



Jonah Field - Wyoming

**EVOLUTION PETROLEUM**

**2022 CORPORATE SUSTAINABILITY REPORT**

October 2022





***This report provides detailed information about Evolution Petroleum Corporation's ("Evolution", the "Company", "we", "us", and "our") Environmental, Social, and Governance ("ESG") philosophy, initiatives, and related key performance indicators.***

*In the creation of this document, we considered various frameworks, including the Sustainability Accounting Standards Board's ("SASB") Oil and Gas Exploration and Production Sustainability Accounting Standards, Global Reporting Initiative ("GRI"), and Institutional Shareholder Services' ("ISS") Environmental and Social ("E&S") QualityScore. Our actions and initiatives implemented to date endeavor to comply with standards, as applicable and practicable, as represented by SASB, GRI, and ISS. These efforts remain a work in progress.*

*Our fiscal year ends on June 30. This document covers the three-year period of July 1, 2020 through June 30, 2022 where data and information are available, unless otherwise noted. For more information about our ongoing sustainability and ESG efforts, please visit our website, [www.evolutionpetroleum.com](http://www.evolutionpetroleum.com), under the "Sustainability" section. Please see the inside back cover for our Forward-Looking Statements and Cautionary Note Regarding Oil and Gas Reserves commentaries and disclaimers.*

*GRI 2-1, GRI 2-2, GRI 2-3*



## Positioned for Long-Term and Sustainable Success

Evolution was formed in September 2003 as Natural Gas Systems and went public in 2004, later changing its name to Evolution Petroleum Corporation. The Company is listed on the NYSE American stock exchange under the symbol “EPM”. Evolution is an oil and natural gas company focused on delivering a sustainable dividend yield to its shareholders through the ownership of and investment in onshore oil and natural gas properties in the United States. Our goal is to maximize total shareholder return by executing on our strategy while striving to minimize risk, maximize opportunity, and follow high ESG standards.

In fiscal year 2021, we laid the foundation for Evolution’s corporate sustainability efforts by creating an ESG Task Force charged with formalizing our existing ESG programs, proposing and implementing new ESG initiatives, and monitoring adherence to our ESG standards. The ESG Task Force reported to and communicated regularly with the Company’s Nominating and Corporate Governance Committee, which oversaw ESG and sustainability efforts in fiscal years 2021 and 2022. With the expansion of the Board, the ESG Task Force will report to the Board’s recently formed Sustainability Committee moving forward. For fiscal year 2022, the ESG Task Force has helped to improve our ESG initiatives through several successful efforts. These include: formalizing and implementing a charitable donation program and employee volunteer

initiative, completing our first annual company-wide ESG training program for both the Board of Directors and our workforce, implementing safety inspections and health and safety coordinators, incorporating ESG considerations into our compensation structure, and continuing to enhance and formalize policies and procedures. These accomplishments were completed while continuing to focus on Evolution’s business and evaluating, negotiating, closing and integrating two separate, major asset purchases. This Corporate Sustainability Report (“CSR”) represents the progression of efforts put forth in fiscal years 2021 and 2022, culminating in public disclosure of our ESG program and discussion of our plans to continue to address these key issues in the future.

As we endeavor to continually engage our stakeholders and provide communication regarding our commitment to our ESG program, corporate responsibility, and corporate sustainability, we reached out to some of our largest shareholders and asked them to provide feedback on our 2021 CSR. We invite all of our stakeholders to provide feedback and ask questions about our CSR and sustainability efforts. Please send any feedback or questions about our CSR to [info@evolutionpetroleum.com](mailto:info@evolutionpetroleum.com) or

### Evolution Petroleum Corporation

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Jonah Field - Wyoming



# Table of Contents

05 *Letter to My Fellow Stakeholders*

07 *Our Strategy*

08 *Our Core Values*

09 *Our Business*

14 *Environmental*

24 *Social*

38 *Governance*

51 *Appendix*



# Letter to My Fellow Stakeholders

## ***Dear Stakeholders,***

*Last year we took an important step by issuing our inaugural CSR. It was a great foundation to build upon and we will continue to be transparent regarding our sustainability efforts by regularly issuing reports concerning our ESG activities and initiatives. Environmental stewardship, sound corporate governance, and contributing positively to our employees and our communities remain integral to our culture. ESG leadership comes from the top down and starts with our Board and is embraced by our growing workforce. In the past year we have implemented a Company-wide ESG training program, introduced a charitable donation program and volunteer initiative, and incorporated ESG into our annual compensation assessment. We have increased our visibility and engagement with our investors through meetings, presentations, conferences, and non-deal road shows. This has allowed us to better convey our corporate strategy and discuss our commitment to sustainability.*

*Our goal is to maximize shareholder return through the execution of our strategy subject to our obligations to all stakeholders. We look to profitably grow our net assets by incorporating acquisitions that promote long-term shareholder value and enhance our long-term sustainability. We had a very strong year in 2022, increasing production which allowed shareholders to benefit from the improved commodity price environment resulting in increased cash flow. The combination of these positive factors allowed us to return meaningful cash through dividends to our shareholders while we continued to execute on our growth strategy, and has firmly placed Evolution in a stronger operating and financial position moving forward. The acquisitions in 2022 provided further diversity of our operating footprint, product mix, and third-party operators of our assets. We have enhanced our portfolio with more natural gas assets. We also saw significant growth in our long-life reserves base. Our fiscal year 2022 reserves increased by 55%, driven by the acquisitions, positive performance revisions, and improved pricing. Net of production, we were able to increase our Proved Developed Producing reserves by 10.9 MMBOE.*

## Letter to My Fellow Stakeholders

*As we look toward the future, we remain committed to profitably growing Evolution while delivering meaningful returns to our shareholders and enhancing our focus on sustainability. In 2022, we have brought on a new Board member to lead our recently created Sustainability Committee. We will continually seek ways to improve our processes and performance with respect to ESG. We are enhancing and growing our first-class organization of management, technical, and financial people with a strong collaborative culture. We will continue to focus on creating value for our shareholders and remain committed to our long-standing dividend. I would like to thank our employees, operating partners, and contractors for their continued efforts as we execute our strategy and foster our commitment to providing our workforce with a safe and positive work environment, protecting the environment, and adhering to high ethical standards.*



**Robert Herlin**

*Chairman & Co-founder*





## Our Strategy

Our strategic focus is to maximize total shareholder return from a diversified portfolio of long-life oil and natural gas properties built through acquisition and through selective development, production enhancement, and other exploitation efforts on our oil and natural gas properties. In doing so, we depend on sound fiscal discipline and promoting a conservative capital structure, which allows us to maintain low leverage while enhancing our portfolio through accretive acquisitions or selective development of our current assets. We prioritize the alignment of the interests of our employees and directors with the interests of our shareholders, through their beneficial ownership of the Company's common stock.

- ✓ **7.7% of outstanding EPM shares are held by management and the Board of Directors.**
- ✓ **\$88 million paid to shareholders since 2013 with \$84 million in cash dividends and \$4 million in share repurchases.**
- ✓ **Announced in September 2022, a \$25 million share repurchase program and a 20% increase in quarterly dividend.**

***Our Goal is to Maximize Total Shareholder Return,  
Which We Accomplish Through Our Three Basic Fundamentals:***

### RETURN OF CAPITAL

- Sustainable dividends
- Opportunistic share buybacks

### MAINTAIN FINANCIAL STRENGTH AND FLEXIBILITY

- Pay down debt with free cash flow after dividend distribution
- Remain < 1x Debt/ Adjusted EBITDA
- Conservative financial management

### STRATEGICALLY GROW ASSET BASE

- Acquisitions
  - ✓ Accretive
  - ✓ Cyclically opportunistic
- Organic Growth
  - ✓ Development drilling
  - ✓ Workovers & recompletions

### OUR FOUNDATION

- Strong Balance Sheet
- Long-Life, Low Decline Assets
- Low-Risk Development Inventory
- Geographic and Commodity Diversity in Attractive Markets
- Commitment to Long-Term Corporate Sustainability

# Our Core Values

## Integrity is Paramount



- ✓ Do the right thing
- ✓ Commit to develop and produce energy resources in environmentally, socially, and ethically respectful and responsible ways
- ✓ Conduct ourselves with honesty and accountability

## Embrace a Culture of Teamwork



- ✓ Recognize people are critical to our success
- ✓ Promote and maintain a safe and inclusive work environment
- ✓ Promote sustained institutional knowledge through cross-functional teams
- ✓ Reach greater accomplishments through close collaboration

## Strategically Plan for the Long-term



- ✓ Continuously focus on returning capital to shareholders
- ✓ Maintain capital discipline and stakeholder transparency
- ✓ Maximize performance and minimize our environmental footprint

## Invest in the Right Assets



- ✓ Partner with operators sharing our core values
- ✓ Extensively evaluate potential acquisitions to ensure accretion
- ✓ Sustain and prolong life of reserves
- ✓ Create value through application of technology and innovation

## Support the Community

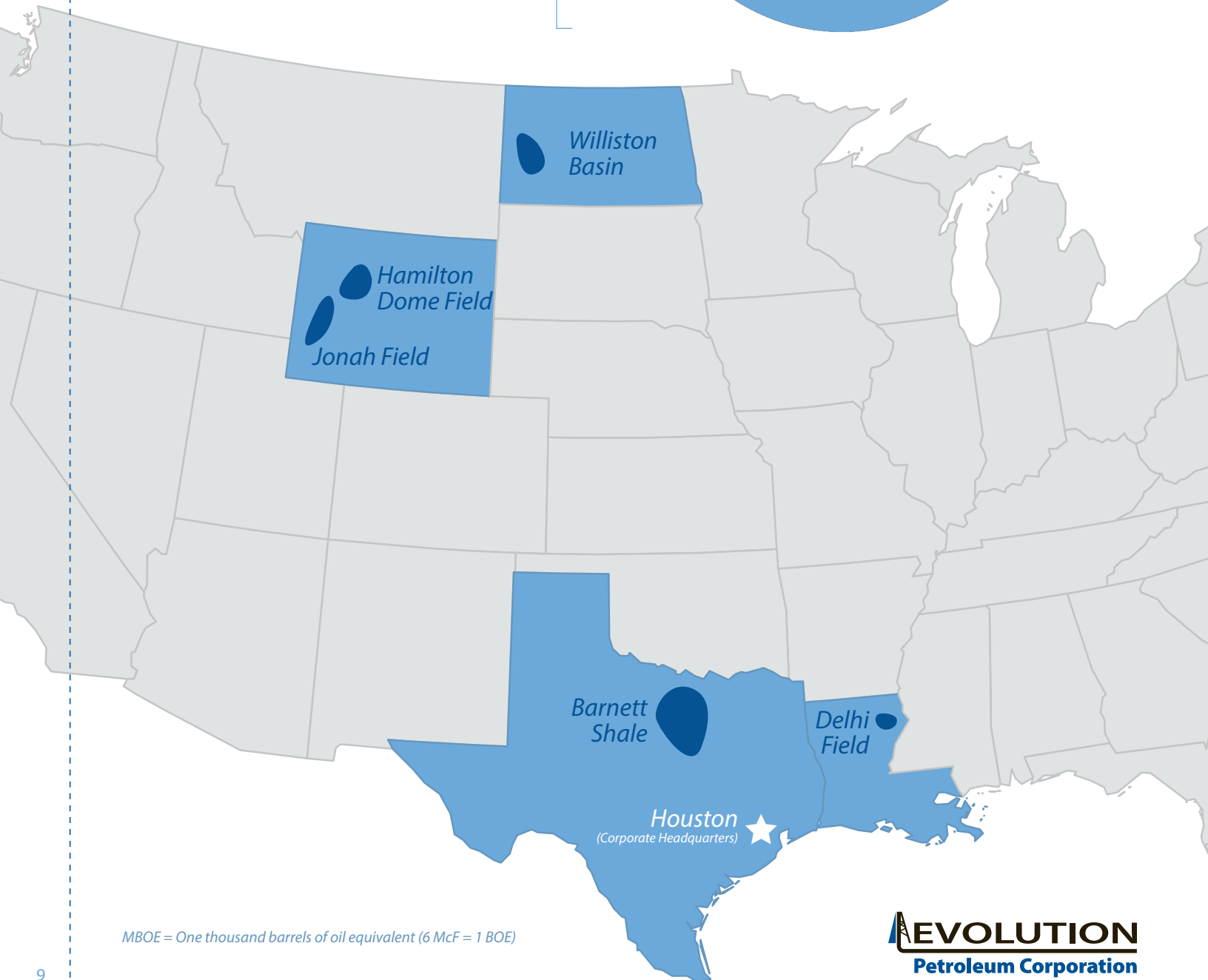
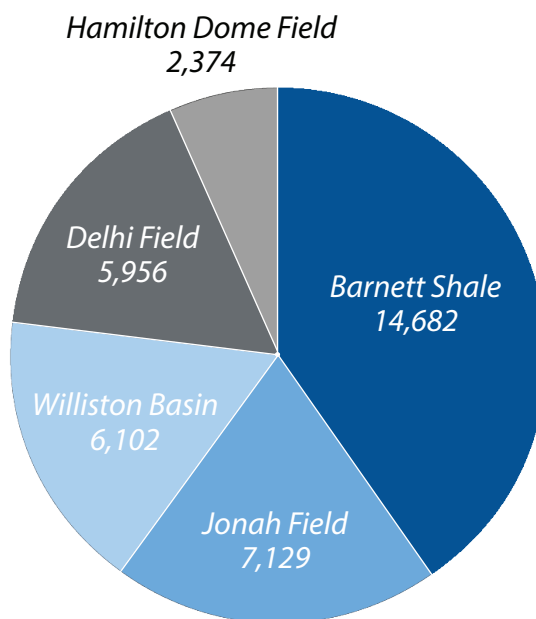


- ✓ Give back to the communities in which we live and do business
- ✓ Ensure open and honest communication
- ✓ Support our employees in their personal commitments



## Our Business

**Proved Reserves as of  
June 30, 2022,  
36,243 MBOE**



MBOE = One thousand barrels of oil equivalent (6 Mcf = 1 BOE)



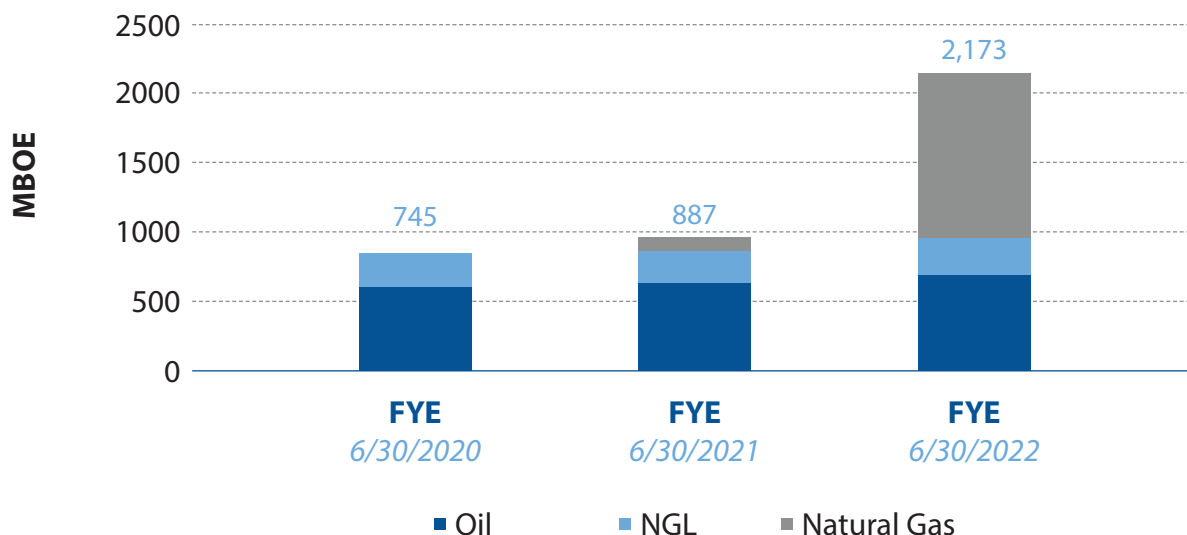


Williston Basin - North Dakota

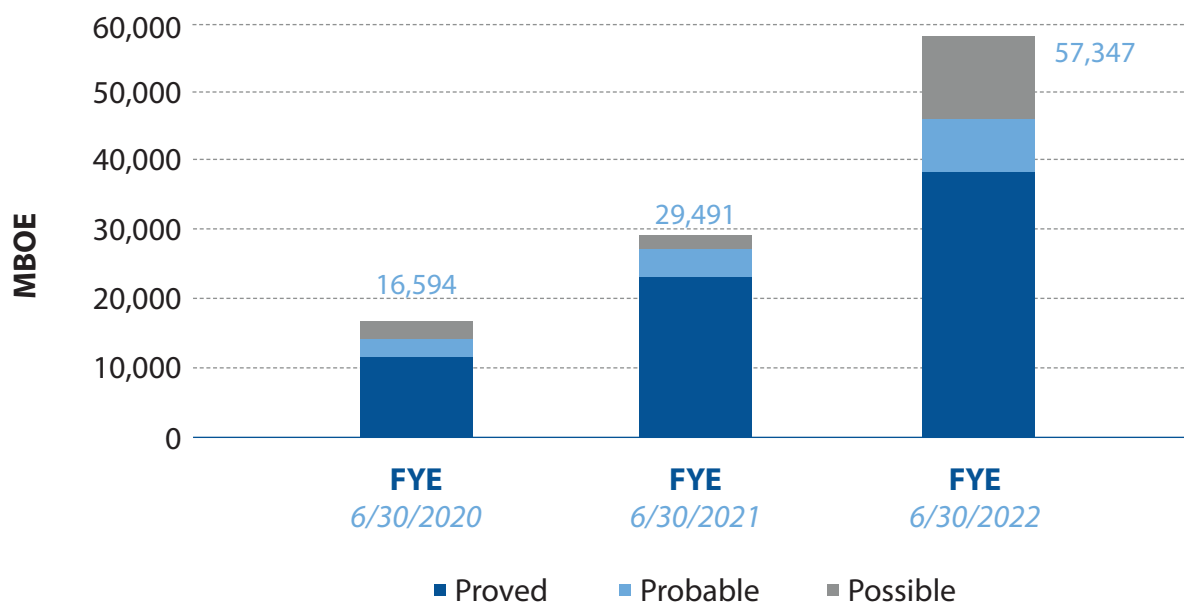


# Our Business

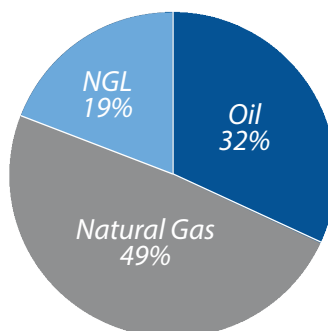
## Production



## Total Reserves



## Proved Reserves by Commodity as of June 30, 2022





# Our Business

Metric		FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
<b>Production</b>  <i>EM-EP-000.A</i>	Core Producing Areas	2	3	5
	Oil, Bbls	638,464	554,888	619,000
	NGLs, Bbls	106,159	171,451	364,000
	Natural Gas, McF	1,087	963,496	7,141,000
	Equivalent, BOE	744,804	886,922	2,172,845
<b>Proved Reserves<sup>2</sup></b>	Oil, MBbls	8,226	8,420	11,470
	NGLs, MBbls	1,993	6,872	6,941
	Natural Gas, MMcF	0	48,571	106,991
	Equivalent, MBOE	10,219	23,387	36,243
<b>Probable Reserves<sup>2,3</sup></b>	Oil, MBbls	2,649	2,541	4,549
	NGLs, MBbls	662	743	1,331
	Natural Gas, MMcF	0	0	2,275
	Equivalent, MBOE	3,311	3,284	6,259
<b>Possible Reserves<sup>2,3</sup></b>	Oil, MBbls	2,572	2,506	11,115
	NGLs, MBbls	492	314	8,057
	Natural Gas, MMcF	0	0	2,387
	Equivalent, MBOE	3,064	2,820	14,845
<b>Employees</b> <i>GRI 2-7</i>		4	5	9

**Notes:**

1. Equivalent oil reserves are defined as 6 McF of natural gas and 42 gallons of natural gas liquids ("NGL") to one barrel of oil conversion ratio, which reflects energy equivalence and not price equivalence. Gas prices per McF and NGL prices per barrel often differ significantly from the energy equivalent amount of oil.

2. FYE 6/30/2020 and FYE 6/30/2021 reserves estimated by DeGolyer and MacNaughton, an independent petroleum engineering firm. FYE 6/30/2022 reserves estimated by DeGolyer and MacNaughton (Delhi Field, Hamilton Dome Field, Barnett Shale) and Netherland Sewell & Associates, Inc. (Williston Basin, Jonah Field), independent petroleum engineering firms.

3. Estimates of Probable and Possible reserves are by their nature more speculative than estimates of Proved reserves and are subject to greater uncertainties and, accordingly, the likelihood of recovering those reserves is subject to substantially greater risk and the categories should not be aggregated.

Bbls = Barrels of oil or natural gas liquids (NGLs)

McF = One thousand cubic feet of natural gas

BOE = Barrel of oil equivalent (6 McF = 1 BOE)

MBbls = Thousands of barrels of oil or NGLs

MMcF = One million cubic feet of natural gas

MBOE = One thousand BOE







# Environmental

*At Evolution, we recognize that the world's climate continues to change, which is why we have historically endeavored to safeguard the environment and will continue to do so. We are committed to continuing our longstanding efforts to comply with all applicable environmental regulations and requirements, and we prefer to work with third-party operators that share our desire to operate and work with a high regard for ethics and responsibility, particularly for the natural environments in which they operate. We believe the operators we partner with are focused on achieving full compliance with regulatory requirements, while minimizing adverse impacts on the environment.*

*Our enterprise level environmental policy is available on our website in the "Environmental" section.*

## Environmental

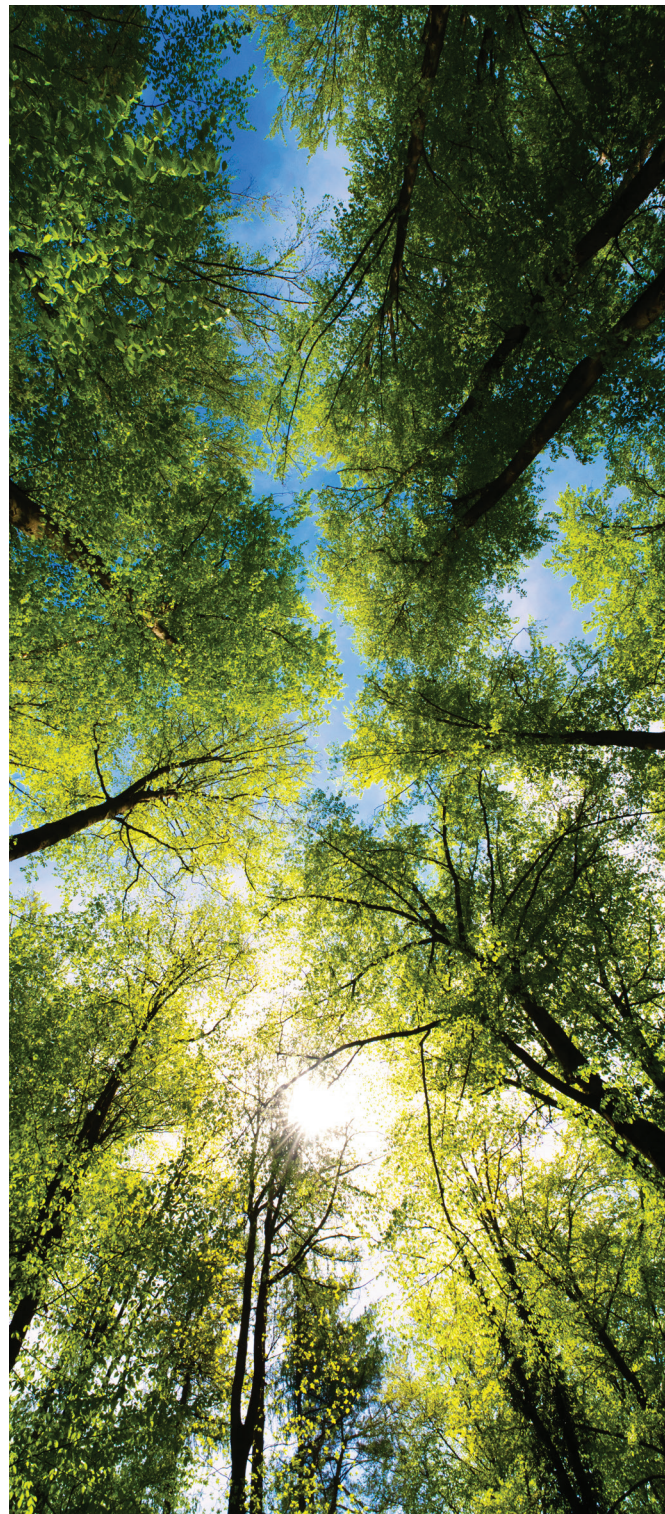
### Extending the Life of Oil and Natural Gas Fields

Evolution currently owns non-operated interests in a combination of assets that represent all three phases of oil and natural gas extraction, including:

- Primary recovery;
- Secondary recovery (i.e., waterflood); and
- Tertiary recovery (i.e., carbon dioxide “CO<sub>2</sub>” flood).

In fiscal years 2021 and 2022, Evolution closed on three acquisitions of certain non-operated oil, natural gas, and natural gas liquids assets located in the Barnett Shale in North Texas, the Williston Basin in Western North Dakota, and the Jonah Field in Northwestern Wyoming. These assets are an example of **primary recovery**, which is considered the first stage of oil and natural gas extraction and relies on the natural or initial reservoir pressure combined with artificial lift techniques such as pumps.

These recent transactions diversified our prior operations by adding a significant amount of natural gas to our reserves and product mix.



## Environmental

The U.S. Energy Information Administration (“EIA”) reports that natural gas is an efficient and relatively clean burning fuel when produced without material methane leakage. Burning natural gas results in fewer CO<sub>2</sub> emissions when compared to other fuels like coal and gasoline to produce an equivalent amount of energy. This characteristic of natural gas has led to a recent increase in demand for natural gas to generate electricity in the United States.

In its Annual Energy Outlook for 2022, the U.S. EIA projects that demand for natural gas will continue to increase through 2050 and production of natural gas will grow by almost 24%, approximately twice as fast as consumption, with much of this growth in natural gas production being exported as liquefied natural gas (“LNG”). Additionally, the EIA projects global natural gas consumption to continue growing through 2050 in absolute terms (and as a share of the world energy mix) because of its economics and lower carbon emissions relative to other sources of energy.

While the world continues to improve its environmental footprint, natural gas will remain a critical part in supporting the energy and life-sustaining needs of a growing world population. As a result, our recent transactions provide us with an investment in lower carbon emitting fuels while continuing to support the market’s energy demands.

Evolution’s non-operated assets located in the Hamilton Dome Field in Hot Springs County, Wyoming are produced using **secondary recovery** methods, which utilize water injection (or waterflooding) in order to maintain or increase reservoir pressure and direct the displacement of oil into producing wells.

Primary and secondary recovery phases typically extract between 10% and 40% of the reservoir’s original oil in place. Tertiary recovery methods are used to recover the remaining extractable volumes over an extended period. Tertiary recovery methods allow oil to be produced that would otherwise have been left in place, thus extending the life of the field.

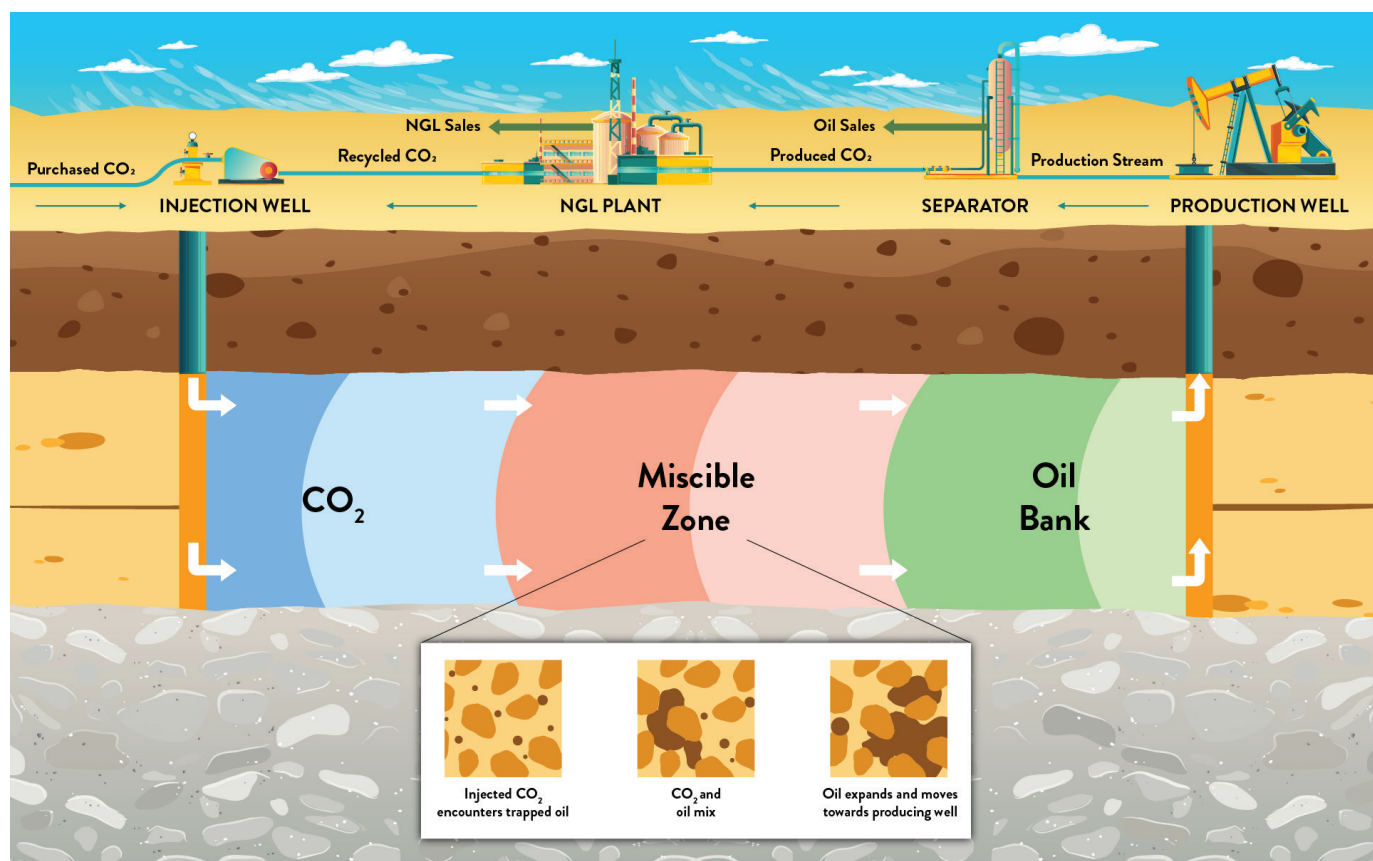


## Environmental

Delhi Field in Louisiana utilizes tertiary recovery methods. **Tertiary recovery**, also known as enhanced oil recovery, employs injection of gas, heat, or chemicals into the reservoir in order to change the physical properties of the oil and aid in its extraction.

Delhi Field operations utilize gas injection for tertiary recovery by pumping CO<sub>2</sub> into the producing reservoir, which is later produced and recycled at a field level. CO<sub>2</sub> injection (or CO<sub>2</sub> flooding) is typically used wherever CO<sub>2</sub> is readily available. Naturally occurring reserves of CO<sub>2</sub> are present in the Jackson Dome Field in Central Mississippi, northeast of Jackson, Mississippi and east of the Delhi Field.

The following schematic diagram shows how CO<sub>2</sub> is injected into the reservoir at Delhi Field to recover stranded oil, including an illustration on a granular scale.



# Environmental

With industry-wide increased consideration of greenhouse gas (“GHG”) emissions, CO<sub>2</sub> emissions, and water use, our ownership interests in the Delhi and Hamilton Dome fields are examples of how the energy industry seeks to reduce the overall “net” impact on the environment while meeting the energy and feedstock needs of society. Through innovative and responsible application of production technologies such as waterflooding at Hamilton Dome Field and CO<sub>2</sub> flooding at Delhi Field, the life of these fields can be extended for many years .

## Collaborating with Our Third-Party Operators

As a non-operator of our current properties, we do not have direct control over environmental initiatives for our oil and natural gas assets. However, we believe it is important to partner with third-party operators that share our core values and are committed to being good environmental stewards as they responsibly produce energy resources.

We recognize that the expectations, requirements, and responsibilities of

operators regarding safeguarding the environment continue to evolve. We are, and will continue to be, committed to supporting our third-party operators as they respond to these expectations, requirements, and responsibilities. Moving forward, and as in the past, we will continue to work closely with our third-party operators as it relates to:

- Compliance with all federal, state, and local laws and regulations;
- Minimizing emissions;
- Reducing the amount of flaring of natural gas;
- Protecting wildlife;
- Promoting increased transparency;
- Protecting access to safe groundwater in the communities near our operations;
- Maintaining well integrity and stability;
- Minimizing the number of incidents associated with spills and other accidents through adequate training and supervision of all employees and contractors; and
- Retiring or plugging and abandoning all well bores and related facilities in compliance with all applicable regulations so as to reduce any future environmental hazards.

## Environmental

With our third-party operator partner in Hamilton Dome Field, we demonstrate our desire to limit our environmental footprint by working within the local community to provide recycled water for agricultural and wildlife use. We also support our partners as they work closely with the appropriate regulatory agencies to preserve and protect wildlife species and their habitats by limiting activities during certain times of the year that are deemed disruptive, particularly at the Hamilton Dome and Jonah Field properties.

We have contractual rights at Delhi Field related to approval of capital expenditures. We also have contractual rights at our Williston Basin assets to propose and carry out capital expenditures. These rights enable us to further support our third-party operators' initiatives around environmental stewardship.

We continue to support all of the operators of our assets and recognize that the expectations, requirements, and responsibilities of operators regarding safeguarding the environment and environmental stewardship continue

to evolve. We are, and will continue to be, committed to assisting our third-party operators as they respond to these expectations, requirements, and responsibilities.

### Greenhouse Gas ("GHG") Emissions

We are unable to report Scope 1 GHG, or direct, emissions to the United States Environmental Protection Agency ("EPA") as we are not the operator of our assets, nor do we have financial control over our oil and natural gas assets and related operations.

As previously discussed, we prefer to partner with third-party operators that work to reduce their Scope 1 GHG emissions, and we encourage them to accelerate their efforts as appropriate in this regard. For example, the operator of the Delhi Field utilizes solar panels at each well site for supervisory control and data acquisition ("SCADA") oversight as well as for several chemical pumps.



## Environmental

The Company is able to report the estimated Scope 2 GHG emissions for its corporate office located in Houston, Texas. Scope 2 GHG emissions are based on indirect emissions representing purchased electricity. Evolution is one of many tenants leasing space in the corporate office building we occupy and therefore does not know the actual amount of electricity used in our space. We estimate our consumption by multiplying the electricity purchased for the entire building by the percentage of the floor area that we occupy.

Evolution is using (for all periods presented) a calculated megawatt per hour ("MWh") equivalent of carbon dioxide (CO<sub>2</sub>-e) produced of approximately 822.0 pounds of CO<sub>2</sub> equivalent ("CO<sub>2</sub>-e") emissions per

MWh, which is based on the EPA's Emission & Generation Resource Integrated Database ("eGRID") that publishes an Emissions Factor Hub that contains the most recent (January 2022) eGRID subregion emissions factors. As our corporate office is located in Houston, Texas, we utilize the most recent emissions factor provided for the Electric Reliability Council of Texas ("ERCOT") for all periods presented. Our corporate offices are located in an eight-story building. The building is equipped with Daiken magnetic bearing chillers, the most efficient chillers currently available, which were installed in 2015. At the same time, a new building automation system was installed along with variable frequency drive ("VFD") on all motors to promote additional operational efficiencies.

### GRI 305-2

Metric	FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
<b>Corporate Facilities</b> Scope 2 CO <sub>2</sub> -e			
(total energy in estimated megawatt hours)	15.08	14.68	15.26
(in metric tons based on estimated megawatt hours) <sup>1,2</sup>	5.62	5.47	5.69
Percentage of energy consumed from grid	100%	100%	100%

#### Notes:

1. 822.0 pounds of CO<sub>2</sub>-e per MWh.
2. 2,204.6 pounds per metric ton.

## Environmental

Also in 2015, a reflective roof system was installed on the building. All common area lights and all parking lights are light emitting diodes ("LED"), which require less use of electricity. Additionally, motion detection lighting sensors installed in our office space and the building's restrooms help to minimize our overall energy use.

### Water Management and Landscaping

*SASB EM-EP-140a.1*

*GRI 302-1, GRI 303-5*

The Company is able to report the estimated fresh water usage for its corporate office located in Houston, Texas. As discussed previously, Evolution is one of many tenants leasing space in the corporate office building

we occupy and therefore does not know the actual amount of fresh water used specifically for our space. As such, we estimate our fresh water usage (for both inside the building and outside irrigation) by multiplying the total water usage for the entire building by the percentage of the floor area that we occupy. In addition to providing an estimate of fresh water usage in US gallons, we convert that estimate into thousand cubic meters (1 thousand cubic meters = 264,172.052 US gallons).

To minimize the usage of fresh water, all water fixtures in our corporate office building are water saver-based that include automatic and hands-free operation. The building's outside irrigation system utilizes a satellite monitoring

Metric	FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
<b>Corporate Facilities</b> Fresh Water Usage			
(in US gallons)	17,174	16,335	7,393
(in thousand cubic meters (m <sup>3</sup> ))	0.065	0.062	0.066



## Environmental

system that only irrigates the areas that need watering during a particular cycle. In addition, landscaping for the building and related properties only includes indigenous or other plant material rated for the Houston and South Texas climate to help reduce the amount of water necessary for maintenance.

### Waste Management and Office Maintenance

We do not operate our oil and gas assets, so we report no waste associated with drilling, completing, fracking or extracting oil and gas reserves. Our corporate office building does not generate hazardous waste and for non-hazardous waste we utilize our corporate office building's waste services and follow their waste recycling program. We actively look for ways to recycle and minimize our environmental footprint. The recycling program in our offices include, paper, plastic and cardboard recycling. In addition, janitorial service for our building is provided using "Green Cleaning," whereby all products used are water-based, biodegradable, and environmentally friendly. Also, included in the property management's contracts with service providers for the building is the requirement that vendors must follow all relevant EPA Guidelines and Sustainable Practices as a part of doing business.

### Our Team's Commitment

Our team strives to improve our impact and performance with respect to our environmental goals and initiatives. We endeavor to make responsible decisions and remain informed as we conduct business. While we currently only own non-operated interests in oil and natural gas properties, we continue to evaluate targeted, high rate of return opportunities to invest in long-lived assets. We apply the same level and rigor of environmental due diligence to all assets that we may acquire. Our evaluation process is focused on sustainability, profitability, and safety, among other factors. We seek opportunities to increase long-term value through optimal reservoir management



as well as ways to improve the overall efficiency of our operations by lowering per unit costs and reducing product losses through improved processes while ensuring the continued safety of our employees and contractors.





## Social

*Our employees are critical to our success. We place a strong emphasis on attracting, hiring, and developing a talented and diverse team of employees, and endeavor to support them through market-competitive compensation and benefit programs. We encourage the advancement of the safety, health, and professional development of our employees and believe that the key to our long-term success is providing an environment that promotes honesty, integrity, diversity, equity, and inclusion for our entire workforce. We believe treating people fairly results in higher performance and provides greater transparency to all stakeholders. We foster a workplace free of harassment and retaliation, and do not tolerate discrimination. We also encourage the efforts of our workforce on enhancing the quality of life in our local communities. We have corporate initiatives that we believe support our workforce's efforts in the communities in which we live and conduct our business. We look forward to the continued positive impact we, as a Company, are making.*

*Our compensation programs are intended to provide a direct link between pay and performance and are aligned with Company goals and shareholder results, including attracting and retaining top talent. All of our employees participate in similar incentive compensation programs that are measured in part based on the same set of performance goals that have been developed to increase value to our shareholders and stakeholders. To further motivate its management's focus on the sustainability of those efforts, beginning in fiscal year 2022, the Company added an ESG component to its short-term compensation evaluation metrics.*

# Social

## Workforce Health & Safety

*SASB EM-EP-320a.2*

*GRI 403-1, GRI 403-3, GRI 403-4, GRI 403-5*

We are committed to utilizing qualified and competent individuals to perform all aspects of our work. From time to time, we engage vendors, contractors, and consultants to perform various short- and long-term projects for the business (collectively, "Consultants"). We work to protect the occupational health and safety of our employees and consultants in all facilities and locations. Our primary workplace for our workforce is our corporate office space



located in Houston, Texas. We are proud to provide a safe and secure workplace, and the policies and procedures we have

implemented are intended to protect the health and well-being of our workforce and other onsite individuals. We do not operate the assets that we own an interest in, and as such we are limited in our ability to oversee and enforce health and safety measures performed by our third-party operators.

As a Company we seek to:

- Abide by applicable environmental, health, and safety laws and regulations;
- Provide a safe workplace that ensures our workforce understands the importance of the role that each individual plays in maintaining a safe work environment;
- Provide training and resources for our workforce to perform their work safely and understand their individual accountability in maintaining a safe work environment;
- Work with our third-party operators as appropriate to support the health and safety of their workers';
- Authorize Stop Work Authority whereby any member of our workforce may raise a reasonable concern about safety and cease all work until the issue is addressed or resolved;
- Educate our workforce about the importance of workplace safety through safety meetings and training;
- Provide our workforce with relevant information and plans regarding proper procedures in the event of a



## Social

fire, office lockdown, natural disaster, or other high-risk scenario;

- Promote and encourage transparent communication regarding health,



safety, and security concerns in the workplace between all members of our

workforce including employees, consultants, senior management, and the Board;

- Subscribe to local weather and natural disaster alerts to stay informed and safeguard our employees and consultants, including providing real time communications to our workforce;
- Keep the workplace clean and free of any hazards, spills, or other damage that could potentially pose a threat to the health and safety of employees and consultants;
- Perform visual inspections of our corporate office or other Company-operated facilities at least quarterly for any damage or situations that could pose a risk to the health and safety of our workforce; and
- Ensure our facilities are cleaned

and sanitized while providing our workforce with health supplies as needed.

In fiscal year 2022, Evolution's ESG Task Force designated a Company Health and Safety Coordinator ("HSC"). The HSC's responsibilities include:

- Recording and documenting any workplace accidents or injuries;
- Ensuring office inspections are conducted on at least a quarterly basis;
- Working with management to develop and communicate a plan for employees and consultants in the event of an adverse weather event or other safety risk that may interrupt normal working schedules; and
- Communicating alerts in real time to all employees and consultants for:
  - Adverse weather events (i.e., hurricanes, tornadoes, winter storms, etc.); or
  - Health risks (i.e., COVID-19 concerns, etc.)

Our corporate office is in Houston, Texas, a geographic location prone to hurricanes, floods, tornadoes, and occasional winter

## Social

storms (“adverse weather events”). These types of adverse weather events can impact our workforce when they occur and cause disruptions to our day-to-day operations. As such, our designated HSC monitors forecasted adverse weather events and keeps all employees and consultants informed of potential risks and hazards. The HSC utilizes resources such as emergency alerts and guidance from local government agencies, and other reputable weather forecasting services to share relevant updates with our workforce in real time.

If an adverse weather event interrupts our normal office operations, the HSC will work closely with senior management to implement a safe working plan for our workforce. Our workforce will be discouraged



from commuting to the corporate office or other Company-operated

facilities if the Company deems conditions unsafe, as our workforce is equipped to work from home. Our workforce is not penalized for an inability to work from home due to being directly affected by an adverse weather event.

## Reporting Workplace Incidents

GRI 403-9

As discussed previously, we do not currently operate any of the physical oil and natural gas assets in which we own an interest and therefore do not report or record workplace incidents on behalf of our third-party operators. However, Evolution regularly discusses pertinent health and safety matters in monthly and annual operational meetings with its third-party operators. We are exploring methods to periodically survey our third-party operators regarding safety incidents as well as other reportable environmental instances.

We monitor and record injuries, and work-related fatalities in our workplace. We consider our office space located in Houston, Texas as our primary workplace. In the last three fiscal years ended June 30, Evolution recorded zero workplace injuries or work-related fatalities.

## Workplace Security

Evolution seeks to provide a secure

## Social

workplace for our workforce and other individuals that interact within our corporate office. We do not tolerate or condone violence, the threat of violence, intimidation, harassment, or other disruptive conditions that may impact the safety, security, and wellbeing of any persons in the workplace.



We have implemented and participate in security procedures and measures to ensure an individual's safety

while in our corporate office, including:

- Building access by key card only before and after regular business hours;
- Evolution office space access by door code only;
- Office building premises patrolled by a security team provided by building management; and
- Prohibiting possession of firearms in conformance with state and local laws.

In the event of an incident, violation, or emergency, we collect appropriate information for our own records and report the incident to the appropriate authorities as needed.

### Continuing to Monitor COVID-19

Since the peak of the COVID-19 pandemic, we continue to monitor any possible variants or changes associated with COVID-19 under the guidance of local and national health authorities. We will continue to strongly encourage our employees to remain home when they do not feel well or have been exposed to the COVID-19 virus and strive to provide a safe and clean office environment.

### Workforce Principles, Diversity, Equity, and Inclusion

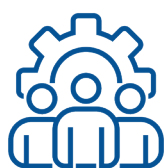
We are committed to human rights principles in our workplace. Evolution's Board and senior management team values input, prioritizes the engagement of its workforce, and focuses on providing competitive wages and benefits for all employees. We strictly adhere to all applicable federal, state, and local labor laws.

We clearly recognize the significant positive impact all of our employees have on our business, and also appreciate how our



## Social

consultants, contractors, vendors, suppliers, service providers, and business partners collectively contribute to our continued long-term success. As such, we strive to be an equal opportunity employer in all areas of our hiring and employment practices, meeting all federal and state employment laws. Our



policies and practices support diversity of thought, perspective, gender, race, ethnicity, culture, and professional experience. We

declare as a matter of policy that there shall be no unlawful discrimination among the entire body of employees or applicants for employment based on:

- Race;
- Color;
- Ethnicity;
- National origin or ancestry;
- Citizenship status;
- Genetic information
- Religion or creed;
- Age;
- Sex (gender, including gender identity);
- Sexual orientation;
- Marital status, registered domestic partner, or civil union status;
- Pregnancy;

- Medical condition
- Physical disability;
- Mental and/or intellectual disability; or
- Military status.

We foster a workplace free of harassment and retaliation, and do not tolerate discrimination. Our employees and consultants are expected to sign an annual acknowledgement that they have received and reviewed the employee handbook, which includes confirmation of Evolution's Workforce Policies.

We value diversity and inclusion throughout our talent acquisition, management, and professional development practices, at all levels of our workforce, including senior management and the Board. Additionally, our Nominating and Corporate Governance Committee ("NCG Committee") considers diversity as part of its nominating process for Board candidates in accordance with its committee charter.

# Social

## Workforce Management, Engagement, Retention and Recruitment

GRI 401-1, GRI 401-2, GRI 401-3

We believe we have built a team of talented individuals that are focused on promoting a culture of teamwork, innovation, honesty, and accountability. We work to ensure our entire team is aligned with our business goals.

We engage and empower our workforce through regular team meetings. During these

meetings, we typically provide updates on projects (both ongoing and upcoming) and routine ongoing activities. These meetings provide each member of our workforce the opportunity to participate in a discussion about our business and opportunities for improvement. Our team meetings provide an opportunity for senior management to identify areas where additional support



may be needed on a real-time basis. During our team meetings, we try to recognize the accomplishments of the team for the week and establish targets for the week ahead. We view our team meetings as an opportunity

Workforce Demographics	Units	FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
Employees	#	4	5	9
Male	% (#)	75% (3)	100% (5)	45% (4)
Female	% (#)	25% (1)	0% (0)	56% (5)
Women in management positions	% (#)	0% (0)	0% (0)	13% (1)
Employees who identify as Causasian	% (#)	75% (3)	80% (4)	78% (7)
Employees who identify as other	% (#)	25% (1)	20% (1)	22% (2)
Employees under the age of 40	% (#)	0% (0)	40% (2)	67% (6)
Employees over the age of 40	% (#)	100% (4)	60% (3)	33% (3)

## Social

for knowledge management, which allows the cross-pollination between disciplines to strengthen our corporate efficiency and managerial execution. We believe that routine engagement with members of our workforce helps to align them with the Company's strategy and provides a sense of ownership, while fostering a deeper understanding of how each individual contributes to the Company's accomplishments. Our efforts promote an overall positive team morale, which has been foundational in our success to date and will continue to propel our long-term sustainability efforts. Supporting our efforts has been a steadfast focus on promoting transparent communication at all levels of the organization.



Our success is clearly dependent on our team, as such, we seek to attract and retain

talented people based on our positive work environment and our competitive pay and benefits package. For our full-time employees, our benefits package, as determined by the Board, includes medical, dental, and vision insurance, 401(k) matching contributions based on a portion of the employee's base salary, short and long-term performance- and service-based incentive pay (i.e., annual bonuses and stock awards), and paid time off ("PTO"). Our employees have access to exercise facilities within our office building. We also offer employees the opportunity to participate in our charitable donation matching program and provide them with PTO to volunteer with an organization of their choosing.

Our employee working hours follow all applicable federal and state laws and regulations. Our workforce is equipped and able to work remotely on a flexible basis when appropriate. PTO is provided by Evolution for employees to be away from work due to, but not limited to, vacation, personal or immediate family member's health needs, and other personal requirements.



## Social

### Professional Development

GRI 404-2

Evolution recognizes the value of the continual professional development of its workforce. To foster a thriving professional environment, we encourage all of our employees and leadership to engage in their respective professional communities and to participate in training and professional seminar opportunities related to our business throughout the year. Evolution reimburses all employees for expenses associated with approved professional development, including, but not limited to:



- Attending conferences, seminars, and networking events related to the employee's field of work;
- Maintaining memberships in professional organizations related to the employee's field of work;
- Maintaining professional licenses as required; and
- Participating in classes, seminars, and tutorials to enhance skills.



Jonah Field - Wyoming

## Social

### Human Rights and Rights of Indigenous People

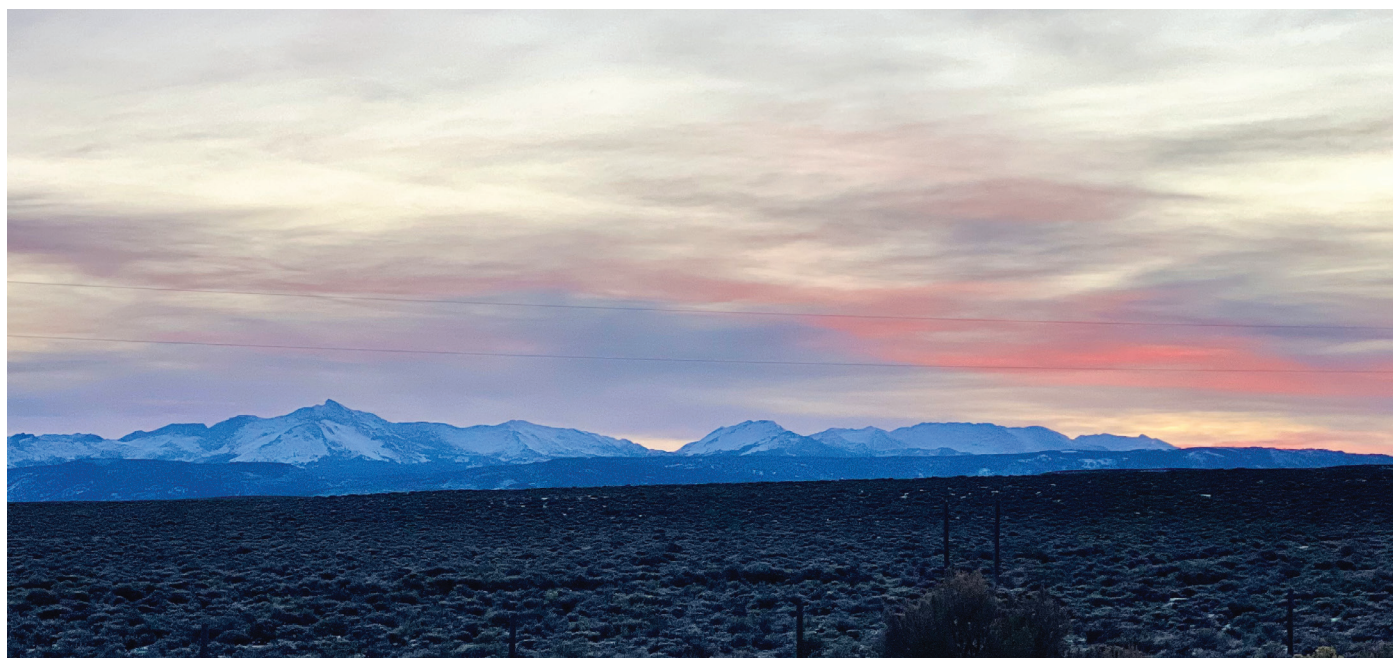
*SASB EM-EP-210a.2*

*SASB EM-EP-210a.3*

We respect and uphold basic human rights in the workplace. As a result, our Board has adopted a Human Rights Policy and oversees the Company's compliance thereunder. Our Human Rights Policy is informed by the human rights principles contained in the United Nations Universal Declaration of Human Rights and United Nations Guiding Principles on Business and Human Rights, and applies to all locations where we practice business.

Evolution aims to promote and protect human rights, as such, we:

- Do not tolerate harassment in the workplace;
- Support and protect the rights and equality of each person, including minority groups and women;
- Prohibit any form of discrimination;
- Do not condone human trafficking, slavery, or child labor;
- Respect employee privacy;
- Respect freedom of expression, particularly, but not limited to, when exercising an employee's right to stop unsafe work (i.e., Stop Work Authority) and report violations of company policy; and



Jonah Field - Wyoming

## Social

- Provide fair and competitive wages and benefits in compliance with national and local laws.

We focus on providing a positive impact in the communities in which we conduct business. We interact regularly with our stakeholders to receive feedback on our performance. As of the date of this report, we are not aware of any salient risks posed to human rights by our business operations or interactions.

We respect the land, culture, history, and customs of indigenous peoples. We do not currently operate, conduct business, or have net proved reserves on any lands of indigenous peoples. Should our operations or business activities coincide with lands of indigenous peoples or other culturally significant areas, we will comply with all appropriate rules, regulations, and laws.

### Workplace Compliance Training

GRI 404-1

We believe that investing in and training our workforce is key to ensuring continuous improvement and sustainability.

We provide our workforce with annual compliance training and require written acknowledgement of our policies and certain disclosures. In fiscal year 2022, we conducted training sessions at both the workforce and Board levels. Outside legal



counsel worked closely with the ESG Task Force to develop the training content, which included a review of our policies, procedures and practices related to certain ESG matters and other policies and initiatives developed in fiscal year 2021. Outside counsel conducted each session and provided an environment that permitted our workforce to freely ask questions and learn about important provisions of our Code of Conduct and other topics and policies relevant to best practices in the workplace. One hundred percent of our workforce assigned to participate completed the training and completed the acknowledgement of all designated policies.



## Social

The workforce training and acknowledgement included the following topics and policies:

- Evolution's 2021 Corporate Sustainability Report;
- Evolution's Employee Handbook;
- Human rights policy;
- Code of Conduct:
- Office safety;
- Emergency procedures;
- Behaving in an ethical and legally compliant manner;
- Avoiding conflicts of interest;
- Prohibiting insider trading;
- Preventing bribery and kickbacks;
- Preventing unlawful anti-competitive activities;
- Diversity, equality, and inclusion;
- Safety, health, and environmental practices; and
- Giving back to the communities in which we live and operate.

The training presentation for the Board focused on tying ESG into our work environment and provided insight into the workforce training. One hundred percent of the Board members and upper management assigned to participate completed the training and acknowledgement of applicable policies.

The Board training included a review of the following topics and policies:

- ESG related to the Code of Conduct;
- Code of Conduct;
- Evolution's Employee Handbook;
- Insider trading policy; and
- Anti-corruption.

Following the training sessions, our ESG task-force distributed surveys to all training participants to gauge feedback and employee engagement. The feedback received by the respondents will be considered for Evolution's annual training in fiscal year 2023. Evolution is proud to report that the feedback was widely positive and constructive, and will be incorporated into future training sessions.

# Social

## Reporting Procedures

We maintain a hotline which operates 24/7/365 and allows anonymous and confidential reporting for employees, consultants, contractors, and stakeholders including the ability to report concerns or violations of our Human Rights Policy through the phone or internet (Phone: **877-628-7489** / Website: [www.epm.alertline.com](http://www.epm.alertline.com)). We encourage our workforce to raise concerns and ask questions regarding



possible violations to the Code of Conduct, Company policies and applicable laws and regulations. We maintain

a third-party reporting system that allows our workforce to anonymously report concerns. Our internal reporting system is monitored by the Chief Financial Officer. In FY 2020, 2021 and 2022, we received zero reports to our ethics hotline reporting system.

## Philanthropy & Community Engagement

We desire to have a positive impact in the communities in which our employees live and we conduct our business. Evolution is



proud that its employees are generous and charitable with their time and financial contributions, and we

readily support these efforts. We have a comprehensive program that enhances the contributions made by our workforce to our communities. This program includes:

- **Donation Matching:** Providing each employee with an annual Company donation match of up to \$500 to a 501(c)3 eligible charity or non-profit organization of their choosing; and
- **Volunteerism:** Encouraging each employee to use one paid working day annually to donate their time to a 501(c)3 eligible charity or non-profit organization of their choosing.





Houston, Texas



## Governance

*We are committed to high standards of conduct and ethics in order to contribute to the sustainability of our business. Our Board and its committees are responsible for our strategy and governance. At Evolution, we believe it takes a complete team effort to maintain an honest and ethical environment. Evolution's success is in part due to the ethical standards of our talented workforce and we expect all employees to operate with a high degree of personal integrity. Strong core values form the foundational support for our strategic commitment to develop and produce energy resources in environmentally, socially, and ethically respectful and responsible ways. We appreciate our team members' collective efforts as we strive for the long-term success and sustainability of our Company.*

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-12, GRI 2-14

# Governance

## ESG Oversight

To further enhance our governance of sustainability and ESG matters, in fiscal year 2021 we formed a managerial ESG Task Force composed of a multi-disciplinary team of employees, consultants, and third-party advisors. In 2022, with the expansion of the Board of Directors, we formed a Sustainability Committee of the Board. The ESG Task Force is responsible for evaluating risks and opportunities, developing policies, practices, information and communications, and providing recommendations and reports related to ESG to our Chief Executive Officer and to the Sustainability Committee. Our



Sustainability Committee charter reflects the Board's role and responsibilities in providing strategic oversight of our ESG reporting and

related efforts. The Sustainability Committee will meet periodically to consider all matters brought before it that are focused on the Company's long-term sustainability supported by the recommendations provided by the ESG Task Force.

Our Board and the ESG Task Force led our efforts around ESG, which included:

- Engagement with our shareholders on ESG matters;
- Enhanced communication with third party operators on sustainability topics during operational meetings;
- Expanded reporting to include GRI and SASB metrics;
- Trained and reviewed ESG issues with 100% of workforce and Board; and
- Created a Sustainability Committee of the Board to facilitate additional Board oversight and involvement in ESG.

## Board Composition

Our directors are elected annually by the shareholders to serve until the next annual meeting of shareholders or until their successors are duly elected and qualified. The minimum number of directors is set forth in Evolution's bylaws and may be increased by a majority vote of the Board.

## Governance

The Board has six standing committees: the Audit Committee, the Compensation Committee, the Investment Committee, the Nominating and Corporate Governance Committee, the Reserves Committee, and the Sustainability Committee. With the exception of the Investment Committee, all standing committees are composed of independent non-employee directors.

### Board Composition at 9/30/2022

Topic	Units	Metric
Boards Members	#	6
Male	% (#)	67% (4)
Female	% (#)	33% (2)
Racial and/or ethnic diversity	% (#)	17% (1)
Independence	% (#)	83% (5)
Average tenure	Years	~11
Average age	Years	~60
Key board committee independence	%	100%
Independent Presiding/Lead Director	-	Yes

The Nominating and Corporate Governance Committee (“NCG Committee”) has determined that, at a minimum, nominees for directors should possess the highest personal and professional ethics, integrity, and values, and be committed to representing the long-term interests of the Company’s shareholders. They must also have an inquisitive and objective perspective, practical wisdom, and mature judgment. The Company endeavors to have a Board representing diverse experiences in areas that are relevant to the Company’s business objectives. Directors must be willing to devote sufficient time to performing their duties and responsibilities efficiently, and should be committed to serve on the Board for an extended period of time.



## Governance

Prior to nominating a candidate for election to the Board, the NCG Committee reviews the qualifications of each candidate. The NCG Committee considers diversity of thought, perspective, gender, race, ethnicity, culture, and business and professional experience that can benefit Evolution by increasing the range of skills and perspectives available to our Board. Members will be selected without regard to race, gender, religious belief, ancestry, national origin, or disability. Our Board believes that adherence to these principles foster an environment that yields the best return for our shareholders.

In determining whether to nominate an incumbent director for re-election, the NCG Committee evaluates each incumbent's continued service, in light of the Board's needs, at the time such director comes up for re-election. Currently, our Board embodies a diverse set of experiences, qualifications, attributes, and skills as shown below:

	Executive Leadership	Financial	Legal	Energy Industry	Past or Present CEO	Past or Present CFO	Outside Board Experience
Robert S. Herlin	x	x		x	x	x	x
Edward J. DiPaolo	x	x		x	x		x
William E. Dozier	x	x		x	x		x
Marjorie A. Hargrave	x	x		x		x	
Myra C. Bierria	x		x	x			
Kelly W. Loyd	x	x		x	x		

### Board Practices

During fiscal year 2021, our Board met nine times. Each director, during the period for which he or she was a director in fiscal year 2021, attended 100% of the meetings of the Board and 100% of the of meetings held by all committees of the Board on which such director served.

# Governance

## Compensation Practices

GRI 2-19

Evolution's compensation programs are designed to incentivize its employees to build meaningful shareholder and stakeholder value over the long-term. Our primary strategy is to achieve alignment between shareholders, stakeholders, and our employee team. Our compensation practices provide a substantial portion of our employees' compensation in the form of short-term cash incentives and long-term equity incentives. This strategy complements our life cycle of long-lived assets, and as a relatively young organization in terms of overall corporate lifecycle, we have delivered a significant portion of employee compensation through the use of equity-based awards. This results in the alignment of employees' interests with those of our shareholders as well as conservation of cash to invest in operations.

The Compensation Committee believes share ownership by the Company's employees is an essential aspect of linking the actions and goals of management with the interests of our shareholders. All employees are required

by policy to retain a defined percentage of their equity awards during their employment.

The Compensation Committee structures compensation to provide a direct link between pay and performance. Our compensation programs are intended to be clear and not overly complicated in an effort to allow all employees to understand how their behavior and actions impact corporate



performance, and ultimately their compensation. In support, we have adopted an egalitarian approach to compensation

whereby every employee receives grants of equity-based awards and participates in the incentive compensation program. To foster an atmosphere of teamwork, a portion of each employee's compensation is based on the same set of corporate performance goals focusing on maximizing value to the shareholders and stakeholders.

## Governance

Our compensation programs are constructed to provide employees with incentives to increase shareholder value over the long-term, while avoiding excessive risk-taking in the short term. A significant portion of each employee's compensation has, and will continue to be, paid out over multiple years through equity grants vesting over multi-year periods. In establishing performance goals for compensation programs, the Compensation Committee utilizes a mix of various metrics, including sustainability, financial performance, and execution to avoid excessive weight on any single criterion.

### Compensation Practices

Topic	Metric
Say on pay support (%)	FY 2020 – 94.2%, FY 2021 – 95.7%
Stock ownership guidelines for Executives and Directors	Yes
Clawback policy	No
Anti-hedging policy	Yes
Anti-pledging policy	Yes
ESG linked executive compensation	Yes, beginning FY 2022

### Shareholder Rights

Topic	Metric
Annual election of Directors	Yes
Majority voting for all Directors in uncontested elections	Yes
Shareholder ability to amend bylaws	Yes
One share – one vote	Yes
Poison pill plan in place	No



# Governance

## Ethical Business Practices & Transparency

*SASB EM-EP-510a.1*

*SASB EM-EP-510a.2*

*GRI 2-27, GRI 205-2*

We are committed to conducting our business honestly and ethically. We work to improve the quality of our services, products, and operations, and will maintain a reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. No illegal or unethical conduct on the part of our directors, officers, employees, or their affiliates is in Evolution's best interest. We are all expected to adhere to high standards of personal integrity, and we will not compromise our principles for a short-term advantage. Our Board provides oversight designed to help ensure ethical business practices throughout the organization and with all external stakeholders.



Our Code of Conduct is located on our website, along with other key governance documents, at <https://www.evolutionpetroleum.com/sustainability/governance/>. The Code of Conduct addresses

a wide range of business practices and procedures and sets out basic principles to guide all directors, officers, and employees of Evolution. The Code of Conduct is provided to all directors, officers, and employees, and they are expected to conduct themselves accordingly. It is also provided to, and expected to be followed by, Evolution's other significant agents and representatives, including consultants and contractors. Our Code of Conduct prohibits any form of bribery. At Evolution, no bribes, kickbacks, or other similar remuneration or consideration may be given to any person or organization – both domestic or foreign – in order to attract or influence business activity. Our directors, officers, and employees are also prohibited from receiving or providing gifts, gratuities, fees, or bonuses as an inducement to attract or influence business activity. No entertainment should ever be offered, given, or accepted by any director, officer, or employee (or any family member of any such person) in connection with our business activities unless it: (a) is consistent with customary business practices; (b) is not excessive in value; (c) cannot be construed as a bribe or payoff; and (d) does not violate any laws or regulations.

## Governance

Our ethical standards are built on obeying the law – both in letter and spirit. All employees, consultants, contractors, vendors, officers, and directors are expected to respect and obey the laws of the cities, states, and countries in which we operate. It should be noted that all of our oil and natural gas reserves are located in the United States.

Although not all employees, consultants, officers, and directors are expected to know the details of all laws, rules, and regulations, each individual should know enough to seek advice from supervisors, managers, or other appropriate personnel when appropriate. We require compliance with insider-trading laws and hold training sessions regarding insider-trading laws and anti-corruption as necessary for our employees, management, and directors. In compliance with Evolution's insider trading policy, we communicate "non-trading windows" when invoked under SEC rules and regulations, if for standard quarterly recurring events, and when other situations arise that would qualify as material non-public information and bar insider trading.

A violation of the Code of Conduct by any director, officer, employee, or consultant

is subject to disciplinary action, including possible termination of employment. The degree of discipline imposed may be influenced by whether the person who violated the Code of Conduct voluntarily disclosed the violation and cooperated with Evolution in any subsequent investigation. In some cases, a violation of the Code of Conduct may constitute a criminal offense that is subject to prosecution by federal or state authorities.

Directors, officers, employees, and consultants are directed to promptly report any unethical, dishonest or illegal behavior, or any other violation of the Code of Conduct or of other policies and procedures. We maintain a hotline which operates 24/7/365 and allows anonymous and confidential reporting via phone or internet (Phone: **877-628-7489** / Website: [www.epm.alertline.com](http://www.epm.alertline.com)). Reports may also be submitted via mail to our office: c/o Evolution Petroleum Corporation, 1155 Dairy Ashford, Suite 425, Houston, TX 77079-3011.

Our policy prohibits retaliation for a report of unethical, dishonest, or illegal behavior, or of any other violation of the Code of Conduct or

## Governance

of other policies and procedures, if the report about another person's conduct is made in good faith by a director, officer, employee, or consultant. Directors, officers, and employees are expected to cooperate in internal investigations regarding possible unethical, dishonest, or illegal behavior or any other possible violation of the Code of Conduct or of other policies and procedures.

### Stakeholder Engagement

GRI 2-29

Evolution is committed to regular and collaborative stakeholder engagement, and we identify stakeholders as those groups upon whom our success depends, as well as those who are affected by our business. We view this area of active engagement as a key

tenet of effective and responsible corporate citizenship.

A variety of methods are utilized to engage in communication with our stakeholders, including broad dissemination of information through the use of press releases, quarterly earnings conference calls, corporate presentations, and other events and materials available through our website ([www.evolutionpetroleum.com](http://www.evolutionpetroleum.com)). We also leverage more interpersonal methods of communications, including in-person, telephonic, and web-based meetings with our stakeholders. Following interactions with our stakeholders, we provide feedback throughout the organization to promote further alignment with our stakeholders'





## Governance

interests, as appropriate.

In preparation for our 2022 Corporate Sustainability Report, we undertook an effort to engage directly with some of our largest investors to seek out their feedback concerning our 2021 Corporate Sustainability Report, public policies, and public disclosures. We offered to participate in virtual meetings or phone calls and made our ESG Task Force available to discuss our ESG processes with them. We will continue to engage our stakeholders and welcome their feedback as we look to incorporate additional transparency into our sustainability reporting moving forward.

### Political Engagement

*GRI 2-28, GRI 415-1*

Evolution does not make corporate contributions to individual candidates or political committees supporting candidates in federal, state, or local elections, and we do not sponsor a political action committee; nor does the Company take or make public comments regarding policies that are overtly political in nature. To communicate our views on legislative and regulatory matters affecting our operations and industry, we may engage in the legislative and regulatory

processes through various trade associations, such as, but not limited to, the Independent Petroleum Association of America ("IPAA") and the Society of Petroleum Engineers ("SPE"). Our policy does not prohibit any director, officer, employee, or consultant from exercising their civic rights provided that such exercise is done so explicitly as an individual and not as a representative of the Company.

### Reserves Valuation and Capital Expenditures

*SASB EM-EP-420a.4*

Approximately 32% of our proved oil and natural gas reserves as of June 30, 2022 were crude oil, 49% were natural gas, and 19% were natural gas liquids. As such, we are heavily impacted by movements in commodity pricing. The price we receive for our production significantly impacts our revenue, profitability, access to capital, and future rate of growth. Oil and natural gas are commodities, and their prices are subject to wide fluctuations in response to relatively minor changes in supply and demand. The prices we receive for our production depend on numerous factors beyond our control, including the direction of any future climate

## Governance

change regulations.

Recent studies by the International Energy Agency ("IEA") suggest that, even in a carbon-constrained future scenario, demand for natural gas will continue to grow for the next 10 years, and oil and natural gas will continue to make up approximately half of the overall energy mix for the next 20 years. On May 7, 2021, we closed on the acquisition of a non-operated interest in the Barnett Shale located in North Texas; the assets primarily produce natural gas. On April 4, 2022, we closed on another accretive transaction, the acquisition of non-operated natural gas assets in the prolific and long-life Jonah Field in Wyoming. An intended result of the targeted multiple acquisitions we have executed over the last couple of years has resulted in an overall shift in our production mix, where the Company's proved reserves profile has evolved from 20% natural gas and natural gas liquids as of June 30, 2020 to 68% natural gas and natural gas liquids as of June 30, 2022.

Our property interests are not operated by us and involve other third-party working interest owners. While we have limited ability to influence or control the operations or future development of such properties,

compliance with environmental, safety, climate change, and other regulations as appropriate, as well as the amount of capital expenditures that we will be required to fund with respect to such properties.

We continuously evaluate the business to identify risks and opportunities. We consider multiple pricing scenarios when forming our forecast, budget, and long-term plans. These same principles also apply as we pursue the acquisition of compelling non-operated, as well as operated, producing assets generating cash flow at attractive valuations with upside potential and optimization opportunities.

### Management of the Legal & Regulatory Environment

*SASB EM-EP-530a.1*

Crude oil and natural gas operations are subject to extensive federal, state, and local government regulations, which continue to evolve. Matters subject to regulation may include, but are not limited to, discharge permits for drilling operations, drilling bonds, reports concerning operations, the spacing of wells, unitization and pooling of properties,

## Governance

and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of crude oil and natural gas from wells below actual production capacity in order to conserve supplies of crude oil and natural gas.

There are numerous federal, state, and local laws and regulations primarily relating to protection of human health and the environment applicable to the development, production, handling, storage, transportation, and disposal of crude oil and natural gas, by-products thereof, the emission of CO<sub>2</sub> or other greenhouse gases, and other substances and materials produced or used in connection with crude oil and natural gas operations. These laws and regulations may affect the costs, manner, and feasibility of our operations currently being managed by third-party operators and require us to make significant expenditures in order to comply.

In addition, we may inherit liability for environmental damages, whether actual or not, caused by previous owners of property we purchase or lease or from nearby properties. We are also subject to changing

and extensive tax laws, the effects of which cannot be predicted. The implementation of new, or the modification of existing, laws or regulations could have a material adverse effect on us, such as diminishing the demand for our products through legislative enactment of proposed new penalties, fines and/or taxes on carbon that could have the effect of raising prices to the end user.

## Data Security & Privacy

The oil and natural gas industry has



become increasingly dependent on digital technologies to conduct certain exploration,

development, production, processing, and financial activities. We depend on digital technology to estimate quantities of oil and natural gas reserves, manage operations, process and record financial and operating data, analyze seismic and drilling information, and communicate with our employees and third-party partners.

Our technologies, systems, networks, seismic data, reserves information, or other



## Governance

proprietary information, and those of our operators, vendors, suppliers, customers, and other business partners may become the target of cyber-attacks or information security breaches. Cyber-attacks or information security breaches could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or could otherwise lead to the disruption of our business operations or other operational disruptions in our exploration or production operations.

At Evolution, we leverage a security policy that is multi-faceted and designed to minimize the impact of malicious software (i.e., computer virus attacks, worms, etc.) to our information technology (“IT”) environment. We meet periodically to identify legal, governmental, and other external regulatory requirements for their relevancy to our IT practices. We perform testing of our IT control environment to ensure compliance with our policies and practices as part of our annual audit process. Also, we maintain insurance coverage to help mitigate losses due to social engineering or computer fraud. Overall, we strive to ensure our internal network architecture and applications are configured and documented – and most importantly protected – to support the reliable storage, processing, and transfer of sensitive data. At fiscal year end 2022, no IT control deficiencies were detected during the annual inspection.



# Appendix

GRI Standard	Title of Content	ESG Report Page(s)
2-1	Organizational details	1
2-2	Entities included in the organization's sustainability reporting	1
2-3	Reporting period, frequency and contact point	1
2-7	Employees	12
2-9	Governance structure and composition	39-40
2-10	Nomination and selection of the highest governance body	39-40
2-11	Chair of the highest governance body	39-40
2-12	Role of the highest governance body in overseeing the management of impacts	39-40
2-14	Role of the highest governance body in sustainability reporting	39-40
2-19	Remuneration policies	42-43
2-27	Compliance with laws and regulations	44-45
2-28	Membership organizations	47
2-29	Approach to stakeholder engagement	46-47
205-2	Communication & training about anti-corruption policies & procedure	35, 45
302-1	Energy consumption inside the organization	20
303-5	Water consumption	21
305-2	Energy indirect (scope 2) GHG emissions	20
401-1	New employee hires and employee turnover	30
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	30-31
403-1	Occupational health and safety management system	25-26
403-3	Occupational health services	25-26
403-4	Employee participation, consultation, and communication on health and safety at work	25-26
403-5	Occupational health and safety training of employees	25-26
403-9	Work-related injuries	27, Appendix
404-2	Programs for upgrading employee skills & transition assistance programs	31-32
405-1	Diversity of governance bodies & employees	30, 40
415-1	Political contributions	47

# Appendix

SASB Code	Title of Content	ESG Report Page(s)
EM-EP-000.A	Production of Oil and Natural Gas	12
EM-EP-140a.1	Water Management - Volume and % of Water Produced	21
EM-EP-210a.2	Security, Human Rights & Rights of Indigenous People - % of Reserves in or Near Indigenous Land	33-34
EM-EP-210a.3	Security, Human Rights & Rights of Indigenous Peoples - Discussion of Engagement Processes and Due Diligence Practices with Respect to Human Rights, Indigenous Rights and Operation in Areas of Conflict	33-34
EM-EP-320a.1	Workforce Health & Safety - Total Recordable Incident Rate (TRIR)	Appendix
EM-EP-320a.2	Workforce Health & Safety - Discussion of Management Systems Integrating a Safety Culture	25-27
EM-EP-510a.1	Business Ethics & Transparency - % of (1) Proved and (2) Probable Reserves in Countries that have the 20 Lowest Rankings in Transparency International's Corruption Perception Index	44-45
EM-EP-510a.2	Business Ethics & Transparency - Description of Management System for Prevention of Corruption and Bribery	44-45
EM-EP-420a.4	Reserves Valuation and Capital Expenditures - Discussion of how Price and Demand for Hydrocarbons and/or Climate Regulation Influence the Capital Expenditure Strategy for Exploration, Acquisition, and Development of Assets	47-48
EM-EP-530a.1	Management of the Legal and Regulatory Environment - Discussion of Corporate Positions Related to Government Regulations and/or Policy Proposals that Address Environmental and Social Factors Affecting the Industry	48-49

Hazardous Waste	FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
Hazardous Waste Generated (metric tons)	0.0	0.0	0.0

Workforce Safety	FYE 6/30/2020	FYE 6/30/2021	FYE 6/30/2022
Fatalities	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR) for Full-Time Employees	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR) for Contract Employees	0.0	0.0	0.0
Total Recordable Incident Rate (TRIR) for both Full-Time & Contract Employees	0.0	0.0	0.0
Near Miss Frequency Rate (NMFR)	0.0	0.0	0.0





Hamilton Dome Field - Wyoming

## Forward Looking Statements & Cautionary Note Regarding Oil and Gas Reserves

*This report contains “forward-looking statements.” Such statements may relate to capital expenditures, drilling and exploitation activities, production efforts and sales volumes, Proved, Probable, and Possible reserves, operating and administrative costs, future operating or financial results, cash flow and anticipated liquidity, business strategy and potential property acquisitions, and future business plans, initiatives, goals, and objectives. These forward-looking statements are generally accompanied by words such as “estimated”, “projected”, “potential”, “anticipated”, “forecasted” or other words that convey the uncertainty of future events or outcomes. Although we believe the expectations and forecasts reflected in these and other forward-looking statements are reasonable, we can give no assurance they will prove to have been correct. These statements are based on our current plans and assumptions and are subject to a number of risks and uncertainties as further outlined in our Forms 10-K and 10-Q filed with the United States Securities and Exchange Commission (“SEC”). Therefore, the actual results may differ materially from the expectations, estimates, or assumptions expressed in or implied by any forward-looking statement and we undertake no obligation to update these estimates for events after this presentation.*

*The SEC rules allow oil and gas companies to disclose not only Proved reserves, but also Probable and Possible reserves that meet the SEC’s definitions of such terms. We disclose Proved, Probable, and Possible reserves in our filings with the SEC and this presentation. Estimates of Probable and Possible reserves are, by their nature, more speculative than estimates of Proved reserves and are subject to greater uncertainties. Accordingly, the likelihood of recovering those reserves is subject to substantially greater risk. Our reserves as of June 30, 2022 were estimated by DeGolyer and MacNaughton and Netherland, Sewell & Associates, Inc., independent petroleum engineering firms.*



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