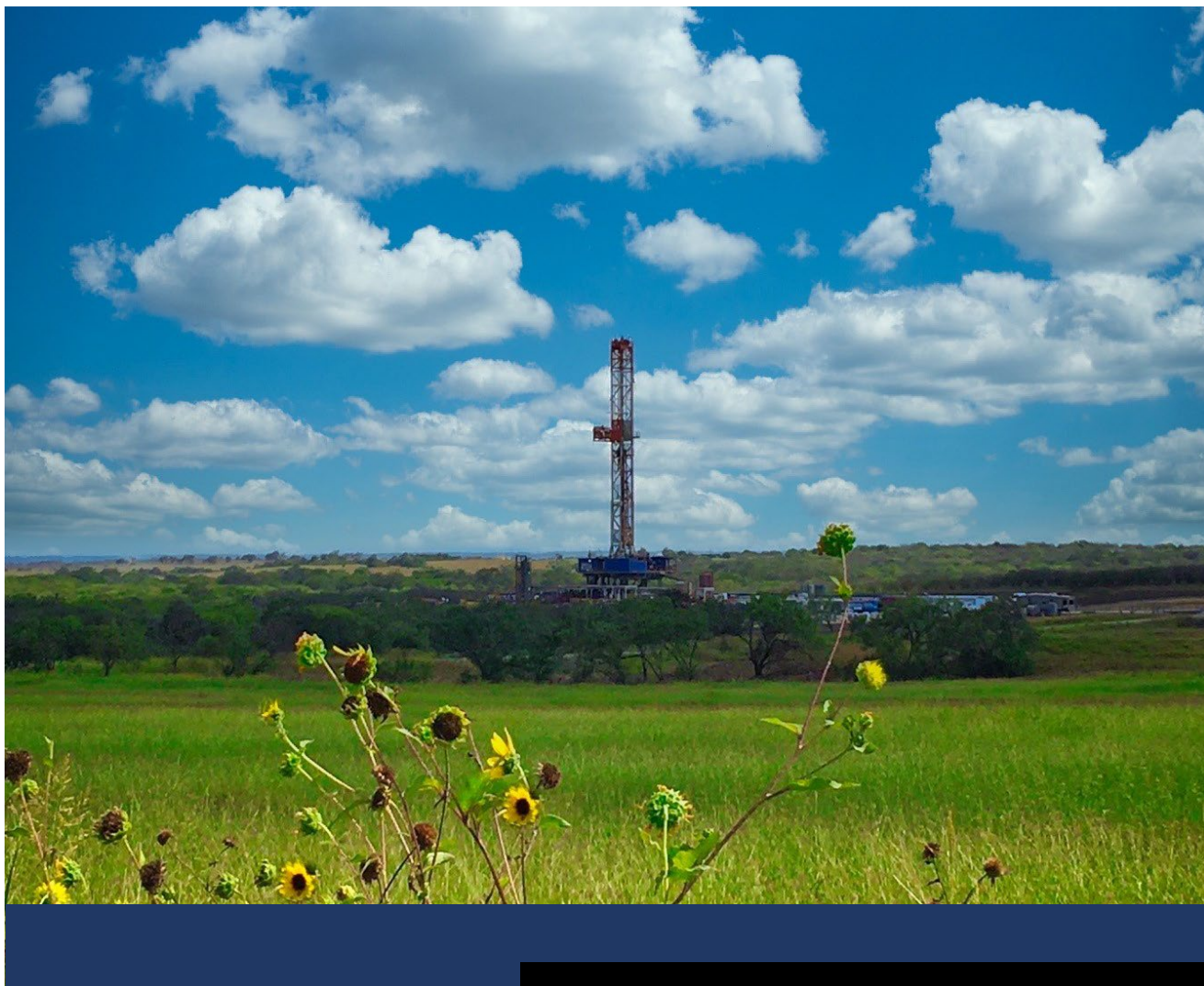




Sustainability Report 2023

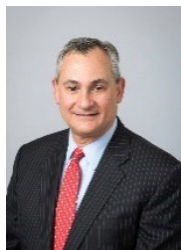


MAGNOLIA OIL & GAS CORPORATION

Our environmental, social, and governance results for 2022.
Keeping you informed about our initiatives to develop oil and natural gas resources safely and responsibly for the benefit of our stakeholders.

CEO'S MESSAGE

Dear Stakeholders:



2022 was a year of transition for Magnolia. While our team delivered a record year of financial and operational results, we were saddened by the passing of Steve Chazen, Magnolia's founder and former CEO. Steve was highly respected in our industry, a visionary leader, and instrumental in overseeing our sustainability reporting initiatives. I had the privilege of working closely with him to launch and grow Magnolia. In my new role as CEO, I've focused on ensuring continuity in our business model and strategy as well as our commitment to sustainability.

Against that backdrop, I'm pleased to report our team continued to deliver on our priorities in the areas of safety, environmental stewardship, workforce diversity, stakeholder outreach, and corporate governance. In line with that focus, we've enhanced our disclosures in this report, providing statistics on our Scope 2 greenhouse gas emissions in 2022. You'll also find new discussions and metrics related to reductions in

Our local hiring and purchasing practices demonstrate our commitment to strengthening local communities.

diesel fuel consumption and associated emissions, our efforts to partner with vendors across our supply chain, and our commitment to respecting human rights.

As we prepared this year's report, a key theme that emerged was the impact of our business in the locations where we operate. Whether we're hiring new employees from the small towns near our assets or engaging local small businesses as materials suppliers in our supply chain, you'll find examples throughout the report of our commitment to strengthening the communities our employees call home. We believe these efforts are important to Magnolia's long-term stability and sustainability.

I'm proud of our team's performance in 2022 and the progress we continue to make on key sustainability measures. We're committed to keeping you informed as we build on that track record in 2023 and beyond and continue to develop oil and natural gas resources safely and responsibly.

Thank you for your interest in Magnolia Oil & Gas Corporation.



Chris Stavros
President and Chief Executive Officer

A SOLID FOUNDATION

ABOUT MAGNOLIA

Magnolia is an independent oil and gas company with operations located in South Texas. Our business model focuses on capital discipline, a strong balance sheet, significant free cash flow, and strong pretax margins while generating moderate organic production growth. We're well positioned to deliver sustained value for our investors while operating our business in a safe and environmentally responsible manner.

\$5.0

2022 Market Capitalization (\$ billions)*

157

2022 Proved Reserves (MMboe)*

179%

2022 Reserve Replacement Ratio*

75.4

2022 Full Year Production (Mboe/d)*

~482,000

2022 Net Acres*

MISSION

Build a winning company that safeguards workers and the environment, enhances careers, strengthens local communities, and increases value for all stakeholders.

VISION

Be an investment of choice with a broad shareholder base, an employer of choice with a winning culture, and an operator of choice with best-in-class assets.

VALUES

- **Safety:** Be Safe
- **Integrity:** Act with Integrity
- **Ownership:** Think Like an Owner
- **Teamwork:** Work as a Team

BUSINESS STRATEGY

- Generate significant free cash flow after capital expenditures.
- Deliver consistent organic production growth.
- Maintain a conservative leverage profile.
- Achieve high, full-cycle operating margins.
- Prudently reinvest free cash flow to enhance per share value.

*As of December 31, 2022.

ENVIRONMENT

SAFEGUARDING THE ENVIRONMENT

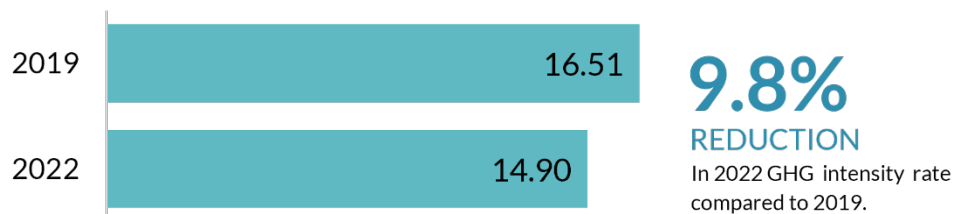
At Magnolia, we believe safeguarding the air, water, and land where we operate is not only the right thing to do, but important to our ability to sustain our business. That's why we build environmental protection into our operations by design. Whether that means continuing to reduce our flaring, enhancing emissions monitoring, or reducing the use of diesel fuel in our drilling and completion operations, our programs are designed to safeguard the environment while also improving efficiency, lowering costs, and reducing risk.

MANAGING GREENHOUSE GAS EMISSIONS

At Magnolia, we work to reduce emissions across the development and production lifecycle of our wells.

- In 2022, we reduced our Greenhouse Gas (GHG) intensity rate (our GHG emissions as a percentage of our gross operated production), by more than 9 percent since 2019. Our gross GHG emissions and our GHG intensity rate for the last four years are provided in our SASB-based Quantitative Results table at the back of this report.

GHG Intensity Rate



MINIMIZING FLARING

We plan ahead to reduce the need to flare natural gas from our locations.

- We schedule infrastructure construction with our midstream provider in conjunction with our development plans. This ensures pipelines and other facilities are available to transport natural gas from our sites prior to production, reducing the need to flare stranded gas.
- We will not bring a new well online without an associated natural gas pipeline, and we will stop producing an existing well if a pipeline is out of commission.
- Since 2019, we have flared less than 1 percent of our total gross Magnolia operated production each year.

We have not conducted routine flaring since 2020.

- In 2022, we reduced our flaring intensity rate by more than 64 percent compared to our 2021 rate. Our 2021 rate was, in turn, a 59-percent reduction compared to the percentage we flared in 2020.
- Since 2019, we have reduced the gas we flare as a percentage of our total production by nearly 90 percent.
- You can review our gross GHG emissions from flared hydrocarbons for the last three years in our SASB-based Quantitative Results table at the back of this report.

Gas Flared as a Percent of Total Production



REDUCING METHANE EMISSIONS

We use industry best practices and design standards to minimize sources of methane emissions associated with our operations.

- We have integrated Vapor Recovery Towers and Units into our tank battery designs to capture flash gas and minimize emissions from our storage tanks. By year end 2022, about 85 percent of our oil production was produced through facilities with vapor recovery units installed. In addition, we have begun installing electric vapor recovery units across our operations to replace units driven by natural gas.
- The oil and gas industry uses a variety of pneumatic controllers in normal operations to monitor liquid levels, regulate pressures, and control valves. Typically, these devices have used pressurized natural gas and are one of the leading sources of methane emissions. At Magnolia, we use only low- and no-bleed pneumatic controllers across our operations to greatly limit these emissions. All our facilities built after 2018 run on compressed air rather than natural gas-driven systems when the facility's pneumatic system vents to the atmosphere. In addition, we initiated a project in 2022 to evaluate and convert select pre-2018 facilities to instrument air, where appropriate.
- We use optical gas-imaging cameras to identify natural gas leaks from our equipment so they can be repaired. These inspections target fugitive emission leaks from piping, equipment, and fittings on our sites. Our in-house Leak Detection and Repair (LDAR) team surveys our facilities more frequently than required by regulations and has enabled us to cut the time to repair issues in half. If we find a leak during these inspections, our LDAR team will repair it as soon as possible, then inspect the area again to ensure we've fully addressed the source of the leak.



- Magnolia is a member of The Environmental Partnership (administered by the American Petroleum Institute), which is made up of U.S. oil and natural gas companies committed to continuously improve the industry's environmental performance. As part of the Partnership, in 2022, we participated in industry-wide cooperative efforts to identify and reduce methane emissions.

LESSENING SURFACE IMPACTS

Magnolia is committed to minimizing the impact of our operations on the land and wildlife throughout the lifecycle of our wells.

- Magnolia does not operate in any areas containing critical habitats, as designated by wildlife protection laws, or known to contain threatened, endangered, or migrating species.
- We use pad drilling to significantly reduce the surface acreage required for our drilling and completion operations. Pad drilling allows us to drill and complete multiple wellbores from a single location that includes all the equipment necessary to support those wells. Multi-well pad drilling (at an average of 3 wells per pad) is more efficient, shortens development time, and minimizes our surface footprint and the level of activity needed onsite such as equipment deliveries and construction.
- Although hydrocarbon spills are infrequent and generally small-scale, with 72 percent involving a barrel or less of liquid, and many involving less than a gallon, we track all spills, regardless of volume, to determine what caused the spill and implement corrective actions. We have response plans and processes in place to quickly control and remediate any releases, including comprehensive Spill Prevention, Control, and Countermeasure (SPCC) plans.
- Our wellsite plugging and abandonment processes are designed to fully seal off inactive wellbores in accordance with applicable regulations and the terms of our lease agreements. We have a program in place to actively monitor and assess the mechanical integrity of legacy inactive wells.
- You can review our spill metrics for the last three years in our SASB-based Quantitative Results table at the back of this report.

MANAGING DRILLING AND HYDRAULIC FRACTURING OPERATIONS

We work closely with reputable service providers to drill our wells and stimulate them using proven hydraulic fracturing technologies. From start to finish, we design, engineer, and execute our drilling and hydraulic fracturing operations with environmental protections in mind.

Reducing Diesel Use and Emissions. We're focused on reducing diesel fuel used and emissions associated with our drilling and completion operations.

- In 2022, we partnered with a vendor to implement a generator management system to help drilling teams on our sites reduce fuel consumption and emissions and extend equipment maintenance intervals. Based on calculations from the developers of the system, over the eight months the system has been in use, we saved about 45,000 gallons of diesel fuel, reduced our daily fuel consumption by 8 percent, and reduced our carbon-dioxide emissions by 440 metric tons. Annualized, that represents potential savings of about 68,000 gallons of diesel fuel and a reduction of 660 metric tons of emissions.
- Also in 2022, we implemented engine standby controllers on pumps used in our hydraulic fracturing operations to reduce idle time and the associated fuel consumption and emissions. Based on

calculations provided by the developer of the controllers, over the period the system has been in use, we saved about 45,000 gallons of diesel fuel, reduced our daily fuel consumption by 3 percent, and reduced our carbon-dioxide emissions by 451 metric tons, which represents potential annualized savings of about 120,000 gallons of diesel fuel and a reduction of 1,205 metric tons of emissions.

Managing Proppant and Chemicals. During our hydraulic fracturing operations, we use different types of proppant (a type of fine sand), water, and chemicals.

- 99 percent of the fluid we pump in our hydraulic fracturing operations is water.
- In support of communities where we operate, we source the proppant we use in our hydraulic fracturing operations from local suppliers, wherever possible. For example, we sourced all the proppant we used in our 2022 Giddings fracturing operations from a sand mine operating in a local community. Since the mine is located about 25 miles from our core Giddings acreage, we were able to reduce trucking time and diesel fuel usage through local sourcing.
- We work with our service providers after every fracturing operation to post details about the chemicals we use on the FracFocus site, where the information is publicly available for viewing.
- We do not use diesel or fluids containing benzene, toluene, ethylbenzene, or xylenes (BTEX) in the hydraulic fracturing process.



Protecting Fresh Water and Managing Produced Water. We recognize the importance of water to residents and communities and take measures to protect surface water resources during drilling operations and reuse flowback and produced water, when possible.

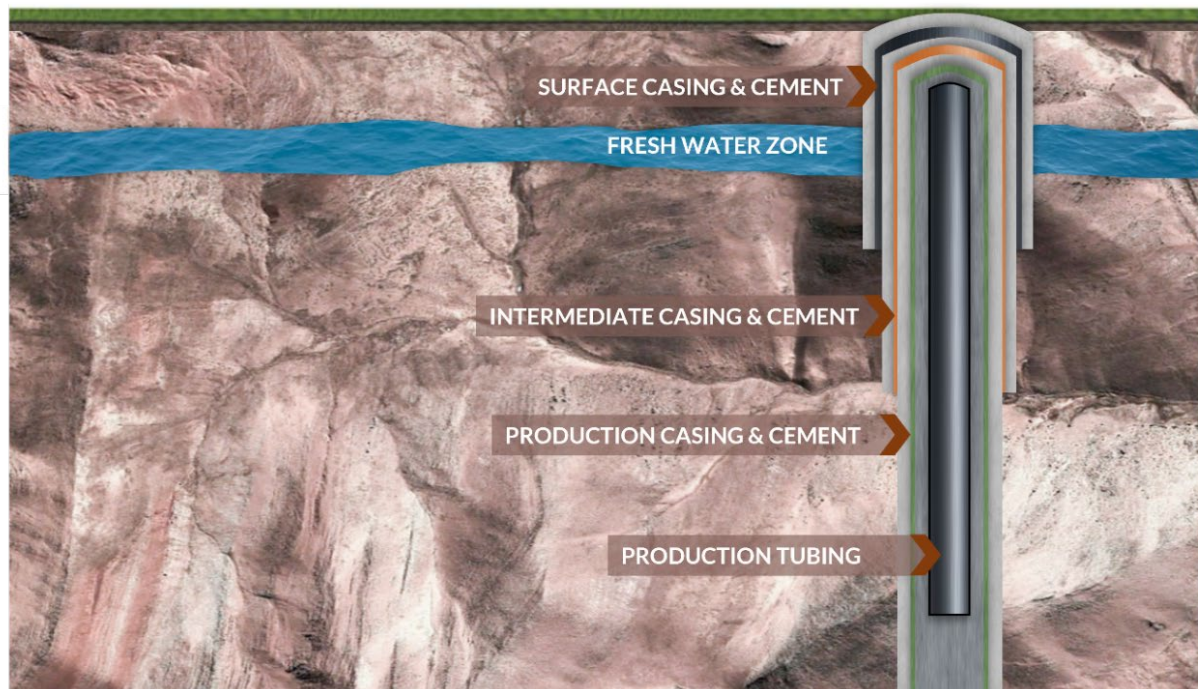
- Magnolia does not operate in areas where water scarcity is an issue.
- Before we begin any new development, we identify any streams, creek beds, or wetlands near our operations and take any required measures to protect those areas.
- We do not discharge any of our produced water to surface. Nearly all produced water is injected into intermediate-depth saltwater disposal wells. The volumes we inject into these wells are within permitted levels.



Managing Well Integrity. We adhere to recognized technical standards and all applicable regulations for well design and construction. We have rigorous processes and procedures in place to implement proper barriers to isolate and protect groundwater.

- We install multiple layers of metal casing as a primary shield to protect groundwater. We also inject specialized cement to create a pressure tested seal between each layer of casing. In all, we routinely install 7 alternating layers of steel and cement. These layers create an impermeable barrier between the wellbore and groundwater and ensure well integrity during fracturing operations and over the long-term life of the well.
- Once the well is drilled and before hydraulic fracturing operations begin, we pressure test the well per industry best practices to ensure long-term well integrity. We use multiple tools and processes to verify that cement has created a solid bond with the casing and to verify the strength of seals in the well.

Wellbore Integrity Measures



SOCIAL

SUPPORTING EMPLOYEES AND COMMUNITIES

At Magnolia, every employee has an ownership stake in the company. All employees receive Magnolia shares as part of their overall compensation. As owners, we each use our diverse experiences and expertise to create value for investors by identifying activities to improve our business, sustaining our strong safety culture, supporting the communities where we live and operate, and enhancing our winning culture.

MAGNOLIA SAFE

At Magnolia, safety is a core value. Our Health, Safety, Environment, and Regulatory (HSER) processes and culture support that value through safe work practices, training and recognition, contractor management, and emergency preparedness.

Managing Our Health and Safety Commitment

Magnolia has the programs, processes, and people in place to recognize and address safety hazards, meet compliance requirements, and ensure everyone is safe on all our worksites.

Formal Health and Safety Policies. The practices we rely on to manage our safety commitment are detailed in specific process and procedure documents that are easily accessible to all employees. For example, our comprehensive Health, Safety, and Environment Field Operations Guide provides specific requirements and responsibilities for key safety-related topics, including driving, electrical work, incident reporting and investigation, personal protective equipment, and others. Our field employees can access the Guide from myMagnolia, our corporate intranet site.

HSER Group Structure and Responsibilities. Magnolia's HSER group is part of our larger Operations department and has primary responsibility for developing, implementing, and monitoring our various safety-related programs.

- *Dedicated professionals.* Our HSER team is led by a seasoned industry leader who directs the work of professionals in process and field-based safety and regulatory relations. The group reports directly to our Senior Vice President of Operations who, in turn, reports to our Chief Executive Officer. The group includes HSER representatives in our field locations who partner with leaders in our Drilling and Completion and Production groups on safety performance and related matters.
- *Leadership accountability and oversight.* Leaders in Magnolia's Operations department regularly set priorities and assign resources needed to meet our environmental commitments and assess our progress. We report progress to our Board of Directors, which has ultimate oversight of our performance in this area.

- *Experienced team members.* The members of our field teams have daily, hands-on responsibility for meeting our safety and environmental commitments. They have extensive experience and expertise with the equipment and the technologies associated with our assets and can identify, troubleshoot, and correct any safety issues that arise.
- *HSE Leadership Team.* The Magnolia HSE Leadership Team, made up of representatives from our Production team and our HSER group, provides input to Operations leadership on ways to improve health, safety, and environmental practices and performance in our field operations.

Tracking Our Progress. Magnolia tracks key safety metrics, including employee recordables, lost time incidents, total recordable incident rate, and contractor recordables. In addition to common lagging indicators, such as employee and contractor recordable incidents, we also track leading indicators such as safety observations and near-miss reports. We use internal and third-party applications to collect and monitor safety data and track our performance against our metrics through our regularly updated HSER Safety Scorecard and other measures. In the spirit of continuous improvement, we discuss our performance and highlight lessons learned from specific incidents during regular weekly and monthly safety meetings with field employees.

Safety Training and Programs to Sustain Progress. We recognize that employee training is important to achieving our goals and maintaining safe operations. In 2022 our full-time field employees each received an average of 37 hours of safety training designed to enhance their skills.

- *Formal training.* Team members at our field locations are assigned computer-based training courses monthly. These courses cover a variety of safety and environmental subjects pertinent to their daily activities, including electrical safety, respiratory protection, heat stress prevention, and personal protective equipment.
- *Continuing skills development.* Training and skills development continues at our monthly leader-led safety meetings, which are conducted in person at our two field locations. At these meetings, our team reviews relevant safety incidents and corrective actions, discusses specific safety topics in depth, and reviews safety performance metrics.
- *Good Catch Program/Great Catch Awards.* Through our Good Catch Program, our field employees identify and submit potential safety or environmental issues before they arise. We review employee submissions each month and provide recognition and monetary awards for the most impactful submission. We then recognize the most significant of these monthly submissions through our yearly Great Catch Awards, where award winners receive recognition and a monetary award.



Occurrence of Fatal Accidents. Magnolia has not recorded a fatal accident in connection with our operations since the company's inception.

Incident Reporting and Review. In 2022, we upgraded our Incident Management platform to improve our incident investigation process and enhance the tracking of our facility maintenance program. The platform allows mobile reporting of incidents, observations, and good catches. Senior HSER and Operations department leadership reviews incidents and corrective action status weekly and ensures that, when incidents are closed, they are appropriately documented.

Emergency Response. We maintain comprehensive emergency response and crisis communication plans at both the field and corporate level. These plans are based on the standardized Incident Command System. We conduct regular simulated emergency situations and corporate-level drills to test these plans and continue to improve our team's capabilities to respond effectively in the event of an incident at one of our work locations.

Business Continuity Planning. In 2022, we developed a Corporate Incident Response Plan (CIRP) that summarizes the processes, procedures, and actions we'll follow to respond to a significant incident at our corporate headquarters location in Houston that could affect our ongoing business operations. The CIRP, which was developed with input from groups across the company, provides guidance to support our initial and ongoing response to a business continuity incident. It details our business continuity and crisis management team structure, the incident severity tiers we use to assess the impact of a crisis event, and the procedures we'll follow to manage an event. Our CIRP works in conjunction with our Emergency Response Plan as well as various response plans maintained by our Information Technology group.

Managing Contractor Safety. Magnolia uses contract resources in all areas of our field operations and considers contractors to be valuable and active partners in ensuring the safety of our worksites.

- We use ISNetworld, a third-party online contractor management and monitoring system, to research and hire contractors who share our commitment to safe and efficient operations. ISNetworld allows us to evaluate the safety programs and performance of a potential contract partner before we hire them.
- Once hired, we use ISNetworld to track contractor accident rates and hours worked for Magnolia. We include a metric on our HSER Scorecard to track contractor recordable incidents.
- Contractors, along with everyone else on our sites, have Stop Work Authority and are expected to stop work on a location when they identify an unsafe condition or behavior that could result in a safety incident.
- In addition to onboarding new contractors, our field leaders monitor and review their safety performance and general contract compliance, and provide coaching, if needed.

We implemented safety coaches, a mentorship program, and safety round-ups with our contractors.

- In 2022, in partnership with our drilling rig contractor, we implemented safety coaches and a mentorship program to ensure contractors who were new to the industry understand safety protocols and processes. These recently-implemented measures have enhanced safety awareness and visibility at our worksites and helped us ensure our safety expectations are clearly understood. We will continue to monitor their impact on our safety performance. In addition to these unique-to-Magnolia programs, we also held bi-weekly safety round-ups across our drilling and completion operations to raise awareness and accountability across our operations. These meetings used safety observations submitted by contractors as well as recent industry safety incidents as learning opportunities for participants.

A WINNING TEAM

At Magnolia, our workforce is made up of individuals from a variety of backgrounds and career paths, all committed to delivering on our vision. We support our team with workplace flexibility programs, business education, and a competitive compensation and benefits program.

Supporting Workplace Flexibility. We continue to offer eligible employees a workplace flexibility program designed to support our business operations while giving employees flexibility to work where they can be

We offer a workplace flexibility program to eligible employees who can work from home effectively.

most productive. Under the program, eligible employees in the Houston office can telecommute for up to two days a week, as approved by their leader. We provide employees with technology and tools to ensure they can work effectively from home, including monitors, headsets, and cameras.

Training Our Team. In addition to safety training for our frontline field employees, we provide business education, cybersecurity, and other training opportunities for our team. We track training in our Learning Management System.

- *Think Like a Magnolia Owner Initiative.* In 2022, we launched our Think Like a Magnolia Owner training initiative to engage employees in rethinking processes and behaviors that do not create value and refocusing time and energy on value-add activities, including innovations to improve the company's business. The initiative involved executive-led training sessions at our Houston and Giddings locations as well as facilitated team workshops across Magnolia in 2022, which identified hundreds of low-value processes to eliminate and high-value activities to implement across the company. Leaders then developed action plans at the functional level to capture, prioritize, and execute on outputs from the team work sessions.
- *Magnolia Insights Training Sessions.* In line with our commitment to enhance careers and build a winning culture, in 2022 we continued our Magnolia Insights series of business education seminars. Through information sessions hosted by the leaders of the company's key business functions, Magnolia Insights helps our team better understand our business and the roles various groups play in executing our strategy. In 2022, we hosted a three-part series of Magnolia Insights sessions,



covering the activities of our geologists, supply chain team, and legal professionals. Sessions were held live at our Houston location and online for field employees.

- **Cybersecurity Training.** In 2022, we launched our CyberStrong cybersecurity awareness program designed to make our team aware of the cyberthreats we face as a company, help them understand what they can do to counter those threats, and ensure Magnolia achieves and sustains a position of strength in this critical area. The campaign provides regular educational content, targeted training, and associated resources to the team. We require employees to complete cybersecurity training courses twice a year, with new employees taking a training course as part of our onboarding process.
- **Education Assistance.** For 2023, we launched an Education Assistance Program designed to provide eligible employees with financial assistance to support their pursuit of a business-related education or professional certification. The Program provides for up to a \$5,250 reimbursement per calendar year for qualified expenses, including tuition, mandatory books, mandatory fees, and the cost of a preparation review course for a certification exam.



Valuing Workforce Diversity. Magnolia is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their expertise, experiences, and ideas.

- We are focused on hiring the most qualified individuals while promoting the diversity of Magnolia's workforce. This commitment to diversity is key to how we do business and an important part of our culture, reputation, and success.
- As an Equal Employment Opportunity employer, Magnolia makes employment decisions based on business need, job requirements, and individual qualifications, without regard to race, religion, color, national origin, gender, pregnancy, sexual orientation, gender identity, age, status as an individual with a disability, or any other status protected by applicable laws or regulations. Magnolia is committed to a work environment where all individuals are treated with respect and dignity and are free from all forms of harassment and discrimination.

Over 90 percent of new hires in our field locations came from the communities where they work or nearby locations.

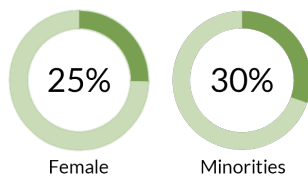
- During 2022, Magnolia added 35 new employees to our team. Consistent with our commitment to strengthen local communities, we strive to hire local qualified candidates. In 2022, over 90 percent of the new hires in our field locations came from the communities where they work or nearby locations and most continue to live in those communities.
- We work hard to provide a challenging, supportive, and rewarding work environment. We have not had any large-scale redundancies or job cuts since the company's inception.
- Our operations and assets are located in the Eagle Ford Shale and Austin Chalk areas of South Texas, areas that are not generally associated with human rights risks. Regardless, as employees and as a company, we respect and support the protection and advancement of universally recognized human rights. Our employees are prohibited from engaging in any activity that is in any way linked to forced labor, modern slavery, or human trafficking. Our Code of Business Conduct

and Ethics, our corporate values, and our policies and practices support our commitment to be honest and principled in interactions with all our stakeholders, to value diversity, and to observe and comply with all governmental laws, rules, and regulations of federal, state, and local governments. As outlined in the “Governing with Integrity” section of this report, we maintain a hotline that is available to all employees and the public. They can use it to report any act or behavior they believe compromises our ethical business practices, including any human rights violations. The hotline is available to our employees and members of the public on a confidential and anonymous basis by calling 844-490-4679 or by using the online reporting tool available through our website.

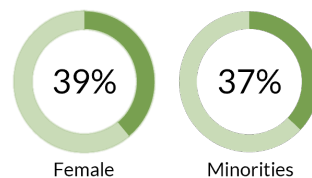
Workforce Diversity

EMPLOYEES

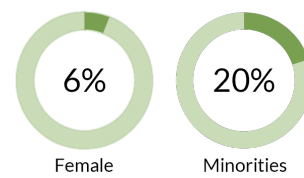
Total Company



Houston-Based Team

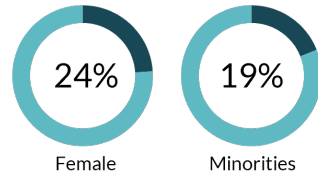


Field-Based Team

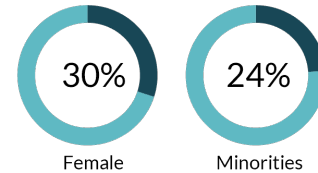


MANAGEMENT

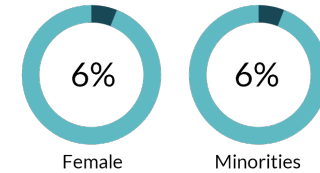
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Houston-Based Team

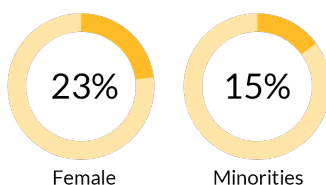


Field-Based Team



EXECUTIVES

Total Company



Providing a Total Rewards Package. Our total rewards program ensures our employees have an ownership stake in the company, can build wealth and save for retirement, have the health coverage they need, and have the flexibility to take care of themselves and their families.

- We pay market competitive base salaries and provide an annual cash incentive program designed to align our performance as a team with our investor proposition and business strategy.

In 2022, every Magnolia employee received a minimum of 1,200 shares under our long-term incentive program.

- We also grant stock-based awards to all employees of the company through our long-term incentive program. In 2022, all our employees received a minimum of 1,200 shares under the program.
- Magnolia matches employee contributions to our 401(k)-retirement plan dollar-for-dollar up to 5 percent of eligible compensation and makes additional non-elective contributions of 3 percent of eligible compensation.
- Our competitive benefits package provides comprehensive health and wellness coverage, including medical, dental, vision, and life and disability insurance benefits.
- We offer Health Savings Accounts, depending on medical plan election, which help our team save pre-tax dollars to pay for qualified medical, dental, and vision expenses. We contribute up to \$2,400 annually to the accounts of participating employees.
- We provide access to private and confidential counseling and assistance through our company-paid Employee Assistance Program to help employees and their family members find solutions to life challenges.
- Magnolia provides flexible paid sick leave for an employee's illness or to care for an ill spouse, child, parent, or legal dependent. Sick leave is in addition to our generous vacation program, which recognizes our employees' years of industry experience.
- For our Houston-based employees, we subsidize most of the monthly membership fee for a comprehensive fitness facility located within walking distance of our offices.
- We provide free identity-theft benefit coverage to all employees and their eligible dependents.

STRENGTHENING LOCAL COMMUNITIES

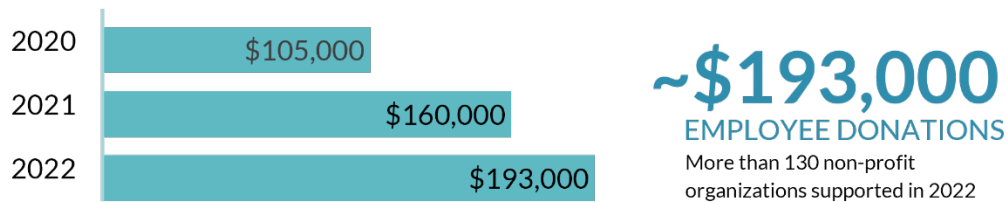
Meeting Local Needs. Through our field giving program, our field operations teams make donations on Magnolia's behalf to support organizations in the communities where we have operations. In 2022, our field teams in Giddings and Gillett contributed more than \$23,000 to local organizations. Donations in 2022 supported senior living facilities, volunteer fire departments, local food pantries, and grants to teachers at local schools.

Field Giving Program



Supporting Employee-Directed Contributions. In support of Magnolia's commitment to strengthen the local communities where it operates, Magnolia makes a \$1,000 donation annually on each employee's behalf to the charitable organization of their choice. In 2022, employees across the company directed nearly \$193,000 in donations to local and national non-profits. Contributions went to a variety of health and human services organizations, faith-based groups, educational institutions, and charities providing services to children and young adults, among other causes.

Employee-Directed Contributions



ENGAGING WITH STAKEHOLDERS

At Magnolia, our commitment to delivering value extends beyond the individuals and institutions that invest in us. We also believe in engaging with all stakeholders who have an interest in our business, understanding their priorities, and working constructively with them.

Reporting on Sustainability. Our sustainability report provides an overview of Magnolia and our culture, discloses our performance in accordance with the SASB metrics for Oil and Gas – Exploration and Production, and describes actions taken and results achieved in several environmental, social, and governance (ESG)-related areas.

- For 2022, we're providing additional qualitative and quantitative disclosures, including a disclosure of Scope 2 emissions associated with our operations.
- We plan to continue to enhance our sustainability reporting and engage with various organizations that review and rate ESG performance to understand how we can continue to improve our disclosures.
- Download our sustainability report from the Sustainability section of our website at www.magnoliaoilgas.com.

Engaging with Shareholders. Members of our executive management team regularly engage with shareholders, investors, and analysts who follow Magnolia in both formal and informal venues.

- These meetings give us an opportunity to connect with and receive feedback from shareholders and other critical stakeholders on our performance.
- During 2022, Magnolia met with stockholders representing more than 60 percent of Magnolia's outstanding shares. Magnolia strives to have a consistent outreach program with stockholders to communicate the company's strategy and answer questions about our business and sustainability practices.

Engaging with Regulators. We maintain strong working relationships with the various regulators who monitor our operations, particularly the Texas Railroad Commission (TRRC), a regulatory agency with oversight over many aspects of our business.

- We do not make corporate contributions to individual candidates or political action committees and do not sponsor a political action committee.
- We participate in various trade organizations, including the Texas Oil & Gas Association and the Independent Petroleum Association of America, to provide insights and feedback on legislative and regulatory matters that may affect our operations.

Engaging with Land and Royalty Owners. At Magnolia, we're committed to strengthening local communities. In line with that commitment, we regularly engage with land and royalty owners in the areas where we operate to cultivate trust.

- Our Land team strives to maintain close relationships with our land and royalty owners, communicating with them about specific projects and updates, answering questions, and addressing any concerns that arise.
- In addition, we work with city and county officials to upgrade or improve area roads we use as part of our activities in their jurisdictions. For example, in 2022, we helped cover the cost of several road upgrades in Lee and Washington Counties after county funds were fully expended.
- Our Land team includes employees who work in the communities where we operate. These team members interact frequently with landowners and other neighbors in and around our operations to ensure any concerns that arise are heard and addressed promptly.
- We provide multiple, convenient ways for owners to contact us, including our Owner Relations Hotline, Owner Relations E-mail, or regular mail. We also maintain a page on our website that provides useful information and resources to further support our land and royalty owners.
- In 2022, we hired owner relations professionals in our Houston location and began the process of transitioning our outsourced owner relations function to a dedicated in-house team. This change is designed to enhance the responsiveness and effectiveness of our interactions with land and royalty owners.

Engaging with Suppliers. Our suppliers are integral to our day-to-day operations. With that in mind, we focus on establishing and maintaining robust partnerships with them to ensure we respond effectively to changing industry environments while maintaining the security of supplies for our operations in a cost-efficient manner.

- Our Supply Chain Management group follows a rigorous process to identify and evaluate suppliers based on total value to the organization, focusing on factors beyond price such as safety, service cost and quality, and reliability.
- We require all companies that supply us with goods and services to comply with all applicable laws and regulations, maintain high standards for safe operations, maintain appropriate levels of insurance, and meet the expectations outlined in our Code of Business Conduct.
- Due the scope and location of our operations, Magnolia is frequently an anchor customer for local suppliers. For example, we are the largest, if not the only, customer for many suppliers in our Giddings, Texas area. Whenever possible, and consistent with our focus on quality, safety, and value, we strive to source and prioritize local suppliers to support our operations.

- In 2022, we purchased more than \$570 million in goods and services from approximately 800 suppliers. Going forward, we will continue to evaluate new technologies and enhance our skills and processes to understand the market and strategically partner with our suppliers.

GOVERNANCE

GOVERNING WITH INTEGRITY

In line with our core value of integrity, Magnolia is committed to strong corporate governance principles and practices. Our Board of Directors manages and directs our business affairs in the best interests of our stakeholders, including our shareholders, with a focus on our long-term health and success as an organization.

CORPORATE GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines promote robust governance practices related to director qualifications, responsibilities, and compensation; access to officers, employees, and advisors; and determinations regarding director independence, among other matters. Specifically, the Guidelines provide that:

- All our directors are elected on an annual basis;
- The Board and its committees conduct annual self-evaluations;
- The Board may appoint an independent, non-executive director to serve as Lead Independent Director when the Chairman is not an independent director, which it consistently did from Magnolia's inception as a public company in 2017 until September 2022, when an independent, non-executive director was appointed to serve as Chairman of the Board;
- The Board may recover incentive compensation from executive officers where the compensation was based on financial results that were later materially restated or due to misconduct or fraudulent activity; and
- The Board periodically reviews management development and succession plans with the CEO.

CODE OF BUSINESS CONDUCT AND ETHICS

Our Code of Business Conduct and Ethics requires our employees, leaders, and directors to make the right decisions in line with the highest ethical standards and comply with all applicable laws and regulations that govern our business. Our Code covers a range of topics and gives employee guidance on:

- Avoiding and reporting conflicts of interest;
- Full, fair, accurate, and timely disclosures of company information;
- Complying with the anti-corruption laws where we do business, including the U.S. Foreign Corrupt Practices Act; and
- Avoiding excessive gifts or entertainment.

The Code also explicitly prohibits directors, officers, and employees from:

- Engaging in insider trading or hedging of Magnolia's stock;
- Giving anything of value to any government officials to the extent prohibited by applicable laws;
- Exercising improper influence on the conduct of audits; and
- Retaliating against anyone reporting a potential violation of the Code in good faith.

If an employee or member of the public observes an act or behavior that they believe compromises our commitment to ethical business practices, they can report it on a confidential and anonymous basis through our hotline by calling 844-490-4679 or by using our online reporting tool available in the Sustainability—Corporate Governance section of our website at www.magnoliaoilgas.com.

EMPLOYEE HANDBOOK AND MAGNOLIA POLICY LIBRARY

In addition to our Code of Business Conduct and Ethics, all Magnolia employees have access to a comprehensive Employee Handbook and Policy Library.

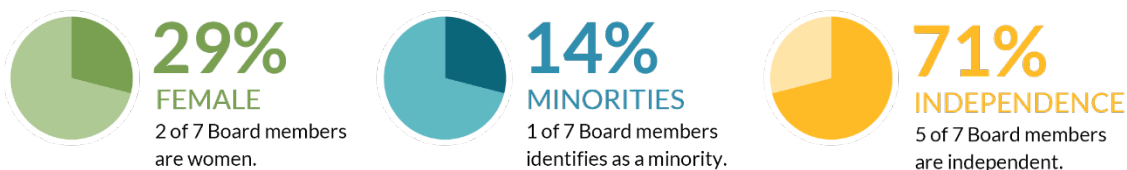
- The Handbook provides details on employment policies, expectations for employee conduct, workplace practices and procedures, wages and hours, employee benefits and other topics.
- The Magnolia Policy Library includes Accounting, Human Resources, and Information Technology policies, among others. It also includes our Whistleblower Policy, which outlines reporting procedures for employee complaints related to accounting or compliance matters.

On an annual basis, we ask every employee to certify they have read and understand our Code of Business Conduct and Ethics, our Handbook, and our company policies.

VALUING DIVERSITY AND INDEPENDENCE

At Magnolia, we value and use our diverse expertise, experiences, and ideas. This same spirit extends to our Board. We maintain a diverse Board made up of individuals with different professional experiences and backgrounds, including gender, race or ethnicity, age, and other factors. These individuals bring expertise in exploration and production, finance and accounting, public company leadership, government, academia, strategic planning, and operations to their roles on our Board. We maintain an ongoing process to properly evaluate qualification requirements to ensure our Board members are effective in their roles.

Board Diversity and Independence



STANDING COMMITTEES OF MAGNOLIA'S BOARD

All members of our standing Board committees are independent directors.

- **Audit.** Oversees our accounting and financial reporting processes and our compliance with related legal and regulatory requirements as well as audits of our financial statements and the integrity of those statements. Has general oversight over risk management, including cybersecurity risk.
- **Compensation.** Oversees our compensation policies and practices, approves the compensation of our CEO and other named executive officers, and approves our incentive compensation and equity compensation policies and programs.

- *Nominating and Corporate Governance.* Reviews our overall corporate governance and recommends improvements to our Board. Provides insight and recommendations on individuals to fill Board vacancies and maintains our Corporate Governance Guidelines. Provides oversight of our ESG policies and practices.

We regularly review our governance documents, including the charters of our standing committees, which provide a clear framework for the duties and responsibilities of our committees and are available on our website at www.magnoliaoilgas.com.

BOARD COMMITTEE MEMBERSHIP

Dan F. Smith	Independent Chairman of the Board/Audit Committee Financial Expert			
Arcilia C. Acosta	Independent			
Angela M. Busch	Independent			
Edward P. Djerejian	Independent			
James R. Larson	Independent/Audit Committee Financial Expert			
Christopher G. Stavros	Director			
John B. Walker	Director			

 Nominating and Governance
  Compensation
  Audit
  Committee Chairperson

EXECUTIVE COMPENSATION

- In 2022, the ratio of our CEO's compensation to our median employee's compensation was 22.26 to 1, meaning that for every \$1 earned by our median employee, our CEO earned \$22.26. For more information on how we calculated our CEO pay ratio, please refer to our most recent proxy statement.
- A majority of our named executive officers' compensation is at risk and at least 50% of our named executive officers' long-term equity-based compensation each year (beginning in 2019) is subject to performance-based vesting conditions.
- Payouts under our annual bonus program and our performance-based long term equity awards are capped at a maximum earning opportunity, and we cap payouts under our performance share units (PSUs) at target in the event our absolute total shareholder return (TSR) is negative for the applicable performance period.
- We maintain stock ownership guidelines for executives and non-employee directors, and we do not allow hedging of our common stock or, without prior consent, pledging of common stock by employees or directors.
- We do not have employment agreements, and we do not provide excise tax gross-ups or excessive perquisites or other benefits.
- More than 98% of our shareholders approved our say-on-pay proposal at our 2023 Annual Meeting of Stockholders.

QUANTITATIVE RESULTS: SASB DISCLOSURES

We provide quantitative results for our performance in various ESG areas. We report our results based on the Sustainability Accounting Standards Board (SASB) standards for Oil and Gas – Exploration & Production. This data captures performance from across our operations for the calendar year ended December 31, 2022.

GREENHOUSE GAS EMISSIONS

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Gross scope 1 GHG emissions	Metric tons CO ₂ -e(t)	445,322	322,006	313,429	371,090
Gross scope 1 GHG intensity rate	Metric tons CO ₂ -e(t)/production (Mboe)	14.90	13.72	15.16	16.51
Gross scope 1 methane emissions as a percentage of GHG emissions	Percent Metric tons on a CO ₂ -e basis	15.48	19.65	29.55	30.81
Percentage of scope 1 emissions covered under emissions-limiting regulations	Percentage (%)	0	0	0	0
Gross scope 1 GHG emissions from flared hydrocarbons	Metric tons CO ₂ -e	13,399	28,866	52,927	88,450
Gas flared as a percentage of production	Percentage (%)	0.11	0.28	0.69	0.99
Gross scope 1 GHG emissions from other combustion	Metric tons CO ₂ -e	356,610	227,968	162,267	148,725
Gross scope 1 GHG emissions from process emissions	Metric tons CO ₂ -e	3,455	704	477	0
Gross scope 1 GHG emissions from other vented emissions	Metric tons CO ₂ -e	22,770	20,559	55,364	76,459
Gross scope 1 GHG emissions from other fugitive emissions	Metric tons CO ₂ -e	44,929	42,105	39,350	54,360
Scope 2 (indirect) emissions	Metric tons CO ₂ -e	7,678	N/A	N/A	N/A

Note: Per EPA standards, Greenhouse Gas Emissions include full-year totals for all acquired assets, regardless of when the assets were acquired during the year.

WATER MANAGEMENT

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Total freshwater withdrawn	Thousand cubic meters (m ³)	2,689	1,955	1,137	N/A
Percentage of total fresh water withdrawn in regions with high or extremely high baseline water stress	Percentage (%)	0	0	0	0
Total freshwater consumed	Thousand cubic meters (m ³)	2,689	1,955	1,137	N/A
Percentage of total fresh water consumed in regions with high or extremely high baseline water stress	Percentage (%)	0	0	0	0
Volume of produced water and flowback generated	Thousand cubic meters (m ³)	1,289	980	857	1,294
Percentage of produced water and flowback discharged	Percentage (%)	0	0	0	0

Percentage of produced water and flowback injected	Percentage (%)	100	100	100	100
Percentage of produced water and flowback recycled	Percentage (%)	4.44	0.46	0	0
Hydrocarbon content in discharged water	Metric tons (t)	0	0	0	0
Percentage of hydraulically fractured wells for which there is public disclosure of all fracturing fluid chemicals used	Percentage (%)	100	100	100	100

BIODIVERSITY IMPACTS

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Number of hydrocarbon spills	Number	37	44	22	19
Aggregate volume of hydrocarbon spills	Barrels	504	995*	372	237
Aggregate volume of hydrocarbon spills in the Arctic	Barrels	0	0	0	0
Aggregate volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10	Barrels	0	0	0	0
Percentage of proved reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0	0	0	0
Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)	0	0	0	0

* 400 of the 995 barrels spilled in 2021 were attributable to the impact of Winter Storm Uri in Texas.

WORKFORCE HEALTH AND SAFETY

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Total recordable incident rate (TRIR) ⁽¹⁾	Number of work-related injuries and illnesses per 200,000 workhours	0.49	0.57	0.00	0.00
Fatality rate	Rate	0	0	0	0
Average hours of health, safety, and emergency response training for full-time field employees ⁽²⁾	Hours	37	37	35	35

⁽¹⁾ 2019 and 2020 TRIR includes Magnolia employees and EnerVest employees dedicated to Magnolia's assets.

⁽²⁾ 2019 and 2020 training hours include Magnolia employees and EnerVest employees dedicated to Magnolia's assets.

BUSINESS ETHICS AND TRANSPARENCY

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Percentage (%)	0	0	0	0

SECURITY, HUMAN RIGHTS & RIGHTS OF INDIGENOUS PEOPLES

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	0	0	0	0
Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)	0	0	0	0

WORKFORCE

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Total permanent, full-time employees	Number	213	192	136	45
Women, as a % of workforce	Percentage (%)	25	26	24	N/A
Minorities, as a % of workforce	Percentage (%)	30	31	32	N/A
Percent of workforce represented by Union	Percentage (%)	0	0	0	0

CRITICAL INCIDENT RISK MANAGEMENT

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Process Safety Event (PSE) rates for Loss of Primary Containment of greater consequence (Tier 1)	Rate	0	0	0	0

ACTIVITY METRICS

DEFINITION	UNIT OF MEASURE	2022	2021	2020	2019
Production of oil	Gross Operated Bbls/d	41,174	33,656	32,285	35,870
Production of natural gas	Gross Operated Mcf/d	244,204	183,830	145,248	154,242
Production of synthetic oil	Gross Operated Mbl/d and Gross Operated MMcf/d	0	0	0	0
Production of synthetic natural gas	Gross Operated Mbl/d and Gross Operated MMcf/d	0	0	0	0
Total production – best used for intensity	Gross Operated MBoe/d	82	64	56	62
Number of terrestrial sites	Number	1,093	1,070	990	984

Note: Per EPA standards, Activity Metrics include full-year totals for all acquired assets, regardless of when the assets were acquired during the year. Quantitative results above do not include data for Highlander.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this report, regarding Magnolia Oil & Gas Corporation’s (“Magnolia,” “we,” “us,” “our” or the “Company”) strategy, future operations, financial position, budgets, estimated revenues and losses, projected costs, prospects, plans, and objectives of management are forward-looking statements. When used in this report, the words could, should, will, may, believe, anticipate, intend, estimate, expect, project, plan, continue, the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management’s current expectations and assumptions about future events. Except as otherwise required by applicable law, Magnolia disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this report. Magnolia cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of Magnolia, incident to the development, production, gathering and sale of oil, natural gas and natural gas liquids (NGLs). Although Magnolia believes that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. In addition, Magnolia cautions you that the forward-looking statements contained herein are subject to the following important factors, among others, that could cause actual results to differ materially from the Company’s expectations: (i) the supply and demand for oil, natural gas, NGLs, and other products or services, including the impacts of actions taken by OPEC and other state-controlled oil companies; (ii) the market prices for oil, natural gas, NGLs and other products or services; (iii) production and reserve levels; (iv) the timing and extent of the Company’s success in discovering, developing, producing and estimating reserves; (v) drilling risks; (vi) the availability of capital resources; (vii) capital expenditures and other contractual obligations; (viii) weather conditions; (ix) the availability of goods and services; (x) cyber attacks; (xi) the outcome of any legal proceedings that may be instituted against Magnolia; (xii) Magnolia’s ability to realize the anticipated benefits of its divestitures and acquisitions, which may be affected by, among other things, competition and the ability of Magnolia to grow and manage growth profitably; (xiii) the securities or capital markets and related risks such as general credit, liquidity, market and interest rates; (xiv) changes in applicable laws, regulations, or policy, including those following any change in presidential administrations; (xv) geopolitical and business conditions in key regions of the world; (xvi) the possibility that Magnolia may be adversely affected by other economic, business, and/or competitive factors, including inflation; and (xvii) other factors disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (2022 Form 10-K). Should one or more of the risks or uncertainties described herein occur, or should underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in any forward-looking statements. Although it is not possible to identify all factors, additional information concerning these and other factors that may impact the operations and projections discussed herein can be found in Magnolia’s filings with the Securities and Exchange Commission (the “SEC”), including its 2022 Form 10-K. Magnolia’s SEC filings are available publicly on the SEC’s website at www.sec.gov.



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