Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

You should carefully consider the following risk factors in addition to the other information included in this Annual Report on Form 10- K. These risk factors are not the only risks we face. Our business could also be affected by additional risks and uncertainties not currently known to us or that we currently consider to be immaterial. If any of these risks or other risks that are yet unknown or currently considered immaterial were to occur, our business, operating results and financial condition, as well as the value of an investment in our common stock, could be materially and adversely affected. Risks Related to Our Industry Our operating results, our ability to execute on our strategy and the carrying value of our assets are exposed to the effects of ~~changing~~ **volatile commodity prices or prolonged periods of low** commodity prices. Among the most significant factors impacting **our** ~~the Company' s~~ revenues, operating results and future rate of growth are the sales prices for crude oil, bitumen, LNG, natural gas and NGL. These prices **are tied to market prices that** can fluctuate widely, and many of the factors influencing the prices are beyond our control. ~~Between January~~ **For example, over the course of** ~~2020~~ **2023** ~~and December 2022~~ , WTI crude oil prices ranged from a low of ~~a negative~~ $ ~~38~~ **67** per barrel in **March** ~~April 2020~~ to a high of $ ~~124~~ **94** per barrel in **August** ~~March 2022~~ . Given the volatility in commodity price drivers and the worldwide political and economic environment, including potential economic slowdowns or recessions, **unexpected shocks to supply and demand resulting from future global health crises such** as ~~well as~~ **those experienced in connection with the COVID- 19 pandemic or** increased uncertainty generated by recent (and potential future) armed hostilities in various oil- producing regions around the globe, prices for crude oil, bitumen, LNG, natural gas and NGLs may continue to be volatile. ~~Low~~ **Prolonged periods of low** commodity prices could have a material adverse effect on our revenues, operating income, cash flows and liquidity, and may also affect the amount of dividends we elect to declare and pay on our common stock and the amount of shares we elect to acquire as part of ~~the~~ **our** share repurchase program and the timing of such acquisitions. Lower prices may also limit the amount of reserves we can produce economically, thus adversely affecting our proved reserves and reserve replacement ratio and accelerating the reduction in our existing reserve levels as we continue production from upstream fields. Prolonged depressed prices may affect strategic decisions related to our operations, including decisions to reduce capital investments or curtail operated production. Significant reductions in crude oil, bitumen, LNG, natural gas and NGL prices could also require us to reduce our capital expenditures, impair the carrying value of our assets or discontinue the classification of certain assets as proved reserves. Although it is not reasonably practicable to quantify the impact of any future impairments or estimated change to our unit- of- production rates at this time, our results of operations could be adversely affected as a result. Unless we successfully develop resources, the scope of our business will decline, resulting in an adverse impact to our business. As we produce crude oil, bitumen, natural gas and NGLs from our existing portfolio, the amount of our remaining reserves declines. If we ~~are~~ **do** not ~~successful~~ **successfully** ~~in replacing~~ **replace** the resources we produce with good prospects for future organic development or through acquisitions, our business will decline. In addition, our ability to successfully develop our reserves ~~is dependent~~ **depends** on **our achievement of** a number of ~~factors~~ **operational and strategic objectives, some aspects of which are beyond our control** , including ~~our ability to successfully navigate~~ **navigating** political and regulatory challenges to obtain and renew rights to develop and produce hydrocarbons; ~~our success at~~ reservoir optimization; ~~our ability to bring~~ **bringing** long-lead time, capital intensive projects to completion on budget and on schedule; and ~~our ability to~~ efficiently and profitably ~~operate~~ **operating** mature properties. If we are not successful in developing the resources in our portfolio, our financial condition and results of operations may be adversely affected. The exploration and production of oil and gas is a highly competitive industry. The exploration and production of crude oil, bitumen, natural gas and NGLs is a highly competitive business. We compete with private, public and state- owned companies in all facets of the exploration and production business, including to locate **, acquire** and ~~obtain~~ **develop** new sources of supply and to produce crude oil, bitumen, natural gas and NGLs in an efficient, cost- effective manner. In addition, as the energy transition progresses, we anticipate the oil and gas industry will face additional competition from alternative fuels. We must **also** compete for the materials, equipment, services, employees and other personnel (including geologists, geophysicists, engineers and other specialists) necessary to conduct our business. If we are not successful in ~~our~~ **any facet of this** competition, our financial condition and results of operations may be adversely affected. ConocoPhillips ~~2022~~ **2023** 10- K20 Risk FactorsOur ability to successfully execute on our energy transition plans is subject to a number of risks and uncertainties and may be costly to achieve. In 2020, we announced our Paris- aligned climate risk framework, including an ambition to achieve net- zero ~~emissions on~~ operational emissions by 2050. In 2022, we published our Plan for the Net- Zero Energy Transition (the " Plan ") and continued to set increasingly ambitious targets around **operational GHG emissions intensity and reducing methane** emissions and flaring. Our ability to achieve stated targets, goals and ambitions is subject to a number of risks and uncertainties out of our control, **government** ~~including the pace of development of currently undeveloped technologies,~~ policies and markets, as well as potential regulations that may impair our ability to execute on current or future plans. **Such achievement also depends on the accelerated pace of development of effective emissions measurement and abatement technologies, and the actual pace of development may be inadequate, or the technologies actually developed may be insufficient.** Furthermore, we are still in the planning stages, and **the Plan' s** execution could be costly ~~and~~ **, may** have unforeseen obstacles **, may proceed at varying paces during the timeframe allotted for the Plan and may be accomplished in a manner that we cannot predict at this time** . We may be required to purchase emission credits **in the future** , and there may be **an** insufficient **supply of** offsets to achieve our goals **, or we could incur increasingly greater expenses related to our purchase of such offsets** . As advanced technologies are developed to accurately measure emissions, we may be required to revise our emissions estimates and reduction goals **or otherwise revise our strategies outlined in the Plan** . We may be adversely affected and potentially need to reduce economic end- of- field life of certain assets and impair associated net book value due to the emissions intensity of some of our assets. Even if we meet our goals, our efforts may be characterized as insufficient. In 2021, we established our Low- Carbon Technologies organization to identify and evaluate business opportunities that address end- use emissions and early- stage low- carbon technology opportunities that would leverage our existing expertise and adjacencies. **Our investments in these technologies may expose us to numerous financial, legal, operational, reputational and other risks.** While we perform a thorough analysis on these investments, the related technologies and markets are at early stages of development and we do not yet know what rate of return we will achieve **, if any. Furthermore, we may not be able to deploy such technologies at a commercial scale** . The success of our low- carbon strategy will **depend** in part ~~be dependent~~ upon the cooperation of **government** agencies, the support of stakeholders, ~~the success of~~ our **ability to research and forecast potential** investments, and our ability to apply our existing strengths and expertise **to new technologies, projects and markets** . ~~Any~~ **Estimates of crude oil, bitumen, natural gas and NGL reserves are imprecise and may be subject to revision, and any** material change in the factors and assumptions underlying our estimates of crude oil, bitumen, natural gas and NGL reserves could impair the quantity and value of those reserves. Our proved reserve information included in this annual report represents management' s best estimates based on assumptions, as of a specified date, of the volumes to be recovered from underground accumulations of crude oil, bitumen, natural gas and NGLs. Such volumes cannot be directly measured **,** and the estimates and underlying assumptions used by management are subject to substantial risk and uncertainty. Any material changes in the factors and assumptions underlying our estimates of these items could result in a material negative impact to the volume of reserves reported or could cause us to incur impairment expenses on property associated with the production of those reserves. Future reserve revisions could also result from changes in, among other things, governmental regulation and commodity prices. **For more information on estimates used, see the" Critical Accounting Estimates" section of Management' s Discussion and Analysis of Financial Condition and Results of Operations.** Our business may be adversely affected by price controls ~~,~~ **;** government- imposed limitations on production or exports of crude oil, bitumen, LNG, natural gas and NGLs ~~,~~ **;** or the unavailability of adequate gathering, processing, compression, transportation, and pipeline facilities and equipment for our production of crude oil, bitumen, natural gas and NGLs. As discussed herein, our operations are subject to extensive governmental regulations **across numerous jurisdictions** . From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of crude oil, bitumen, natural gas and NGL wells below actual production capacity. Similarly, in response to increased domestic energy costs, circumstances determined to be in the economic interest of the country, or a declared national emergency, governments could restrict the export or import of our products which would adversely impact our business. Because legal requirements are frequently changed and subject to interpretation, we cannot predict whether future restrictions on our business may be enacted or become applicable to us. **21ConocoPhillips 2023 10- K** Our ability to sell and deliver the crude oil, bitumen, LNG, natural gas and NGLs that we produce also depends on the availability, proximity, and capacity of gathering, processing, compression, transportation and pipeline facilities and equipment, as well as any necessary diluents to prepare our crude oil, bitumen, LNG, natural gas and NGLs for transport. ~~Furthermore, we rely on there being sufficient facilities and takeaway capacity to support our commitment to reduce routine flaring.~~ The facilities, equipment and diluents we rely on may be temporarily unavailable to us due to market conditions, extreme weather events, **permitting delays and other** regulatory ~~reasons~~ **matters** , mechanical reasons or other factors or conditions, many of which are beyond our control. In addition, in certain newer plays, the capacity of necessary facilities, equipment and diluents may not be sufficient to accommodate production from existing and new wells, and construction and permitting delays, permitting costs and regulatory or other constraints could limit or delay the construction, manufacture or other acquisition of new facilities and equipment. If any facilities, equipment or diluents, or any of the transportation methods and channels that we rely on become unavailable for any period of time, we may incur increased costs to transport our crude oil, bitumen, LNG, natural gas and NGLs for sale **;** ~~, or~~ we may be forced to curtail our production of crude oil, bitumen, natural gas or NGLs **or we may not be able to meet all the objectives in the Plan, such as reducing routine flaring** . ~~21ConocoPhillips 2022 10- K~~ Our ability to manage risk or influence outcomes in joint ventures may be constrained. We conduct many of our operations through joint ventures in which another joint venture partner is operator or we may not have majority control. In these cases, the economic, business, or legal interests or goals of the operator or the voting majority may be inconsistent with ours, and we may not be able to influence the decision making or outcomes to align with our interests or goals. Failure by an operator or a **voting** majority, with whom we have a joint venture interest, to adequately manage the risks associated with any operations could have an adverse effect on the financial condition or results of operations of our joint ventures and, in turn, our business and operations. Our operations ~~present~~ **are subject to** hazards and risks that require significant and continuous oversight. ~~The scope and nature of our operations present a variety of significant hazards and risks, including operational hazards and risks such as explosions, fires, product spills, severe weather, geological events, global health crises, such as epidemics and pandemics, labor disputes, geopolitical tensions, armed hostilities, terrorist or piracy attacks, sabotage, civil unrest or cyberattacks.~~ Our operations are subject to **a variety of hazards and risks that require significant and continuous oversight, such as** the **monitoring, prevention or mitigation of or protection from explosions, fires, product spills, severe weather, geological events, global health crises, such as epidemics and pandemics, labor disputes, geopolitical tensions, armed hostilities, terrorist or piracy attacks, sabotage, civil unrest or cyberattacks. Our operations are subject to** additional hazards **concerning exposure to and potential release** of ~~pollution,~~ **pollutants and** toxic substances ~~and~~ **, as well as** other environmental hazards and risks. **For example,** ~~Offshore~~ **offshore** activities may pose incrementally greater risks because of complex subsurface conditions such as higher reservoir pressures, water depths and metocean conditions. All such hazards could result in loss of human life, significant property and equipment damage, environmental pollution, impairment of operations, substantial losses to us and damage to our reputation.

Our business and operations may be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any of these hazards and risks or any other major crisis or if we are unable to efficiently restore or replace affected operational components and capacity. **Countermeasures to address global health crises, epidemics or pandemics, including future outbreaks of COVID- 19, may result in reduced demand for our products; disruptions to our supply chain, the global economy or financial or commodity markets; disruptions in our contractual arrangements with our service providers, suppliers and other counterparties; failures by our suppliers, contract manufacturers, contractors, joint venture partners and external business partners, to meet their obligations to us; reduced workforce productivity; and voluntary or involuntary curtailments.** Further, our insurance may not be adequate to compensate us for all resulting losses **described above** , and the cost to obtain adequate coverage may increase for us in the future or may not be available. In addition, although we design and operate our business operations to accommodate expected climatic conditions, to the extent there are significant changes in the earth' s climate, such as more severe or frequent weather conditions in the markets where we operate or the areas where our assets reside, we could incur increased expenses, our operations and supply chain could be adversely impacted and demand for our products could fall. ~~Our business has been, and may continue to be, adversely affected by the coronavirus (COVID- 19) pandemic. The COVID- 19 pandemic and the measures put in place to address it negatively impacted the global economy, disrupted global supply chains, reduced global demand for oil and gas and created significant volatility and disruption of financial and commodity markets. Our business was adversely impacted by the COVID- 19 pandemic and may be impacted again in the future depending on the scope and severity of current or future outbreaks. Potential impacts to our business could include, but are not limited to, reduced demand for our products, disruptions to our supply chain, disruptions in our contractual arrangements with our service providers, suppliers and other counterparties, failures by our suppliers, contract manufacturers, contractors, joint venture partners and external business partners, to meet their obligations to us, reduced workforce productivity, and voluntary or involuntary curtailments to support oil prices or alleviate storage shortages for our products.~~ Any of these factors, or other cascading effects of **such factors** ~~the COVID- 19 pandemic that are not currently foreseeable~~ , could materially increase our costs ~~,~~ **;** negatively impact our revenues **or ability to implement and advance the Plan;** and damage our financial condition, results of operations, cash flows and liquidity position. The full extent and duration of any such impacts cannot be predicted at this time because of the lack of certainty surrounding ~~the~~ **their** ~~pandemic~~ **sources, causes and outcomes** . ConocoPhillips ~~2022~~ **2023** 10- K22 Legal and Regulatory Risks We expect to continue to incur substantial capital expenditures and operating costs as a result of our compliance with existing and future environmental laws and regulations. Our business is subject to numerous laws and regulations relating to the protection of the environment, which are expected to continue to have an increasing impact on our operations. For a description of the most significant of these environmental laws and regulations, see the “ Contingencies — Environmental ” ~~and~~ **,** “ ~~Contingencies —~~ Climate Change ” **and" — Company Response to Climate- Related Risks"** sections of Management’ s Discussion and Analysis of Financial Condition and Results of Operations. These laws and regulations continue to increase in both number and complexity and affect our operations with respect to, among other things: • Permits required in connection with exploration, drilling, production and other activities, including those issued by national, subnational, and local authorities; • The discharge of pollutants into the environment; • Emissions into the atmosphere, such as nitrogen oxides, sulfur dioxide, mercury and GHG emissions, including methane; • Carbon taxes; • The handling, use, storage, transportation, disposal and cleanup of hazardous materials and hazardous and nonhazardous wastes; • The dismantlement, abandonment and restoration of historic properties and facilities at the end of their useful lives; and • Exploration and production activities in certain areas, such as offshore environments, arctic fields, oil sands reservoirs and unconventional plays. We have incurred and will continue to incur substantial capital, operating and maintenance, and remediation expenditures as a result of these laws and regulations. In addition, to the extent these expenditures are assumed by a buyer as a result of a disposition, it may result in our incurring substantial costs if the buyer is unable to satisfy these obligations. Any **actual or perceived** failure by us to comply with existing or future laws, regulations and other requirements could result in administrative or civil penalties, criminal fines, other enforcement actions or third- party litigation against us. To the extent these expenditures, as with all costs, are not ultimately reflected in the prices of our products, our business, financial condition, results of operations and cash flows in future periods **as well as our ability to implement and advance the Plan** could be adversely affected. Existing and future laws, regulations and internal initiatives relating to global climate change, such as limitations on GHG emissions, may impact or limit our business plans, result in significant expenditures, promote alternative uses of energy or reduce demand for our products. Continuing political and societal attention to the issue of global climate change has resulted in both existing and pending international agreements and national, regional or local legislation and regulatory measures to limit GHG emissions, such as cap and trade regimes, specific emission standards, carbon taxes, restrictive permitting, increased fuel efficiency standards, and incentives or mandates for renewable and alternative energy. Although we may support the intent of legislative and regulatory measures aimed at addressing climate- related risks, the specifics of how and when they are enacted could result in a material adverse effect to our business, financial condition, results of operations and cash flows in future periods **as well as our ability to implement and advance the Plan** . For example, in ~~November~~ **December** ~~2021~~ **2023** , the **EPA** ~~U. S. Environmental Protection Agency~~ published a ~~Proposed~~ **final** ~~Rule~~ **rule** ~~(revised and republished as a Supplemental Proposal in November 2022)~~ that ~~would revise~~ **revises** the regulations governing **, among other things,** the emission of ~~GHG~~ **methane** and volatile organic compounds from new oil and gas production facilities, and emission guidelines for states to use when revising Clean Air Act implementation plans to limit ~~GHG~~ **methane** emissions from existing oil and gas facilities. **The** ~~While the form and substance of the regulation is not yet~~ final **rule** ~~, the new regulation~~ could result in additional capital expenditures and compliance, operating and maintenance costs, any of which may have an adverse effect on our business and results of operations. Additionally, in ~~2022~~ **2023** , the U. S. joined the international community at the ~~27th~~ **28th** Conference of the Parties (~~COP27~~ **COP28**) ~~. At the conclusion of COP27~~ , **where** the U. S. and nearly 200 other countries, including most of the ~~other~~ countries in which we operate, renewed ~~solidarity~~ **their commitment** to deliver on the **aims** ~~outstanding elements~~ of the **2015** Paris Agreement ~~and~~ **. COP28 included a decision on** the ~~Glasgow~~ **world' s first' global stocktake' to ratchet up** ~~Climate~~ **climate action before** ~~Pact agreed to at~~ the **end** ~~26th Conference~~ of the ~~Parties~~ **decade — including a goal to triple renewable energy capacity by 2030 — and for the first time its final agreement explicitly recommended" transitioning away from fossil fuels** in ~~2021~~ **the energy system** . **"** The implementation of current agreements and regulatory measures, as well as any future agreements or measures addressing climate change and GHG emissions, may adversely increase our capital and operating expenses, **23ConocoPhillips 2023 10- K** impact the demand for our products, impose taxes on our products or operations, or ~~23ConocoPhillips 2022 10- K~~ require us to purchase emission credits or reduce emissions of GHGs from our operations. For example, in August 2022, the U. S. enacted the Inflation Reduction Act of 2022, which includes a charge on methane emissions from selected facilities in the oil and gas industry, including many of the facilities operated by ConocoPhillips. As a result, we may ~~experience declines in commodity prices or~~ incur substantial capital expenditures and compliance, operating, maintenance and remediation costs, any of which may have an adverse effect on our business and results of operations. For more information on legislation or precursors for possible regulation relating to global climate change that affect or could affect our operations and a description of the company' s response, see the" Contingencies — Climate Change " **and" — Company Response to Climate- Related Risks"** sections of Management' s Discussion and Analysis of Financial Condition and Results of Operations. Broader investor and societal attention to and efforts to address global climate change may limit who can do business with us or our access to ~~capital~~ **financial markets** and could subject us to litigation. Increasing attention to global climate change has also resulted in pressure from and upon stockholders, financial institutions and other **financial** market participants to **potentially** ~~modify their relationships with oil and gas companies and to~~ limit or discontinue investments, insurance and funding to ~~such~~ **oil and gas** companies. For example, a significant number of financial institutions are now members of the Glasgow Financial Alliance for Net Zero (GFANZ), thereby pledging to the goal of net zero by 2050 ~~on scope 1, 2 and 3 emissions~~ , as well as setting interim targets for 2030 or earlier. While **they** ~~GFANZ members~~ are not prohibited from ~~having relationships~~ **doing business** with oil and gas companies, ~~they are facing intense scrutiny for providing any sort of financial support to such companies, which may lead to greater restrictions on~~ GFANZ members ~~in the future~~ **may self- impose limits** . Conversely, we also face pressure from some in the investment community and certain public interest groups to limit the focus on ESG in our decision- making **, arguing that ESG considerations do not relate to financial outcomes** . As public pressure continues to mount **on the financial sector** , our ~~access to~~ **costs of** capital ~~on terms we find favorable (if it is available at all) may be limited, and our costs~~ may increase ~~, our reputation could be damaged, and our business and results of operations may be otherwise adversely affected~~ . Furthermore, increasing attention to global climate change has resulted in an increased likelihood of governmental investigations and private litigation, which could increase our costs or otherwise adversely affect our business. Beginning in 2017 **and continuing through 2023** , cities, counties, governments and other entities in several states / territories in the U. S. have filed lawsuits against oil and gas companies, including ConocoPhillips, seeking compensatory damages and equitable relief to abate alleged climate change impacts. Additional lawsuits with similar allegations are expected to be filed. The amounts claimed by plaintiffs are unspecified and the legal and factual issues involved in these cases are unprecedented. ConocoPhillips believes these lawsuits are factually and legally meritless, and are an inappropriate vehicle to address the challenges associated with climate change and will vigorously defend against such lawsuits. The ultimate outcome and impact to us cannot be predicted with certainty, and we ~~could~~ **expect to** incur substantial legal costs associated with defending these and similar lawsuits in the future. We could also receive lawsuits alleging a failure or lack of diligence to meet our publicly stated ESG goals, or alleging misrepresentation related to our ESG activity. Political and economic developments could damage our operations and materially reduce our profitability and cash flows. Actions of the U. S., state, local and foreign governments, through sanctions, tax and other legislation, executive orders and commercial restrictions, could reduce our operating profitability both in the U. S. and abroad. In certain locations, restrictions on our operations; leasing restrictions; special taxes or tax assessments; and payment transparency regulations that could require us to disclose competitively sensitive information or might cause us to violate non- disclosure laws of other countries have been imposed or proposed by governments or certain interest groups. In addition, we may face regulatory changes in the U. S. including, but not limited to, the enactment of tax law changes that adversely affect the fossil fuel industry, new methane emissions standards, **requirements** ~~restrictive~~ **restricting or prohibiting** flaring ~~requirements,~~ and **subsurface water disposal,** more stringent environmental impact studies and reviews **and policies inhibiting or curtailing LNG exports** . ~~We also cannot rule out the possibility of similar~~ **Similar** regulatory shifts ~~and~~ **, including** attendant **higher** ~~cost~~ **costs** and market access ~~implications~~ **constraints, may also occur** in ~~other~~ international jurisdictions **in which we operate** . ~~One area subject to significant political and regulatory activity is the use of hydraulic~~ **Hydraulic** fracturing, an essential completion technique that facilitates production of oil and natural gas otherwise trapped in lower permeability rock formations **, has historically attracted political and regulatory scrutiny** . A range of local, state, federal and national laws and regulations currently govern ~~or~~ , **constrain or** ~~in some hydraulic fracturing operations,~~ prohibit hydraulic fracturing in some jurisdictions. **New** ~~Although hydraulic fracturing has been conducted safely for many decades, a number of new laws, regulations and permitting requirements are under consideration which could result in increased costs, operating restrictions, operational delays or could limit the ability to develop oil and natural gas resources. Certain jurisdictions in which we operate have adopted or are considering regulations that could impose new~~ or more stringent permitting, disclosure or other regulatory requirements on hydraulic fracturing or other oil and natural gas operations, including subsurface water disposal **, could result in increased costs, operating restrictions or operational delays or could limit the ability to develop oil and natural gas resources** . ~~ConocoPhillips 2022 10- K24~~ In addition, certain interest groups have also proposed ballot initiatives **, contested lease sales** and ~~constitutional amendments designed~~ **challenged project permits, for example,** to restrict oil and natural gas development generally ~~and hydraulic fracturing~~ **as well as specific projects, including the ConocoPhillips 2023 10- K24 Willow project** in ~~particular~~ **Alaska** . In the event that ballot initiatives, local, state, or national restrictions or prohibitions are adopted and result in more stringent limitations on the production and development of oil and natural gas in areas where we conduct operations, we may incur significant costs to comply with such requirements or may experience delays or curtailment in the permitting or pursuit of exploration, development or production activities. Such compliance costs and delays, curtailments, limitations or prohibitions could have a material adverse effect on our business, prospects, results of operations, financial condition ~~and~~ **,** liquidity **and ability to implement and advance the Plan** . ~~Local political~~ **Political** and economic factors in international markets could have a material adverse effect on us. Approximately ~~32~~ **31** percent of our hydrocarbon production was derived from production outside the U. S. in ~~2022~~ **2023** , and ~~32~~ **33** percent of our proved reserves, as of December 31, ~~2022~~ **2023** , were located outside the U. S. We are subject to risks associated with our operations in foreign jurisdictions and international markets, including changes in foreign governmental policies relating to crude oil, bitumen, LNG, natural gas or NGL pricing and taxation ~~,~~ **;** other ~~political,~~ **regulatory or** economic ~~or diplomatic~~ developments (including the macro effects of international trade policies and disputes) **;** ~~, potentially~~ disruptive geopolitical conditions, and international monetary and currency rate fluctuations. For example **, in December 2022** , in response to higher energy prices resulting from the conflict between Russia and Ukraine ~~, in December 2022~~ , Australia' s Parliament passed legislation setting a one- year price cap on natural gas. **Further legislation was introduced in 2023 that extends the price cap through to at least June 2025, subject to further review and certain exemptions.** Restrictions on production of oil and gas could increase to the extent governments view such measures as a viable approach for pursuing national and global energy **security** and climate policies **. The escalation of geopolitical tension in the Middle East in late 2023 and early 2024 underscores the continued relevance of this consideration** . In addition, some countries where we operate lack a fully independent judiciary system. This, coupled with changes in foreign law or policy, results in a lack of legal certainty that exposes our operations to increased risks, including increased difficulty in enforcing our agreements in those jurisdictions and increased risks of adverse actions by local government authorities, such as expropriations. Actions by host governments, such as the expropriation of our oil assets by the Venezuelan government, have affected operations significantly in the past and may continue to do so in the future. In addition, the U. S. government has the authority to prevent or restrict us from doing business in foreign jurisdictions or with certain parties. These restrictions and similar restrictions imposed by foreign governments have in the past limited our ability to operate in, or gain access to, opportunities in various jurisdictions. **Diplomatic relations or policies between the U. S. government and one or more foreign jurisdictions may impair our ability to collect awards in legal actions against such foreign jurisdictions.** Changes in domestic and international policies and regulations may also restrict our ability to obtain or maintain licenses or permits necessary to operate in foreign jurisdictions, including those necessary for drilling and development of wells. Similarly, the declaration of a " climate emergency " could result in actions to limit exports of our products and other restrictions. Any of these actions could adversely affect our business or operating results **, including our ability to implement and advance the Plan** . Other Risk Factors Facing our Business or Operations We may need additional capital in the future, and it may not be available on acceptable terms or at all. We have historically relied primarily upon cash generated by our business to fund our operations and strategy; however, we have also relied from time to time on access to the capital markets for funding. There can be no assurance that additional financing will be available in the future on acceptable terms or at all. In addition, although we anticipate we will be able to repay our existing indebtedness when it matures or in accordance with our stated plans, there can be no assurance we will be able to do so. Our ability to obtain additional financing or refinance our existing indebtedness when it matures or in accordance with our plans, will be subject to a number of factors, including market conditions, our operating performance, investor sentiment **, risks impacting financial institutions and the credit markets more broadly** and financial institution policies regarding the oil and gas industry. If we are unable to generate sufficient funds from operations or raise additional capital for any reason, our business could be adversely affected. In addition, we are regularly evaluated by the major rating agencies based on a number of factors, including our financial strength and conditions affecting the oil and gas industry generally. We and other industry companies have had our ratings reduced in the past due to negative commodity price outlooks **. These major rating agencies are now considering ESG attributes when assessing credit profiles. While these assessments have limited impact today, they have the potential to pressure credit ratings over time** . Any downgrade in our credit rating or announcement that our credit rating is under review for possible downgrade could increase the cost associated with any additional indebtedness we incur. 25ConocoPhillips ~~2022~~ **2023** 10- K Our business may be adversely affected by deterioration in the credit quality of, or defaults under our contracts with, third- parties with whom we do business. The operation of our business requires us to engage in transactions with numerous counterparties operating in a variety of industries, including other companies operating in the oil and gas industry. These counterparties may default on their obligations to us as a result of operational failures or a lack of liquidity, or for other reasons, including bankruptcy. Market speculation about the credit quality of these counterparties, or their ability to continue performing on their existing obligations, may also exacerbate any operational difficulties or liquidity issues they are experiencing. Any default by any of our counterparties may result in our inability to perform our obligations under agreements we have made with third- parties or may otherwise adversely affect our business or results of operations. In addition, our rights against any of our counterparties as a result of a default may not be adequate to compensate us for the resulting harm caused or may not be enforceable at all in some circumstances. We may also be forced to incur additional costs as we attempt to enforce any rights we have against a defaulting counterparty, which could further adversely impact our results of operations. Our ability to execute our capital return program is subject to certain considerations. In December 2021, we initiated a three- tier capital return program that consists of our ordinary dividend, share repurchases and a variable return of cash (VROC). Ordinary dividends are authorized and determined by our Board of Directors in its sole discretion and depend upon a number of factors, including: • Cash available for distribution; • Our results of operations and anticipated future results of operations; • Our financial condition, especially in relation to the anticipated future capital needs of our properties; • The level of distributions paid by comparable companies; • Our operating expenses; and • Other factors our Board of Directors deems relevant. VROC distributions are also authorized and determined by our Board of Directors in its sole discretion and depend upon a number of factors, including: • The anticipated level of distributions required to meet our capital returns commitment; • Forward prices; • The amount of cash we hold; • Total yield; and We expect to continue to pay a quarterly ordinary dividend to our stockholders. In addition, based on the current environment, we anticipate also paying a quarterly VROC to our shareholders ~~staggered from the ordinary dividend payment, resulting in up to eight cash distributions to shareholders throughout the year~~ ; however, the amount of dividends and VROC is variable and will depend upon the above factors, and our Board of Directors may determine not to pay a dividend or VROC in a quarter or may cease declaring a dividend or VROC at any time. ~~For example~~ **Since the inception of the three- tier return of capital program** , **the** ~~in October 2022, we paid a~~ VROC **has both increased** ~~of $ 1. 40 per share,~~ and ~~in January 2023~~ **decreased across quarters** , **and it may continue to fluctuate in the future** ~~we paid a VROC of $ 0. 70 per share~~ . Additionally, as of December 31, ~~2022~~ **2023** , $ ~~21~~ **16** . ~~6~~ **2** billion of repurchase authority remained of the $ 45 billion share repurchase program our Board of Directors had authorized. Our share repurchase program does not obligate us to acquire a specific number of shares during any period, and our decision to commence, discontinue or resume repurchases in any period will depend on the same factors that our Board of Directors may consider when declaring dividends, among other factors. In the past we have suspended our share repurchase program in response to market downturns, including as a result of the oil market downturn that began in early 2020, and we may do so again in the future. Any downward revision in the amount of our ordinary dividend or VROC or the volume of shares we purchase under our share repurchase program could have an adverse effect on the market price of our common stock. ConocoPhillips ~~2022~~ **2023** 10- K26 There are substantial risks with any acquisitions or divestitures we have completed or that we may choose to undertake. We regularly review our portfolio and pursue growth through acquisitions and seek to divest noncore assets or businesses. We may not be able to complete these transactions on favorable terms, on a timely basis, or at all. Even if we do complete such transactions, our cash flow from operations may be adversely impacted or otherwise the transactions may not result in the benefits anticipated due to various risks, including, but not limited to (i) the failure of the acquired assets or businesses to meet or exceed expected returns, including risk of impairment; (ii) the inability to dispose of noncore assets and businesses on satisfactory terms and conditions; and (iii) the discovery of unknown and unforeseen liabilities or other issues related to any acquisition for which contractual protections are inadequate or we lack insurance or indemnities, including environmental liabilities, or with regard to divested assets or businesses, claims by purchasers to whom we have provided contractual indemnification. In addition, we may face difficulties in integrating the operations, technologies, products and personnel of any acquired assets or businesses. Our technologies, systems and networks **are** ~~may be~~ subject to cybersecurity threats. Our business ~~, like others within the oil and gas industry,~~ is faced with growing cybersecurity threats as we increasingly rely on digital technologies across our business **. Cybersecurity risks to our business** , **including our suppliers,** ~~some of which are managed by~~ third- party service providers ~~on whom we rely to help us collect~~ , **contractors** ~~host or process information. As a result~~ , **joint venture partners** ~~we face various cybersecurity threats, both internal~~ and external **business partners** , ~~such as attempts~~ **include but are not limited** to ~~gain~~ **: •** ~~unauthorized~~ **Unauthorized** access to, or control of ~~,~~ **or disclosure of** sensitive information about our ~~operations~~ **business** and our employees **; • Compromise of our data or systems** , ~~attempts to~~ **including corruption, sabotage, encryption or acts that otherwise** render our data or systems **unusable** (or those of third- parties with whom we do business, including third- party cloud and **information technology (** IT **)** service providers) ~~corrupted~~ **; • Theft or manipulation of** ~~or~~ **our** ~~unusable,~~ **proprietary information; • Ransom; • Extortion; •** ~~threats~~ **Threats** to the security of our facilities and infrastructure **; and • Cyber terrorism. In addition** ~~as well as those of third- parties with whom we do business~~ , ~~including~~ **we have exposure to cybersecurity risks where our data and proprietary information are collected, hosted, and / or processed by** third- party cloud and ~~IT~~ service providers ~~,~~ **. Our risks may be exacerbated by a delay or failure to detect a cybersecurity incident or understand the full extent of such incident notwithstanding our risk management processes** and ~~attempted~~ **controls. We face risks associated with new and ever- increasing phishing techniques, hidden malware, as well as risks associated with electronic data proliferation and technology digitization. We also face increased risk with the increased sophistication of Generative Artificial Intelligence capabilities, which may improve or expand the existing capabilities of cybercriminals described above in a manner we cannot predict at this time. Our increasing reliance on IT in our production, distribution and marketing systems may allow cybersecurity threats to disrupt our oil and gas operations, both domestically and abroad. If our data, IT, operational technology (OT), including industrial control and supervisory control and data acquisition (SCADA) systems were to be breached, damaged or disrupted due to a cybersecurity incident or** cyber **- attack (directly, indirectly through** ~~terrorism. Cybersecurity threats could affect the security of our data and proprietary information housed internally and on~~ third- ~~party~~ **parties or through the** IT ~~systems, including the cloud. A successful attack may result in gaining unauthorized access to, or control of, and disclosure of sensitive information about our operations and our employees and / or partners; attempts to corrupt, sabotage, or render our data or systems (or those of third parties with whom we do business, including third- party cloud and IT service providers) unusable; theft or manipulation of our proprietary business information, whether from insiders or external threat actors; and cyberextortion for the return of data. The impact to our data could subject our company to potential reputational damage, legal liability, regulatory fines and penalties, and increased compliance costs. In addition, cybersecurity threats could also disrupt our oil and gas operations both domestically and abroad given that computers aid to control production, our equipment and monitor our distribution systems globally and are necessary to deliver our production to market. A disruption, failure, or a cyberattack of these operating systems, or of the~~ networks, **servers,** software ~~and~~ **, or** infrastructure on which they rely **)** ~~, many of which are not owned or operated by us, could damage production, distribution or storage assets, delay or prevent delivery to markets, make it difficult or impossible to accurately account for production and settle transactions, or negatively impact public health or safety, economic security, or national security. Although we have experienced occasional cybersecurity threats, none have currently had a material effect on our business, operations or reputation. We will comply with government- imposed security requirements to implement specific mitigation measures to protect against cybersecurity threats to our information and operational technology. In addition, we must~~

~~continually expend additional resources to continue to modify or enhance our protective measures or to investigate and remediate any vulnerabilities detected. We maintain an extensive network of technical security procedures and controls, training, and policy enforcement mechanisms to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure. Despite our ongoing investments in security resources, talent and business practices, we are unable to assure that any security measures, or measures implemented by third parties, will be completely effective. If our systems and infrastructure were to be breached, damaged or disrupted~~ , we could be subject to serious negative consequences ~~,~~ **. These consequences could** ~~including~~ **include physical damage to production, distribution or storage assets; delay or prevention of delivery to markets;** disruption ~~of our~~ - **or** ~~operations~~ **prevention of accurate accounting for production and settlement of transactions; negative impacts on public health** , **safety, the environment, economic security, or national security; financial impacts; business interruption; reputational** damage **;** ~~to our reputation, a~~ loss of employee **, supplier, contractor, partner** and / or **public** ~~third party~~ trust ~~,~~ **;** reimbursement or other costs ~~,~~ **;** increased compliance costs ~~,~~ **; regulatory investigations;** litigation exposure and legal liability or regulatory fines ~~,~~ **;** penalties or **other external** intervention ~~. In addition, we have exposure to cybersecurity incidents and the negative impacts of such incidents related to our data and proprietary information housed on third- party IT systems, including the cloud. Any of these could materially and adversely affect our business, results of operations or financial condition, and any of the foregoing can be exacerbated by a delay or failure to detect a cybersecurity incident or the full extent of such incident notwithstanding reasonable security procedures and controls. The prevalence of remote work has introduced additional 27ConocoPhillips 2022 10- K cybersecurity risk~~ . Although we have business continuity plans in place, our operations may be adversely affected by significant and widespread disruption to our systems and infrastructure that support our business. **Further** ~~While we continue to evolve and modify our business continuity plans~~ , ~~there can~~ **our ability to insure against cybersecurity risks may** be **limited by** ~~no assurance that they~~ - **the availability** ~~will be completely effective in avoiding disruption~~ and **increasing expense of sufficient** ~~business impacts. Further, our insurance may not be adequate to compensate us for all resulting losses, and the cost to obtain adequate~~ coverage ~~may increase for us in the future~~ . **For additional information regarding our cybersecurity risk management, strategy and governance, see Item 1C. Cybersecurity. 27ConocoPhillips 2023 10- K**