

Transparent Policies and Corporate Beliefs



STRONG GOVERNANCE PRACTICES

- **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.
- **Board Assessment:** 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. Additionally, we are committed to our Board members serving on no more than five (including Laredo) public company boards and no Audit Committee members can serve on more than three (including Laredo) public company audit committees.
- **ERM Policies:** Our Board takes an enterprise-wide and iterative 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. Our ERM process also helps us identify climate-related risks and opportunities to our business and operations.
- **Executive Sessions without Management:** Independent Directors meet in regular executive sessions without management present.
- **Independent Chair:** The Board believes it is appropriate and best practice for the Chairman of the Board to be separate from Laredo's CEO.
- **Executive Severance Practices:** Double trigger change in control requirements and market-based executive severance plan in place that permits severance payments only for involuntary termination without cause or other termination for a good reason.



BUSINESS ETHICS

- **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, committee, candidate or holder of any government position (national, state or local) unless such contribution is permitted by law.
- **Anti-Corruption and Anti-Bribery Policy:** Laredo operates its business ethically and in compliance with all applicable laws and regulations, including compliance with anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act. Additionally, Laredo strictly prohibits facilitation payments (small payments made to government officials in exchange for expedited services such as approvals of

permits or licenses). Furthermore, we require all employees to complete mandatory anti-corruption and anti-bribery training that covers giving and receiving gifts, conflict of interest, appropriate record-keeping and our overall commitment to ethical behavior and compliance.

- **Code of Conduct and Business Ethics:** The Board of Directors has adopted a Code of Conduct and Business Ethics applicable to our Directors, officers and employees 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 of Conduct and Business Ethics every year.
- **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.
- **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, auditing matters or concerns related to treatment of people or the environment to the management of the company without fear of dismissal or retaliation of any kind. Our third-party service also facilitates dialogue-based complaints.



CYBERSECURITY

To manage information and cybersecurity risks, Laredo utilizes best practices for protecting our computer systems, data assets and infrastructure. Our Board's Audit Committee is responsible for oversight of our cybersecurity practices. Senior leadership briefs the Board on cybersecurity matters at regularly scheduled Audit Committee meetings, or as needed. Relatedly, Laredo has not experienced any security breaches in the last three years; however, we are currently in the process of entering into an information security risk insurance policy to mitigate against such an event. Furthermore, our information security financial controls are audited annually by third-party auditors and an independent third-party security partner provides risk assessments on an annual basis. Likewise, we are committed to providing training to equip our employees and suppliers with resources and skills to mitigate these risks. We recognize that these measures have become even more critical as a result of remote work and iteratively evaluate improvements and new measures to protect our information and computing systems.



SOCIAL

- **Child and Forced Labor Policy:** Laredo prohibits the use of human trafficking, child labor and forced labor, in accordance with the International Labor Organization's (ILO) conventions.
- **Diversity and Inclusion:** We believe that a diverse workforce and supply chain will help our organization better accomplish our mission. We are committed to recruiting diverse candidates to attract and retain a talented workforce. To increase our hiring of traditionally underrepresented personnel, with oversight from our Board's Nominating, Corporate Governance, Environmental and Social Committee, Laredo has incorporated a number of new strategies in 2020 to improve diversity, including plans to incorporate anti-bias training into our learning and development program moving forward.
- **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.
- **Human Rights, Security and Rights Of Indigenous Peoples Policy:** Laredo is committed to ensuring we uphold all internationally recognized human rights in every aspect of our work and 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. Furthermore, Laredo commits not to operate in or near areas of active conflict. We also do not currently operate on or adjacent to any lands under the governance of indigenous peoples. Should we do so, we would follow all applicable laws and work to engage with those communities to ensure business practices are respectful of their sovereignty, security (including water security and access to resources) and indigenous rights through community consultations.
- **Rights to Organize:** The rights to organize, freedom of association and collective bargaining are proclaimed in the Universal Declaration of Human Rights and ILO conventions. We support rights to organize and the rights of our employees to lawfully and peacefully associate, organize and bargain collectively. We are committed to negotiating agreements that provide attractive and competitive levels of compensation, benefits and working conditions for our employees. We also are committed to ensuring our business operates in a manner that is fair, equitable and competitive in the global market.

- **Supply Chain Policies:** Laredo's Supply Chain Management process, which is part of our Environmental Management System (EMS), is designed to minimize financial and other risks to the company and define uniform and consistent procurement practices in alignment with our ESG strategy. Our policies regarding gifts, gratuities and conflicts of interest extends to our vendors, suppliers and contractors. In 2021, we conducted our first ESG focused survey with our suppliers to understand the diversity of our supply base and their respective beliefs. We are committed to continuing to align our supply chain policies and procurement process with human rights and sustainable practices. In the future, we will work towards selecting vendors who are committed to:
 - **Appropriate Compensation:** compliance with all applicable wage laws and standards, including punctual and regular payment.
 - **Health and Safety:** compliance with applicable standards and laws, demonstrated safety record and programs to support ethical working conditions.
 - **Human Rights:** not hiring employees below the legal working age or using any form of forced labor.
 - **Non-Discrimination:** suppliers may not expose employees and potential employees to sexual or physical harassment or discrimination in line with our company-wide policy.



ENVIRONMENTAL

- **Commitment to Environment And Biodiversity:** Laredo recognizes its responsibilities as a steward of the land on which it operates. We comply with all applicable environmental regulations and embed environmental considerations into our EMS process and consideration of future climate-related risks. This year, we also undertook a limited assurance third-party data verification of our Scope 1, Scope 2 and Scope 3 emissions, as well as energy use.
- **Commitment to Improving Environmental Performance:** Laredo is committed to improving our environmental performance by strengthening our systems for data collection and management with respect to our Scope 1 and Scope 2 greenhouse gas emissions and reduction goals, as well as our EMS.
- **Environmental Site Selection:** Laredo is committed to not operate in protected areas or areas of high diversity value as well as areas designated under International Union for Conservation of Nature (IUCN), United Nations Educational, Scientific and Cultural Organization (UNESCO) sites, Key Biodiversity Areas and designated wetlands. Furthermore, Laredo is committed to responsible wildlife management and seeks to minimize disturbance from operations.