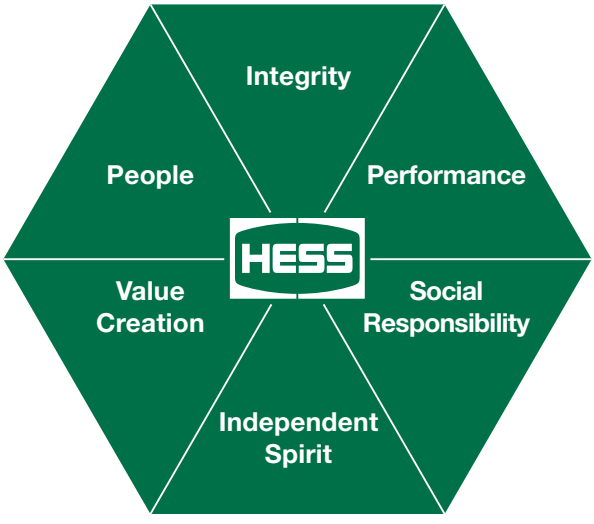
HESS CORPORATION

2015 Corporate Sustainability Report

HESS VALUES

Hess Values set the framework and establish the ethical standards by which we conduct our business.



Integrity. We are committed to the highest level of integrity in all our relationships.

People. We are committed to attracting, retaining and energizing the best people by investing in their professional development and providing them with challenging and rewarding opportunities for personal growth.

Performance. We are committed to a culture of performance that demands and rewards outstanding results throughout our business.

Value Creation. We are committed to creating shareholder value based on sustained financial performance and long-term profitable growth.

Social Responsibility. We are committed to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and creating a long-lasting, positive impact on the communities where we do business.

Independent Spirit. We are committed to preserving the special qualities and unique personality that have made us a successful independent enterprise.

GLOBAL REPORTING INITIATIVE (GRI) IN ACCORDANCE OPTION

Following a review by ERM CVS, our external verifier, Hess is self-declaring this report in accordance with the Core option of the GRI ***G4 Sustainability Reporting Guidelines.***

This is our Communication on Progress in implementing the principles of the United Nations Global Compact.

We welcome feedback on its contents.

ON THE COVER
Production Operations, Onshore U.S.

ASSURANCE

ERM Certification and Verification Services (ERM CVS) conducted representative site visits, reviewed source data and our internal data collection and aggregation system and conducted interviews to ensure the information presented is a reliable representation of our performance. An ERM CVS Assurance Statement has been included at the end of this report. ERM CVS also provided an opinion on the GRI "in accordance" option.

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MESSAGE FROM THE CEO

Our company demonstrated strong operational performance and capital discipline in 2015 in the midst of weak oil market conditions. Our strategy in this "lower for longer" oil price environment is guided by three principles: preserve the strength of our balance sheet, preserve our operating capabilities and preserve our long-term growth options.

Our mission is to be a trusted energy partner. We are committed to help meet the world's growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way. Sustainability practices are a fundamental part of our business strategy and operations – they create value for our shareholders and opportunities to continuously improve business performance.

To fulfill our mission and commitment, Hess relies on a world-class workforce and a company culture that fosters excellence in operational, safety and environmental performance, professional growth, teamwork and corporate citizenship. Central to our culture are the Hess Values of Integrity, People, Performance, Value Creation, Social Responsibility and Independent Spirit. Through our Code of Business Conduct and Ethics, we translate these Values into sustainable practices that guide the way we do business as a trusted energy partner.

Our 2015 Corporate Sustainability Report shows how sustainable business practices are integrated into our short-term goals and long-term strategy. Detailed information on our programs and performance are provided in this report and on our company website at hess.com.

SAFETY

Our first priority in driving sustainable performance is our comprehensive approach to personal and process safety. Regarding personal safety, our employees and contractors share a goal of reaching zero safety incidents – what we describe as "everyone, everywhere, home safe every day." Hess' workforce demonstrated outstanding safety performance in 2015. Our combined employee and contractor Lost Time Incident Rate was down 33 percent, and our Total Recordable Incident Rate decreased by 10 percent. We also measure another key performance indicator for safety – the rate of incidents with high potential severity or "HiPos." Through a campaign focused on reducing dropped objects at our work locations, we achieved a 63 percent decrease in dropped object HiPo incidents, and an overall 43 percent reduction in our safety HiPo rate.

Process safety is another key focus area. Effective process safety management at Hess has three components: understanding and addressing vulnerabilities that could impact the integrity of equipment and infrastructure, enhancing process safety leadership and increasing awareness of process safety across the company. Hess monitors and reports process safety key performance indicators using international standards. To further advance Hess' journey toward zero safety incidents, we codified current and future safety initiatives into a five-year plan that will be reviewed and updated annually.

SOCIAL RESPONSIBILITY

Social responsibility is one of our key company values and fundamental to the way we do business at Hess. For us, part of being a trusted energy partner is making a positive impact on the communities where we operate. Hess' approach is guided by our commitments to international voluntary initiatives designed to protect the environment, promote human rights and encourage financial transparency. In 2015 we continued our endorsement of commitments to the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the Voluntary Principles on Security and Human Rights, and the Extractive Industries Transparency Initiative. We also enhanced our stakeholder engagement process by integrating stakeholder issues into our enterprise risk workshops, value assurance reviews and asset business plans.

Hess' strategic social investments are intended to make sustainable improvements to the quality of life in communities where we do business. In 2015, our social investment program totaled about $22 million, with more than $18 million directed toward education projects. The remainder was directed primarily to economic development, health and capacity building.

CLIMATE CHANGE AND THE ENVIRONMENT

We see climate change as both an environmental and economic challenge that requires government and business leaders along with civil society to work together on a global scale. The International Energy Agency has projected that global energy demand will increase by 32 percent from 2013 to 2040, with 50 percent of the needed supply coming from oil and natural gas. To meet this long-term global demand for energy will require a comprehensive strategy that includes oil and natural gas as well as renewables for many years to come.

Hess continues to take steps to monitor, measure and develop energy resources that the world needs in an environmentally responsible and sustainable manner. Between 2008 and 2015, we reduced our equity greenhouse gas emissions by more than 5 million tonnes through improved operating practices and asset closures and divestitures. We are committed to continuous improvement in this critical area and have set new intensity reduction targets for flaring and greenhouse gases that are described in this report.

As a result of the abundant natural gas produced from U.S. shale, the U.S. carbon footprint has been reduced by about 10 percent since 2007 as cleaner burning natural gas has displaced coal use in electricity generation. U.S. shale energy also has boosted U.S. economic growth and employment and strengthened global energy security. Hess, as one of the largest producers in the Bakken play in North Dakota, has contributed to this success story and is committed to responsible shale energy development.

To capture and monetize natural gas from our producing wells and minimize flaring, we have invested more than $1.9 billion in infrastructure in North Dakota. We also remain focused on reducing liquid spills and gas releases from our operations. We are continuously improving our containment practices and have taken a comprehensive approach to analyzing and addressing challenges in this area in 2015 in order to strengthen our operating and reporting practices.

We continue to require our contractors to make non-proprietary data regarding the chemicals used in each hydraulically fractured well publicly available on the FracFocus website.

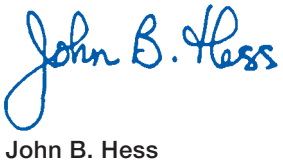
PEOPLE

We recognize that Hess' continued success is driven by our dedicated employees, and we are committed to fostering a workplace that values diversity and inclusion, learning and development, employee engagement and talent enhancement.

Our company has a special culture – shaped by the Hess Values – that distinguishes us. That culture is further enhanced by our adoption of Lean manufacturing principles, which foster teamwork and continuous improvement throughout our organization to overcome complex challenges, eliminate wasteful operational processes and create value.

Overall, we are proud of the progress made in driving our company's long-term sustainable performance and honored to have been recognized once again in 2015 for the quality of our environment, social and governance performance and disclosure. We recently completed a project to review and update our environment, health, safety and social responsibility (EHS & SR) strategy to guide our efforts moving forward, which we believe will further enhance our operational effectiveness, reduce risk and strengthen our license to operate.

Thank you to our employees, communities, customers, business partners and investors for their ongoing support and partnership. Together we will continue to build a sustainable enterprise that helps meet the world's energy needs and makes a positive difference for our stakeholders and the world around us.



John B. Hess
Chief Executive Officer

ABOUT HESS

Hess Corporation is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas.

2015 HIGHLIGHTS

- In the Bakken shale oil play in North Dakota, net production averaged 112,000 barrels of oil equivalent per day (BOEPD) – a 35 percent increase from 2014.
- In July 2015 we completed the sale of a 50 percent interest in our Bakken midstream business and formed a joint venture, with Hess retaining operational control.
- North Malay Basin full field development progressed, with fabrication and installation of the central processing platform and commencement of development drilling.
- In deepwater Gulf of Mexico, we advanced the Stampede project in preparation for development drilling in 2016.
- In offshore Guyana, we participated in a significant oil discovery at the Stabroek Block.

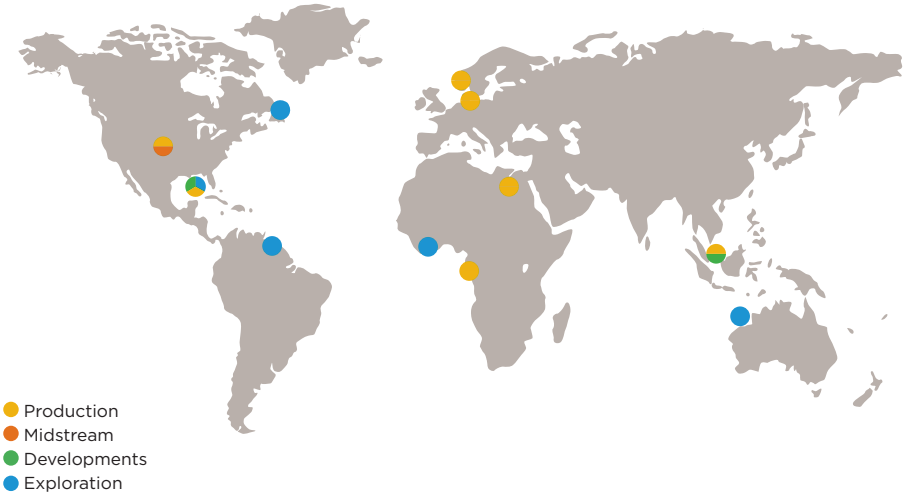
ECONOMIC CONTRIBUTIONS

Our 2015 direct economic contributions included payments to suppliers, capital and exploration expenditures, wages and benefits, taxes and royalties, interest, dividends and social investments.

$ Millions	
Recordable Supplier Spend (E&P)	$7,475
Capital and Exploration Expenditures	$4,042
Wages and Benefits (U.S.)	$791
Royalties and Other Payments	$457
Income Tax Expense	$1,299
Interest Expense	$331
Dividends	$287
Social Investments	$22
Carbon and NO_x Taxes	$5

A portion of capital and exploration expenditures may include payments to suppliers.

HESS PORTFOLIO OF OPERATIONS



Production: Operated assets include the Bakken in North Dakota, the Utica in Ohio, Permian Basin in West Texas, Baldpate and Tubular Bells in the Gulf of Mexico, Okume and Ceiba in Equatorial Guinea, South Arne in Denmark and North Malay Basin in Malaysia. Non-operated assets include the Malaysia/Thailand Joint Development Area, Shenzi and Llano in the Gulf of Mexico, and Valhall in Norway.

Midstream: Assets include a natural gas processing plant, rail loading terminal and associated rail cars, crude oil truck and pipeline terminal, and crude oil and natural gas gathering systems in North Dakota.

Developments: Activities include North Malay Basin in the Gulf of Thailand and Stampede in the Gulf of Mexico.

Exploration: Activities are focused on the Atlantic Margins and include non-operated interests in the Gulf of Mexico, Guyana and Nova Scotia in Canada.

Note: The groupings of assets above include Hess operated and non-operated assets. Divestitures in 2015 are not shown on the map. The Waha Field in Libya is included, but production and export activities have been suspended due to civil and political unrest. Boundaries and restatements of data included in this report can be found in the Approach to Reporting section.

1,086
Million BOE Proved Reserves

7.9
Years Reserve Life

375,000
BOEPD Total Net Hydrocarbons Produced

PROGRESS AND GOALS

This section provides a snapshot of our progress and path forward with respect to our most material sustainability programs and initiatives. Elements of our environment, health, safety and social responsibility (EHS & SR) strategy are included in the summary table on the following pages, along with select targets and metrics that we have established to measure how effectively we are implementing our new strategy. The sustainability goals and targets we have established indicate our commitment to improve performance across a range of material issues and address challenges facing Hess.

In-depth discussion of these topics can be found throughout this report, as referenced by the page numbers in the table.

2015 PROGRESS

To enhance the reader's understanding of Hess' progress in 2015, a summary of key accomplishments and developments is presented below, categorized according to the six sections of the report in which they are discussed. We took steps forward in many of our functional areas to improve how we understand and manage non-technical risks in our day-to-day operations.

How We Operate

- Completed a review and update of our EHS & SR strategy
- Approved four new global EHS standards and completed gap assessments for six standards at selected assets
- Implemented our updated Anti-Bribery and Anti-Corruption Policy and Procedure and deployed online anti-corruption compliance training
- Continued to enhance our contractor selection, management and review process

Community and Social Performance

- Continued development of SR and Human Rights Global Standards in keeping with our EHS & SR strategy
- Proceeded with risk-based rollout of stakeholder engagement and grievance mechanism processes
- Developed human rights training module for employees and contractors
- Completed review of social investment programs in line with our EHS & SR strategy
- Invested nearly $22 million in social programs throughout our portfolio

Safety and Health

- Achieved a 10 percent improvement in workforce Total Recordable Incident Rate and a 33 percent improvement in workforce Lost Time Incident Rate
- Reached 86 percent completion of action items identified through process safety health checks and are on target to close the remaining items by 2017
- Made progress in a multiyear program to enter integrity critical equipment performance standards into SAP to facilitate systematic implementation and validation of this equipment

Our People

- Increased focus on employee engagement through a variety of actions
- Continued leadership development workshops for early career supervisors up through senior management
- Introduced new online compensation management and learning management modules
- Conducted review of strategic human resources initiatives through a series of enterprise-wide focus groups

Operations, North Dakota

Climate Change and Energy

- Reduced our equity greenhouse gas (GHG) emissions by more than 5 million tonnes between 2008 and 2015
- Set new 2020 targets for reducing flaring intensity and GHG intensity
- Updated carbon price in our economic evaluation process for significant new investments to include two scenarios – $20 per tonne and $40 per tonne – for implementation in 2016

Environment

- Piloted implementation of a compliance tracking tool at our Bakken asset
- Conducted a hydrogeological study to assess capacity of the Ogallala Aquifer, to better understand long-term availability and yield

PROGRESS AND GOALS

Hess strives for continuous improvement and top-quartile performance in our industry. Through the review and update of our EHS & SR strategy completed in 2015, we expanded our sustainability goals beyond climate change and energy to include policies, processes and metrics across our business that will help to address the material sustainability issues facing Hess and the oil and gas industry at large. In addition, we have identified key areas of focus for our operations through other strategic efforts for 2016, which build on our progress to date.

SUSTAINABILITY GOALS AND TARGETS	TARGET DATE	DISCUSSION (PAGE #)
HOW WE OPERATE		
Operating in a low oil price environment, strengthening our license to operate and enhancing our reputation through advocacy and transparency in reporting		
Deploy Lean metrics	2016	15-17
Roll out and implement complete set of enhanced EHS global standards on a prioritized basis	2016-2019	14-15
Strengthen our regulatory assurance process through integration into our business operating rhythm and ensure alignment of our regulatory advocacy priorities with our enterprise risk management process*	2016-2018	14-15 18-19
Measure effective implementation of the EHS & SR strategy through established targets and metrics*	2016-2020	14
Expand reporting to meet growing stakeholder expectations	2016	8-9
Further enhance our Anti-Bribery and Anti-Corruption Policy and Procedure	2016	18
COMMUNITY AND SOCIAL PERFORMANCE		
Meeting our commitment to operate as a trusted energy partner		
Continue to integrate stakeholder engagement, social risk and impact management and social investment into enterprise business processes	2016	23-27
Approve and implement SR and Human Rights Global Standards*	2016-2020	23-27
Expand implementation of stakeholder engagement and grievance mechanism processes*	2016-2020	24-26
Commence risk-based rollout of human rights training module at selected assets*	2016	27
Develop human rights content for contractor onboarding*	2016	23
Track implementation of new standards through the number of employees and contractors completing human rights training at high-risk assets, and the percentage of new contracts with human rights clauses*	2016-2020	23
SAFETY AND HEALTH		
Focusing on continuous improvement as we aspire toward zero incidents, process safety management systems, integrity and barrier management, assurance and competency		
Continue to progress our efforts in integrity management to include prioritized asset integrity assessments, implementation of performance standards for integrity critical equipment and offshore implementation of our enhanced barrier management approach*	2016+	32-34
Meet a workforce Total Recordable Incident Rate target of 0.31 or below	2016	31-32
Meet a safety High Potential Incident Rate target of 0.15 or below	2016	31-32
Continue to make improvements in our process safety management system and process safety standards*	2016	32-34
Build upon our Gulf of Mexico competency assurance program and begin implementation of enterprise-wide tiered assurance program*	2018+	32-34

*Denotes a key goal or target of our refreshed EHS & SR strategy.

SUSTAINABILITY GOALS AND TARGETS	TARGET DATE	DISCUSSION (PAGE #)
OUR PEOPLE		
Preserving management and technical capabilities to respond effectively when the price of oil recovers		
Continue focus on employee engagement	2016	41
Advance initiatives and process efficiency in the annual compensation process, performance management, talent management and learning and development	2016	40-41
Refine usage of Career Manager, our integrated human resources system, through continuous improvement in data integrity, reporting and use of analytics	2016	40
CLIMATE CHANGE AND ENERGY		
Implementing tactical strategic actions to reduce our carbon footprint		
Create a working team with senior leader representation to further evaluate and recommend strategic actions with regard to climate change*	2016+	43
Continue to expand North Dakota midstream gas gathering infrastructure in 2016 and beyond*	2016+	47
Implement a project in Equatorial Guinea to pipe gas that had traditionally been flared in our Okume operation to the Ceiba field to use as fuel gas to help power our operation*	2016+	47
Achieve 25 percent reduction in GHG emissions intensity (Tonnes per Million BOE) by 2020 based on our current portfolio of operated assets, versus our 2014 baseline*	2020	45
Continue to improve performance related to reducing methane emissions, through ONE Future sector-based targets*	2020	50-51
Reduce flaring intensity (standard cubic feet per BOE) by 50 percent by 2020 based on our current portfolio of operated assets, versus our 2014 baseline*	2020	47
ENVIRONMENT		
Safeguarding the environment and responsibly managing our environmental footprint		
Continue initiatives to reduce environmental impacts of shale energy development	2016+	54-56
Improve water data collection methodology*	2016+	53
Incorporate water management in the risk assessment process*	2016+	53

*Denotes a key goal or target of our refreshed EHS & SR strategy.

APPROACH TO REPORTING

Within this report, we provide descriptions of the company's 2015 strategy and performance regarding material economic, environmental and social issues. Our annual report, U.S. Securities and Exchange Commission Form 10-K filing and proxy statement detail our financial and governance information; these documents can be found on our website.

Additional sustainability and investor information is available at **hess.com/investors**

REPORTING STANDARDS

This sustainability report was prepared in accordance with the Core option of the Global Reporting Initiative (GRI) *G4 Sustainability Reporting Guidelines* and associated *Oil and Gas Sector Supplement.* The report is also based on the *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* document developed by IPIECA (the global oil and gas industry organization for environmental and social issues), the American Petroleum Institute and the International Oil and Gas Producers Association, as well as the 10 principles of the United Nations (UN) Global Compact. A GRI Content Index, cross-referenced with IPIECA indicators and the UN Global Compact principles, is provided on pages 62-66.

An expanded GRI Index is available at **hess.com/gri-index**

MATERIALITY

We prioritized new and emerging issues important to our stakeholders when developing the content for this sustainability report, consistent with GRI G4 materiality guidance. Engagement with our stakeholders – which include employees, suppliers, customers, communities, shareholders, governmental and non-governmental organizations, industry peers and academics – enables us to strengthen our license to operate and brings increased focus to our transparency goals.

In 2015 we conducted a survey of select industry peers and a subset of priority external stakeholder groups to validate and expand upon our prior materiality assessments. We then supplemented the survey results with desktop research on a larger group of peers and stakeholders by reviewing public reports and websites documenting key issues for our industry. This process allowed us to validate that stakeholder expectations are being addressed. The material issues identified by the survey, which have informed our environment, health, safety and social responsibility (EHS & SR) strategy and helped to define the boundaries of this report, are presented on pages 10-11.

RESTATEMENTS

We completed our transformation to an exploration and production company in 2014 after exiting our downstream business, which included refining, retail, energy marketing and energy trading. Historical safety and environmental data from 2013 and prior were restated to reflect the upstream (exploration and production) business only, with a few exceptions. For example, individual divestitures that did not meet the materiality threshold delineated in the Hess Greenhouse Gas (GHG) Protocol for removal from our new 2014 GHG emissions baseline are included in the restated data. In addition, downstream-focused social investment spend, which represented less than 5 percent of the overall expenditure, was deemed immaterial for restatement purposes. Therefore, our historical social investment spend was not restated.

We recently exited several international assets, including those in Algeria, the Canning Basin in Western Australia, China, France and the Kurdistan Region of Iraq. In addition, we completed a decommissioning project at one of our assets in the United Kingdom in 2015. Data from these assets have not been excluded from the report, as the data were not deemed to be material.

When conducting our annual internal review of performance data for this report, we built upon our typical review process and initiated a more detailed investigation of the performance data for 2015 and prior years. Based on this analysis, we have revised many of the historical environmental values stated in prior sustainability reports to improve the quality of our dataset.

INTERNAL QUALITY ASSURANCE

Our internal information systems promote the centralized collection of data from Hess-operated and joint venture assets around the world. In order to evaluate accuracy and reliability, we conduct quality assurance/quality control reviews and validation of both aggregated and facility-level data. Individual numbers in the charts, tables and text may not precisely sum to the total amounts shown due to rounding. All currency found in this report is in U.S. dollars.

EXTERNAL ASSURANCE

This report has been assured by ERM Certification and Verification Services (ERM CVS), a third party that annually reviews our sustainability data and self-declared GRI "in accordance"


South Arne Platform, Danish North Sea

option. This external review helps to ensure consistent and objective data collection and reporting of our sustainability performance. The Independent Assurance Statement is provided on page 67 of this report.

ERM CVS's assurance in years prior to 2014 included a review of downstream data, as well as current exploration and production activities. As a result, the prior years' data that has been restated or revised has not been assured.

In addition to providing assurance in relation to our sustainability report, ERM CVS also conducts a separate verification of the GHG emissions data provided in this report and in our CDP Climate Change response.

BOUNDARY SETTING

Included within the scope of this report are the principal facilities and assets operated by Hess Corporation and our subsidiaries during calendar year 2015, unless otherwise indicated. Data presented are gross figures from operated facilities, unless specified otherwise.

We report some quantitative environment, health and safety data on a normalized basis to facilitate year-on-year comparisons. We report GHG emissions on both an operated and equity share basis in accordance with the GRI G4 *Oil and Gas Sector Supplement* and the IPIECA *Petroleum Industry Guidelines for Reporting GHG Emissions* (2nd edition, May 2011).

We also report our social investments for our operated assets, joint ventures and non-operated facilities in which we hold a significant interest.

See our expanded performance data at **hess.com/sustainability/performance-data/key-sustainability-metrics**

APPROACH TO REPORTING

BOUNDARIES FOR MATERIAL ISSUES AND GRI G4 ISSUE MAP

The 16 issues listed in the table below are those that both emerged as top issues from our materiality assessment survey and mapped to GRI G4 reporting criteria. The table provides a cross-reference with the relevant G4 categories for each issue and identifies the boundary for each issue in this report.

Overall, our material issues include environmental, social and governance concerns, reflecting the diverse external stakeholder priorities and Hess' operational and regulatory risk focus. Climate change, which has been a focus of our EHS & SR strategy to date, was one of the top five issues identified in our survey.

HESS' MATERIAL ISSUES	EQUIVALENT G4 CATEGORY	EQUIVALENT G4 MATERIAL ASPECT(S)	BOUNDARY FOR REPORT
Regulatory Assurance*	Environmental	Compliance, Overall	Enterprise
	Social: Society	Compliance	Enterprise
Transportation Impacts*	Environmental	Transport	Operated Assets, Suppliers
Process Safety & Spills*	Environmental	Effluents and Waste	Operated Assets
	Social: Labor Practices and Decent Work	Occupational Health and Safety	Workforce
Climate Change & GHG Emissions*	Environmental	Emissions	Operated Assets and Equity Share, Indirect Emissions, Suppliers, Products
	Environmental	Energy	Operated Assets
Transparency in Business Conduct*	Social: Society	Anti-Corruption	Enterprise, Partners, Suppliers
	Social: Society	Anti-Competitive Behavior	Enterprise, Partners, Suppliers
	Social: Society	Public Policy	Enterprise, Partners, Suppliers
Water Management*	Environmental	Effluents and Waste, Water	Operated Assets
Emergency Preparedness & Response*	Social: Labor Practices and Decent Work	Occupational Health and Safety	Workforce
Community & Stakeholder Engagement*	Environmental	Grievance Mechanisms for Impacts to the Environment	Enterprise (although currently in pilot phase)
	Social: Society	Local Communities	Enterprise
	Social: Society	Grievance Mechanisms for Impacts on Society	Enterprise (although currently in pilot phase)
	Standard Disclosure	Stakeholder Engagement	Enterprise

*Identified as a top 10 issue in Hess' 2015 materiality assessment survey.

Note that "Community" and "Stakeholder Engagement" were identified separately in the top 10, but have been combined here.

HESS' MATERIAL ISSUES	EQUIVALENT G4 CATEGORY	EQUIVALENT G4 MATERIAL ASPECT(S)	BOUNDARY FOR REPORT
Human Rights & Security*	Social: Labor Practices and Decent Work	Grievance Mechanisms for Labor Practices	Enterprise (although currently in pilot phase)
	Social: Human Rights	Investment	Enterprise
	Social: Human Rights	Non-Discrimination	Enterprise
	Social: Human Rights	Child Labor, Forced or Compulsory Labor	Enterprise
	Social: Human Rights	Security Practices	Relevant Countries
	Social: Human Rights	Indigenous Rights	Relevant Countries
	Social: Human Rights	Grievance Mechanisms for Human Rights	Enterprise (although currently in pilot phase)
	Social: Human Rights	Assessment	Enterprise
Economic Impacts & Development	Economic	Economic Performance, Market Presence, Indirect Economic Impacts	Enterprise (equity share)
Employment Practices	Social: Labor Practices and Decent Work	Employment	Workforce
	Social: Labor Practices and Decent Work	Training and Education	Workforce
	Social: Labor Practices and Decent Work	Diversity and Equal Opportunity	Workforce
	Social: Labor Practices and Decent Work	Equal Remuneration for Men and Women	Workforce
Supply Chain & Contractor Management	Economic	Procurement Practices	Enterprise, Suppliers
	Environmental	Supplier Environmental Assessment	Enterprise, Suppliers
	Social: Labor Practices and Decent Work	Supplier Assessment for Labor	Enterprise, Suppliers
	Social: Human Rights	Supplier Human Rights Assessment	Enterprise, Suppliers
	Social: Society	Supplier Assessment for Impacts on Society	Enterprise, Suppliers
Corporate Governance	Standard Disclosure	Ethics and Integrity, Governance	Enterprise
Solid Waste Management	Environmental	Effluents and Waste	Operated Assets
Chemical Use & Management	Environmental	Effluents and Waste	Operated Assets

*Identified as a top 10 issue in Hess' 2015 materiality assessment survey.

Baldpate Platform, Gulf of Mexico

HOW WE OPERATE

We strive to meet the highest standards of corporate citizenship, contribute to the sustainability of the communities where we operate and deliver long-term value to our shareholders.

The six core Hess Values support our aim to be the most trusted energy partner. Our Code of Business Conduct and Ethics (Code of Conduct), Social Responsibility Policy, Human Rights Policy, and Environment, Health and Safety (EHS) Policy build on our Values to define internal expectations for sustainable management and performance at Hess. We apply these principles to key company processes and initiatives, as described in this section.

GOVERNANCE AND KEY INITIATIVES

The highest level of oversight at Hess rests with the Board of Directors, while direct responsibility lies with the company's executive leadership. The EHS Subcommittee of the Board's Audit Committee provides guidance to the Board on EHS-related considerations. Each member of the Subcommittee is independent and qualified under standards established by applicable law, stock exchange listing standards and Hess' Corporate Governance Guidelines. The Subcommittee met four times in 2015.

See Hess' Corporate Governance Guidelines at **hess.com/hessgovernanceguidelines**

The EHS Subcommittee is tasked with assisting the Board in identifying, evaluating and monitoring EHS risks and strategies with the potential to affect the people, environment or communities where we operate or our company's business activities, performance and reputation. The Subcommittee also develops recommendations for the Audit Committee and the full Board on policies, programs and practices to address such issues and risks. Subcommittee members have extensive oil and gas industry experience, including operations, research and development, and financial expertise. Our Vice President of EHS meets regularly with the Subcommittee and the Chairman of the Board to prioritize any actions needed.

Our company is governed by the Hess Executive Committee, which is composed of Hess' most senior executives and chaired by our Chief Executive Officer. The Executive Committee focuses on operational, strategic, financial, EHS and social issues, and is the highest approval body before the Board. While the Executive Committee meets face to face at least every other month, our Chief Operating Officer chairs an operational subcommittee of the Executive Committee that meets regularly to discuss these same matters.

Hess' Operational Excellence (OE) Council, composed of multidisciplinary senior leaders from across various business functions, aims to align and integrate enterprise-wide, high-impact initiatives that create high value for our company. The OE Council plays a role in determining the number of initiatives that will be undertaken each year and continually monitors and oversees the company's progress in implementing these initiatives. It also helps to ensure that resources are available to achieve a successful outcome.

The OE Council focuses on initiatives that create value through collaboration and predictable results, utilize a fit-for-purpose approach based on input from customers and use standardized methodology supported by tools and processes, all while leveraging global and local strengths. One key initiative sponsored by the OE Council in 2015 was our global standards project – with a particular focus on development of the Management of Change Standard (discussed in the Safety and Health section) and the Documents Standard, which will outline the minimum mandatory requirements for creating or revising controlled documents within Hess.

2015 KEY DEVELOPMENTS

- Completed a refresh of our environment, health, safety and social responsibility (EHS & SR) strategy
- Approved four new environment, health and safety global standards and completed gap assessments for six standards at selected assets
- Implemented our updated Anti-Bribery and Anti-Corruption Policy and Procedure and deployed online anti-corruption compliance training
- Continued to enhance our contractor selection, management and review process

2016 GOALS

- Deploy Lean metrics
- Continue to develop and implement global standards on a prioritized basis
- Further enhance our Anti-Bribery and Anti-Corruption Policy and Procedure through supporting reporting systems and continued rollout of online anti-corruption compliance training
- Strengthen use of regulatory assurance tools
- Measure effective implementation of the EHS & SR strategy
- Expand reporting to meet growing stakeholder expectations

HOW WE OPERATE

EHS & SR Strategy Refresh

We recently completed a project to review and update our environment, health, safety and social responsibility (EHS & SR) strategy to fully align with our transition to an exploration and production company and our commitment to operating as a trusted energy partner. It is our expectation that refreshing our strategy will strengthen our license to operate, reduce risk and enhance both our operational effectiveness and our management of stakeholder expectations.

The governance structure for the project (see table) included a project team composed primarily of subject matter experts and operational representatives. A steering committee of vice presidents from each of our major business functions provided guidance, expertise and strategic direction to the project team.

The project was executed in four phases during 2015, as illustrated below. Each phase of the project was reviewed and approved by Hess executive leadership and the Board's EHS Subcommittee.

EHS & SR STRATEGY REFRESH GOVERNANCE STRUCTURE

Governance Structure	Role
Board of Directors EHS Subcommittee	Oversaw and advised on the strategy
Hess Executive Leadership Executive Committee, Operating Committee	Provided strategic direction and approved the strategy
EHS & SR Strategy Steering Committee Operations, Enterprise Risk, EHS, SR, Government Affairs, Corporate Governance	Provided guidance and assisted in developing the strategy
EHS & SR Strategy Refresh Team Operations, Enterprise Risk, EHS, SR, Government Affairs, Sustainability	Developed the strategy

The six priority areas in our EHS & SR strategy are:

- Climate Change and Greenhouse Gas (GHG) Emissions
- Community and Stakeholder Engagement
- Human Rights and Security
- Process Safety and Spills
- Regulatory Assurance
- Water Management

Key elements of our EHS & SR strategy are summarized in the Progress and Goals section, as well as referenced throughout this report. We plan to continue to check and adjust our strategy to align with changes to the social, political, economic and regulatory landscape.

Global Standards

Hess utilizes management systems as the framework for continuous improvement in managing risk, enhancing operational excellence, tracking key performance metrics and maintaining regulatory compliance.

EHS & SR STRATEGY REFRESH PROCESS AND TIMELINE

1. Materiality and Risk Assessment

Completed Q1 2015

- Encompassed a wide range of EHS & SR issues (22 in total).
- Identified material issues for benchmarking Hess' performance versus our peers and informing stakeholder issues.
- Results of the materiality assessment can be found on pages 10-11.

2. Industry Peer Benchmark

Completed Q2 2015

- Benchmarked financial peers, international oil companies and select non-industry leaders using publicly available data on the top 10 issues identified through the materiality assessment.
- Determined Hess' position relative to other companies to inform the strategy's development.

3. Strategic Positioning

Completed Q3 2015

- Focused on six material issues for strategy enhancement based on stakeholder expectations and risk to the company.
- Determined Hess' strengths and identified areas for improvement.

4. Strategy Development Recommendations

Completed Q4 2015

- Developed strategy recommendations for the six priority EHS & SR issues.
- Identified tactical actions to assist Hess in maintaining or achieving first-quartile performance among industry peers during the next five years.
- Identified key metrics to track and evaluate performance.

In 2015 we continued our effort to develop and implement an enhanced framework of standards across the company. The goals of this project, which has been guided by the leadership of Hess' OE Council, are to formalize enterprise-wide expectations and accountabilities and support a globally consistent approach to operational excellence. By documenting our expectations in the form of standards, we aim to strengthen the assurance process across the enterprise.

Following a risk-based approach and our Documents Standard, we prioritized the order of development and implementation for enterprise-wide EHS standards. In 2015 we began implementing the first set of standards (i.e., Phase I), which were completed and approved early in the year:

- Energy Isolation
- Land Transportation
- Lifting and Hoisting
- Process Safety Information
- Vehicle Entry
- Waste Management

The first part of implementation required our assets to complete desktop gap assessments to compare their current documented practices with the expectations of the newly issued standards and identify actions to close any gaps identified. In 2015 all assets included within the scope completed gap assessments on the Phase I standards and began implementation of, at a minimum, two of the standards based on asset risk and priority. The assets will continue implementing the remaining four standards through 2017.

Phase II included the development of a second set of new standards by cross-asset and cross-functional teams. Phase II standards completed in 2015 and early 2016 included Confined Space Entry, Contractor Management, Dropped Objects and Emergency Preparedness and Response.

An important aspect of this project has been the incorporation of Lean principles (see explanation of Lean concepts on pages 16-17). We began to establish a standardized work process in 2015 to gain efficiency, incorporate lessons learned and more easily track our progress throughout the project from the start of development through the implementation of each standard. To add clarity for all those involved in the effort and to mitigate inefficiencies, we created a series of support tools and guidance documents. To bring accountability to meeting deadlines and targets, we generated a series of metrics and charts to track the completion of gap assessments.

The project will continue over the next few years, with the cross-functional and cross-asset teams developing Phase III standards, and the assets managing their plans and timelines for the implementation of each standard. Our current plan is to fully implement Phase I standards by the end of 2017, Phase II standards by the end of 2018 and Phase III standards by the end of 2019.

KEY ENTERPRISE PROCESSES

We apply a number of key processes in our organization that provide the foundation for managing risk and achieving operational excellence. We use these processes to evaluate investment opportunities and identify and mitigate risks in potential, new and existing operations.

Enterprise Risk Management

In keeping with our commitment to operational excellence, we apply a comprehensive, standardized approach to identifying and managing risks of all types across our operations. The Hess enterprise risk management (ERM) process is used to develop a holistic risk profile for each asset and major project, drawing input from subject matter experts, performance data, incident investigations, lessons learned and recent internal audits. Each risk profile identifies each risk and its associated likelihood as well as its potential impact to people, the environment or our business. Risks that are classified as critical, meaning they are more likely to occur and have a higher impact or that they are unlikely to occur but would have a significant impact, are placed on an integrated register that catalogs actions for management or mitigation. We completed risk assessments and risk registers for all assets and major projects in the Hess portfolio in 2015. These risk registers are reviewed and updated throughout the year as part of each asset's and project's operating rhythm.

In 2015 we conducted the following ERM activities:

- Advanced efforts to align the risk criteria and definitions used in EHS risk management practices with the ERM process, with plans to further formalize and document these processes in 2016
- Continued to work on embedding the ERM process into key business processes, such as project planning (value assurance) and new country entry
- Furthered the integration of our ERM process with our stakeholder engagement program, including

aligning key contacts at the asset level and facilitating stakeholder mapping at ERM workshops to enable effective stakeholder management

Value Assurance

Value assurance is a review process that Hess uses to properly characterize and assess our major investment opportunities, through internal reviews by those who are not directly involved with the asset or project. Following this process helps us ensure that our capital allocation and portfolio management decisions are based on independently reviewed, high-quality input.

We review our assets and major capital projects as part of the appropriate business planning cycle to verify that they add value to our company and that the relevant technical expertise has been incorporated. Value assurance reviews focus on economics, subsurface and facility design, environmental and socioeconomic concerns, regulatory requirements and other non-technical risks. In 2016 we will begin to apply $20 per tonne and $40 per tonne carbon prices to the GHG emissions generated by new projects to evaluate the potential impact of carbon risk on project economics.

The value assurance process is closely aligned with our ERM process so that we can apply consistent methodologies and criteria to risks across our company.

New Country Entry

Our new country entry process helps us to assess non-technical aboveground risks when evaluating opportunities in a new country of operation. Through this process, subject matter experts from various functions across Hess evaluate our future operations in a particular country through a detailed risk questionnaire that accounts for social, environment, legal, external affairs, compliance, commercial and supply chain risks. The purpose of the review, which draws on available information from governmental sources such as the U.S. State Department as well as leading non-governmental organizations such as the World Resources Institute, is to categorize each risk as high, medium or low based on severity and whether the risk can be easily mitigated.

Through the new country entry process, we endeavor to enhance the quality and breadth of information available to Hess leadership for the evaluation of new opportunities. The process also helps the project team to mitigate identified risks once a commitment is made to enter a new country. Ultimately, we are able to support our ERM and value assurance workflows, utilizing the necessary information at key decision points in our investment and project planning processes.

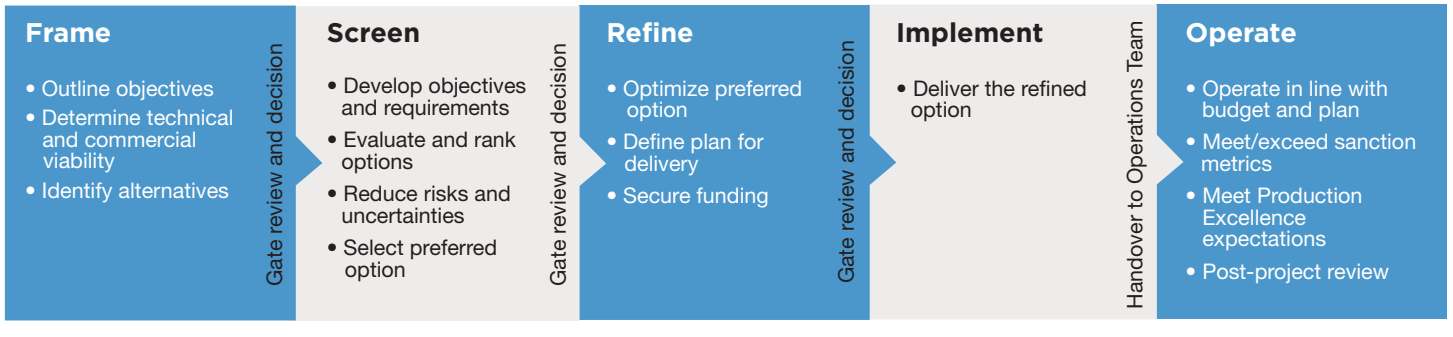
Lean

We began our journey to adopt Lean principles throughout our organization in 2010, first applying them to the reduction of well costs and optimization of well productivity in our Bakken asset. Over the past several years we have successfully used Lean to eliminate waste, create value and drive reliability and continuous improvement for our communities, employees, business partners, shareholders and other stakeholders.

At Hess, we view Lean not as a short-term program for achieving cost savings, but instead as a holistic cultural shift, changing the way we think and act in order to create value, improve performance and eliminate waste.

Central to this shift has been moving our leaders from directing solutions toward coaching and developing our employees and contractors to generate solutions themselves. The result is a distinctive

VALUE ASSURANCE PROCESS

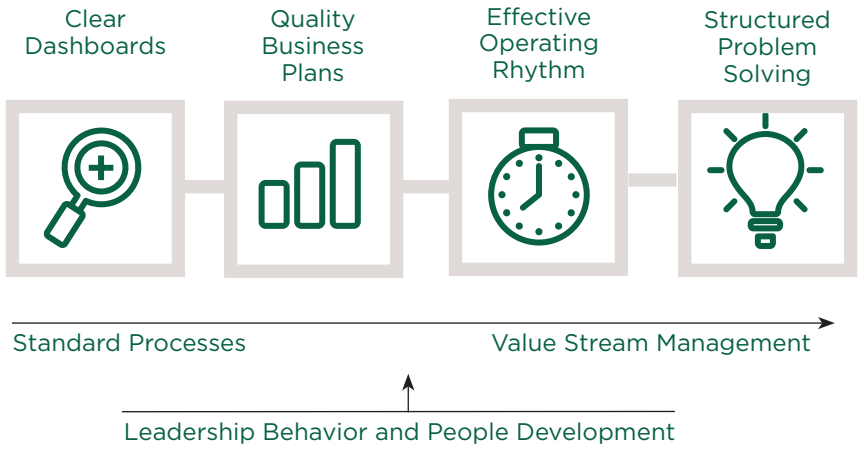


Lean culture in which continuous improvement comes from the entire workforce – or our "army of problem solvers."

Empowering our workforce has enabled us to find unique opportunities in both our onshore and offshore businesses to deliver better performance and safer operations. At our Bakken asset, for example, we have experienced a 64 percent improvement in drilling cycle time and a 62 percent reduction in drilling and completion well costs from 2011 to year-end 2015. Through the first quarter of 2016, we have reduced drilling and completions costs at our Utica asset by 75 percent and 50 percent, respectively, since we began to apply Lean in 2013. Most recently we introduced Lean techniques in our offshore operations. These efforts have contributed to a 40 percent reduction in lifting and hoisting incidents over two years, decreased turnaround time by 50 percent in Equatorial Guinea and achieved zero safety incidents and a significant reduction in construction time for our Stampede deepwater project in the Gulf of Mexico.

We are embracing Lean as a business imperative, especially given the low price of oil, and a means to tap into the collective expertise and creativity of all our people to drive improvements in performance. Now we are accelerating the pace of engagement with our suppliers, augmenting our "army of problem solvers" and achieving win-win benefits by saving time and money, eliminating waste and inefficiency and embracing innovation. For more on how our suppliers are achieving success through Lean, please see our case study on page 20.

LEAN PRINCIPLES



Well Delivery Excellence

Hess' vision for well delivery is to provide the best drilling and completions performance among our industry peers, with no major incidents. To achieve this goal we have been using a standardized process to execute wells across the enterprise since 2010. Our Well Delivery Excellence (WDX) framework enables us to consistently deliver wells that produce the highest value to the company by facilitating cross-functional collaboration, informed decision making and clear roles and responsibilities. The initial rollout of the WDX project management process in 2010 was highly successful.

With the significant changes our company has experienced over the past several years, we recognized a need to refresh the WDX process to account for the different organization, portfolio and business environment. Our aim was not to overhaul the process, but to enhance it through the incorporation of Lean principles, the realization of additional capital efficiency gains and the incorporation of lessons learned since initial rollout. We initiated the refresh effort in late 2014. Following approval by Hess executive leadership, we began rollout of the enhanced process across the organization in early 2016.

The WDX process, which is designed to be flexible and scalable to accommodate the full range of well projects in the Hess portfolio, involves five phases:

- Scope – Well concept options and opportunities (including an initial assessment of potential value, risk and technical complexity) are identified
- Design – Final well design is selected, and the resources required to execute the project are refined
- Plan – Detailed well design and technical specifications and a detailed operations plan for well or program execution are developed
- Operate – The well operation is executed with the goal of safely delivering the well or program objectives
- Closeout – Handover documentation is completed, performance is reviewed against the plan and final lessons learned are captured and shared

The activities in each phase are aligned with other enterprise processes, such as the value assurance and exploration excellence workflows. Full implementation of the refreshed WDX process, including health checks and measurement of key performance indicators, is ongoing.

BUSINESS CONDUCT

In the Hess Code of Conduct, we describe the business conduct and behaviors we expect of our employees, officers, directors and contractors. Any individual or company working for Hess or our subsidiaries is expected to follow similar principles. To promote compliance across our global operations, the Code of Conduct has been translated in each of our countries of operation. Hess takes disciplinary actions for violations of our Code of Conduct and related policies.

Our compliance policies and procedures all stem from our Code of Conduct. Our Global Compliance team establishes, maintains and enforces policies, procedures, processes and initiatives to prevent and detect compliance violations. Its aim is to promote an organizational culture that encourages commitment to ethical conduct and compliance with the law. To continuously improve compliance controls and embrace best practices, our Global Compliance team focuses on internal investigations, anti-bribery and anti-corruption (ABAC) programs as well as other enterprise programs. The Chief Compliance Officer reports to the General Counsel and informs the Board's Audit Committee on a regular basis.

Strengthening our regulatory assurance program is one of the six components of our EHS & SR strategy. Our Global Compliance team enforces policies and procedures to prevent and detect potential compliance violations. Internal assurance also helps us to manage the effectiveness of our management systems. As part of our long-term compliance strategy, our regulatory team has been piloting the use of a compliance tracking tool at our Bakken asset. Our aim is to promote an organizational culture that encourages commitment to ethical business conduct and compliance.

In 2015 Hess globally implemented an updated ABAC Policy and Procedure, as well as automated approval systems for the review and approval of higher-risk transactions. Noteworthy accomplishments also included the rollout of an online anti-corruption training program that was deployed to all Hess employees and select contracted staff across our global assets. This training has been completed by approximately 73 percent of global employees. As part of the online training campaign, we conduct audits and ongoing monitoring to achieve 100 percent completion. In addition, online Code of Conduct training was completed by 100 percent of our employees during 2015.

Our Global Compliance team, through its dedicated investigation arm, investigated all issues and allegations referred to the team in 2015. Global Compliance continued to partner with other key functions such as EHS, Human Resources and Corporate Audit to review potential issues and put in place appropriate remediation steps.

Progress on these global compliance initiatives will continue through 2016.

POLITICAL SPENDING

HessPAC

In the U.S., federal election law permits corporations to establish political action committees (PACs), which may make political contributions. HessPAC, the political action committee of Hess' employees, made its first member solicitation in 2015 and received $32,908 in member contributions for the year. HessPAC made $5,000 in federal political contributions in 2015 to candidates whose legislative agendas are consistent with Hess' and are pro-energy. All distributions from HessPAC are publicly disclosed and accessible via the U.S. Federal Elections Commission website (www.fec.gov). As legally permitted, Hess corporate funds, resources and facilities were used to provide administrative support for HessPAC.

Advocacy

As a trusted voice on energy policy, there is great value in Hess having candid and honest dialogue with stakeholders regarding legislation and regulations that may impact our company both domestically and internationally. Hess actively engages in responsible discussions with elected and appointed government officials in order to mitigate risks to the company's license to operate and to advocate for policies that promote our business goals. The company's principles and values dictate that all of our political engagements are done in accordance with all applicable laws and regulations and that no direct political contributions are made by Hess employees using corporate funds.

Hess' commitment to transparency also assists the company in fully complying with all lobbying reporting requirements outlined in the Lobbying Disclosure Act of 1995 and all substantial amendments


Drilling Operations, Ohio

made to the law by P.L. 110-81, the Honest Leadership and Open Government Act of 2007. In 2015 the company's lobbying expenses totaled approximately $1,020,000. This included internal employee time associated with lobbying activities, payment to external consultants, and trade association dues used for lobbying purposes.

Hess belongs to a number of trade associations, primarily to give the company access to the associations' expertise in business, technical and industry best practices – an approach that is consistent with our industry peers. Our trade associations' lobbying activities accounted for 33 percent of our total lobbying spend for 2015 (listed above) in accordance with Section 15 of Lobbying Disclosure Act Guidance (http://lobbyingdisclosure.house.gov/amended_lda_guide.html#section3).

In 2015 none of Hess' membership fees or dues were used by any of the trade associations for direct political advocacy. Furthermore, no payments made by Hess to 501(c)(6) or 501(c)(4) organizations were used for express political advocacy. A list of memberships and associations that received more than $50,000 from Hess in 2015 can be found on page 68.

We recognize that our positions do not always align with all formal positions of the associations, organizations and collaborative working groups in which we participate. Our funding should not be considered a direct endorsement of the entire range of activities undertaken by these organizations. To address concerns related to potential misalignment, we publish our positions on key sustainability issues in this annual sustainability report.

The company has a strict internal policy that prohibits Hess employees from engaging with elected officials or regulators as an official representative of the company without the approval of the Vice President of Government and External Affairs. The policy extends to Hess employees who serve on trade association committees that advocate for policy changes. These policies help to ensure that Hess will continue to operate at the highest level of integrity and transparency and remain compliant with all reporting requirements.

As part of the regulatory assurance element of our EHS & SR strategy, we aim to align our advocacy priorities with our established processes related to ERM and EHS. We also conduct ongoing assessments of our global advocacy priorities, to drive improvements to our process for tracking and informing our advocacy efforts.

SUPPLY CHAIN

Our relationships with business partners, suppliers and contractors are critical to Hess' success and to reducing operational risks. Through engagement and collaboration with our supply chain, we are driving continuous improvement in performance and creating shared value. In 2015 we purchased more than $7 billion of goods and services from more than 4,000 suppliers, whose manhours comprised nearly 80 percent of our total workforce hours. Engagements with our suppliers are conducted so as to comply with applicable local laws and requirements, and practices may differ from those described below in certain instances.

Management Approach

We are building our capabilities to categorically manage our suppliers with a cross-functional team that works collaboratively to reach safety, quality, delivery and cost targets. Using this approach, our category management team members, who represent critical organizational functions such as operations, engineering and finance, each focus on a discrete category of spend. This enables them to leverage their procurement decisions companywide, creating efficiencies and driving down costs, while also building long-term, strategic relationships with key suppliers who provide goods and services that significantly influence Hess' cost structure.

We are also embracing Lean principles in collaboration with our suppliers. First in our shale oil and gas business and more recently at our deepwater assets, we are finding new ways of integrating our joint efforts to create win-win solutions that have sustainable benefits.

LEVERAGING OUR SUPPLIERS TO PROMOTE CONTINUOUS IMPROVEMENT OFFSHORE

Hess' Stampede deepwater project is located in one of the largest undeveloped fields in the U.S. Gulf of Mexico. It is highly complex, with some of the deepest projected wells in the world at reservoir depths of about 30,000 feet. Working collaboratively, Hess and our suppliers are leveraging Lean principles to deliver first oil on time and on budget in 2018.

Working with a trusted supplier, for example, Hess used Lean problem solving techniques to transform the process for fabricating the blast wall, which is intended to shield the living quarters in case of an incident. Rather than building it onsite, the wall was assembled indoors, in a horizontal configuration as a single unit. This approach eliminated working at heights, reduced environmental impact and improved weld quality. The blast wall was completed two months ahead of schedule, with 50 percent fewer manhours and reduced EHS exposure.

Our suppliers also achieved significant cost savings by applying Lean principles to the design and manufacture of umbilicals and related hardware. Umbilicals are the lifelines of subsea developments, providing electrical, hydraulic and fiber optic connections. Applying lessons learned through their previous assignments at Hess' Tubular Bells field, the two firms introduced standardized design specifications, manufacturing and delivery to eliminate waste and simplify production planning – contributing to a cost savings of almost 19 percent.

These and other collaborative efforts at Stampede are demonstrating how Lean principles can be applied in complex projects to deliver results safely, on time and on budget. They are also helping us to build trust and confidence with our suppliers to achieve continuous improvement, superior safety performance and long-term success for all parties.

Supplier Qualifications

Hess follows a standardized approach to evaluate and measure the performance of potential and current suppliers on the basis of total value, including safety, quality, delivery and cost. We have a centralized global system in place that houses contract templates and other key materials and manages the procurement process. We also use a central global electronic sourcing system to collect bids and evaluate suppliers. This system supports the efficient creation of online Requests for Proposals and encourages the use of best practices.

We employ a systematic prequalification and selection process to help ensure we are working with the most qualified and safest suppliers. Prospective suppliers are given a clear scope of work and EHS expectations during the sourcing phase. Where appropriate, potential suppliers undergo a risk review, an ABAC and legal compliance review and a review of EHS performance and programs. In addition, our procurement staff reviews the potential suppliers' insurance, tax and quality information. If discrepancies with our standards arise, the relevant department within Hess conducts an additional review and develops corresponding mitigation plans as needed.

Contracts that involve higher risk, due either to the number of manhours the supplier will work for Hess or the scope of that work, automatically trigger an EHS review in the procurement process. As one part of the EHS review, we use recognized industry prequalification systems for most major areas of operations, including in the U.S. and Europe. Outside of these areas, we use a standardized process with a questionnaire based on our 14 EHS management system elements.

The EHS review includes a review of training qualifications, safety programs and performance, environmental management systems and measurement, and emergency preparedness and response. Potential suppliers receive a grade based on this review; any supplier receiving an EHS grade that does not meet our requirements must develop an improvement plan before they can contract with Hess. These formalized improvement plans are housed internally at the asset level using our existing EHS data system. Should an operational situation occur (such as an emergency) that requires the use of a supplier that has not completed the prequalification process or that has received an unsatisfactory grade, the asset vice president or director must approve the use of the supplier, and asset management must provide increased oversight.

Supply Chain Transparency and Compliance

The companies that supply Hess with goods and services must comply with applicable laws and regulations in areas such as EHS, drug and alcohol use, conflicts of interest and anti-corruption laws, and must maintain any licensing or

permitting requirements with respect to their activities. Suppliers are also required to abide by our Code of Conduct as well as Hess' Voluntary Commitments regarding labor and human rights (see page 23), where these activities are not regulated. Standard contract clauses include requirements with respect to ethical business practices, human rights, social responsibility, business integrity, search and seizure, quality and EHS. For activities deemed as high risk, we pursue bridging documents prior to contract execution where gaps exist between the supplier's EHS management system and Hess' EHS requirements.

In addition, clauses that cover federal contractor requirements are included for suppliers supporting our U.S. operations. Contracts typically also include a requirement that suppliers allow access to all offices and facilities and cooperate fully with all audits and inspections.

Security Services

Our Code of Conduct prohibits the use of local military or law enforcement personnel except where required by local authorities or in emergency situations. If the use of local military or law enforcement personnel is unavoidable, asset managers are required to seek prior approval from Hess' Legal and Global Security functions.

In operating locations where security services are necessary, we contract for these services locally with support from our Global Security and Global Supply Chain functions. Contracts with security service providers include clauses covering security and human rights expectations. These clauses detail our requirements that security providers adhere to applicable international law enforcement principles, humanitarian law and human rights law. They also require our security service providers to communicate our human rights, social responsibility and ethical expectations to their employees and subcontractors, as well as demonstrate compliance. The aim is to deliver a consistent message of performance expectations for security service providers and drive consistency across Hess operations. These expectations are also detailed in our enterprise-wide Security and Human Rights Policy. We have developed a Security and Human Rights Toolkit that can be used locally for training security personnel on human rights issues.

In the event of a security incident with human rights implications, a report is made to the head of Global Security. Reports are also issued for those occurrences, such as peaceful community protests, that highlight potential future risk. We are not aware of any incidents where public or private security forces engaged community members in 2015, and no incident reports were filed. Global Security continues to leverage our existing incident tracking system for reporting of security incidents.

Local Content

Internationally we often prioritize local suppliers when performing under production sharing contracts or other agreements with host countries. These agreements vary, but may include use of an approved supplier list, requirements for government approval of suppliers or threshold specifications for local companies or workers.

In Peninsular Malaysia, for example, we actively support local suppliers, local employment and the PETRONAS Vendor Development program. In this arrangement, Hess agrees to utilize an approved vendor list that includes Malaysian-owned companies, and we also commit to holding our suppliers accountable to hiring local staff. Another example is from Equatorial Guinea, where the local government requests that we use local suppliers whenever possible. We have designated staff to lead our coordination efforts with the government to identify local vendors and to coordinate and inform them of our tenders and selections.

Supplier Engagement and Sustainability

Hess continues to engage with suppliers on issues that are important to our industry and our stakeholders. Since 2009 we have worked with current and prospective suppliers of hydraulic fracturing services to define acceptable fracturing fluid systems, including restrictions on the selection and use of certain chemicals. We require suppliers to publish fracturing fluid chemical composition and quantities via the FracFocus website. While the majority of chemicals are identified by unique identification numbers issued by the Chemical Abstracts Service (CAS) and are listed on the publicly available CAS Registry, we allow our suppliers to use generic names for proprietary ingredients.

See more on Hess' expections and requirements for suppliers at **suppliers.hess.com**

LEAP Program, Edison Middle School, Houston, Texas

COMMUNITY AND SOCIAL PERFORMANCE

Social responsibility (SR) is integrated into the way we do business, enhancing our ability to be an effective and trusted energy partner. Our approach to SR is centered on three focus areas: stakeholder engagement, social risk and impact management, and strategic social investments that facilitate direct and indirect local benefits. Proactively engaging with communities and stakeholders where we operate maximizes our business value, helps us manage social risks and impacts and creates opportunities for stakeholders.

GOVERNANCE FRAMEWORK

Hess' SR governance framework sets out our commitments to our employees and communities where we operate through every phase of our business activity. Our commitment to ethical and responsible business practices begins with the Hess Values and Code of Conduct. The Hess Value of Social Responsibility establishes our commitment to meeting the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and creating a long-lasting positive impact on the communities where we do business. Our Code of Conduct describes the business conduct and behaviors that we expect of our employees, officers, directors and contractors, including our expectations regarding human rights.

We have endorsed or formally joined a number of voluntary initiatives designed to protect the environment, promote human rights and encourage financial transparency:

- Universal Declaration of Human Rights
- International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- United Nations Global Compact (Hess serves on the Board of the UNGC's U.S. network)
- Voluntary Principles on Security and Human Rights
- Extractive Industries Transparency Initiative (EITI)

These initiatives, which we collectively call our "Voluntary Commitments," inform our SR, Human Rights, and Security and Human Rights Policies.

As part of our environment, health, safety and social responsibility (EHS & SR) strategy, we are working to implement SR and Human Rights Global Standards. These standards, which will further integrate the management of social risk into our value assurance process, cascade from our policies and comprise the next level of our governance framework. The final level is made up of training, toolkits and local procedures.

Organizational Structure

Hess deploys SR resources across the organization. To do this effectively, we have a core SR team combined with local practitioners who are embedded with our assets and project teams.

The role of the core team is to develop governance, advise executives, manage companywide social performance, provide technical and functional support to the assets and project teams, and provide assurance across these efforts.

GOVERNANCE FRAMEWORK

2015 KEY DEVELOPMENTS

- Continued development of Social Responsibility (SR) and Human Rights Global Standards
- Proceeded with risk-based rollout of stakeholder engagement and grievance mechanism processes
- Developed human rights training module for employees and contractors
- Completed strategic review of social investment programs
- Invested nearly $22 million in social programs throughout our portfolio

2016 GOALS

- Continue to integrate SR considerations into enterprise business processes
- Approve, implement and track implementation of the SR and Human Rights Global Standards
- Expand implementation of stakeholder engagement and grievance mechanism processes
- Commence risk-based rollout of human rights training module at selected assets
- Develop human rights content for contractor onboarding

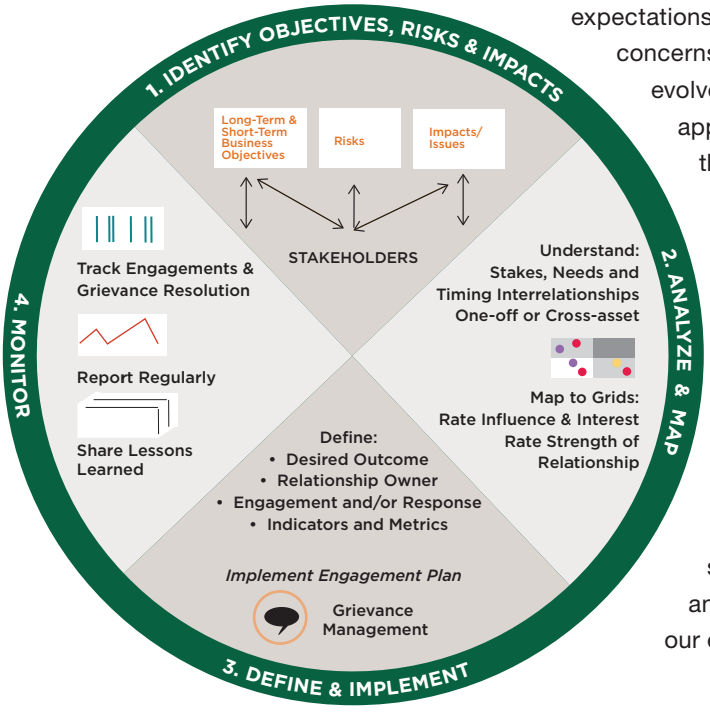
COMMUNITY AND SOCIAL PERFORMANCE

The asset and project practitioners report into the business line management structure and are responsible for developing and executing asset- or project-specific SR plans. SR activities are integrated and aligned between the core team at our operational headquarters in Houston and asset-based practitioners across the globe.

STAKEHOLDER ENGAGEMENT

Our industry faces many challenges in the pursuit of sustainable oil and gas exploration and production, including social considerations. Effectively engaging with stakeholders in our host communities is critical to our ability to access the resources we require as an international energy company. We aim to create value through mutually beneficial opportunities with our stakeholders, which include communities, employees, suppliers, customers, industry members, governments and investors.

STAKEHOLDER ENGAGEMENT PROCESS



Stakeholder Engagement Process

We understand that our success is dependent on our ability to mitigate the risks associated with our activities, which have the potential to impact stakeholder relationships and public perception. Stakeholder engagement is a critical aspect of operational success across the life cycle of our business, from the earliest phases of our new country entry process through the decommissioning of an asset. Proactive, two-way and ongoing stakeholder engagement helps to establish a mutual understanding of expectations between Hess and those who live and work nearby.

Our stakeholder engagement process focuses on the proactive relationship- and trust-building opportunities created by meaningful engagement, as well as the business value engagement brings when it is integrated as a part of project risk management. Consistent with continuous improvement methodology, we follow the "Plan, Do, Check, Adjust" cycle to direct our stakeholder management efforts. As the expectations, priorities and concerns of our stakeholders evolve, we adjust our approach to align with their needs and our business activities. Building on our earlier efforts, in 2015 we continued to enhance our stakeholder engagement process and associated tools by integrating stakeholder issues and engagement into our enterprise risk workshops, value assurance reviews and asset business plans.

We identify and map our stakeholders and work with the assets to develop engagement plans as needed. We completed a stakeholder engagement plan for our North Dakota operations in 2015 and began developing plans for other assets. We will continue to develop and implement asset-specific plans following a risk-based approach, as part of our EHS & SR strategy.

Grievance Mechanisms

Formal grievance mechanisms provide stakeholders with a means for sharing feedback with companies on their operational impacts, while also helping companies respond to and act on that feedback through an established process. Grievance mechanisms help to ensure that people see Hess as a valued and trusted partner.

We maintain an internal database – the stakeholder management system (SMS) – to support the implementation and management of our stakeholder engagement and grievance mechanism processes. The database provides a central repository for information and allows for task tracking.

To enhance our ability to listen and respond to stakeholders, we have been piloting a component of the SMS with our Bakken Surface Land Team. The Hess Community Connection, which is the local name for our grievance mechanism in North Dakota, is a process for reporting, investigating and resolving issues and concerns raised by people who believe they are impacted by Hess operations. When we are alerted to a potential issue, our response team draws employees from various disciplines within

(continued on page 26)

EXTERNAL STAKEHOLDERS

Collaborating with stakeholders helps us to identify opportunities for benefiting our host communities while improving our business and strengthening our license to operate. We engage with a wide range of external stakeholders – from local landowners and governments to community service agencies and indigenous groups. A few recent examples of our stakeholder engagement activities are provided below.

CATEGORY	EXTERNAL STAKEHOLDER GROUPS	RECENT EXAMPLES OF ENGAGEMENT
Land Users/Landowners	Residents, landowners, commercial land interests, farmers, ranchers	Deployed the Hess Community Connection to engage with Bakken stakeholders. Conducted outreach with local elected officials to improve dialogue and proactive risk management.
Resources Users/Rights Holders	Mineral rights owners, water rights owners and users, hunters/fishers/gatherers	Continued to engage with Utica surface water rights owners for purchase of non-potable water for our operations. Implemented property remediation related to extraction and pipeline placement in consultation with surface water rights owners.
Governments	Local, regional and national authorities, national militaries, international governing authorities	Hosted a bipartisan congressional delegation visit to Tubular Bells in the Gulf of Mexico to educate members of Congress on offshore production, operations and safety. Participated in a bipartisan congressional member visit to North Dakota for Bakken crude-by-rail education. A Hess representative served on the U.S. Department of Energy Secretary's Advisory Board for the Quadrennial Energy Review.
Direct Economic Interests	Investment partners, vendors and suppliers, contractors, unions, shareholders	Worked with suppliers to learn and apply Lean principles for mutually beneficial enhancements to projects.
External Business Interests	Chambers of commerce, industry organizations, local businesses, sustainability initiatives	A Hess representative served on the executive committee of IPIECA. Leaders of Hess' EHS and SR functions actively participated in IPIECA working groups and stakeholder engagement activities focused on topics such as biodiversity, social responsibility, water, climate change and sustainability reporting. Provided funding for Watford City's preschool program in North Dakota.
Special Interest Groups	Non-governmental organizations, religious groups, cause-oriented nonprofits, community groups	Participated in multi-stakeholder initiatives, including the Voluntary Principles on Security and Human Rights, the EITI and the UNGC, to advance responsible business practices globally.
Community Services	Local police/fire/emergency medical services, health care services, education, human service agencies	Conducted an emergency response drill in Flushing, Ohio, with involvement from our drilling contractor Nabors, as well as Belmont County 9-1-1, the Flushing Volunteer Fire Department and a helicopter medical evacuation team. Supported the Minot Domestic Violence Shelter with repurposed computers, installation and training. Launched a safety education program near our Permian operations to make students and their families aware of safety considerations near oil and gas sites.
Indigenous Groups	Formally recognized groups, tribal coalitions, government supporting agencies, indigenous advocacy groups	In Exmouth near our offshore operations in Western Australia, conducted early engagement with the registered Ngulli Traditional Owner Claimant Group, through their elected representatives. Maintained regular communications with the traditional owner support agency, North West Cape Exmouth Aboriginal Corporation, to keep them apprised of Hess' progress in the area.

STAKEHOLDER ENGAGEMENT

Agricultural Program in Equatorial Guinea

Hess, in consultation with the Equatorial Guinean Ministry of Agriculture, the Professional School of Agriculture, and local communities, engaged the Spanish agrarian company Dalmau in 2013 to design and implement an agricultural development project for two small farming cooperatives in Equatorial Guinea. The primary objectives of the project are to create employment and a market economy, decrease rural flight and improve the quality of life of cooperative members and their communities. Our efforts have focused on providing basic equipment, financial support (both funding and financial advice), guidance and training tools, and technical support to the cooperatives so they can become fully operational and sustainable.

In 2015, the first full year of production, the two cooperatives produced eight different food crops, totaling over 4,300 kilograms and resulting in sales of $3,900. Both cooperatives have already begun expanding their acreage, and their initial success is inspiring other communities and individuals to replicate the concept.

Wau Kite Safety Campaign in Malaysia

Near Hess operations in the North Malay Basin, families enjoy the local pastime of flying traditional wau kites. Although regulations ban the flying of kites near the Kota Bharu airport, operators were finding kite twine in helicopter rotors, and pilots were concerned about the inability to see the kites when flying in the area. To address these concerns, we led a community campaign, with help from our partner PETRONAS and other industry participants including Repsol, Petrofac and Westar Aviation, to increase safety awareness concerning helicopters used in oil and gas operations.

In 2015 we helped to organize a series of talks at community centers as well as a wau safety-themed folk music competition at the annual Kelantan International Kite Festival. Hess employees helped judge the competition and assisted in giving away prizes. The festival was well attended by locals and was successful in communicating our message. Pilots have reported back to the campaign team that they have seen significantly fewer kites flying in the restricted zone.

Hess such as EHS, drilling, completions, operations, maintenance and civil construction in order to reach a resolution. Our response team strives to complete their investigation within 14 days of the original report. As a final step before closing the case, we contact the stakeholder to ensure they feel the issue has been adequately addressed.

We received a total of 214 grievances during the pilot phase, including feedback related to roads, dust, maintenance, land reclamation, weeds and EHS concerns. With this pilot, we are setting the stage to embed new business processes and standard operating procedures into our routine operating rhythm. We aim to build upon this pilot to create a set of guidance and accompanying tools, so that we can continue to strengthen our relationships with other communities and respond more effectively to their concerns.

SOCIAL RISK AND IMPACT MANAGEMENT

When entering a new country, commissioning a new development or expanding an existing facility, we engage with stakeholders to proactively identify, mitigate and manage aboveground risks that can impact our activities or the communities where we operate. As part of our strategic planning process for these activities, we examine the social, political and economic environment to identify non-technical risks and mitigation activities.

We address human rights considerations throughout the process, including during the due diligence phase and during the social risk mitigation and management step, when we provide training on our Security and Human Rights Toolkit.

Risk mitigation measures are driven by the value assurance process and conducted on an as-needed basis. In 2015 we conducted a social baseline study for our Gulf of Mexico assets; the baseline will be used to influence social programs and investments for the region. We also began working toward a social and environmental impact assessment for our Ghana asset.

Human Rights

At Hess, we understand that although it is the duty of governments to protect human rights, companies like ours must build trusted partnerships and treat all citizens with dignity and respect wherever we operate. Our strategy is to prevent human rights-related incidents by engaging with stakeholders to proactively address potential issues. The complex environments in which we operate present an opportunity to make positive and lasting contributions in the areas of governance, transparency, respect for rule of law, and social and economic development.

We continue to align our business practices with our SR, Security and Human Rights, and Human Rights Policies. Human rights issues are analyzed at all phases of our business activities, beginning with new country entry. SR, along with other functions, contributed to our new country entry process refresh in 2015, through which we reviewed current practices and made necessary changes to our human rights due diligence. The new country entry process helps inform our strategy and approach.

We also began a third-party review of the human rights-related risks associated with our assets. This global assessment includes security-related risk and will update our existing analysis of Hess' global human rights risk profile. Through this review, we aspire to gain an external perspective of our potential impacts on human rights.

Hess is committed to educating our personnel on the importance of respecting human rights as well as raising internal awareness of the Voluntary Principles on Security and Human Rights (Voluntary Principles). Over the years, we have invited external experts to provide human rights training to our employees around the globe. In an effort to provide more systematic training, in 2015 we finalized an online human rights training module for employees that explains the concept of human rights and why they are important for Hess, reviews our Human Rights Policy, offers guidance on integrating respect for human rights into employees' daily work and provides directions on how to report suspected human rights violations. We will continue to roll out that training over the coming year, focusing on assets in high-risk environments.

We have also developed an internal SharePoint site focused on Hess SR policies and initiatives that covers Hess' Voluntary Commitments, including the Voluntary Principles. Through that internal site, Hess employees can link to the Voluntary Principles website and key components of the Hess security and human rights governance framework. This internal SharePoint site is intended to be augmented over time with additional reference materials, presentations, internal examples of security and human rights best practices, and the Hess Security and Human Rights Toolkit.

In Equatorial Guinea in 2015 we conducted training on human rights and the Voluntary Principles for a number of our employees, including our country manager. The training built on previous security and human rights-related courses carried out in Equatorial Guinea by incorporating an introduction to our Security and Human Rights Toolkit.

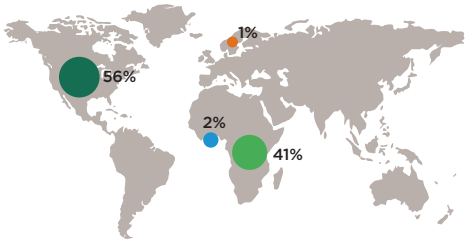
COMMUNITY BENEFITS AND CAPACITY BUILDING

Hess maintains our reputation as a responsible corporate citizen by creating mutually beneficial relationships with our host communities. We design our programs to create shared value in local communities and help create a favorable environment for our operations. At the local level, our assets create, maintain and implement strategic social investment programs tailored to each operation and community.

We continue to evaluate our programs to ensure a balance of strategic investment and support of local organizations so that we evolve along with the changing

COMMUNITY AND SOCIAL PERFORMANCE

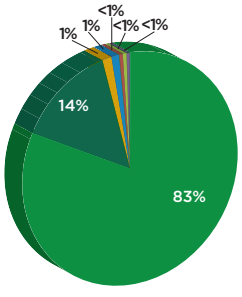
2015 Social Investment Spending by Country
$ Thousands



- U.S. $12,136
- Equatorial Guinea $8,807
- Ghana $422
- Norway $186
- All Others* $294

*Includes Algeria, Denmark, the Kurdistan Region of Iraq, Malaysia and the U.K.

2015 Type of Investment
$ Thousands



- Education $18,108
- Community $3,120
- Arts and Culture $231
- Health $165
- In-kind $101
- Environment $85
- Disaster Relief $35

Note: These charts include all social investments in 2015, including those associated with joint venture operations.

development needs of the communities where we operate. In 2015 we completed a strategic review of our social investment programs to better align them with our business and social risks, as identified through gap analyses, stakeholder engagement, social baseline studies and independent research. As a result, we will focus on established partnerships with key organizations, projects best aligned with business and social risks, and projects identified from social assessments. We will continue our efforts in future years by integrating the new strategy into our business, enhancing investment visibility and leveraging volunteer opportunities for our employees.

Our social investment programs contribute to education improvement and work skill development, which are fundamental to sustainable economic growth. We also seek to identify opportunities in the supply chain to provide lasting economic benefit through local job creation. Our programs generally fall into two categories: corporate-led, multiyear and multimillion-dollar flagship programs and asset-based projects with moderate funding levels.

In 2015 our social investments totaled nearly $22 million, with more than $18 million going toward education projects. Another $3.6 million was earmarked for economic development, health and capacity building.

Flagship Investments in Education

Hess continues to show progress with two flagship social investment programs focused on developing secondary education systems and capacity.

PRODEGE II

Our Program for Education Development of Equatorial Guinea, or "PRODEGE II," is a partnership with the Equatorial Guinean government that aims to strengthen preschool, primary and junior secondary education in that country. The five-year, $50 million program achieved significant results in 2015:

- Provided active learning training for more than 2,700 primary-level teachers and children's development training for an additional 2,700 preschool teachers
- Distributed related teaching aids and learning materials to all primary schools (grades 1–3)
- Conducted a gap assessment of secondary education students and designed a plan to address gaps through an active learning approach
- Created opportunities for out-of-school youth to complete ESBA, the current secondary education curriculum framework
- Strengthened the capacity of the education sector to manage and sustain the project's momentum through 2019
- Assisted the Education Ministry's Statistical Unit in data collection to chronicle PRODEGE II activities in 2014–15 and provided a critical data analysis tool

We also continued to work in partnership with FHI 360, a nonprofit human development organization, to provide technical assistance, monitoring and evaluation of the PRODEGE II program.

Succeed 2020

We initiated the Succeed 2020 program in partnership with the state of North Dakota and FHI 360 with a $25 million grant in 2012. The five-year program aims to improve the transition from secondary school to higher education and the workplace by supporting college and career counseling for students, professional development for teachers, and tutoring and online learning.

We continued to see significant progress from the program's participants in 2015. Approximately 4,500 students participated in career fairs and nearly 1,200 students gained hands-on experience with science, technology, engineering and mathematics (STEM) through summer camps and robotics competitions. A total of 57 students qualified for scholarships in 2015, more than double the number in 2014. Businesses have also been engaged; more than 300 businesses supported students through career fairs, job shadows and internships. In one area alone, 14 internships and 25 job-shadowing opportunities were provided to students. Businesses also hosted teacher tours and advised on program development, while the number of teachers reporting progress in the teaching of state standards nearly doubled.

Local Program Highlights

Hess' global assets and Houston operational headquarters engaged in a variety of local social investment opportunities focused on education and community development.

Belmont College

We continued our partnership with Ohio's Belmont College in 2015 by providing scholarships for local students pursuing post-secondary education. When selecting scholarship recipients, the Belmont College Scholarship Committee and Office of Student Financial Aid give special consideration to non-traditional students – displaced workers returning to college in order to further their education and regain employment. Our focus is to encourage continued education in STEM fields, so that students gain the technical skills needed to succeed in the oil and gas industry. Also, 2015 marked the second year we have supported the development of local emergency responders through Belmont College's Utica Shale Safety Institute.

We measure the success of these programs through several key performance metrics, including scholarship recipient demographics, completion rates and job placement data (when available), as well as data on the overall status of the energy programs at Belmont College.

Ghana Scholars Program

With Ghana National Petroleum Corporation (GNPC), we established the Hess GNPC Scholars Program, a multiyear initiative to provide secondary, vocational, technical and health education to underprivileged students in Ghana's six coastal districts. The scholarships we provide cover three years' cost of tuition and administrative fees, books, kits and uniforms, plus a stipend for the term. The first group of scholars graduated in 2015 with an 85 percent pass rate.

This successful program has grown over the years, from an initial enrollment of 71 scholars in 2012 to a current enrollment of 318. Initially accessible in the three coastal districts of Jomoro, Ellembelle and Nzema East, it was expanded to Shama and Ahanta West in 2015 with further plans to include Sekondi in 2016. Five schools currently participate in the program, although we are planning to add two more secondary schools for the fifth intake in October 2016.

In addition to the direct benefit to the participating students, the program has a number of indirect benefits, including the development of good relations with the local fishing communities and positive relationships with local, regional and national government stakeholders.

LEAP

In 2015 we continued our engagement with LEAP (Learn, Engage, Advance, Persevere) — a three-year, $4.3 million pilot program aimed at dropout prevention for at-risk middle school students in Houston. Hess is one of five program partners working collaboratively to provide support to students who are English language learners and over age for their grade level. Our support has been focused on two middle schools in the Houston Independent School District, which is one of largest school districts in Texas. The LEAP initiative showed steady progress in its second year, through improved attendance and engagement among its targeted student population.

Offshore Operations, Gulf of Mexico

SAFETY AND HEALTH

Working safely is a top Hess priority. Safety is central to our culture – each individual is personally responsible for supporting our ultimate goal of zero incidents. Our commitment to personal and process safety begins at the top of our organization. We include key safety metrics in our annual incentive plan formula for executives and employees, and we invest in systems and programs designed to deliver continuous improvement. To reinforce the importance of workforce safety practices, our annual Chief Executive Officer (CEO) and President's Awards for Safety Excellence recognize Hess teams and individuals that exemplify outstanding and sustainable safety performance.

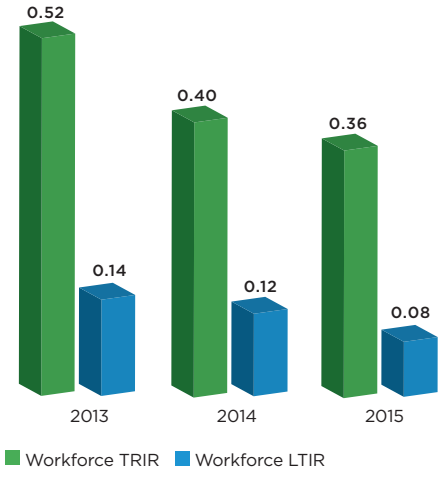
PERSONAL SAFETY

Our personal safety programs focus on leadership, awareness and accountability across all levels of the organization. To further advance our global safety performance and continue our efforts to drive down personal safety risk and exposure, we began developing a standardized, behavior-based safety (BBS) program in 2015. BBS is a peer-to-peer observation program through which trained Hess employees and contractors observe other workers' safety behaviors and provide feedback. It is one of several safety observation programs used at Hess. Our assets in North Dakota, Ohio and Texas have been following BBS processes since 2011 with positive results. We are building on these efforts to develop core procedures that can be adapted across the enterprise.

In July 2015 during a Hess Global Town Hall, the CEO's Award for Safety Excellence was presented to our U.K. Decommissioning Team, which achieved a rolling Total Recordable Incident Rate (TRIR) of zero during a complex well plug and abandonment program, including removal of subsea equipment, in the North Sea. In addition, two Hess employees were presented with President's Awards for Individual Safety Leadership. One was our Global Supply Chain Logistics Team Lead, who is accountable for the safe operation of the Fourchon Supply Base and supports our passenger activity at the Bristow Heliport in Louisiana. The heliport achieved 33 years and 1.9 million work hours without a recordable incident or lost time injury. The other individual was our Manager of Completions Operations in North Dakota, who was recognized for championing workplace safety within our North Dakota asset, as well as for leading the implementation of BBS and overseeing integration of contractor BBS programs.

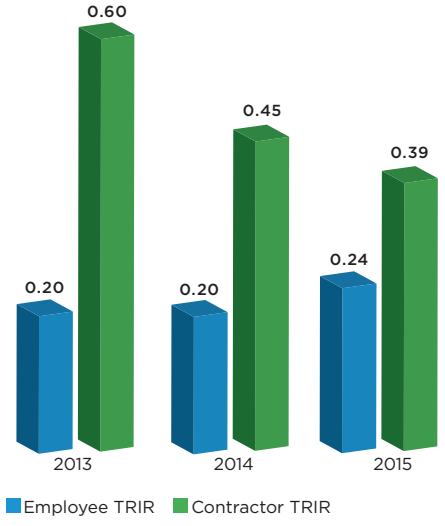
Our overall safety performance continued to improve in 2015. The TRIR for our full workforce (employees and contractors) was 0.36, a 10 percent

Full Workforce Safety Performance*
Cases per 200,000 Hours



*Hess' workforce data includes both employees and contractors. When calculating LTIR, calendar work days are used. A lost time incident involves one or more days away from work, excluding the day of the incident. We use occupational illness and occupation-related disease for current employees in our companywide safety totals.

Employee and Contractor Safety Performance
Cases per 200,000 Hours



2015 KEY DEVELOPMENTS

- Achieved a 10 percent improvement in workforce Total Recordable Incident Rate and a 33 percent improvement in workforce Lost Time Incident Rate
- Reached 86 percent completion of action items identified through process safety health checks and are on target to close the remaining items by 2017
- Made progress in a multiyear program to enter integrity critical equipment performance standards into SAP to facilitate systematic implementation and validation of this equipment

2016 GOALS

- Continue to progress our efforts in integrity management
- Meet a workforce Total Recordable Incident Rate target of 0.31 or below
- Meet a safety High Potential Incident Rate target of 0.15 or below
- Continue to make improvements in our process safety management system and process safety standards
- Begin implementation of companywide tiered competency assurance program

SAFETY AND HEALTH

PREVENTING DROPPED OBJECT INCIDENTS

Hess safety programs and practices are designed with the goal of having everyone across our operations return home safe every day. In late 2014, after identifying an increase in high potential (HiPo) incidents resulting from dropped objects, we implemented a campaign to reverse this trend. A HiPo event is an incident (including near miss incidents, which are discussed further below) with high severity and actual or potential consequence. Dropped object hazards, which can result from the improper storage or securing of tools and equipment, have the potential to harm people and property during operations.

Our campaign gained significant momentum in 2015 when, through engagement with our contractors, we developed the Hess Dropped Object Prevention Scheme (DROPS). DROPS had three primary objectives: documenting our program expectations and requirements, engaging our workforce on dropped object prevention, and increasing assurance and sharing of lessons learned.

DROPS was launched in January 2015 at our North Dakota asset. Our workforce at this asset engaged in a series of stand downs, through which executives and senior managers visited worksites to talk about safety issues with frontline supervisors and workers.

A steering committee progressed the program through biweekly "hazard hunts," during which employees and contractors were asked to identify potential dropped object hazards and suggest mitigation solutions. We also provided frontline leaders with tools to enhance their selection of preventive and mitigation controls and identified workforce champions to act as local subject matter experts with regard to DROPS objectives. In order to communicate expectations to our workforce, we implemented a comprehensive education program and provided weekly updates of leading and lagging metrics focused on dropped object incidents and hazard analyses.

Through this comprehensive approach we achieved a significant reduction in the number of dropped object incidents in our North Dakota asset. Similar DROPS efforts were initiated across our onshore and offshore operations throughout 2015. Together these initiatives contributed to a 63 percent reduction companywide in the number of HiPo incidents due to dropped objects in 2015 compared to 2014.

To help sustain this progress, we completed the Dropped Object Prevention Standard, which establishes requirements for addressing observed dropped object hazards. This standard will help us conduct assurance activities and drive continuous improvement.

improvement from 2014. Our full workforce Lost Time Incident Rate (LTIR) was 0.08, a 33 percent improvement from 2014. We experienced no employee or contractor fatalities in 2015.

Our contractor-only TRIR decreased in 2015, from 0.45 to 0.39. By contrast, our employee-only TRIR increased to 0.24. Various incidents appear to have resulted from established procedures that were not being followed, indicating a potential root cause for this increase. As we continue to build out our EHS management system and associated standards, we remain focused on the competency and training of our workforce.

Although lagging indicators are an important way to track performance, Hess also tracks leading indicators related to safety in an effort to prevent incidents. We require that information concerning near miss incidents, which are a leading indicator of injury events, be reported companywide into the same incident management system as injury and illness cases. By tracking and reporting near misses we are able to communicate lessons learned and take actions to address at-risk behaviors and observed workplace hazards. Near misses are also an important indicator of potential process safety events, discussed below.

PROCESS SAFETY

We have resources dedicated to process safety to help prevent a loss of primary containment of any material, including those that are non-toxic and non-flammable, that could result in an incident such as a fire, explosion, toxic release or environmental impact.

Effective process safety management at Hess means focusing on understanding and identifying process safety vulnerabilities that impact integrity, as follows:

- Design integrity – reducing risks to as low as reasonably possible in the design and construction of facilities
- Technical integrity – inspecting, testing and maintaining our hardware and software barriers
- Operational integrity – working within operational design parameters

We understand that to promote integrity assurance in these areas we must also focus on enhancing process safety leadership and increasing awareness of process safety with key people across the organization. Our goal is to minimize the likelihood of process safety events

through the effective management of process safety risks by our workforce.

Recognizing that process safety is an important issue, we established strategic objectives and developed action plans as part of our environment, health, safety and social responsibility (EHS & SR) strategy update, which is discussed in the How We Operate section of this report. These actions include enhancing our management systems and standards, implementing integrity critical equipment and barrier management processes, and building upon our current competency and training efforts.

For example, in 2015 we continued to develop standards that relate to process safety, including our enterprise Management of Change (MOC) Standard. Once fully developed, this standard will establish minimum requirements for functional and regional MOC procedures so as to mitigate EHS risks during changes in people, documents or operations. As part of our larger global standards effort, our assets completed desktop gap assessments and began implementation of our Energy Isolation, Process Safety Information and Vehicle Entry Standards. Through these assessments, we analyzed current practices and developed implementation plans to help close identified gaps. Please see the How We Operate section for more detail on the global standards project.

We also worked to strengthen our process safety program in 2015 through the ongoing implementation of performance standards for integrity critical equipment (ICE). ICE is defined as equipment that acts as a barrier for the prevention of accident events through isolation, containment, prevention, detection, control, mitigation or emergency preparedness and response. Although our production operations were already conducting regular maintenance of ICE, we advanced our program in 2015 by focusing on the systematic implementation of performance standards for each piece of ICE. The standards set specific expectations and criteria that help to ensure each barrier is effective and that the ICE will operate as intended.

Tioga Rail Terminal, North Dakota

Process safety continues to be a focus at our deepwater assets. Hess currently operates two production facilities in the Gulf of Mexico in the Baldpate and Tubular Bells fields and has initiated the Stampede field development project. Risks related to deepwater assets, which include wells at a depth of more than 1,000 feet underwater, can be greater than those of land-based assets because they tend to operate much deeper wells under greater pressure and also present unique challenges related to containment of accidental discharges. Our Gulf of Mexico deepwater assets are subject to the U.S. federal government's Safety and Environmental Management System (SEMS) regulations, which provide for a systematic approach to the identification and effective management or mitigation of hazards.

SAFETY AND HEALTH

In 2015 we enhanced our approach to barrier management as part of our continuous effort to improve process safety risk management. Our offshore production operations team is piloting the use of "bow tie" diagrams as an integrated approach to barriers, their relationships to hazards, threats and consequences, and the support systems required to manage them. It is our expectation that operating with a visual and holistic understanding of the relationship of barriers to these factors will ultimately help lead to improved process safety management.

We also continued to manage a number of ongoing process safety initiatives in 2015. These included the completion of actions identified during our 2013 process safety health checks, which provided a high-level global assessment of our production and drilling operations. We completed 86 percent of identified actions by the end of 2015 and are on target to close the remaining items on schedule by 2017.

Hess collects information on process safety key performance indicators (KPIs) pursuant to the International Association of Oil and Gas Producers' (IOGP) Process Safety – *Recommended Practice on Key Performance Indicators,* Report No. 456, November 2011. Categorized as Tier 1 and Tier 2 KPIs, these are reported at an enterprise-wide level in both internal and external reports.

Our goal is to continually reduce our number of process safety events (PSEs). We conducted a detailed analysis of our PSE data from 2013 to 2015 and determined that, although the number of Tier 1 incidents has increased slightly year over year, this change does not indicate a statistically valid trend. We will continue to enhance our process for tracking, reporting and investigating incidents, including near misses and PSEs, which will allow for consistency in how these events are classified and will help to provide us with a high-quality dataset.

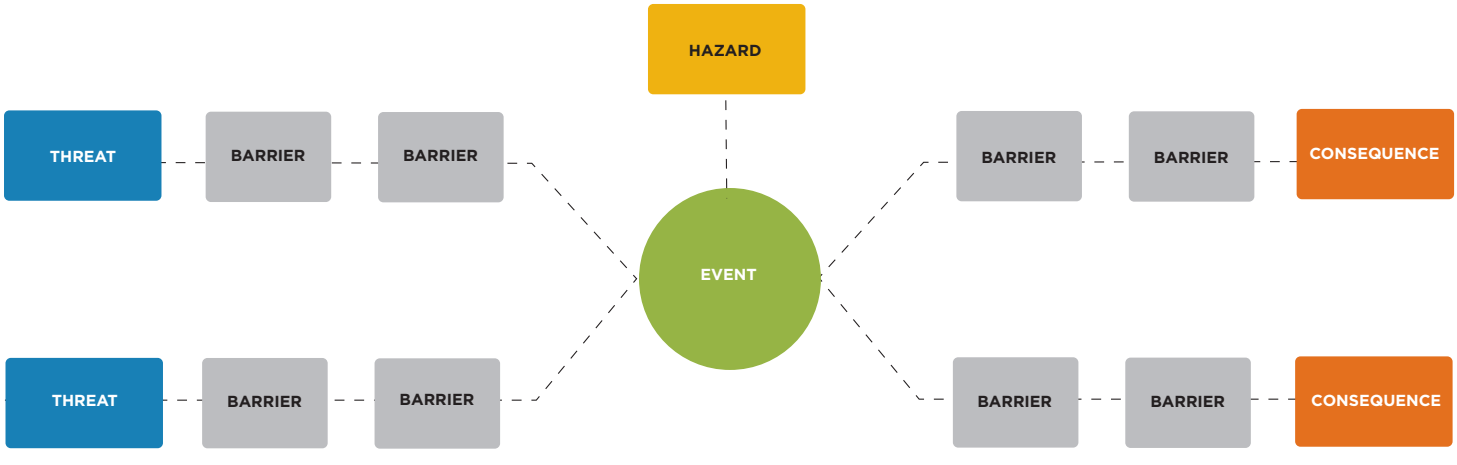
PROCESS SAFETY EVENTS

	2013	2014	2015
Tier 1 PSE Count	18	20	21
Tier 2 PSE Count	48	49	43

Note: Tier 1/Tier 2 criteria and PSE events are based on definitions from the International Association of Oil and Gas Producers, *Process Safety - Recommended Practice on Key Performance Indicators,* Report No. 456, November 2011.

We also track Tier 3 and 4 KPIs, which are leading indicators primarily designed to monitor risk control systems and process safety barriers at the facility, asset or enterprise level. We use these KPIs to support continuous improvement at particular facilities or within company systems. For instance, our global drilling and completions function tracks Tier 3 KPIs specific to their operations, such as blowout preventer performance and loss of power events. An example of a Tier 4 KPI is the implementation of performance standard tests for integrity critical equipment, which was included in the 2015 annual incentive plan bonus calculation for employees.

SAMPLE BOW TIE DIAGRAM



LOCAL EFFORTS

Offshore Safety Performance

Hess delivered exceptional safety performance in 2015 at our offshore operations in Equatorial Guinea. Prompted by an upward trend in HiPo incidents at this asset, we focused on our established controls such as hazard observations, risk assessments, toolbox talks and visible leadership in the field. In addition, we heightened awareness of process safety management through workforce engagement and training on losses of primary containment and dropped object hazards. These initiatives helped the asset to achieve its best safety year ever, with a TRIR of just 0.08 and only two HiPo incidents, down from seven in 2013.

Pre-Job Contractor Management

In 2015 we initiated an innovative contractor engagement process for work on our facility in the Baldpate field in the Gulf of Mexico. We took our onboarding process to contractors' sites, where we met face to face with leaders and workers and obtained a firsthand look at the equipment that would supply a particular project. We also shifted our pre-work project meeting from a Hess-led presentation to a collaborative dialogue that capitalized on the expertise of each project contractor. This innovative approach resulted in highly effective communication and collaboration prior to mobilization, which contributed to safe project execution ahead of schedule and below budget.

Reducing Workforce Health Risks

Through one of our contractors, we introduced a "sandbox system" for transporting proppant sand to a number of our Bakken wells in 2015. During traditional truck unloading, blowers blast sand out of the truck, spreading dust. The sandbox system uses gravity to transfer sand from the container to the conveyor, eliminating the need for blowers to blast sand out of a hauling trailer. This switch has increased operational efficiency, reduced operational costs and improved site safety.

EMERGENCY PREPAREDNESS AND RESPONSE

Although we are primarily dedicated to preventing incidents, we also diligently prepare so that we can respond effectively to any emergency that may occur. In the event of an incident, Hess' emergency preparedness and response program is designed to respond to injuries to people, spills and releases to the environment, damage to our assets and impacts to the company's reputation – all in that order of priority. Our emergency response organization is composed of teams positioned at the asset, regional and global levels. We conducted multiple exercises in 2015, including one full-scale exercise to enact the highest level of our three-tiered preparedness response plans.

In 2015 we created a global Emergency Preparedness and Response Standard. The standard establishes a framework through which we can effectively manage emergency preparedness and response across our assets and defines company expectations for preparedness, training, exercises and continuous improvement. Preparedness focuses on the tiered response organization, engagement with officials and communities, emergency facilities and response plans. The training and exercise component defines roles, responsibilities and resources. Continuous improvement is an essential element of the standard by which we incorporate lessons learned from incidents and exercises into our preparedness, training and exercises.

Another development in 2015 was the completion of an Emergency Response Stakeholder Engagement Guidance document. This document provides our assets with the tools they need to effectively and efficiently engage relevant stakeholders should an incident occur.

Emergency Preparedness and Response Partnerships

Hess' international oil spill response needs are supported by our partnership with Oil Spill Response Limited (OSRL), an international, industry-funded cooperative that responds to oil spills globally. Our domestic needs are supported by Marine Spill Response Corporation, Clean Gulf Associates, Sakakawea Area Spill Response Mutual Aid, Tri-State Bird Rescue and Research, Control Risks and International SOS. Hess representatives serve on the Board of Directors of the OSRL and on the Executive Committee of Clean Gulf Associates, a not-for-profit oil spill cooperative that supports the Gulf of Mexico.

Our international subsea preparedness and response capabilities are supported by the Subsea Well Intervention Service and Wild Well Control. In the Gulf of Mexico, we are members of the Marine Well Containment Company. These organizations provide well capping, containment and dispersant capabilities as well as equipment and personnel mutual aid.

We are also active members of the Oil Spill Response Joint Industry Project organized by IPIECA and the IOGP. Hess participates in several of the American Petroleum Institute's preparedness and response efforts, including the Oil Spill Emergency Preparedness and Response Subcommittee, the Pandemic Planning Working Group, and the Oil-Rail Emergency Response Joint Working Group. We also contribute to the IPIECA Oil Spill Working Group in support of our international businesses.

CONTRACTOR MANAGEMENT

Because contractors comprise nearly 80 percent of our total workforce hours, contractor management is a fundamental element of our EHS management system. As part of the procurement process, we conduct reviews of contractors who are considered higher risk, either due to the number of exposure hours they will work or the nature of the work they will perform, such as drilling and completions or offshore work. We utilize a recognized industry safety database management system to standardize our prequalification processes and contractor data management across multiple sites for most major areas of our operations. This provides us with the ability to clearly communicate requirements and expectations to our contractors and share information efficiently across Hess operations.

In line with our new Contractor Management Standard, which was approved in early 2016, we are implementing a process through which potential U.S. contractors receive a grade based on factors such as past EHS performance and existing safety management systems as well as fulfillment of insurance requirements. The asset director or a more senior Hess employee must endorse a safety improvement action plan for contractors who receive a low grade before that contractor may be approved for procurement. The prequalification process may include an on-location audit. In addition, new contractors working on Hess-controlled worksites will take part in a comprehensive onboarding process.


North Malay Basin, Malaysia

In 2015 we made significant strides in managing our marine contractors. We developed and implemented a marine assurance framework that established enterprise-wide guidelines for the evaluation of marine contractors and vessels. We also subscribed to the Offshore Vessel Management and Self Assessment program, a tool developed by the Oil Companies International Marine Forum. This tool allows us to both provide clear and consistent communication of our needs and expectations to our marine contractors as well as review the qualifications of marine contractors from around the world using an internationally accepted, standardized approach to assessing a contractor's compliance with safety and quality standards. We expect this framework will help us reduce costs and realize enhancements in marine contractor procurement.

HEALTH AND WELLNESS

Our health and wellness strategy includes several elements:

- Health risk assessment and planning
- Industrial hygiene and control of workplace exposures
- Medical emergency management
- Management of health in the workplace, fitness for task assessment and health surveillance
- Health impact assessment
- Health reporting and record management
- Public health interface and promotion of good health

Our employee programs include free preventive medical services, international travel vaccinations and flu shots for employees and family members. Employees at our Houston operational headquarters have access to wellness rooms – private areas where employees can rest if they are not feeling well during the work day. These rooms are monitored by occupational health professionals who are available to respond if needed.

Our mobile medical surveillance program for Hess' U.S. workforce continued in 2015. Through this initiative, annual medical exams covering employee fitness for duty and exposure programs (e.g., noise, respiratory) were centrally coordinated and tracked. Centralization helps us to remain compliant with requirements of the U.S. Occupational Safety and Health Administration and increases efficiency across our assets.

We continued to expand random drug and alcohol surveillance of our employees and contractors at our U.S. operations in 2015. This effort included the establishment of drug testing programs for compliance with U.S. Department of Transportation and U.S. Coast Guard requirements.

In 2015 we provided first aid, cardiopulmonary resuscitation and automated external defibrillator training for employees at our North Dakota and Ohio assets. We also transitioned to an online training module provided by the American Heart Association (AHA) at our assets and our operational headquarters in Houston. AHA's Heartsaver e-learning program offers cost-effective online training followed by hands-on testing with an AHA instructor.

Kuala Lumpur Office, Malaysia

OUR PEOPLE

Our workforce is vital to Hess' continued success, and we are committed to cultivating a company culture that fosters innovation, leadership and continuous learning. With our transformation into an exploration and production company complete, in 2015 we renewed our focus on key human resources programs, including talent management, learning and development, diversity and inclusion and employee engagement. The same Lean principles we applied to our operations – including a deep respect for people and an ethos of problem solving – are also being utilized to enhance our human resources programs.

EMPLOYEE DEMOGRAPHICS

We began 2015 with 3,039 employees and ended the year with 2,770 employees. By year's end, 79 percent of our employees were located in the U.S., including 67 percent in Texas, and 21 percent were in international locations.

As the price of crude oil steepened its decline in late 2015, we scaled back activities and further reduced our headcount to address increasing budget pressures. We targeted workforce reductions in areas where activity had declined and in positions that were largely held by contractors. We redeployed employees where possible to preserve the management and technical capabilities we will need to respond effectively when the price of oil recovers.

EMPLOYEES IN TRANSITION

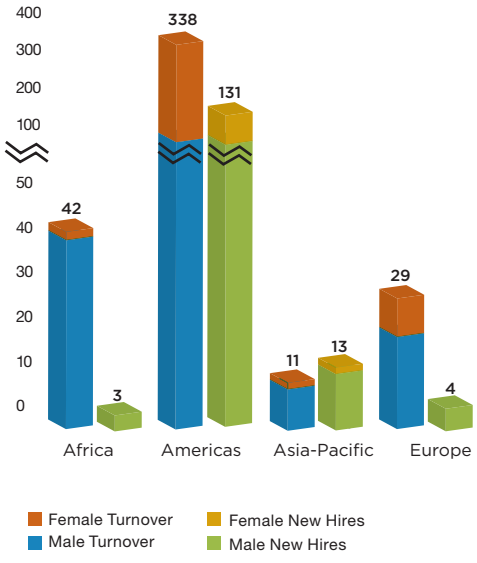
Employees who were not retained were offered severance packages to help ease their transitions. The company also provided outplacement services to support them with resume preparation, interview skills and job search strategies as they launched their search for new employment. This approach is consistent with Hess' values, which include treating people with fairness, honesty and respect.

DIVERSITY AND INCLUSION

Hess is committed to diversity and equal employment opportunities for all employees and job candidates regardless of race, color, gender, age, sexual orientation, gender identity, creed, national origin, genetic information, disability, veteran status or any other protected status in recruitment, hiring, compensation, promotion, training, assignment of work, performance evaluation and all other aspects of employment.

We do not tolerate any form of workplace harassment, including sexual harassment. We reinforce these expectations through our Code of Conduct, our Equal Employment Opportunity and Affirmative Action Policies and training (for U.S.-based managers), other human resources policies and our Human Rights and Social Responsibility Policies.

2015 Turnover and New Hires
Number of Employees



2015 EMPLOYEES BY REGION		
Americas	2,198	79%
Asia-Pacific	237	9%
Africa	169	6%
Europe	166	6%

In 2015 we continued our diversity outreach efforts with organizations that advocate for minorities, women, veterans and the disabled, including Equal Opportunity Publications, the National Business & Disability Council at the Viscardi Center, the National Diversity Council, the U.S. Business

2015 KEY DEVELOPMENTS

- Increased focus on employee engagement through a variety of actions
- Continued leadership development workshops for early career supervisors through senior management
- Introduced new online compensation management and learning management modules
- Conducted review of strategic human resources initiatives through a series of enterprise-wide focus groups

2016 GOALS

- Continue focus on employee engagement
- Advance initiatives and process efficiency in the annual compensation process, performance management, talent management and learning and development
- Refine usage of CareerManager, our integrated human resources system, through continuous improvement in data integrity, reporting and use of analytics

NATIONAL EMPLOYEES				
Country	Category*	2013	2014	2015
Denmark	National Employees	83%	87%	85%
	National Managers/ Professionals	75%	78%	77%
Equatorial Guinea	National Employees	74%	77%	78%
	National Managers/ Professionals	41%	46%	54%
Malaysia	National Employees	72%	74%	75%
	National Managers/ Professionals	70%	72%	73%

*The percent of national employees is equal to the number of national employees in that country divided by the total number of employees in that country. The percent of national managers/professionals is equal to the number of national managers/professionals in that country divided by the total number of managers/professionals in that country.

Leadership Network, the Women's Energy Network, the Society of Women Engineers and the Veteran Jobs Mission. We also continue to support additional membership-based organizations that promote a diversity of expression and thought.

Our proportion of women and U.S. minority employees, as defined by the U.S. Department of Labor, remained relatively flat in 2015 compared to 2014. We are committed to fostering women's professional growth in all areas of the company. In 2015 several employees launched a networking group at our operational headquarters in Houston called Women Inspiring Success and Excellence (WISE), with the vision "to help promote and cultivate leadership skills, business practices, career opportunities and personal contacts for women." The group held several successful events in 2015 and continues to grow in membership.

In keeping with our aim to foster diversity and cultivate leadership, we employ a high number of local nationals in our international operations and report publicly where the number is 100 employees or more. The percentage of local nationals overall, as well as the proportion of nationals holding managerial or professional positions, has increased between 2013 and 2015.

TALENT MANAGEMENT

We utilize a comprehensive talent management process to understand and assess our leadership and technical capabilities, which aids us in developing succession and hiring plans. Identifying employees with leadership potential early in their careers enables us to develop talent in support of Hess' strategic goals.

CareerManager, our integrated human resources system, provides a common platform for Individual Development Plans (IDPs), objective setting and performance evaluations. We leverage the system to encourage every employee to prepare an IDP as a roadmap for setting and achieving career goals, developing capabilities and maximizing career opportunities.

As a continuation of work from prior years, we convened a small team of human resources professionals in 2015 to improve the company's annual performance management and compensation process by applying Lean principles. The team's recommendations resulted in a more streamlined process better suited to the size of our company and with an increased emphasis on performance. We plan to build on this progress in 2016 by exploring additional opportunities for improvement.

Learning and Development

We launched a new enterprise-wide learning management system in 2015, CareerManager Learning, which houses a variety of computer-based training modules and supporting materials for instructor-led courses. It also tracks and records employee training and measures training effectiveness through surveys and evaluations.

In 2015 we continued our practice of developing employees who are new to supervisory management through focused training for first-time leaders. Employees who participated in our training program built skills that they can leverage to execute day-to-day responsibilities and enhance the performance of their team members. Program topic areas included setting performance expectations, motivating team members, providing effective feedback, coaching for success and improvement, accomplishing work efficiently through team members and managing change.

Throughout the year, internal operating functions such as exploration, developments, and drilling and completions, as well as support functions such as Human Resources, Environment, Health and Safety and Information Technology, encouraged

2015 WOMEN AND MINORITY* REPRESENTATION						
	Women (U.S. and International)			Minorities (U.S.-Based Employees)		
Job Category	Total Employees in Job Category	Number of Women	Percent Women	Total Employees in Job Category	Number of Minorities	Percent Minorities
Executives and Senior Officers	57	11	19%	50	4	8%
First and Mid-Level Managers	706	128	18%	554	91	16%
Professionals	1,390	447	32%	1,104	310	28%
Other	617	172	28%	475	134	28%
Total	**2,770**	**758**	**27%**	**2,183**	**539**	**25%**

*As defined by the U.S. Department of Labor

knowledge sharing through "lunch and learns" and other informal gatherings. Employees were also active in a variety of professional development opportunities, including engagement with trade associations, attendance at conferences and enrollment in external courses.

New Hires and Early Career Programs

Employees new to Hess benefit from our onboarding and orientation program, Passport to Hess. The program is designed to facilitate a smooth assimilation into the company through close interaction between supervisors and new employees. In 2015 the Passport to Hess program was extended from 90 days to a full year, with a substantial focus on engagement with senior executives. We introduced a Leadership Engagement Series through which new employees are invited to quarterly meetings led by senior vice presidents to discuss business unit and functional strategies and objectives. We also implemented an onboarding portal, which is designed to help minimize the uncertainty often experienced by new hires by enabling them to learn about their work location prior to their first day on the job.

Hess remains committed to our Foundation Program, which prepares early career engineers, geoscientists and supply chain professionals for challenging assignments through focused training, mentoring and on-the-job assignments. The program maintains relationships with key universities that align with our values, standards and business operations.

EMPLOYEE ENGAGEMENT

Our employee engagement activities in 2015 focused on business strategy, performance and culture. We conducted a mid-decade review of our vision and roadmap – including our strategic human resources initiatives – through a series of enterprise-wide focus groups representing every major location, business, function and level across the company. We sought employee feedback on the past five years and on our future and presented the resulting themes to the Hess Executive Committee. One of the outcomes of this review was a greater emphasis on creating a distinctive Lean culture to drive performance by eliminating waste and inefficiency.

Hess regularly shares information with and solicits feedback from employees about our business performance and processes. We use a range of engagement tools, including one-on-one and small-group discussions, focus groups and global town hall meetings and webcasts. We also utilize the company intranet, digital signage at our major locations and feedback surveys to share information and connect with employees in a timely and meaningful manner.

As an example, in 2015 our Chief Executive Officer John Hess and Chief Operating Officer Greg Hill continued to host small-group sessions called Leadership Dialogues, launched in 2014, to discuss enterprise opportunities and challenges to achieving our strategic vision. In 2015 we held 27 Leadership Dialogue sessions, reaching more than 700 employees (25 percent of all employees). Themes from these sessions were presented to the Executive Committee and turned into actions.

We also held three global town hall meetings, which were webcast to all company locations, and multiple local workforce gatherings to communicate business updates, reinforce strategy and values and answer questions. Each meeting was followed by a pulse survey to solicit feedback on key company issues and measure the meeting's effectiveness.

Our employees continue to participate in activities at various locations that demonstrate the Hess Value of Social Responsibility. These employees volunteer their time, conduct fundraising and make in-kind donations in areas such as education, health and social services.

Okume Complex, Equatorial Guinea

CLIMATE CHANGE AND ENERGY

Hess' position on climate change is that rising greenhouse gas (GHG) emissions and global temperatures pose risks to society and ecosystems warranting cost-effective policy responses that balance mitigation, adaptation and societal priorities such as access to affordable energy. Hess is committed to helping meet the world's growing energy needs in an environmentally responsible manner by taking steps to monitor, measure and reduce our carbon footprint. Hess' updated environment, health, safety and social responsibility (EHS & SR) strategy addresses climate change and the actions we can undertake to control and reduce our carbon footprint. We work with key stakeholders, including government agencies, private landowners and communities, among others, to obtain approval for these actions, including the plans and goals discussed in this section.

Hess remains an active member of IPIECA on sustainable development issues such as climate change, biodiversity impacts and access to energy – issues that are too complex for individual companies to tackle alone. IPIECA represents its members at the United Nations' Conference of Parties meetings, engaging with governments on climate-related issues. In advance of the Conference of Parties meeting in Paris in December 2015, IPIECA created a series of papers to address major issues our industry sees as necessary for tackling climate change. Collectively, these papers highlight the key role the oil and gas industry should play in terms of innovation, global reach, knowledge and technical expertise to help develop and provide credible future energy solutions.

Hess continues to meet our goal of top-quartile performance in our sector for the quality of our climate change disclosures. For the seventh consecutive year, Hess was included in the CDP's S&P 500 Carbon Disclosure Leadership Index, and for the sixth consecutive year was also listed in the Dow Jones Sustainability Index North America. Our CDP responses contain more detailed information on the company's climate change-related risks and opportunities.

See our CDP Climate Change response at **hess.com/s/cdpclimatechange**

GREENHOUSE GAS PERFORMANCE

We report GHG emissions from our oil and gas assets on an operated and equity basis. Our emissions estimates include carbon dioxide, methane and nitrous oxide—reported in units of carbon dioxide equivalent (CO_2e). Starting in 2014, Hess began using global warming potentials based on the values in the *Fourth Assessment Report: Climate Change 2007* (AR-4) prepared by the Intergovernmental Panel on Climate Change to estimate CO_2e totals. GHG data from prior years have not been restated, because the impact on historical values was not material (about 1 percent).

(continued on page 45)

GLOBAL ENERGY OUTLOOK

According to the 2015 World Energy Outlook New Policies Scenario (i.e., most likely case) developed by the International Energy Agency (IEA), worldwide energy use will grow by 32 percent between 2013 and 2040, with all the growth coming from developing countries. Energy demand for oil and gas will grow through 2040 with oil and gas each accounting for approximately 25 percent of the energy mix. In 2040 oil and gas will collectively account for 50 percent of the energy mix, down slightly from 52 percent in 2013. Even under the IEA's 450 Scenario, which is consistent with limiting concentrations of GHGs in the atmosphere to around 450 parts per million of carbon dioxide, energy demand will increase by 12 percent by 2040, with oil and gas accounting for approximately 44 percent of the energy mix. In this projected environment, coal would experience the largest demand degradation.

2015 KEY DEVELOPMENTS

- Updated climate change initiatives as part of our environment, health, safety and social responsibility strategy refresh
- Set new 2020 targets for reducing flaring intensity and greenhouse gas intensity
- Updated carbon price in our economic evaluation process for significant new investments to include two scenarios – $20 per tonne and $40 per tonne – for implementation in 2016
- Reduced equity greenhouse gas emissions by more than 5 million tonnes between 2008 and 2015

2016 GOALS

- Create a working team with senior leader representation to further evaluate and recommend strategic actions with regard to climate change
- Continue to expand North Dakota midstream gas gathering infrastructure
- Implement a project in Equatorial Guinea to pipe gas that had traditionally been flared in our Okume operation to the Ceiba field to use as fuel gas to help power our operation

CLIMATE CHANGE AND ENERGY

CARBON ASSET RISK REPORT

This section discusses the potential impact that future climate change regulation may have on Hess' market valuation. Hess has established an enterprise risk management (ERM) process to manage all types of business risk, including climate change. All Hess assets have developed a holistic risk profile in which key risks are identified with the likelihood and potential impact to the business estimated. Critical risks – risks with higher likelihood and impact or those that are unlikely but would have significant impact if they were to occur – are placed on an integrated risk register that catalogs actions for managing or mitigating each risk. In addition, all new projects are rigorously screened to verify they meet or exceed established threshold return on investment criteria to balance risk and return and meet Hess' capital discipline philosophy. We factor theoretical carbon dioxide prices into our economic evaluation process for significant new projects, and we have recently updated the pricing scenarios to $20 and $40 per tonne. This enables us to evaluate project viability based on differing ranges of potential future carbon constraints.

A select group of stakeholders and investors has raised concerns that energy companies may be overvalued in a future carbon-constrained world because these companies may not be able to produce a portion of their reserves, hence these reserves will be "stranded." According to IHS Energy, the stranded asset theory underestimates the realities of the projected growing demand for hydrocarbon resources through 2040 as well as how the categorization and timing of reserve development contribute to the market valuation of a company.

By using an extremely broad definition of proved reserves, stranded asset proponents misstate how reserves contribute to market valuation. According to IHS Energy's September 2014 report *Deflating the Carbon Bubble,* the intrinsic value of an oil and gas company is based primarily on its proved reserves, 90 percent of which are expected to be monetized during the next 10 to 15 years. The Securities and Exchange Commission defines "proved reserves" as those quantities of oil and gas that, by analysis of geoscience and engineering data, can within reasonable certainty be estimated to be economically producible – from a given date forward, from known reservoirs and under existing economic conditions, operating methods and government regulations.

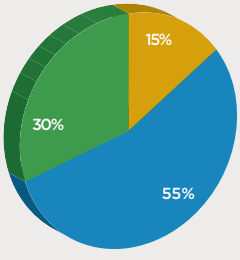
Stranded asset advocates argue that extractive companies will be left with stranded reserves over the next 30 to 40 years, thus undercutting current valuations. According to IHS Energy, while proved reserves on average account for only 24 percent of the resource base by volume, they account for 84 percent of the 2014 resource base that drives a company's total valuation. Therefore, reserves that are expected to be produced beyond a 15-year time horizon have limited impact on a company's valuation.

Tioga Gas Plant, North Dakota

The stranded asset theory also assumes that coal, oil and gas are equally vulnerable to climate policies restricting energy sources, without considering the differences in carbon intensities. Coal is the most carbon-intensive energy source, with a significantly larger carbon footprint than natural gas. As a result, coal is most likely to experience demand degradation in a carbon-constrained economy. The production of natural gas will be promoted as part of the transition to a lower-carbon environment.

We will continue to do our part to help provide reliable, affordable energy to meet growing demand, while endeavoring to take actions to reduce our carbon footprint through investments in energy efficiency, flaring reductions, fuel switching and new and emerging technologies.

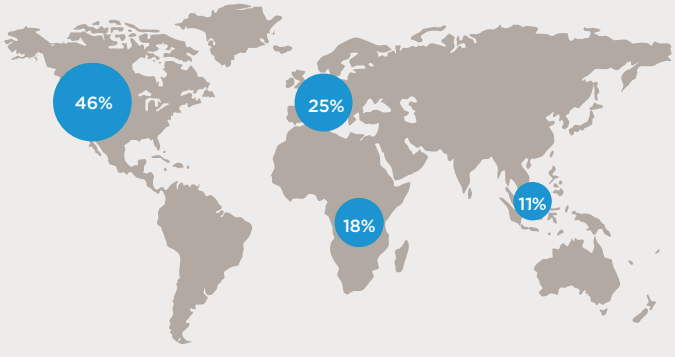
2015 Hess Proved Reserves by Resource Type*



- Conventional (including Acid Gas)
- Unconventional
- Deepwater

*Deepwater is a conventional resource but it is shown separately here to provide more clarity on our reserve base. Deepwater refers to reserves found below 1,000 feet of water depth.

2015 Hess Proved Reserves by Region*
1,086 Million Barrels of Oil Equivalent



*Proved reserves consist of 76 percent liquids (light and medium crude oils, condensate and natural gas liquids) and 24 percent natural gas.

Approximately 97 percent of Hess' direct (Scope 1) operated GHG emissions are from stationary combustion sources such as flaring, heaters, turbines and engines. The factors used to estimate emissions for these sources enterprise wide are those prescribed by the U.S. Environmental Protection Agency (U.S. EPA) in its GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart C). The remaining 3 percent of our operated GHG emissions are from a variety of non-combustion and fugitive emission sources such as storage tanks, compressor seals, pneumatic pumps and valves. For such sources at onshore facilities, we use the emission factors prescribed by the U.S. EPA in its GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart W). Subpart W does not provide factors for fugitive GHG emissions from offshore facilities; therefore, Hess uses other appropriate U.S. EPA or industry-specific factors to estimate fugitive emissions for those facilities.

We also report indirect emissions associated with purchased electricity (Scope 2) and other indirect (Scope 3) emissions.

Operated Emissions (Scopes 1 and 2)

We believe it is our responsibility to operate more efficiently by reducing GHG emissions per unit of production as we continue to expand our business. Therefore, in keeping with our EHS & SR strategy, we have established a new 2020 GHG intensity reduction target for our current portfolio of operated assets. Our target is to reduce GHG emissions intensity by 25 percent for the current portfolio of assets that we operate by 2020 versus a 2014 emissions baseline.

In 2015, of the estimated 5.6 million tonnes of gross GHG emissions from our operated oil and gas assets, 5.1 million tonnes were Scope 1 emissions, primarily from flaring and fuel combustion, and 0.5 million tonnes were Scope 2 emissions from purchased electricity. Process operations (primarily fuel combustion) and flaring accounted for 33 percent and 63 percent of our Scope 1 GHG emissions, respectively. In 2015 absolute GHG emissions increased over 2014 by an estimated 0.2 million tonnes, due primarily to increased activity in North Dakota; however, on a GHG intensity basis (i.e., tonnes of emissions per 1,000 barrels of oil equivalent (BOE)), emissions decreased by 18 percent versus our 2014 baseline.

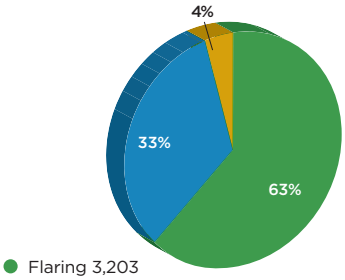
Equity Emissions (Scopes 1 and 2)

Since 2007 Hess has tracked GHG emissions from our operated and non-operated oil and gas assets based on our equity interest. Between 2008 and 2015, we reduced equity

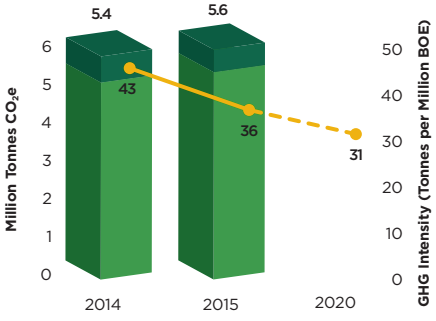
CLIMATE CHANGE AND ENERGY

2015 Operated Scope 1 Greenhouse Gas Emissions by Source

Thousand Tonnes CO_2e



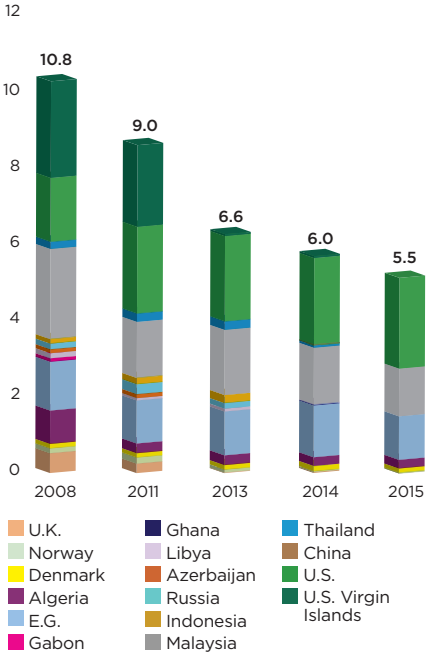
Operated Greenhouse Gas Emissions (Scope 1 and Scope 2)



Note: 2014 data excludes 0.2 million tonnes from discontinued downstream assets.

Equity Greenhouse Gas Emissions by Country

Million Tonnes CO_2e



GHG emissions from our oil and gas operations by over an estimated 5 million tonnes of absolute emissions, primarily through a combination of improving operating practices, selling assets and shutting down refinery operations. If our 2008 baseline were restated for all of the collective asset sales, our GHG emissions reduction between 2008 and 2015 would be approximately 4 million tonnes instead of over 5 million tonnes.

Our major sources of emissions from non-operated oil and gas assets in 2015 included the Malaysia/Thailand Joint Development Area and the Gassi El Agreb (GEA) project in Algeria. Our interest in GEA was sold in late 2015. Total emissions from these assets accounted for approximately 1.7 million tonnes of our equity emissions.

In 2015 major sources of emissions from operated assets included those from our Equatorial Guinea and North Dakota assets and the Seminole and Tioga gas processing plants, which together accounted for an estimated 3.2 million tonnes of equity emissions. All of our other operated and non-operated assets made up the balance of equity emissions of an estimated 0.6 million tonnes.

Scope 3 Emissions

To assess our Scope 3 GHG emissions, we use the Petroleum Industry Guidance for Corporate Value Chain Accounting methodology. Scope 3 emissions are emissions generated from corporate value chain activities that are not accounted for and reported in our Scope 1 and Scope 2 emissions.

The Petroleum Industry Guidance is based on the World Resources Institute's and the World Business Council for Sustainable Development's GHG Protocol Scope 3 standard, which includes 15 categories of Scope 3 emissions. Historically, only three of the Scope 3 emissions categories – Purchased Goods and Services (emissions generated from refined petroleum products sold), Use of Products (emissions generated from our natural gas sales) and Processing of Sold Products (emissions generated from energy used to refine petroleum products) – were material to Hess. With our transformation to an exploration and production company, the Purchased Goods and Services category is no longer applicable. Although not material, we track and report emissions associated with employee business travel.

The table on the following page details our Scope 3 emissions. In 2015 we sold 485 million standard cubic feet per day (MMSCFD) of natural gas which, when burned by customers, accounted for an estimated 9.7 million tonnes of GHG emissions. We sold 254 thousand barrels per day (MBPD) of crude oil which, when processed by refiners, accounted for another 4.3 million tonnes of GHG emissions, for an estimated total of 14 million tonnes of Scope 3 emissions.

In addition, combined emissions from employee business travel via commercial air carrier and rail in 2015 was about 10,000 tonnes. As an element of our climate change strategy, we have purchased carbon credits annually since 2010 to offset at least 100 percent of business travel emissions. In 2015 we purchased approximately 15,000 carbon credits from The Climate Trust, which more than offset the GHG emissions we estimate were generated from employee business travel.

EMISSIONS REDUCTION INITIATIVES

We track and monitor air emissions at each of our assets. We then examine opportunities at our largest emitting facilities to potentially reduce GHG emissions where it is technically and economically feasible to do so, and where we are able to achieve stakeholder approval.

Flaring

A key component of our climate change strategy is to reduce flaring. In 2015 our gas flaring from operated assets was essentially flat compared to 2014, at 99 MMSCFD. We have set a new 2020 target to reduce flaring intensity (i.e., standard cubic feet per barrel of oil equivalent, or SCF/BOE) by 50 percent for the current portfolio of assets we operate, compared to a 2014 baseline. This flaring reduction will result from major stakeholder-approved initiatives in Equatorial Guinea and our Bakken asset in North Dakota.

At our Equatorial Guinea asset, we have invested more than $30 million in a project to pipe gas that has been traditionally flared at our Okume operation to the nearby Ceiba field, to use as fuel gas to run our operations. This project is a win-win, as it is expected to substantially reduce both flaring and costs associated with fuel purchases.

To capture and monetize natural gas from our wells and minimize flaring, we have invested more than $1.9 billion in infrastructure in North Dakota between 2012 and 2015. As part of this, in March 2014 we completed the expansion of the Tioga Gas Plant, one of our major infrastructure projects. This expansion more than doubled the plant's capacity from 100 to 250 MMSCFD and increased the liquids processing capacity almost tenfold, from 260,000 to 2.5 million gallons per day.

We anticipate that expansion of the midstream gas gathering infrastructure, including additional gas compression facilities and natural gas liquids and gas gathering lines, will continue into 2016. These midstream infrastructure projects leave Hess well positioned to significantly reduce flaring over the next several years.

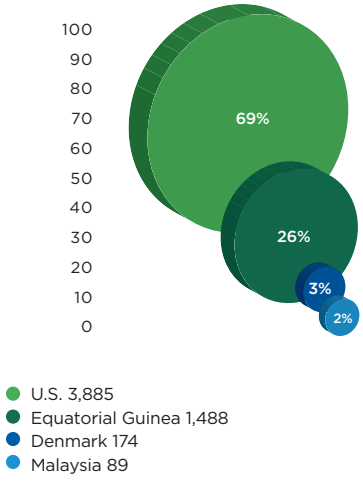
Natural Gas Capture

We anticipate that large-scale reductions in flaring will be addressed through our long-term 2020 flare intensity reduction target. In the interim, however, we are also mitigating flaring in our shale energy plays by exploring ways to capture gas at the wellhead for use in our drilling operations and for conversion to natural gas liquids (NGL).

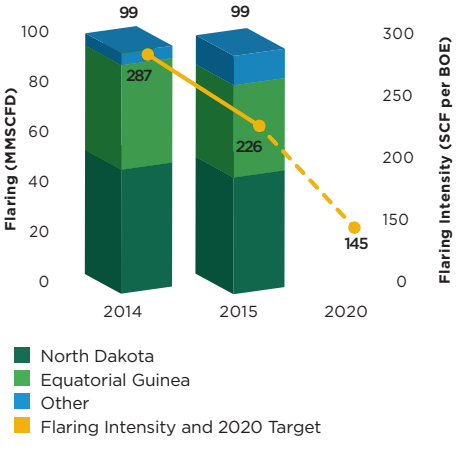
Bi-Fuel Rigs and Boiler Conversions

In 2013 in North Dakota we launched a bi-fuel installation project in which we retrofitted diesel engines to gas/diesel engines on several of the drilling rigs operating for Hess in the Bakken. The new bi-fuel engines capture and use natural gas at the wellhead, which reduces fuel costs due to fewer diesel delivery truck trips and lowers air emissions from the cleaner burn of natural gas compared to diesel. As part of this project, nine boilers were also converted to operate exclusively on natural gas during winter operations. In 2015 this project saved 529,000 gallons of diesel fuel, reduced GHG emissions by an estimated 1,532 tonnes and resulted in 66 fewer truck deliveries.

2015 Operated Greenhouse Gas Emissions by Country
Thousand Tonnes CO_2e



Hess Flaring Rates



2015 SCOPE 3 EMISSONS Million Tonnes CO_2e	
Use of Sold Products	9.7
Processing of Sold Products	4.3
Total	14.0

CLIMATE CHANGE AND ENERGY

Natural Gas Liquids

In 2013 in North Dakota we partnered with GTUIT, a designer, manufacturer and operator of well site gas capture and NGL extraction equipment, to recover high-BTU (British thermal unit) gas from locations that were producing NGLs and flaring. This project provided dual economic and environmental benefits by converting gas into marketable products as well as reducing the amount of gas flared and the associated air emissions. The project addressed two significant challenges:

- Developing equipment that adapts to the ever-changing flow conditions of the well and the changing chemistry of the associated gas (e.g., BTU content, water content)
- Developing reliable unmanned, mobile and modular equipment

The equipment that was developed to address these challenges consisted of patent-pending flow control with gas compression and refrigeration that lowers the gas stream to -40 degrees Fahrenheit, resulting in the creation of a stream of NGLs and conditioned field gas.

By the second quarter of 2015, we had installed a total of 15 mobile units with a capacity of 10 MMSCFD. An estimated 8.2 million gallons of NGLs were captured in 2015, resulting in more than 526 MMSCF of gas that was not flared, reducing GHG emissions by an estimated 51,084 tonnes and saving about 16,000 tonnes of volatile organic compounds (VOCs) from entering the atmosphere.

In September 2015 the World Bank Global Gas Flaring Reduction Partnership presented an award of excellence to Hess and our partner, GTUIT/Caterpiller Oil and Gas, for successful use of GTUIT's well site gas capture and natural gas extraction technology to reduce flaring in the Bakken region in North Dakota.

Power Generation

Power generation utilizing Bakken gas was piloted by Hess in 2014. This project involved replacing diesel generators with gas generators and was implemented at a stranded site that is utilizing eight 170 kilowatt gas generators. As a result of the project, the site is now using 140 thousand standard cubic feet per day (MSCFD) of gas to directly power its electrical needs, replacing 8,600 barrels of diesel fuel that was previously burned and reducing GHG emissions by 1,046 tonnes in 2015. This pilot project will be expanded to two additional North Dakota

Gas Capture and Recovery Project, North Dakota

sites, which will use approximately 100 MSCFD each, by mid 2016. Additional sites are being evaluated, with a goal to replace all diesel generators in North Dakota with gas generators.

To further help reduce flaring emissions, the Environmentally Friendly Drilling (EFD) program, Gulf Coast Green Energy and ElectraTherm partnered with Hess to test the ElectraTherm Power+ Generator™, a leading distributed waste-heat-to-power technology, at a Hess North Dakota well site. The pilot project captures the natural gas to generate electricity and reduces or eliminates onsite flaring. ElectraTherm's Power+ Generator™ captures the waste heat and provides clean methane utilization without capital-intensive gas cleanup. At the well site, natural gas that would otherwise be flared is instead used to fuel a low-emission industrial boiler. The boiler heats water to run the Power+ Generator™ and produces clean energy that is used for onsite processes, offsetting the cost of electricity from the grid. The pilot system operated with an estimated on-stream reliability of greater than 98 percent and showed average estimated reductions in carbon monoxide of 98 percent, nitrogen oxides of 48 percent and VOCs of 93 percent, compared to flaring.

Transportation

In 2013 at our North Dakota asset we began using flexible hose for freshwater transport instead of trucks. This type of hose collapses flat when not in use, like a fire hose, and can be used to pipe water directly from the water source to our wells. Use of these flat hoses offers several benefits – they eliminate the need for trucks to haul water, resulting in less noise and lower GHG emissions, transportation costs and risk of vehicle accidents.

In 2014 we piped 43 percent (4.5 million barrels) of the water used for fracturing via these hoses. In 2015 we exceeded our goal of 65 percent by piping 72 percent, or 6.9 million barrels, of the water used for hydraulic fracturing, which resulted in a reduction of 63,000 truck deliveries, 2.3 million miles driven and 5,010 tonnes of GHG emissions. During winter operations, by using line heaters we were able to deliver 75 degree Fahrenheit water to locations through flat hose into insulated tanks, eliminating the on-location heating of water. We plan to continue to utilize flat hose for water transport in 2016.

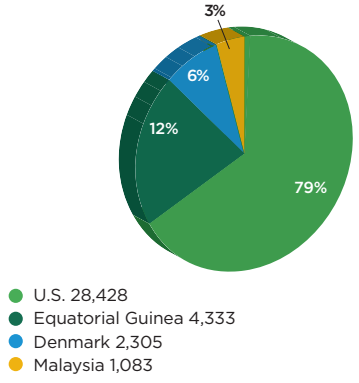
See our CDP Climate Change response at **hess.com/s/cdpclimatechange**

ENERGY USE

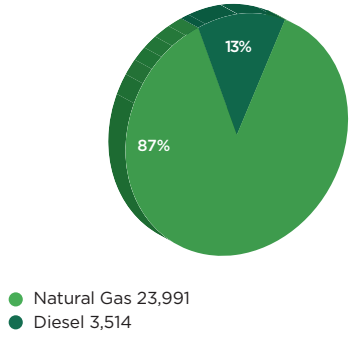
Monitoring and managing our energy use is an important part of Hess' Lean approach because it has the dual benefit of reducing both costs and GHG emissions.

We make and purchase energy primarily for power, processing, heating and cooling. In 2015 energy consumption from Hess-operated assets was approximately 36 million gigajoules (GJ), 5 percent higher than the previous year. However, our 2015 energy intensity (GJ/barrels produced) declined by 18 percent as we became more efficient through our Lean approach to operations. Seventy-six percent of Hess' energy use was directly generated from our operations, primarily at the Seminole and Tioga gas processing plants and at our production facilities in North Dakota, Denmark and Equatorial Guinea. The remaining 24

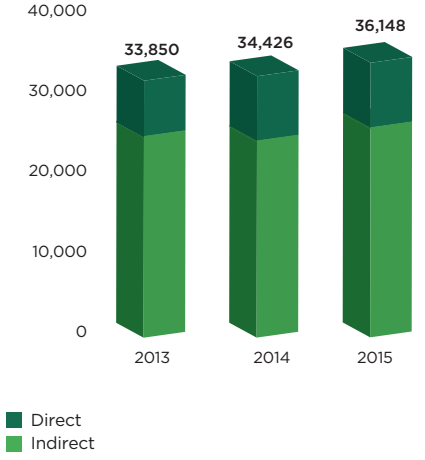
2015 Energy Use by Country
Thousand Gigajoules



2015 Direct Energy Use by Fuel Source
Thousand Gigajoules



Energy Use
Thousand Gigajoules



percent was indirect energy (energy burned by utilities to provide net purchased electricity) purchased for the Seminole (West Texas) and North Dakota production operations and the Seminole and Tioga gas processing plants. Our 2015 electricity usage was essentially flat compared to 2014.

2015 ELECTRICITY PURCHASED FROM PUBLIC UTILITIES

Utilities' Primary Energy Source	Thousand MWh	Percentage
Coal	524	56%
Natural Gas	207	22%
Wind	125	13%
Nuclear	39	4%
Conventional Hydroelectric	35	4%
Other Non-Renewables	4	<1%
Biomass, Solar, Other Renewables	2	<1%

Note: Approximate figures based on U.S. Energy Information Administration 2014 state electricity generation profiles.

In 2015 our U.S. operations accounted for all (approximately 936,000 megawatt hours) of our purchased electricity. Based on U.S. electricity generation profiles, we estimate that approximately 14 percent of this electricity was generated from renewable sources, primarily wind power. In addition, as part of our climate strategy, we use renewable energy through the purchase of renewable energy certificates (RECs), equivalent to at least 10 percent of the net electricity used in our operations. In 2015 we purchased 135,000 Green-e Energy certified RECs for wind power, equivalent to 135,000 megawatt hours or about 14 percent of our purchased electricity from our exploration and production operated assets. Overall, between the portion of our electricity generated through renewable grid sources and the purchase of RECs, approximately 28 percent of our indirect energy use came from renewable sources.

MANAGING METHANE EMISSIONS

The advancement in shale energy technology in recent years has resulted in an increased supply of abundant, low-cost natural gas. The clean burning characteristics of natural gas can play a critical role in the transition toward a low-carbon economy. Although natural gas burns cleaner than other fuels, there is considerable debate about fugitive methane leakage along the natural gas value chain, which may have the potential to reduce its climate benefits. Methane emissions have a stronger global warming potential than the carbon dioxide emitted when natural gas is combusted, thus methane emissions may have the potential to offset many of the benefits of natural gas as a clean fuel. Over the past two or three years there has been increasing stakeholder scrutiny around this issue. In January 2015 the U.S. announced plans to cut methane emissions from oil and gas operations by 45 percent by 2025 from 2012 levels. This has resulted in several federal regulations (some final and some under development) aimed at reducing methane emissions. The industry maintains that these regulations are largely unnecessary, as methane emissions have decreased at a time of growth in natural gas production and because it is in the industry's best interest to monetize gas to generate additional revenue.

ONE Future

One element of our EHS & SR strategy has been to pursue voluntary reductions in methane emissions in advance of potential new regulations. As a result, Hess became a founding member of the ONE Future Coalition, a group of companies from across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement in the management of methane

Optical Gas Imaging, Bakken Well Site

emissions associated with the production, processing, transportation and distribution of natural gas. ONE Future offers a performance-based, flexible approach to managing methane emissions that is expected to yield significant reductions in such emissions. The goal is to voluntarily lower methane emissions to less than one percent of gross methane production across the value chain by 2025. Peer-reviewed analyses indicate that a leak/loss rate of one percent or less across the natural gas value chain provides immediate GHG reduction benefits.

To achieve this goal, ONE Future has established methane emission rate targets for each sector of the natural gas value chain: production (0.36 percent), processing (0.11 percent), transmission and storage (0.30 percent), and distribution (0.22 percent), which cumulatively total to the one percent target. Hess has activities in two sectors, production and processing. In 2015 our methane emissions rate for production was 0.11 percent and our emissions rate for processing was 0.11 percent, both of which are already well below the industry averages and meet the 2025 ONE Future targets.

Additional Performance Improvement Efforts

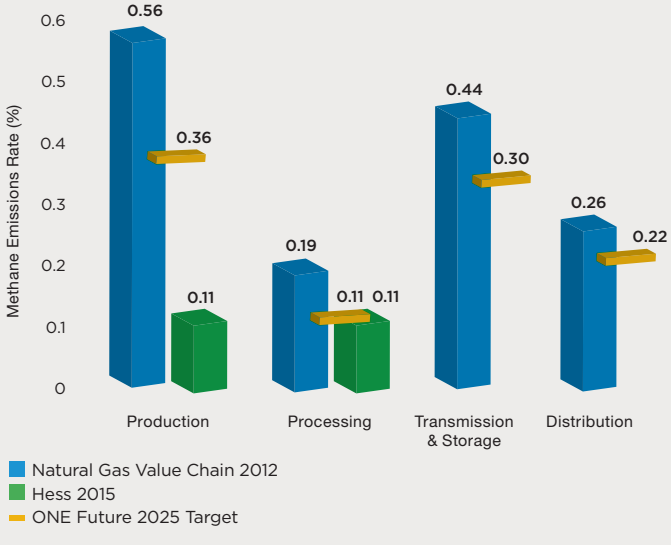
Although Hess has already met our ONE Future sectoral targets, we are committed to further improving our performance. We are currently expanding the leak detection and repair (LDAR) programs from our gas plants and Ohio production operations to our North Dakota production operations. We are also working to change out our remaining high-bleed pneumatic controllers. These measures, together with the steps we are taking to reduce flaring in North Dakota (described previously), will, if approved by applicable stakeholders, help to further reduce our methane emissions.

Research Partnerships

We are also supportive of efforts to improve methane monitoring technologies. Hess is collaborating with other oil and gas companies, the Environmental Defense Fund (EDF) and the Southwestern Research Institute in the Methane Detector Challenge, which tasks technology developers and engineers with developing low-cost methane monitors that can help the oil and gas industry better detect, and ultimately reduce, methane emissions.

Hess, together with a number of other oil and gas companies, also collaborated with Colorado State University and EDF to study methane emissions associated with the natural gas industry's gathering infrastructure and processing plants. This study is one of 16 studies sponsored by EDF and its industry partners to quantify natural gas emissions across the value chain. Researchers found wide variations in the amount of methane being emitted at various sites – especially in the gathering sector. The study found that less than one percent of the methane that passed through natural gas gathering and processing facilities in the U.S. is leaked, but that roughly one-third of gathering facilities account for 80 percent of methane emissions. The study indicated that variations among facilities were being driven by differences in inlet and outlet pressure and abnormal process conditions. Overall the study provided valuable insight into potential gaps within the current national GHG inventories and reporting protocols. It is anticipated that results from the study will help to inform the implementation of new U.S. EPA reporting rules in 2016.

Methane Emission Rate (ONE Future Protocol)*



*The methane emissions rate represents the ratio of methane emitted (in tonnes) to methane produced or processed (in tonnes) from U.S.-operated assets.

Production Operations, North Dakota

ENVIRONMENT

Responsible management of our environmental footprint is a key component of our drive for operational excellence. We maintain spill preparedness and response plans and conduct emergency response exercises at each of our assets. We also dedicate significant staff and resources to help ensure compliance with environmental laws and regulations, international standards and voluntary commitments.

One of our voluntary commitments is our sponsorship and active participation in the Environmentally Friendly Drilling (EFD) program, which is a partnership among multiple oil and gas companies, academia and environmental organizations that is coordinated by the Houston Advanced Research Center. The program aims to provide sound science and develop solutions to address environmental issues associated with oil and gas development. One outcome of our involvement was our partnership with EFD, ElectraTherm and Gulf Coast Green Energy to reduce flaring at our Bakken asset, as described in the Climate Change and Energy section on page 49. In addition, we initiated efforts to reduce water disposed in underground injection wells, as described further in the Shale Energy section on page 54.

To track our environmental performance and drive improvement over time, we use key performance metrics – including those factored into our annual incentive plan – at the asset and enterprise level. Through these efforts, we continuously strive to reduce the amount of water and energy we use, limit our emissions to air and prevent spills and other unplanned releases.

WATER MANAGEMENT

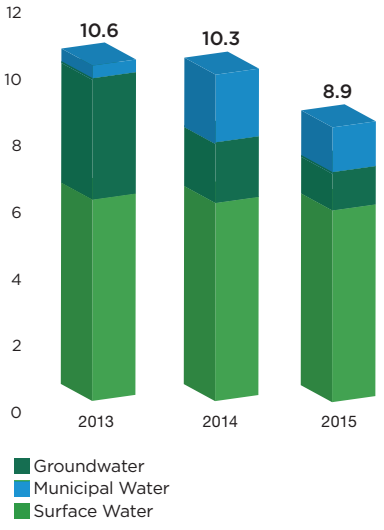
Water is vital for our onshore exploration and production operations, primarily for cooling and hydraulic fracturing. At our new developments and operations, water use may be impacted or restricted due to local limitations on water supply and disposal options. We recognize public concern about our industry's use of water, and we are committed to evaluating our water footprint. As such, we identified water management as a material issue and critical element of our environment, health, safety and social responsibility (EHS & SR) strategy. We are developing a risk-based, life cycle approach to manage water from sourcing through disposal. We also plan to pursue objectives relating to water data enhancement, water risk assessment and risk-based evaluation of asset-level water management opportunities. Additional examples of our approach to reducing our water footprint are discussed in the Shale Energy section.

Our total freshwater use for exploration and production decreased by 13 percent from 2014 to 2015, primarily due to our exit from several international assets (e.g., Algeria, Kurdistan Region of Iraq, the U.K.) in 2015.

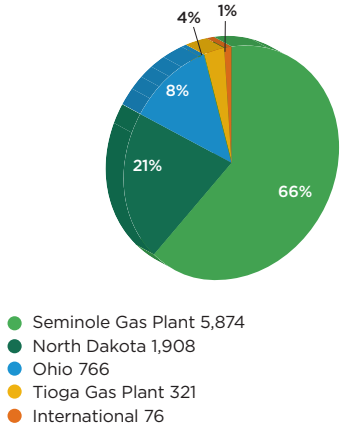
The Seminole Gas Plant in West Texas, which uses water primarily for process cooling, remained our largest single freshwater user in 2015, accounting for

(continued on page 57)

Freshwater Use
Million Cubic Meters



2015 Freshwater Use by Business and Facility
Thousand Cubic Meters



2015 KEY DEVELOPMENTS

- Piloted implementation of a compliance tracking tool at our Bakken asset
- Conducted a hydrogeological study to assess capacity of the Ogallala Aquifer
- Adopted our new global Waste Management Standard

2016 GOALS

- Continue initiatives to reduce environmental impacts of shale energy development
- Begin efforts to improve water data collection methodology
- Further incorporate water management in the risk assessment process

SHALE ENERGY

In recent years, advances in horizontal drilling and hydraulic fracturing have resulted in a rapid increase in shale oil and gas development in the U.S. Hess has made significant investments in these unconventional oil and gas plays – first in the Bakken Formation in North Dakota, one of the premier U.S. tight oil plays, and more recently in the Utica Formation in Ohio, an emerging shale gas play. Oil and gas from these plays constitute about 50 percent of Hess' total operated production.

We recognize that some groups have voiced concerns about the potential effects of shale energy operations on the environment, public health and safety. The practices we use are well established and in most cases have been employed in conventional oil and gas development for many years.

We aim to develop our resources responsibly and with minimal impact. All assets undergo several stages of detailed, activity-based risk assessments during the appraisal, capture, development and production phases. These multidisciplinary risk assessments allow us to identify mitigation measures we can pursue to help us protect the environment, the communities in which we operate and the safety of our workforce. Our enterprise risk management process, discussed in the How We Operate section, includes identification and ranking of environmental considerations and other aspects of our operated activities as well as technical review and value assurance activities. We also perform numerous EHS audits on an annual basis. As discussed in the Community and Social Performance section, we continue to identify and address stakeholder concerns to improve our performance and enhance our license to operate.

Protection of Water Quality

Hess protects water resources through the implementation of various controls. Our well pads and aboveground operating equipment use secondary containment to minimize impacts from loss of primary containment (LOPC). Measures to prevent stormwater from entering the well pad are incorporated into our construction design, and precipitation that falls within an operating area is controlled to help prevent impacted runoff from leaving the pad. Hess also has processes and procedures to respond to an LOPC to quickly control, contain and mitigate impacts.

We employ closed-loop containment systems for drilling fluids, which reduce the risk of LOPC. These systems also provide efficiency in controlling waste volumes, as liquids and cuttings can be better separated for improved waste management and disposal. We store flowback and produced water in closed tanks.

In Ohio, Hess meets or exceeds state regulatory requirements for baseline groundwater and surface water sampling of neighboring properties prior to drilling. Through water sampling, both Hess and the surrounding property owners are provided with a baseline of water quality conditions prior to operations. This activity affords all parties a level of protection as well as promotes transparency and stakeholder engagement. In North Dakota, the state operates a regional network of groundwater quality monitoring wells.

Water Use

We understand the importance of managing water resources responsibly and continue to evaluate our operations for potential opportunities to improve our water performance. Hydraulic fracturing accounted for 25 percent of Hess' total freshwater consumption in 2015, with our North Dakota and Ohio assets reflecting 17 percent and 8 percent, respectively, of this amount.

Hydraulic fracturing requires significant amounts of locally sourced water. A large percentage of that water remains underground, retained within the formation during and after the hydraulic fracturing process, and thus is removed from the Earth's water cycle.

The ability to incorporate alternatives to fresh water within the operational life cycle is dependent upon a multitude of factors and is predominately driven by local conditions. In 2015 Hess initiated a program to evaluate opportunities to reduce the quantity of recovered water disposed in underground injection wells. Through various efforts to pilot the reuse of drilling, flowback and produced water in hydraulic fracturing, we were able to eliminate the disposal of more than 76,000 barrels of recovered water and to offset our use of freshwater resources by that amount.

Well Integrity

Whether for conventional or unconventional resources production, a key to protecting groundwater is well integrity – that is, ensuring physical barriers between the wellbore and the surrounding rock and underground aquifers.

While hydraulic fracturing processes occur several thousand feet below the Earth's surface, wellbores pass through groundwater bearing zones at shallower depths. Therefore before designing or constructing any well, we investigate the depth and lateral extent of any underground fresh water so that the well can be drilled and completed in a way that protects groundwater resources and conforms to regulatory requirements and internal Hess standards.

Certain U.S. state agencies require operators to design casing and cementing plans that will isolate any underground fresh water from the contents of the wellbore. We submit this information in applications for well construction permits, which must be reviewed and approved by regulators. Well designs can vary from asset to asset due to differences in the formation, the management of drilling risks and technology applications.

To help ensure well integrity, our current process for new wells is to line wellbores with multiple layers of steel pipe encased in cement to depths well below the deepest freshwater zones. Specifically:

- A surface casing is installed from the surface to below the lowest known freshwater zone and then cemented in that interval from the

deepest point to isolate the freshwater zone, thereby creating a physical barrier between the materials in the well and the strata containing the groundwater being protected.

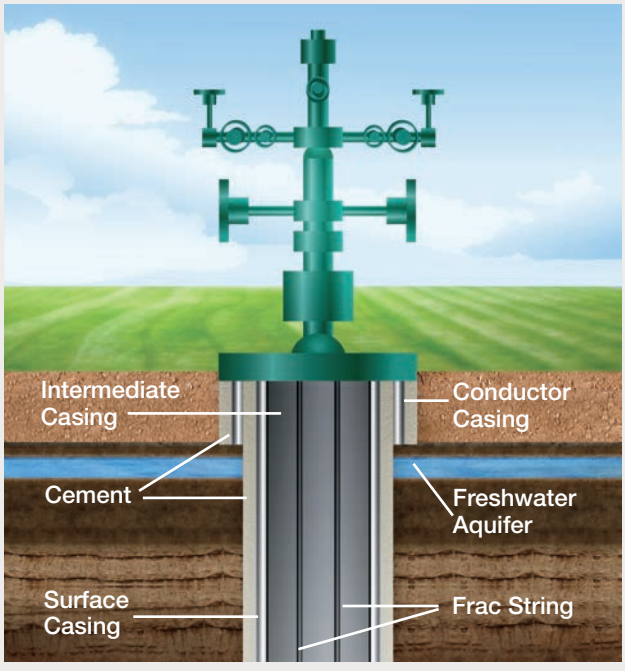
- Inside the surface casing, another casing is installed and cemented in place and an acoustic cement bond log is employed to confirm that the cement barrier meets regulatory requirements.
- The well completion is performed through a final casing (Ohio) or liner (North Dakota) placed inside the production or intermediate casing to the depth of the lateral. In North Dakota, a "frac string" is then run and connected to the top of the liner. This provides an additional physical barrier to isolate fluids within the well.
- To prevent potential fracture stimulation interference – that is, stimulating one well and having it result in hydraulic communication in nearby wells – existing offset oil and gas wells are shut-in during fracturing activity, and the wellhead systems in nearby wells are tested prior to being shut-in.
- During hydraulic fracturing, procedures are in place to operate surface and downhole equipment within their design ratings.
- Induced seismicity from hydraulic fracturing or underground injection wells has not been a focus of potential concern for our operations in North Dakota. In Ohio, regulators have implemented measures through the permitting process to address seismicity concerns in the state. Hess follows a monitoring methodology and an operational control process when performing hydraulic fracturing in areas of known faults or areas of previous seismic activity greater than 2.0 magnitude.

Hydraulic Fracturing Fluid Composition

Hydraulic fracturing fluid is predominantly composed of water with proportionally small volumes of proppant and chemical additives. The water we use for the fluid is primarily from freshwater sources, though as discussed in the Water Use section, non-freshwater sources may also be used. Proppant is a solid material, such as sand, used to hold the formation open and allow the oil and gas to flow into the well. We have been increasing our use of sand as a proppant (instead of ceramic materials) and reached 100 percent use of sand by the end of 2015. The chemical additives in fracturing fluids are used for specific purposes such as reducing friction, killing bacteria or inhibiting corrosion or scale deposits.

We know that some stakeholders are concerned about the chemical composition of hydraulic fracturing fluid. Hess does not use diesel or benzene, toluene, ethylbenzene or xylene (BTEX) in our hydraulic fracturing fluids.

We also evaluate the additives we use and consider new products that become available. In 2014 and 2015 Hess pioneered the use of high-concentration friction reducers (HCFRs). HCFRs have multiple benefits, including a reduction in pumping power requirements (which lowers fuel use and emissions) and a reduction in the overall number and volume of chemicals used per well. Using fewer chemicals per well reduces the number of vehicle deliveries and the occupational and environmental exposure risks associated with handling chemicals, as well as the potential for and consequences of spills. By the end of 2015, approximately 26 percent of our North Dakota wells had been completed with the reduced additive fluid composition containing HCFRs. Hess is continuing to increase the percentage of wells completed with the new composition and is targeting 100 percent of all wells by year-end 2016.



Bakken example. Drawing is not to scale.

We participate with our peers in forums that are engaged in developing science-based frameworks for the evaluation of suppliers to provide data on the composition of hydraulic fracturing fluid used in each well. This information is publicly available on the FracFocus website. While respecting laws that allow our service providers to preserve the confidentiality of their fracturing fluid formulations, we encourage transparency in chemical use and disclosure.

Air Emissions

In our shale energy operations, regulated emissions occur during flowback and production operations. When technically feasible, these emissions are collected and directed to a pipeline for gathering and processing. Where pipeline availability is constrained, flaring of the natural gas produced may occur. See the Climate Change and Energy section for more information on greenhouse gas (GHG) emissions. Companywide non-GHG air emissions are discussed at the end of this section.

SHALE ENERGY, CONTINUED

Land Use

We seek to minimize land use and reduce the number of well sites needed to develop our acreage. In North Dakota this can be achieved by implementing multi-well pad drilling – that is, multiple wells (up to 18) on a single well pad with shared surface facilities. In both Ohio and North Dakota we use geographic information systems when siting facilities to minimize the impact on the environment and local communities.

Transportation Impacts

We are sensitive to stakeholder concerns about increased trucks on the road in areas of high drilling activity. In North Dakota we have participated in multi-stakeholder initiatives aimed at minimizing impacts on public roads and traffic congestion. We have also collaborated with community partners and state officials in North Dakota to promote adequate infrastructure funding to improve traffic safety and support road maintenance. In 2015 we were able to remove additional trucks from the road through the use of remote truck offloading at the Ramberg Truck Facility in North Dakota and the addition of new crude oil booster pumps that now deliver oil from Ramberg to the Tioga Rail Terminal.

In 2015 we further increased our use of piping to transfer fresh water for completions at our North Dakota asset. During the year we piped water to approximately 72 percent of our well completions, which offset more than 63,000 truck deliveries.

As discussed in the Safety and Health section, the Hess completions team is using a new "sandbox system" for delivering proppant sand to about half of the wells Hess is fracturing in North Dakota. With the sandbox system, the boxes empty by gravity and the sand falls out of the boxes onto a conveyor. Importantly for road safety, the sandboxes can be delivered ahead of time and pre-staged for use throughout the fracturing process. This reduces the need for nighttime and bad weather truck deliveries, which reduces the risk of exposure for drivers, well site staff and other road users.

Crude-by-Rail Safety

Over the past several years, the transport of crude oil by rail has become an issue of concern in the U.S. and Canada. Improving crude-by-rail safety is a shared effort among railroads, regulators and operators. At Hess, we are committed to doing our part to minimize the risks involved. Hess encourages the adoption of a holistic approach to rail safety that is science based and addresses accident prevention, mitigation and emergency response capability.

We recognize that appropriate train and track design standards and maintenance are significant factors in preventing train derailments. We rely on guidance from studies conducted by railroads and regulators and follow mandatory train and rail car design and maintenance standards. To that end, Hess was one of the first companies in 2015 to procure crude oil tank cars equipped with thicker shells and full-height head shields for puncture resistance, enhanced thermal protection and bottom fittings protection as called for in the DOT-117 enhanced tank car design standard issued in May 2015.

Effective July 1, 2015, Hess entered into a midstream energy joint venture in which Global Infrastructure Partners purchased a 50 percent ownership interest in Hess' Bakken, North Dakota, midstream assets. The Tioga Rail Terminal and associated rail cars are included in the joint venture. However, Hess, through our affiliates and service agreements with the joint venture, continues to operate the assets.

We do not own any "legacy" DOT-111 rail cars. Through the midstream joint venture, we have an ownership interest in 956 crude oil rail cars that were constructed between May 2011 and March 2012 to AAR Petition 1577 (CPC-1232) safety standards and are equipped with advanced safety features, including a thicker, more puncture-resistant shell, extra-protective head shields at both ends of the rail car, and additional protection for top fittings and a self-closing safety relief value. Each of these CPC-1232 crude oil rail cars is capable of being upgraded to the most recent DOT-117 safety standards. Our midstream joint venture acquired 550 new crude oil rail cars, which it began receiving in 2015. These cars have been constructed to the most recent DOT-117 standards, with the exception of adding electronically controlled pneumatic (ECP) brakes. In accordance with the 2015 transportation legislation passed by Congress and signed by the President in December 2015, implementation of the ECP brake requirement is on hold while the National Academy of Sciences conducts a hazard study on ECP brakes to determine whether they are warranted.

In May 2015 a crude oil train – at the time owned by a Hess affiliate– was being transported by BNSF Railway when it derailed near Heimdal, North Dakota. No injuries were reported in connection with the accident. The derailment resulted in a release of crude oil. The National Transportation Safety Board is investigating the cause of the accident, and that investigation is ongoing.

We have worked with local and national governmental agencies, industry, rail equipment manufacturers and the railroads to facilitate the safe transportation of crude oil and other petroleum products. Also, we have an internal, cross-functional Rail Transport Working Team that meets regularly to share information regarding issues relating to rail safety. We are also actively engaged with industry efforts to further improve the safety of rail crude oil transport. We are represented on the American Petroleum Institute (API) Rail Policy Committee, Government Affairs Committee and Rail Transportation Group. We are also active on several multi-stakeholder task forces addressing these issues.

66 percent of our companywide freshwater usage. The plant sources its water from a network of Hess-owned and -operated groundwater wells that withdraw from the Ogallala Aquifer. Based on an evaluation we conducted using the World Resource Institute's Aqueduct water risk mapping tool, the baseline water stress in the region is categorized as "high risk." According to Texas Water Development Board data, the primary driver for water demand in the region is agricultural activities. Hess' consumption comprises a small fraction of the region's total use; our withdrawals from the aquifer represent only 0.1 percent of estimated annual water demand.

Recognizing the need to address water stress in this region, we are studying our water use impacts on the Ogallala Aquifer. In 2015 we conducted a hydrogeological study to assess the capacity of the aquifer and help us better understand long-term water availability and yield. We are in the process of evaluating the results of the study and considering the potential options for reducing our water use.

We also continue to prioritize reusing water at the Seminole Gas Plant. In 2015 we reused more than 1 million cubic meters of fresh water at the plant, representing 18 percent of the plant's total usage for the year. The facility recirculates water in its cooling towers between three to five cycles, and to prevent the buildup of solids in the circulating water, a portion is removed as "blowdown." This blowdown water was reused in our Permian production operations to maintain reservoir pressure.

Drilling and completion activities in North Dakota and Ohio comprise our second-largest water use. Most of this water is used for hydraulic fracturing. We use small quantities of brackish groundwater for reservoir management purposes in North Dakota.

We understand that water optimization is a concern for our company and our entire industry. To promote knowledge sharing and inform our path forward with respect to these issues, we participate in two industry forums focused on water management. First, we actively participate in a water working group convened by IPIECA. The working group aims to help companies improve their water use performance and reduce their water footprint by providing sound analysis, assessment tools, good practices, credible data sources and appropriate indicators. Second, we are members of the Energy Water Initiative, a collaborative effort among 18 oil and natural gas companies to study, describe and improve life cycle water use and management in upstream unconventional oil and natural gas exploration and production.

BIODIVERSITY

At every Hess location around the globe we consider the protection of biodiversity in our decision making and management.

We conduct formal environmental and social impact assessments (ESIAs) on major capital projects as part of site evaluation, selection and risk assessment. These ESIAs include biodiversity baseline studies as well as screenings of identified species using the International Union for Conservation of Nature (IUCN) Red List and other threatened, endangered and protected species lists. The results of an ESIA are used to create mitigation strategies. Even where the conditions or circumstances do not call for a full ESIA, we still routinely conduct biodiversity risk screenings and impact assessments and undertake appropriate mitigation activities. In addition, we conduct assessments where the classification of species and habitats changes in areas where we operate.

In 2015, as part of the permitting process for the Hawkeye Pipeline project, we conducted a formal environmental impact assessment (EIA) in North Dakota. The EIA identified one species of butterfly (the Dakota Skipper) from the IUCN Red List in our area of operation. We subsequently developed mitigation measures, including surveying and continuous monitoring, to help protect this species.

In the U.S. we have been monitoring the addition of new species to the national endangered and threatened species lists by the U.S. Fish and Wildlife Service. In addition, we are identifying locations where we may need to conduct new biological risk assessments and develop mitigation plans as a result of these listings. Already, we have adjusted drilling site locations to accommodate habitat features and priorities for certain species.

Hess utilizes third-party software programs, such as the Integrated Biodiversity Assessment Tool, to identify protected areas and key biodiversity areas as well as specific species listings. We maintain a list of IUCN Red List species with habitats that overlap with our operations (see table).

IUCN RED LIST SPECIES

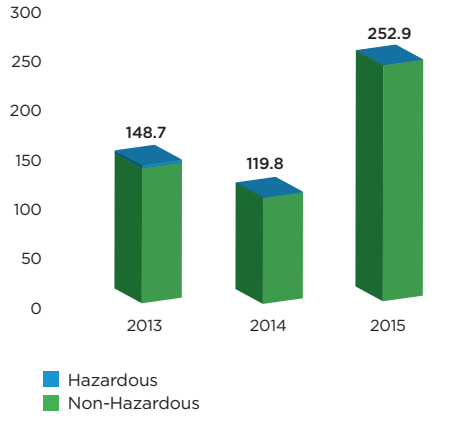
Category	Number of Species
Critically Endangered	16
Endangered	32
Vulnerable	118
Near Threatened	161

We also identify IUCN-protected areas (categories I-III) adjacent to our operations. In 2015 there were three such areas – two in North Dakota (Lostwood Wilderness Area and Theodore Roosevelt National Park) and one in Western Australia (Wanjarri Nature Reserve).

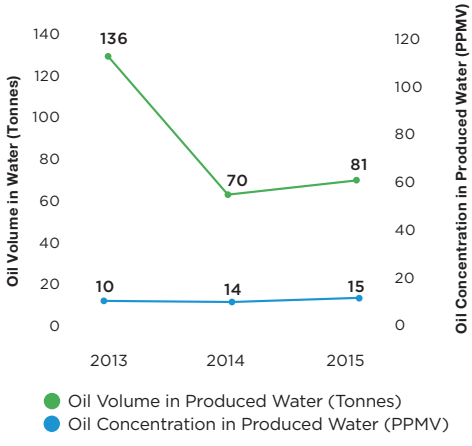
We regularly work with our industry peers on biodiversity-related issues. For example, we are an active member of

ENVIRONMENT

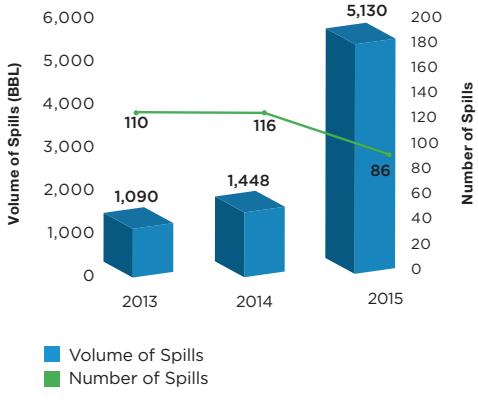
Waste
Thousand Tonnes



Oil in Produced Water Discharges to Sea



Hydrocarbon Spills



the Biodiversity and Ecosystem Services Working Group of IPIECA. In October we helped lead and had several staff members participate in the working group's first peer-to-peer training workshop on managing biodiversity and ecosystem services in the oil and gas industry. We also participate in an API Endangered Species Working Group to discuss large-scale projects with the goal of minimizing biodiversity harm and aligning operational siting objectives to proactively balance development with environmental decision making.

We also participate in the Cross Sector Biodiversity Initiative (CSBI), a partnership of IPIECA, the International Council on Mining and Metals and the Equator Principles Association. This initiative brings the mining, oil and gas and financial sectors together to develop and share good practices for safeguarding biodiversity and ecosystems. In 2014 the CSBI published a timeline tool designed to help align project development, biodiversity impact management and financial timelines and milestones.

WASTE

Our operations generate a variety of waste streams, including waste specific to drilling and production operations. Wastes are managed according to the waste management plan specific to each location that we operate. Waste management plans are designed to comply with all applicable regulatory requirements and to protect human health and the environment. As outlined in the plans, Hess-operated locations are expected to apply our waste minimization principles of "Remove, Reduce, Reuse, Recycle, Recover, Treat and Dispose" – with disposal being the least preferred option.

As part of our global standards project, we rolled out the Hess Waste Management Standard at our assets in 2015. Our operated assets conducted gap assessments against the standard and are now in the process of revising their waste management plans to address any gaps.

In 2015 we generated approximately 252,900 tonnes of solid waste, more than 99 percent of which was deemed non-hazardous according to applicable regulations. This year-on-year increase in waste was primarily due to an extensive clean up and recycling of scrap metal (approximately 95,000 tonnes) that had accumulated onsite in North Dakota and at midstream assets over the course of several years.

We also disposed of approximately 74,000 tonnes of drill cuttings from our North Dakota and Ohio assets at licensed disposal sites in 2015. Drill cuttings, as well as the discharges from our offshore facilities (discussed in the next section), are not included in our overall waste totals per IPIECA reporting guidance.

DISCHARGES FROM OFFSHORE FACILITIES

Discharges from our offshore facilities include drilling mud, drill cuttings and produced water. These waste streams are either reinjected for disposal or reservoir management, discharged directly to the ocean or transported to shore for treatment and disposal.

Offshore produced water discharges totaled an estimated 6.5 million cubic meters in 2015. Produced water discharges had an average oil content of 15 parts per million volume (PPMV), totaling 81 tonnes of oil discharged. This reflects an increase in average oil content and total oil discharged, compared to 2014.

SPILL PREVENTION

Hess tracks LOPC events regardless of size and material, and reports spills following industry and applicable regulatory guidance. By proactively tracking all LOPC events, we are better able to analyze root causes, including those events that may be low in impact but high in frequency.

The total number of spills (i.e., hydrocarbon and non-hydrocarbon combined) has remained relatively flat over the past three years. Of the total number of spills in 2015, 64 percent were less than 10 barrels in volume, 26 percent were between 10 and 100 barrels and 10 percent were greater than 100 barrels. While we observed a decrease in the number of hydrocarbon spills in 2015, we observed an increase in the number of non-hydrocarbon spills and the volume of combined hydrocarbon and non-hydrocarbon spills.

The increased volume of spills is attributable in part to the occurrence of infrastructure leaks and process safety events. In 2015 our two largest mechanical integrity-related LOPC events amounted to 2,500 and 2,130 barrels (BBL) and occurred in our North Dakota and Permian assets, respectively. Both LOPCs occurred from brine water injection pipelines, and the causes were believed to be related to weld and repair equipment failure. Loss of infrastructure integrity and vandalism are believed to have resulted in other significant but smaller-volume LOPCs at both assets.

Hess also experienced a process safety event in North Dakota in 2015 that resulted in a significant spill. Operational observations and the incident investigation indicated that the primary and secondary aboveground well barriers failed. An estimated 3,250 barrels of oil and 9,000 barrels of produced water were released from the wellhead. Site incident control was immediately established along with spill containment coordination efforts. No injuries occurred as a result of the incident, and the release was contained onsite. In addition to the immediate actions taken to mitigate this release, we have implemented operational and management of change procedures to prevent reoccurrence.

We are addressing the challenges in this area through a variety of measures, including worksite controls such as use of fluid transfer checklists, expansion of existing training and implementation of a hose registry program in our Bakken drilling operations. To address spills that result from corrosion and integrity issues related to fluid injection and pipeline conveyance systems, two of our onshore assets initiated projects focused on improved inspection and surveillance programs, upgraded external corrosion protection and use of corrosion inhibitors, and pipe replacement or redesign where needed. In addition, we undertook a detailed analysis of LOPC incidents that aimed to build on the work commenced in 2014. The project team conducted a gap assessment of our policies and programs, worked to identify common root causes, and identified leading and lagging indicators for tracking LOPC performance that have since been integrated into our incident reporting program.

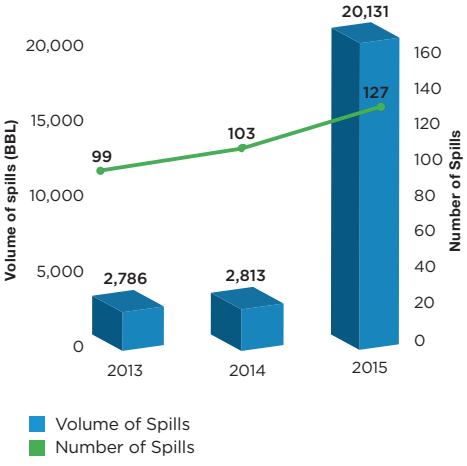
To support a swift and effective response for any LOPC incident, we maintain strong relationships with mutual aid and emergency response organizations at the local, regional and global levels. More information about our emergency response program, including our memberships and partnerships with spill response organizations, is provided in the Safety and Health section of this report.

AIR EMISSIONS

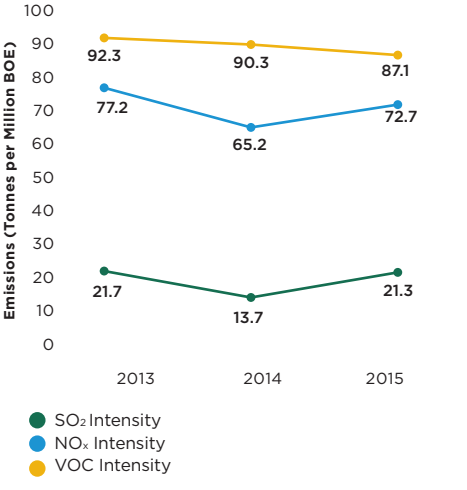
The normal operation of fuel combustion and processing equipment as well as flaring activities results in air emissions of nitrogen oxides (NO_X) and sulfur dioxide (SO_2). Product loading and storage is the primary source of air emissions of volatile organic compounds (VOCs). In 2015 our normalized emissions of VOCs remained relatively consistent with previous years, while normalized emissions of NO_X and SO_2 increased compared to 2014.

The increase in NO_X can be partially attributed to 2015 being the first full year of operation for the expanded Tioga Gas Plant, compared to only a partial year of operation in 2014 – meaning that the inlet compressor engines for the plant, which produce combustion emissions including NO_X, were operated for a longer period of time in 2015. The SO_2 emissions increase is primarily due to a number of operational upset events we experienced at the Seminole Gas Plant in 2015, which were related to power supply problems at the plant causing unexpected shutdown events. We have an ongoing reliability program in place through which we continually seek to enhance facility operations to minimize such events in the future.

Non-Hydrocarbon Spills



Air Emissions



PERFORMANCE DATA

	Units	2015	2014	2013	2012	2011
Business Performance						
Sales and other operating revenue	$ Million	6,636	10,737	11,905	12,245	10,647
Net income attributable to Hess Corporation	$ Million	-3,056	2,317	5,052	2,025	1,703
Total assets	$ Million	34,195	38,407	42,515	43,222	38,872
Total debt	$ Million	6,630	5,987	5,798	8,111	6,057
Stockholders' equity	$ Million	20,401	22,320	24,784	21,203	18,592
Debt to capitalization ratio	%	24.5	21.2	19.0	27.7	24.6
Exploration and Production						
Total net hydrocarbons produced	Thousand BOE/D	375	329	336	406	370
Proved reserves (total)	Million BOE	1,086	1,431	1,437	1,553	1,573
Liquids (crude oil (light and medium oils), condensate & natural gas liquids)	%	76	78	77	75	74
Gas	%	24	22	23	25	26
Reserve life	Years	8	12	12	10	11
Replaced production	%	100	158	118	141	147
Economic Contributions						
Capital and exploration expenditures	$ Million	4,042	5,305	5,674	8,152	7,462
Operating costs	$/BOE	15.7	20.0	21.5	20.6	19.7
Income tax	$ Million	1,299	744	565	1,529	702
Royalties and other payments to governments	$ Million	457	707	807	920	947
Cash dividends paid to shareholders	$ Million	287	303	235	171	136
Employee wages and benefits (U.S.)	$ Million	791	1,040	1,037	1,045	1,057
Interest expense before income taxes	$ Million	331	321	406	419	383
Operating costs	$/BOE	16	20	22	21	20
Supplier spend * (approximate)	$ Billion	8	8	8	8	6
Communities and Social Performance						
Total social investment	$ Million	22	42	37	40	23
Education	%	83	80	52	47	33
Health	%	1	1	2	4	5
Disaster relief	%	<1	2	3	13	5
Community contributions (not in-kind)	%	14	13	25	22	20
In-kind	%	<1	4	12	9	28
Arts and culture	%	1	0	6	5	8
Environment	%	<1	<1	<1	<1	1
Our People						
Number of permanent employees	#	2,770	3,039	12,128	13,277	13,021
U.S.	%	79	78	91	90	91
International	%	21	22	9	10	10
Part-time employees	%	0	1	27	23	24
Full-time employees	%	100	99	73	77	76
Employee turnover – voluntary ⟐	%	5.2	9.1	13.1	10.4	7.9
Employee layoffs ⟐	%	8.9	19.8	14.6	3.2	1.1
Female employees (U.S. and International)	%	27	28	43	40	39
Minority employees (U.S.)	%	24	24	39	38	37
Employees represented by collective bargaining agreements	%	3	1	4	6	7
Safety Performance						
Fatalities – workforce (employees + contractors)	#	0	0	0	1	0
Hours worked – workforce (employees + contractors)	Million hours	28.6	37.8	47.1	45.3	35.5
Employee Total Recordable Incident Rate	Per 200,000 hrs worked	0.24	0.20	0.20	0.14	0.25
Contractor Total Recordable Incident Rate	Per 200,000 hrs worked	0.39	0.45	0.60	0.71	0.75
Workforce (employees + contractors) Total Recordable Incident Rate	Per 200,000 hrs worked	0.36	0.40	0.52	0.60	0.64
Employee Lost Time Incident Rate	Per 200,000 hrs worked	0.03	0.00	0.05	0.05	0.08
Contractor Lost Time Incident Rate	Per 200,000 hrs worked	0.10	0.14	0.16	0.20	0.12
Workforce Lost Time Incident Rate	Per 200,000 hrs worked	0.08	0.12	0.14	0.17	0.11
Employee Occupational Illness Rate	Per 200,000 hrs worked	0.09	0.00	0.02	0.05	0.23
Contractor Occupational Illness Rate	Per 200,000 hrs worked	0.25	0.24	0.13	0.25	0.30
Workforce Occupational Illness Rate	Per 200,000 hrs worked	0.21	0.20	0.11	0.21	0.28
Products with Material Safety Data Sheets	%	100	100	100	100	100
Health and safety fines and penalties – operated	$ Thousand	0	37.5	0	0	0

Where relevant, all data are restated to exclude joint ventures and the downstream businesses. See Approach to Reporting for details.

* Supplier spend for 2013, 2014 and 2015 are for exploration and production only.

¤ Reflects data for exploration and production only.

	Units	2015	2014	2013	2012	2011
Greenhouse Gas Emissions						
Volume of flared and vented hydrocarbons	MMSCF	36,121	35,987	29,356	26,386	21,604
Operated direct emissions (Scope 1)	Million tonnes CO_2e	5.1	4.8	4.4	5.0	4.3
CO_2	Million tonnes CO_2e	4.7	4.4	4.2	4.7	4.2
CH_4	Thousand tonnes CO_2e	403.7	403.1	166.5	207.4	139.6
N_2O	Thousand tonnes CO_2e	2.7	28.4	31.1	24.5	21.8
Operated direct emissions (Scope 1) by source						
Flaring/venting	%	63	61	54	49	43
Fuel combustion	%	33	35	41	46	55
Other	%	4	3	5	5	2
Operated indirect emissions (Scope 2)	Million tonnes CO_2e	0.55	0.64	0.75	0.76	0.74
CO_2	Million tonnes CO_2e	0.5	0.6	0.8	0.8	0.7
CH_4	Thousand tonnes CO_2e	0.24	0.29	nil	0.15	0.15
N_2O	Thousand tonnes CO_2e	2.4	2.7	3.1	7.8	7.2
Equity GHG emissions (includes HOVENSA)	Million tonnes CO_2e	5.5	6.0	6.6	8.0	9.0
Scope 3 emissions – use of sold products	Million tonnes CO_2e	9.7	11.5	13.9	22.1	35.7
Energy Use						
Production energy intensity (equity)	Gigajoules/BOE	0.23	0.29	0.28	0.24	0.25
Operated direct energy use	Thousand gigajoules	27,506	25,829	26,421	28,074	27,125
Operated indirect energy use (gross)	Thousand gigajoules	8,642	8,597	7,429	6,913	6,729
Net purchased electricity by primary energy source **	Thousand MWh	936	865	688	663	646
Green-e certified renewable energy certificates (wind power)	Thousand MWh	135	125	140	140	180
Freshwater Use						
Groundwater	Million cubic meters	6.0	6.2	6.3	6.5	8.5
Municipal water	Million cubic meters	1.2	1.9	3.8	2.0	0.7
Surface water	Million cubic meters	1.69	2.17	0.45	0.07	0.02
Reused/recycled (estimated)	%	12.0	9.0	8.0	11.0	11.0
Solid Waste						
Non-hazardous waste	Thousand tonnes	252.5	118.8	144.2	52.8	151.8
Hazardous waste	Thousand tonnes	0.4	1.1	3.6	3.9	4.0
Basel Convention (recovery/reuse/recycle)	Tonnes	0	0	22	10	0
Liquid Waste†						
Non-hazardous waste	Thousand cubic meters	7,275.07	5,295.63	2.22	39.62	1.17
Hazardous waste	Thousand cubic meters	18.44	0.50	0.00	0.00	0.00
Spills						
Hydrocarbon spills – number	#	86	116	110	118	103
Hydrocarbon spills – volume	Barrels	5,130	1,448	1,090	1,018	1,251
Non-hydrocarbon spills – number	#	127	103	99	120	120
Non-hydrocarbon spills – volume	Barrels	20,131	2,813	2,786	3,250	7,054
Air Emissions (Excludes GHGs) ◇						
Sulfur dioxide (SO_2)	Tonnes	3,363	2,016	2,888	3,168	3,069
SO_2 intensity	Tonnes/Million BOE	21.3	13.7	21.7	21.8	20.8
Nitrogen oxides (NO_x)	Tonnes	11,504	9,595	10,270	10,600	9,784
NO_x intensity	Tonnes/Million BOE	72.7	65.2	77.2	72.9	66.4
Volatile organic compounds (VOCs)	Tonnes	13,766	13,288	12,279	12,175	7,152
VOC intensity	Tonnes/Million BOE	87.1	90.3	92.3	83.7	48.5
Exploration & Production Discharges						
Oil in produced water to sea	Tonnes	81	70	136	119	149
Oil in produced water to sea	PPMV	15	14	10	9	10
Produced water to sea	Million cubic meters	6.5	6.0	16.7	16.5	17.4
Other Environmental Indicators						
ISO 14001-certified operations	% of production	6	7	2	8	12
ISO 14001-certified operations	#	1	2	2	3	3
Environmental fines and penalties – operated	$ Thousand	25	84	509	105	115
Environmental expenditures – remediation	$ Million	13	12	16	19	19
Environmental reserve	$ Million	80	80	65	55	60

Where relevant, all data are restated to exclude joint ventures and the downstream businesses. In addition, several historical environmental data points have been revised based on a recent deep-dive review. See Approach to Reporting for details.

** Third-party power generation

† Historical waste data have been restated to separately report solid and liquid waste where possible. Liquid waste totals (2011-2015) include wastewater treatment. Liquid waste totals (2014-2015 only) include deep well disposal. Deep well disposal (2011-2013) is included in the landfill category and cannot be separated out.

◇ The gross operated hydrocarbon production (normalization factor) was 433,239 BOE/D in 2015.

GRI CONTENT INDEX

This index refers to the Global Reporting Initiative (GRI) G4 indicators, with cross reference to the 10 Principles in the United Nations Global Compact (UNGC) and IPIECA sector-specific guidelines. Detailed information on GRI indicators related to Board-level governance (G4-34—G4-55) and defined benefit plan obligations (G4-EC3) can be found at hess.com/investors and in our Securities and Exchange Commission (SEC) forms 10-K and DEF 14A. An expanded GRI Content Index is available at hess.com/gri-index.

GRI G4 Indicator | GRI G4 OGSS Indicator

● Reported ○ Omitted

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Strategy and Analysis					
G4-1	Message from the CEO	2–3	●		
G4-2	Key impacts, risks and opportunities (a)	2-3, 5-7	●		
Organizational Profile					
G4-3—G4-9	Organizational profile (a)	4, 67	●		
G4-10	Employees by contract, gender and region	39-40, 60	●	10	
G4-11	Employees covered by collective bargaining agreements	60	●	3	
G4-12	Organization's supply chain	19-21	●		
G4-13	Significant changes during the reporting period	8-9, 19-21	●		
G4-14	The precautionary approach (c)	OCI	●		
G4-15	Externally subscribed or endorsed voluntary initiatives	23	●		
G4-16	Key memberships and associations	36, 66	●		
Identified Material Aspects and Boundaries					
G4-17	Operational structure of the organization	4, 9	●		
G4-18—G4-21	Determination of report content	8-11	●		
G4-22, G4-23	Explanation of restatements and significant changes	8-11, 61	●		
Stakeholder Engagement					
G4-24—G4-27	Stakeholders, types of engagement, key topics and concerns	8, 10-11, 24-26	●		
Report Profile					
G4-28—G4-30	Reporting period and frequency (c)	8	●		
G4-31	Contact point for questions	67	●		
G4-32	GRI content index (c)	62-66	●		
G4-33	External assurance	8-9, 65	●		
Governance					
G4-34	Information on the highest governance body (a,b,c)	13-14	●		
G4-54, G4-55	Compensation ratios for highest paid individuals (c)	OCI	○		
Ethics and Integrity					
G4-56	Internal values, code of conduct and principles (b)	18, 26-27	●	10	
G4-57, G4-58	Mechanisms for seeking advice or reporting concerns related to ethics and integrity (b,c)	OCI	●	10	

OGSS: GRI G4 Oil and Gas Sector Supplement
OCI: GRI Online Content Index
NM: Not Material

a – See also Annual Report and SEC 10-K
b – See also hess.com/investors
c – See Online GRI Content Index (hess.com/gri-index)

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Economic					
EC DMA	Disclosure on management approach to economic performance and market presence (a, b)	2-4, 15-21, 27-29	●		
G4-EC1	Direct economic value generated and distributed (a, b)	4, 60	●		SE4, SE13
G4-EC2	Financial implications and other risks and opportunities due to climate change (c)	5, 16, 43-45	●		
G4-EC3	Defined benefit plan obligations (a, b, c)	OCI	●	7	
G4-EC4	Significant financial assistance received from government (c)	OCI	○		SE13
G4-EC5	Comparison of standard entry level wage with local minimum wage (c)	OCI	●		SE15
G4-EC6	Local hiring at significant locations of operation	40	●	6	SE6
EC DMA	Disclosure on management approach to indirect economic impacts	27-29, 60	●	6	
G4-EC7	Development and impact of infrastructure investments and services	27-29, 60	●		SE4
G4-EC8	Understanding and describing significant indirect economic impacts (c)	27-29, 60	○		SE4, SE6
EC DMA	Disclosure on management approach to procurement practices	19-21	●		
G4-EC9	Local supplier spend at significant locations of operation (c)	19-21	●		SE5, SE7
EC DMA	Disclosure on management approach to oil and gas reserves (a)	44-45	●		
OG1	Volume and type of estimated proved reserves and production	4, 45, 60	●		
Environment					
EN DMA	Disclosure on management approach to materials used	53-61	●		
G4-EN1, G4-EN2	Materials used and percentage recycled materials	53-57, 61	●	7, 8	E10
EN DMA	Disclosure on management approach to energy (c)	49-50	●		
G4-EN3	Energy consumption within the organization	49-50, 61	●		E2
G4-EN4	Energy consumption outside of the organization	46	●	7	
G4-EN5	Energy intensity	49, 61	●	8	E2
G4-EN6	Energy conservation and efficiency initiatives and improvements	47-49	○	8	E2
G4-EN7	Initiatives to provide energy efficient or renewable energy-based products and services (c)	OCI	●	8, 9	E3
OG2, OG3	Total amount invested in renewable energy and total amount generated by source (c)	OCI	●	8, 9	E3
EN DMA	Disclosure on management approach to water use	53-57	●		
G4-EN8, G4-EN9	Total water withdrawal by source and significantly affected water sources (c)	53-54, 57, 61	●	8	E6
G4-EN10	Water recycled and reused	57-61	●	8	E6
EN DMA	Disclosure on management approach to biodiversity	57-58	●	8	
G4-EN11, G4-EN12	Proximity of protected areas/areas of high biodiversity	57-58	●	8	E5
G4-EN13	Habitats protected or restored	57-58	●	8	E5
G4-EN14	Number of IUCN Red List species and national conservation list species	57	●	8	E5
OG4	Significant operating sites in which biodiversity risk has been assessed and monitored	57-58	●	8	E5
EN DMA	Disclosure on management approach to air emissions (c)	43-51, 55, 59	●	8	
G4-EN15—G4-EN17	Total direct, indirect and other relevant greenhouse gas emissions by weight (c)	43, 45-47, 61	●	8	E1
G4-EN18	Greenhouse gas emissions intensity	45-47	●	8	E1
G4-EN19	Initiatives to reduce greenhouse gas emissions and reductions achieved (c)	5-7, 43-51	●	8	E1

OCI: GRI Online Content Index
NM: Not Material

a – See also Annual Report and SEC 10-K
b – See also hess.com/investors
c – See Online GRI Content Index (hess.com/gri-index)

GRI CONTENT INDEX

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
G4-EN20	Emissions of ozone-depleting substances by weight (c)	OCI	NM	8, 9	E8
G4-EN21	NO_x, SO_2, and other significant air emissions by type and weight (c)	59, 61	●	8	E8
EN DMA	Disclosure on management approach to effluent and waste	58, 59	●	8	
G4-EN22	Total water discharge by quality and destination	58, 61	●		E7
OG5	Volume of formation or produced water	58, 61	●	8	E7
G4-EN23	Total weight of waste by type and disposal method (c)	58, 61	●	8	E10
G4-EN24	Total number and volume of significant spills	59, 61	●	8	E9
G4-EN25	Basel Convention Annex waste management summary (c)	61	●	8	E10
G4-EN26	Biodiversity value of receiving water bodies for water discharges and runoff	57, 58	●	8	E5, E7
OG6	Volume of flared and vented hydrocarbon (c)	47, 61	●		E4
OG7	Amount of drilling waste and strategies for treatment and disposal (c)	58	●		E10
EN DMA	Disclosure on management approach to environmental impacts of products and services	43-59	●		
G4-EN27	Mitigation of environmental impacts of products and services	43-59	●		HS4
G4-EN28	Products sold and packaging reclaimed (c)	OCI	●	8, 9	
OG8	Benzene, Lead, and Sulfur content in fuels (c)	OCI	●	8	
EN DMA	Disclosure on management approach to environmental compliance (c)	18-21, 43-59	●		
G4-EN29	Non-compliance with environmental laws and regulations (c)	61	●		
EN DMA	Disclosure on management approach to environmental impacts of transportation	46-49, 56	●	8	
G4-EN30	Transportation impacts	46-49, 56, 61	●		E1, E9
EN DMA	Disclosure on management approach to environmental expenditures and investments (c)	OCI	●	8	
G4-EN31	Total environmental protection expenditures and investments by type (c)	OCI	●		
EN DMA	Disclosure on management approach to environmental assessment of suppliers (c)	19-21	●	8, 9	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria (c)	19-21	●		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken (c)	OCI	●	8	
EN DMA	Disclosure on management approach to environmental grievance mechanisms (c)	24, 26	●	8	
G4-EN34	Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms (c)	OCI	●		
Labor Practices and Decent Work					
LA DMA	Disclosure on management approach to employment (c)	23-37	●		
G4-LA1	Total number and rate of employee turnover by age group, gender and region	39, 60	●		SE15
G4-LA2	Benefits provided to full-time employees by major operations (c)	OCI	●	6	
G4-LA3	Return to work and retention rates after parental leave by gender (c)	OCI	NM		
LA DMA	Disclosure on management approach to labor/management relations	23-37	●	6	
G4-LA4	Minimum notice period(s) regarding significant operational changes (c)	OCI	●		SE16
LA DMA	Disclosure on management approach to occupational health and safety	31-37	●	3	
G4-LA5	Total workforce represented in formal joint health and safety committees (c)	OCI	●		HS1
G4-LA6	Injury, occupational diseases, lost days, absenteeism and fatalities (c)	31-32, 60	●		HS3
G4-LA7	Workers with high incidence or risk of disease related to their occupation (c)	OCI	●		HS2

OCI: GRI Online Content Index
NM: Not Material

a – See also Annual Report and SEC 10-K
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GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
G4-LA8	Health and safety topics covered in formal agreements with trade unions	OCI	NM		HS1, SE16
LA DMA	Disclosure on management approach to training and education (c)	40-41	●		
G4-LA9	Employee training by gender and employee category (c)	OCI	●		SE17
G4-LA10	Programs for skills management, lifelong learning and career endings	40-41	●	6	SE17
G4-LA11	Employees receiving regular performance and career development reviews (c)	40-41	●		SE17
LA DMA	Disclosure on management approach to diversity and equal opportunity	39-40	●	6	
G4-LA12	Governing bodies and employees by category according to diversity indicators (c)	41	●		SE15
LA DMA	Disclosure on management approach to equality of renumeration by gender (c)	OCI	●	6	
G4-LA13	Ratio of basic salary of men to women by employee category (c)	OCI	○		SE15
LA DMA	Disclosure on management approach to assessment of supplier labor practices (c)	19-21	●	6	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria (c)	19-21	●		
G4-LA15	Significant negative impacts for labor practices in the supply chain (c)	OCI	●		
LA DMA	Disclosure on management approach to labor practice grievance mechanisms (c)	24, 26	●		
G4-LA16	Grievances about labor practices from formal grievance mechanisms (c)	OCI	●		SE18
Human Rights					
HR DMA	Disclosure on management approach to human rights investments (c)	13-21, 27	●		
G4-HR1	Human rights and significant investment agreements (c)	19-21, 27	●		SE8
G4-HR2	Employee training on policies and procedures concerning human rights (c)	18, 20-21	●		SE8
HR DMA	Disclosure on management approach to non-discrimination (c)	OCI	●	1, 2	
G4-HR3	Total number of incidents of discrimination and corrective actions taken (c)	OCI	●		SE8, SE18
HR DMA	Disclosure on management approach to freedom of association and collective bargaining, child labor and forced or cumpulsory labor (c)	OCI	●	3, 5, 6	
G4-HR4	Operations and significant suppliers identified at risk re: freedom of association and collective bargaining (c)	OCI	●		SE8, SE9
G4-HR5	Operations and significant suppliers identified at risk re: child labor (c)	OCI	●		SE8, SE9
G4-HR6	Operations and significant suppliers identified at risk re: forced or compulsory labor (c)	OCI	●		SE8
HR DMA	Disclosure on management approach to security practices	21, 23, 27	●	6	
G4-HR7	Security personnel trained on human rights that are relevant to operations	18, 21	●		SE10
HR DMA	Disclosure on management approach to indigenous rights	23-26	●	1	
G4-HR8	Violations involving rights of indigenous people (c)	OCI	●		SE10
OG9	Indigenous communities present or affected by activities, and engagement strategies	23-26	●	1	SE2
HR DMA	Disclosure on management approach to human rights assessments (c)	25-27	●		
G4-HR9	Operations that have been subject to human rights reviews or impact assessments (c)	25-27	●		SE8
HR DMA	Disclosure on management approach to supplier human rights assessments (c)	19-21, 27	●	1	
G4-HR10	Significant suppliers, contractors and other business partners screened for human rights (c)	19-21, 27	●		SE9
G4-HR11	Significant negative human rights impacts in the supply chain and actions taken (c)	OCI	●	2	
HR DMA	Disclosure on management approach to human rights grievance mechanisms (c)	24, 26	●	2	
G4-HR12	Grievances on human rights from formal grievance mechanisms (c)	OCI	●		SE9, SE18

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GRI CONTENT INDEX

GRI Indicator	General Description	Page(s)	GRI Status	UNGC Principle(s)	IPIECA Indicator
Society					
SO DMA	Disclosure on management approach to local communities	13-29	●		
G4-SO1	Programs and practices that assess and manage impacts of operations on communities	23-29	●		SE1
G4-SO2	Operations with significant actual or potential negative impacts on local communities	23-29	●	1	SE1
OG10	Significant disputes with local communities and indigenous peoples (c)	OCI	●	1	SE1, SE3
OG11	Sites that have been or are in the process of being decommissioned (c)	OCI	●		E11
OG12	Extent and impact of involuntary resettlement (c)	OCI	●		SE3
OG13	Number of process safety events, by business activity	34	●		HS5
SO DMA	Disclosure on management approach to anti-corruption	18	●		
G4-SO3	Business units analyzed for risks related to corruption (c)	OCI	●		SE11, SE12
G4-SO4	Employees trained in organization's anti-corruption policies and procedures (c)	18	●	10	SE11
G4-SO5	Actions taken in response to incidents of corruption (c)	OCI	●	10	SE11
SO DMA	Disclosure on management approach to public policy (c)	18-19	●	10	
G4-SO6	Political contributions (c)	18-19	●		SE13, SE14
SO DMA	Disclosure on management approach to anti-competitive behavior and legal compliance (c)	OCI	●	10	
G4-SO7	Legal actions for anti-competitive behavior, anti-trust and monopoly practices (c)	OCI	●		
G4-SO8	Significant fines and non-monetary sanctions for non-compliance (c)	OCI	●		
SO DMA	Disclosure on management approach to assessment of suppliers for impacts on society (c)	19-21	○		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society (c)	19-21	○		SE12
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken (c)	OCI	●		SE12
SO DMA	Disclosure on management approach to grievance mechanisms for impacts on society (c)	24, 26	●		
G4-SO11	Grievances regarding impacts on society from formal grievance mechanisms (c)	OCI	●		
Product Responsibility					
PR DMA	Disclosure on management approach (c)	OCI	●		
G4-PR1	Lifecycle assessment for health and safety impacts of products and services (c)	OCI	●		HS4
G4-PR2	Non-compliance with health and safety impact requirements for products and services (c)	OCI	NM		HS4
G4-PR3	Product and service labeling requirements for significant products (c)	OCI	●		HS4
G4-PR4	Non-compliance with product and service labeling requirements (c)	OCI	●		HS4
G4-PR5	Customer satisfaction practices (c)	OCI	NM		
G4-PR6	Marketing communications compliance programs (c)	OCI	NM		HS4
G4-PR7	Non-compliance with marketing communications regulations and voluntary codes (c)	OCI	NM		HS4
OG14	Volume of biofuels produced and purchased meeting sustainability criteria (c)	OCI	NM		

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INDEPENDENT ASSURANCE STATEMENT

ERM Certification and Verification Services (ERM CVS) was engaged by Hess Corporation (Hess) to provide assurance on the 2015 Corporate Sustainability Report (the Report).

Engagement Summary	
Scope:	Whether the 2015 Corporate Sustainability Report is fairly presented, in all material respects, with the reporting criteria.
Reporting Criteria:	The GRI G4 Sustainability Reporting Guidelines 'Core option' (including the Oil and Gas Sector Supplement); and IPIECA Oil & Gas Industry Guidance on Voluntary Sustainability Reporting, 3rd Edition, 2015.
Assurance Standard:	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance Level:	Limited assurance.
Respective Responsibilities:	• Hess is responsible for preparing the report and for its correct presentation in reporting to third parties, including disclosure of the reporting criteria and boundary. • ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment.

Our conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that the following conclusions are not correct:

- The 2015 Corporate Sustainability Report is fairly presented, in all material respects, with the reporting criteria.
- The report meets the GRI G4 Guidelines 'in accordance' core option.
- The report meets the common reporting elements of the IPIECA reporting guidance.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed the following activities:

- A review of external media reporting relating to Hess to identify relevant sustainability issues in the reporting period.
- Interviews with relevant staff to understand Hess' sustainability strategy, policies and management systems.
- Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the information.
- Visits to production sites in North Dakota and Gulf of Mexico, USA to verify the source data and review sustainability management systems.
- An analytical review of the year end data submitted by all sites included in the consolidated 2015 group data.
- A visit to Hess office in Houston, Texas to review the data from all operations, the consolidation process and the results of the internal data validation process.
- Reviewing selected evidence related to the design, information collection, and production of the Report in accordance with GRI requirements.
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings, including the results of ERM CVS' separate engagement providing verification of the Hess 2015 CDP submission.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our observations

We have provided Hess with a separate detailed management report including our observations.

Jennifer Iansen-Rogers
Head of Corporate Assurance

14 June 2016

ERM Certification and Verification Services, London
www.ermcvs.com
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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the ERM staff that have undertaken this engagement work have provided no consultancy related services to Hess in any respect.

AWARDS AND RECOGNITION

Sustainability

- CDP
  - S&P 500 Leadership Index for seventh consecutive year
  - S&P 500 (#1 in Energy Sector)
- Dow Jones Sustainability Index North America for sixth consecutive year
- *Corporate Responsibility Magazine* 100 Best Corporate Citizens for eighth consecutive year
  - #1 oil and gas company for second consecutive year
- *Newsweek* Green Rankings for fifth consecutive year
  - #1 in U.S. Energy Sector
- STOXX Global ESG Leaders Index for third consecutive year
- MSCI ESG Indexes for fourth consecutive year
  - MSCI Global Sustainability Indexes
  - MSCI Global SRI Indexes
  - MSCI KLD 400 Social Index
- Corporate Knights' Global 100 Most Sustainable Corporations for second consecutive year
- Environmental Investment Organization Environmental Tracking Carbon Rankings for third time
  - Global 800
  - North America 300

Workforce

- *Workforce Diversity* magazine's Top 50 Employers
- *Woman Engineer* magazine's Top 50 Employers
- *Careers and the disABLED* magazine's Top 50 Employers
- *Hispanic Network* magazine's Best of the Best Employers
- *Black EOE Journal's* Best of the Best Employers
- North Dakota Safety Council's Occupational Safety Merit Award

Technology

- Petroleum Equipment and Services Association's Explorers of Houston Award for Leadership and Innovation
- Hearst Energy Award for Technology, Permian Basin
- World Bank Global Gas Flaring Reduction Partnership Award of Excellence for Flare Reduction in the Bakken, USA

MEMBERSHIPS AND ASSOCIATIONS

- American Petroleum Institute
- Business Roundtable
- Center for Offshore Safety
- Center for Strategic and International Studies
- Council on Foreign Relations
- Extractive Industries Transparency Initiative
- International Association of Oil and Gas Producers
- IPIECA
- National Petroleum Council
- Producers for American Crude Oil Exports
- U.S. Chamber of Commerce

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REQUESTS FOR INFORMATION

For copies of our Environment, Health and Safety Policy, Social Responsibility Policy or Human Rights Policy, or for more information regarding our operations, please visit our website at hess.com.

We invite your questions, comments and suggestions regarding this report. To send us your questions or comments, or to request more information or additional copies of this report, please contact:

Vice President,
Environment, Health and Safety
Hess Corporation
1501 McKinney Street
Houston, TX 77010

You can also send us an email at sustainability@hess.com.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains projections, future estimates, plans, expectations and other forward-looking statements, including information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives. These statements reflect the company's current views with respect to future events and the company's performance. No assurance can be given that the development or continuation of any policy, program or initiative expressed in any forward-looking statement will be achieved, and actual results could differ materially from those expected for a number of reasons, including risk factors affecting the company's business. A discussion of these risk factors is included in the company's annual report of Form 10-K filed with the Securities and Exchange Commission.

Sandy Alexander Inc., an ISO 14001:2004 certified printer with Forest Stewardship Council™ (FSC®) Chain of Custody, printed the Hess Corporate Sustainability Report with the use of renewable wind power resulting in nearly zero carbon emissions. This report was printed on FSC®-certified Mohawk Options paper, a process-chlorine-free 100 percent post-consumer waste (PCW) paper manufactured entirely with 100 percent certified wind energy and containing 100 percent post-consumer recycled fiber.

The savings below are achieved when PCW recycled fiber is used in place of virgin fiber:

- 93 trees preserved for the future
- 6 pounds of water pollutants not created
- 43,472 gallons of water saved
- 2,910 pounds of solid waste not created
- 8,016 pounds of net greenhouse gases (GHGs) prevented
- 42 million British thermal units of energy not consumed

Savings from the use of emission-free, wind-generated electricity:

- 6,743 pounds of GHG emissions not generated

Displaces this amount of hydrocarbons:

- 3.36 barrels of natural oil unused

In other words, your savings from the use of wind-generated electricity are equivalent to:

- 3,455 miles not driven
- 38 trees planted

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Balancing the world's growing energy needs with cost-effective greenhouse gas emissions reduction policy

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Safety and Health

Aiming to get everyone, everywhere every day, home safe

www.hess.com/sustainability/safety-health

Environment

Responsible management of our environmental footprint

www.hess.com/sustainability/environment

Our People

Creating a company culture and high-quality workforce that innovates, leads and learns

www.hess.com/careers/life-at-hess

GRI Content Index

Performance against GRI G4 indicators

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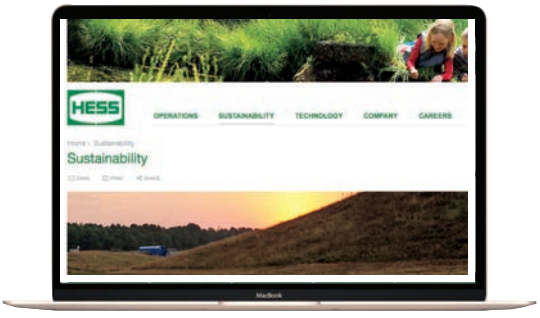

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