuing competitive opportunities in LNG, CCS and hydrogen.
- Monitoring alternative energy technologies.



## Integrating climate-related risks into ERM

Climate-related risks from the corporate SD Risk Register are mapped to key categories in the ERM process.

Descriptions of these risks and mitigation measures from the [Climate Change Action Plan](#) are shared with ERM risk owners to inform their assessments of risk ranking, corporate actions and mitigations. Each risk owner evaluates and prioritizes risks in their area based on likelihood and consequences, thereby determining the relative significance of climate-related risks in relation to other enterprise risks.

The ERM process is a direct input into our strategic planning process. By identifying major cross-cutting risks and trends, we closely link action plan efforts to key performance issues and address and mitigate identified risks. The board reviews the ERM system and mitigation actions at least annually.

Required regulatory disclosures on financial reporting and information deemed material and useful for investor decision making are presented in our filings with the [Securities and Exchange Commission \(SEC\) filings](#).

### SD risk management process

The SD risk management process ensures that a Climate Change Action Plan is developed to track mitigation activities for each climate-related risk included in the corporate SD Risk Register. This plan includes details about our commitments, related responsibilities, resources and milestones.

As part of annual updates to the register, we evaluate the action plan and its effectiveness and make decisions to continue mitigation measures, add new measures or simply monitor the risk for further developments. The table below lists our key SD risk management streams, their scope and purpose.

[Read more](#) about our SD Risk Register and Climate Change Action Plan.

SD RISK MANAGEMENT STREAMS	SCOPE	DESCRIPTION
Corporate strategy	Corporate/portfolio	Defines the company's direction for exploration and development, including portfolio, capital allocation and cost structure.
Climate Risk Strategy	Corporate/portfolio	Identifies options to reduce and mitigate climate-related risks as policies, markets and technologies develop over time.
GHG emissions intensity target	Business units and qualifying projects	Drives actions, reviews and management of future policy and market risk.
Long-Range Plan	Corporate/portfolio	Forecasts key data for our corporate strategy covering our proposed portfolio development and performance, including production, costs, cash flows and emissions.
Marginal abatement cost curve (MACC)	Business units	Prioritizes and designates GHG emissions reduction projects across our business units based on cost and emissions abated.
SD risk management process	Corporate, business units and qualifying projects	Records all SD-related risks that are prioritized as significant and high in the SD Risk Register to ensure that the mitigation progress is reported and issues are managed effectively.
Climate Change Action Plan	Corporate, business units and qualifying projects	Records mitigation actions, milestones and progress in managing climate-related risks from the SD Risk Register.

## Performance metrics and targets

In 2020, we adopted a climate-related risk framework with an ambition to reduce our operational GHG emissions to net-zero by 2050. To that end, we calculate key metrics and use targets to estimate and monitor our performance and progress in managing climate-related risks and opportunities in line with our strategy and risk management process. These include:

- GHG emissions intensity target.
- Scope 1 and Scope 2 emissions.
- Metrics for methane, flaring and water.

We believe these metrics and targets are the most useful in managing climate-related risks and opportunities and monitoring performance. Our 2023 emissions increased compared to 2022 (on a gross operated basis) due to the integration of methane emissions data improvements,<sup>8</sup> including updated pneumatic equipment inventories and classification, as well as the expansion of flare downtime monitoring:

- Scope 1 and Scope 2 GHG emissions intensity increased to 25.3 kg CO<sub>2</sub>e/BOE.
- Methane intensity increased to 4.8 kg CO<sub>2</sub>e/BOE.
- Flaring intensity increased to 31.8 MMCF/MMBOE (total flaring volume per total production).

Despite the increase in emissions in 2023, we are still on track to achieving our 2030 GHG intensity and methane emissions intensity reduction targets.

Our ambition for net-zero operational emissions by 2050 is set on an absolute emissions basis, while the rest of our target framework for near and medium-term targets is set on an intensity basis. Intensity targets better apply to the E&P sector's dynamic business environment where plans, technology, prices, industry structure and costs all change rapidly. Intensity targets are more durable and allow a company to change its plans to maintain a competitive portfolio without also having to repeatedly reset targets.

We have committed to near, medium and long-term targets for reducing operational (Scope 1 and Scope 2) emissions over which the company has ownership. Our targets are:

- Ambition to reach net-zero emissions for Scope 1 and Scope 2 emissions by 2050.
- Reduce GHG emissions intensity to 50-60% by 2030 on both a gross operated and net equity basis from a 2016 baseline.
- Achieve near-zero methane emissions intensity by 2030.
- Reduce methane emissions intensity by 10% by 2025 from a 2019 baseline.
- Achieve a target of zero routine flaring by the end of 2025, five years sooner than the World Bank initiative's goal of 2030.

Our targets inform internal emissions reduction efforts at the business unit level and support innovation on efficiency, emissions reduction, GHG regulatory risk mitigation and climate-related risk management throughout the life cycle of our assets.

Beyond 2030, many uncertainties influence our ability to set specific future commitments and progress toward our net-zero operational emissions ambition. Examples include:

- Pace of development of currently undeveloped technologies.
- Country-driven climate policy.
- Permitting and regulatory changes that may impair ability to execute current or future plans.
- Pricing, verifiability and availability of offsets; offset market developments.
- Potential revisions to emissions estimates and reduction goals as measurement technologies advance.
- Success and rate of return of nascent low carbon investments, technologies and markets.
- The size and composition of transition demand driven by the world's population and their per capita energy consumption.

<sup>8</sup> In support of our company reporting practices that are based on the data principles from the World Resources Institute Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Scenario modeling and analysis helps to identify key uncertainties to be managed. We also recognize that future government policy and regulatory efforts may supersede company net-zero targets as governments set and refine their own Nationally Determined Contributions. As such, we recognize that our pathway and targets may not be the same as other companies due to differences in asset mix, geographies, risks and opportunities.

All data presented herein is from January 1 to December 31, 2023. Footnotes to our performance metrics outline the scope and methodologies of our data reporting. The minimum boundary for reporting on environmental priorities is the assets we operate. Current and updated targets and ambitions are outlined in near, medium and long-term timeframes, followed by examples of emissions reduction projects in our business units. Our progress to date has not included the use of voluntary offsets.

[Read more](#) about the principles surrounding our approach to target setting.

### KEY CONTENT LINKS

Our [Performance Metrics](#) section provides the metrics included in this section in tabular format.

Our metrics are also linked to key frameworks such as [SASB](#), [GRI/Ipieca/UNGP](#) and [TCFD](#).

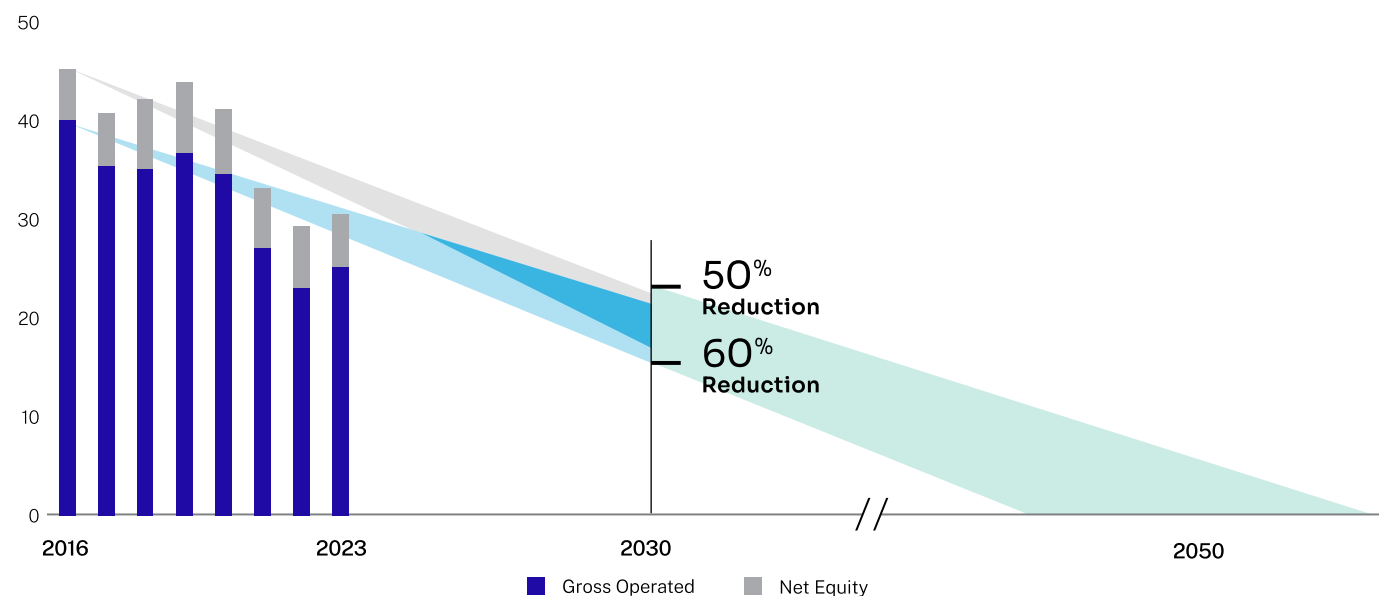
**SCOPE 1** – Direct GHG emissions from sources owned or controlled by ConocoPhillips.

**SCOPE 2** – GHG emissions from the generation of purchased electricity consumed by ConocoPhillips.

**SCOPE 3** – All other indirect GHG emissions as a result of ConocoPhillips’ activities, from sources not owned or controlled by the company, including emissions from the end use of oil and gas products by consumers.

## PATHWAY TO NET-ZERO<sup>1</sup>

Emissions Intensity (kg CO<sub>2</sub>e/BOE)



### Near-Term (2025)

- Zero routine flaring by end of 2025<sup>2</sup>

### Medium-Term (2030)

- Reduce GHG intensity 50-60% (from 40-50%)<sup>3</sup>
- Near-zero methane intensity target <1.5 kg CO<sub>2</sub>e/BOE

### Long-Term (2050)

- Net-zero emissions ambition<sup>1</sup>

<sup>1</sup> Scope 1 and 2 emissions on a gross operated and net equity basis.

<sup>2</sup> Achieving a target of zero routine flaring by end of 2025, five years sooner than the World Bank initiative goal of 2030.

<sup>3</sup> Reduction from a 2016 baseline.

# GHG emissions

## Performance

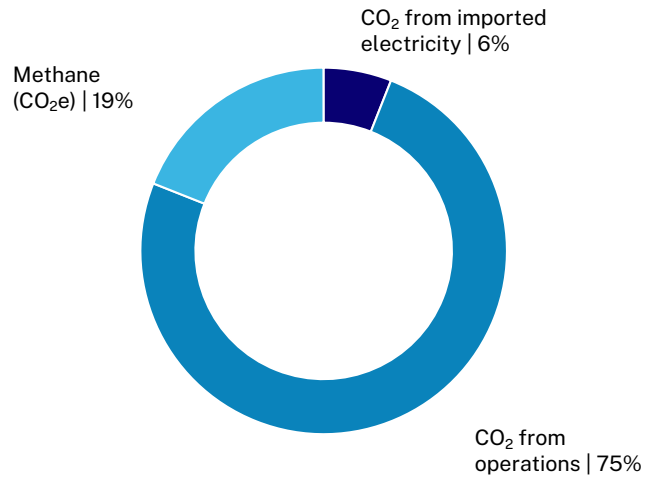
In 2023, our total gross operated GHG emissions were approximately 17.4 million tonnes, a 9% increase compared to 2022. Changes between 2022 and 2023 include:

- Data improvements for methane emissions:
  - Corrected pneumatic equipment counts and classifications.
  - Expanded flare downtime monitoring in the Bakken and Permian.
- Activity increases in Lower 48 and Canada.

These increases were partially offset by disposition of our Indonesia asset and decreased activity in Alaska, Norway, and Australia.

## TOTAL GROSS OPERATED GHG EMISSIONS

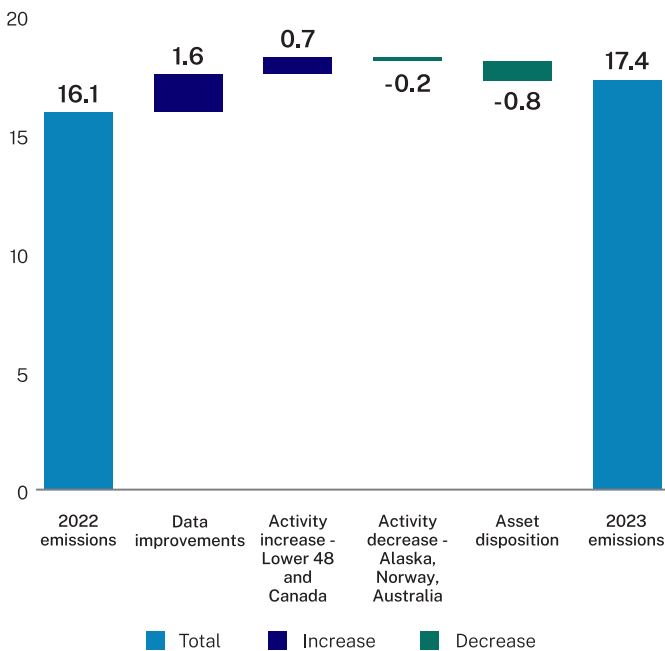
Percent of total company



N<sub>2</sub>O represents only about 0.1% of our gross operated emissions and is not included here.

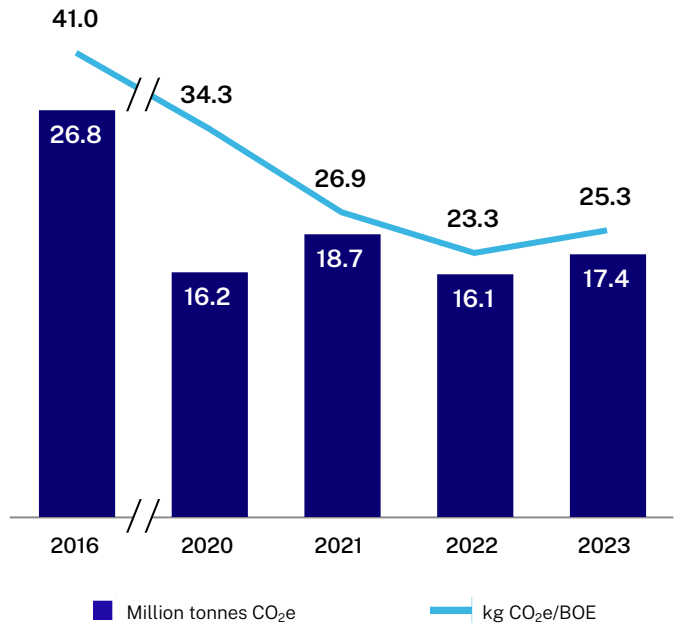
## GROSS OPERATED GHG EMISSIONS CHANGES

Million tonnes CO<sub>2</sub>e



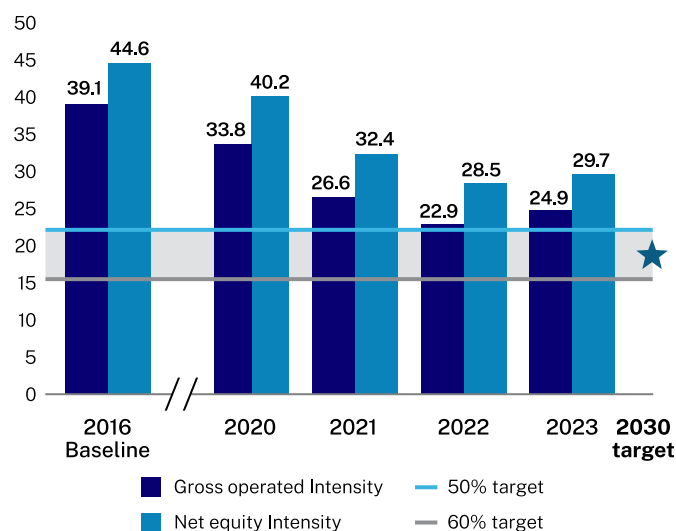
Data changes may not sum due to rounding.

## TOTAL GROSS OPERATED GHG EMISSIONS AND INTENSITY



## 2023 GHG EMISSIONS INTENSITY TARGET PROGRESS

kg CO<sub>2</sub>e/BOE



Target range is 50-60% reduction on both gross operated and net equity basis. Target range shown reflects 60% reduction on gross operated and 50% reduction on net equity basis.

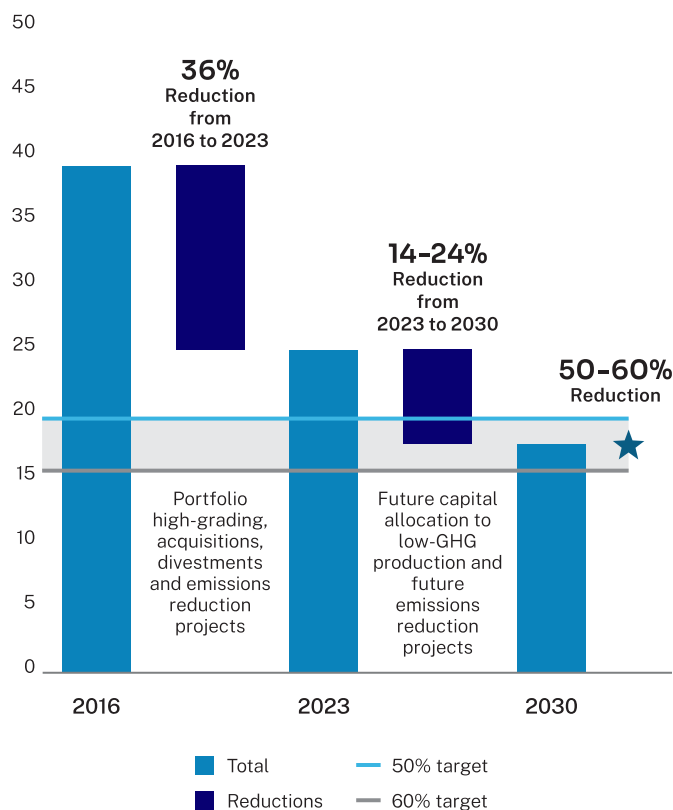
### Target progress

In April 2023, we strengthened our target to 50-60% reduction by 2030 from a 2016 baseline. The target covers Scope 1 and Scope 2 gross operated and net equity emissions. Our Scope 1 and Scope 2 GHG emissions and emissions intensity calculations directly measure our performance and help us understand climate-related risk. Lower intensity assets are more resilient to policy, legal, technology and market risk.

The company has already progressed toward meeting this target over the past several years. Between 2016 and 2023, we achieved a 36% intensity reduction on a target-related, gross operated basis through a combination of specific emissions reduction projects and portfolio changes. From 2024 to 2030, continued capital allocation actions are expected to have a combined impact of lowering GHG emissions intensity by roughly 14-24% as we increase production from assets with low intensity, such as those in the Permian Basin, and achieve reductions from near-term projects. Our progress to date has not included the use of voluntary offsets.

## GROSS OPERATED PATHWAY TO 50-60% INTENSITY REDUCTION TARGET

kg CO<sub>2</sub>e/BOE



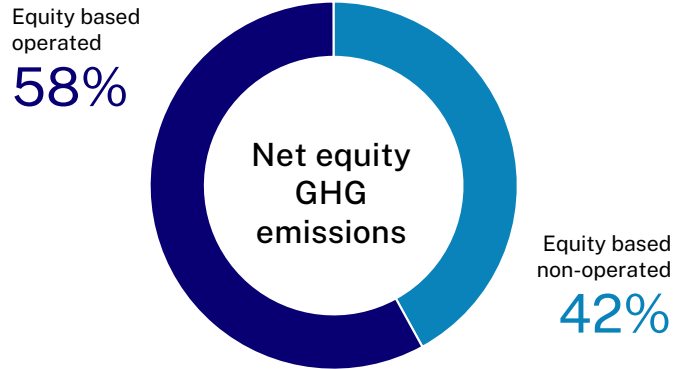
The target includes emissions that are related to production and excludes emissions from our aviation and polar tankers fleets. This may give rise to small differences between the intensity we report for our GHG target purposes and the intensity we report for our annual metrics. Since 2019, this difference has been less than 2%, or 1 kg CO<sub>2</sub>e/BOE.

## Net equity and non-operated emissions

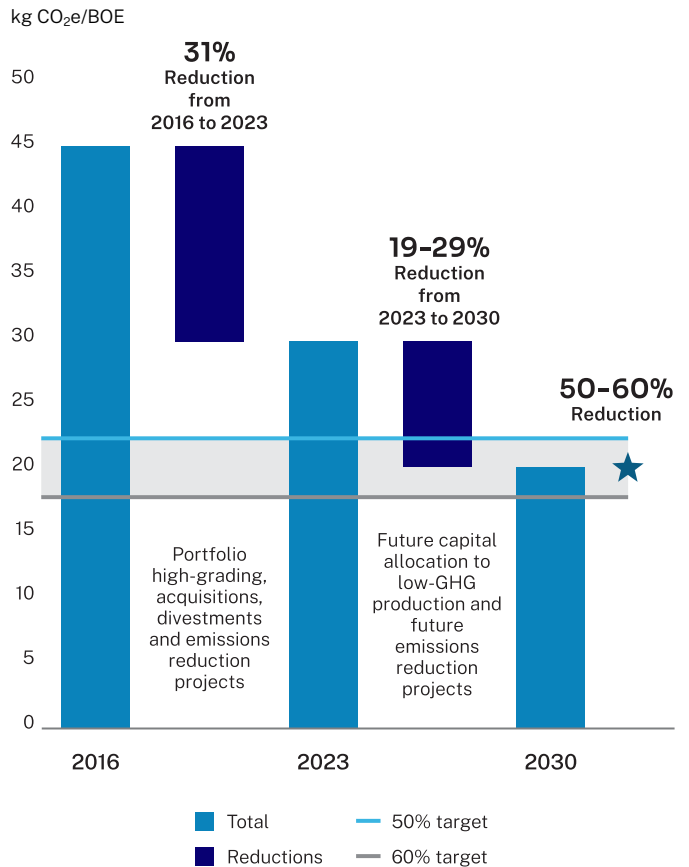
In addition to progress against our operational GHG emissions intensity target, we are also working toward reducing our net equity GHG emissions intensity. Our target-related net equity emissions were 9% higher in 2023 compared to 2022, at 19.8 million tonnes CO<sub>2</sub>e. This corresponds to a target-related net equity intensity of 29.7 kg CO<sub>2</sub>e/BOE. About 42% of our net equity emissions are from non-operated assets.

Because we approach our company’s net-zero ambition as a shared challenge, we look to influence our joint operating partners’ climate risk strategies and GHG targets and align our emissions reduction activity. We engage with our major operating partners to align on approaches to managing climate-related risk. This includes discussions with QatarEnergy and its operating company Qatargas for our LNG partnership in Qatar as well as Origin Energy for our APLNG business.

We also recently initiated an internal Non-Operated Asset Working Group to align on ways of working with non-operated partners, meet our company strategic objectives, and exchange knowledge on best practices and levels of engagement. These opportunities will deepen our understanding of non-operated partners’ operational directions and targets and allow us to engage with partners on specific emissions reduction initiatives and frameworks as a response to regulatory, social and stakeholder pressures.



### NET EQUITY PATHWAY TO 50-60% INTENSITY REDUCTION TARGET



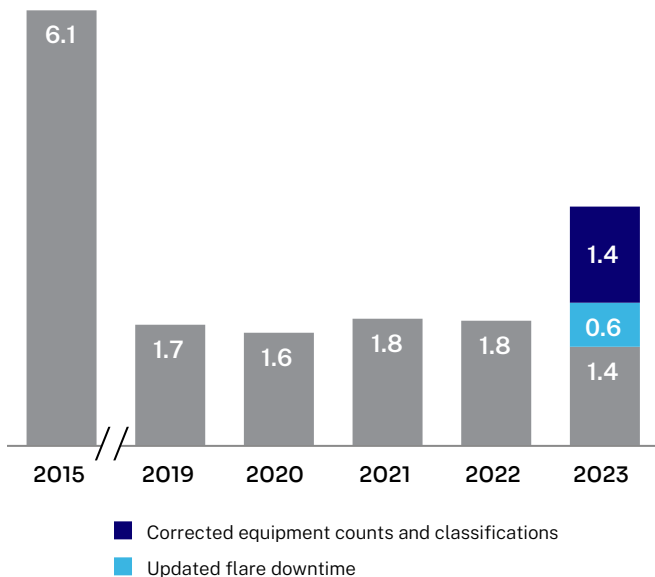
## Methane Performance

In 2023, estimated methane emissions totaled 3.3 million tonnes of CO<sub>2</sub>e and constituted approximately 19% of our total GHG emissions. While methane emissions increased compared to 2022, as of year-end 2023, we have achieved an approximate 50% methane emissions intensity reduction from 2015 with an intensity of 4.8 kg CO<sub>2</sub>e/BOE.<sup>9</sup>

The increase in estimated emissions between 2022 and 2023 can be attributed to improved data quality. Corrected equipment counts and classifications constitute the majority of this increase, represented in dark blue in the following chart. In addition, we are expanding flare downtime monitoring, further improving the accuracy of methane emissions estimation, represented in light blue in the following chart.

### TOTAL GROSS OPERATED METHANE EMISSIONS

Global Warming Potential = 25  
Million tonnes CO<sub>2</sub>e



Data changes may not sum due to rounding. 2023 pneumatics and flare breakout is based on Lower 48 only; all other reported numbers are at an enterprise level.

While these data quality changes ultimately increased the total emissions we report, they also signify our commitment to incorporating the best available information from our assets and the importance of transparency. Even with changes to data quality, our methane reduction strategy remains the same:

- Detect fugitive emissions events early.
- Evaluate and execute emissions reduction opportunities.
- Validate emissions measurement through OGMP 2.0.
- Maintain sound operating practices including aerial and ground-based surveys for leak detection.

Leak detection and repair, also known as LDAR, is a work practice used to identify and repair leaking components to reduce GHG emissions, maintain regulatory compliance, and increase efficiency. Our LDAR program includes both regulatory-required efforts and voluntary measures.

We continue to voluntarily conduct pilots of emerging technologies at numerous facilities to determine effectiveness and scalability of next-generation detection technologies, while also deploying fixed-sensor technologies and aerial survey methods for identification of emissions events.

The primary objective of our monitoring program is to expeditiously identify, investigate and repair leaks associated within our operations.

<sup>9</sup> While 2019 is the formal baseline for our methane emissions intensity target, we also compare performance to 2015 to show longer-term progress. 2015 is an important milestone year for international organizations like the UN-led [Oil and Gas Methane Partnership 2.0](#) that aim to achieve a 45% methane emissions reduction by 2025 from 2015 levels.



## Target progress

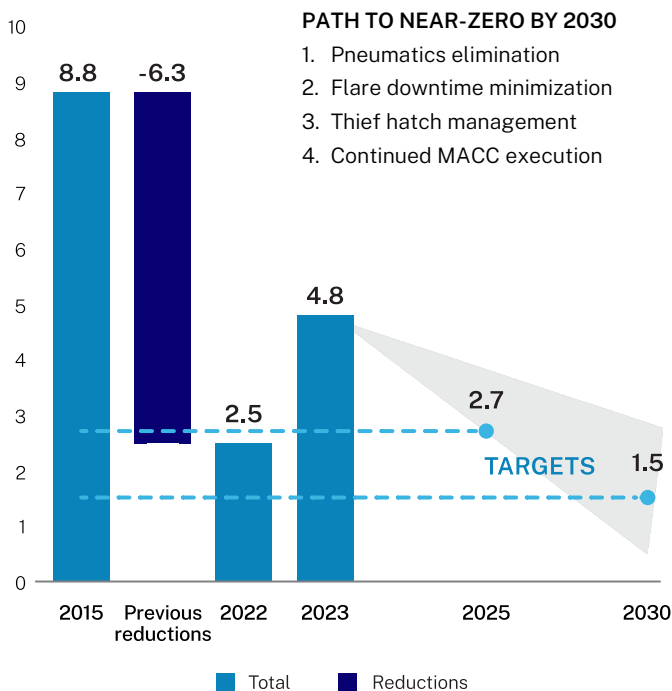
We have both a near-term and medium-term target<sup>10</sup> for reducing methane emissions:

- **By 2025:** Meet a 10% methane emissions intensity reduction target by 2025 from a 2019 baseline.
- **By 2030:** Achieve a near-zero methane emissions intensity by 2030. This near-zero target is defined as 1.5 kg CO<sub>2</sub>e/BOE or approximately 0.15% of natural gas produced.

While the data quality changes discussed in the previous section may potentially impact our 2025 methane intensity target, we continue to monitor progress against the target, and we are maintaining line of sight to our 2030 target. With regulatory reporting changes phasing in over 2024 and 2025, there remains some uncertainty over near-term methane emissions levels. Our path to near-zero methane emissions by 2030 includes: Focusing on eliminating pneumatics, minimizing flare downtime, managing emissions from thief hatches and continuing to execute our methane-related MACC projects.

## GROSS OPERATED METHANE INTENSITY PROGRESS

kg CO<sub>2</sub>e/BOE



<sup>10</sup> These targets include emissions that are related to production and exclude emissions from our aviation and polar tankers fleets.

## The Oil and Gas Methane Partnership 2.0

### Joining the initiative

In July 2022, ConocoPhillips joined the Oil and Gas Methane Partnership (OGMP) 2.0 initiative, a voluntary, public-private partnership between the United Nations Environment Programme, the European Commission, the Environmental Defense Fund and over 130 oil and gas companies. OGMP 2.0 has emerged as a globally recognized framework for methane emissions measurement and reporting and is aimed at minimizing methane emissions from global oil and gas operations. We are committed to improving the transparency of our methane emissions reporting and delivering on our methane reduction objectives and targets by collaborating with industry peers to accelerate best practices in our operations. Ultimately, reporting through OGMP 2.0 will help us make better informed decisions about where to prioritize our efforts to have the maximum impact on reducing our emissions footprint.

### Creating a U.S. context

While ConocoPhillips operates in several countries across the globe, it was among the first few companies with a sizable U.S. onshore presence to join OGMP 2.0. We actively engaged with UNEP staff and other OGMP 2.0 members to implement the program for a U.S. onshore asset given the characteristics of dispersed operations in our Lower 48 assets. U.S. companies operate thousands of individual wells over large geographic areas, often involving many partners with varying interests, making it challenging to conduct measurement campaigns that span thousands of acres in various locations.

### Approach

As part of OGMP 2.0, we committed to reporting methane emissions for all material sources from both operated and non-operated assets, according to our reporting boundaries, and we submitted our OGMP 2.0 Implementation Plan in May 2023. At that time, a majority of the emissions from our assets were being reported at Level 3. We then implemented a measurement campaign involving sampling hundreds of sites across Lower 48, Alaska, Canada, Australia and Norway at a mix of facilities,

including large, complex sites, batteries/facilities, and well pads. Results from these sampled sites were used to inform asset-level totals.

While our measurement campaign spans global assets, our Lower 48 team is leading the effort since a majority of company methane emissions are from Lower 48 assets, and learnings from these assets can be leveraged for other operating areas. Lower 48 organized an internal, multidisciplinary team with representation from engineering, operations, and environmental functions to carry out the measurement and analysis for a measurement-informed methane inventory. The approach focused on updating equipment inventories, classifying equipment, initiating additional metering to support real-time data, and conducting Quantitative Optical Gas Imaging surveys. To complete a Level 5 inventory, OGMP 2.0 requires the measurement of source-level emissions (“bottom-up”) as well as site level emissions (“top-down”).

OGMP 2.0 “levels” refer to increasing reporting requirements and additional granularity.

- **Level 3** includes reporting of emissions by detailed source type based on generic emissions factors.
- **Level 4** emissions are based on source-level measurements and often calculated using site-specific emission factors and activity factors.
- **Level 5**, the gold standard for reporting, includes measurement at the site or facility level and reconciliation with Level 4 source-level reporting estimates.<sup>1</sup>

<sup>1</sup> [FAQ - OGMP 2.0 \(ogmpartnership.com\)](https://ogmpartnership.com)

First, we conducted a “bottom-up” source-level equipment inventory to complement the existing inventories of sources at the selected sites. This was followed by source-level emissions measurements using targeted methods for specific source types or the bottom-up Level 4 measurements. Next, we conducted flyovers at the selected sites to determine “top-down” measurements. We then extrapolated emissions from both bottom-up and

top-down measurements to the asset level. We are in the process of initiating Level 5 reporting where we will compare and reconcile both bottom-up and top-down basin inventories.

## Results and impacts to reported data

**Measurement-informed estimates:** Using direct, measured data from a sample set of facilities to inform a wider set of facilities or basin-wide estimate.

**Regulatory-based estimates:** Using generic emissions factors rather than site-specific factors to calculate emissions, following the regulatory framework for each jurisdiction in which we operate.

Our results to date are generally consistent with other published studies and included findings such as:

- Most of our emissions come from a small percentage of sources, with a few high-emission events accounting for a large portion of the inventory.
- Emissions from sources like pneumatic devices were smaller compared to regulatory-based estimates.
- The difference between top-down emissions and bottom-up emissions was dependent on basin; neither measurement type yielded consistently higher emissions across basins.
- In basins where the top-down emissions were higher, it was often a result of higher emissions from episodic events.

Given ongoing developments in measurement technologies, we expect our measurement-informed estimates will continue to evolve as we incorporate those technologies into our approach. We do not consider that the measurement technologies will yield exact representations; we use our results to evaluate mitigation approaches rather than determine precise quantifications. As we approach Level 5 reporting, we anticipate that measurement technologies will continue to improve, so we continue to monitor, pilot and test a range of measurement technologies across our assets.

A desired outcome of OGMP 2.0 is that in the future, measurement-based information can be incorporated into regulatory-required methane emissions reporting. While emissions inventories required by the EPA and other regulators today are based on equipment count and production, we expect this to show more convergence with our measurement-based OGMP 2.0 inventory as EPA and other regulations evolve to allow the incorporation of empirical data beginning in 2025. In the interim, we anticipate our measurement-informed emissions estimates to differ from EPA and other regulatory reported emissions. However, increased emissions estimates from better measurement-informed practices are not likely to impact our ability to achieve our 2030 GHG intensity target given our robust emissions reduction approach and focused monitoring efforts on the most impactful emissions sources.

### Next steps

After submitting our implementation plan in 2023, we were awarded OGMP 2.0's Gold Standard Pathway designation in recognition of our multiyear measurement-based reporting plan which goes beyond current regulatory requirements. The plan was also recognized for being detailed, descriptive, transparent, robust and comprehensive per the "Company Highlights" included in the International Methane Emissions Observatory 2023 Report. We will continue to advance methane measurement efforts, including:

- Focusing on the most impactful and cost-effective reductions, including those reductions informed by OGMP 2.0 measurements.
- Continuing our measurement program as we expand our source-level and site-level measurements in 2024 and beyond.
- Piloting new technologies as methane measurement practices improve.
- Using the latest academic research on calculations related to measurement-based inventories.
- Continuing to progress to Level 5 reporting across our material assets.
- Engaging with non-operating partners and OGMP 2.0 members for industry-wide improvement in methane measurement and reporting.

## Flaring Performance

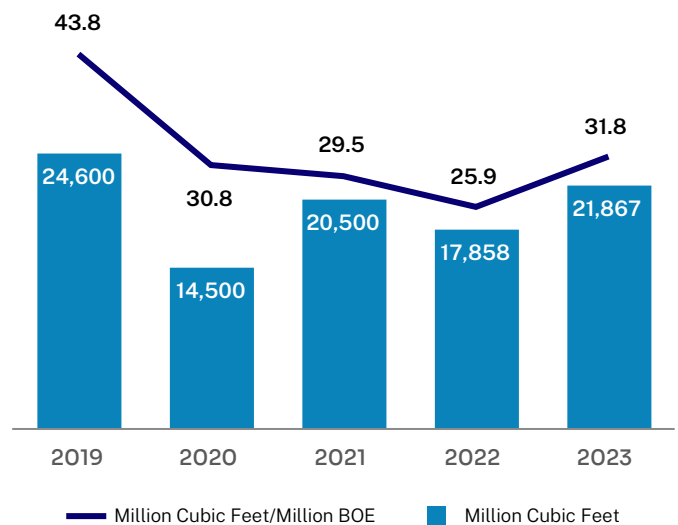
Flaring is a safety-related process for the controlled release and burning of natural gas during oil and gas exploration, production and processing operations. Flaring is required to safely dispose of flammable gas released during process upsets or other unplanned events and to safely relieve pressure before performing equipment maintenance. Flaring is also used to control and reduce emissions of volatile organic compounds from oil and condensate storage tanks.

In 2023, the total volume of flared gas was 21.9 BCF, an increase of 22% from 2022. The increase was a result of updated equipment inventories in both Permian and Bakken, shutdown and maintenance at APLNG facilities in Australia, and plant expansion in Canada.

### Target progress

ConocoPhillips is committed to the World Bank Zero Routine Flaring by 2030 initiative, a program that aims to create consistency among governments, the oil and gas sector and development institutions to address flaring.<sup>11</sup> In 2022, we committed to achieving zero routine flaring by the end of 2025, five years in advance of the World Bank goal, and we continue to make strong progress. In 2023, routine flaring

### TOTAL GROSS OPERATED FLARING VOLUME

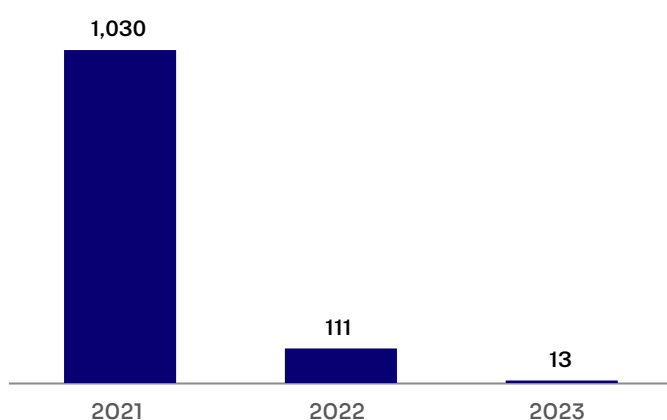


<sup>11</sup> Routine flaring is defined as flaring of associated gas that occurs during the normal production of oil in the absence of sufficient facilities to utilize the gas onsite, dispatch it to a market or reinject it. Flaring for safety reasons, non-routine flaring or flaring gas other than associated gas is not included as part of the World Bank Zero Routine Flaring initiative.

decreased more than 90% compared to 2021 when we first began tracking it separately. We achieved this through active well management to shut in wells during capacity constraint events and working closely with third party gas offtake providers to ensure sufficient capacity. Other projects focus on treatment of sour gas, flare capture and de-bottlenecking. Achieving this target is a key near-term action to achieving our World Bank goal as well as our net-zero operational emissions ambition.

## ROUTINE FLARING

Million Cubic Feet



While total flaring emissions make up only about 13% of our total Scope 1 and Scope 2 GHG emissions, the target will drive continued near-term focus on routine flaring reductions across our assets.

In addition to our near-term routine flaring target, we are exploring the development of a total flaring intensity target for 2030.

## Scope 3 reporting

We calculate Scope 3 emissions using the Greenhouse Gas Protocol and the Ipieca 2016 Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions [methodologies](#) based on net equity production numbers.

We report the four largest categories of Scope 3 emissions

that apply to our operations. Scope 3 emissions include CO<sub>2</sub>, methane (as CO<sub>2</sub>e) and nitrous oxide (as CO<sub>2</sub>e) for the four material categories of Scope 3 emissions that apply to our operations.

For oil and natural gas exploration and production companies, Scope 3 emissions fall primarily into the “use of sold products” category. Though we do not control how our total production is ultimately processed into consumer products, we make the conservative assumption that the majority of production is ultimately burned as fuel by end users. We use the API Compendium GHG emissions factors for crude oil and natural gas burned as fuel. This method accounts for all possible GHG emissions that could be associated with end use of our production. Our assumptions and method are especially conservative when the “double counting” issues inherent in Scope 3 estimations for an exploration and production company are taken into account.

We conservatively calculate the other three categories of Scope 3 emissions by taking our entire volume of crude and natural gas and applying the relevant transportation, distribution and processing emissions factors from academic life cycle analyses, including the 2022 S&P Global The Right Measure: A Guidebook to Crude Oil Life-cycle GHG Emissions Estimation, and the 2024 National Petroleum Council Charting the Course: Reducing Greenhouse Gas Emissions from the U.S. Natural Gas Supply Chain.

While net production increased by approximately 5% in 2023, Scope 3 emissions only increased about 3% due to updated emissions factors from more recent life cycle analysis studies.<sup>12</sup>

SCOPE 3 SOURCE	2023 ESTIMATED MILLION TONNES CO <sub>2</sub> E
Upstream transportation	2
Downstream transportation	6
Processing of sold products	16
Use of sold products	218

<sup>12</sup> We calculate our Scope 3 emissions on an equity share basis. Our Scope 3 calculations should not be compared to other companies who may calculate their emissions using different organizational boundaries, covering different Scope 3 categories, and using different calculation methodologies.

## Additional climate-linked performance areas

### Energy efficiency

We continually strive to make our operations more energy efficient. This can provide environmental and economic benefits through lower production costs or greater sales revenue. Through the natural decline of production, as our fields diminish in size, they tend to require either the same, or in some cases, even greater amounts of energy to extract the product for processing or refining.

Total energy consumption in 2023 was 205 trillion British Thermal Units (BTUs). Approximately 96% of our consumption was combustion of fuel for our own energy use with the remainder from purchased electricity.

### Water

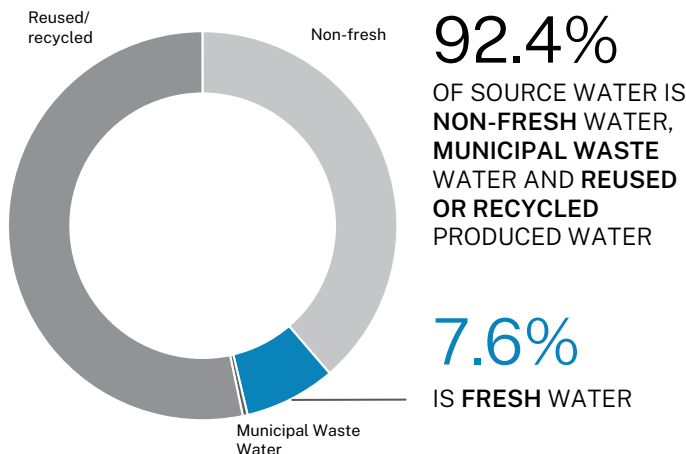
We manage water-related risks by considering the local, social, regulatory, economic and environmental conditions such as water stress, which are unique to every basin or offshore marine area. Water risks are managed at the BU level, enabling a tailored, region-specific approach. Water-related risks associated with fresh water withdrawal and consumption, water stress, offshore produced water discharges and onshore produced water disposal can affect our business. [Read more](#) about how we manage our water risks.

We measure and report on the volume of fresh water and non-fresh water withdrawn from local water sources, the volume of municipal waste water reused, and the volume of produced water that is reused, recycled, disposed or discharged after treatment. The data is used to estimate our water intensity and exposure to water stress. We also collect water forecast data for our LRP which enables us to test our portfolio of projects against our water risks to make better-informed strategic decisions.

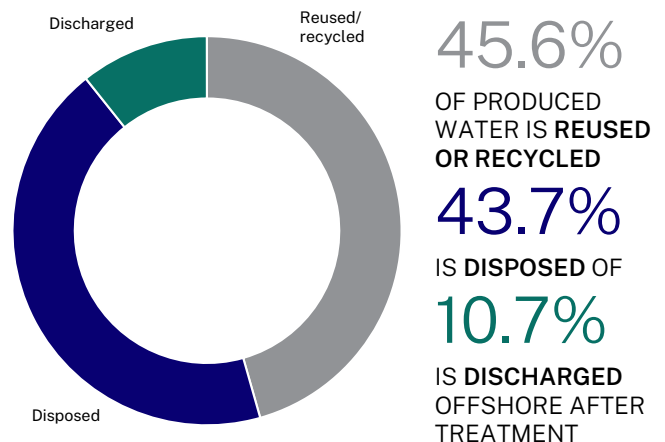
The 2023 fresh water consumption intensity for our unconventional assets in the U.S. (Eagle Ford, Bakken, Permian) and in Canada (Montney) was 0.06 BBL/BOE EUR. The 2023 fresh water consumption intensity for our conventional (Alaska, Canada Surmont and LNG) and offshore assets (Norway) was 0.03 BBL/BOE. [Read more](#) about our water metrics.

We use the [World Resources Institute Aqueduct Risk Atlas](#) to complete a screening level assessment of our portfolio exposure to water stress. For select assets we also verify the level of water stress using local water supply and demand data for a more detailed understanding. Operated assets located within areas of high baseline water stress in 2023 included parts of the Permian Basin and parts of the Eagle Ford. Overall, 14.7% of our fresh water withdrawal and 18.3% of our freshwater consumption was in regions of high water stress.

#### SOURCE WATER - GLOBAL



#### PRODUCED WATER MANAGED - GLOBAL



## Measurement, reporting and verification

Our environmental and social performance metrics and disclosures undergo various internal and external audit, assessment and assurance processes. We have engaged in assurance practices for our sustainability disclosures for more than a decade, and we use third-party verification for external, independent, limited assurance of our metrics. We perform reasonable assurance for GHG emissions at select operated assets where it is required by country-level regulation. Measurement, reporting and verification of our climate efforts and GHG data is critical for establishing credibility and accountability around our targets and actions.

Each of our BUs is responsible for quantifying emissions and reporting the information to our corporate center for compilation and internal quality assurance. Our GHG emissions estimation methodologies use the rules, emissions factors and thresholds for regulatory emissions reporting with the following amendments: We use a reporting threshold of 25,000 tonnes of CO<sub>2</sub>e per year for an asset and/or emissions source category unless the regulatory reporting threshold is lower. In our corporate reporting system, we include GHG emissions based on direct sources of emissions (Scope 1 emissions) and indirect sources of emissions from imported electricity and steam (Scope 2 emissions).

The method of data collection at each individual source can range from continuous emissions monitoring to emissions estimations. Our estimating approaches meet applicable regulatory reporting requirements or industry guidance, as appropriate. The quality of estimating methodologies, measurements and calculations is assessed internally by our corporate Environmental Assurance group.

We report GHG emissions on both a gross operated and net-equity basis. GHG emissions from non-operated assets are included for affiliated companies and joint ventures in which ConocoPhillips owns greater than or equal to 20% working interest or when our share of GHG emissions (based on working interest) is greater than or equal to 25,000 tonnes

of CO<sub>2</sub>e per year. We request GHG emissions data from our partners on an annual basis. In certain cases, we obtain the required information from regulatory reports. Additionally, we calculate emissions based on asset-specific emissions intensities and our equity share. Net equity is calculated using working interest ownership for non-operated international and Alaska assets. For Lower 48 non-operated assets, net equity emissions are estimated based on the combined working interest of the wells in which ConocoPhillips has interest, the comparable basin and GHG emissions intensity and the BOE production of those wells.

Reporting to authorities and regulators is the responsibility of BUs and we report our operated emissions in the following regions, countries and provinces in accordance with regulations:

- **Alberta, Canada:** Emissions Management and Climate Resilience Act: Specified Gas Reporting Regulation, Alberta Regulation 251/2004.
- **Australia:** The National Greenhouse and Energy Reporting Act 2007 (NGER Act) and the National Greenhouse and Energy Reporting (Measurement) Determination 2008.
- **British Columbia, Canada:** Greenhouse Gas Industrial Reporting and Control Act: Greenhouse Gas Emission Reporting Regulation, British Columbia Reg. 249/2015.
- **European Union:** EU Emissions Trading System, Monitoring and Reporting Regulation Council Directive 2003/87/EC, as amended by Council Directive 2009/29/EC.
- **Norway:** Greenhouse Gas Emission Trading Act of 17 December 2004.
- **United Kingdom:** UK Emissions Trading Scheme established through the Greenhouse Gas Emissions Trading Scheme of 2020.
- **United States:** 40 CFR 98 Subparts C, MM, PP, UU, W, and Y. Stationary Combustion Sources; Suppliers of CO<sub>2</sub>; Suppliers of Petroleum Products, Injection of CO<sub>2</sub>; Petroleum and Natural Gas Systems; Petroleum Refineries.

## External collaboration and engagement

External engagement is important to understanding the issues and challenges relating to climate and the evolution of policy development. Current actions include:

- Taking part in global legislation and regulation development.
- Engaging with stakeholders, including investors, on climate-related risks.
- Working within industry groups to advance sector-wide net-zero solutions.

External engagement and collaboration remain an area of focus for us because the energy transition will require joint efforts to achieve meaningful emissions reductions and evolve policy solutions. In 2023, we participated in or had membership in the following:

- **World Bank Zero Routine Flaring by 2030:** Initiative that aims to achieve consistency among efforts by governments, the oil and gas sector and development institutions to address routine flaring.
- **The Environmental Partnership:** Coalition of more than 100 oil and natural gas companies working to improve methane emissions management.
- **E&P Net-Zero Principles Roundtable:** Facilitated by Ceres, a small group of financial sector stakeholders, E&P oil and gas companies and NGOs, seeking to define what it means to be a Paris-aligned E&P company.
- **Net-Zero Business Alliance:** Initiative from the Bipartisan Policy Center to bring together business leaders and frame an affirmative and pragmatic approach in the climate solutions debate and subsequently engage with governments (as a group and directly) to advance an aggressive climate strategy that is grounded in engineering, commercial and economic realities.
- **Net-Zero Company Benchmark:** Engaging with Climate Action 100+ twice each year to gather feedback to strengthen our approach to managing climate-related risk.
- **Natural Gas Initiative:** Program led by Stanford University researchers with participation from industry, government, intergovernmental organizations and foundations. Initiative aims to increase public access to

information about the accuracy of methane detection and quantification technologies.

- **Pathways Alliance:** Program that includes Canada's Oil Sands Innovation Alliance (COSIA) as well as the Pathway Alliance Inc., which is an alliance of Canada's top oil sands operators working toward emissions reductions through CCS. ConocoPhillips was one of COSIA's founding members.
- **International Emissions Trading Association (IETA):** Nonprofit business organization created in 1999 to establish a functional international framework for trading GHG emissions reductions.
- **Climate Leadership Council (CLC):** International policy institute to promote a carbon dividends framework in the U.S.
- **Carbon Pricing Leadership Coalition (CPLC):** Global voluntary partnership to share and expand the evidence base for effective carbon pricing policies.
- **National Petroleum Council:** A federal advisory committee to the U.S. Secretary of Energy. As an NPC member, our CEO chaired a study, conducted by over 200 stakeholders, that provided consensus recommendations to reduce GHG emissions from the U.S. natural gas supply chain.
- **Oil and Gas Methane Partnership 2.0:** Globally recognized framework for methane emissions measurement and reporting.

Ceres, a nonprofit sustainability advocacy organization, facilitated collaboration among a small group of financial sector stakeholders, E&P companies and NGOs. They worked to define what it means to be a Paris-aligned E&P company. Recognizing the segment has limited opportunities to diversify its business model, the collaboration focused on solutions for reaching net-zero emissions that also meet transition demand.

The resulting product, [Key Elements for a Net Zero Transition for Operations at Oil and Gas Exploration & Production Companies](#), is a basis for engagement and direction as net-zero pathways are traveled.

## Public policy engagement

Our advocacy efforts are aligned with our focus on reducing our Scope 1 and Scope 2 emissions and supporting sensible policies that reduce Scope 3 emissions. ConocoPhillips believes a well-designed pricing regime on carbon emissions is the most effective tool to reduce GHG emissions across the global economy, and we continue to advocate for policies aligned with our carbon pricing principles as well as effective and efficient regulatory actions. We support the aims of the Paris Agreement, which include limiting the rise of global average temperatures well below 2 degrees Celsius, as reflected in our ambition to be a net-zero operational emissions company by 2050.

## Proactive engagement

Climate-related policy action can support an orderly transition to a low-carbon economy, facilitate the development of innovative technology and reduce the overall risks associated with climate. Since we published our first global climate change position in 2003, we have remained consistent in our view that market-based solutions at national and global levels, rather than a patchwork of less efficient regulatory approaches, will be most effective in reducing GHG emissions.

Among our efforts, ConocoPhillips is a founding member of the [Climate Leadership Council](#) (CLC), an international policy institute founded in collaboration with business and environmental interests to promote a carbon dividends framework in the U.S. as the most cost-effective, equitable and politically viable climate solution. Participation in the CLC provides an opportunity for ongoing dialogue about carbon pricing and framing the issues in alignment with our principles. We are also a member of Americans for Carbon Dividends (AFCD), the education and advocacy branch of the CLC, which focuses on progressing the bipartisan Baker-Shultz Carbon Dividends Plan. In 2021, ConocoPhillips was accepted as a Private Sector Partner within the Carbon Pricing Leadership Coalition (CPLC), a global voluntary partnership run by the World Bank to share and expand the evidence base for effective carbon pricing policies. Participation in the CPLC further demonstrates our

commitment to carbon pricing and is complementary to our engagement with the CLC.

In addition to our work with the CLC and CPLC, we recognize the policy trend in the U.S. toward a regulatory approach to emissions reductions, and we advocate for effective and efficient regulations and legislation to advance economic incentives and reduce GHG emissions. To that end, we are leading discussions around additional policy options, aligned with our principles, that address end-use emissions:

- Supporting development of alternative carbon pricing mechanisms including some sector-specific programs, which if developed for multiple sectors and combined with a World Trade Organization-compliant Border Carbon Adjustment (BCA) mechanism could function like a carbon price.
- Supporting the advancement of alternative transportation and power generation as a member of the Fuel Cell and Hydrogen Energy Association (FCHEA).
- Supporting the robust development of a voluntary offsets market through our membership in the International Emissions Trading Association (IETA) and advocating via IETA and other trades in support of the further development of a voluntary carbon market.
- Evaluating implementation rules of the Inflation Reduction Act of 2022 to enhance investment economics of several low carbon technology projects.

More specifically, our 2023 efforts included:

- Joining the Alliance to Save Energy to support the development of energy efficiency policies and address end-use emissions.
- Meeting with EPA technical staff to communicate some remaining concerns with respect to issues such as calculating heating values and as part of the New Source Performance Standard (NSPS) reporting.
- Submitting comments and supporting our trades during meetings with Bureau of Land Management (BLM) and the Office of Information and Regulatory Affairs on the proposed BLM Waste Prevention Rule.
- Leading the U.S. National Petroleum Council study on Natural Gas GHG Emissions Across the Value Chain, including making policy recommendations at the national level.



In April 2024, the National Petroleum Council, a federal advisory committee to the U.S. Secretary of Energy, approved a report titled, “Charting the Course: Reducing Greenhouse Gas Emissions from the U.S. Natural Gas Supply Chain.” With input from more than 200 experts, ConocoPhillips led this two-year study that provided consensus recommendations for meaningful actions to reduce emissions from the natural gas system. The report concluded existing policies and actions are expected to result in a 63% decline in methane emissions by 2030 relative to 2020. However, the existing policies will need additional efforts to reduce carbon dioxide which the study expects to increase under the Energy Information Administration (EIA) Reference Case. The greatest reductions will occur under the study’s Technology, Innovation, and Policy Pathway (TIP) which implements all recommendations in addition to other measures. Under the TIP Pathway methane emissions will decrease by 70%, carbon dioxide emissions will decrease by 32%, and total GHG emissions will decrease by 52% by 2050 relative to 2020. [Read more](#) about the study.

We have also demonstrated strong engagement with major trade associations to advance climate policy positions that include support for a market-based approach to reduce GHG emissions. To this end, we have shown successful leadership that has yielded positive results and progress within the American Petroleum Institute (API), the Business Roundtable (BRT), the U.S. Chamber of Commerce and others. Our advocacy further addresses methane and flaring regulation, clean fuel or power standards, and sector-specific regulations based on carbon-intensity benchmarks. Publicly communicating our governance processes and the depth of our advocacy efforts is a crucial component of our outreach in addressing stakeholder concerns.

We also work with our trade associations to drive alignment with our [Climate Change Position](#).

Within API’s Climate Committee, for example, we work with peers to address climate change issues affecting the U.S. oil and natural gas industry. The group oversees the development of API’s Climate Position, Climate Policy Principles and industry initiatives. The group developed the [Climate Action Framework](#), a combination of policies, innovation and industry initiatives to reduce emissions from energy production, transportation and use by society. We are active in many API committees that can also involve or address climate-related issues, and we work to contribute our perspective in alignment with our positions and actions.

The [American Exploration and Production Council](#) (AXPC) Climate Change Task Force addresses climate change issues affecting the U.S. exploration and production sector of the oil and natural gas industry. The group has helped to develop AXPC’s climate policy and principles, its ESG Metrics Framework and Template, and its position on methane regulations.

Most trade organizations in which we participate have climate change positions that align with ours. Where they do not, we continue to offer our viewpoint and attempt to work with them to better align their position with ours. For example, we have worked to influence API, BRT, the U.S. Chamber of Commerce and other organizations to support the direct federal regulation of methane. In addition to actively participating in trade organization position updates, we have also voted against or abstained from supporting specific actions requested by a trade organization if their positions were not aligned with ours. We have also decided not to renew some memberships because of misalignment on a number of policy topics, one of which is climate change.

[Read more](#) about our alignment with our associations regarding climate change.

[Read more](#) about public policy governance and major trade association memberships.

## CAUTIONARY STATEMENT FOR THE PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report contains forward-looking statements as defined under the federal securities laws. Forward-looking statements relate to future events, plans and anticipated results of operations, business strategies, and other aspects of our operations or operating results. Words and phrases such as "ambition," "anticipate," "estimate," "believe," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words can be used to identify forward-looking statements. However, the absence of these words does not mean that the statements are not forward-looking. Where, in any forward-looking statement, the company expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to be reasonable at the time such forward-looking statement is made. However, these statements are not guarantees of future performance and involve certain risks, uncertainties and other factors beyond our control. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in the forward-looking statements. Factors that could cause actual results or events to differ materially from what is presented include changes in commodity prices, including a prolonged decline in these prices relative to historical or future expected levels; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including changes resulting from any ongoing military conflict, including the conflicts in Ukraine and the Middle East, and the global response to such conflict, security threats on facilities and infrastructure, or from a public health crisis or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC and other producing countries and the resulting company or third-party actions in response to such changes; insufficient liquidity or other factors, such as those listed herein, that could impact our ability to repurchase shares and declare and pay dividends such that we suspend our share repurchase program and reduce, suspend, or totally eliminate dividend payments in the future, whether variable or fixed; changes in expected levels of oil and gas reserves or production; potential failures or delays in achieving expected reserve or production levels from existing and future oil and gas developments, including due to operating hazards, drilling risks or unsuccessful exploratory activities; unexpected cost increases, inflationary pressures or technical difficulties in constructing, maintaining or modifying company facilities; legislative and regulatory initiatives addressing global climate change or other environmental concerns; public health crises, including pandemics (such as COVID-19) and epidemics and any impacts or related company or government policies or actions; investment in and development of competing or alternative energy sources; potential failures or delays in delivering on our current or future low-carbon strategy, including our inability to develop new technologies; disruptions or interruptions impacting the transportation for our oil and gas production; international monetary conditions and exchange rate fluctuations; changes in international trade relationships or governmental policies, including the imposition of price caps, or the imposition of trade restrictions or tariffs on any materials or products (such as aluminum and steel) used in the operation of our business, including any sanctions imposed as a result of any ongoing military conflict, including the conflicts in Ukraine and the Middle East; our ability to collect payments when due, including our ability to collect payments from the government of Venezuela or PDVSA; our ability to complete the proposed acquisition of Marathon Oil Corporation (Marathon) or any other announced or any other future dispositions or acquisitions on time, if at all; the possibility that regulatory approvals, consents or authorizations for the Marathon acquisition or any other announced or any other future dispositions or acquisitions will not be received on a timely basis, if at all, or that such approvals may be subject to conditions neither we nor Marathon anticipated or may require modification to the terms of the transactions or our remaining business; business disruptions relating to the Marathon acquisition or following any other announced or other future dispositions or acquisitions, including the diversion of management time and attention; the ability to deploy net proceeds from our announced or any other future dispositions in the manner and timeframe we anticipate, if at all; the receipt of other requisite approvals for the Marathon acquisition, including the approval of Marathon stockholders, the satisfaction of other closing conditions on a timely basis or at all or the failure of the Marathon acquisition to close for any other reason or to close on anticipated terms; our ability to successfully integrate Marathon's business and technologies, which may result in the combined company not operating as effectively and efficiently as expected; our ability to achieve the expected benefits and synergies from the Marathon acquisition in a timely manner, or at all; potential liability for remedial actions under existing or future environmental regulations; potential liability resulting from pending or future litigation, including litigation related directly or indirectly to our transaction with Concho Resources Inc.; the impact of competition and consolidation in the oil and gas industry; limited access to capital or insurance or significantly higher cost of capital or insurance related to illiquidity or uncertainty in the domestic or international financial markets or investor sentiment; general domestic and international economic and political conditions or developments, including as a result of any ongoing military conflict, including the conflicts in Ukraine and the Middle East; changes in fiscal regime or tax, environmental and other laws applicable to our business; and disruptions resulting from accidents, extraordinary weather events, civil unrest, political events, war, terrorism, cybersecurity threats or information technology failures, constraints or disruptions; and other economic, business, competitive and/or regulatory factors affecting our business generally as set forth in our filings with the Securities and Exchange Commission. Unless legally required, ConocoPhillips expressly disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**Cautionary Note to U.S. Investors** – The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves. We may use the term "resource" in this report that the SEC's guidelines prohibit us from including in filings with the SEC. U.S. investors are urged to consider closely the oil and gas disclosures in our Form 10-K and other reports and filings with the SEC. Copies are available from the SEC and from the ConocoPhillips website.

## Explore ConocoPhillips

### Annual Report

The ConocoPhillips Annual Report and Form 10-K provides details on the company's financial and operating performance, a letter from our chairman and chief executive officer, and additional shareholder information.

[conocophillips.com/annualreport](https://conocophillips.com/annualreport)

### Fact Sheets

Published annually to provide detailed operational updates for each of the company's six segments.

[conocophillips.com/factsheets](https://conocophillips.com/factsheets)

### Human Capital Management Report

Published annually to provide details of the actions the company is taking to inspire a compelling culture, attract and retain great people, and meet our commitments to all stakeholders.

[conocophillips.com/hcmreport](https://conocophillips.com/hcmreport)

### Managing Climate-Related Risks Report

Published annually to provide details on the company's governance framework, risk management approach, strategy, key metrics and targets for climate-related issues.

[conocophillips.com/reports](https://conocophillips.com/reports)

### Proxy statement

Published annually and sent to stockholders informing them of when and where our Annual Meeting of Stockholders is taking place and detailing the matters to be voted upon at the meeting.

[conocophillips.com/proxy](https://conocophillips.com/proxy)

### Sustainability Report

Published annually to provide details on priority reporting issues for the company, a letter from our CEO and key environmental, social and governance metrics.

[conocophillips.com/reports](https://conocophillips.com/reports)

### Upcoming and Past Investor Presentations

Provides notice of future and archived presentations dating back one year, including webcast replays, transcripts and slides.

[conocophillips.com/investors](https://conocophillips.com/investors)

