



Corporate Responsibility Report and Factsheet

January 12, 2024

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ABOUT SITIO

Sitio Royalties Corp. (NYSE: STR) (together with its subsidiaries, “Sitio,” “STR” or the “Company”) acquires, owns and manages high-quality mineral and royalty interests operated by a diversified set of oil and gas exploration and production (“E&P”) companies. As of the date of this Corporate Responsibility Report and Factsheet, Sitio owns over 250,000 net royalty acres (“NRAs”), over 190,000 of which are located in the Permian Basin, the largest unconventional resource play in the United States. Sitio’s assets are focused primarily in the Permian Basin in West Texas and Southeast New Mexico, with additional assets across productive and high-quality areas of the United States, including the Denver-Julesburg (“DJ”) Basin in Colorado and Wyoming, the Eagle Ford in South Texas and the Williston Basin in North Dakota. Sitio does not have any international operations or ownership interests.

Sitio’s objective is to generate free cash flow from operations that can be returned to shareholders, utilized to pay down debt obligations, and reinvested to expand its base of cash flow generating assets. Sitio is headquartered in Denver, Colorado and also has offices in Houston, Texas and Austin, Texas. For more information about Sitio, please visit the Company’s website at www.sitio.com.

SITIO’S BUSINESS

Sitio acquires, owns and manages mineral and royalty interests. These interests are perpetual real property interests that represent ownership in hydrocarbons below the land surface. Sitio, as the mineral owner, is able to lease the right to develop these hydrocarbons to an oil and gas E&P company. The E&P company pays Sitio an upfront payment, most often in cash, known as a lease bonus, in exchange for the right to drill on the land. Once the E&P company establishes oil and gas production on the leasehold, a portion of production revenue is owned by Sitio as the mineral owner based on the negotiated lease royalty (typically 12.5% to 25%). There are many benefits of mineral ownership, including no capital expenditures to explore, develop, or operate the oil and gas resources, no lease operating expense, no direct exposure to fluctuating oilfield service costs, and no environmental liabilities associated with the drilling and production of oil and gas. **As a mineral and royalty company, Sitio does not produce oil or gas and does not directly develop or operate any oil and gas related infrastructure. The Company has a limited physical footprint, no field staff, and limited influence over the E&P operations that occur on its acreage.** Due to the scope of its operations, Sitio has no Scope 1 greenhouse gas (“GHG”) emissions and its Scope 2 GHG emissions are only from power consumption at its office locations.

SITIO’S APPROACH TO CORPORATE RESPONSIBILITY

Since Sitio’s inception, the Company has been committed to implementing best-in-class corporate governance, partnering with responsible operators and fostering a diverse workplace. Sitio’s governance model and compensation structure provides strong alignment between the interests of shareholders and those of the Company’s Board of

Directors (the “Board”) and management. As a company with a specialized business focused on the acquisition, development and management of mineral and royalty interests, Sitio’s employees are its most important resource. Sitio’s fully staffed, experienced team is dedicated solely to its business of efficiently managing its assets while pursuing and consummating acquisitions. While Sitio faces direct exposure to only a limited set of corporate responsibility risks and opportunities due to its business model, the Company supports the efforts of its operators to follow corporate responsibility, environmental and sustainability best practices to minimize our indirect exposure to risks associated with these issues.

SITIO’S KEY OPERATORS

Sitio’s customers are the E&P companies that operate the wells on the lands in which Sitio holds mineral and royalty interests. In addition to utilizing technical analysis to identify attractive mineral and royalty interests, Sitio’s management team strives to acquire mineral and royalty interests in properties with top-tier E&P operators. Sitio seeks E&P operators that are well-capitalized and have a strong track record of operating safely and responsibly, and that Sitio believes will continue to maximize production through the application of the latest drilling and completion techniques across its mineral and royalty interests. Sitio expects that its operators conduct their business with integrity and in alignment with industry best practices. Sitio targets minerals under operators with strong environmental track records, prioritizes responsible environmental practices and has language in its standard lease form that incentivizes E&P companies to avoid flaring natural gas. As Sitio continues to gain additional scale, it intends to further work with operators to reduce flaring and venting of methane and operate under environmental best practices.

As of September 30, 2023, approximately 240 E&P operators have producing oil and gas wells on Sitio’s acreage. All of Sitio’s key public operators provide disclosure regarding their sustainability efforts, including in many instances reporting highlighting the initiatives that they have implemented to help mitigate sustainability risks and their corporate responsibility initiatives. For more information on the sustainability and corporate responsibility efforts of the Company’s key operators, please see the operators’ disclosures located at the following links:

- [ExxonMobil Corporation](#)
- [Chevron Corporation](#)
- [ConocoPhillips](#)
- [Callon Petroleum Company](#)
- [Occidental Petroleum Corporation](#)
- [Coterra](#)
- [Devon Energy Corporation](#)
- [Permian Resources Corporation](#)
- [Diamondback Energy, Inc.](#)
- [Endeavor](#)

GOVERNANCE

CORPORATE RESPONSIBILITY OVERSIGHT

The Board and employee base are reflective of a culture that values diversity, with approximately 63% of Sitio's employees and approximately 56% of Sitio's directors who are women or racially/ethnically diverse. Sitio's compensation for its Board and executive management is structured to be well aligned with shareholders, with incentive compensation for executive management that is 100% equity based, with an emphasis on absolute total shareholder return over a three-year period.

Sitio's Board composition:

- 5 out of 9 (approximately 56%) current members are women or racially/ethnically diverse
- 3 out of 9 (approximately 33%) current members are women
- 1 out of 9 (approximately 11%) current members are LGBTQ+

Sitio's Management team¹ composition:

- 1 out of 6 (approximately 17%) current members are racially/ethnically diverse
- 1 out of 6 (approximately 17%) current members are women

Sitio's Board oversees the Company's corporate responsibility efforts. Sitio's Board receives an update from the Management team each quarter regarding the Company's corporate responsibility efforts and may receive more frequent updates from Management as necessary. Sitio has established a Corporate Responsibility Taskforce comprised of Sitio's Executive Vice President, General Counsel and Secretary, Vice President of Finance and Investor Relations and other members of the Company's Finance and Legal teams to spearhead the Company's corporate responsibility efforts.

To date, Sitio has implemented several corporate responsibility-related policies and charters, including its:

- [Audit Committee Charter](#)
- [Compensation Committee Charter](#)
- [Nominating and Corporate Governance Committee Charter](#)
- [Corporate Code of Business Conduct and Ethics](#)
- [Corporate Governance Guidelines](#)
- [Whistleblower Policy](#)

For more information about Sitio's corporate governance practices and Board composition, please see the Company's [2023 Proxy Statement](#). For more information about Sitio's [Corporate Code of Business Conduct and Ethics](#), [Corporate Governance](#)

¹ Sitio's Management team is comprised of its Chief Executive Officer, Chief Financial Officer, and Executive Vice Presidents.

[Guidelines](#) and Whistleblower Policy, please see *Business Ethics & Transparency* below.

Additionally, as part of its ongoing efforts to improve corporate responsibility management and oversight, Sitio intends to implement and disclose a Board-approved Environmental Policy, Bribery and Anti-Corruption Policy and Human Rights Policy in 2024.

BUSINESS ETHICS & TRANSPARENCY

Sitio's fundamental policy is to conduct its business with honesty and integrity in accordance with the highest legal and ethical standards. The Company and its directors, officers and other employees must comply with all applicable legal requirements of the United States and each other country in which the Company conducts business. Sitio maintains a [Corporate Code of Business Conduct and Ethics](#) as well as [Corporate Governance Guidelines](#). The Company's Executive Vice President, General Counsel and Secretary is responsible for oversight of the Company's [Corporate Code of Business Conduct and Ethics](#) and [Whistleblower Hotline](#). The Company's Audit Committee is responsible for administering complaints received by the Company regarding accounting, internal accounting controls or auditing matters, potential violations of applicable laws, rules and regulations or of the Company's codes, policies and procedures, whether through the Company's [Whistleblower Hotline](#) or otherwise.

Sitio's Whistleblower hotline is:

- Independently administered
- Available to all persons at <https://investors.sitio.com/whistleblower-information/>
- Anonymous, if desired by the whistleblower
- Available 24/7/365 in English, Spanish and French

Because Sitio believes that strong standards of business ethics and transparency are paramount, Sitio's Whistleblower Policy requires that Sitio not penalize or retaliate, nor tolerate retaliation, against an employee who has reported a concern in good faith. Sitio employees are informed of and required to read the Company Whistleblower Policy, [Corporate Code of Business Conduct and Ethics](#) and [Corporate Governance Guidelines](#), and are required to certify their compliance with the [Corporate Code of Business Conduct and Ethics](#) in connection with their onboarding process. As of the date of this Corporate Responsibility Report and Factsheet, Sitio has not received any reports through its Whistleblower Hotline.

As established in Sitio's [Corporate Code of Business Conduct and Ethics](#), the Company does not make direct or indirect political contributions in support of any party or candidate in any U.S. election. The Company encourages the personal and financial participation of its directors, officers and other employees in federal, state and local elective processes.

Additionally, Sitio's [Corporate Code of Business Conduct and Ethics](#) does not allow bribes, kickbacks or any other form of payoff from the Company's funds or assets. Because Sitio only operates its business and owns mineral interests within the United States, the Company considers its potential exposure to bribery and corrupt practices acts to be low. However, Sitio intends to implement and disclose a standalone Bribery and Anti-Corruption Policy in 2024.

CYBERSECURITY

Cybersecurity and information technology plays an important role in the success of Sitio. As a mineral and royalty company, Sitio has become increasingly dependent on digital technologies to perform of its services and to process and record financial and operating data. Sitio's Management team periodically briefs the Board regarding information technology and cybersecurity matters and developments. The Company requires periodic information security training and implements simulated phishing attacks, two-factor authentication and other cybersecurity protection measures. As of the date of this Corporate Responsibility Report and Factsheet Sitio has not experienced any cybersecurity incidents.

ENVIRONMENT

GREENHOUSE GAS EMISSIONS & CLIMATE CHANGE

Presently, Sitio has no environmental liabilities and, due to the nature of its business, no Scope 1 GHG emissions. The Company's minimal Scope 2 emissions are from power consumption at Sitio's three office locations. Sitio's Denver, Colorado headquarters is located in a LEED Gold Core and Shell certified office building and Sitio's Houston, Texas office is LEED Silver certified. In 2022, pro forma for Sitio's acquisitions of Falcon Minerals Corporation and Brigham Minerals, Inc., Sitio's combined market-based Scope 1 and Scope 2 emissions as calculated by an independent third party were approximately 128 MT CO₂E (0.0114 MT CO₂E/Mboe²). In 2021, Sitio's combined market-based Scope 1 and Scope 2 emissions as calculated by an independent third party were approximately 33 MT CO₂E (0.0080 MT CO₂E/Mboe).³ The Company's form lease agreement with operators provides an economic disincentive for the flaring of natural gas, which is designed to reduce unnecessary methane and other GHG emissions by the Company's operators. While Sitio has limited control over and visibility into its Scope 3 emissions, Sitio intends to continue to monitor developments with respect to the measurement and disclosure of Scope 3 emissions and will comply with all emissions disclosure requirements that may be applicable to it as a public company.

² Mboe is defined as one thousand barrels of oil equivalent, calculated by converting natural gas to oil equivalent barrels at a ratio of six thousand cubic feet of natural gas to one barrel of crude oil. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

³ Sitio's 2021 combined market-based Scope 1 and Scope 2 emissions are comprised of power consumption at Sitio's offices in Denver, Colorado and Houston, Texas and are not pro forma for Sitio's acquisition of Brigham Minerals, Inc.

Sitio intends to complete the CDP Climate Change Questionnaire in 2024. For further discussion of Sitio's direct and indirect climate-related risks, please see the Risk Factors and other disclosure in the Company's [2022 Form 10-K](#).

BIODIVERSITY IMPACTS

As a mineral and royalty company, Sitio does not directly control the biodiversity impacts of E&P activities on its acreage. Sitio generally acquires mineral and royalty interests separately from surface interests on the same lands, meaning that except for *de minimis* surface interests, Sitio does not have control or visibility into surface activities. Therefore, Sitio does not have the ability to conduct restoration programs at operational sites, develop an environmental management system, collect or report data on spills, or perform biodiversity impact assessments.

However, Sitio supports its operators' efforts to minimize ecological and biodiversity impacts from their operations. For more information on the Company's operators, please see *Sitio's Key Operators*. Further, Sitio intends to implement and disclose an Environmental Policy in 2024.

AIR EMISSIONS, WATER AND WASTE MANAGEMENT

As a mineral and royalty company, Sitio does not incur any plugging and abandonment obligations or environmental liabilities associated with oil and gas production. These obligations and liabilities are borne by the working interest owner(s) in the wells on Sitio's acreage. As Sitio does not have any direct oil and gas operations, the Company does not have relevant traditional E&P company emissions (such as direct NO_x, SO_x, VOC, PM or HAP emissions) and waste metrics or related disclosures. However, Sitio does endeavor to minimize its direct emissions and waste impact where possible.

Sitio only has limited direct consumption of water and water resources through the operation of its three offices. The Company recognizes the crucial role that water plays in the communities in which it operates and in the oil and gas industry. Sitio supports the efforts of its operators to implement responsible water use practices, such as sustainable sourcing, recycling, reuse and safe disposal of water in their operations.

No hazardous materials are used in Sitio's direct operations. Non-hazardous waste recycling programs are utilized in each of Sitio's corporate offices.

Additionally, Sitio supports its operators' efforts to minimize their air emissions and waste impact.

SOCIAL HUMAN CAPITAL MANAGEMENT

Sitio considers its workforce to be essential. The Company seeks to structure its hiring practices, compensation and benefits programs, and employee practices to attract and retain high-quality personnel and to provide a comfortable and collegial work

environment. Additionally, Sitio ensures that every employee is a shareholder of the Company. Benefits for all employees include:

- Competitive base salary, annual bonus and other incentives
- 25 days paid time off and 11 paid holidays annually
- One-time Restricted Stock Unit (“RSU”) award grant upon hire
- Eligibility for annual discretionary RSU awards
- Company-paid health, vision, and dental insurance
- 401(k) safe harbor contributions
- Company-paid parental leave
- Company-paid short and long-term disability
- Company-paid life and AD&D insurance

Sitio seeks to maximize employee satisfaction and engagement. Employee satisfaction and engagement measures include:

- Available formal, confidential grievance reporting through the Whistleblower program for employees
- Annual employee engagement survey and internal review and discussion of results
- Employee training and development
- Annual 360 performance review and feedback process
- Company-supported certifications and licenses
- Other job-specific development training programs and networking opportunities
- Focus on succession planning and employee development at multiple levels throughout the Company
- A Director of Human Resources responsible for leading Sitio’s human capital management function, talent development strategy and employee training



Sitio’s employe base and its Board value individuals who possess diverse skill sets, high energy and a forward-thinking attitude. Sitio’s employees are approximately 47% women and approximately 26% racially/ethnically diverse. Approximately 63% of the Company’s employees are women or racially/ethnically diverse. Sitio’s management team is approximately 17% women and approximately 17% racially/ethnically diverse.

Sitio is an equal opportunity employer, and in accordance with applicable federal and state laws, will not discriminate in recruitment, employment, promotion, training or any other job-related matters regardless of race, religion, color, sex, sexual orientation, gender identity, national origin, age, disability, or veterans as proscribed under applicable federal, state, or local law.

COMMUNITY RELATIONS

Sitio believes that it is imperative for all companies to have a positive impact on their communities. As part of its engagement efforts, Sitio hosts an annual Volunteer Day at each of its offices, where employees volunteer their time and effort to give back to local communities.

2023 Sitio Volunteer Day

OFFICE	VOLUNTEER LOCATION
Denver, Colorado	<p data-bbox="423 296 1430 373">The Urban Farm, a non-profit farm promoting youth and community education.</p> 
Houston, Texas	<p data-bbox="423 1016 1430 1087">Houston Food Bank, America's largest food bank in distribution leading hunger relief in 18 southeast Texas counties.</p> 

Austin, Texas

[The Central Texas Food Bank](#), the largest hunger-relief charity in Central Texas.



Additionally, Sitio supports its operators' efforts to engage with their respective local communities. Sitio believes that its operators have a track record of strong community engagement, including through local stakeholder identification and consultation and local philanthropic initiatives. For more information on Sitio's operators' community engagement efforts, please see *Sitio's Key Operators*.

HUMAN RIGHTS

Sitio respects human rights and seeks to avoid infringing on the rights of others. The Company's commitment to respecting human rights is based in part on the federal and state laws applicable to the jurisdictions in which Sitio operates. The Company is committed to maintaining a workplace free from harassment and discrimination. Harassment and discrimination is strictly prohibited under Sitio's Employee Handbook. Sitio intends to implement and disclose a Human Rights Policy in 2024. Additionally, Sitio supports its operators' efforts to protect, promote and conduct their operations in a manner that respects human rights.

WORKFORCE HEALTH & SAFETY

Sitio is committed to ensuring a safe and healthy working environment and provides company-paid health, vision and dental insurance to all of its employees. As an acquirer and manager of mineral and royalty interests, Sitio's workforce is comprised solely of office personnel. Sitio and its employees do not conduct any oil and gas operations or

field work. Due to the nature of Sitio's business, the Company does not face material workforce health and safety risks and therefore has not implemented a formal health and safety management system. However, Sitio has not experienced any workforce health and safety-related incidents as a public company.

CORPORATE RESPONSIBILITY PERFORMANCE METRICS

Company-wide Performance Metrics (as of December 31, 2023 and December 31, 2022)⁴

Metric	2023	2022
Corporate Responsibility Oversight		
Percentage of Board members who are women or racially/ethnically diverse	56%	56%
Percentage of Board members who are women	33%	33%
Percentage of Board members who are racially/ethnically diverse	22%	22%
Percentage of Board members who are LGBTQ+	11%	11%
Board Age Diversity: 30-39 Years	11%	11%
Board Age Diversity: 40-49 Years	22%	22%
Board Age Diversity: 50-59 Years	33%	33%
Board Age Diversity: 60-69 Years	22%	33%
Board Age Diversity: 70-79 Years	11%	0%
Business Ethics & Transparency		
Monetary value of political donations by the Company	\$0	\$0
Number of reports received through whistleblower channels	0	0
Cybersecurity		
Number of information security breaches experienced	0	0
GHG Emissions & Climate Change		
Market-Based Scope 1 GHG emissions	0	0
Market-Based Scope 2 GHG emissions	Not yet available	128 MT CO ₂ E
Market-Based Scope 2 GHG emissions per BOE	Not yet available	0.0114 MT CO ₂ E/Mboe
Human Capital Management		
Percentage of Management team who are women	17%	17%
Percentage of Management team who are racially/ethnically diverse	17%	17%
Management team Age Diversity: 30-39 Years	17%	17%
Management team Age Diversity: 40-49 Years	83%	83%
Percentage of employees who are women	47%	49%
Percentage of employees who are racially/ethnically diverse	26%	18%
Percentage of employees who are women or racially/ethnically diverse	63%	57%
Employees Age Diversity: 20-29 Years	10%	16%
Employees Age Diversity: 30-39 Years	56%	43%
Employees Age Diversity: 40-49 Years	23%	27%
Employees Age Diversity: 50-59 Years	11%	12%
Employees Age Diversity: 60-69 Years	0%	2%

⁴ All figures are approximate and may not sum due to rounding.

Workforce Health and Safety		
Total Workforce Health and Safety Incidents ⁵	0	0
Workplace personnel or contractor fatalities	0	0
Lost days due to personnel or contractor workplace injuries	0	0
Instances of occupational diseases among Sitio's personnel or contractors	0	0
Health and Safety fines, penalties, litigation, liabilities or settlements	0	0

⁵ "Incidents" is defined to include fatalities, recordable injuries, lost time incidents and near misses.