

The background of the cover is a photograph of a field of tall, thin grasses or reeds. The grasses are in various stages of focus, with some in the foreground being sharp and others in the background being blurred. The overall color palette is a range of greens, from light and airy to dark and moody, suggesting a natural, outdoor setting.

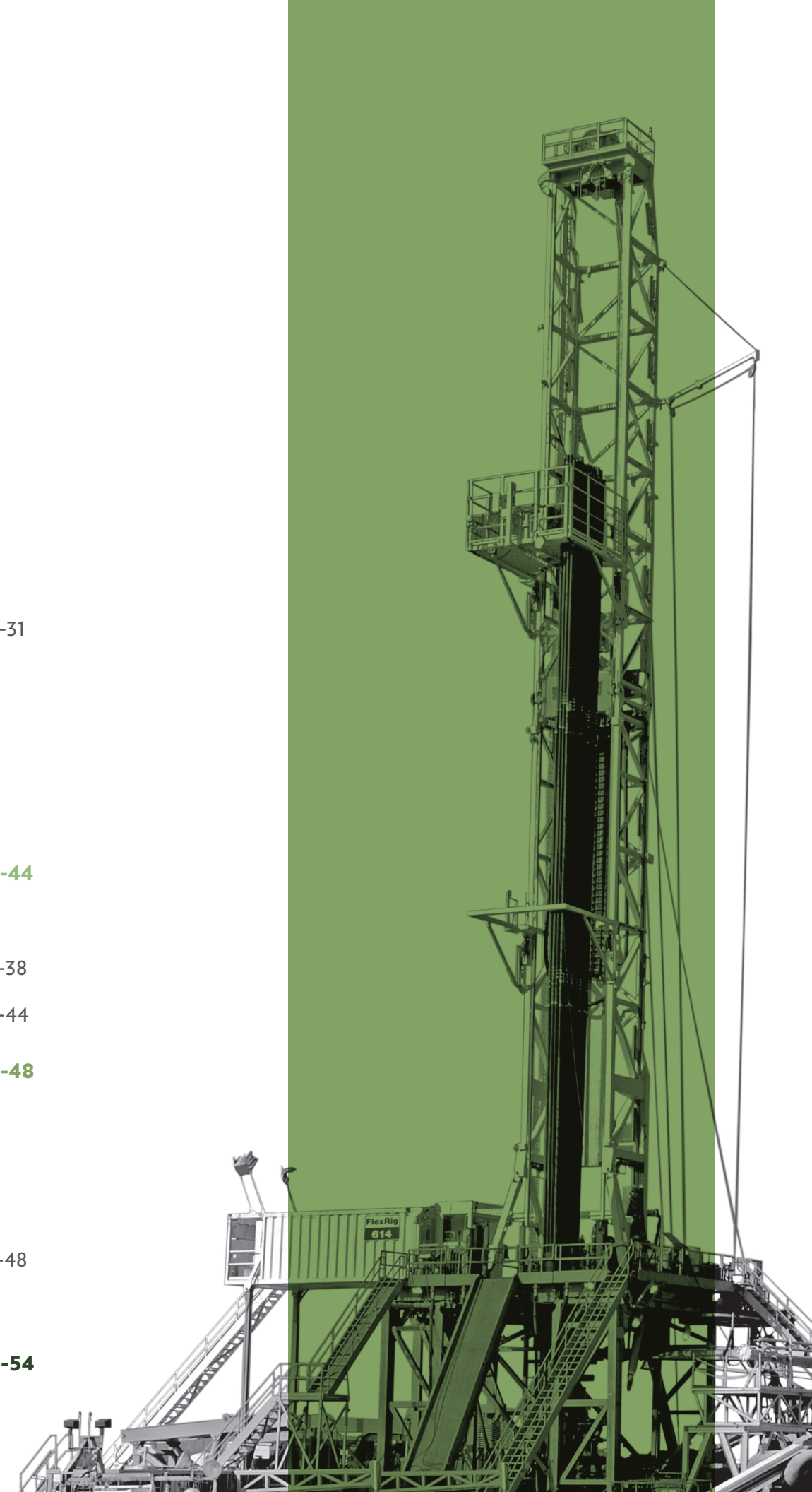
PIONEER
NATURAL RESOURCES

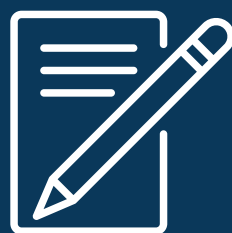
2018
SUSTAINABILITY
REPORT

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On the cover: Silver bluestem grass native to West Texas





LETTER FROM THE CEO

We are pleased to demonstrate our commitment to stewardship in this 2018 Pioneer Sustainability Report.

In 2017, the year covered within this report, we announced a specific and ambitious 10-year goal to increase our production to 1,000,000 barrels of oil equivalent by 2027 – a 20 percent compound annual growth rate. Within the next five years, the United States is projected to become a net energy exporter, and the U.S. Energy Information Administration estimates that oil and gas will still account for nearly three-fourths of the country's energy use in 2050.

As a company, we understand that achieving our business goals requires continued commitment to programs and initiatives that protect the environment; promote the health, safety and professional development of our employees; ensure high standards of integrity and business conduct; and positively impact the communities in which we live and work.

“We know the importance of treating our employees as a priority – and we wholeheartedly understand they are what makes our business successful.”

Last year, we introduced new safety and stewardship programs to highlight our ongoing prioritization of these two critical areas of our business. *Safely8760* – the number of hours in a year – represents our goal of keeping each person safe every hour of every day of the year. *Stewardship365* highlights our

responsibility to protect the environment each day of the year, whether at work or at home. More information about the strategic principles of both programs can be found in this report.

Also in 2017, we laid the foundation for an important initiative, the Permian Strategic Partnership, in which we will work together with other energy companies to invest in the communities in the Permian Basin. Our goal is to contribute to improving the fundamental cornerstones of this region, such as housing, education, health care, workforce development and road safety. The Permian Strategic

Partnership is in its earliest stages, and we are actively and strategically looking to partner with a diverse array of local stakeholders to address the needs of the Permian Basin for decades to come.



Timothy L. Dove, President and Chief Executive Officer

In 2017, we celebrated 20 years of Pioneer Natural Resources in our typical fashion – by giving back to the communities and employees who make it happen. As part of the \$4 million in charitable contributions we made in 2017, we donated \$200,000 in grants to employee-chosen charitable organizations within our operating areas. In addition, we continued our longstanding partnerships with organizations that promote essential elements of long-term success, such as financial independence, health, safety and education.

We know the importance of treating our employees as a priority – and we wholeheartedly understand they are what makes our business successful. Coming in at No. 5 in the large

company category, Pioneer once again made *The Dallas Morning News' Top 100 Places to Work*, becoming one of only four companies whose employees' feedback has kept them in the top 10 each year since its inception nine years ago.

At our core, we truly believe in our people and the core values that make our company what it is today: distinct goals, strong ethics, a diverse and inclusive workforce, and a focus on safety and environmental stewardship. We remain steadfast in our commitment to helping meet the world's need for abundant, affordable energy in a responsible manner.

Sincerely,
Timothy L. Dove
President and Chief Executive Officer



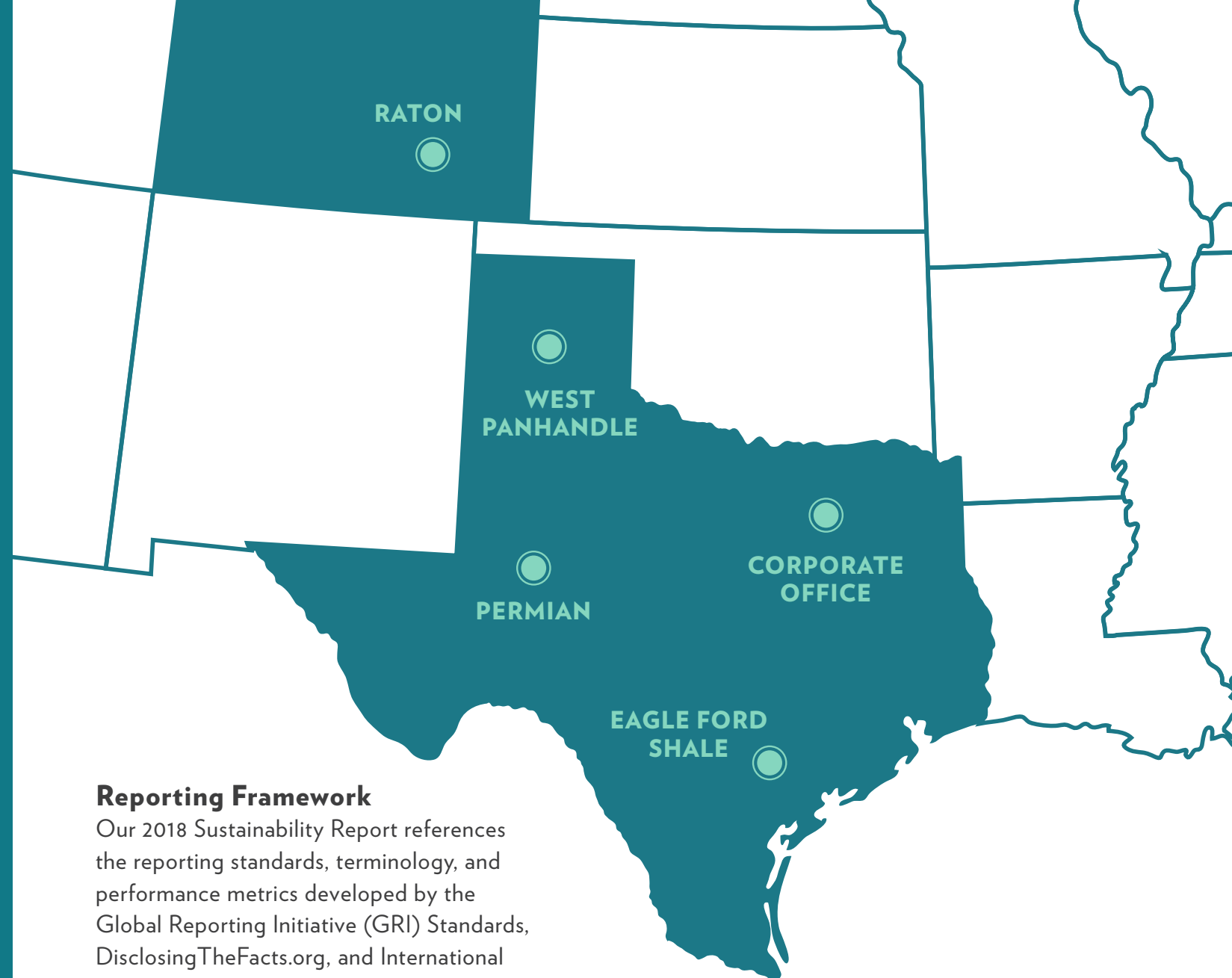
REPORTING PRINCIPLES

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 our 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 2018 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 49 of this report.

Reporting Scope

Unless otherwise indicated, the 2018 Pioneer Natural Resources Sustainability Report includes data and information from January 1, 2017, through December 31, 2017, and is focused on our direct operations as outlined in our 2017 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission.

Prioritizing Reporting Topics

This sustainability report focuses on topics we believe are most relevant to Pioneer's operations and business success, and of greatest interest to our stakeholders. The content prioritization of this report is the result of a process that considers a variety of sources, including: feedback from our employees, investors and key external stakeholders; updates within the sustainability reporting guidelines that we reference; and the guidelines of GRI and other third-party frameworks' industry organizations. We expect the content of our sustainability reporting to evolve as Pioneer's leadership analyzes and responds to feedback from both internal and external stakeholders.



COMPANY OVERVIEW AND CORPORATE STRATEGY

Pioneer Natural Resources Company (“Pioneer”) is a large independent oil and gas exploration and production company operating in the United States. In 2018, we announced our intent to become a Permian Basin pure-play company by divesting our assets in the Eagle Ford Shale in South Texas, the Raton field in southern Colorado and the West Texas Panhandle field. (Both the Raton and West Panhandle asset sales finalized in 2018.)

Pioneer is the largest operator in the liquids-rich Midland Basin, with approximately 750,000 gross acres under lease. With more than 20,000 horizontal and vertical drilling locations in the Basin, Pioneer has set an ambitious goal of producing 1,000,000 barrels of oil equivalent (BOE) per day by 2027.

3,827
EMPLOYEES

2,430
**EMPLOYED IN
FIELD & PLANT OPERATIONS**

OF OUR TOTAL FIELD & PLANT OPERATIONS EMPLOYEES

1,246
**EMPLOYED BY
PUMPING SERVICES, WELL SERVICES &
SAND MINING SUBSIDIARY COMPANIES.**

PIONEER AT A GLANCE • DECEMBER 31, 2017

ENTERPRISE VALUE

~\$30
BILLION

(YEAR END 2017)



PROVED RESERVES

985 MILLION
BOE

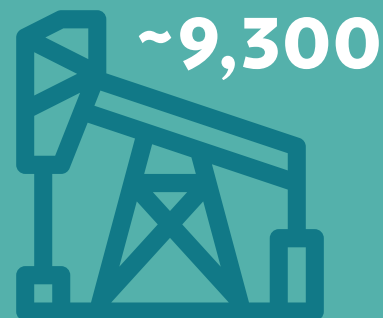
(YEAR END 2017)

PIONEER AT A GLANCE

AVERAGE DAILY PRODUCTION
FROM CONTINUING OPERATIONS (2017)

~272,000
BOE

NET PRODUCING WELLS



~9,300

(YEAR END 2017)



Board of Directors

Governance

Pioneer's governance practices are described in our Corporate Governance Guidelines.

Pioneer's Board of Directors is responsible for overseeing the company's assessment of major risks, including those related to sustainable development, and the resulting measures taken to manage such risks. Pioneer views sustainable development as a multidisciplinary approach to our business, which balances economic growth, environmental stewardship and social responsibility.

The Pioneer Board includes two committees with corporate sustainability oversight.

Health, Safety and Environment (HSE) Committee:

The HSE Committee oversees broad company health, safety, environmental, and sustainability practices, including management efforts to create a culture of continuous improvement in safety and environmental protection practices. The committee reviews both performance and goals for Pioneer's health, safety and environmental

programs on a quarterly basis; reports to the full Board on health, safety and environmental matters at least once per year; and provides oversight to company management regarding 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.

Active Board Participation

The HSE Board of Directors' committee members take an active role in continuing to cultivate our HSE culture and performance improvement. In addition to providing oversight for our HSE practices, the committee members regularly visit Pioneer's operational facilities and speak with employees personally, learning firsthand about Pioneer field operations and what the company's Board of Directors can do to provide better support for safety, health and environmental initiatives. Through these visits, the committee members are able to assess many different aspects of our operations, interact directly with Pioneer employees in the field, see the latest environmental innovations being tested and report their observations to the full Board of Directors.

Additionally, as part of the evolution of our sustainability disclosures, the Board formed an ad hoc committee that included, among other directors, the chair of the HSE committee and the Board's independent lead director, to provide oversight and guidance for the company's preparation of its inaugural sustainability report, published in 2017, as well as this report.

Pioneer Board members and members of the Pioneer Water Management team in the Permian Basin

Role of Pioneer Leadership

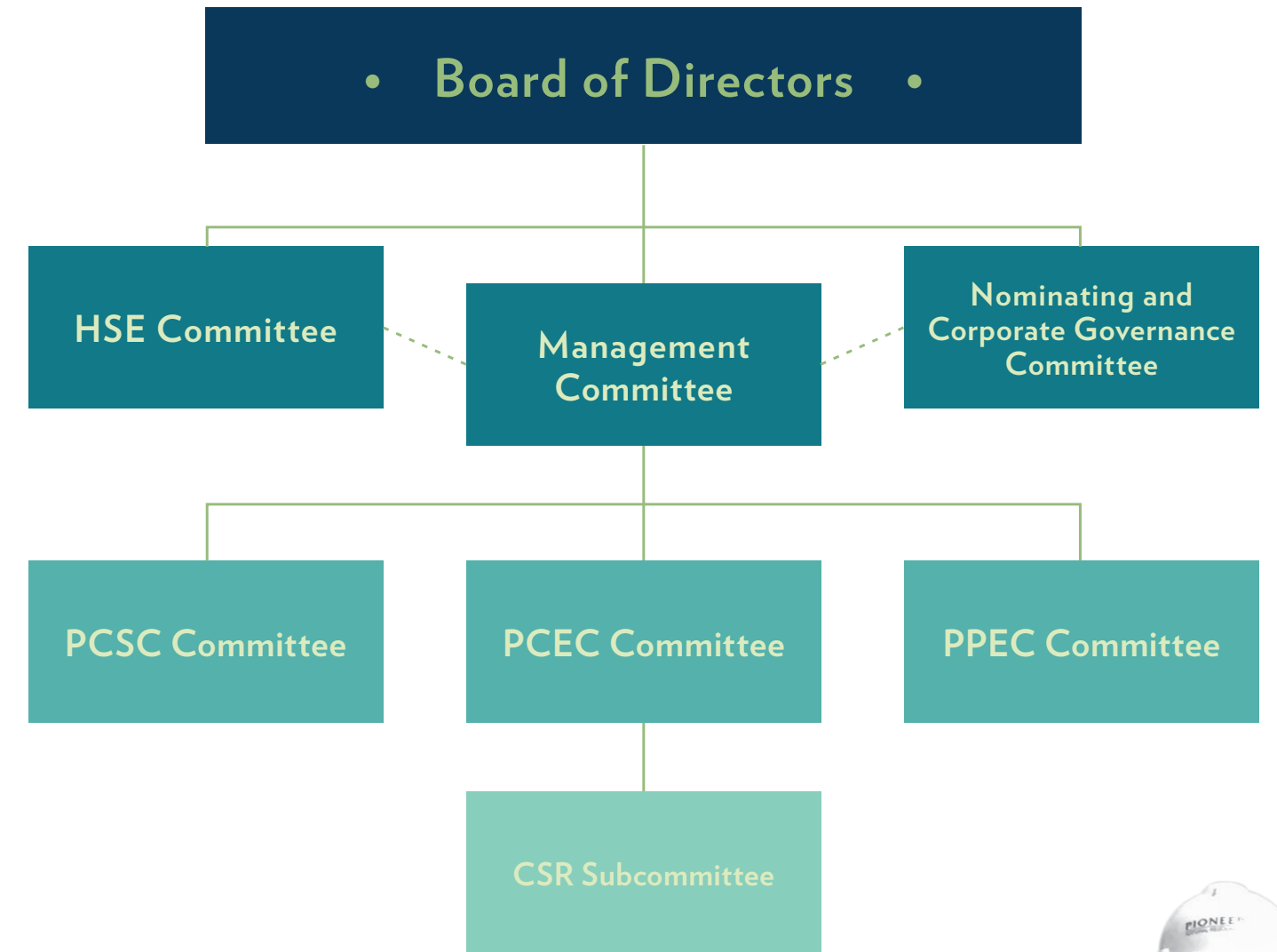
Building on the Board of Directors' active oversight role, executive, technical and field staff participate in several cross-functional committees:

- Pioneer Corporate Safety Committee
- Pioneer Corporate Environmental Committee
- Pioneer Public Policy Engagement Committee

These committees convene regularly to manage HSE and sustainability issues effectively and consistently, conducting monthly reviews of HSE performance, including current and emerging HSE issues and continuous improvement.

Commitment to Ethical Operations

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. Pioneer supports multiple methods of reporting compliance concerns, including anonymous reporting through our toll-free compliance hotline and online compliance portal, and we strictly prohibit retaliation against any person for providing truthful information relating to a possible violation of law or company policy.




Our Pioneer Core Values, based on the concept of RESPECT, are the foundational principles on which our company is 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	TEAMWORK AND INCLUSION We believe in diverse perspectives and teams collaborating toward common objectives with a can-do attitude.

A Winning Combination: Safely8760 and Stewardship365

Safely8760 and *Stewardship365*, which were both introduced in 2017, are our latest companywide initiatives that highlight the principles that make up our commitment to safety and environmental stewardship.

We actively engage and encourage our employees to take care of themselves, their coworkers, their family and our environment by taking these initiatives to heart. As a company, we've set a clear tone: Your job is never so urgent or important that you cannot take the time to do it safely and in a manner that is environmentally sound.




There are 8,760 hours in a year. As a company, we ask our employees and contractors to be mindful of safety every hour of every day – whether at work or at home – which is why we named our Pioneer safety initiative *Safely8760*.

Here are the foundational principles of our Safely8760 program:

- Commitment: Build a proactive culture of safety
- Stop Work Authority: Ask questions and “stop the job” if necessary
- Aware and Engaged: Prevent incidents at home and at work
- Communication: Share knowledge and lessons learned
- Continual Improvement: Be better, safer every day

Having a continual focus on safety is key to reducing overall incidents and potential lost-time events. The HSE team is actively working with those who report incidents and near misses, in order to identify opportunities for improvement to our operating practices and enhance data that we can use to correlate actions to incidents, giving us behavioral indicators to keep Pioneer employees and contractors safe.



Pioneer's environmental initiative, *Stewardship365* focuses on our responsibility to environmental stewardship each day of the year, whether at work or at home.

Here are the foundational principles of our Stewardship365 program:

- Responsible Operations: Respecting the air, land and water
- Thoughtful Planning: Considering the environment in decision-making
- Ownership: Empowering employees and contractors to do the right thing
- Communication: Effectively sharing knowledge and ideas
- Sustainable Practices: Creating value through efficiency and innovation
- Continual Improvement: Reducing our environmental footprint

We actively promote stewardship through employee engagement activities, training and communication campaigns to educate, empower and encourage Pioneer employees to continue improving their environmental focus each and every day.



CLIMATE CHANGE STATEMENT AND RESTRICTED CARBON SCENARIO ANALYSIS

Climate change is an important priority for Pioneer and our stakeholders. As such, our strategy is to manage our environmental footprint proactively 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**
- **The International Energy Agency's (IEA) World Energy Outlook**

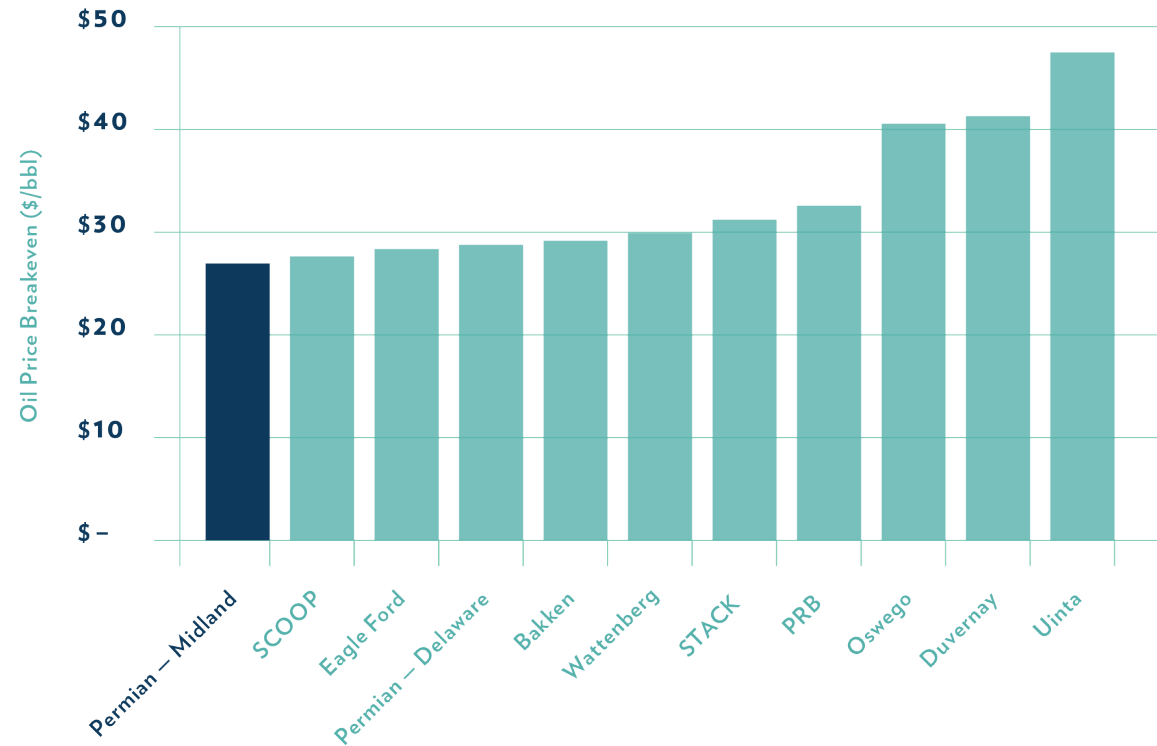
Pioneer also engages private commodity market analysis firms to provide the company with industry and economic projections, which are utilized to test management's assumptions of future business conditions.

In 2017, the Permian Basin reached a new oil-production record of over 815 million barrels to reaffirm its position as a key energy source for

the global market (IHS Markit, 2017). Current forecasts and estimates indicate that the resource potential of the Permian Basin will continue to grow. Most recently, the EIA's 2018 Outlook projects oil growth from around 2.5MM BPD per year to over 4MM BPD by 2030 (EIA, 2018). These rates of production are founded upon the Permian Basin's more than 150 billion barrels of oil equivalent of recoverable resources. Moreover, as the only major basin where U.S. oil shale production continued to grow amidst the 2014 oil price downturn, the Permian Basin has demonstrated its long term productivity (EIA, Drilling Productivity Report, 2017). Pioneer is in a particularly strong position to benefit from the Permian Basin's quality assets as the largest acreage holder with approximately 750,000 gross acres in the eastern part of the Permian Basin, also known as the Midland Basin.

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 Pioneer holds more than 20,000 undrilled wells with economic returns. The profitability of the Midland Basin is particularly evident when compared with other onshore U.S. liquid-rich basins. As Figure 1 illustrates, the Midland Basin is among the best-in-class with an estimated oil price breakeven cost of approximately \$26 per barrel as of mid-2018.

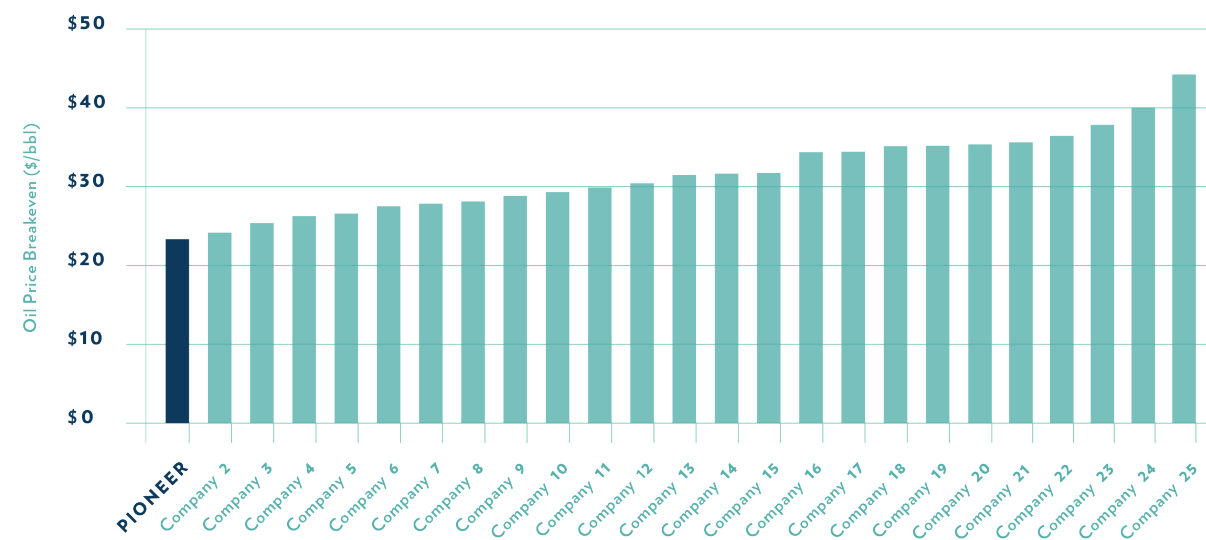
Figure 1 Graphic: Oil Breakevens by Basin



Source: Citigroup research report published on 3/26/2018; 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 (including costs to drill, complete and operate the wells), when compared to other North American oil shale players in the industry. (See Figure 2.)

Figure 2 Graphic: Oil Breakevens by Company

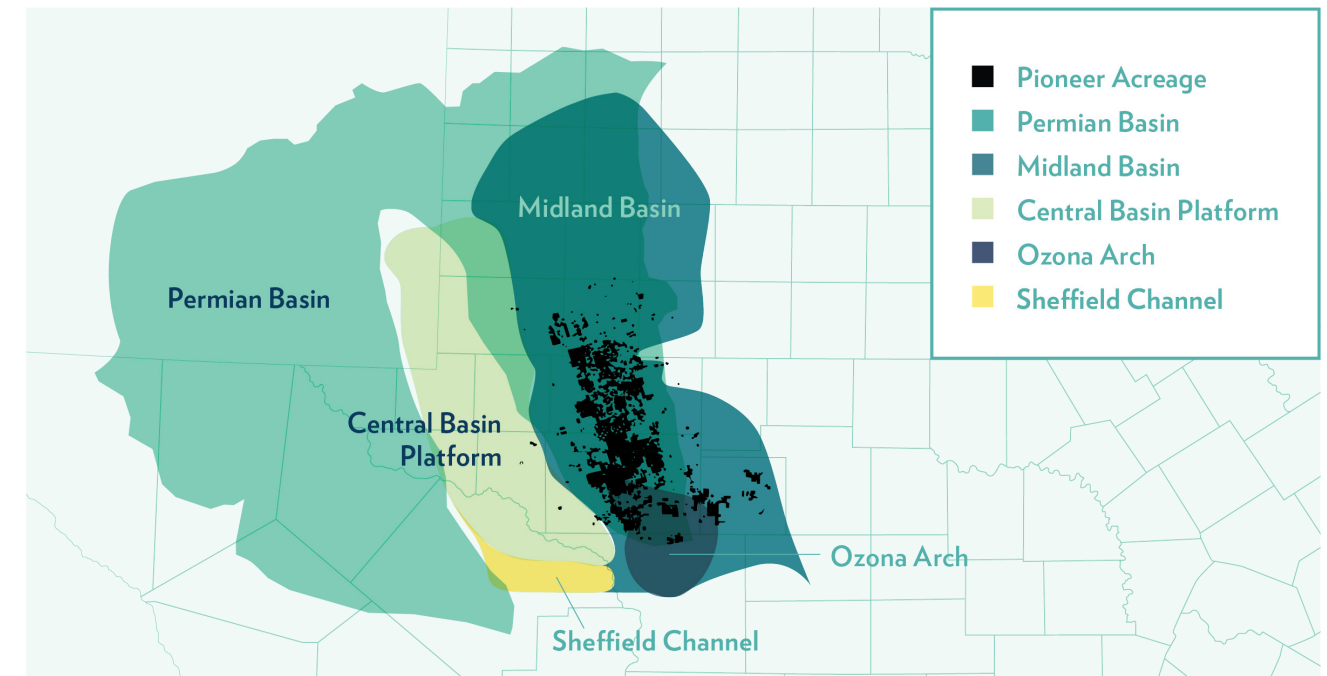


Source: 2018 Oil & Gas Price Breakeven Analysis and Basin Benchmarking Update, Citi Research, published March 26, 2018
Breakevens reflect each respective company's production-weighted oil assets (at \$3MMBTU gas price).

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 Graphic: Pioneer Permian Basin Acreage



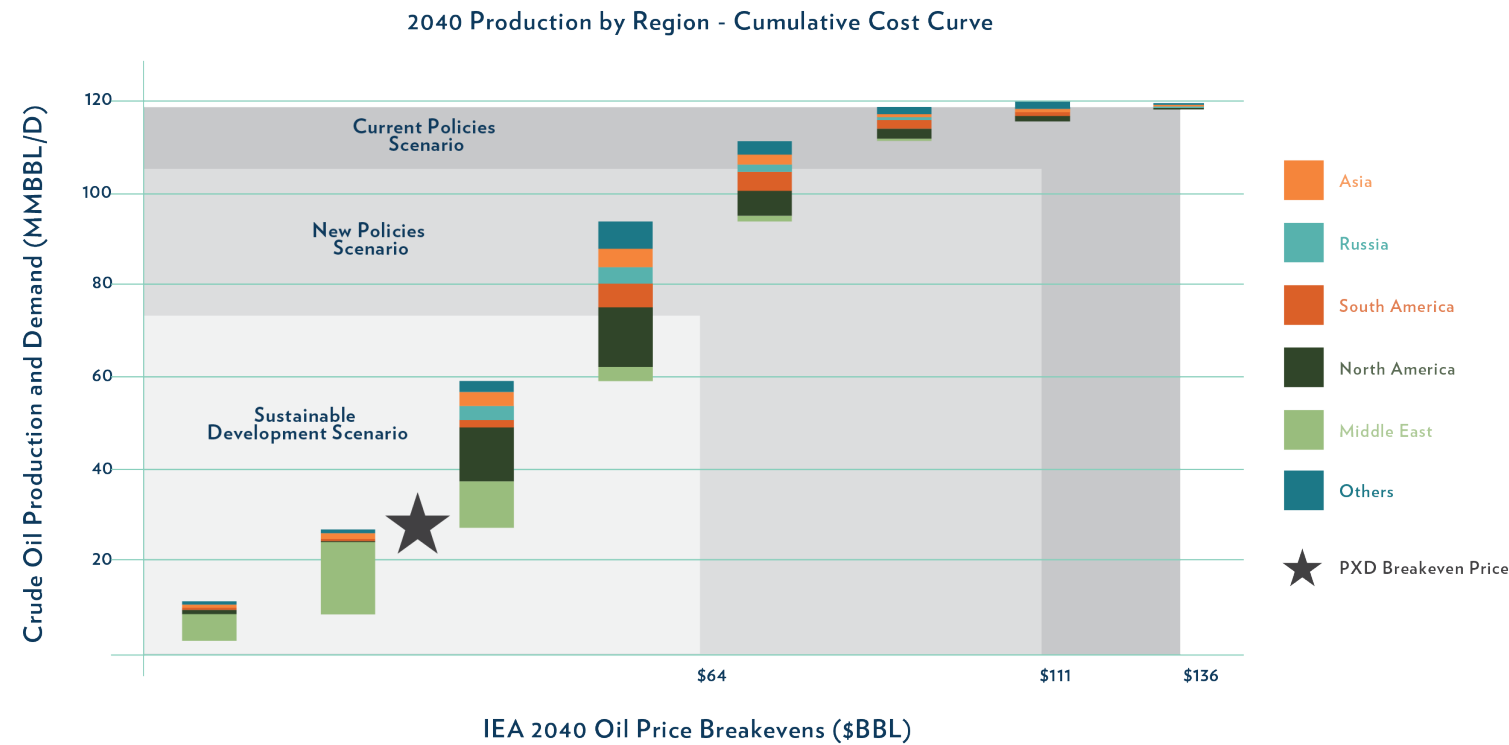
To assess the potential impact of growing alternative sources and climate change policies, Pioneer considered the scenarios set out in the broadly referenced IEA 2017 World Energy Outlook (WEO). The World Energy Outlook describes three scenarios, each of which assumes different levels of climate change 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.

In 2016, the WEO introduced the 450 Scenario, which 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). In 2017, the WEO introduced the new Sustainable Development Scenario (SDS) which extends beyond the scope of the 450 Scenario by mapping an energy consumption pathway that simultaneously limits global increases in temperature to 1.5 degrees Celsius and also achieves universal access to modern energy and cleaner air through the reduction of energy-related pollutants.

These scenario characteristics reflect an energy landscape aligned with the 2015 Paris Climate Agreement and the objectives of the three United Nations Sustainable Development Goals (SDGs) that are most closely related to energy.

Figure 4 Graphic: Production Potential by Asset – Cumulative Global Breakeven & 2040 Oil Prices



Pioneer believes the World Energy Outlook’s 450 Scenario and Sustainable Development Scenario represent ambitious efforts to reduce future global oil demand, and, as such, serve 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 depicts the global demand for oil in 2040 for each of the 2017 World Energy Outlook’s three main scenarios and the likely oil sources that would satisfy that demand. This analysis assumes the relative volume output of basins producing today and that the resources with the lowest available breakeven costs are likely to satisfy demand.

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 global oil demands forecasted in the Sustainable Development, New Policies and Current Policies Scenarios are represented by the overlapping square boxes that comprise the backdrop to Figure 4. These ranges reflect and correspond to the socio-economic and other demand parameters outlined by each of the World Energy Outlook’s three scenarios.

The Sustainable Development Scenario has the greatest impact on oil demand since demand declines to 72.9MM bpd and a maximum oil price of \$64 USD. Comparatively, the New Policies Scenario expects higher oil demand ranging between 73MM bpd to 104.9MM bpd. Stronger oil demand supports higher oil prices as suggested by the New Policies Scenario where prices reach up to \$111 USD. Finally, the Current Policy Scenario results in demand of 118.8MM bpd and an oil price reaching \$136 USD.

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 \$23/BBL breakeven cost attributed to Pioneer by Citi Research is well within the borders of the Sustainable Development 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 June 2018 updated “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, 2018). The study also notes that companies like Pioneer, which have a relatively low percentage of potential future capital directed to high cost projects, are more aligned with a 2-degree and 1.75-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.



SUSTAINABILITY PROGRAMS

Responsible Operations

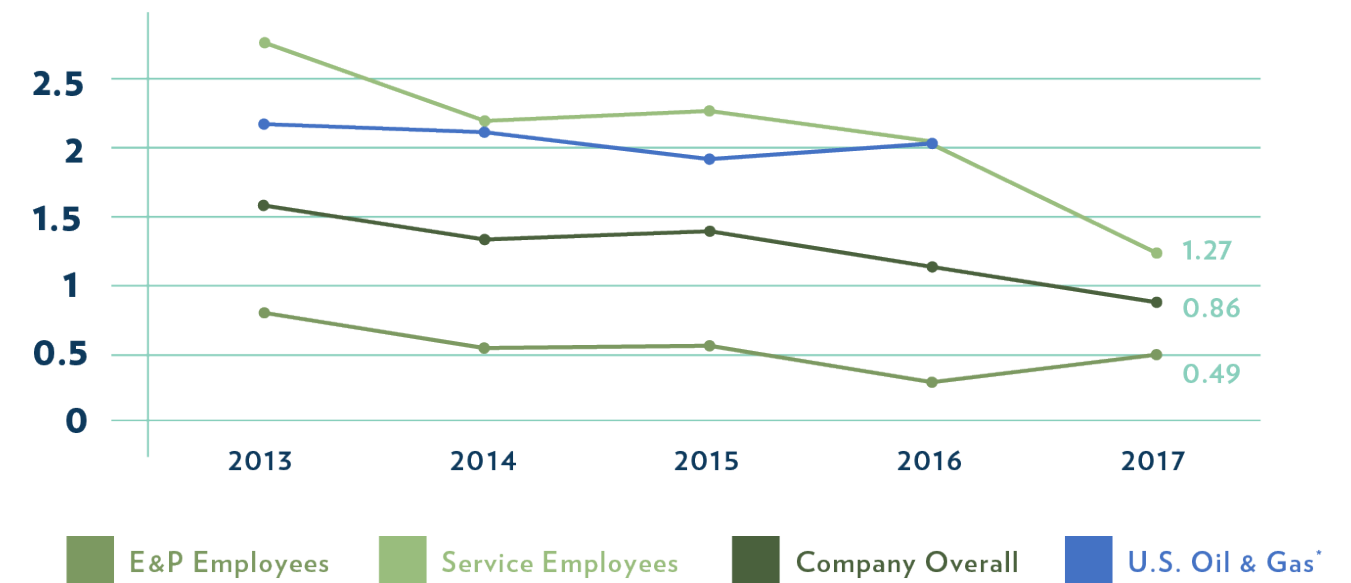
Pioneer's Health, Safety and Environmental team leads our frontline efforts to comply with laws, regulations and policies, identify opportunities to enhance safe operations, and seek continuous improvement in both safety and environmental stewardship.

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.

Incident Rate per 100 Workers



* Bureau of Labor Statistics U.S. Oil & Gas incident rate

Safety Performance and Training

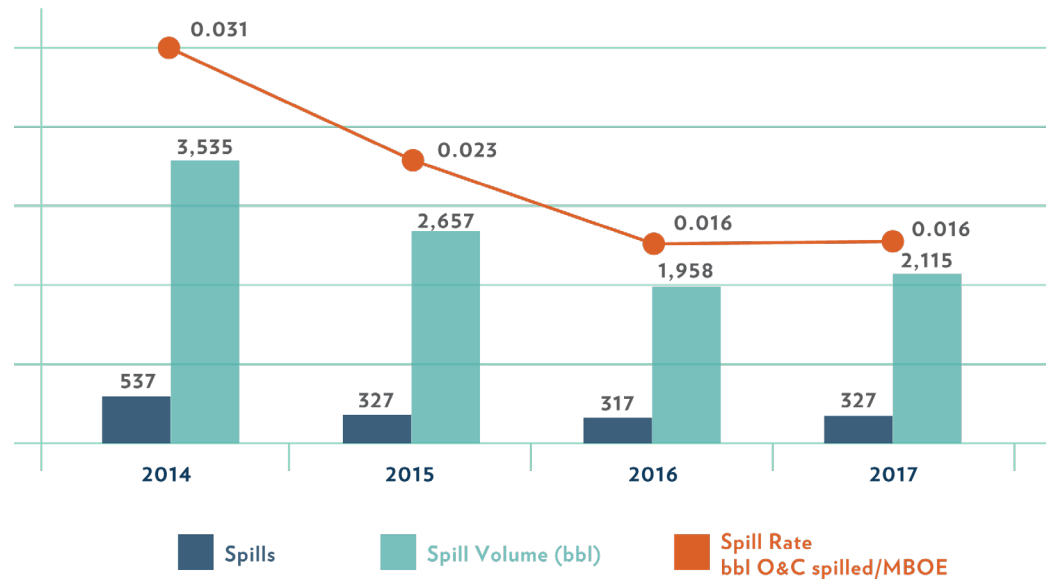
By continuing to focus on creating an incident- and injury-free workplace, we reduced our OSHA-recordable incidents in 2017. We continued to develop and implement our contractor HSE program companywide, specifically focused on familiarizing contractors with Pioneer's HSE expectations early in the contractor relationship. At Pioneer, contractors work with us, not for us. As such, we are developing a Contractor Partnership Program to further strengthen our relationship with these critical partners.

Our employee and contractor training programs cover accident prevention, protective equipment, safe operating practices, and chemical material precaution and workplace hazards. We follow OSHA standards and regulations, offering new-hire training and regular courses for employees and contractors.

In 2017, our Training team provided more than 43,000 person-hours of HSE training to Pioneer employees and contractors and provided nearly 4,000 person-hours of training on SOPs in operations and well services areas. Pioneer utilizes OSHA guidelines to track safety performance and calculate total recordable injury rate (TRIR), using the industry standard measurement of injuries per 200,000 person-hours worked.

Pioneer has an integrated services model, with employees assigned to exploration and production (E&P) operations roles, and to roles within our service functions – Pioneer Pumping Services, Pioneer Well Services, Pioneer Sands, Pioneer Drilling and Completions, and Pioneer Infrastructure Group. To benchmark ourselves against appropriate peer companies, we separate TRIR for E&P employees from TRIR for services employees. Our TRIR in 2017 was 0.49 for E&P employees, 1.27 for service employees and 0.86 for the company overall.

Oil and Condensate Spills >1bbl



Spill Prevention and Management

Pioneer dedicates substantial resources to ensuring our operations are performed in a manner that protects the environment. We believe all incidents, including spills, are preventable, and we train employees to prevent them. We investigate all spills to determine cause and corrective actions.

Pioneer designs, builds and executes with spill prevention in mind. We invest in containment equipment, perform regular inspections and work diligently to comply with spill preparedness and response regulations.

Stewardship365: Ownership – Hydraulic Tank Retrofit Prevents Spills

Pioneer Well Services trucks spend about 50 percent of their time on unpaved roads. The team learned the hard way that their trucks and unpredictable terrain didn't mix when they experienced two recordable environmental spills related to drain valves being ripped off the bottom of hydraulic tanks on their large Well Services winch trucks.

Working with experts from the Well Services maintenance crew, the team took the initiative to retrofit the tanks on their fleet of winch trucks. They moved the shut-off valve/return line from the bottom of the hydraulic tank to an area less susceptible to spill-causing damage, even adding a protective plate to help prevent road hazards from striking the valve in the future.

Pioneer's *Stewardship365* initiative encourages all of us to take the action we know is right through Principle 3: Ownership: Empower employees and contractors to do the right thing. Regardless of how large or small the action is, when it comes to ownership and environmental protection, taking the initiative to do the right thing for both Pioneer and the environment can be significant.



Emissions Management

Pioneer is committed to achieving compliance with federal and state requirements and going beyond compliance by developing proactive strategies to reduce emissions.

Emissions management starts with an operator's field development and planning strategy. By developing world-class facilities and infrastructure, and securing firm transportation commitments with our 1,000,000 *in 10* development strategy in mind, Pioneer is in a much better place to understand our long-term facility needs and potential emission-management requirements. By working with our third-party gas transportation providers, we are also able to provide insight into Pioneer's expected transportation capacity requirements years in advance, allowing us to have a long-term view on facility design and construction requirements well in advance of putting these facilities on production. These are examples of how Pioneer is utilizing good planning as part of our commitment to low-cost operations, while maintaining strong environmental stewardship principles.

Flaring and Vapor Recovery

Pioneer minimizes the flaring of gas in all our operations. However, flares are needed in our facility operations for upset or emergency conditions and in situations where capture is not possible. Their operation allows for the safe diversion and combustion of gases, meeting our goal to minimize the release of uncombusted natural gas, including methane.



Founding Signatory: American Petroleum Institute (API) Environmental Partnership

On December 5, 2017, API announced The Environmental Partnership, a voluntary industry initiative designed to continuously improve the environmental performance of participating companies. As a founding signatory of this program, Pioneer and 42 other participants have demonstrated that the oil and gas industry can voluntarily implement best practices without additional regulation as well as provide the industry an opportunity to define and develop best practices in emissions management.

Each Environmental Partnership participant has agreed to implement one or more Environmental Performance Programs designed to improve leak detection; monitor the manual liquids unloading process and close all wellhead vents to atmosphere; replace, remove or retrofit continuous or high-bleed pneumatic controllers; and submit an annual report documenting participation in the program(s) for the prior year.

Pioneer incorporates these program elements into our operations, and we look forward to sharing more details about our Environmental Partnership accomplishments in future sustainability reports.

Pioneer prefers capturing and routing our oil and gas products to pipelines. This practice is best represented by our strategy to install vapor recovery units (VRUs) at all horizontal well tank batteries and include them as part of the standard horizontal well tank battery design in our Permian Basin operations. For horizontal tank batteries handling high production volumes, Pioneer installs multiple VRUs to manage the 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 and routing them to pipelines. Our vapor recovery strategy allows Pioneer to capture potential facility emissions and recover these high-value gases as part of our product offerings.

In 2017, through the utilization of VRUs, we captured 1.1 million metric tons of greenhouse gas emissions (CO₂e).



Pioneer controls emissions from oil well and gas well completions in all of our assets. This is accomplished by constructing necessary facility infrastructure and permanent production equipment ahead of associated well completions.

Wherever possible, Pioneer captures and routes flowback emissions directly to production facilities and pipelines, rather than flaring. This emissions reduction flowback strategy is one example of Pioneer prioritizing gas recovery, rather than flaring, in our operations.

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, the loading of which can create an emission source through the displacement of tank vapors. When tanker truck loading is necessary, Pioneer 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. In 2017, Pioneer completed a two-year effort to replace, modify or retrofit all existing high-bleed, gas-driven pneumatic controllers throughout our operations.

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. Our Permian, South Texas and Texas Panhandle 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 10 horizontal tank batteries, compressor stations, pipelines, and midstream facilities.

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™ (RMLDs) across all of Pioneer's operations to monitor facilities for fugitive emissions. Our companywide LDAR program complies with EPA New Source Performance Standards OOOOa requirements which enacted an LDAR program for new or modified upstream facilities and compressor stations.

Pioneer completed a two-year effort to replace, modify, or retrofit all high-bleed, gas-driven pneumatic controllers.

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 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

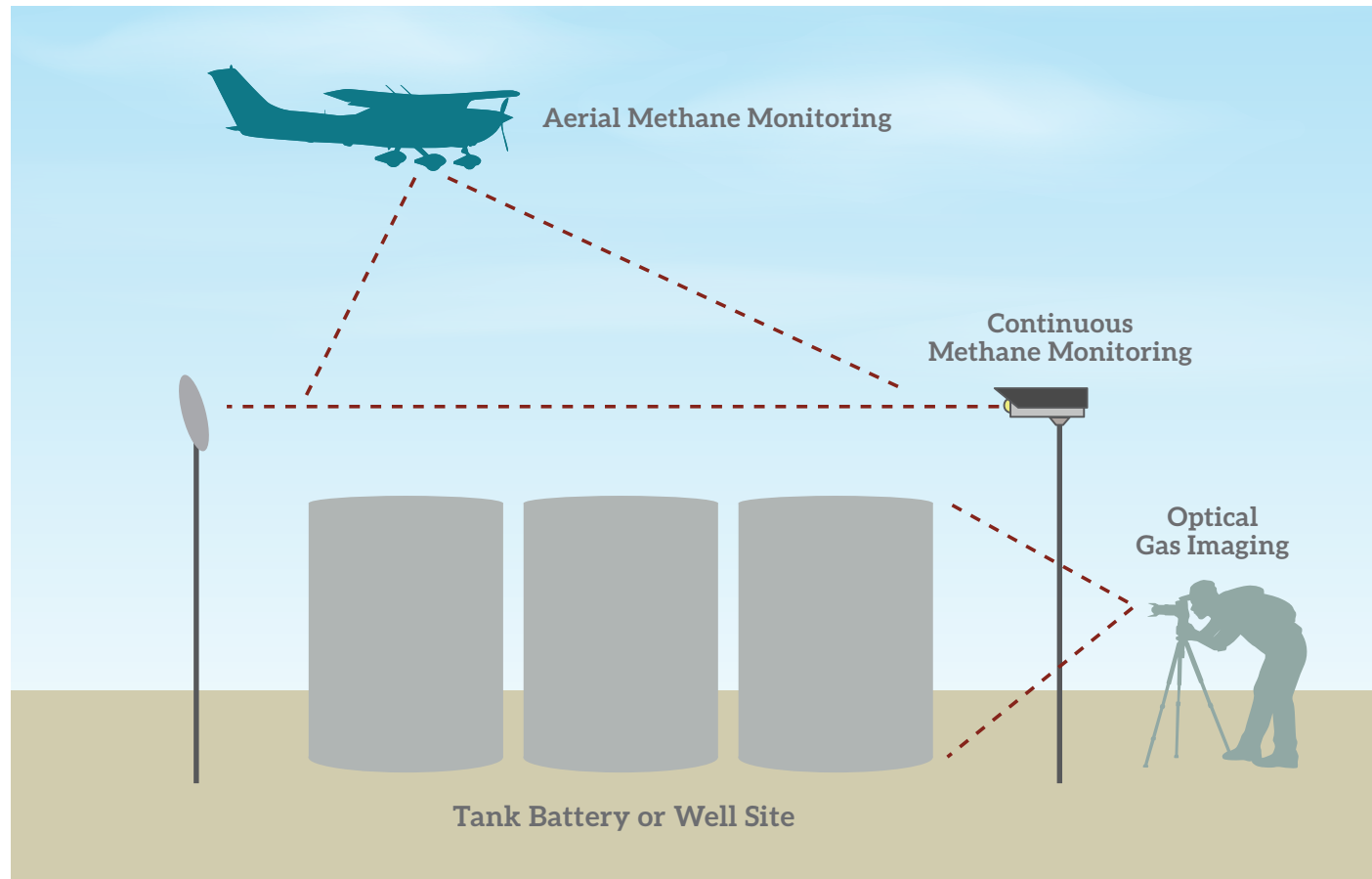


infrared laser beam is transmitted from the device, some of the laser light is reflected back to an internal sensor, which can be used to deduce a methane concentration. Leak detector training is provided to inspectors in accordance with manufacturer guidelines and regulatory requirements.

Pioneer owns nine optical gas imaging cameras and two Remote Methane Leak Detectors™. In 2017, our companywide LDAR program performed more than 13,000 optical gas imaging; audio, visual and olfactory (AVO); and aerial surveys at Pioneer wellheads, tank batteries, and compressor stations, with an additional 130 miles of pipeline inspected. Of these surveys, 654 surveys were conducted as part of the OOOOa requirements. These surveys resulted in 542 found leaks and 542 repairs, which were handled within 11 days, on average.

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.

Three Approaches to Methane Leak Detection



Emission Reduction through Innovation

In addition to our company-wide LDAR program, Pioneer is testing two innovative approaches to monitoring methane emissions in its operations: 1) aerial methane monitoring, which provides field-wide survey capabilities, and 2) continuous methane monitoring, which detects leaks at the facility level. The technologies are designed to supplement the current LDAR efforts by detecting methane leaks and directing our team of thermographers and maintenance employees to efficiently locate and address leaks. This approach supports our standard of operations excellence.

Aerial methane monitoring – Pioneer has initiated a pilot study to conduct aerial surveys to identify fugitive methane emissions on a field-wide basis. This innovative method equips a fixed-wing

aircraft with a passive spectrometer, optical camera and GPS. The onboard spectrometer images fugitive methane concentrations by measuring reflected sunlight for energy absorption at methane-specific wavelengths. The methane data is then overlaid with simultaneously collected optical images to form a single, geo-referenced image of methane leaks.

The pilot project covered more than 62 square miles and 170 Pioneer tank batteries in two days. The aerial methane surveys were conducted in coordination with simultaneous RMLD team inspections at select facilities. This allowed our researchers to compare and calibrate the aerial findings with traditional RMLD measurements. The success of this project led to plans for a “full-field” survey within our Permian assets in 2018.

Continuous Methane Monitoring

In 2017, Pioneer piloted continuous methane monitoring sensors at three Permian tank batteries. In order to detect methane leaks quickly, these sensors are installed strategically within the facilities and continuously monitor for leaks. In the event of a leak detection, system alerts provide an immediate notification, so maintenance crews can promptly address the leak, minimizing fugitive emissions. Pioneer is also working to use the system autonomously to identify equipment failures remotely. In 2018, Pioneer plans to install the continuous methane monitoring systems at seven additional locations.

Operational Practices

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” (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.

During 2017, as part of our operations in the Texas Panhandle, spherical balls called “pigs” cleaned 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.

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 to improve its engineering and emissions management practices, new, more accurate data is needed to drive our decision-making process.

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.

We continue our partnership with Colorado State University to better understand compressor station emissions in the gathering and boosting

segment of the industry. Findings from these ongoing studies will enhance our ability to further 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 to industry reporting required by the EPA in 2016, we have selected 2016 as our emissions base year.

Pioneer emissions reporting follows EPA GHG Reporting Program requirements that prescribe the methodologies to quantify GHG emissions, including methane, for each emission source category.

Due to the pace of our projected facility construction and the manner in which the EPA requires companies to calculate and report emissions, we anticipate an increase in emissions intensity over the next five years, but we expect intensities to drop steadily over the long term.

Water Conservation and Protection

Water Sourcing

Securing long-term supplies of non-potable, reusable water is vital to the oil and gas industry. Pioneer seeks various water sourcing options and water conservation opportunities, endeavoring to align directly with our environmental stewardship goals of:

- significantly decreasing freshwater sourcing
- ensuring a consistent supply
- optimizing water reuse in economically viable ways
- reducing roadway transportation of water supplies

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” – gallons of water per million British thermal units (MMBTU) of energy.

The amount of water used for well completions varies by well length, completion design and geology of the formations targeted by each well. In 2017, Pioneer’s South Texas and Permian asset areas used, on average, 0.18 and 0.51 barrels of water, respectively, per barrel of oil equivalent estimated to be ultimately recovered from wells drilled.

Using a water intensity measurement helps compare our water usage to that of other leading power sources. By this calculation, our South Texas and Permian asset areas in 2017 used, on average, 1.50 and 3.39 gallons of water per MMBTU, respectively.

IOGCC Environmental Partnership Award

In 2017, the Interstate Oil & Gas Compact Commission (IOGCC) honored Pioneer with the Commission’s Environmental Partnership Award. The Texas Railroad Commission nominated Pioneer Water Management, whose mission is to sustainably reduce our freshwater usage and provide recycled water supplies for use in operations, for the award.

Our agreements with the cities of Odessa and Midland earned this award, which recognizes innovative projects. Pioneer is purchasing non-potable effluent water from Odessa, and construction of treatment facilities to enable a similar agreement with Midland is scheduled to start in 2018. These agreements benefit both Pioneer and the partner cities by enhancing critical city infrastructure while sustainably providing Pioneer with millions of gallons of usable water for our operations.

These projects reduce the need for potable water in a drought-prone area, decrease water transport road traffic and compensate the cities for water that would otherwise go to waste – a newfound revenue stream.

TOTAL EMISSIONS (million metric tonnes CO₂e)

2016
2.77

2017
3.44

EMISSION INTENSITY (million metric tonnes CO₂e/MBOE)

2016
22.32

2017
26.09

METHANE INTENSITY (million metric tonnes CO₂e/MBOE)

2016
6.14

2017
6.29



Our comprehensive approach to water conservation includes utilizing effluent water, brackish water and recycled produced water through our dedicated water management subsidiary, Pioneer Water Management, LLC (PWM). Responsible for 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: Pioneer is committed to innovative water stewardship. While there is no immediate, economic solution to eliminate the use of fresh water in our operations, we are piloting and evaluating various methods of water conservation, more efficient water transportation and more sustainable storage methods.

Reclaimed Wastewater: Pioneer has uniquely collaborated with the cities of Odessa and Midland through mutually beneficial, public/private water-sourcing transactions. Our award-winning solution of sourcing municipal effluent water, which is otherwise being disposed of, saves millions of gallons of fresh water throughout the Permian Basin. (See sidebar on p. 30.)

By fully utilizing our Odessa supply, we have reduced our freshwater usage by nearly 27 percent. Pioneer remains committed to sustainable water management in the Permian Basin, which is why we are focused on expanding our produced water reuse program and are committed to completing our Midland municipal water supply project that breaks ground in 2018.

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, 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. Historically, Pioneer, through its own operations or using a third party, has disposed of fluids, including produced water, from oil and gas production operations. Today PWM is investigating economically viable solutions for reusing produced water, which both prevents the need to dispose and provides another significant alternative to freshwater use.

Water Protection

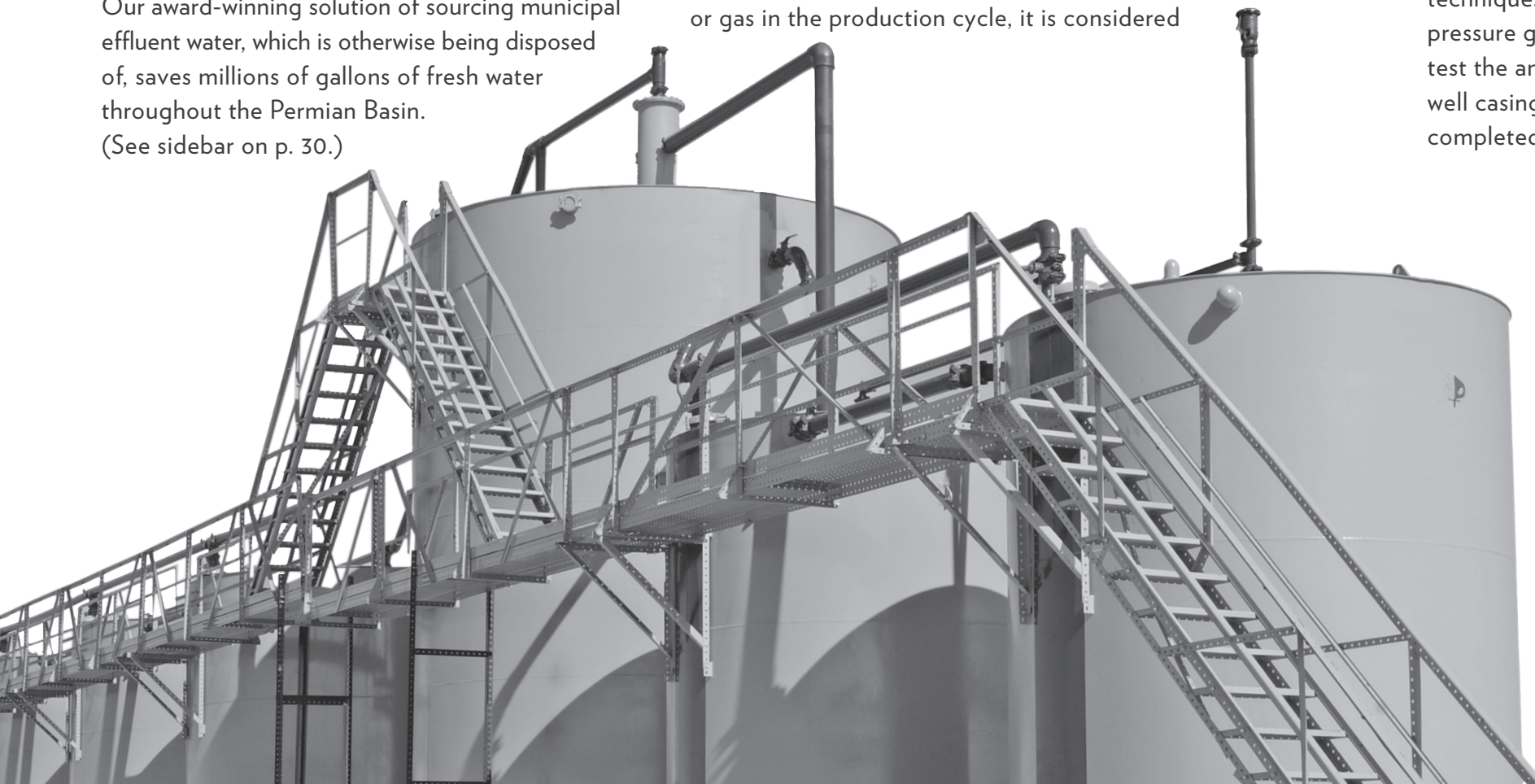
Pioneer designs, builds, and maintains its wells to protect groundwater quality during and after wellbore construction, meeting regulators' strict requirements. In 2017, we tested the surface casing integrity on 250 wells drilled, in accordance with industry standards and practices, and plan to test all future wells.

This highly regulated safety system – along with 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 annular space between the inner and outer well casing. In 2017, 100 percent of Pioneer's completed wells were tested in this manner.

Native Seed Restores Impacted Land

Pioneer actively works with the Caesar Kleberg Wildlife Research Institute of Texas A&M University Kingsville to restore impacted land with native seed mixtures, which are now commercially available. Since 2011, production of native seed mixtures in South Texas has quadrupled. Now, Caesar Kleberg Wildlife Research Institute estimates Pioneer funding has reseeded approximately 200,000 acres in South Texas with native vegetation. They estimate that making more foundation seed available through this project has decreased the unit price for seeds by almost 50 percent, from \$160 per acre in 2012 to \$82 per acre by 2015.

Pioneer plans to expand our participation with the Caesar Kleberg Wildlife Research Institute to include the harvesting of native seeds from Pioneer-owned surface properties in the Permian Basin. The Institute's specific development of native seed mixes designed to thrive in West Texas should result in greater success through increased viability, fewer management requirements, higher drought tolerance and more benefit to local ecosystems.



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, 2017, Pioneer disclosed on FracFocus.org the chemicals used in more than 3,760 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

Pioneer continues to innovate in the area of multi-well pad drilling that reduces the overall area of surface disturbance. One key initiative to reduce our surface footprint is drilling multiple wellbores from a single location. 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 Pad

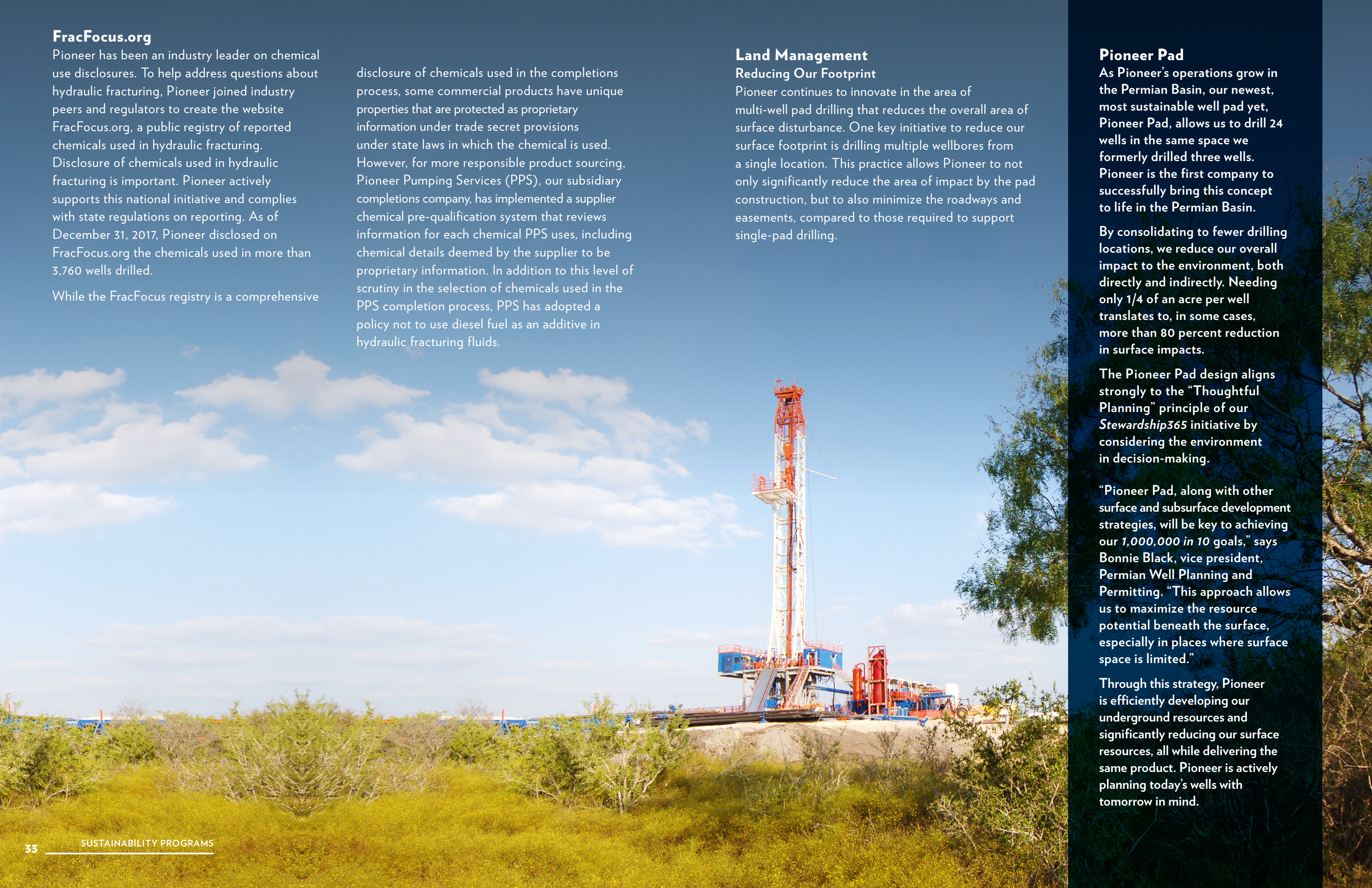
As Pioneer's operations grow in the Permian Basin, our newest, most sustainable well pad yet, Pioneer Pad, allows us to drill 24 wells in the same space we formerly drilled three wells. Pioneer is the first company to successfully bring this concept to life in the Permian Basin.

By consolidating to fewer drilling locations, we reduce our overall impact to the environment, both directly and indirectly. Needing only 1/4 of an acre per well translates to, in some cases, more than 80 percent reduction in surface impacts.

The Pioneer Pad design aligns strongly to the "Thoughtful Planning" principle of our *Stewardship365* initiative by considering the environment in decision-making.

"Pioneer Pad, along with other surface and subsurface development strategies, will be key to achieving our 1,000,000 in 10 goals," says Bonnie Black, vice president, Permian Well Planning and Permitting. "This approach allows us to maximize the resource potential beneath the surface, especially in places where surface space is limited."

Through this strategy, Pioneer is efficiently developing our underground resources and significantly reducing our surface resources, all while delivering the same product. Pioneer is actively planning today's wells with tomorrow in mind.





WORKPLACE INITIATIVES AND COMMUNITY INVOLVEMENT

“Quite simply, we want to be the best place to work within our industry, and we want to actively enhance the communities in which we live, work and operate.”

Top Places to Work Distinction

For 2017, Pioneer ranked fifth among large employers in the Dallas/Fort Worth area in *The Dallas Morning News*' annual Top 100 Places to Work survey. Pioneer is one of only four companies to place in the Morning News' Top 100 Places to Work top 10 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>.



Pioneer's core values are focused on people, including employees, contractors and those with whom we interact in our communities. At the highest level, our leadership team keeps our company culture and employee well-being at the forefront.

Diversity and Inclusion: One Pioneer

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.

While Pioneer's Diversity and Inclusion program is less than four years old, we are proud of our progress and excited about the momentum we've gained through grassroots interest, support from leadership, and participation in our training and programs that build awareness of differences and teach us how to better leverage them to achieve business results.

As part of our commitment, Human Resources has a dedicated Diversity and Inclusion (D&I) team that oversees our Diversity and Inclusion program, One Pioneer.

One Pioneer focuses on the following areas related to diversity and inclusion:

- **Community:** Positively impact our communities by providing opportunities to economically disadvantaged youth and increasing underrepresented groups in the science, technology, engineering and math (STEM) fields.
- **Culture:** Promote a culture of innovation and inclusion where all employees feel respected and valued as their authentic selves.
- **Talent:** Develop accountable leadership and talent programs that enable us to reach full representation of women and people of color. Educate employees and leaders to appreciate and leverage differences.

An essential part of the One Pioneer program is our Employee Resource Groups (ERGs). Our ERGs definitely have a positive impact on our company culture. They offer programs that develop members, establish mentoring networks, offer close collaboration with philanthropic organizations, and encourage underrepresented groups to enter the industry and STEM fields.

We are proud of the commitment and participation across all levels within Pioneer. In 2017, we experienced a 15 percent increase in ERG membership.

Pioneer is proud to have five thriving ERGs:

- **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.



PILOT Resource Group Celebrates 10 Years

“I don’t think we knew at the time how truly impactful it was going to be,” says Beth McDonald, vice president, Permian Infrastructure Development and Operations, reflecting on the significant accomplishments of the group she created 10 years ago.

Beth founded the Pioneering Innovative Leaders of Tomorrow (PILOT) group in 2007 to improve the Pioneer culture among employees new to the Oil & Gas industry and give them a platform to advance their careers.

“Without a doubt, PILOT has contributed to my personal career growth,” explains Lauren Woodward, PILOT’s 2017 vice president of membership and volunteerism and a member of the Technology Strategy team. “The relationships I’ve formed have connected me to new parts of our organization and allowed me to represent a powerful group of future leaders who are engaged in the success of our company.”

PILOT, with branches in both Irving and Midland, welcomes members with fewer than five years’ experience at Pioneer or less than seven years’ experience in the industry. Every year, PILOT adds new members and more opportunities for growth, including an annual three-day conference focused on innovation, team-building and professional development.

“The people I meet teach me valuable lessons you don’t learn in a classroom or read in a ‘Leadership 101’ book,” says Ryan Kelley, engineering analyst and PILOT’s 2017 president. “PILOT has given me and others the connections, skills and confidence early career professionals need to take significant roles in achieving Pioneer’s future vision.”

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 our longstanding partnership, Pioneer has donated more than \$3.5 million, built 20 new homes and made repairs on 28 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.

In 2017, Pioneer concluded its three-year, \$1 million commitment to the Joppa neighborhood in South Dallas, helping to revitalize this historic area. Our employees have a heart for Habitat's mission, as evidenced by the more than 515 Pioneer employees who volunteered to build four homes and complete five home renovation projects in the neighborhood.

The last week of October, Pioneer volunteers completed our work in Joppa with a bang, participating in the "Pioneering the Way" Blitz Build. The week-long event, of which Pioneer was the title sponsor, saw 13 new homes built on one street by 2,000 total volunteers – 325 from Pioneer and the rest comprised of other local business and organizations.

Through our longstanding partnership with Habitat for Humanity, Pioneer has donated more than \$3.5 million, built 20 new homes and made repairs on 28 other homes since 2006.

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 2017, the company contributed \$75,000 to fund the building of a new home, ultimately built by our employees, through the organization.



Pioneer 20th Anniversary Celebration

In honor of Pioneer's 20 years of commitment to the communities in which we live and operate, the company gave \$200,000 in grants to the local charitable organizations that are most important to our employees. Employees voted on which local organizations would each receive a grant in the amount of either \$5,000 or \$10,000. Categories of recipient organizations included women and children's shelters, military support, medical research, animal shelters, and other worthy causes.

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 working closely 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 \$4.3 million to United Way since 2005. Our employees not only give to the United Way on an individual level, but they also organize creative fundraising events, such as the Pioneer 101 food-car race and a Pioneer poker tournament. Our partnership with United Way extends to our west Texas communities as well. In 2017, Permian-based Pioneer employees, in conjunction with the company match, contributed more than \$154,000 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.

Since 2005, Pioneer and its Irving-based employees have donated \$4.3 million to United Way.

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. Judges appoint Dallas CASA volunteers to advocate for the best interests of abused and

neglected children, helping these children gain safe, permanent homes as quickly as possible. Dallas CASA exists so that abused and neglected children in protective care have the chance to become successful adults.

In 2017, Dallas CASA served more than 3,100 children with nearly 1,300 volunteer advocates, including many of our own Pioneer employees and their spouses. 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. In 2017, the Dallas CASA Classic raised a record-breaking \$2 million, bringing the total amount raised by the tournament since its inception to \$16.2 million. According to Kathleen LaValle, Dallas CASA Executive Director/President, the organization “would not have been able to embark on this tremendous and exciting growth plan without the Dallas CASA Classic and the incredible corporate partners we have in Pioneer, Goldman Sachs and AT&T. This tournament has brought hope and support directly to thousands of Dallas-area children living in protective care.”

In addition to co-hosting the Dallas CASA Classic, Pioneer supports the organization through sponsorships of other local events, including the Parade of Playhouses, where generous architects, builders, organizations, corporations and individuals design, build and donate extraordinary children’s playhouses to raise funds so that Dallas CASA can recruit and train more volunteer advocates.



DALLAS CASA
2017
CLASSIC

Dallas CASA
\$2 Million in 10 years!

For Pioneer and Dallas CASA, 2017 concluded an exciting four-year, \$1 million capital campaign commitment! Taking it one step further, Pioneer pledged \$350,000 in honor of our 10-year relationship with Dallas CASA and our employees contributed generously, bringing our total contributions to \$2 million. Pioneer is proud of our commitment to this worthy organization, knowing that 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.

The Arts: The Dallas Theater Center (DTC), one of the leading regional theaters in the country, was the recipient of the 2017 Regional Theatre Tony Award. DTC performs to an audience of more than 80,000 Dallas-area residents annually, and is known for its original works, beloved classics, and community arts education programs.

Project Discovery, Dallas Theater Center's signature education program, provides in-depth theater experiences for thousands of at-risk teens from 30 North Texas high schools. Dallas Theater Center provides this program at no charge. In 2017, Pioneer completed a four-year \$250,000 capital campaign to allow the DTC to continue implementing its successful community programs.

In 2017, Pioneer contributed more than \$1.8 million to youth and education initiatives.

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, and community colleges and universities, through both small and large programs. In 2017, Pioneer contributed more than \$1.8 million to youth and education initiatives.

Throughout the years, Pioneer has forged a strong partnership with the Midland Independent School District, as well as the increasing number of private schools being established in West Texas, illustrating the company's ongoing dedication to education in the community.



Founded in 1984, the Bynum School is the only private school in the Permian Basin that provides year-round educational programs for children and adults with disabilities. The school relies on charitable donations and proceeds from fundraising activities to supplement tuition. Pioneer proudly pledged \$1 million over four years to help the school meet their fundraising goal to construct a much-needed new, state-of-the-art facility. According to the school's website, this facility will be a "modern, efficient, flexible, age-appropriate, accessible, safe, productive space where individuals of all ages with special needs can learn, work, and play." With the support of Pioneer and other West Texas community partners, the facility is set to open in 2018.

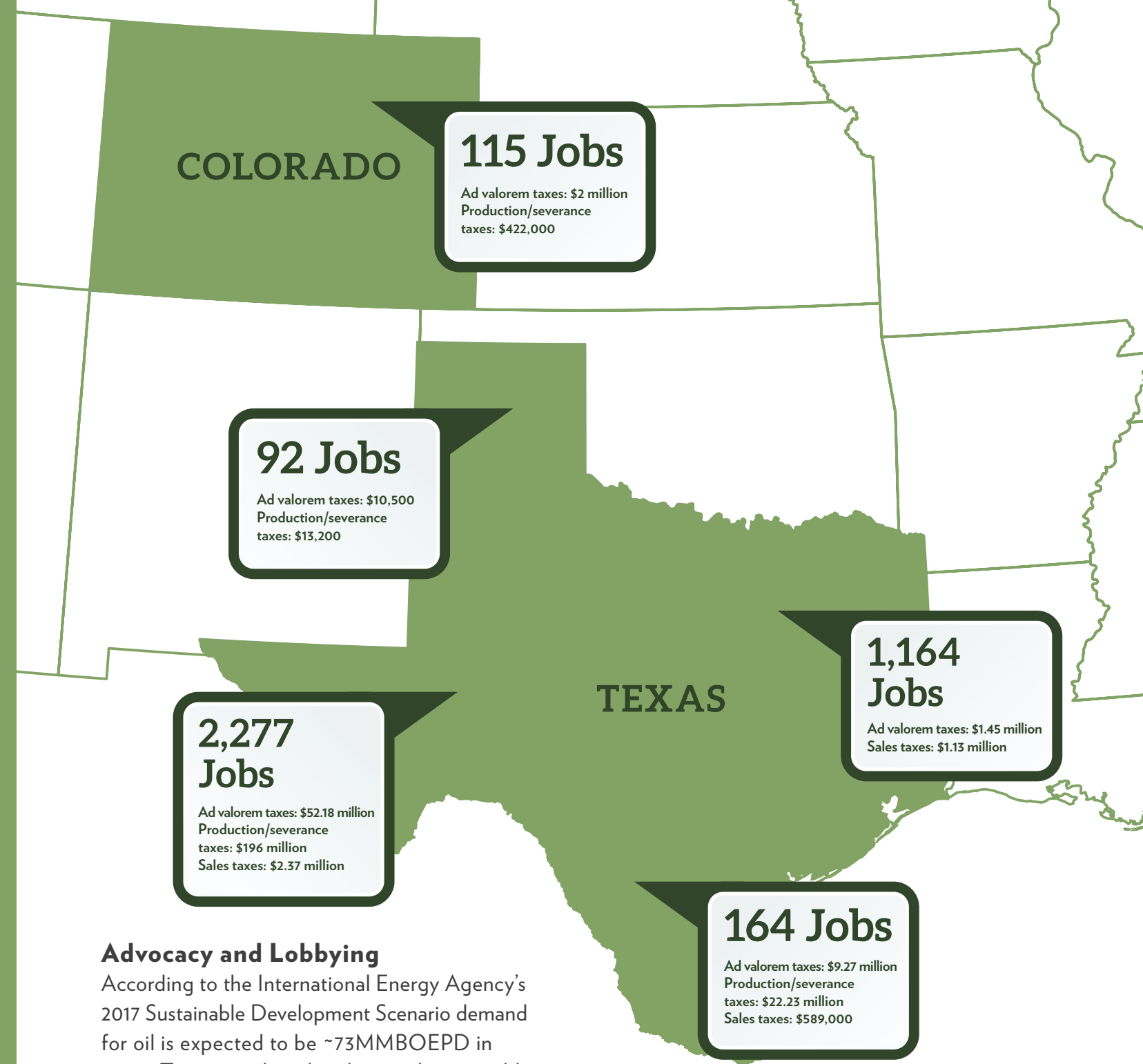
Located on the campus of Midland College, Early College High School (ECHS) is an innovative collaboration between the Midland Independent School District and Midland College to provide students with the opportunity and support necessary to obtain a high school diploma and an associates degree in just 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 nearly \$1.5 million during that time. ECHS has become the standard for academic excellence in the Midland Independent School District and the surrounding communities.



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 2017, and the

state and county taxes Pioneer paid in 2017. 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.



Advocacy and Lobbying

According to the International Energy Agency's 2017 Sustainable Development Scenario demand for oil is expected to be ~73MMBOEPD in 2040. To ensure the oil and gas industry is able to sustainably supply this resource, Pioneer works in conjunction with industry partners to advocate for a secure energy future.

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 collaborates with a number of national, regional and state trade associations representing the oil and gas industry to share information and advance a common agenda on legislative and regulatory matters.

In 2017, Pioneer made significant financial contributions (more than \$25,000) to the following trade and business associations, which we considered strategic partners:



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.

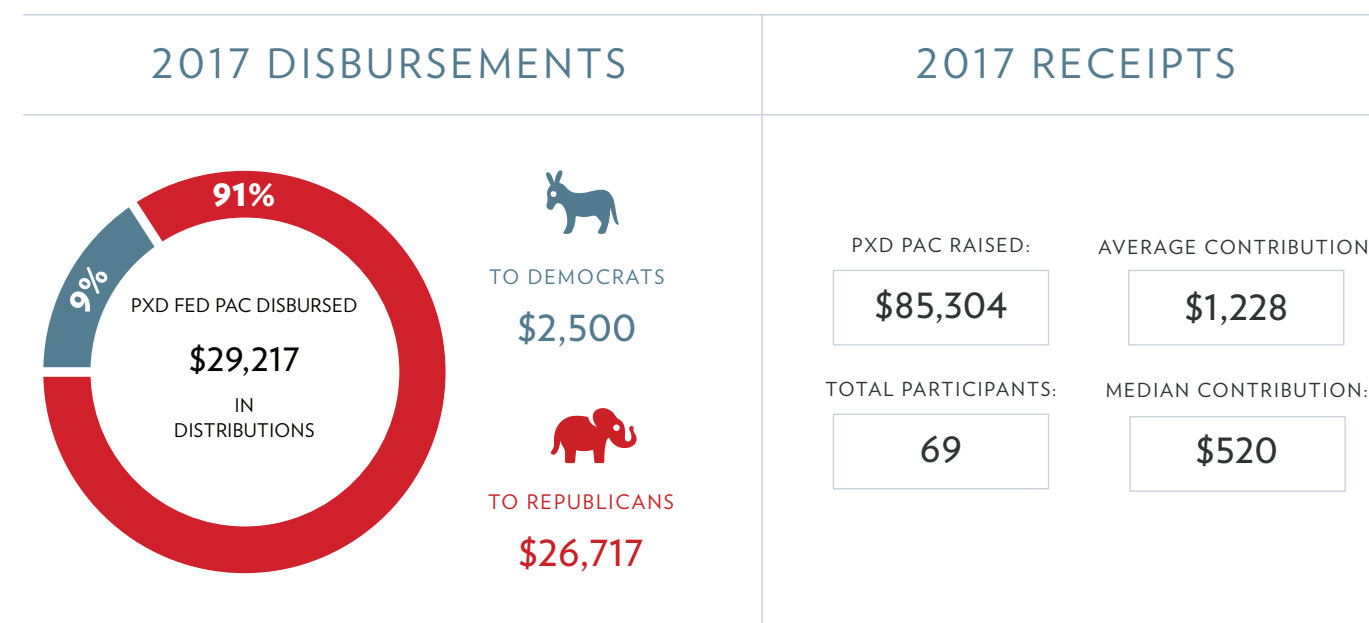
Pioneer made the following contributions in 2017:

Recipient	State	Amount ⁽¹⁾
Protecting America Now	Washington D.C.	\$100,000
Midland Road Bond	Texas	\$25,000
Texas House Republican Caucus	Texas	\$5,000
Republican Governors Association	Washington D.C.	\$10,000
Total		\$140,000

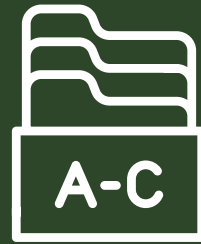
Political Action Committees

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 2017 can be found on the Advocacy page of PXD.com.



PXD TX PAC: The Pioneer Texas PAC did not make any distributions in 2017.



SUSTAINABILITY CONTEXT 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)
101 - Materiality			Prioritizing Reporting Topics (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.
102-3 - Location of Headquarters			2017 SEC Form 10-K (Annual Report 2017) 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, 2017.
102-5 - Ownership and Legal Form			Publicly Traded Company
102-6 - Markets Served			2017 SEC Form 10-K (Annual Report 2017)
102-7 - Scale of the Organization			2017 SEC Form 10-K (Annual Report 2017)
102-8 - Information on Employees			2017 SEC Form 10-K (Annual Report 2017)
102-10 - Significant Changes to the Organization			Corporate Strategy (Sustainability Report 2018) 2017 SEC Form 10-K (Annual Report 2017)
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			2017 SEC Form 10-K (Annual Report 2017)
v v v	v v v	v v v	v v v

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)
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			2018 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			2017 SEC Form 10-K (Annual Report 2017)
102-46 - Defining Report Content and Topic Boundaries			Reporting Principles (Sustainability Report 2017)
102-49 - Changes in Reporting			Not Applicable - Reporting Practices Maintained
102-50 - Reporting Period			January 1 – December 31, 2017
102-51 - Date of Most Recent Report			Not Applicable - 2017 Inaugural Report
102-52 - Reporting Cycle			Annual Reporting Cycle
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GRI Standards	DisclosingTheFacts.org	IPECA	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 (2017), and DisclosingTheFacts.org.
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 2017
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			2017 SEC Form 10-K (Annual Report 2017)
INDIRECT ECONOMIC IMPACTS			
203-1 - Infrastructure Investments and Services Supported			Annual Report 2017
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	
	5 - CBI Exclusion		FracFocus.org (Sustainability Report 2017)
	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 2017)
	18 - Water Intensity		Water Use (Sustainability Report 2017)
SPILLS			
		E9 - Spills to the Environment	Spill Prevention and Management (Sustainability Report 2017)
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GRI Standards	DisclosingTheFacts.org	IPECA	Disclosure Location
EMISSIONS			
305-1 - Direct (Scope 1) GHG Emissions		E1 - Greenhouse Gas Emissions	Emissions Management (Sustainability Report 2017)
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		
	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			
		SE4 - Social Investment	Community Involvement and Social Investments (Sustainability Report 2017)
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GRI Standards	DisclosingTheFacts.org	IPECA	Disclosure Location
TRAINING AND EDUCATION			
404-1 - Training Hours			Safety and Health (Sustainability Report 2017)
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 and the IPECA 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.