



2020 ESG and Climate Risk Report



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LETTER FROM OUR CEO

DOING THE RIGHT THING

Laredo Petroleum is proud to publish our inaugural Environmental, Social and Governance (ESG) and Climate Risk Report. For the first time, we will be sharing the specific policies, practices and data for topics that have long been part of Laredo's corporate strategy, including our commitments to environmental and operational responsibility, maintaining a strong safety record and contributing positively to the communities in which we operate. "Doing the right thing" is deeply ingrained in our way of doing business and our organizational culture.


This first ESG and Climate Risk Report includes our key environmental metrics and 2025 targets: a 20% reduction in GHG intensity, zero routine flaring and lowering methane emissions to be less than 0.20% of our natural gas production. Our report also aligns with leading reporting standards and frameworks, such as the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and the International Petroleum Industry Environmental Conservation Association (IPIECA).

Laredo has maintained our long-standing commitment to keeping our employees and communities safe and healthy throughout the COVID-19 pandemic. We have implemented several measures for all employees,

including improving our remote work capabilities to minimize risk to our team and keeping any in-person or on-site gatherings for essential and safety purposes only. We are monitoring the situation closely and are committed to prioritizing the health and safety of our people and communities above all else.

The oil and gas industry is faced with many challenges. As we pivot our business strategy to respond to these challenges and become a more resilient company, this process will undoubtedly and increasingly integrate ESG principles. Relatedly, we expect our 2021 ESG and Climate Risk Report covering Laredo's 2020 operations to be released by year-end of 2021.

Finally, 2019 was also a special year for me as I had the honor of joining the Laredo family as its new President and CEO. Working closely with the Board, I look forward to advancing and supporting more initiatives and programs in the ESG areas that are material to Laredo's business and our stakeholders.



Jason Pigott
President and CEO



"Doing the right thing" is deeply ingrained in our way of doing business and our organizational culture.

Jason Pigott | *President and CEO*

Company Overview

COMPANY OVERVIEW

LAREDO PETROLEUM

We are an independent energy company with headquarters in Tulsa, Oklahoma. Our business strategy is focused on the acquisition and development of oil and natural gas properties in the Permian Basin of West Texas.



EMISSIONS TARGETS



**20% reduction in
GHG intensity by 2025**

(2019 calendar year baseline)



**Zero routine
flaring by 2025**



**< 0.20% methane
emissions by 2025**

as a percentage of natural gas production

KEY STATISTICS

(As of December 31, 2019)



280

full-time employees in
Oklahoma and Texas



133,512

net acres in the Permian Basin



80,883

BOED average daily net
production in 2019 (three-stream)



293,377

MBOE of total proved reserves,
(three-stream)



Governance

LETTER FROM OUR CHAIRMAN

Laredo Petroleum believes that a strong commitment to ESG leadership should be reflected in its importance to the Board of Directors.

In early 2021, the Board changed the Nominating and Corporate Governance Committee to the Nominating, Corporate Governance, Social and Environmental Committee, and the Committee amended the Charter to include monitoring and evaluating programs and policies relating to ESG matters. The Committee is now responsible for the review of Laredo's ESG performance, regulatory compliance matters, strategies and policies related to human capital management, ESG risks and exposures, including climate-related risks and Laredo's actions for managing those risks, ESG communications, ESG trends and stakeholder concerns. Laredo's Board also receives updates on any significant environmental or safety incidents at regularly scheduled Board meetings.

I am proud to share that Laredo has also made strides in improving the diversity profile of our Directors. The Board believes that its members should reflect a diversity of experience, gender, race, ethnicity and age to help ensure we serve the long-term interests of stakeholders and fulfill our fundamental responsibility to promote the best interests of the Company. Furthermore, new additions to the Board have added

significant experience in corporate governance, technological innovation and deal-making to help drive and integrate ESG in our corporate strategies.

We have demonstrated our continued commitment to Board diversity with the recent additions of Jarvis Hollingsworth and Lori Lancaster (November 2020) as well as Lisa Lambert (August 2020) to our Board. Nearly half of Laredo's Board is now represented by women or minorities. In 2019, we were proud to be recognized by the 2019 National Conversation on Board Diversity for our Board gender diversity.

My appointment as Chairman fulfills Laredo's commitment to separate the roles of Chairman and Chief Executive Officer and maintain an independent Chairman. I, and the rest of Laredo's Board, remain steadfast in our approach to best-in-class governance practices and oversight of the Company's environmental and social risks and opportunities.



William Albrecht
Chairman of the Board



The Board believes that its members should reflect a diversity of experience, gender, race, ethnicity and age to help ensure we serve the long-term interests of stakeholders and fulfill our fundamental responsibility to promote the best interests of the Company.

William Albrecht | *Chairman of the Board*

GOVERNANCE

OUR BOARD OF DIRECTORS



WILLIAM ALBRECHT

Chairman of the Board
Former President
Oxy Oil & Gas, Americas

Board member since 2020
NGS&E Committee
Compensation Committee



JASON PIGOTT

President & CEO
Laredo Petroleum, Inc.

Board member since 2019



FRANCES POWELL HAWES

Former Chief Financial Officer
Grant Prideco, Inc.

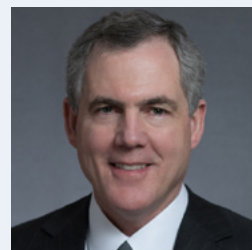
Board member since 2018
NGS&E Committee
Audit Committee



JARVIS HOLLINGSWORTH

Secretary/General Counsel
Kayne Anderson Capital Advisors, L.P.

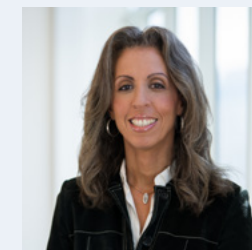
Board member since 2020
NGS&E Committee
Audit Committee



CRAIG JARCHOW

President & CEO
Castleton Resources, LLC

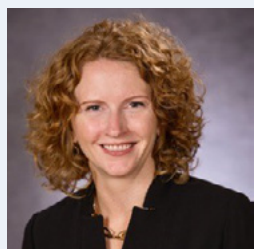
Board member since 2019
NGS&E Committee
Compensation Committee



LISA LAMBERT

Founder & President
National Grid Partners

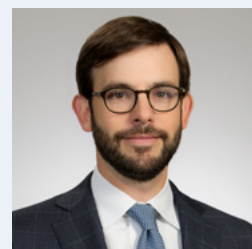
Board member since 2020
NGS&E Committee
Audit Committee



LORI LANCASTER

Former Managing Director
UBS Securities, Global Energy Group

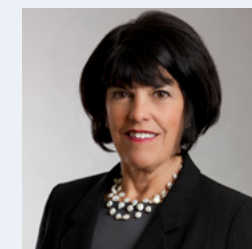
Board member since 2020
NGS&E Committee
Audit Committee



JAMES R. LEVY

Former Managing Director/Partner
Warburg Pincus

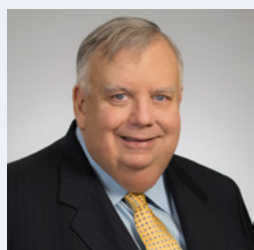
Board member since 2007
Compensation Committee



PAMELA S. PIERCE

President & CEO
Scientific Drilling International, Inc.

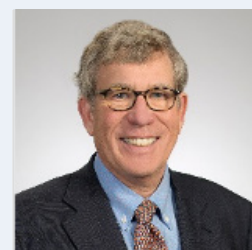
Board member since 2007
NGS&E Committee
Compensation Committee



DR. MYLES W. SCOGGINS

President Emeritus
Colorado School of Mines

Board member since 2012
NGS&E Committee
Audit Committee



EDMUND P. SEGNER III

Former President, Chief of Staff
& Director, EOG Resources

Board member since 2011
Audit Committee
Compensation Committee

GOVERNANCE

BOARD COMPOSITION

AWARD WINNING DIVERSITY: Guided by mutual respect, openness, honesty and a spirit of trust and collaboration, our Board supports and encourages an inclusive work environment to attain our highest level of productivity. Appropriately, the diversity of the Laredo Board was recognized for its gender diversity by the 2019 National Conversation on Board Diversity.

INDEPENDENT GOVERNANCE: Our Board is chaired by an experienced independent Director whose role is separate and distinct from the CEO. Furthermore, our Board regularly holds executive sessions without management and each of our Committees is chaired by an independent Director.

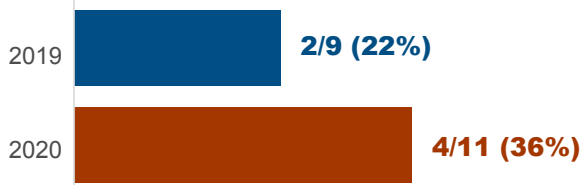
BALANCED TENURE: We are committed to Board refreshment, with 55% of our Directors joining the Board within the past two years, making an average Director tenure of 4.3 years. We value experienced perspectives and fresh thinking and have a robust Board succession plan, in which diversity and experience are selection criteria.

BOARD METRICS

INDEPENDENT DIRECTORS (NYSE STANDARDS)



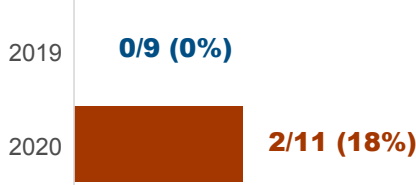
WOMEN DIRECTORS



AVERAGE DIRECTOR TENURE



MINORITY DIRECTORS



NEW INDEPENDENT DIRECTORS SINCE 2018



William Albrecht



Frances Powell Hawes



Jarvis Hollingsworth



Craig Jarchow



Lisa Lambert



Lori Lancaster

GOVERNANCE

ESG OVERSIGHT AND MANAGEMENT

The Nominating, Corporate Governance, Environmental and Social Committee is accountable for monitoring and evaluating programs and policies relating to ESG matters. These efforts include Laredo’s ESG performance, regulatory compliance matters, strategies and policies related to human capital management, ESG and climate-related risks or exposures, Laredo’s actions for managing those risks, ESG communications, ESG trends and stakeholder concerns. The full Laredo Board also receives updates on the Company’s ESG efforts at regularly scheduled Board meetings.

Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders within the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts across the organization. Their recommendations provide key considerations for Laredo’s business strategy and increase the Company’s awareness of ESG matters throughout the organization. The ESG Management Committee reports into the Board’s Nominating, Corporate Governance, Environmental and Social Committee.

BOARD OF DIRECTORS

NOMINATING, CORPORATE GOVERNANCE, ENVIRONMENTAL AND SOCIAL COMMITTEE

William E. Albrecht, Frances Powell Hawes, Jarvis Hollingsworth, Lisa Lambert, Pamela S. Pierce, Dr. Myles Scoggins

ESG MANAGEMENT COMMITTEE

Comprised of 11 cross-functional company leaders

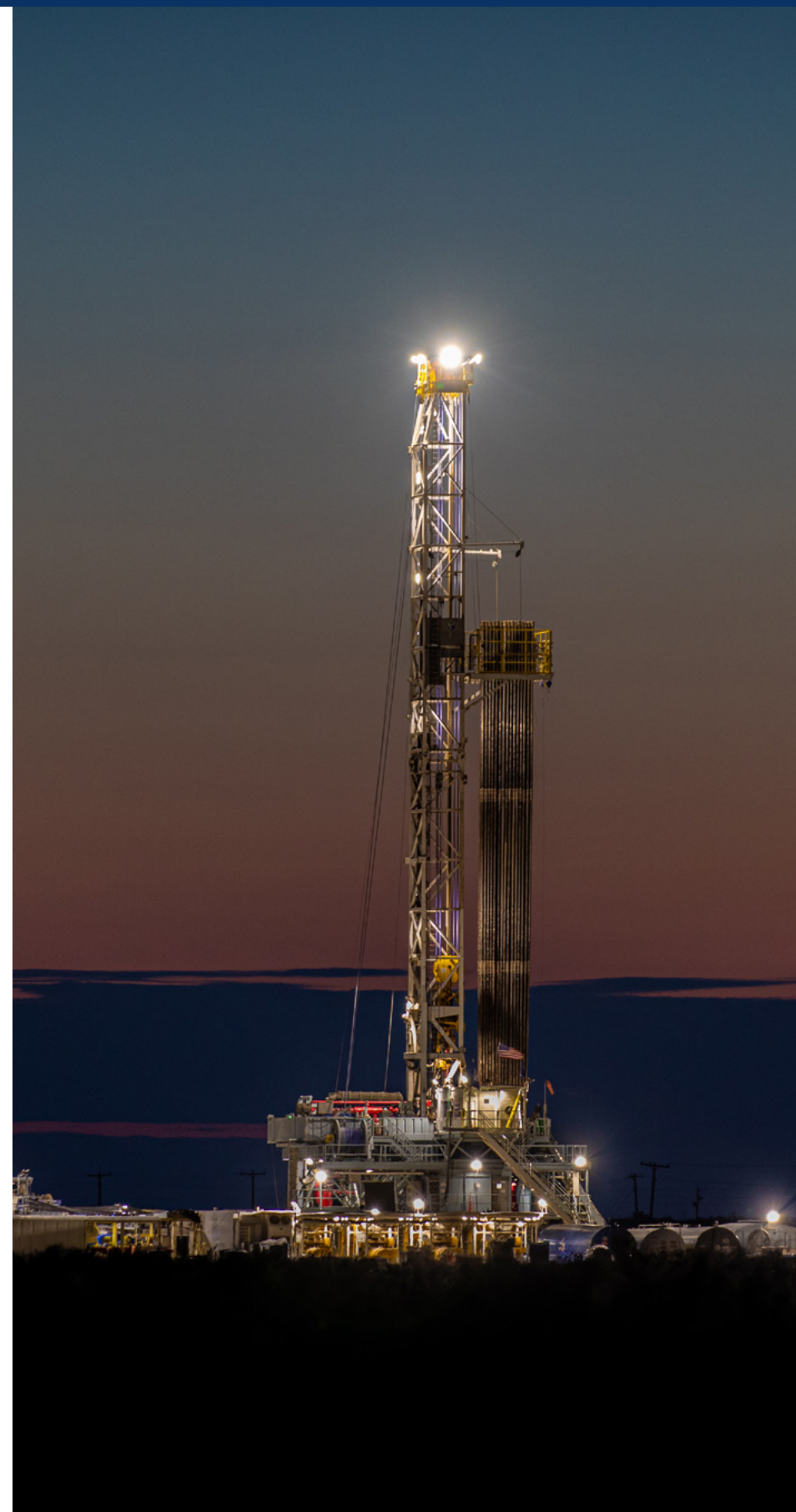
ENTERPRISE RISK MANAGEMENT (ERM)

Laredo has multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. Risks related to natural disasters, legislation or regulatory impacts and competitive or technological displacement were included in our review. Additional risks can be found in our annual report dated December 31, 2019.

MATERIALITY: Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we seek to understand and focus on issues of material significance to both Laredo and our stakeholders. We expect continued performance improvements in our operations and are currently formalizing an environmental management system around our processes for monitoring and improving, which include components emphasizing:

- Communicating our ESG efforts in a succinct and transparent manner
- Formalizing governance regarding climate-related risks and opportunities
- Integrating climate change and energy transitions more deeply into our strategic planning
- Developing and implementing targets for emissions and flaring reduction
- Continuing improvement in our human capital management, Environmental, Health and Safety (EHS) and diversity metrics

In 2021, the Board amended the Nominating, Corporate Governance, Environmental and Social Committee’s Charter to include monitoring and evaluating programs and policies relating to ESG matters.



GOVERNANCE

TRANSPARENT POLICIES AND CORPORATE BELIEFS

Laredo conducts its business with the highest standards for ethics and transparency. We have built a reputation as a trustworthy and ethical member of our community and our industry. Each of the policies, statements and corporate beliefs are highlighted below and can be read in full on our website

BOARD

- **INDEPENDENT CHAIR:** The Board believes it is appropriate and best practice for the Chairman of the Board to be separate from Laredo's CEO.
- **BOARD CHARTER REVIEWS:** We annually conduct Board and Board Committee self-assessments and a review of our Board's leadership structure.
- **BOARD REFRESHMENT:** Laredo uses a comprehensive, ongoing Board succession planning process with a focus on diversity and a mandatory retirement age of 75.
- **EXECUTIVE SESSIONS WITHOUT MANAGEMENT:** Non-management Directors meet in regular executive sessions without management present. If the non-management Directors include Directors who are not independent, the independent Directors will meet separately in executive sessions not less than once a year.
- **AUDIT POLICIES:** Laredo's Audit Committee assists the Board in overseeing the integrity of the Company's financial statements, the independent auditor's qualifications, independence and performance, the performance of the Company's internal audit function and the Company's compliance with legal and regulatory requirements.
- **ERM POLICIES:** Our Board takes an enterprise-wide approach to risk management through written policies, regularly scheduled meetings, the formation of committees to oversee specific company objectives and the solicitation of feedback from stakeholders.

BUSINESS ETHICS

- **CODE OF CONDUCT AND BUSINESS ETHICS:** The Board of Directors has adopted a Code of Conduct and Business Ethics applicable to our employees, Directors and officers and a Code of Ethics for Senior Financial Officers, in accordance with applicable U.S. federal securities laws and the NYSE Listed Company Manual. Laredo employees attest to the Code every year.
- **POLICIES AGAINST HEDGING AND PLEDGING STOCK:** Our Insider Trading Policy prohibits our Directors, officers and employees from engaging in hedging transactions designed to hedge or offset a decrease in market value of such a person's common stock in the Company.
- **WHISTLEBLOWER POLICY:** Laredo has a robust Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint regarding accounting, internal accounting controls or auditing matters to the management of the Company without fear of dismissal or retaliation of any kind.
- **CONFLICTS OF INTEREST:** Any time a Laredo employee, nonexecutive officer or Director believes a conflict of interest may exist, he or she must disclose the potential conflict of interest to management and our General Counsel. Any activity that is approved, despite the actual or apparent conflict, must be documented.
- **ADVOCACY AND LOBBYING:** Laredo fully complies with all political contribution laws. Our funds may not be used for contributions of any kind to any political party or committee or to any candidate or holder of any government position (national, state or local) unless such contribution is permitted by law.

SOCIAL

- **EQUAL EMPLOYMENT OPPORTUNITY AND ANTI-HARASSMENT:** We are committed to providing equal employment opportunities and will not tolerate any speech or conduct that is intended to, or has the effect of, discriminating against or harassing any qualified applicant or employee because of his or her race, color, religion, sex, national origin, age, physical or mental disability, veteran status or any characteristic protected by law.
- **DIVERSITY AND INCLUSION:** Our Board believes its members should reflect a diversity of experience, gender, race and age to help ensure we serve the long-term interests of stakeholders and promote the best interests of the Company. Likewise, our Board supports and encourages an inclusive work environment to attain our highest level of productivity. Together, we are stronger and we will continue to honor diversity and inclusion as key values of the Laredo Way.
- **HUMAN RIGHTS, SECURITY AND RIGHTS OF INDIGENOUS PEOPLES POLICY:** We follow all applicable national and local regulations as they pertain to the fundamental rights of all stakeholders. Laredo's commitment to human rights aligns with the principles of the UN's Universal Declaration of Human Rights, the UN's Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- **SUPPLY CHAIN POLICIES:** Laredo Supply Chain Management's core focus is to ensure that Laredo's supply base provides the highest levels of safety, performance and value through Supplier Relationship Management best practices. Laredo's policies regarding gifts, gratuities and conflicts of interest extends to our vendors, suppliers and contractors.

UN: United Nations; ILO: International Labor Organization



Social

LETTER FROM OUR VP OF HUMAN RESOURCES

At Laredo, we consider the social impacts of our business to be as important as our environmental ones. From our employees and their families to our communities and suppliers, we strive to do the right thing by all of our stakeholders and integrate their feedback into our ESG programs and policies.

Safety is a core part of Laredo's culture and we pride ourselves on our commitment to conduct all operations in a safe manner. As we continue to adapt to new ways of working during the COVID-19 pandemic, we will continue operating responsibly while always putting the safety and wellbeing of our employees, their families and our communities first.

Laredo prides itself on a strong culture of "doing the right thing" where we encourage open communication with our management team and new ideas on how to improve our operations and run a better business. To build more trust and transparency with our employees, Laredo's CEO holds culture surveys during weekly communication calls with employees for them to provide feedback on various topics. These are in addition to our quarterly, Company-wide CEO town hall meetings after earnings calls where we provide important updates to our workforce.

Doing the right thing for our business also includes doing the right thing for our communities. Laredo grants employees up to eight hours of paid time off, annually, in order to participate in volunteer programs of their choice. More details about our charitable efforts can be found in the Philanthropy and Community Engagement section of this report.

We're proud to share that nearly 30% of our leadership positions are filled by women. Laredo strives to provide a comfortable and progressive workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account individual circumstances and the individual employee. Working together, we are stronger and we will continue to honor diversity and inclusion as key values of the Laredo Way.



Kim Harding
Vice President, Human Resources



Working together, we are stronger
and we will continue to honor
diversity and inclusion as key values
of the Laredo Way.

Kim Harding | *Vice President, Human Resources*

SOCIAL

WORKFORCE ENGAGEMENT AND DIVERSITY

THE LAREDO WAY

Guided by mutual respect, openness, honesty and a spirit of trust and collaboration, we support and encourage an inclusive work environment to attain our highest level of productivity, creativity and efficiency. Diverse and sound ideas, approaches and individual experiences are essential features of inclusion. We also foster an environment of safety and inclusion through our Code of Conduct and Business Ethics and biennial anti-harassment training. We firmly believe that everyone at Laredo contributes to our company's success.

DRIVING INNOVATION

To promote innovation and collaboration at Laredo, we recently launched an initiative where we encourage our employees to submit ideas for projects that will result in a positive and innovative impact for the Company. Ideas are reviewed by Laredo's leadership team and the top five submissions are pitched to an evaluation panel in an entrepreneurial-themed setting similar to the popular television show 'Shark Tank'. The panel votes on the top idea and funds the project. Laredo encourages innovation and collaboration, allowing employees to think creatively and take ownership in the success of the Company.

WORKFORCE DIVERSITY METRICS

We believe that a diverse workforce will help our organization better accomplish our mission. To increase our hiring of traditionally underrepresented personnel, Laredo proactively sources open positions on job sites specifically focused on diversity. This allows us to gain candidates from underrepresented talent pools to help fill our positions.

AS OF DECEMBER 31, 2019, OUR WORKFORCE WAS:

- **26%** diverse on basis of ethnicity
- **29%** diverse on basis of gender
- **5%** US military veterans
- **33%** women in professional roles or higher

	% OF WORKFORCE	% IN PROFESSIONAL OR HIGHER ROLES	% OF LEADERSHIP	% OF BOARD
Women	29%	33%	25%	22%
Minorities	26%	18%	8%	0%

VETERANS

Laredo supports our US military veterans and works to ensure veterans are part of our candidate pool for new openings. As of December 31, 2019, veterans comprise 5% of Laredo's workforce.

PHILANTHROPY AND COMMUNITY ENGAGEMENT

LOCAL AND IMPACTFUL PHILANTHROPY

Through our Charitable Matching Gift Program, we match donations of up to \$1,000 per employee per year to a non-profit organization of their choice.

GIVING IMPACT

Laredo donated over \$130,000 to local charities in 2019 through personal and matching corporate gifts.

COMMUNITY ENGAGEMENT

In 2019, Laredo launched a new policy to allocate full-time employees up to eight hours of paid time off, annually, to allow them to participate in volunteer programs of their choice.

Some of the organizations our employees chose to dedicate their time and effort for 2019 include: Meals on Wheels in Midland, Texas and the Concho Valley Home for Girls. Additionally, we began the Laredo Charitable Giving Campaign with a focus on the West Texas Food Bank, West Texas Rehab Center, Regional Food Bank of Oklahoma and the Tulsa Area United Way, from whom we received the 2019 Ignite Award.

DOING BUSINESS LOCALLY

Laredo strives to hire top local talent and provide development opportunities to advance their careers. We are proud to work with many small businesses and service providers in our communities.



SOCIAL

EMPLOYEE HEALTH AND SAFETY

We know that an engaged, healthy, well-trained workforce is key to our world-class culture and helps us accomplish our strategic goals.

EMPLOYEE HEALTH AND WELLBEING

- **HEALTHCARE:** We provide over 80% of health insurance premiums to ensure our employees and their families have access to affordable healthcare.
- **FITNESS:** We provide an on-site fitness center for our Tulsa employees and access to local fitness facilities for our field personnel.
- **FAMILY:** Our flexible work schedule enables our employees to attend important family events during the workday and on-site lactation rooms provide mothers with a calm and private space.
- **TRUST:** Our hotline provides a mechanism for employees and contractors to report grievances without retaliation and allows the Company to review and adjust, where necessary.

EMPLOYEE SAFETY

Safety is a core part of Laredo's culture and we pride ourselves on our commitment to conduct all operations in a safe manner. Although we are always striving for zero incidents, we are proud of our record of safe operations.

Our safety best practices include: annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, bi-annual external safety audits, stop work authority, after action review and root cause analysis.

2019 SAFETY METRICS

- **ZERO** employee or contractor fatalities
- **ONE** employee recordable incident
- **0.86** combined Total Recordable Incident Rate (TRIR)
 - 1.00 Contractor TRIR
 - 0.37 Employee TRIR
- **0.4** vehicle incident rate per million miles driven

TRAINING

We have a robust training program for our Lease Operators and Field Technicians that allows for consistency in our processes and gives the management team clarity when considering field employees for promotional opportunities. Administration of this program is a joint effort between leadership on the Production team and the Learning and Development staff that allows us to intentionally train our employees with the goal of promoting from within for all field promotions.

We utilize a third-party Learning Management System for our training courses. There are three levels for each job function – Basic, Intermediate and Advanced. The coursework for each level contains various training courses that include readings, videos and assessments, and are intended to teach the employee the fundamentals of the industry and how Laredo desires work to be completed in the field.

Completion of each training program is vital to the success of Laredo as we compete in the market and is a great tool that our leaders use to make promotional decisions in the field. Laredo prides itself on the ability to promote our great employees.



Environmental

LETTER FROM OUR COO

The “Laredo Way” and our ethos of “doing the right thing” is evident in our operations and environmental stewardship. We take great pride in our comprehensive and holistic approach to managing and minimizing our impact on the water, land and air around us and we believe our facility design, technological advancements and data management are drivers of our performance. Relatedly, Laredo is also continuously evolving and improving our approach to, and integration of, climate-related risks within our business and governance model. Likewise, we remain committed to the safety of our employees and contractors and are working to enhance our already strong safety record, which had only one employee recordable incident in 2019.

Our teams design each new drilling site or facility to not only maximize our efficiency but to also prevent, and contain, any releases or emissions. Laredo also incorporates technology that allows us to minimize the number of horizontal wells drilled to efficiently recover our reserves and create multi-well drilling pads, which minimize our footprint on the surface. Each of our drilling, completion, production and water management teams have developed standard operating procedures that apply to both our employees

and Laredo contractors. Despite being a leader in flare mitigation among mid-cap oil and gas companies, we continue to evaluate solutions to minimize our flaring and emissions.

Laredo also owns and operates 109 miles of water transmission lines that are used to gather flowback and produced water. Several of these lines are connected to a network of third-party gathering systems and Laredo operated wells. Aside from the financial benefits, our water system creates safer operating practices, minimizes spill risk and reduces both emissions and the number of trucks on the road.

We are proud of our progress across environmental, efficiency and safety performance metrics and look forward to sharing more on what’s to come from our world-class operations.



Karen Chandler

Senior Vice President and Chief Operating Officer



We take great pride in our comprehensive and holistic approach to managing and minimizing our impact on the water, land and air around us and we believe our facility design, technological advancements and data management are drivers of our performance.

Karen Chandler | *Senior Vice President and Chief Operating Officer*

ENVIRONMENTAL

EMISSIONS

Laredo continues to evaluate engineering, process and behavioral improvements for future emission reduction opportunities:

- Our Dual-Fuel Hydraulic Fracturing Fleet uses clean burning natural gas to reduce diesel consumption associated with our completion operations by approximately 50%.
- Our Closed-Loop Flowback System minimizes emissions during completion operations.

METRICS AND TARGETS

Laredo's ESG metrics are aligned to SASB, TCFD and IPIECA indices with respective outcomes disclosed in the indices section of this report.

- Compensation: Effective for 2020, our executive compensation short term incentive program will be tied to environmental metrics based on Spill Severity Rate and Air Stewardship metrics. We expect our compensation program to include additional sustainability metrics in the future.
- Environmental: Our emissions targets are relative to our 2019 operations and, by 2025, we expect to achieve the following:
 - A 20% reduction in GHG intensity
 - Zero routine flaring
 - Less than 0.20% methane emissions as a percentage of natural gas production

AIR QUALITY

FLARING AND VENTING

All new Laredo facilities are outfitted with Vapor Recovery Systems to minimize emissions during routine operations and on-site combustors are used to minimize emissions during non-routine emergency events.

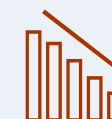
Takeaway capacity in the Permian Basin can be constrained at times and, during such a period, Laredo worked to offload gas to third-party sales points as opposed to the industry standard of flaring. This effort led to 3.4 billion cubic feet of natural gas being sold to the market instead of burned by a flare.

In 2020, we began a voluntary leak detection and repair program where an optical gas imaging camera (FLIR) was used to inspect each Company-operated facility at least once annually to minimize emissions from our facilities.

DUST MITIGATION

In 2015, and prior to Occupational Safety and Health Administration (OSHA) regulations, Laredo implemented dust mitigation technology to protect employees and contractors from breathing silica. We also implemented dust control measures for lease roads and work sites to minimize dust from high traffic areas during completion operations.

EMISSIONS TARGETS



20% reduction in GHG intensity by 2025
(2019 calendar year baseline)



Zero routine flaring by 2025



< 0.20% methane emissions by 2025
as a percentage of natural gas production

ENVIRONMENTAL MANAGEMENT SYSTEM

Continuous improvement has long been part of Laredo's culture of "doing the right thing" and our efforts around environmental management are no different. While we work to formalize our environmental management system, the "Plan-Do-Check-Act (PDCA) methodology has long been integrated into our operations. For example, one of our 2019 goals was to reduce

the frequency and volume of fluids spilled. Our Operations and Health, Safety and Environment teams identified potential risks, developed mitigation plans, met monthly to track progress toward our goals and worked through our Root Cause Analysis program to avoid future spills. Consequently, we are pleased to report in 2019, we reduced the number of spills by 62% and

the net volume spilled by 70% when compared to prior year performance. Looking forward, we expect to continue maturing our environmental management system in accordance with the PDCA methodology with a focus on flaring and venting reductions.

ENVIRONMENTAL

SUSTAINABLE DEVELOPMENT

We seek to continue growing and developing our Midland Basin assets in an operationally and financially sustainable manner. Our investment in digital systems and physical infrastructure allow us to cost effectively consolidate and develop new assets at scale.

- Our Howard County sand mine and electric infrastructure will lower costs and provide certainty of execution.
- Our Glassrock and Reagan County water infrastructure lowers our lease operating expenses and reduces truck traffic, making roads safer for everyone.

RESILIENT PLANNING

Laredo conducted an internal scenario analysis to review the resilience of our strategy with respect to climate-related scenarios utilizing the Transition Pathway Initiative (TPI) methodology. Furthermore, the Oil and Gas Climate Initiative (OGCI) targets for Scope 1 and 2 emissions are aligned with reductions necessary to meet Paris Agreement metrics. While we continue to evaluate additional emissions targets, we are proud to report our combined Scope 1 and 2 emissions are already below the OGCI 2025 targets.



WATER MANAGEMENT AND BIODIVERSITY

WATER RECYCLING

The reuse and disposal of produced water is one of the most challenging aspects of horizontal drilling in the Permian Basin. Our Company-operated water infrastructure provides a reliable source of water for our completion operations while providing low-cost takeaway capacity for flowback and produced water.

In 2019, Laredo recycled 10.1 million barrels of produced water (34% of our produced water) and our completion operations utilized 11.5 million barrels of recycled water (sourced from our system and third-party suppliers). Likewise, our water system, and contracted third-party water systems, gathered 23.5 million barrels of produced water from our wellsites in aggregate (79% of our 2019 produced water) and removed over 188,000 truckloads of water and 3.75 million miles driven by trucks, making our roads safer for everyone.

SPILL MANAGEMENT

Minimizing spills of crude oil and water is important to Laredo. Our storage facilities are equipped with early warning alarms that notify our field personnel before spills occur. We also use impermeable liners in our storage facilities which enable us to safely contain 99.99% of all liquids handled.

Laredo also works with our service providers to ensure proper mitigation measures are used when trucks pick up loads of crude oil to haul. Additionally, approximately 88% of our crude oil is sold into on-site gathering lines as opposed to being hauled by a truck, which removed nearly 70,000 truck trips from the road.

2019	CRUDE OIL (BARRELS)	WATER (BARRELS)
Events	21	14
Spilled	1,027	5,234
Recovered	251	3,953
Net	776	1,281

SUPPLY CHAIN MANAGEMENT

SUPPLIER RELATIONSHIPS

Laredo’s reputation for integrity is its most valuable asset and is directly related to the conduct of our people and those with whom we work. Accordingly, our policies regarding gifts, gratuities and conflicts of interest extends to our vendors, suppliers and contractors. Each of our service providers must be approved based on ethical and financial standing and environmental, health and safety performance.

We also strive to develop lasting partnerships with local service providers in our areas of operations to minimize miles driven and benefit the economy of the communities where we work.

SAND MINE

Laredo partnered with a third-party to operate a sand mine on our Company-owned surface acreage. This sand mine will provide certainty of execution for Laredo’s operations, reduce truck traffic by 300,000 miles per month along with associated emissions and save \$90,000 per well for our Howard County completion operations conducted after November 2020.



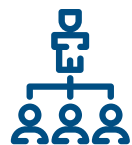
Our 2019 net crude oil spilled was less than 0.0075% of all crude oil produced by Laredo in 2019. Our continuous improvement efforts resulted in a 62% reduction in the number of reportable events and a 70% reduction in net barrels spilled when compared to prior year performance.

2020 ESG and Climate Risk Report Highlights

DOING THE RIGHT THING EMISSIONS TARGETS

GOVERNANCE:

Award winning Board diversity
ESG oversight and management
Governance best practices



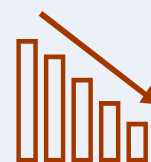
SOCIAL:

Women in leadership
Employee and contractor safety
Local philanthropy and community engagement



ENVIRONMENTAL:

Emissions targets
Resilient planning
Sustainable development



**20% reduction in
GHG intensity by 2025**
(2019 calendar year baseline)



**Zero routine
flaring by 2025**



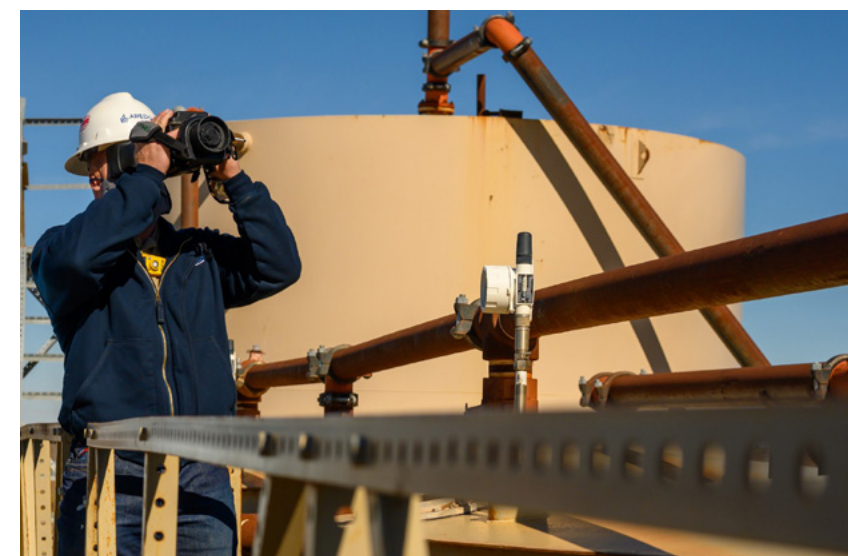
**< 0.20% methane
emissions by 2025**
as a percentage of natural gas production

NEXT STEPS

We expect continued performance improvements in our operations and, are currently formalizing an environmental management system around our processes for monitoring and improving, which include components emphasizing:

- Communicating our ESG efforts in a succinct and transparent manner
- Formalizing governance regarding climate-related risks and opportunities
- Integrating climate change and energy transitions more deeply into our strategic planning
- Implementing emissions and flaring reduction projects
- Continuing improvement in our human capital management, EHS and diversity metrics

Our 2021 ESG and Climate Risk Report covering Laredo's 2020 operations is expected to be released by year-end 2021.



About this Report and Indices

ABOUT THIS REPORT AND INDICES

This report is the first Environmental, Social and Governance (ESG) and Climate Risk Report for Laredo. In developing this report, we referenced sustainability reporting frameworks, standards and industry groups such as the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and the International Petroleum Industry Environmental Conservation Association (IPIECA). The report contains quantitative metrics drawn from available data for the 2019 calendar year. This report also includes qualitative information from both 2019 and partial year information from 2020. Laredo discloses gross emissions related to our operated properties and therefore uses gross production associated with those assets.

Laredo engaged Georgeson and HXE Partners to support the stakeholder engagement process, report content development, quantitative data collection and calculations and report design. Our environmental information included in this report is preliminary, unaudited and subject to revision.

DISCLAIMER

Various statements contained in this report may be considered forward-looking statements. These forward-looking statements include statements, projections and estimates concerning our operations, performance, business strategy, oil, NGL and natural gas reserves, drilling program capital expenditures, liquidity and capital resources, the timing and success of specific projects, outcomes and effects of litigation, claims and disputes, derivative activities and potential financing. Forward-looking statements are generally accompanied by words such as “estimate,” “project,” “predict,” “believe,” “expect,” “anticipate,” “potential,” “could,” “may,” “will,” “foresee,” “plan,” “goal,” “should,” “intend,” “pursue,” “target,” “continue,” “suggest” or the negative thereof or other variations thereof or other words that convey the uncertainty of future events or outcomes. Forward-looking statements are not guarantees of performance. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. The data and information herein are as of December 31, 2019 unless otherwise indicated.



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SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)



SASB standards enable businesses around the world to identify, manage and communicate financially-material sustainability information to their investors. SASB provides a complete set of 77 globally applicable industry-specific standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry. The following table references the specific “Oil & Gas - Exploration and Production” industry standard.

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)
GREENHOUSE GAS EMISSIONS			
EM-EP-110a.1	Gross global Scope 1 GHG emissions	Metric tons CO2e	519,727
EM-EP-110a.1	Gross global Scope 1 GHG intensity rate	Metric tons CO2e/MBOE	15.6
EM-EP-110a.1	Methane emissions as a percentage of gross global Scope 1 GHG emissions	Percentage (%)	24%
EM-EP-110a.1	Percentage of gross global Scope 1 GHG emissions covered under emissions-limiting regulations	Percentage (%)	100%
EM-EP-110a.1	Gross global Scope 1 GHG emissions from flared hydrocarbons	Metric tons CO2e	259,174
EM-EP-110a.1	Gross global Scope 1 GHG emissions from other combustion	Metric tons CO2e	109,200
EM-EP-110a.1	Gross global Scope 1 GHG emissions from process emissions	Metric tons CO2e	0
EM-EP-110a.1	Gross global Scope 1 GHG emissions from other vented emissions	Metric tons CO2e	137,617
EM-EP-110a.2	Gross global Scope 1 GHG emissions from fugitive emissions	Metric tons CO2e	13,737
EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	Qualitative	In our 2020 ESG and Climate Risk Report, Laredo set Scope 1 emissions targets relative to our 2019 GHG emissions. Those targets included reducing GHG emissions intensity 20% per MBOE by 2025, eliminating routine flaring by 2025 and reducing methane emissions as a percent of natural gas produced to less than 0.20% by 2025. In the short run, we expect to set annual goals related to achieving these targets, which we would expect to continue to work towards improving over the long-term. Performance against these metrics will be monitored by our ESG Management Committee within the Company and through the Nominating, Corporate Governance, Environmental and Social Committee at the Board level.

ABOUT THIS REPORT AND INDICES

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)
AIR QUALITY			
EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs) and (4) particulate matter (PM10)	Metric tons	Laredo continually works to minimize our greenhouse gas emissions. While we track components related to EPA reporting, we do not currently track additional air emissions at the component level.
WATER MANAGEMENT			
EM-EP-140a.1	Total fresh water withdrawn	Cubic meters (m3)	4,628,739
EM-EP-140a.1	Total fresh water consumed	Cubic meters (m3)	3,553,077
EM-EP-140a.1	Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)	Not currently tracked
EM-EP-140a.2	Volume of produced water and flow back generated	Cubic meters (m3)	4,726,364
EM-EP-140a.2	Percentage discharged	Percentage (%)	0%
EM-EP-140a.2	Percentage injected	Percentage (%)	66%
EM-EP-140a.2	Percentage recycled	Percentage (%)	34%
EM-EP-140a.2	Hydrocarbon content in discharged water	Metric tons	0
EM-EP-140a.3	Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	100%
EM-EP-140a.4	Percentage of hydraulic fracturing sites where ground or surface water quality deteriorated compared to a baseline	Percentage (%)	Not currently tracked
BIODIVERSITY IMPACTS			
EM-EP-160a.1	Description of environmental management policies and practices for active sites	Qualitative	<p>Per our Environmental and Biodiversity Policy, Laredo recognizes its responsibilities as a steward of the land on which it operates and maintaining the trust of landowners is important to us. We reach out to our landowners to determine their wishes for their land and strive to minimize our environmental footprint. Furthermore, we encourage suppliers and vendors who work on our sites to maintain the same commitment to environmental and biodiversity stewardship.</p> <p>Should an issue arise on one of Laredo's locations, the issue is reported to our EH&S Department in real-time via an internet-based reporting system. This system is monitored 24/7 to ensure we respond quickly and appropriately in the case of an emergency. All issues, regardless of severity, are reviewed by operations and EH&S personnel as part of our bi-weekly review process where we conduct root cause analysis to improve our process, identify causal factors, lessons learned and develop mitigation strategies.</p>

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SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)															
BIODIVERSITY IMPACTS																		
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10 and volume recovered	Number, barrels (bbls)	<div>Laredo does not operate in the Arctic nor along shorelines with ESI rankings 8-10. For our onshore operations, the table below provides an overview of hydrocarbon and water spills in 2019.</div> <table><tr><th>2019</th><th>CRUDE OIL (BARRELS)</th><th>WATER (BARRELS)</th></tr><tr><td>Events</td><td>21</td><td>14</td></tr><tr><td>Spilled</td><td>1,027</td><td>5,234</td></tr><tr><td>Recovered</td><td>251</td><td>3,953</td></tr><tr><td>Net</td><td>776</td><td>1,281</td></tr></table>	2019	CRUDE OIL (BARRELS)	WATER (BARRELS)	Events	21	14	Spilled	1,027	5,234	Recovered	251	3,953	Net	776	1,281
2019	CRUDE OIL (BARRELS)	WATER (BARRELS)																
Events	21	14																
Spilled	1,027	5,234																
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Net	776	1,281																
EM-EP-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0%															
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES																		
EM-EP-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	0%															
EM-EP-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	0%															
EM-EP-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict	Qualitative	<div>Laredo does not own or operate any assets in, or near, areas of conflict. Furthermore, Laredo does not currently operate assets on federal or Native American land.</div> <div>Per our Human Rights, Security and Rights of Indigenous Peoples Policy, we follow all applicable national and local regulations as they pertain to the fundamental rights of all stakeholders. Laredo’s commitment to human rights aligns with the principles of the United Nations’ Universal Declaration of Human Rights, the United Nations’ Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.</div>															
COMMUNITY RELATIONS																		
EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Qualitative	<div>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights and condemns any violation of such rights.</div> <div>We also do the right thing in protecting our surface owners and their interests. We regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely-populated areas.</div>															
EM-EP-210b.2	Number and duration of non-technical delays	Number, days	0															

ABOUT THIS REPORT AND INDICES

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)
WORKFORCE HEALTH AND SAFETY			
EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety and emergency response training for (a) full-time employees, (b) contract employees and (c) short-service employees	Rate, hours (h)	(1) Laredo workforce combined TRIR – 0.86 (1.00 Contractor TRIR and 0.37 Employee TRIR) (2) Fatality rate - 0 (3) Not currently tracked (4a) Full-time field employees receive 27.5 hours of annual training, with new supervisors receiving another 16 hours for HAZWOPER certification, which is renewed annually with an 8-hour refresher (4b) Contract supervisors receive 19.5 hours of training per year through our monthly safety meetings (4c) New field employees must complete the 8-hour SafeLand Certification course before engaging in field work. Additionally, new field employees receive 24.5 hours per year and an additional 3 hours of safety training upon new hire orientation.
EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle	Qualitative	<p>Laredo management systems integrate a culture of safety throughout the exploration and production lifecycle. Our culture of safety starts with our core values of doing the right thing. All field employees are required to complete both third-party and internal training programs prior to beginning field operations. We have developed standard operating procedures for routine activities to ensure we do it right the first time, every time. When on-site, we conduct pre-job and pre-shift safety meetings with all personnel and contractors on location, with additional meetings if operations call for a change from our standard operating procedure.</p> <p>Furthermore, all employees and contractors have the right to stop work any time they believe conditions may pose a danger to health, safety or security of personnel or result in a release. Additionally, we conduct regular hazard hunts on locations to identify and correct any safety deficiencies, hire a third-party to inspect rigs on a bi-annual basis, conduct pre-spud inspections with the contract rig manager and confirm regulatory compliance and safety performance for all contractors that operate, or are present, at our field locations. All incidents and near miss events are reviewed and most issues go through our root cause analysis process to ensure responsive and corrective actions are taken to prevent future events.</p>
RESERVES VALUATION AND CAPITAL EXPENDITURES			
EM-EP-420a.1	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions	Million barrels (MMbbls), Million standard cubic feet (MMscf)	Not currently tracked
EM-EP-420a.2	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tons CO2e	Not currently tracked
EM-EP-420a.3	Amount invested in renewable energy, revenue generated by renewable energy sales	US dollar	\$0
EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition and development of assets	Qualitative	<p>Laredo expects to be sustainable both operationally and financially. Accordingly, we allocate capital toward the projects we believe will generate meaningful investment returns for our shareholders. We expect to allocate capital within cashflow and regularly hedge our production to provide a predictable flow of investment capital and thereby mitigate some of the risk of fluctuating prices which may occur due to climate regulation or other market forces. Relatedly, climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs for the energy resources we produce. Consequently, we implemented emissions reductions targets as part of our 2020 ESG and Climate Risk Report to mitigate the potential environmental impact of our operations and the influence of potential legislation or regulations on our business.</p>

ABOUT THIS REPORT AND INDICES

SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)
BUSINESS ETHICS AND TRANSPARENCY			
EM-EP-510a.1	Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0%
EM-EP-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain	Qualitative	<p>Laredo has built a reputation as a trustworthy and ethical company, and positive member of our community. All Laredo employees annually certify they are free from conflict of interest and further agree to conduct business honestly and fairly and to not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.</p> <p>Augmenting our conflict of interest policy is our Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously with review of such complaints overseen by the Audit Committee of the Board of Directors.</p> <p>Further guarding against conflict of interest and corruption are our Code of Conduct and Business Ethics, and policies against hedging or pledging stock, for independent committee chairs on the Board, regular audits of internal performance, supply chain, equal opportunity and anti-harassment, advocacy and lobbying and human rights policies.</p>
MANAGEMENT OF THE LEGAL AND REGULATORY ENVIRONMENT			
EM-EP-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Qualitative	Our Board's Audit Committee oversees and reviews Laredo's compliance with legal and regulatory requirements by reviewing and discussing the implementation and effectiveness of our compliance program. Furthermore, Laredo fully complies with all political contribution laws. Our funds may not be used for contributions of any kind to any political party or committee or to any candidate or holder of any government position (national, state or local) unless such contribution is permitted by law.
CRITICAL INCIDENT RISK MANAGEMENT			
EM-EP-540a.1	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	Rate	0

ABOUT THIS REPORT AND INDICES



SASB CODE	DESCRIPTION	UNIT OF MEASURE	METRIC / RESPONSE (2019)
CRITICAL INCIDENT RISK MANAGEMENT			
EM-EP-540a.2	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Qualitative	<p>Laredo has multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact events with potentially significant environmental or social externalities. We annually review our Enterprise Risk Management (ERM) program for continuous improvement opportunities and regularly review our Environmental, Health and Safety performance to understand possible trends. Risks related to natural disasters, legislation or regulatory impacts and competitive or technological displacement are also included with additional risks found in our annual report.</p> <p>Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we seek to understand and focus on issues of material significance to both Laredo and our stakeholders. Furthermore, although we are currently formalizing our environmental management system, the “Plan-Do-Check-Act (PDCA) methodology has long been integrated into our operations. For example, one of our 2019 goals was to reduce the frequency and volume of fluids spilled. Our Operations and Health, Safety and Environment teams identified potential risks, developed mitigation plans, met monthly to track progress toward our goals and worked through our root cause analysis process to avoid future spills. Consequently, we are pleased to report in 2019, we reduced the number of spills by 62% and the net volume spilled by 70% when compared to prior year performance. Looking forward, we expect to continue maturing our environmental management system in accordance with the PDCA methodology with a focus on flaring and venting reductions.</p>
ACTIVITY METRICS			
EM-EP-000.A	Production of: (1) oil, (2) natural gas, (3) synthetic oil and (4) synthetic gas	Thousand barrels per day (Mbbbl/day); Million standard cubic feet per day (MMscf)	In 2019, Laredo's net production was 80,883 barrels of oil equivalent per day (using a 6:1 ratio) and was comprised of 28,429 barrels per day of crude oil and 314,724 MMCFD of wet natural gas.
EM-EP-000.B	Number of offshore sites	Number	0
EM-EP-000.C	Number of terrestrial sites	Number	All of Laredo's current operations are on terrestrial sites and we operated 1,337 producing wells (gross) as of December 31, 2019.

ABOUT THIS REPORT AND INDICES

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)



The Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) is a market-driven initiative, set up to develop a set of recommendations for voluntary and consistent climate-related financial risk disclosures in mainstream filings. The work and recommendations of the Task Force help firms understand what financial markets want from disclosure in order to measure and respond to climate change risks and encourage firms to align their disclosures with investors' needs.

PILLAR	TOPIC	METRIC / RESPONSE (2019)
GOVERNANCE	Board oversight of climate-related risks and opportunities	The Nominating, Corporate Governance, Environmental and Social Committee is accountable for monitoring and evaluating programs and policies relating to ESG matters. These efforts include Laredo's ESG performance, regulatory compliance matters, strategies and policies related to human capital management, ESG and climate-related risks or exposures and Laredo's actions for managing those risks, ESG communications, ESG trends and stakeholder concerns. The full Laredo Board also receives updates on the Company's ESG efforts at regularly scheduled Board meetings. We also work with external advisors for an external view of the environmental risks and opportunities in our industry.
	Management's role in assessing and managing climate-related risks	Management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders throughout the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts throughout the Company. Their recommendations provide key considerations for Laredo's business strategy and increase the Company's awareness of ESG matters throughout the organization. The ESG Management Committee reports into the Board's Nominating, Corporate Governance, Environmental and Social Committee.
STRATEGY	Short, medium and long-term climate-related risks	Laredo's Enterprise Risk Management (ERM) program is one of multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. Risks related to natural disasters, legislation or regulatory impacts and competitive or technological displacement were included in our review. Furthermore, we are working to mitigate the impact of regional transportation constraints; volatility in commodity pricing and services; regulatory impacts on our operations; and energy transition and adoption of new technologies. Additional risks can be found in our annual report. Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we seek to understand and focus on issues of material significance to both the Company and our stakeholders. Furthermore, we expect continued performance improvement in our operations and, although we are currently formalizing our environmental management system, the "Plan-Do-Check-Act (PDCA) methodology has long been integrated into our operations. As we continue to mature our capabilities, our processes for monitoring and improvements will include components emphasizing: communicating our ESG efforts in a succinct and transparent manner; formalizing governance-related to climate-related risks and opportunities; integrating climate change and energy transitions more deeply into our strategic planning; developing and implementing targets for emissions and flaring reduction; and continuing improvement in our human capital management, EHS and diversity metrics.
	Impact on business, strategy and planning	Left unmitigated, climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs for the energy resources we produce. Consequently, we implemented emissions reductions targets as part of our 2020 ESG and Climate Risk Report to mitigate the potential environmental impact of our operations and the influence of potential legislation or regulations on our business.

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)
STRATEGY	Resilience of strategy using 2-degree or lower scenarios	<p>Laredo expects to continue growing and developing our Midland Basin assets in an operationally and financially sustainable manner. Our investment in digital systems and physical infrastructure allow us to cost effectively consolidate and develop new assets at scale. For example, our Howard County sand mine and electric infrastructure will lower costs and provide certainty of execution while our Glasscock and Reagan County water infrastructure lowers our lease operating expenses and reduces truck traffic, making roads safer for everyone.</p> <p>Relatedly, Laredo conducted an internal scenario analysis to review the resilience of our strategy with respect to climate-related scenarios utilizing the Transition Pathway Initiative (TPI) methodology. As part of TPI's three scenarios, Laredo reviewed expected emissions intensities for each scenario, including Paris Pledges, 2 Degrees and Below 2 Degrees. Furthermore, we reviewed the Oil and Gas Climate Initiative (OGCI) targets for Scope 1 and 2 emissions, which are aligned with reductions necessary to meet Paris Agreement metrics. We are proud to report our combined Scope 1 and 2 emissions are already below the OGCI 2025 targets and our newly released emissions reduction targets will provide further improvements.</p>
	Process to assess climate-related risks	We look across our organization and operations to assess the probability and predicted impact of risks to our business, including climate-related risks. This risk assessment is part of our ERM process and is regularly presented to senior management for review. Afterwards, goals or specific projects are often initiated, prioritized and communicated to the organization. Climate-related goals are managed by the ESG Management Committee, which reports into the Board's Nominating, Corporate Governance, Social and Environmental Committee.
RISK MANAGEMENT	Process to manage climate-related risks	Management of climate-related risks is led by the ESG Management Committee, a multi-disciplined team of leaders throughout the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts throughout the Company. Their recommendations provide key considerations for Laredo's business strategy and increase the Company's awareness of ESG matters throughout the organization. The ESG Management Committee reports into the Board's Nominating, Corporate Governance, Environmental and Social Committee. Each respective leader on the Committee manages functional risks including, but not limited to: safe and environmentally sound operations, rigorous supply chain and contractor management and reliable commodity takeaway and offload capacity.
	Integration of risk process into overall risk management	The Nominating, Corporate Governance, Environmental and Social Committee's Charter includes monitoring and evaluating programs and policies relating to ESG matters. Relatedly, the ESG Management Committee, which reports into the Nominating, Corporate Governance, Social and Environmental Committee, is focused on further integrating ESG and climate-related considerations, into our Enterprise Risk Management process. Furthermore, we work to ensure our compensation program, including Short Term Incentives, are aligned with our climate-risk mitigation efforts including air quality, emissions and spill reduction goals.
METRICS AND TARGETS	Metrics used to assess climate-related risks	<p>Laredo tracks and monitors a number of climate-related metrics, including Scope 1 and Scope 2 GHG emissions, to assess risks and opportunities. Additional metrics related to GHG emissions, air quality, water management, biodiversity, land use can be found throughout the Environmental section, and in the SASB, TCFD and IPIECA indices of this report.</p> <p>Effective for 2020, our Compensation Committee recommended, and the Board approved, the objective Short-Term Incentive Program (STIP) include Spill Severity Rate and Air Stewardship metrics for our executive compensation program. We believe these metrics are aligned with our 2020 business strategy, place a focus on both environmental and capital efficiency, and provide the type of incentives sought by our Board of Directors and stakeholders.</p>
	Scope 1 and Scope 2 emissions	<p>Scope 1: 519,727 metric tons CO₂e</p> <p>Scope 2: 20,044 metric tons CO₂e</p>
	Describe targets used	<p>Our targets are relative to our 2019 emissions levels as stated in our 2020 ESG and Climate Risk Report.</p> <ul style="list-style-type: none"> - GHG intensity: 20% reduction by 2025 - Flaring: zero routine flaring by 2025 - Methane emissions: less than 0.20% methane emissions as a percent of natural gas production by 2025

ABOUT THIS REPORT AND INDICES

INTERNATIONAL PETROLEUM INDUSTRY ENVIRONMENTAL CONSERVATION ASSOCIATION (IPIECA)



PILLAR	TOPIC	METRIC / RESPONSE (2019)
GOVERNANCE AND BUSINESS ETHICS		
GOVERNANCE AND MANAGEMENT SYSTEMS	GOV-1: Governance approach	Laredo's Board of Directors is elected by the stockholders to oversee management and to ensure the long-term interests of stakeholders are being served. Relatedly, the Nominating, Corporate Governance, Environmental and Social Committee is accountable for monitoring and evaluating programs and policies relating to ESG matters. These efforts include Laredo's ESG performance, regulatory compliance matters, strategies and policies related to human capital management, ESG and climate-related risks or exposures and Laredo's actions for managing those risks, ESG communications, ESG trends and stakeholder concerns. The full Laredo Board also receives updates on the Company's ESG efforts at regularly scheduled Board meetings. We also work with external advisors for an external view of the environmental risks and opportunities in our industry.
	GOV-2: Management systems	Our Board takes an enterprise-wide approach to risk management through written policies, regularly scheduled meetings, the formation of committees to oversee specific company objectives and the solicitation of feedback from stakeholders. Likewise, management of our daily ESG efforts is led by the ESG Management Committee, a multi-disciplined team of leaders throughout the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts throughout the Company. Their recommendations provide key considerations for Laredo's business strategy and increase the Company's awareness of ESG matters throughout the organization. The ESG Management Committee reports into the Board's Nominating, Corporate Governance, Environmental and Social Committee.
BUSINESS ETHICS AND TRANSPARENCY	GOV-3: Preventing corruption	<p>Laredo has built a reputation as a trustworthy and ethical company and member of our community. All Laredo employees annually certify they are free from conflict of interest and further agree to conduct business honestly and fairly and to not take unfair advantage of anyone through any misrepresentation of material facts, manipulation, concealment, abuse of privileged information, fraud or other unfair business practice.</p> <p>Augmenting our conflict of interest policy is our Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously with review of such complaints overseen by the Audit Committee of the Board of Directors.</p> <p>Further guarding against conflict of interest and corruption are our Code of Conduct and Business Ethics and policies against hedging or pledging stock, for independent committee chairs on the Board, regular audits of internal performance, supply chain, equal opportunity and anti-harassment, advocacy and lobbying and human rights policies.</p>
	GOV-4: Preventing corruption involving business partners	Laredo's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and other employees. Laredo's policies regarding gifts, gratuities and conflicts of interest extends to its vendors, suppliers and contractors with all new vendors internally approved at the Vice-President level.
	GOV-5: Transparency of payments to host governments	Laredo does not operate in foreign countries and makes no payments to host governments.
	GOV-6: Public advocacy and lobbying	Laredo fully complies with all political contribution laws. As per our Code of Conduct and Business Ethics, our funds may not be used for contributions of any kind to any political party or committee or to any candidate or holder of any government position (national, state or local) unless such contribution is permitted by law.

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)
CLIMATE CHANGE AND ENERGY		
CLIMATE STRATEGY AND RISK	CCE-1: Climate governance and strategy	The Nominating, Corporate Governance, Environmental and Social Committee is accountable for monitoring and evaluating climate and ESG-related matters. The full Laredo Board also receives updates on Laredo's ESG efforts at regularly scheduled Board meetings. We also work with external advisors for an external view of the environmental risks and opportunities in our industry. The management of our daily climate and ESG related efforts is led by the ESG Management Committee, a multi-disciplined team of leaders throughout the Company who are responsible for implementing, executing and assessing new and ongoing ESG efforts throughout the Company. Their recommendations provide key considerations for Laredo's business strategy and increase the Company's awareness of ESG matters throughout the organization. The ESG Management Committee reports into the Board's Nominating, Corporate Governance, Environmental and Social Committee.
	CCE-2: Climate risk and opportunities	<p>Laredo's Enterprise Risk Management (ERM) program is one of multiple systems and processes in place to identify, understand and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities. Risks related to natural disasters, legislation or regulatory impacts and competitive or technological displacement were included in our review. Furthermore, we are working to mitigate the impact of regional transportation constraints; volatility in commodity pricing and services; regulatory impacts on our operations; energy transition and adoption of new technologies. Additional risks can be found in our annual report.</p> <p>Through a combination of our internal ERM efforts and regular engagement with our stakeholders, we seek to understand and focus on issues of material significance to both Laredo and our stakeholders. Furthermore, we expect continued performance improvement in our operations and, although we are currently formalizing our environmental management system, the "Plan-Do-Check-Act (PDCA) methodology has long been integrated into our operations. As we continue to mature our capabilities, our processes for monitoring and improvements will include components emphasizing: communicating our ESG efforts in a succinct and transparent manner; formalizing governance-related to climate-related risks and opportunities; integrating climate change and energy transitions more deeply into our strategic planning; developing and implementing targets for emissions and flaring reduction; and continuing improvement in our human capital management, EHS and diversity metrics.</p>
TECHNOLOGY	CCE-3: Lower-carbon technology	Laredo has reduced emissions associated with our completion operations through the use of a Tier II Dual-Fuel Fleet. This fleet replaces approximately 50% of our diesel consumption with cleaner burning natural gas. Relatedly, our Closed-Loop Flowback System further minimizes emissions during our completion operations. Likewise, we continue to evaluate replacement of existing pneumatic devices with low-bleed technology, further reducing our carbon footprint. Laredo also began a voluntary leak detection and repair program (LDAR) where an optical gas imaging camera (FLIR) was used to inspect each Company-operated facility at least once annually to minimize emissions from our facilities.
EMISSIONS	CCE-4: Greenhouse gas (GHG) emissions	Scope 1: 519,727 metric tons CO ₂ e Scope 2: 20,044 metric tons CO ₂ e
	CCE-5: Methane emissions	125,083 metric tons CO ₂ e
ENERGY USE	CCE-6: Energy use	169,954 gigajoules (Scope 2 emissions only)
FLARING	CCE-7: Flared gas	259,174 metric tons CO ₂ e and 50% of total Scope 1 emissions
ENVIRONMENT		
WATER	ENV-1: Freshwater	4,628,739 cubic meters total freshwater withdrawn
	ENV-2: Discharges to water	0%

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)															
ENVIRONMENT																	
BIODIVERSITY	ENV-3: Biodiversity policy and strategy	<p>Per our Environmental and Biodiversity Policy, Laredo recognizes its responsibilities as a steward of the land on which it operates and maintaining the trust of landowners is important to us. We reach out to our landowners to determine their wishes for their land and strive to minimize our environmental footprint. Furthermore, we encourage suppliers and vendors who work on our sites to maintain the same commitment to environmental and biodiversity stewardship.</p> <p>Should an issue arise on one of Laredo's locations, the issue is reported to our EH&S Department in real-time via an internet-based reporting system. This system is monitored 24/7 to ensure we respond quickly and appropriately in the case of an emergency. All issues, regardless of severity, are reviewed by operations and EH&S personnel as part of our bi-weekly review process where we conduct root cause analysis to improve our process, identify causal factors, lessons learned and develop mitigation strategies.</p>															
	ENV-4: Protected and priority areas for biodiversity conservation	Laredo does not currently operate on, or adjacent to, protected or priority areas for biodiversity conservation. Per our Environmental and Biodiversity Policy, Laredo recognizes its responsibilities as a steward of the land on which it operates and maintaining the trust of landowners is important to us.															
AIR EMISSIONS	ENV-5: Emissions to air	Laredo continually works to minimize our GHG emissions. While we track components related to EPA reporting, we do not currently track additional air emissions at the component level.															
SPILLS	ENV-6: Spills to the environment	<p>All spills are reported and tracked via an electronic ticketing system for quick response, remediation and follow-up. Laredo uses an online spill system to track reportable and not reportable spills and spill reduction. Spill reduction efforts have been implemented jointly with our vendors. All crude oil and water storage tanks are monitored via SCADA and alarms are sent to lease operators and foremen for response to prevent spills before they happen. Laredo conducts weekly spill meetings to review all recordable spills, perform a root cause analysis and share best practices to implement changes to prevent future recurrences. For example, one of our 2019 goals was to reduce the frequency and volume of fluids spilled. Our Operations and Health, Safety and Environment teams identified potential risks, developed mitigation plans, met monthly to track progress toward our goals and worked through our root cause analysis process to avoid future spills. Consequently, we are pleased to report in 2019, we reduced the number of spills by 62% and the net volume spilled by 70% when compared to prior year performance. For our onshore operations, the table below provides an overview of hydrocarbon and water spills in 2019. Lastly, Laredo does not operate in the Arctic nor along shorelines with ESI rankings 8-10.</p> <table><tr><th>2019</th><th>CRUDE OIL (BARRELS)</th><th>WATER (BARRELS)</th></tr><tr><td>Events</td><td>21</td><td>14</td></tr><tr><td>Spilled</td><td>1,027</td><td>5,234</td></tr><tr><td>Recovered</td><td>251</td><td>3,953</td></tr><tr><td>Net</td><td>776</td><td>1,281</td></tr></table>	2019	CRUDE OIL (BARRELS)	WATER (BARRELS)	Events	21	14	Spilled	1,027	5,234	Recovered	251	3,953	Net	776	1,281
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MATERIALS MANAGEMENT	ENV-7: Materials management	Our materials management efforts were comprised principally of water and gas filters from compressor sites as well as contaminated soil associated with spill remediation. A total of 97,380 barrels were handled and includes both hazardous and non-hazardous waste, but does not include drill bits.															
DECOMMISSIONING	ENV-8: Decommissioning	When decommissioning a facility, our EH&S team ensures that decommissioning is done per our lease agreements and documents the site closure process. We also engage third-parties, as needed, to conduct an independent analysis to confirm we have completed the decommissioning process per our agreement with the landowner and continue to uphold the Laredo Way of doing the right thing.															

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)
SAFETY, HEALTH AND SECURITY		
WORKFORCE PROTECTION	SHS-1: Safety, health and security engagement	Safety is a core part of Laredo's culture and we pride ourselves on our commitment to conduct all operations in a safe manner. Our safety best practices include: annual training, pre-job safety meetings, monthly all-field employee safety meetings, on-site contractor management and safety personnel, hazard hunts, bi-annual external safety audits, stop work authority, after action review and root cause analysis.
	SHS-2: Workforce health	<p>Since the start of the COVID-19 pandemic, Laredo has been committed to keeping our employees and communities safe. We've implemented several safety and support measures for all employees, including prohibiting non-essential business travel, including between Laredo offices and sites, as well as off-site training, meetings and conferences and providing employees resources and tips for wellbeing while working from home, including free access to a temporary mental health platform which offers programs pertaining to managing stress and strengthening mental resilience.</p> <p>Furthermore, we provide over 80% of health insurance premiums to ensure our employees and their families have access to affordable healthcare. We also provide an on-site fitness center for our Tulsa employees and access to local fitness facilities for our field personnel.</p>
	SHS-3: Occupational injury and illness incidents	<p>Although we are always striving for zero incidents, we are proud of our record of safe operations.</p> <ul style="list-style-type: none"> • ZERO employee fatalities • ONE employee recordable incident • 0.86 combined Total Recordable Incident Rate (TRIR) <ul style="list-style-type: none"> • 1.00 Contractor TRIR • 0.37 Employee TRIR
	SHS-4: Transport safety	Vehicle incident rate per million miles driven: 0.4
PRODUCT HEALTH, SAFETY AND ENVIRONMENTAL RISK	SHS-5: Product stewardship	Laredo is focused on providing operationally and financially sustainable energy to consumers. We are proud of the meaningful emissions reductions targets we have set for our company and we will continue to work with our suppliers to mitigate their carbon footprint. Furthermore, we believe our investments in digital systems and physical infrastructure allow us to cost effectively consolidate and develop new assets at scale. Our Howard County sand mine and electric infrastructure will lower costs and provide certainty of execution. Likewise, our Glasscock and Reagan County water infrastructure lowers our lease operating expenses and reduces truck traffic, making roads safer for everyone.
PROCESS SAFETY	SHS-6: Process safety	<p>Laredo management systems integrate a culture of safety throughout the exploration and production lifecycle. Our culture of safety starts with our core values of doing the right thing. All field employees are required to complete both third-party and internal training programs prior to beginning field operations. We have developed standard operating procedures for routine activities to ensure we do it right the first time, every time.</p> <p>When on-site, we conduct pre-job and pre-shift safety meetings with all personnel and contractors on location with additional meetings if operations call for a change from our standard operating procedure. Furthermore, all employees and contractors have the right to stop work any time they believe conditions may pose a danger to the health, safety or security of personnel or may result in a release. Additionally, we conduct regular hazard hunts on locations to identify and correct any safety deficiencies and hire a third-party to inspect rigs on a bi-annual basis, conduct pre-spud inspections with the contract rig manager and confirm the regulatory compliance and safety performance for all contractors that operate or are present at our field locations. All incidents and near miss events are reviewed and most issues go through our root cause analysis process to ensure responsive and corrective actions are taken to prevent future events.</p> <p>In 2019, we had no operations which qualified as a Process Safety Event (PSE) or as a Loss of Primary Containment (LOPC) of greater consequence (Tier 1).</p>

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)															
SAFETY, HEALTH AND SECURITY																	
SECURITY	SHS-7: Security risk management	Laredo does not own or operate assets in or near areas of conflict.															
SOCIAL																	
HUMAN RIGHTS MANAGEMENT	SOC-1: Human rights due diligence	Per our Human Rights, Security and Rights of Indigenous Peoples Policy, we follow all applicable national and local regulations as they pertain to the fundamental rights of all stakeholders. Laredo’s commitment to human rights aligns with the principles of the United Nations’ Universal Declaration of Human Rights, the United Nations’ Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.															
	SOC-2: Suppliers and human rights	As a company, Laredo upholds our Human Rights, Security and Rights of Indigenous Peoples Policy and condemns any violation of such rights. Laredo prohibits the use of human trafficking, child labor and forced labor.															
	SOC-3: Security and human rights	Although, Laredo does not own or operate assets in or near areas of conflict, we are committed to the implementation and evaluation of effective outcomes of our Human Rights, Security and Rights of Indigenous Peoples Policy.															
LABOR PRACTICES	SOC-4: Site-based labor practices and worker accommodation	<p>Guided by mutual respect, openness, honesty and a spirit of trust and collaboration, we know that an engaged, healthy, well-trained workforce is key to our world-class culture and helps us accomplish our strategic goals. We work to foster an environment of safety and inclusion through our Code of Conduct and Business Ethics and biennial anti-harassment training. Similarly, our flexible work schedule enables our employees to attend important family events, and on-site lactation rooms provide mothers with a calm and private space. We firmly believe that everyone at Laredo contributes to our company’s success.</p> <p>We also recognize there are always areas for continuous improvement and our hotline provides a mechanism for employees and contractors to report grievances without retaliation and allows the Company to review and adjust, where necessary.</p>															
	SOC-5: Workforce diversity and inclusion	<p>We believe that a diverse workforce will help our organization better accomplish our mission. To increase our hiring of traditionally underrepresented personnel, Laredo proactively sources open positions on job sites specifically focused on diversity. This allows us to gain candidates from underrepresented talent pools to help fill our positions. We are establishing an internal framework for hiring employees with diverse experiences and viewpoints with a goal to increase diversity at the Board, senior management and all workforce levels through hiring practices which support our strategy. This effort includes our US military veterans, which comprise 5% of Laredo’s workforce.</p> <table><thead><tr><th></th><th>% OF WORKFORCE</th><th>% IN PROFESSIONAL OR HIGHER ROLES</th><th>% OF LEADERSHIP</th><th>% OF BOARD</th></tr></thead><tbody><tr><td>Women</td><td>29%</td><td>33%</td><td>25%</td><td>22%</td></tr><tr><td>Minorities</td><td>26%</td><td>18%</td><td>8%</td><td>0%</td></tr></tbody></table>		% OF WORKFORCE	% IN PROFESSIONAL OR HIGHER ROLES	% OF LEADERSHIP	% OF BOARD	Women	29%	33%	25%	22%	Minorities	26%	18%	8%	0%
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SOC-6: Workforce engagement	Laredo prides itself on a strong culture of “doing the right thing” where we encourage open communication with our management team to share new ideas on how to improve our operations and run a better business. To build more trust and transparency with our employees, Laredo’s CEO holds culture surveys during weekly communication calls with employees for them to provide feedback on various topics. These are in addition to our quarterly, Company-wide CEO town hall meetings after earnings calls where we provide important updates to our workforce.																

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)
SOCIAL		<p>Safety is a core part of Laredo's culture and we pride ourselves on our commitment to conduct all operations in a safe manner. We have a robust training program for our Lease Operators and Field Technicians that allows for consistency in our processes and gives the management team clarity when considering field employees for promotional opportunities. Administration of this program is a joint effort between leadership on the Production team and the Learning and Development staff that allows us to intentionally train our employees with the goal of promoting from within for all field promotions.</p> <p>We utilize a third-party Learning Management System for our training courses. There are three levels for each job function – Basic, Intermediate and Advanced. The coursework for each level contains various training courses that include readings, videos and assessments, and are intended to teach the employee the fundamentals of the industry and how Laredo desires work to be completed in the field.</p> <p>Full-time field employees receive 27.5 hours of annual training, with new supervisors receiving another 16 hours for HAZWOPER certification, which is renewed annually with an 8-hour refresher. Additionally, our contract supervisors receive 19.5 hours of training per year through our monthly safety meetings and new field employees must complete the 8-hour SafeLand Certification course before engaging in field work. Furthermore, new field employees receive 24.5 hours per year and an additional 3 hours of safety training upon new hire orientation.</p>
	LABOR PRACTICES	
	SOC-7: Workforce training and development	
	SOC-8: Workforce non-retaliation and grievance mechanisms	<p>Laredo has a robust Whistleblower Policy whereupon any employee, as well as any other person, may submit a good faith complaint to the management of the Company without fear of dismissal or retaliation of any kind. These complaints are submitted via our corporate hotline and may be submitted anonymously with review of such complaints overseen by the Audit Committee of the Board of Directors.</p>
COMMUNITY ENGAGEMENT		<p>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights.</p> <p>We also do the right thing in protecting our surface owners and their interests. We regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely-populated areas.</p> <p>Furthermore, we encourage full-time employees to take up to eight hours of paid time off, annually, to participate in volunteer programs of their choice, many of which are local non-profit organizations.</p>
	SOC-9: Local community impacts and engagement	
	SOC-10: Indigenous peoples	<p>Per our Human Rights, Security and Rights of Indigenous Peoples Policy, we follow all applicable national and local regulations as they pertain to the fundamental rights of all stakeholders. Laredo's commitment to human rights aligns with the principles of the United Nations' Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Furthermore, Laredo does not currently own or operate any assets in, or near, areas of conflict. Likewise, Laredo does not currently operate assets on federal or Native American land.</p>
	SOC-11: Land acquisition and involuntary resettlement	<p>Strong, positive relationships with the communities in which we operate are core to our successful operations. As a company, Laredo upholds all human rights. Relatedly, Laredo recognizes its responsibilities as a steward of the land on which it operates and maintaining the trust of landowners is important to us. We reach out to our landowners to determine their wishes for their land and strive to minimize our environmental footprint. As an example, we regularly implement dust control protocols during drilling and completion operations and have raised sound walls to further minimize impact from our operations when they occur in densely-populated areas.</p>

ABOUT THIS REPORT AND INDICES

PILLAR	TOPIC	METRIC / RESPONSE (2019)
SOCIAL	SOC-12: Community grievance mechanisms	Laredo provides a hotline to allow any person to report grievances without retaliation and allows the Company to review and adjust, where necessary. These complaints may be submitted anonymously and are reviewed by the Audit Committee of the Board of Directors.
	SOC-13: Social investment	<p>In 2019, Laredo launched a new policy to allocate full-time employees up to eight hours of paid time off, annually, to allow them to participate in volunteer programs of their choice. Some of the organizations our employees chose to dedicate their time and effort for 2019 include: Meals on Wheels in Midland, Texas and the Concho Valley Home for Girls. Additionally, we began the Laredo Charitable Giving Campaign with a focus on the West Texas Food Bank, West Texas Rehab Center, Regional Food Bank of Oklahoma and the Tulsa Area United Way, from whom we received the 2019 Ignite Award.</p> <p>Likewise, Laredo sponsors a Charitable Matching Gift Program to match donations of up to \$1,000 per employee per year to a non-profit organization of his or her choice with Laredo and its employees donating \$16,497.90 to charitable programs in 2019. Furthermore, Laredo hosted its first annual Charitable Giving Campaign, which included a dollar-for-dollar company match of all employee donations, resulting in an additional donation of more than \$130,000 to local charitable organizations.</p>
COMMUNITY ENGAGEMENT	SOC-14: Local procurement and supplier development	Laredo is proud to work with many of the small, local service providers who work safe, work smart and work local. We strive to develop lasting partnerships with these local service providers in our areas of operations to minimize miles driven and benefit the economy of the communities where we work.
	SOC-15: Local hiring practices	Laredo often hires top local talent and provides development opportunities to advance their careers. For example, many of our field personnel live near our operating areas and have been promoted through our internal training and development program. This program is a joint effort between leadership on the Production team and the Learning and Development staff that allows us to intentionally train our employees with the goal of promoting from within for all field promotions.
LOCAL CONTENT		