

Environmental Responsibility

Safety & Health

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Environmental Responsibility

Air Quality

Centennial continually monitors and manages greenhouse gas (GHG) and other emissions from our operations. We have installed emission control and gas capture equipment at facilities that account for essentially all of our horizontal production. Centennial performs routine infrared camera inspections to identify and expeditiously repair any leaks within the timeframes required by state and / or federal regulators.

We believe that transporting our crude oil production by pipeline is not only efficient but also the safest means of transportation. Pipeline transportation helps us reduce emissions, highway traffic and the risk of accidents. Companywide, approximately 90% of our crude oil production is transported via pipeline.

Centennial also strives to limit the amount of natural gas flared at its wellheads. To help achieve our goal of 100% gas-capture, Centennial has secured firm natural gas pipeline capacity to market hubs outside of the Permian Basin for all of its expected residue gas production for the next several years. This will minimize potential gas flaring, allowing Centennial to capture its produced natural gas and safely transport it to end-users.

Hydraulic Fracturing

Hydraulic fracturing is a process in which pressurized fluid is pumped into underground formations to create tiny fractures or spaces that allow crude oil and natural gas molecules to flow from the reservoir into the well casing and surface gathering pipelines. Hydraulic fracturing, or fracing, is an essential part of our business and is utilized in all of our newly drilled and completed wells.

The mixture utilized in fracing is typically more than 99% water and sand. Less than 1% is composed of chemical additives that are highly diluted and commonly found in various household products, such as laundry detergents, cleaners and beauty products. This technique has been safely and effectively used by the oil and gas industry for approximately 70 years. Centennial strives to be as transparent as possible; therefore, we publicly report our chemical usage on each of our hydraulic fracturing jobs. We are an active participant in FracFocus, the national hydraulic fracturing chemical registry. FracFocus is managed by the Ground Water Protection Council and Interstate Oil and Gas Compact Commission, two organizations whose missions center around conservation and environmental protection. The FracFocus.org website makes it possible for anyone to see what chemicals were used at a given well. We will continue to publicly disclose our use of chemicals to FracFocus.

We take great care in protecting groundwater resources where we operate. While hydraulic fracturing occurs thousands of feet below freshwater aquifers, wellbore integrity is critical to ensure groundwater protection. During drilling, Centennial utilizes multiple layers of steel casing and cement in order to provide a safe barrier to protect aquifers. We also continuously monitor a well's pressure during drilling and completion operations to ensure the highest wellbore integrity. This monitoring continues throughout the entire drilling, completion and production processes.

Land

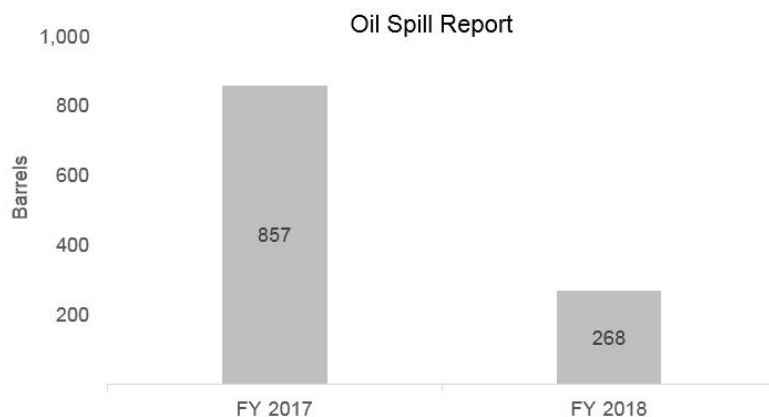
Land is core to our values at Centennial, and we believe it is critical that we maintain it for future generations. We respect the land where we operate, knowing that many Centennial employees and their families live in these communities. Centennial acknowledges that certain issues arise during crude oil and natural gas operations and tries to anticipate and minimize these risks, maintain open lines of communication and properly address landowner and community concerns in a responsive manner.

We have successfully minimized our surface impact through measures within our drilling operations. For example, our extended lateral development has resulted in a reduction of land disturbance. In addition, Centennial is shifting almost entirely to multi-well pad development, which involves drilling multiple wells from a single surface site. This style of project development further minimizes our footprint by reducing the amount of construction, infrastructure and vehicle traffic. Further, we comply with various regulatory, oil and gas lease and surface agreement requirements relating to remediation of surface impacts and restoration of the surface of the land once we have completed our operations.

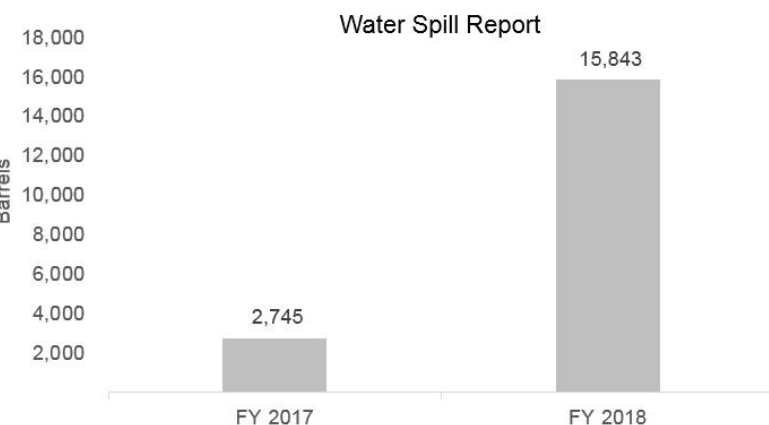
Spill Prevention

Spill prevention is vital to minimizing adverse environmental impacts to the surface, water resources and wildlife while simultaneously helping to ensure a safe workplace. Successful spill management requires effective training, continual maintenance, containment measures and situational responsiveness. Should a spill or release occur, Centennial has processes and procedures in place to quickly respond in order to minimize and mitigate its environmental impact. In addition, Centennial also has procedures to remediate any potential spills.

As part of our ongoing commitment to environmentally responsible operations, Centennial documents the volume of oil, produced water and other substances spilled from its operations. During 2018, we experienced a 69% year-over-year reduction in regulatory oil spills across our operations, even with a significant increase in oil production.



	FY 2017	FY 2018
Oil Spill Rate (Gross Operated)	0.009%	0.002%



	FY 2017	FY 2018
Water Spill Rate (Gross Operated)	0.009%	0.027%

Social Responsibility

Our Communities

Centennial takes pride in making a positive impact in our local communities. Centennial employees donate their time to a wide range of charities and community organizations and activities, such as food drives, school supply drives, toy drives and other local events. Examples of Centennial's volunteer efforts since 2017 include:

- Raised money to support the Midland (Texas) Police Department's Explorer Program, whose purpose is to help young adults mature and become responsible and caring adults
- Donated over 200 toys to CASA, which provides safe and permanent housing to abused or neglected children
- Organized an employee blood drive benefitting the Children's Hospital Colorado
- Volunteered at Metro Caring, a local foodbank and anti-hunger organization based in Denver, Colorado
- Participated in the Colfax Marathon Relay to support Bloodwise, a non-profit organization focused on funding research for blood cancers

In addition, in 2018 Centennial launched a charitable giving program which provides donations to charities and non-profit organizations, which serve the communities in which we work. Examples of charitable contributions made by the company in 2018 include:

- Bynum School – Midland-based school providing services for children and adults who have special needs
- Women's Foundation of Colorado – organization whose mission is to advance and accelerate economic opportunities for Colorado women and their families
- MARC – Midland-based organization which delivers a wide range of programs for individuals with intellectual, developmental and cognitive disabilities
- Food for Hope – provides nutritious food to students in need across Adams County, Colorado
- Global Village Academy – an innovative language immersion K-8 charter school with five campuses serving Colorado

In 2017, several of our employees' family members were affected by Hurricane Harvey, which inflicted severe damage across parts of Texas and Louisiana. In support of the relief efforts, Centennial established a matching gift program for employees who wanted to make a personal donation to the American Red Cross. This effort raised approximately \$50,000 for the American Red Cross to aid Hurricane Harvey victims.

Corporate Governance

Our corporate governance documents reflect our commitment to maintaining the trust and confidence of shareholders, employees, customers, vendors, other stakeholders and other people with whom we do business. The governance documents and committee charters listed below provide the framework for our corporate governance and the related oversight by our Board of Directors and its committees. Each of the standing committees of our Board of Directors is made up of independent directors.

Please visit our website to view the following documents: Code of Business Conduct and Ethics, Policy for Accounting-Related Complaints, Policy for Related Person Transactions and Corporate Governance Guidelines

Accounting and Compliance Whistleblower Hotline

Our Board of Directors has adopted a policy for Accounting-Relating Complaints to encourage employees, independent contractors, vendors, customers and business partners to make us aware of any practices, procedures or circumstances that raise concerns about the integrity of our accounting practices, internal accounting controls or other accounting matters. Any employee, independent contractor, vendor or business partner may submit a concern regarding accounting matters, suspected violations of laws or our governance documents or other compliance matters to our management team through our Accounting and Compliance Whistleblower Hotline, which we will review and investigate in coordination with the Audit Committee of our Board of Directors. We are committed to achieving compliance with all applicable laws, rules, regulations, standards and policies, including securities laws and regulations, accounting standards, accounting controls and audit practices.

Operational Concerns Hotline

We also provide a general operational concerns hotline to enable our employees, independent contractors, vendors, customers and business partners to make us aware of any concerns relating to our operations, working environment, course of dealing with contractors and other business partners, employee relations, security and other operational matters. We are committed to ensuring a safe, secure and ethical workplace and complying with all applicable laws, rules, regulations, standards and policies relating to our operations. Our Operational Concerns Hotline is a convenient and confidential way to report these concerns. It is hosted by a third party to maintain confidentiality and anonymity when requested.

Our People

At Centennial, we believe our best assets are our employees who create and maintain our culture. We aim to attract top talent in the oil and gas industry and empower them to do what they do best. We seek employees who constructively challenge conventional thought, ask why and push the boundaries so that we are seen as leading innovators in our industry. We rely on their passion and creativity to drive results in a team-based, collaborative and enjoyable work environment. Our employees give us a sustainable competitive advantage, and we understand the need to attract, retain and train the best team possible.

Safety & Health

Centennial promotes a safe working environment for both our employees and contractors. Our environmental, health and safety ("EH&S") professionals play an integral role in providing expertise, training and support to our operations. Every Centennial employee and certain contractors are required to take numerous safety and environmental training programs in order to ensure a safe operating environment and to recognize unsafe working conditions.

Our senior leadership team considers EH&S a core value at Centennial. Safety and environmental performance, including trends and comparisons within the industry, is reviewed by Centennial's senior management team regularly throughout the year and with the Board of Directors at least annually.

Total Recordable Incident Rate ("TRIR") represents the number of recordable incidents per 200,000 man hours and is considered the industry standard for safety and environmental benchmarking. As a result of its continual training and employee awareness, Centennial has been able to maintain a highly competitive TRIR despite a significant year-over-year increase in drilling, completion and production activity. During 2017 and 2018, Centennial's TRIR (including both CDEV personnel and contractors) was 0.47 and 0.44, respectively. This compares to the "Oil and Gas Extraction" subsector average of 1.00 in 2017, according to the U.S. Bureau of Labor Statistics (latest data available).

	CDEV FY 2017	CDEV FY 2018	Oil & Gas Avg. FY 2017
TRIR (Centennial Employees)	0.00	0.00	1.00
TRIR (Centennial Employees and Contractors)	0.47	0.44	