

SUSTAINABILITY REPORT

2017



PIONEER
NATURAL RESOURCES



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LETTER FROM THE CEO

It is my pleasure to introduce the inaugural Pioneer Sustainability Report.

This report highlights Pioneer Natural Resources' (Pioneer's) programs and initiatives that protect the environment; ensure the health, safety and professional development of our employees; promote high standards of integrity and business conduct; and positively impact the communities in which we live and work. These efforts are rooted in the highly regarded core values of our company, governed by our management committee and leaders, and actively overseen by our Board of Directors.

Pioneer's mission is to be America's leading independent energy company, focused on value, safety, environmental stewardship, technology and — our greatest asset — our people. We are committed to helping meet the world's need for abundant, affordable energy in an environmentally and socially responsible manner. Developing and maintaining sustainable business practices is critical to achieving this mission in the dynamic global energy market.

Climate change is an important concern for Pioneer and our stakeholders, and our strategy is to proactively manage our environmental footprint and emissions. We are committed to working with industry and communities to address our impacts to the environment while ensuring the supply of sustainable, abundant and affordable energy.

2016 was a year of accomplishment for the company in a number of important areas. On the environmental front, we advanced the successful build-out of our water management infrastructure in West Texas, continuing to secure supplies of non-potable water to support our drilling and completions operations and reducing our need for fresh water. We also made important strides in reducing air emissions from our operations by incorporating improved standard operating procedures and developing an industry-leading leak detection and repair program.

People are important to us. Pioneer is invested in both personal safety on the job and the well-being of our employees and communities. Last year, we concluded our Drive to Zero safety campaign, a three-year program that successfully reduced preventable vehicle accidents, Occupational Safety and Health Administration (OSHA) recordable rates and lost-time incident rates. We then initiated

a new program, Safely8760 — the number of hours in a year — to continue making progress and show our commitment to keeping each person safe, every hour of every day of the year. We also instituted a new diversity and inclusion program called One Pioneer and formed several employee resource groups focusing on women’s, veterans’ and multicultural issues, and employee development.

Throughout the year, we continued to look for ways to engage and positively impact the communities in which we operate, particularly in the areas of education, social service needs and law enforcement efforts. We also celebrated our 10-year partnership with Dallas Area Habitat for Humanity — restoring and building homes in the historic community of Joppa. And together with the Midland Independent School District, we supported students from Midland’s Early College High School, an innovative program focused on first-generation college students.

Our proudest and most gratifying moments came from two media organizations. *Forbes* named us “the most just” oil and gas company in their inaugural JUST 100 list, which ranks publicly traded companies in America that perform best on the priorities of the American public. In addition, *The Dallas Morning News* named Pioneer the top place to work among large companies in the Dallas-Fort Worth metropolitan area based on feedback from our employees, our seventh year in the top three.

From our Board of Directors to our front-line employees, the people at Pioneer understand the importance of doing business the right way. Operating in a safe, efficient and sustainable manner is critical to our mission of becoming America’s leading independent energy company. We’re proud to share the highlights of our 2016 sustainability efforts, and we are dedicated to making continued progress in the years to come.

Sincerely,

Timothy L. Dove
President and Chief Executive Officer





REPORTING PRINCIPLES

Pioneer's Sustainability Report highlights the specific sustainability-related governance and risk management measures we undertake to actively address issues important to both Pioneer and internal and external stakeholders. To more effectively prioritize and manage our Environmental, Social and Governance (ESG) information, the company formed a Corporate Social Responsibility (CSR) Committee comprised of executive leadership and subject matter experts from key functions in our organization. The CSR Committee, a subcommittee of the Pioneer Corporate Environmental Committee, reviews and prioritizes sustainability issues relevant to Pioneer and guides the company's sustainability reporting relative to our peer group and industry.

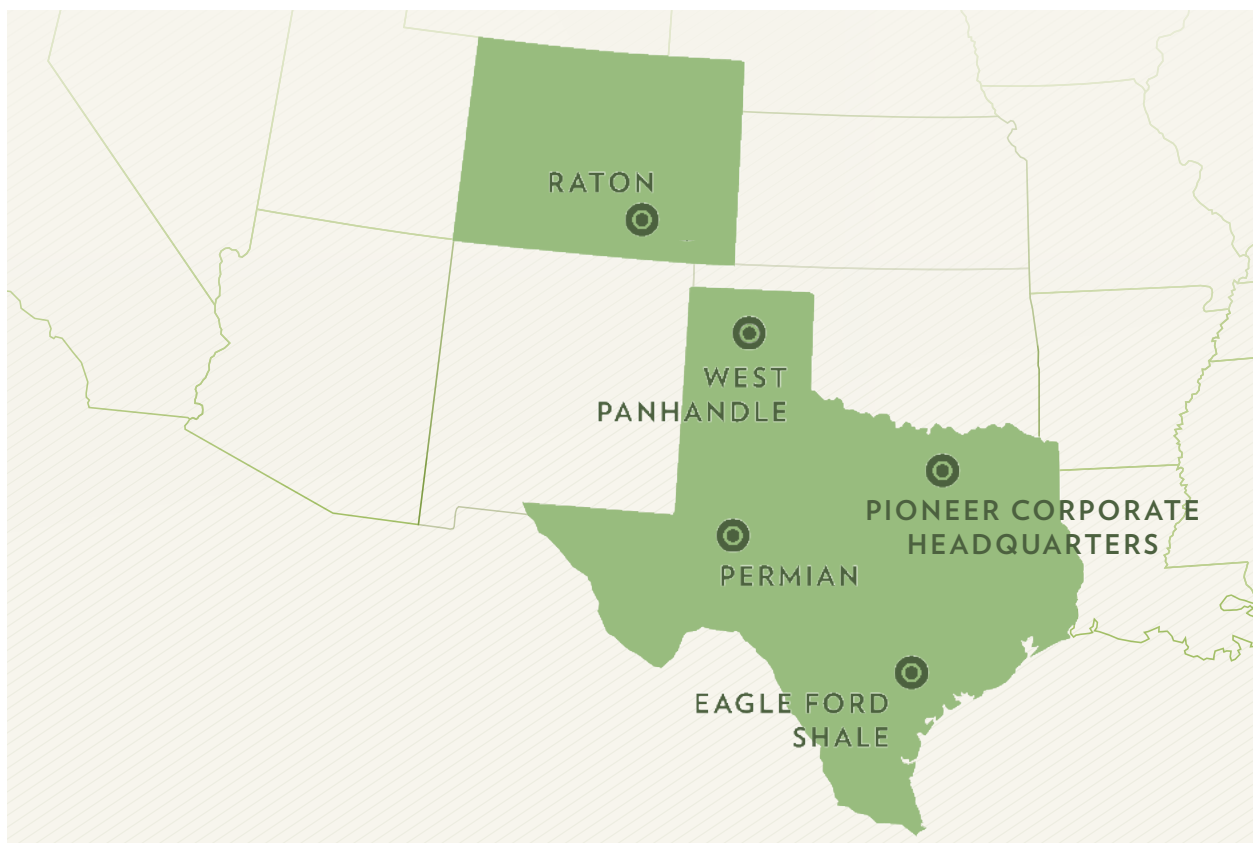
Reporting Framework

Our 2016 sustainability report references the reporting standards, terminology, and performance metrics developed by the Global Reporting Initiative (GRI) Standards, DisclosingTheFacts.org, and International Petroleum Industry Environmental Conservation Association (IPIECA). To help stakeholders locate this information, we have indexed relevant GRI, DisclosingTheFacts.org and IPIECA metrics beginning on page 46 of this report.

Reporting Scope

The 2016 Pioneer Natural Resources Sustainability Report includes data from January 1, 2016, through December 31, 2016, and is focused on our direct operations as outlined in our 2016 Form 10-K.

The topics addressed in this report are those that management believes have the potential to significantly affect the sustainability performance of Pioneer, and their inclusion reflects not only the results of Pioneer's internal discussions but also our engagement with a number of our stockholders and other stakeholders. Pioneer also considered the guidelines of GRI and other third-party frameworks in determining the content of this report. It is our expectation that the content of our sustainability reporting will change over time as we continue to obtain feedback internally and from stakeholders as to other matters on which disclosure is viewed as important.





COMPANY OVERVIEW AND CORPORATE STRATEGY

We are a large independent oil and gas exploration and production company operating in the United States, with operations primarily in the Permian Basin in West Texas, the Eagle Ford Shale play in South Texas, the Raton field in southern Colorado and the West Panhandle field in the Texas Panhandle.

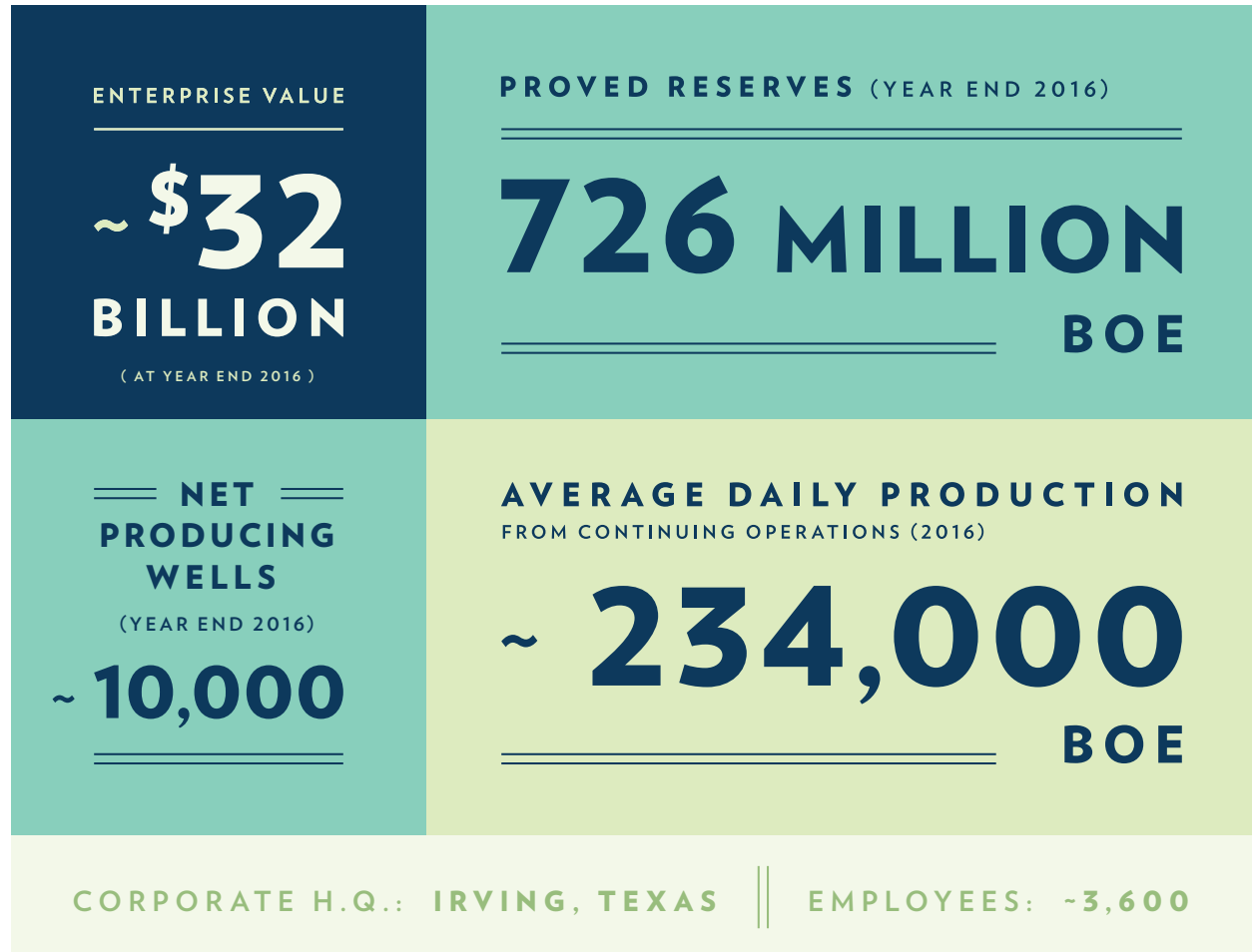
Pioneer's mission is to be America's leading independent energy company, focused on value, safety, environmental stewardship, technology and — our greatest asset — our people.

With more than 20,000 drilling locations in the liquids-rich Midland Basin in West Texas, the company has set an ambitious goal of producing 1,000,000 barrels of oil equivalent (BOE) per day by 2027. Continuing to maintain our financial discipline and industry-leading position as a low-cost operator and technology innovator while focused on sustainable development will be critical to reaching this milestone.

Our growth plan is primarily anchored by horizontal drilling in the Spraberry/Wolfcamp oil field located in West Texas. Complementing this growth area, we have oil and gas production activities and development and exploration opportunities in the liquid-rich Eagle Ford Shale play located in South Texas, the Raton gas field located in southern Colorado, the West Panhandle gas and liquids field located in the Texas Panhandle and the Edwards gas field located in South Texas. Combined, these assets create a portfolio of resources and opportunities that are well-balanced and diversified among oil, natural gas liquids and gas, and that are also well-balanced among long-lived, dependable production and lower-risk exploration and development opportunities. We have a team of dedicated employees who represent the professional disciplines and sciences that we believe are necessary to allow us to maximize the long-term profitability and net asset value inherent in our physical assets.

On December 31, 2016, Pioneer had 3,604 employees, 1,343 of whom were employed in field and plant operations, and 947 of whom were employed by our pumping services, well services and sand mining subsidiary companies.

Pioneer at a Glance



Governance

Pioneer has developed sound governance practices, described in our Corporate Governance Guidelines, to guide the company's Board of Directors in fulfilling their duty to stockholders. A portion of the Board's oversight includes the company's assessment of major risks and the resulting measures taken to manage such risks, including those related to sustainable development — a multidisciplinary approach that balances economic growth, environmental stewardship and social responsibility.



Pioneer Board of Directors

The Pioneer Board includes two committees with corporate sustainability oversight:

Health, Safety and Environment (HSE) Committee: The HSE Committee oversees broad company health, safety, and environmental practices, monitoring management’s efforts to continually develop our culture of safety, stewardship, and environmental protection.

Made up of independent directors, the HSE Committee is responsible for:

- Monitoring management efforts to create a culture of continuous improvement in Pioneer’s safety and environmental protection practices.
- Reviewing both performance and goals for Pioneer’s health, safety and environmental programs on a quarterly basis.

- Overseeing current and emerging HSE issues potentially affecting Pioneer, including trends in legislation and proposed regulations.
- Reporting to the full Pioneer Board of Directors on health, safety and environmental matters at least once per year.
- Providing oversight to company management regarding the health, safety and environmental aspects of the company's sustainable development program, including sustainability reporting.

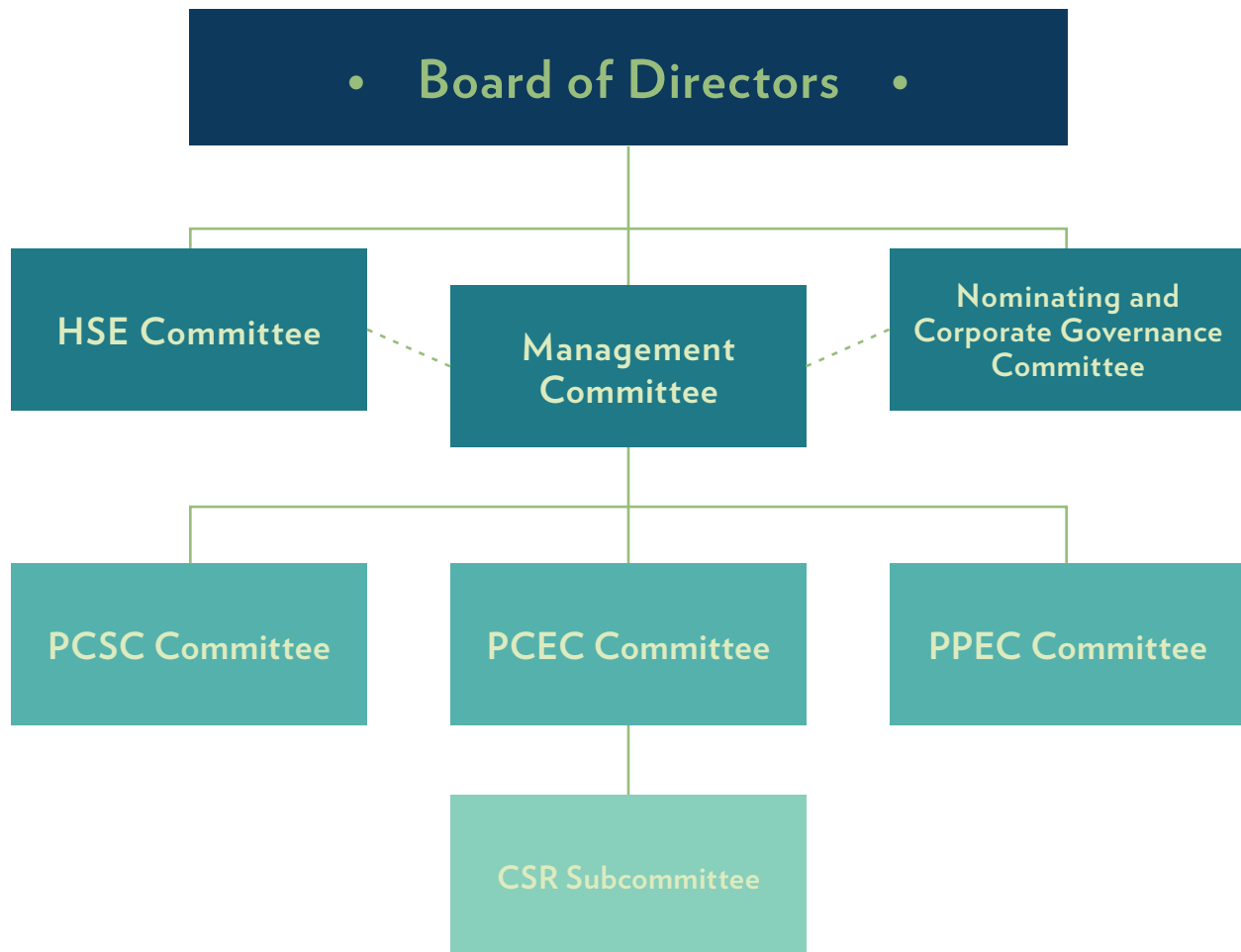
Nominating and Corporate Governance Committee: The Nominating and Corporate Governance Committee oversees risks related to governance structures and processes, including Board and committee composition and succession planning; director independence; and Pioneer charitable contributions, political spending and lobbying activities.

The detailed responsibilities for each committee are outlined in their respective **Committee Charters**.

Building on the Board of Directors' active oversight role, employees in leadership and management administer and execute Pioneer's strategy, guided by the specific standards of conduct prescribed in our Core Values and the Code of Business Conduct and Ethics. To ensure the right combination of executive, technical and field staff are engaged in this important work, the company formed several cross-functional committees, including the Pioneer Corporate Safety Committee, the Pioneer Corporate Environmental Committee and the Pioneer Public Policy Engagement Committee.

These committees ensure Pioneer manages sustainability issues effectively and consistently across the company and conducts monthly reviews of HSE performance, including current and emerging HSE issues and continuous improvement.

The Board committees with corporate sustainability oversight, together with management, monitor information from a variety of sources, including employees, investors, key stakeholders and industry organizations, and monitor management's efforts to identify and prioritize the sustainability information we disclose to the public via www.pxd.com, our financial disclosures (SEC Filings and Annual Reports) and, beginning this year, our Sustainability Report. This report and the company's other disclosures will continue to evolve as Pioneer's leadership analyzes and responds to feedback from both internal and external stakeholders.



Commitment to Ethical Operations

Pioneer has an unwavering commitment to ethics and integrity. This responsibility upholds the law and exhibits our strong pledge when it comes to honesty, transparency, and fair and ethical business dealings.

Our Code of Business Conduct and Ethics represents the standards of integrity and business conduct that every Pioneer employee, officer and director must uphold and follow. As a means of protecting both our company and our employees, Pioneer supports multiple methods of reporting compliance concerns, including anonymous reporting, and we strictly prohibit retaliation against any person for providing truthful information relating to a possible violation of law or company policy.

Core (RESPECT) Values

Achieving our mission requires that we stay true to our Core Values, the basic principles that are the foundation on which Pioneer has been built:

R	ESPECT We respect one another and the communities in which we operate.
E	THICS AND HONESTY We are ethical and honest and committed to uphold our strong reputation.
S	AFETY AND ENVIRONMENT We believe no job is so important that it cannot be done in a safe and environmentally sound manner.
P	ERSONAL ACCOUNTABILITY We are disciplined and personally accountable for our decisions, actions, attitude and results.
E	NTREPRENEURSHIP We have an entrepreneur's mindset, driving innovation and striving for excellence in all we do.
C	OMMUNICATION We openly and professionally communicate among all levels and between departments and teams.
T	EAMWORK AND INCLUSION We believe in diverse perspectives and teams collaborating toward common objectives with a can-do attitude.



SUSTAINABILITY PROGRAMS

Responsible Operations

Complying with applicable health, safety and environmental laws, regulations and policies is only the beginning of our commitment to operating our business in a responsible manner. Pioneer maintains a proactive compliance program to identify and correct any operational deficiencies we find, working in direct cooperation with appropriate government agencies. Pioneer's collaborative and interdisciplinary frontline efforts are led by our Health, Safety and Environmental team, which seeks continuous improvement in those key areas.

Safety and Health

We are dedicated to protecting the health and safety of everyone involved in and around Pioneer's facilities and operating areas by enforcing high standards, strict corporate policies, and responsible and ethical procedures. Safety starts with solid governance and committed senior managers, and our Pioneer Corporate Safety Committee sets the direction and vision for programs in our operating areas. The heart of Pioneer's safety program lies within the field office Central Safety Committees and safety action teams, which are responsible for evaluating safety observations, reporting and discussing safety concerns, reviewing accident investigations, assisting with field inspections, and developing and reviewing corporate standard operating procedures (SOPs). Pioneer conducts a thorough internal review before contractors are added to the Approved Contractor List. This process, along with ongoing monitoring, is supplemented by evaluating contractor safety performance via the ISNetworld platform for subscribed contractors.

Safety Training and Performance

By continuing to focus on creating an incident- and injury-free workplace during 2016, we were able to continue to reduce our OSHA recordable incidents. Our upstream operations had zero employee lost-time incidents. We also developed and implemented a contractor safety program companywide.

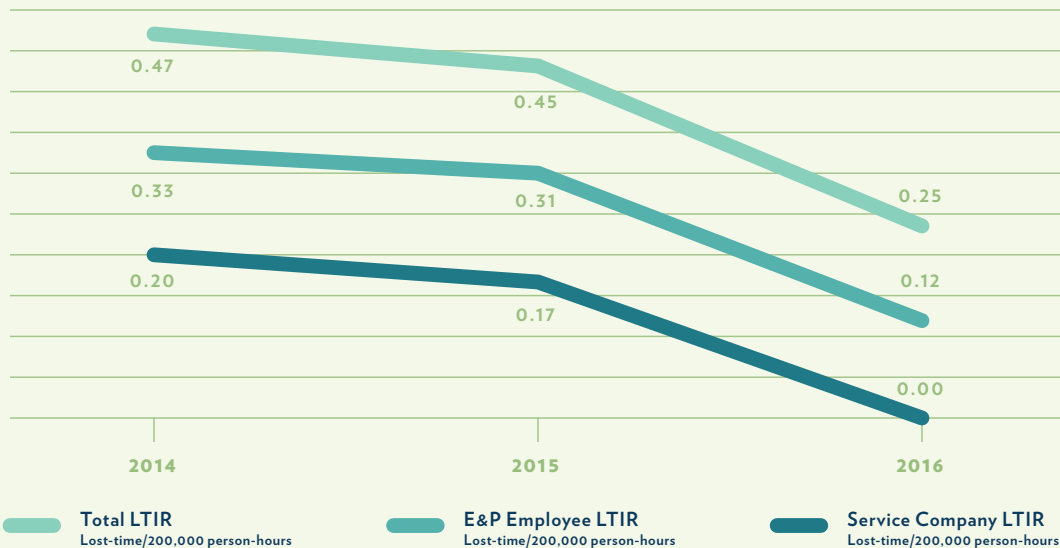
Effective training programs are designed to reduce the occurrence and severity of accidents. Our employee and contractor training programs cover accident prevention, protective equipment, safe operating practices, chemical material precaution and workplace hazards. We follow OSHA standards and regulations related to our business, and offer new-hire training and regular courses for seasoned employees and contractors.

In 2016, our Training team provided more than 41,600 person-hours of HSE training to Pioneer employees and contractors and provided more than 1,600 person-hours of training on SOPs in operations and well services areas.



Pioneer tracks safety performance based on requirements from OSHA, including our lost-time injury rate (LTIR). Pioneer utilizes the industry standard measurement of injuries per 200,000 person-hours worked in calculating LTIR. Pioneer has an integrated services model, and our employees are engaged in exploration and production (E&P) services, and pumping services, well services and sand mining operations. In order to benchmark ourselves against appropriate peer companies, we separate LTIR for E&P employees from LTIR for services employees. Our LTIR in 2016 was 0.00 for E&P employees, 0.25 for service employees and 0.12 for the company overall.

Safety Metrics: Lost-Time Incident Rate (LTIR)



Vehicle Safety

Safe driving is critical to a safe working environment. Our light-duty fleet vehicles are equipped with GPS tracking technology to help monitor driving practices, improve driver safety and ultimately reduce the number of incidents and injuries related to operating our vehicles. Overall, Pioneer employees drove a total of 34.6 million miles in 2016 and completed more than 5,800 person-hours of driver safety training courses. Pioneer tracks Motor Vehicle Incident Rate (MVIR), a metric more encompassing than Preventable Vehicle Accidents, to help monitor the effectiveness of fleet safety programs. Pioneer's overall MVIR in 2016 was 0.28, meaning our employees had approximately one motor vehicle incident for every 3.6 million miles driven.



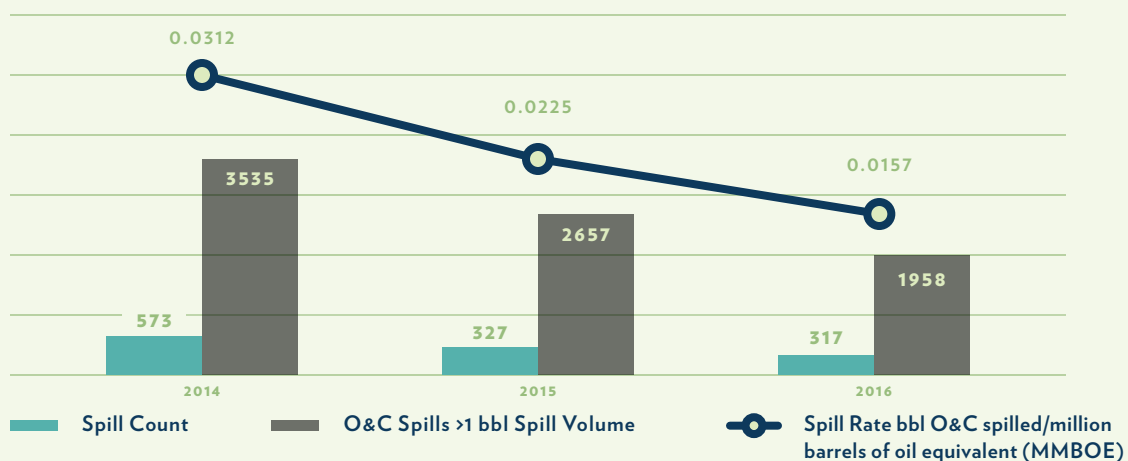
Spill Prevention and Management

Pioneer dedicates substantial resources to ensuring our operations are performed in a manner that protects the environment.

We believe all spills are preventable, and we train employees to prevent them.

Pioneer engineers design and build facilities with spill prevention in mind to protect the environment. We invest in containment equipment, perform regular inspections and update our spill response plans to comply with regulations. We work diligently to prevent spills, respond quickly when spills occur and remediate impacted areas. We investigate all spills to determine cause and corrective actions. In 2016, we had 317 oil/condensate spills of more than 1 barrel (bbl) (42 gallons), totaling 1,958 barrels. This represents 0.0157 barrels (0.66 gallons) of oil and condensate spilled per thousand barrels produced, based on gross production.

Oil and Condensate Spills and Spill Rate



Climate Change Statement and Restricted Carbon Scenario Analysis

Climate change is an important concern for Pioneer and our stakeholders. As such, our strategy is to proactively manage our environmental footprint and limit emissions of methane and other greenhouse gases from our operations. We are committed to working with industry and communities to address our impacts to the environment while ensuring the supply of sustainable, abundant and affordable energy.

In addition to our efforts to limit emissions from our activities, we assess the potential impact of growing alternative energy sources and climate change policy on global fossil fuel demand and Pioneer's long-term business prospects. A summary of this assessment is included below.

As part of Pioneer's strategic planning process, management prepares and reviews with the Board of Directors long-term scenarios under varying assumptions to stress test the company's business outlook. When evaluating possible future business scenarios, Pioneer considers several published energy forecasts and analyses by leading official agencies such as, but not limited to:

- **The U.S Energy Information Administration's (EIA) International Energy Outlook**
- **The Organization of Petroleum Exporting Countries' (OPEC) World Oil Outlook, and**
- **The International Energy Agency's (IEA) World Energy Outlook**

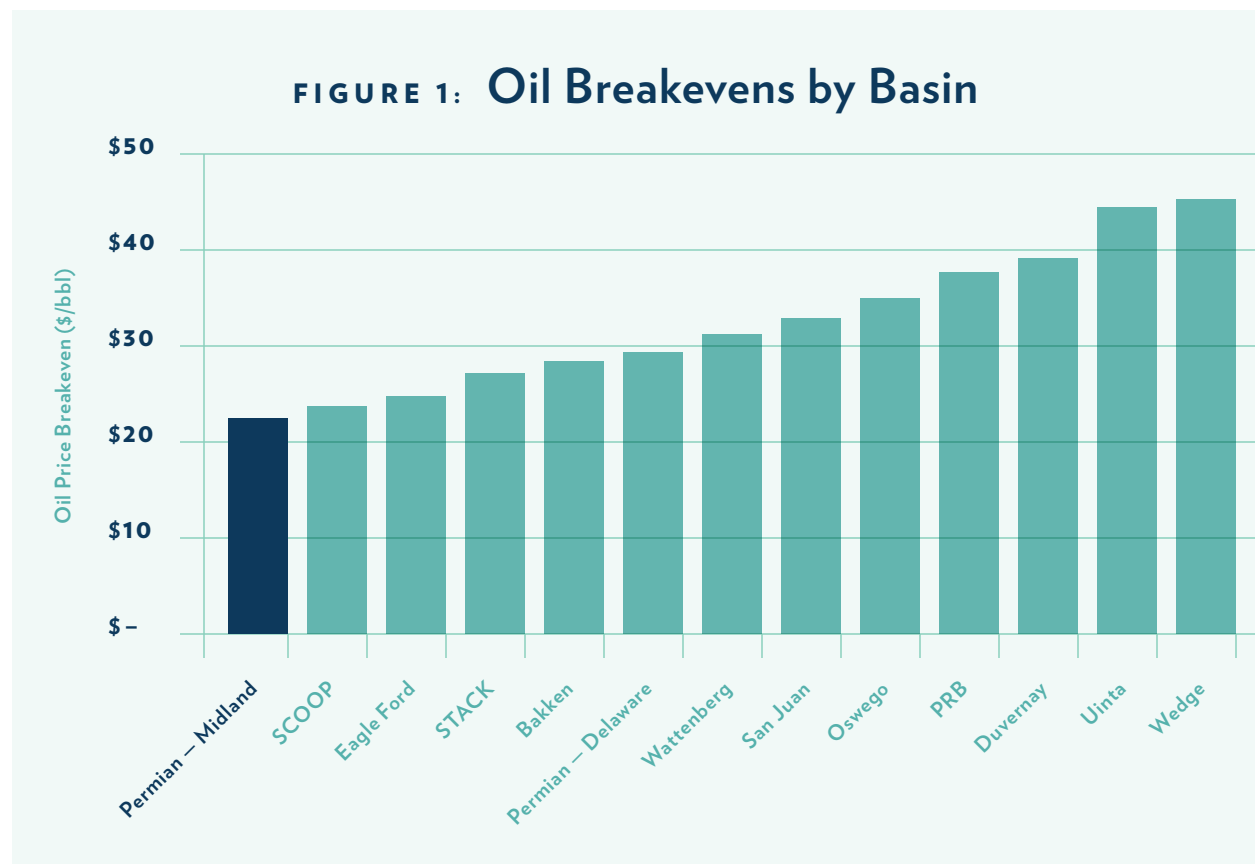
Pioneer also engages private commodity market analysis firms to provide the company with industry and economic projections, which are utilized to test management's assumptions of future business conditions.

The growth potential of the Permian Basin in West Texas was confirmed in November of 2016 when the U.S. Geological Survey identified the Basin's Wolfcamp shale as the largest continuous oil field in the U.S. The Permian Basin's productivity is also demonstrated by the fact that it is the only major basin where U.S. oil shale production has continued to grow since the downturn in oil prices began in 2014 (EIA, Drilling Productivity Report, 2017). Looking to the future, industry estimates indicate the Permian Basin has more than 150 billion barrels of oil equivalent of recoverable resource.

Pioneer is the largest acreage holder in the Midland Basin, located on the eastern side of the Permian, with approximately 800,000 gross acres and is therefore in a strong position to benefit from its quality assets.

In order to capitalize on this significant resource potential, more than 95 percent of Pioneer's current and expected future capital expenditures are directed to the Midland Basin where — assuming the current \$50 oil price environment and using current drilling and completion technology — Pioneer holds more than 20,000 drilling sites with economic returns.

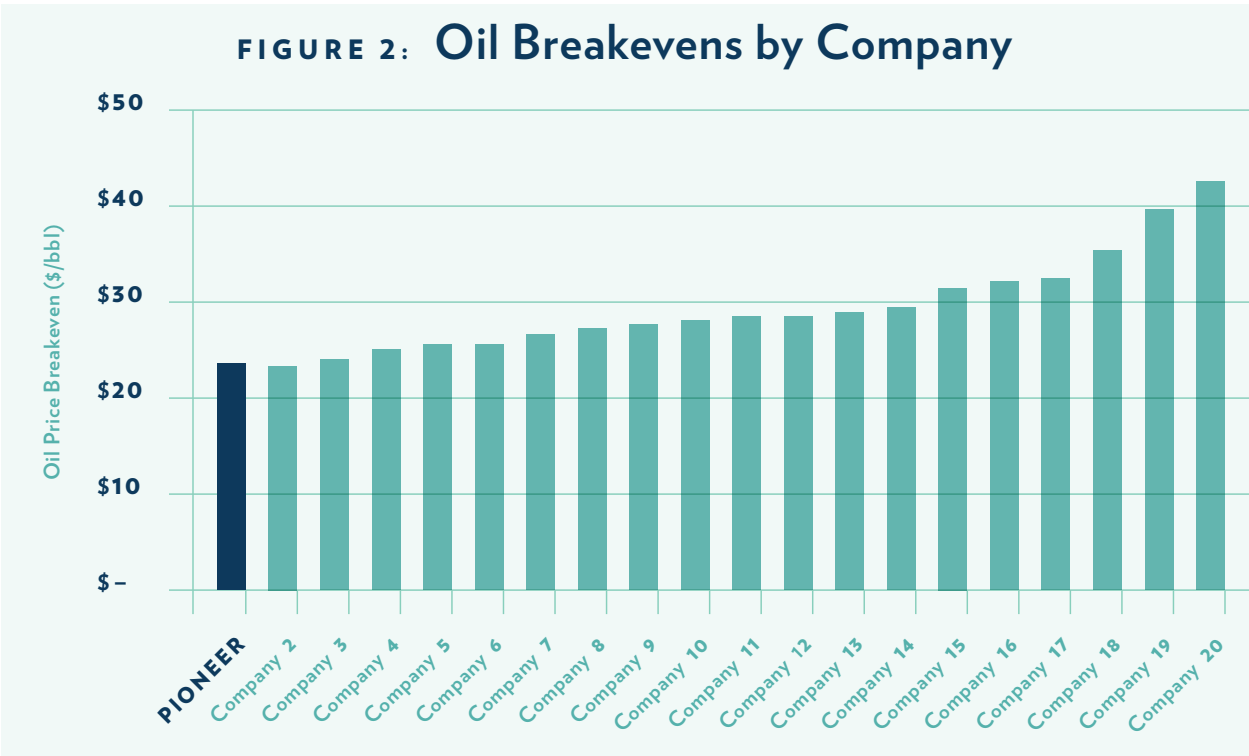
When compared with other onshore U.S. liquid-rich basins, the Midland Basin is among the best-in-class with an oil price breakeven cost of approximately \$24 per barrel as of mid-2017. (See Figure 1.)



Source: Citigroup research report published on 9/13/2017; assumes commodity prices of \$50/BBL oil and \$3.00/Million British Thermal Units (MMBTU)

Additionally, Pioneer is recognized as a leading low-cost operator when compared to other North American oil shale players in the industry. (See Figure 2.)

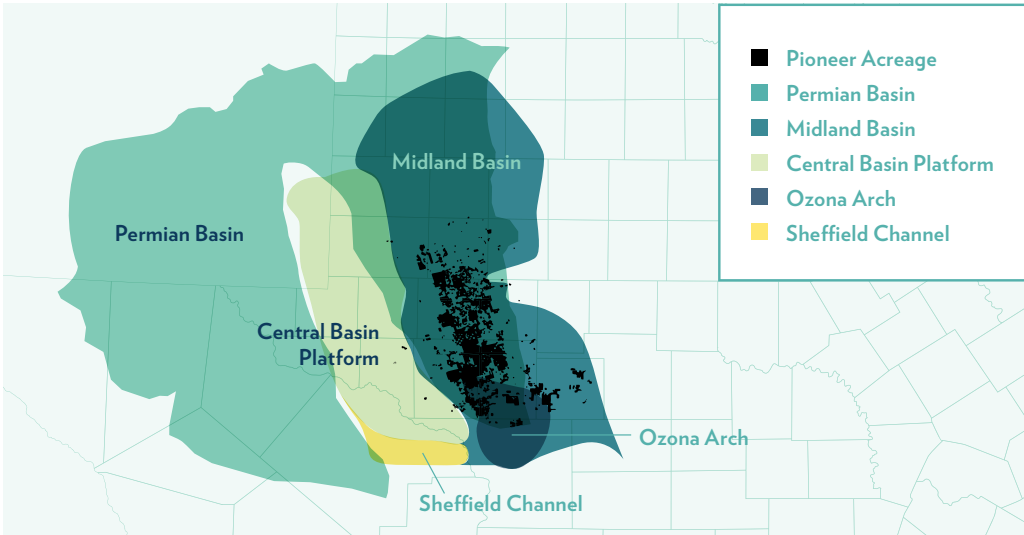
FIGURE 2: Oil Breakevens by Company



Source: Citi Research – Breakevens reflect each respective company’s production-weighted oil assets (at \$3MMBTU gas price). Companies include: APC, CDEV, CHK, CLR, CPE, DVN, ECA, HES, MRO, NBL, NFX, OAS, PE, SRCI, WLL, WPX, XEG, XOG.

Pioneer expects to remain a leading low-cost operator by leveraging the company’s supply chain, vertically integrated services and new technologies to develop its prolific Midland Basin asset highlighted in Figure 3.

FIGURE 3: Pioneer Permian Basin Acreage

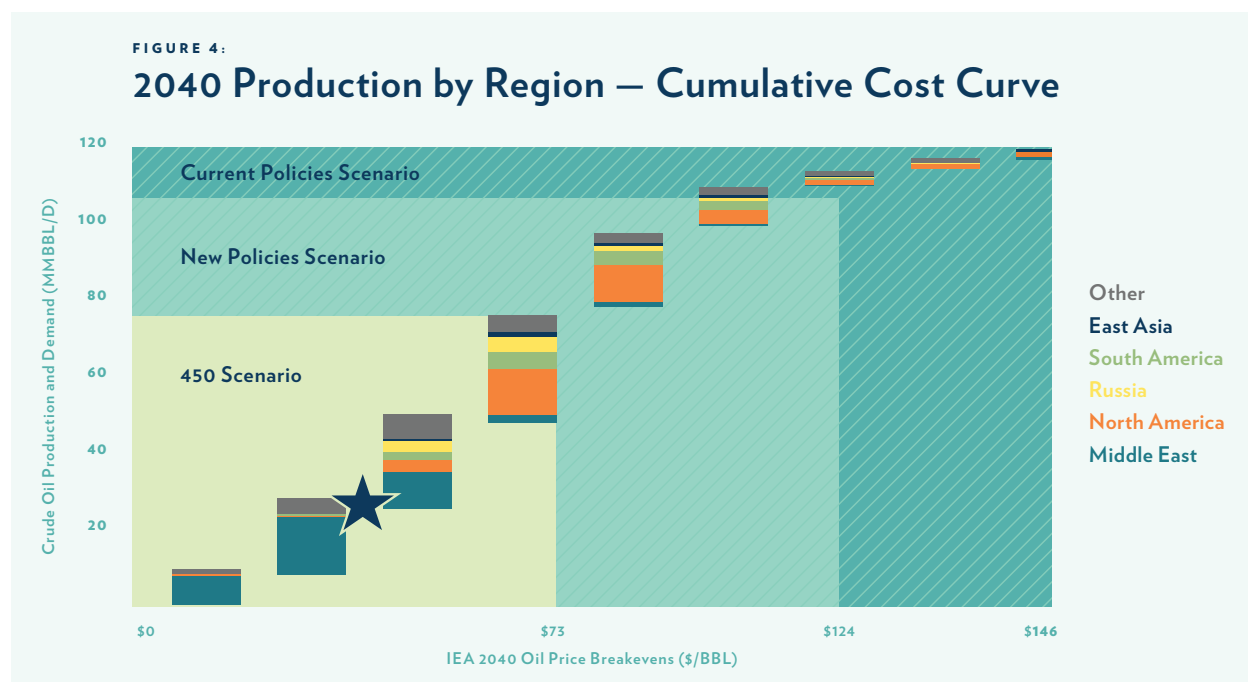


To assess the potential impact of growing alternative sources and climate change policies, Pioneer considered the scenarios set out in the broadly referenced IEA 2016 World Energy Outlook.* World Energy Outlook describes three scenarios, each of which assumes different levels of climate change policy and regulation. World Energy Outlook’s Current Policies Scenario assumes a continuation of existing policies; the New Policies Scenario accounts for broad policy commitments and plans that have been announced by countries to reduce greenhouse gas emissions and phase out fossil fuels; the World Energy Outlook’s 450 Scenario constructs an energy consumption pathway aiming to limit global increase in temperature to 2 degrees Celsius by restricting the concentration of greenhouse gas emissions in the atmosphere to less than 450 parts per million of carbon dioxide (CO₂).

Pioneer believes World Energy Outlook’s 450 scenario represents an ambitious reduction of future global oil demand, and, as such, serves as a robust test of the company’s ability to efficiently deploy capital and profitably develop and produce its resources in an environment of significant demand constraint.

Figure 4 below projects global oil demand in each of World Energy Outlook’s three scenarios, and the likely basins that would satisfy that global demand. This analysis assumes that the relative output of basins producing today, and the sources with lowest available breakeven costs are likely to satisfy that demand.

* For future reports, PXD will continue to assess available demand forecasts to determine which are most relevant to our scenario analysis.



Significance of 2040: The benefit of assessing potential oil demand and production in the year 2040 is that it allows Pioneer, its investors, and various stakeholders to evaluate the long-term impacts that political, economic, and technological factors might have on oil demand over an extended period.

Scenario Constraints: The varying levels of oil demand and associated World Energy Outlook oil prices in 2040 are represented in the overlapping shaded boxes and correspond to the socio-economic parameters outlined by World Energy Outlook's three scenarios. The 450 Scenario would have the greatest impact on oil demand, leading to a projected decrease to 73 million barrels of oil per day (MMBOPD) in 2040. Comparatively, the New Policies forecast projects oil demand ranging from 74 MMBOPD to 103 MMBOPD in 2040. Finally, the Current Policy Scenario results in demand of 116 MMBOPD in 2040.

Cost Curve: Overlaying the three World Energy Outlook 2040 scenarios shown in Figure 4 is a relative cost curve based upon Rystad Energy data that highlights production volumes grouped by current breakeven price and geographic region. Each position along the curve represents a segment of additional oil production that becomes commercially viable in response to an increase in price. Using this methodology, the lowest cost resources are considered to be developed first; however, it is assumed each region's respective position on the cost curve will remain relative and thus comparable in the long term.

The Pioneer Natural Resources Story: As indicated in Figure 2, the \$24/BBL breakeven cost attributed to Pioneer by Citi Research is well within the borders of the 450 scenario, indicating the company is in a strong position to produce oil and gas economically and help meet global demand for oil. This assessment is consistent with the "2 Degrees of Separation" analysis compiled by The Carbon Tracker Initiative, which examined the oil sector's economic viability in a carbon-constrained regulatory environment. Their analysis found that Pioneer is among the least exposed oil producers to 2025 carbon-related capital expenditures (Carbon Tracker, 2016). The study also notes that companies like Pioneer, which have a relatively low percentage of unneeded capital expenditures, are more aligned with a 2-degree warming limit. This reinforces our belief that we are in a strong position to produce oil and gas economically in a carbon-constrained scenario.

Emissions Management

Pioneer is committed to achieving compliance with all applicable federal and state requirements and going beyond compliance by developing proactive strategies to reduce emissions. Additionally, the Pioneer Health, Safety and Environmental team interprets new and proposed federal and state air quality rules in order to foster dialogue with regulators, industry peers and trade groups, and facilitate understanding of how these regulatory changes can impact the oil and gas industry. We pride ourselves in planning ahead for these changes.

Flaring and Vapor Recovery



Pioneer captures emissions from oil well and gas well completions in all of our assets — a process commonly referred to as green completions — and we recover emissions from condensate tanks during the completion phase. This is accomplished by constructing necessary facility infrastructure and permanent production equipment ahead of associated well completions. By routing flowback emissions directly to facilities

and pipelines, they are captured in the completions process. Green completion flowback is one way that Pioneer utilizes gas recovery in our operations.

Pioneer also minimizes the flaring of gas in all of its operations; exceptions are related to safety concerns during emergency or upset conditions. Even though flares are needed in our facility operations for these purposes, Pioneer prefers capturing and routing our oil and gas products to pipelines. Pioneer installs vapor recovery units at all of its horizontal well tank batteries. At tank batteries handling high production volumes, Pioneer installs multiple vapor recovery units to manage high gas volumes. These units operate by using Pioneer-produced gas to power compressors that remove valuable vapors and gases (including methane) from the storage vessels at many of our facilities and routing them to pipelines. This strategy allows Pioneer to capture potential facility emissions and recover them as part of our value chain. Vapor recovery units are now part of the standard horizontal well tank battery design in our largest asset area, the Permian Basin.

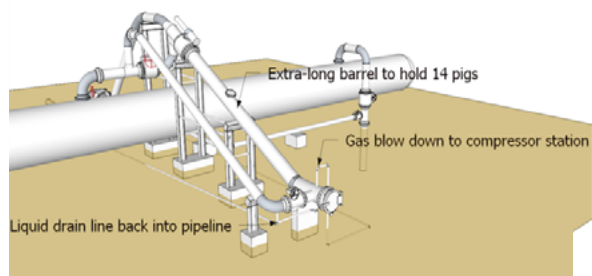
An additional benefit of putting oil and gas products directly into pipelines is that it reduces the need to haul our product with tanker trucks. Tanker truck loading can create an emission source through the displacement of tank vapors. When tanker truck loading is necessary, however, Pioneer uses flares to control the resulting emissions.

Gas-Driven Pneumatic Controllers

Pioneer promotes environmentally sound operations practices by reducing air emissions associated with high-bleed, gas-driven pneumatic devices. Pneumatic devices powered by pressurized gas are a process control element in oil and gas facility engineering, and are components of compressors, separators, pressure vessels and piping. Pioneer has replaced, modified or retrofitted all existing high-bleed, gas-driven pneumatic controllers to low-emitting devices.

Additional methane emission reductions can be achieved by converting these pneumatic devices to operate on a compressed instrument air system. An instrument air system replaces the pressurized gas source with compressed atmospheric air, eliminating methane emissions and providing additional safety benefits. In 2016, our Permian, South Texas and Texas Panhandle asset teams improved operational efficiency and reduced pneumatic device greenhouse gas emissions through projects that converted onsite gas-driven pneumatic controllers to instrument air systems at more than 60 locations.

Emission Reduction through Innovation



Pioneer engineers and field personnel proactively analyzed and improved our approach to common industry practices in pipeline pigging, compressor maintenance and storage tank cleaning. Historically, as part of procedures to safely perform each of these tasks, gases within these components were

“blown down” (i.e., depressurized through the venting of compressor vessels to the atmosphere). Over the past several years, new and innovative equipment configurations and procedures allow Pioneer to capture these previously released gases and reroute them back into the gas value chain.

Pioneer operates 800 miles of pipeline in the Texas Panhandle. As part of our operations, spherical balls called “pigs” clean those lines. Every time a pig is launched or received, the pressurized gas line is opened and there is a small release of gas. To capture these emissions, Pioneer developed a process to drop the pressure before the line is opened and enlarge the launching and receiving barrels. This procedure minimizes emissions by reducing the frequency of line openings.

With a similar approach, our Permian team has altered the regular preventative maintenance process on gas lift compressors. As part of this process, compressor pressure vessels must be depressurized. In order to capture the gases lost during this process, the pressure vessel gases are now rerouted to sales pipelines or the inlet suction on other operating compression units, rather than being released into the atmosphere. This creates a safer working environment, significantly reduces uncontrolled air emissions and can result in increased revenue.

From time to time, oil and condensate storage tanks can accumulate a buildup of solid material on the bottom of some storage tanks. The past process to safely open and clean the interior of a storage tank required the transferring of liquid and gas contents, but all gases could not be captured. Our Western Asset Team developed a storage tank cleaning method that does not require an atmospheric opening of the tank to perform this same task. Through a process of flushing water through modified systems, the tank bottom buildup is entrained in water, which is then discharged into a tanker truck. Since the process occurs within the storage tank fluid column, no gases are released. The effluent from this process is then transported away from the facility for proper disposal. This method can now be applied to other storage tanks with similar operational settings and need for this type of maintenance.

Leak Detection and Repair



In 2011, Pioneer began implementing a leak detection and repair (LDAR) program that our lease operators continue to use today as part of normal facility inspections. We utilize various techniques such as audio, visual, and olfactory inspections, optical gas imaging cameras, and Remote Methane Leak Detectors™ across all of Pioneer’s operations to monitor facilities for fugitive emissions.

Our Colorado operations LDAR program has been further developed to meet the specific requirements of the 2014 Colorado Regulation 7 requirements. Colorado's Regulation 7 requires oil and gas producers to inspect and repair hydrocarbon leaks from components at all existing and newly constructed well production facilities and compressor stations, followed by ongoing, regular inspections dedicated to leak detection, repair and reporting. Our companywide program was updated in 2016 to comply with EPA New Source Performance Standards OOOOa requirements which enacted an LDAR program for new or modified upstream facilities and compressor stations.

Pioneer employs a team of thermographers who use optical gas imaging cameras and leak detectors to conduct surveys at our facilities, such as well sites, tank batteries, compressor stations, pipelines, and midstream facilities. Optical gas imaging cameras utilize infrared sensors to allow our thermographers to locate emissions not identifiable through other inspection methods. Each Pioneer thermographer receives biennial optical gas imaging training. The three-day certification training is designed to teach the proper safety practices, methods to set up and operate the imaging cameras, how to identify what gases can be found with the technology, and the different environmental conditions that affect gas leak detection.

Remote Methane Leak Detectors™ are laser-based methane detectors that can quickly and efficiently detect leaks up to 100 feet away. When the infrared laser beam is transmitted from the device, some of the laser light is reflected back to an internal sensor, which can be used to deduce a methane concentration. Leak detector training is provided to inspectors in accordance with manufacturer guidelines and regulatory requirements.

Pioneer owns nine optical gas imaging cameras and two Remote Methane Leak Detectors™. In 2016, more than 13,190 optical gas imaging surveys were conducted at Pioneer wellheads, tank batteries, and compressor stations, with an additional 130 miles of pipeline inspected. Facilities are currently prioritized for surveys based upon the potential for fugitive emissions to occur, and annual optical gas imaging surveys are established as the baseline for our facilities. Some facilities have been identified as having a higher potential for emissions (e.g. larger tank batteries and compressor stations), and are surveyed at a semi-annual or quarterly frequency.

In addition to our standard LDAR program, Pioneer is testing continuous emissions monitoring systems on several tank batteries in the Permian Basin. These monitoring systems are designed to quickly detect and alert Pioneer to fugitive methane emissions, which may help us to quickly locate unexpected emissions and better direct our LDAR program.

Understanding Emissions

Modern industry technologies and facility designs have dramatically outpaced the original efficiencies and design considerations within EPA emissions datasets and models. As the oil and gas industry continues innovating engineering and emissions management practices, new, more accurate data is needed to drive our decision-making process. Pioneer has initiated a program to study emissions, including methane, from our field operations.

We actively participate in multi-operator national studies, which require collaboration among peer operators, regulators, academia, industry trade groups and environmental non-governmental organizations. For these studies, Pioneer provides direct access to production sites and equipment, and assists in the design of safe-sampling protocols. The participation of Pioneer and other producers contributes to the development of methods for safely measuring methane emissions directly at the source and facilitates scientific analysis where little empirical data previously existed.

Currently, we are partnering with Colorado State University to better understand compressor station emissions in the gathering and boosting segment of the industry. Findings from these studies will further enhance our ability to identify opportunities for emissions reductions through best practices and technological solutions.

Greenhouse Gases, Emission and Methane Intensities

Pioneer discloses its EPA-reported emissions in this report due to the specific reporting assumptions, applicable source category equipment, engineering calculations and emission factors set forth in the applicable regulations. With the significant changes required by the EPA in 2016, we have selected 2016 as our emissions base year. We continue to develop a more comprehensive emissions inventory.

Pioneer reported 2.78 million metric tonnes of GHG emissions (CO₂ equivalent) to the EPA in 2016. Based on this value, our 2016 GHG emissions intensity was 22.32 metric tonnes of CO₂ equivalent per 1,000 barrels of gross oil-equivalent production (CO₂ equivalent/MBOE). Our 2016 methane emission intensity was 6.14 metric tonnes of CO₂ equivalent/MBOE. Pioneer emissions reporting follows EPA GHG Reporting Program requirements that prescribe the methodologies to quantify GHG emissions, including methane, for each emission source category.

WATER CONSERVATION AND PROTECTION

Water Sourcing

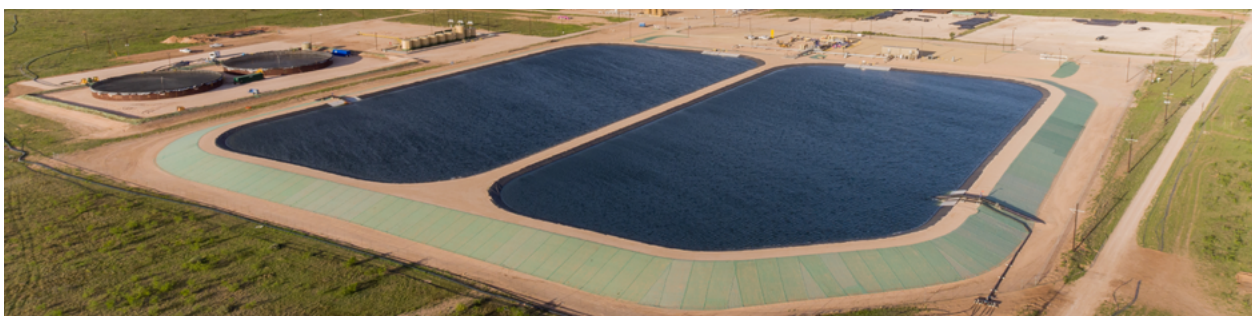
The amount of water used for well completions varies by well length, completion design and the geology of the formations targeted by each well. In 2016, Pioneer's South Texas and Permian asset areas used, on average, 0.26 and 0.34 barrels of water per BOE expected from wells drilled, respectively.

It is helpful to convert this number into "water intensity" – gallons of water per million British thermal units (MMBTU) of energy. This helps compare our water usage to that of other leading power sources. By this calculation, our South Texas and Permian asset areas in 2016 used, on average, 1.93 and 2.29 gallons of water per MMBTU, respectively.

We understand how vital water is to any community. As our industry drills longer lateral wells and increases the number of hydraulically fractured stages in each well, water use per well increases. However, more oil and gas is recovered from these wells, reducing overall water intensity.

Water conservation is a Pioneer priority, and we continually pursue sustainable and diverse sources of non-potable or non-fresh water for drilling and completions of oil and gas wells. Our comprehensive approach includes utilizing effluent water (wastewater), brackish water and recycled produced water. To effectively manage this critical resource, we formed a dedicated water management subsidiary, Pioneer Water Management, LLC (PWM) in 2014.

PWM is responsible for the company's water sourcing, transportation and sales to internal and external customers. PWM is focused on reducing the company's use of fresh water, mitigating the disposal of produced water through water recycling efforts, reducing water acquisition and transportation costs, and minimizing water trucking on public roadways.



Fresh Water: We recognize fresh water is a valuable resource, and Pioneer is committed to innovative water stewardship. While there is no immediate, economic solution to completely eliminate the use of fresh water in our operations, Pioneer has found ways to minimize freshwater consumption, allowing this precious resource to be preserved for the communities where we live and operate. Additionally, we are piloting and evaluating various technologies for water conservation and creating more efficient water transportation and storage methods to limit water loss.

Reclaimed Wastewater: Pioneer has uniquely collaborated with local cities through mutually beneficial, public/private water-sourcing transactions. In 2014, Pioneer entered into an agreement with the city of Odessa, Texas, and, in 2016, signed a contract with the city of Midland, Texas, to purchase effluent water for use in operations. On January 20, 2016, Pioneer opened a 20-mile, \$25 million effluent water infrastructure project to both reduce fresh water use and cut costs for the mutual benefit of Pioneer and the city of Odessa. Sourcing of the municipal effluent water, which is otherwise being disposed of, will save millions of gallons of fresh water throughout the Permian Basin.

PWM has constructed more than 20 miles of pipeline from Odessa's Bob Derrington Water Reclamation Plant in Midland County to a PWM water supply facility. The system is designed to flow 150,000-200,000 barrels of water per day (BWPD) at peak capacity.

INNOVATIVE INFRASTRUCTURE PROJECTS WITH ODESSA AND MIDLAND

On January 20, 2016, Pioneer opened an innovative infrastructure project with the city of Odessa, Texas — construction of a 20-mile, \$25 million pipeline to send effluent water from the city's wastewater treatment facility for use in our drilling and completions operations. The project is the key component of an 11-year, \$117 million wastewater sales agreement between Pioneer and the city. This project not only reduces Pioneer's use of fresh water, but also curtails the number of trucks needed to deliver water to the company's facilities, minimizing industrial traffic in the region.

The idea for this industry-leading collaboration came from Pioneer's dedicated subsidiary, Pioneer Water Management, LLC (PWM).

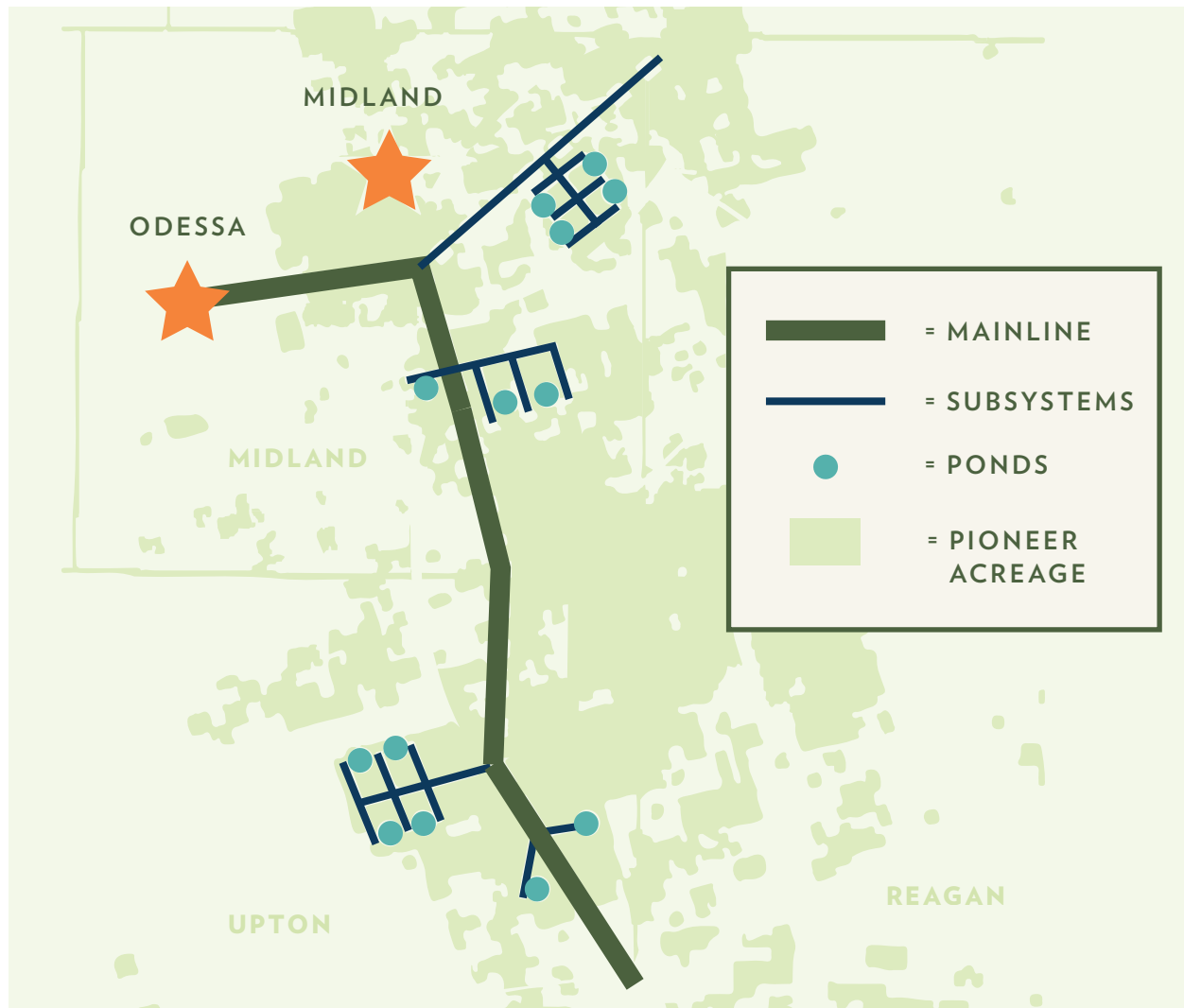
“This project is the right thing to do for the environment, and it really is a win-win for the residents of Odessa and for Pioneer. We hope this agreement serves as a role model for our industry and the Permian Basin.”

— Todd Abbott, *President,
Pioneer Water Management, LLC*



Pictured left to right: Tim Dove (President and CEO, Pioneer), David R. Turner (Mayor, City of Odessa) and Brooks Landgraf (State Representative, District 81) participate in a ceremonial turning of the valve.

Pioneer's Odessa/Midland Water Distribution System



Benefits to the local community and region include:

- An innovative and regular revenue stream for the city for a water resource that would otherwise go unused;
- A long-term supply of water to our drilling and completions operations across the basin;
- A reduced need for fresh water, while making productive use of a non-potable resource; and
- A significant reduction in traffic congestion, since Pioneer no longer solely relies on trucked deliveries of water to drilling and completions sites.

Brackish Water: The Santa Rosa Aquifer, a brackish water formation containing water too high in salinity for drinking or agricultural usage, lays thousands of feet above the Permian Basin's oil shale plays. PWM geologists and engineers continue to evaluate the unique reservoir's large brackish water supply through geologic mapping, logging analysis, well optimizations and other subsurface techniques used in both the water and oil and gas industries. Using these tools, PWM is able to economically drill high-producing brackish water wells to support our operations.

Reused Produced Water: As part of the production of oil, condensate and gas, Pioneer generates what is referred to as "produced water." Once water comes into contact with oil, condensate or gas in the production cycle, regardless of the type of water, it is considered produced water. Produced water is generally a mixture of water, naturally occurring dissolved solids, and a small amount of products used in the oil and gas production process. As part of the fluid-handling lifecycle, Pioneer disposes of fluids, including produced water, from oil and gas production operations directly or through the use of third parties. PWM is continually investigating economically viable solutions for produced water reuse in its operations to reduce the need for produced water disposal and provide another significant alternative to freshwater use.

Water Protection

Pioneer designs, builds, and maintains its wells to protect groundwater quality during and after wellbore construction. For decades, state regulators have imposed strict requirements for how oil and gas wells must be constructed. Each well must be encased in multiple layers of protective industrial-grade steel casing, which is surrounded by cement to create a secondary safeguard for underground fresh water. In 2016, we tested the surface casing integrity on 229 wells drilled and plan to test all future wells.

This highly regulated safety system – and the thousands of feet of rock between the hydrocarbon and freshwater zones – keeps oil and gas out of the fresh water, and fresh water out of the oil and gas. For more than 70 years, the industry has successfully drilled and produced wells using these drilling techniques. As additional protection, Pioneer installs pressure gauges during completions to monitor and test the space between the inner and outer well casing (annular space). In 2016, 100 percent of Pioneer's completed wells were tested in this manner.

FracFocus.org

Pioneer has been an industry leader on chemical use disclosures. To help address questions about hydraulic fracturing, Pioneer joined industry peers and regulators to create the website FracFocus.org, a public registry of reported chemicals used in hydraulic fracturing. Disclosure of chemicals used in hydraulic fracturing is important. Pioneer actively supports this national initiative and complies with state regulations on reporting. As of December 31, 2016, Pioneer disclosed on FracFocus.org the chemicals used in more than 3,530 wells drilled.

While the FracFocus registry is a comprehensive disclosure of chemicals used in the completions process, some commercial products have unique properties that are protected as proprietary information under trade secret provisions under state laws in which the chemical is used. However, for more responsible product sourcing, Pioneer Pumping Services (PPS), our subsidiary completions company, has implemented a supplier chemical pre-qualification system that reviews information for each chemical PPS uses, including chemical details deemed by the supplier to be proprietary information. In addition to this level of scrutiny in the selection of chemicals used in the PPS completion process, PPS has adopted a policy not to use diesel fuel as an additive in hydraulic fracturing fluids.

LAND MANAGEMENT

Reducing Our Footprint



Oil operations require clearing areas of land for water storage ponds, development sites, central gathering points and rights-of-way, which can leave land barren and create erosion issues if not properly reclaimed. It is important to reseed impacted areas of lease properties to stabilize the ground and restore native grasses. Along these lines, using native seed mixtures to reseed land is best, as non-native vegetation can overrun an area and adversely affect the ecosystem by not providing the right food supply for inhabiting wildlife.

For active operational sites, Pioneer works with regulators and landowners to minimize surface impacts from our operations. One key initiative to reduce our surface footprint is drilling multiple wellbores from a single location. In 2016, we drilled from more than 98 locations utilizing multiple wellbores. This practice allows Pioneer to not only significantly reduce the area of impact by the pad construction, but to also minimize the roadways and easements, compared to those required to support single-pad drilling. Pioneer continues to innovate in the area of multi-well pad drilling that reduces the overall area of disturbance.

RESEEDING LAND WITH NATIVE SEED MIXTURES

Pioneer's South Texas Asset Team

has partnered with the Caesar Kleberg Wildlife Research Institute of Texas A&M University-Kingsville to restore impacted land with native seed mixtures. Since 2011, production of native seed mixtures in South Texas has quadrupled. Prior to this initiative, native seed mixtures were not commercially available. Now, Caesar Kleberg Wildlife Research Institute estimates Pioneer funding has reseeded approximately 200,000 acres in South Texas with native vegetation.

According to Caesar Kleberg Wildlife Research Institute, by making more foundation seed available and markedly increasing production through efforts of this project, **unit price for seeds has decreased by 50 percent, from an average price of \$160 per-acre seed cost in 2012 to just \$82 per-acre seed cost by 2015.**



WORKPLACE INITIATIVES AND COMMUNITY INVOLVEMENT

Pioneer's core values are focused on people, including employees, contractors and those with whom we interact in the communities where we live and work.

Top Places to Work Distinction

For 2016, Pioneer ranked first among large employers in the Dallas/Fort Worth area in an annual survey for the best places to work administered by *The Dallas Morning News*. We are proud this is the seventh consecutive year Pioneer has been ranked in the top three, and Pioneer is one of only four companies to place in the *Morning News*' Top 100 Places to Work every year since the program's inception in 2009.

More information about Pioneer's employee practices is available in the **CAREERS** section of our website: <http://www.PXD.com/careers>.



Diversity and Inclusion

Pioneer is committed to creating an inclusive environment where all employees feel respected, valued and connected to the business. We strive to be a workplace where individuals bring their authentic selves and are successful in achieving their goals. An inclusive workplace enables us to embrace the diverse backgrounds and perspectives of employees and attract the best talent.

Pioneer Human Resources includes a Diversity and Inclusion (D&I) manager whose role is to serve as a dedicated in-house resource leading Pioneer's D&I efforts. All employees participate in diversity training, which is developed specifically for Pioneer and its culture. Pioneer also offers a formal mentoring program that has reached more than 200 professionals.

Pioneer encourages the establishment of Employee Resource Groups, and each of the following groups has an executive-level sponsor and mission statement:

- **The Women's Resource Group** seeks to engage and empower the women at Pioneer for the benefit of Pioneer and the community.
- **The Military Resource Group** advocates for the recruitment, development and support of military members and their families at Pioneer.
- **The Multicultural Resource Group** works to foster a culture of inclusion through promoting a positive understanding of our differences.
- **The Pioneering Innovative Leaders of Tomorrow (PILOT)** group cultivates cross-discipline communication and professional development among technical professionals who are relatively new to the oil and gas industry.
- **One Pioneer Mentoring** seeks to empower employees to connect through mentoring relationships which enhance their professional and personal development.



Multicultural Resource Group's "Taste of Pioneer" event

WOMEN'S RESOURCE GROUP INITIATES CHANGE

Pioneer's executive management team uses a variety of channels to solicit advice and feedback from employees throughout the year. The company's Employee Resource Groups have been invaluable assets in this regard, as they are particularly well situated to offer insights into the issues employees care most about. One example of this network producing meaningful change is the adoption of Pioneer's new parental leave policy.

In late 2016, President and CEO Tim Dove met with the president of Pioneer's Women's Resource Group (WRG) to solicit feedback on what the company could improve upon for women in the organization. The WRG conducted a survey of the company's female employees asking for their thoughts on what Pioneer does well and what areas warranted improvement. The survey results identified the company's parental leave policy as an opportunity to further enhance Pioneer's employee benefits.

At the direction of the management committee, Pioneer's Human Resources department analyzed how Pioneer's policy stacked up against not only our peer companies, but also the most dynamic companies in the S&P 500. As a result, Pioneer's new gender-inclusive parental leave policy went into effect on September 1, 2017. The progressive change grants the primary caregiver 12 weeks of leave at 100 percent full pay.

"Making our parental leave policy more family friendly is a win for employees and the company," said Amy Bell, president of the WRG. "Providing parents with additional flexibility makes it easier to enter the workforce and come back after having a child. This example shows the value of management support of and interaction with the company's employee resource groups."

Community Involvement and Social Investments

We are committed to being a good neighbor and maintaining an open dialogue with local communities. Our employees value the opportunity to enrich the areas in which they live and work. They seek out events, organizations, and initiatives to support with their own time, talents, and donations. Pioneer is proud of the volunteerism of our teams and our employees' generosity in giving back.

Habitat for Humanity: Pioneer has partnered with Dallas Area Habitat for Humanity since 2006 in support of their efforts to transform communities through home ownership. The organization, which was founded in 1986, has helped more than 1,600 families in 25 communities around the city. Habitat programs build financial stability for generations and are a catalyst for economic development in many often-overlooked communities in Dallas.

Through this longstanding partnership, Pioneer has donated more than \$3 million, built 18 new homes and made repairs on 27 other homes through the Habitat “A Brush With Kindness” program, which offers minor exterior home repair services for owners with certain age, disability or family circumstances, seeking to revitalize the appearance of the neighborhood, encourage connections within the community and, most importantly, help residents reclaim their homes with dignity.

HABIT FOR HUMANITY: The Thompson Family

The first home Pioneer sponsored and built in 2006 was located in South Dallas. Latasha Thompson and her three children moved into the home from a small apartment and recalls the impact home ownership had on her life. “It made me feel like I had Superman’s ‘S’ on my chest,” she remembered. “My self-esteem went up, because I didn’t feel like it could happen, but it did.”

Her children were so happy to be out of their apartment and would talk to their friends on the phone inviting them over to see their new house.

When she moved in, she didn’t have many belongings to furnish her new home. Pioneer donated gift cards and furniture to help make her new house feel more like home. “They treated me like family,” Latasha said.

Latasha paid off her mortgage in November 2016 and now owns her own house with no mortgage payments left. “It’s a big accomplishment to have a house that’s all mine.”



“Every day, we see firsthand the critical role decent housing plays in creating positive outcomes in people’s lives and in communities,” said Bill Hall, CEO for Dallas Area Habitat for Humanity. “Access to affordable financing would not be possible for our homebuyers without the partnership of generous supporters like Pioneer Natural Resources who see immense value in the investment they are making in communities. A new Habitat house means a family can build asset wealth and live in the stability of a safe neighborhood with a good school, while the community has one more family invested in its success. We are grateful for Pioneer’s continued partnership and commitment to our shared vision of ensuring everyone has a decent place to live.”

Pioneer recently adopted the Joppa neighborhood in South Dallas and made a \$1 million commitment to revitalizing the historic area. Pioneer employees have a heart for Habitat’s mission, as evidenced by the more than 450 Pioneer employees who volunteered approximately 4,000 hours in 2016 to build two homes and complete five home renovation projects in the neighborhood. With a nod to the past and a bright future, Pioneer looks forward to continuing its longstanding partnership in transforming communities with Dallas Area Habitat for Humanity.

While Pioneer’s relationship with the Midland Area Habitat for Humanity is newer, our west Texas employees are no less dedicated to this wonderful cause that helps transform communities in their local region. In 2016, the company contributed \$38,000 to help fund the building of 1.5 houses by our employees through the organization.

United Way: United Way chapters across the country invest in improving the education, financial stability and health of families and individuals in targeted communities by partnering with local non-profit agencies for the greatest impact. The organization empowers residents to reach out and help their neighbors in need, and it has inspired Pioneer employees to do the same.

Employees give generously, and the company matches every dollar employees pledge and raise for an even greater donation to United Way chapters. In the Dallas area, Pioneer and its Irving-based employees have donated \$3.8 million to United Way since 2005. Our employees in the Midland area not only give to the United Way on an individual level, but they also organize creative fundraising events. In 2016, Pioneer employees, in conjunction with the company match, contributed more than \$85,000 to the Midland United Way.

Together, United Way and Pioneer work to create positive, perceptible change in their communities while improving the lives of others.

Dallas CASA: Pioneer is a strong supporter of Dallas CASA (Court Appointed Special Advocates) and its conviction that all children have the right to be safe. Founded in 1980, Dallas CASA is now the largest CASA program in Texas. Last year, a total of 4,626 abused and neglected Dallas County children lived in foster care and other protective care placements. In 2016, Dallas CASA served 2,768 children with nearly 1,100 volunteer advocates. Still, the year ended with more than one out of four children left to navigate through the complex child welfare system without a CASA volunteer, reinforcing the resolve of Pioneer and Dallas CASA to serve each and every child in need.

Pioneer, together with Goldman Sachs and AT&T, co-hosts the annual Dallas CASA Classic invitational golf tournament. The tournament is now the highest grossing non-PGA, one-day charity tournament in Texas. Through 2016, the Dallas CASA Classic has raised \$14.2 million (\$1.3 million in 2016) to help more than 7,100 abused and neglected children have safe, permanent homes. These funds have made it possible for Dallas CASA to serve a far greater number of abused children who desperately need the powerful advocacy and the constant, caring “lifeline” connection CASA volunteers provide.

Youth and Education: Contributing to youth and education initiatives is also a priority for the company. As a strong advocate for academic enrichment in all our operating areas, Pioneer encourages education in young adults by partnering with our employees, local communities, community colleges and universities, through both small and large programs.

Throughout the years, Pioneer has forged a strong partnership with the Midland Independent School District, illustrating the company’s ongoing dedication to education in the community.

At Parker Elementary School, Pioneer employee volunteers visit students weekly to help them with their reading, spelling and math lessons. These mentors create a positive impact in the students’ lives through tutoring and by providing a beneficial relationship with an adult role model. Parker students also travel on an end-of-year field trip to Pioneer’s Midland office to learn about their mentors’ jobs and workplace.

The YOUth LEADership Conference is an annual program in the Eagle Ford Shale operating area that equips middle school students with essential leadership skills needed to help them reach their education and career goals. Pioneer hosts the five-day conference with the Victoria Business and Education Coalition each June at the Victoria College campus. Incoming seventh graders throughout the Eagle Ford Shale region are nominated to participate by principals, teachers, counselors and clergy members. One hundred students are selected to participate and 30 past participants return to serve as team leaders. The program highlights the importance of achieving success through continued education, honesty, integrity, perseverance, courage and diligence.



Above: YOUth LEADership Conference

Located on the campus of Midland College, Early College High School (ECHS) is an innovative collaboration between the Midland Independent School District and Midland College to provide students with the opportunity and support necessary to obtain a high school diploma and an associate's degree in just four years. The majority of students come from underserved minority and low-income communities where many of ECHS's potential first-generation college students lack the support network to pursue a college education. ECHS's attendance rate has been the highest in the district every year since its inception in 2009.

Pioneer has been a major sponsor since 2012, contributing over \$1.2 million during that time. ECHS has become the standard for academic excellence in the Midland Independent School District and the surrounding communities. The class of 2016 had 74 graduates, 92 percent of whom obtained an associate's degree in addition to their high school diploma and 100 percent state they will pursue a degree at a four-year university.



OUR ECONOMIC IMPACT AND ADVOCACY

Pioneer is a significant contributor to the economies of the states and communities where we operate and where our employees work and live. The following table depicts the number of people Pioneer employed in each asset region and our north Texas headquarters in 2016, and the state and county taxes Pioneer paid in 2016. Production, or severance, taxes are levied by each state on companies producing natural resources. Ad valorem taxes are levied at a county level, and the producing resources are taxed according to their appraised fair market value.

REGION	# OF JOBS	TAXES
West Texas	2,091 jobs	in severance taxes: \$124.7 M in ad valorem taxes: \$39.7 M
North Texas	1,087 jobs	in ad valorem taxes: \$1.1 M
South Texas	175 jobs	in severance taxes: \$22.7 M in ad valorem taxes: \$10.4 M
Colorado	117 jobs	in severance taxes: \$396,000 in ad valorem taxes: \$2.3 M
Texas Panhandle	98 jobs	in severance taxes: \$2.3 M in ad valorem taxes: \$1.6 M

Advocacy and Lobbying

While the world's energy mix continues to evolve, the demand for oil and gas is expected to remain strong for many years to come. Even under the International Energy Agency's 2016 World Energy Outlook 450 Scenario, demand for oil is expected to be ~73MMBOE/day in 2040. To ensure the oil and gas industry is able to sustainably supply this resource, Pioneer actively works with industry partners to advocate for a secure energy future.

Our ability to build relationships with elected officials and government regulators with honesty and integrity leads to just operations. As such, Pioneer actively participates in the political process, with the goal of informing policymakers and regulators about our business and advocating for policy solutions that mutually benefit the communities and states in which we operate, our industry, Pioneer, and our stockholders.

National and State Trade Associations

Pioneer believes industry collaboration is key to ensuring policymakers and the public are informed with facts.

Pioneer actively participates in a number of national, regional and state trade associations representing the oil and gas industry. These associations allow us to join others in the industry in sharing information and advancing a common agenda on legislative and regulatory matters. Their purposes include education about the oil and gas industry and issues that affect it, industry best practices and standards, and enhancement of the public image of the industry. These groups may use a portion of the contributions made by Pioneer for political activities. Their efforts in this regard are subject to reporting requirements under federal and state laws.

Below are the trade and business associations to which Pioneer made significant financial contributions in 2016 and that Pioneer considered strategic partners:



PERMIAN BASIN
PETROLEUM ASSOCIATION



Political Expenditures

Pioneer has adopted a policy regarding political expenditures, which is set forth in our Code of Business Conduct and Ethics and is applicable to all Pioneer directors and employees. Under the policy, no company funds may be used for political contributions in the United States, unless permitted by law, approved by the Chief Executive Officer, and then approved by either the General Counsel or Chief Compliance Officer.

The charter of the Nominating and Corporate Governance Committee of Pioneer's Board of Directors provides for the committee's oversight of all Pioneer political spending and lobbying activities. The committee, which is composed entirely of independent directors, and the full Board of Directors, receive an annual report from senior management regarding Pioneer political activities, including corporate contributions to issue campaigns or referenda, payments to 527 organizations, 501(c)(4) groups and other tax-exempt organizations, dues paid to trade associations, and political action committee (PAC) contributions.

Corporate Political Contributions

Pioneer may make occasional corporate contributions to political organizations and issue campaigns whose objectives are consistent with our business objectives in the areas in which we operate. While Pioneer's directors and employees are free to participate in the political process individually, they may not represent a personal political contribution as being made on behalf of the company, and no director or employee may seek reimbursement, directly or indirectly, from Pioneer for any political contribution.

Pioneer made the following corporate contributions in 2016:

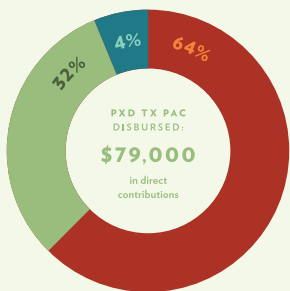
RECIPIENT	STATE	AMOUNT
Raise the Bar Protect Our Constitution	Washington, D.C.	\$5,000
Better Begins Now Midland First	Texas	\$20,000

Political Action Committees

Some of our employees contribute to PACs sponsored by Pioneer. The activities of the Pioneer PACs are subject to comprehensive governmental regulation, including detailed disclosure requirements. These disclosures are posted on the website of the Federal Election Commission or the Texas Ethics Commission, where they can be reviewed by members of the public. All distributions made from the PACs are approved by their respective boards, currently comprising senior members of management. All suggested distributions are reviewed to ensure they are consistent with legal limits and are delivered to entities eligible to receive PAC funds. All contributions to PACs are voluntary, and it is Pioneer’s policy that no one be favored or disadvantaged by reason of the amount of their contribution or their decision not to contribute. A comprehensive list of our PAC contributions for 2016 can be found on our website [Advocacy page](#).

PXD TX PAC:

2016 DISBURSEMENTS:



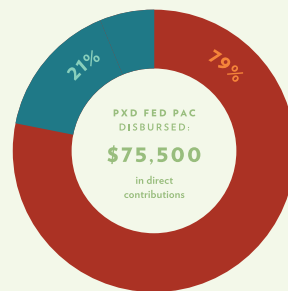
 TO DEMOCRATS: **\$3,500**
 TO REPUBLICANS: **\$50,500**
 TO T. OGA GOOD GOVERNANCE COMMITTEE: **\$25,000**

2016 RECEIPTS:

PXD PAC RAISED: **\$84,000**
 TOTAL PARTICIPANTS: **11**
 AVERAGE CONTRIBUTION: **\$7,600**
 MEDIAN CONTRIBUTION: **\$6,250**

PXD FED PAC:

2016 DISBURSEMENTS:



 TO DEMOCRATS: **\$15,500**
 TO REPUBLICANS: **\$60,000**
 TO THE NATIONAL REPUBLICAN CONGRESSIONAL CONVENTION (NRCC): **\$2,500**

2016 RECEIPTS:

PXD PAC RAISED: **\$69,110**
 TOTAL PARTICIPANTS: **65**
 AVERAGE CONTRIBUTION: **\$1,160**
 MEDIAN CONTRIBUTION: **\$900**

SUSTAINABILITY CONTENT INDEX

GRI Standards (number and title of disclosure)	DisclosingTheFacts.org (number of disclosure)	IPECA (number of disclosure)	Disclosure Location
GRI 101: FOUNDATION			
REPORTING PRINCIPLES			
101 - Reporting Principles			Reporting Principles (Sustainability Report 2017)
GRI 102: GENERAL DISCLOSURES			
ORGANIZATIONAL PROFILE			
102-1 - Name of the Organization			Pioneer Natural Resources Company (Pioneer)
102-2 - Activities and Services			Pioneer Natural Resources is a large, Texas-based independent exploration and production company. 2016 SEC Form 10-K (Annual Report 2016)
102-3 - Location of Headquarters			5205 North O'Connor Boulevard, Suite 200, Irving, Texas, 75039
102-4 - Location of Operations			Our offices and operations are in Texas and Colorado, as of Dec. 31, 2016.
102-5 - Ownership and Legal Form			Publicly Traded Company
102-6 - Markets Served			2016 SEC Form 10-K (Annual Report 2016)
102-7 - Scale of the Organization			2016 SEC Form 10-K (Annual Report 2016)
102-8 - Information on Employees			2016 SEC Form 10-K (Annual Report 2016) Corporate Strategy (Sustainability Report 2017)
102-10 - Significant Changes to the Organization			2016 SEC Form 10-K (Annual Report 2016)
102-13 - Membership of Associations		SE14 - Public Advocacy and Lobbying	Advocacy and Lobbying (Sustainability Report 2017)
		SE16 - Workforce Engagement	Company Overview (Sustainability Report 2017)
STRATEGY			
102-14 - Statement from Senior Decision-maker			CEO Letter (Sustainability Report 2017)
102-15 - Key Impacts, Risks and Opportunities			2016 SEC Form 10-K (Annual Report 2016)
▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼

GRI Standards	DisclosingTheFacts.org	IPECA	Disclosure Location
ETHICS AND INTEGRITY			
102-16 - Values, Principles, Standards, and Norms			Commitment to Ethical Operations (Sustainability Report 2017)
102-17 - Ethics		SE18 - Non-Retaliation and Workforce Grievance System	Non-Retaliation Policy (Pioneer Code of Business Conduct and Ethics)
GOVERNANCE			
102-18 - Governance Structure			
102-19 - Delegating Authority			Governance (Sustainability Report 2017)
102-20 - Executive Level Responsibility for Sustainability			
102-22 - The Board of Directors and its Committees			Leadership Profiles (www.pxd.com) Governance (Sustainability Report 2017)
102-23 - Board of Directors - Chair			Leadership Profiles (www.pxd.com) News Release
102-24 - Nominating and Governance			Nominating and Corporate Governance Committee Charter
102-25 - Conflicts of Interest			Pioneer Code of Business Conduct and Ethics
102-26 - Setting Purpose, Values, and Strategy			Governance (Sustainability Report 2017)
102-28 - Board of Directors Performance Evaluation			2017 Proxy Statement
102-30 - Risk Management Processes			
102-31 - Review of Sustainability Topics			Governance (Sustainability Report 2017)
102-32 - Board of Directors and Sustainability	38 - Management and HSE Performance		
102-33 - Communicating Critical Concerns			Contact the Board of Directors (www.pxd.com)
REPORTING PRACTICE			
102-45 - Entities Included in the Consolidated Financial Statements			2016 SEC Form 10-K (Annual Report 2016)
102-46 - Defining Report Content and Topic Boundaries			Reporting Principles (Sustainability Report 2017)
102-49 - Changes in Reporting			Not Applicable - 2016 Inaugural Report
102-50 - Reporting Period			January 1 – December 31, 2016
102-51 - Date of Most Recent Report			Not Applicable - 2016 Inaugural Report
102-52 - Reporting Cycle			Annual Reporting Cycle
▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼

GRI Standards	DisclosingTheFacts.org	IPIECA	Disclosure Location
REPORTING PRACTICE, CONTINUED			
102-53 - Contact Point for Questions Regarding the Report			Pioneer "Request Information" (www.pxd.com)
102-54 - Claims of Reporting in Accordance with the GRI Standards			This report references these indexed GRI Standards (2016), and DisclosingTheFacts.
102-55 - GRI Content Index			Sustainability Content Index (Sustainability Report 2017)
GRI 200: ECONOMIC			
ECONOMIC PERFORMANCE			
201-1 - Direct Economic Value Generated and Distributed			Annual Report 2016
201-2 - Financial Risks Due to Climate Change			Climate Change Scenario Impact Analysis (Sustainability Report 2017)
201-3 - Defined Benefit Plan Obligations and Other Retirement Plan			2016 SEC Form 10-K (Annual Report 2016)
INDIRECT ECONOMIC IMPACTS			
203-1 - Infrastructure Investments and Services Supported			Annual Report 2016
203-2 - Significant Indirect Economic Impacts			
ANTI-CORRUPTION			
205-2 - Anti-Corruption Communication and Training		SE11 - Preventing Corruption	Code of Business Conduct and Ethics, Annual All-employee Compliance Training
GRI 300: ENVIRONMENTAL			
MATERIALS			
301-1 - Materials Used	3 - No Diesel in Completions Fluids	HS4 - Product Stewardship	FracFocus.org (Sustainability Report 2017)
	5 - CBI Exclusion		
	6 - Reducing CBI Claims		
WATER			
303-1 - Water Withdrawal by Source	16 - Non-Potable Water Policy		Water Sourcing (Sustainability Report 2017)
	10 - Seismicity Avoidance		2016 SEC Form 10-K (Annual Report 2016)
	18 - Water Intensity		Water Use (Sustainability Report 2017)
SPILLS			
		E9 - Spills to the Environment	Spill Prevention and Management (Sustainability Report 2017)
▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼	▼ ▼ ▼

GRI Standards	DisclosingTheFacts.org	IPIECA	Disclosure Location
EMISSIONS			
305-1 - Direct (Scope 1) GHG Emissions		E1 - Greenhouse Gas Emissions	
305-4 - GHG Emissions Intensity			
305-5 - Reduction of GHG Emissions	24 - Voluntary Emission Reductions		
	27 - High-Bleed Pneumatic Controllers		
	28 - Leak Detection and Repair (LDAR)		
	29 - LDAR Frequency		
	25 - Water Infrastructure Development		
	1 - LDAR Program		
	2 - LDAR Methods		Emissions Management (Sustainability Report 2017)
	3 - LDAR Frequency		
	6 - LDAR Training		
	8 - Potential to Emit Reduction		
	9 - Flaring Practices		
	10 - Methane Intensity		
	11 - Emission Reporting		
	12 - High-Bleed Pneumatics		
	13 - Emission Reduction Innovation		
GRI 400: SOCIAL			
OCCUPATIONAL HEALTH AND SAFETY			
403-1 - Health and Safety Committee Participation		HS1 - Workforce Participation	Governance, and Safety and Health (Sustainability Report 2017)
403-1 - Injury		HS3 - Occupational Injury and Illness Incidents	Safety and Health (Sustainability Report 2017)
	41 - Contractor Evaluation		
COMMUNITY INVOLVEMENT			
<p style="text-align: center;">▼ ▼ ▼</p>	<p style="text-align: center;">▼ ▼ ▼</p>	<p style="text-align: center;">SE4 - Social Investment</p> <p style="text-align: center;">▼ ▼ ▼</p>	<p style="text-align: center;">Community Involvement and Social Investments (Sustainability Report 2017)</p> <p style="text-align: center;">▼ ▼ ▼</p>

GRI Standards	DisclosingTheFacts.org	IPIECA	Disclosure Location
TRAINING AND EDUCATION			
404-1 - Training Hours			Safety and Health (Sustainability Report 2017) All employees receive annual performance and career development reviews.
404-2 - Employee Skills and Assistance Programs	36 - Driver Training	SE17 - Workforce Training and Development	
404-3 - Performance and Career Development Reviews			
DIVERSITY AND EQUAL OPPORTUNITY			
405-1 - Diversity of Governance Bodies and Employees		SE15 - Workforce Diversity and Inclusion	Leadership Profiles (www.pxd.com) Diversity and Inclusion (Sustainability Report 2017)
PUBLIC POLICY			
415-1 - Political Contributions		SE14 - Public Advocacy and Lobbying	Advocacy and Lobbying (Sustainability Report 2017)

DisclosingTheFacts.org – KEY:

Green – Updated disclosures to address DisclosingTheFacts.org 2016 Report Questions after report publication.

Blue – Disclosures to address DisclosingTheFacts.org 2017 Methane Report (CH₄).

FOOTNOTES:

1 - This report references these GRI Standards (2016) and the IPIECA guidelines (2015), whether partially completed or otherwise.

Forward-Looking Statements

Except for historical information contained herein, the statements in this document are forward-looking statements that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements and the business prospects of Pioneer Natural Resources Company are subject to a number of risks and uncertainties that may cause Pioneer's actual results in future periods to differ materially from the forward-looking statements. These and other risks are described in Pioneer's 10-K and 10-Q Reports and other filings with the U.S. Securities and Exchange Commission (SEC). In addition, Pioneer may be subject to currently unforeseen risks that may have a materially adverse impact on it. Pioneer undertakes no duty to publicly update these statements except as required by law.



PIONEER
NATURAL RESOURCES

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