

Module: Introduction**Page: Introduction**

CC0.1**Introduction**

Please give a general description and introduction to your organization.

Hess Corporation (HES) is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. In 2014, Hess completed its transformation to a pure play exploration and production (E&P) company by divesting its Retail Marketing business.

CC0.2**Reporting Year**

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Enter Periods that will be disclosed

Fri 01 Jan 2016 - Sat 31 Dec 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data. If you are responding to the Electric Utilities module, this selection will be carried forward to assist you in completing your response.

Select country

Denmark
Equatorial Guinea
Malaysia
United States of America

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

USD(\$)

CC0.6

Modules

As part of the request for information on behalf of investors, companies in the electric utility sector, companies in the automobile and auto component manufacturing sector, companies in the oil and gas sector, companies in the information and communications technology sector (ICT) and companies in the food, beverage and tobacco sector (FBT) should complete supplementary questions in addition to the core questionnaire.

If you are in these sector groupings, the corresponding sector modules will not appear among the options of question CC0.6 but will automatically appear in the ORS navigation bar when you save this page. If you want to query your classification, please email respond@cdp.net.
If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below in CC0.6.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

The highest level of direct responsibility for climate change is the Hess Executive Leadership Team which comprises the company's most senior executives and is chaired by our CEO, who sits on the Board. The Hess Executive Leadership Team focuses on operational, strategic, environmental and financial issues and is the highest approval body before the Board of Directors.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
All employees	Monetary reward	Emissions reduction project Behavior change related indicator	There are several targets that make up a portion of all employees' cash bonuses along with an individual performance component. One such target is related to our high potential environmental incident rate. In 2016, the base target was a 60% improvement over our 2015 high potential environmental incident rate. This target includes a gas releases component, which has the potential to reduce methane emissions, which have a global warming potential of 25 times that of C02 emissions. Achieving or exceeding this target contributes to a portion of each employee's year-end cash bonus. In 2016, we outperformed this improvement rate.

Further Information

Page: CC2. Strategy

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	All geographical areas where Hess has assets are considered, including the United States, Europe, Africa, and Asia. In addition, potential new assets and associated geographic regions would also be considered as part of evaluating major new investments.	> 6 years	Risks are assessed for the life of the project for new assets, which typically extends beyond 6 years. For existing assets, selective assets are reviewed on a quarterly rotational basis for the remaining life of the asset.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

At Hess, we have an enterprise risk management program (ERM) that is headed by the Chief Risk Officer, who reports to the Chief Financial Officer. The ERM starts with some key tools: a common language, our “risk dictionary”--which defines technical and non-technical risk terms--and a risk rating matrix. We begin a risk assessment by bringing together business and asset level subject matter experts to establish a holistic risk profile for a particular asset. Findings from recent environment, health and safety and operational excellence audits also inform the process. We use the results of asset-level risk assessments to generate a company-wide portfolio view of risks and impact on value in financial terms. Included in our recent 2015 Strategy Refresh was a determination of environment, health and safety and social responsibility (EHS & SR) priority risks and stakeholder expectations. This process is overseen by the Hess Executive Leadership Team and the results were presented to the environment, health and safety (EHS) Board of Directors Subcommittee. This priority risk register was updated in 2016 to reflect changing business conditions and risk prioritization.

Our strategy includes minimizing our carbon footprint as we grow and expand, and we use our risk register and the associated prioritization process to identify opportunities that help us grow our business while mitigating risk. As we do this, we have invested \$2.2 billion in infrastructure to reduce flaring, which allows us to increase revenue by capturing and selling gas that was previously flared, as well as using it to run our operations thereby reducing the need to buy other fuels.

CC2.1c

How do you prioritize the risks and opportunities identified?

We utilize a risk rating matrix, which includes levels of risk based on magnitude of impact and likelihood of occurrence. Based on discussions between business and asset level subject matter experts, a “heat map” is generated that identifies each risk and its associated likelihood and potential impact to the environment, health and safety, compliance - value, reputation and/or production. The risk profile is then used to prioritize critical risks (those with higher likelihood and impact) and “tail”

risks, which are unlikely but would have a significant impact if they did occur. EHS & SR risks were assessed as a part of our recent 2015 Strategy Refresh. Through benchmarking and a materiality assessment, six material EHS & SR issues for strategy enhancement were identified based on the level of risk to the company and stakeholder expectations. These processes inform the prioritization for risks in an integrated risk register, which catalogs actions to manage or mitigate each risk. Embedded risk managers work with the asset teams to direct risk mitigation activities and ownership associated with each scenario. Key risk mitigation actions are aligned to annual business plans. This risk register was reviewed in 2016 and updated to reflect changing business conditions and risk prioritization.

Our strategy includes minimizing our carbon footprint as we grow and expand, and we use our risk register and the associated prioritization process to identify opportunities that help us grow our business while mitigating risk. As we do this, we have invested \$2.2 billion in infrastructure to reduce flaring, which allows us to increase revenue by capturing and selling gas that was previously flared, as well as using it to run our operations thereby reducing the need to buy other fuels.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2

Is climate change integrated into your business strategy?

Yes

CC2.2a

Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i/ii) In 2015, we completed an EHS & SR Strategy Refresh project, which identified a wide range of material issues for benchmarking and evaluated Hess' strategic position relative to peers to inform strategy development. Next, we focused on strategy recommendations, tactical actions, and key metrics for six material issues based on stakeholder expectations and risk to the company. We track GHG emissions at the asset level and forecast emissions to monitor progress against our goals. We set new 2020 targets for reducing flaring intensity by 50% and GHG intensity by 25% compared to 2014 for the current portfolio of assets that we operate.

Since 2014, we have respectively reduced flaring intensity by 29% and GHG intensity by 21% through 2016. Two of Hess's key enterprise processes, Enterprise Risk Management (ERM) and Value Assurance (VA), incorporate non-technical risk considerations, including climate change risk. As part of our risk analysis, we examined the 2016 IEA World Energy Outlook New Policy scenario in which worldwide energy use will grow by 30% between 2014 and 2040. This scenario incorporates all announced GHG emissions and energy policy commitments, including the Paris climate agreement pledges signed by 194 countries. In this scenario, IEA sees a solid place for oil and gas in the world energy supply for many years to come. We also examined IEA's alternative 450 scenario (2 degree case). In this scenario, IEA finds "no reason to assume widespread stranding of upstream assets." It states that the "decline in oil production from currently producing facilities far exceeds the decline in demand for oil." As a result, Hess believes there is a high likelihood our proved reserves will be monetized. We account for the cost of carbon in the VA process for major new projects, and as part of an annual review look at select existing assets, allowing for a recurring evaluation of carbon risk in ongoing activities. The Hess Leadership Team, composed of senior executive officers, holds the highest direct responsibility for climate change strategy. EHS matters, including climate change, are reviewed with the EHS Board of Directors Subcommittee on a quarterly basis. The outputs of the ERM and VA processes are reviewed by the Hess Leadership Team, and by the Board and are then used in strategy development.

iii) The key aspects of climate change that have influenced the strategy include physical risks, regulatory changes, and reputational risks and opportunities, as well as energy efficiency opportunities.

iv) The most important components of Hess' short term strategy that have been influenced by climate change are A) reducing GHG emissions (operational/energy efficiency, revenue opportunities and/or regulatory drivers); B) top-quartile climate change transparency; and C) physical risk management. A) Hess played a key role in the formation of the North Dakota Petroleum Council's Flaring Task force and the recommendations that helped shape NDIC order # 24665, which mandates operators capture 90 percent of the gas produced by October of 2020. C) Before the NDIC flaring order, we had started a multi-year effort to capture natural gas from our wells and minimize flaring by investing \$2.2 billion in gas gathering and processing infrastructure in North Dakota. We supplemented the building of gas infrastructure capacity with shorter-term wellhead gas capture projects. D) We publish information on climate change programs and performance in our annual sustainability report and CDP Climate Change response. We participate in industry initiatives that focus on quantifying and disclosing emissions performance and climate change-related risks and opportunities. E) We have a physical risk management framework in place that includes severe weather management plans and procedures and are in the process of implementing business continuity plans that address severe weather events. Hess maintains insurance coverage that includes coverage for physical damage to its property and other coverage. The amount of insurance covering physical damage is based on the asset's estimated replacement value or the estimated loss.

v) The most important components of Hess' long term strategy include GHG emissions minimization and regulatory changes. We address these through setting targets to reduce GHG and flaring intensity and integrating carbon price risk, potential future regulatory constraints and energy efficiency considerations into our value assurance process for major new investments. In 2013, this process was expanded to include an annual review of all significant existing assets. This enables us to address potential regulatory risks and opportunities driven by current and future costs of carbon and to promote more carbon-efficient choices for equipment decisions.

vi) Strategic advantage over our competitors: We have been included in the CDP leadership indices since 2009 for the quality of our disclosures. Our climate change disclosures have resulted in our inclusion in various environmental, social, and governance (ESG) stock indices and in our ranking as one of the most sustainable U.S. energy producer. Through our Enterprise Risk Management program and asset-level risk assessment processes, we use various risk ranking models to verify that new and existing assets evaluate and rank all above-ground non-technical risks, including those related to climate change.

vii) Our primary focus remains to decrease our GHG emissions intensity by reducing wellhead flaring of associated gas. This is a substantial business decision for Hess. For example, in Equatorial Guinea we are investing \$30 million to pipe gas that is currently flared at our Okume operation to the nearby Ceiba field to use as fuel gas to run our operations. This was a substantial business decision in 2016, the year the funding was approved. Hess is a founding member of the ONE Future coalition, a group focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions. ONE Future offers a performance-based flexible approach to managing methane emissions. The goal is to voluntarily lower methane emissions to less than 1 percent of gross

methane production across the value chain by 2025. Although Hess is already below our combined ONE Future sectorial targets we are committed to further improving our performance. Our principal focus in 2016 was implementation of an extensive leak detection and repair (LDAR) program across our production facilities in North Dakota, another substantial business decision. This supplements our ongoing LDAR programs at our gas plants in Texas and North Dakota and our production operations in Ohio. In addition, since 2012, we have invested \$2.2 million in natural gas capture, processing and fractionation capacity.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price on carbon?

Yes

CC2.2d

Please provide details and examples of how your company uses an internal price on carbon

A cost of carbon is incorporated in all significant new projects as a sensitivity analysis to financials to ensure that we understand and evaluate the ramifications that potential carbon regulations may have on our business. Starting in 2016, our economic evaluation process for significant new projects was updated to include a carbon price of \$40 per tonne, which is slightly higher than the U.S. EPA's current social cost of carbon. If a carbon regulation is in effect in a particular country where we are doing business, the cost of carbon is part of the base financial analysis as opposed to being used in a sensitivity analysis.

CC2.3

Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)

Trade associations
Other

CC2.3a

On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
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CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
American Petroleum Institute	Mixed	The American Petroleum Institute (API) is a national trade association that represents all aspects of America's oil and gas industry. API works closely with the public, Congress, the Executive Branch, state governments, and other trade associations to achieve members' public policy goals. API and its members consider climate change a very important issue and are engaging constructively to address this	Hess' Chief Executive Officer, John Hess, serves on the API Board of Directors and Executive Committee. Hess is a member of API's Methane Task Force, Committee on Federal Relations, and Upstream Issues Committee, among others. Hess also chairs API's Environmental Strategies Committee, the primary environmental advocacy group at API. In 2014, Hess established an

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		<p>complex global challenge. API's Executive Committee has directed API to prioritize efforts to address the risks of global climate change through research, advocacy, and education. API supports minimizing methane emissions and that, where practical and safe, releases of methane should be captured and recovered. API also recognizes the growing focus on improving the quality of emissions estimation and has provided guidance to companies on technical considerations and calculation methods to assist with GHG mandatory reporting accuracy. API's Methane Task Force, established in 2014, continues to identify opportunities to improve emissions estimation and improved methane management. That group continues to work closely with EPA on these issues and API member companies have endorsed methane reduction steps, including phasing out the use of certain equipment and a program to "find and fix" methane leaks along the gas value chain.</p>	<p>internal Methane Working Group to share information and promote Hess's position on emerging regulatory approaches to methane leakage which will be partially informed by studies coming out of the Environmental Defense Fund that Hess has helped to support. The internal group continued to meet regularly in 2016 to identify opportunities to reduce methane from our operations and to shape our engagement with the Federal government on the issue.</p>
<p>International Petroleum Industry Environmental Conservation Association (IPIECA)</p>	<p>Consistent</p>	<p>IPIECA is the global oil and gas industry association for environmental and social issues. It develops, shares and promotes good practices and knowledge to help the industry improve its environmental and social performance; and is the industry's principal channel of communication with the United Nations. The IPIECA Climate Change Working Group was formed in 1988 and its actions include: a) developing GHG management good practices. b) publishing guidelines for monitoring, measuring and reporting GHG emissions and emission reduction projects; c) proposing sustainable biofuels standards; d) developing industry tools to help reduce flaring and venting and improve energy efficiency; e) sharing knowledge on carbon capture and storage, including through partnerships such as with the Global Carbon Capture and Storage Institute (GCCSI); f) engaging with the international policy process under the UN Framework Convention on Climate Change, and g) supporting climate</p>	<p>Hess is an active participant in the relevant working groups and committees, including Climate Change, Reporting, Social Responsibility, Water and Supply Chain.</p>

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		science, including engaging with the Intergovernmental Panel on Climate Change (IPCC).	
International Oil and Gas Producers Association (IOGP)	Consistent	IOGP works on behalf of the world's oil and gas exploration and production companies to promote safe, responsible, and sustainable operations. It represents the industry before international organizations and regionally at the European Commission. IOGP supports the international community's commitment to address the global challenge of climate change. IOGP also believes that the oil and gas industry is very much a part of the solution to this challenge and that it can be addressed while meeting society's future energy needs. The oil and gas industry produces abundant, affordable and reliable energy relied on by billions for heat, light and mobility. IOGP believes that the long term objective of climate change policy should be to reduce the risk of serious impacts on society and ecosystems, while recognizing the importance of reliable and affordable energy to society.	Hess is an active participant in the relevant committees and working groups, including Safety, Environmental, Process Safety, Environmental data, Oil Spill, Land Transport and Aviation.

CC2.3d

Do you publicly disclose a list of all the research organizations that you fund?

CC2.3e

Please provide details of the other engagement activities that you undertake

ONE Future:

i/iii. A Hess Senior Manager, EHS is on the Board 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 emissions associated with the production, processing, transportation and distribution of natural gas. ONE future's members include some of the largest natural gas production, processing, transmission and distribution companies in the United States – a unique coalition that represents virtually the entire natural gas value chain. ii/iv. 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 1 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%), processing (0.11%), transmission and storage (0.30%), and distribution (0.22%), which cumulatively total to the one percent target. Hess has activities in two sectors, production and processing, which when combined result in a ONE Future target of 0.47%. In 2016, our methane emissions rate for production was 0.06% and our emissions rate for processing was 0.19%, for a combined weighted average total of 0.09%, which is well below the ONE Future target for those combined sectors. Although Hess has already met its ONE Future combined sectorial target for Production and Processing, we are committed to further improving our performance. Our principal focus in 2016 was implementation of an extensive leak detection and repair (LDAR) program across all of our production facilities (existing and new) in North Dakota. This supplements our ongoing LDAR programs at our gas plants and in Ohio. This program comprises: monthly audible, visual and olfactory inspection of equipment with the potential to leak; and, semi-annual optical gas imaging which is performed by our field assurance personnel who are certified in the use of infra-red thermal cameras and other monitoring techniques to detect fugitive emissions. These measures, together with the steps we are taking to reduce flaring in North Dakota will help further reduce our fugitive methane emissions.

ARPA-E:

Through technical input, Hess supports the Advanced Research Projects Agency-Energy (ARPA-E) MONITOR program focused on reducing methane emissions associated with energy production to build a more sustainable energy future. The program plans to provide \$30 million to support 11 project teams in developing low-cost, highly sensitive systems that detect and measure methane associated with the production and transportation of oil and natural gas. ARPA-E catalyzes the advancement of transformational energy technologies to enhance the economic and energy security of the United States by investing in high-potential, high-impact energy projects that are too early for the private sector.

CC2.3f

What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Hess' position is that climate change is a global challenge that requires government, business leaders and civil society to work together on cost-effective policy responses that recognize the vital role safe, affordable and reliable energy plays in ensuring human welfare, economic growth and security. Our clean water and sanitation, food production and storage; lighting, heating, and cooling; and transportation and defense systems depend predominantly on abundant, affordable and secure supplies of oil and gas. At Hess, we understand oil and gas are essential to meet the world's growing energy demand and are committed to developing resources in an environmentally responsible and sustainable manner. We take steps to monitor, measure and reduce our carbon footprint. Hess belongs to a number of trade associations, primarily to give the company access to the business, technical, and industry best practices expertise of these associations. Hess actively engages in various industry and trade groups in the United States.

We recently completed our EHS & SR Strategy Refresh project, which has culminated in ongoing communication of this strategy externally as well as throughout the organization. Consistent communication of our climate change strategy helps ensure that our activities are aligned with this strategy. In addition, to address

concerns related to potential misalignment between our positions and those of the associations, organizations and collaborative working groups in which we participate, we publish our positions on key sustainability issues in our annual corporate sustainability report. Internal and external communication helps ensure that all parties who engage with policymakers on Hess's behalf are aware of our climate change strategy.

Because we are just one of many members, we recognize that our positions cannot always fully align with all formal positions of the associations, organizations, and collaborative working groups in which we participate. Effective communication of our climate change strategy helps all stakeholders understand where our positions align, even though our participation or funding should not be considered a direct endorsement of the entire range of activities undertaken by these membership organizations.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Intensity target
Renewable energy consumption and/or production target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
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CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 1	100%	50%	Metric tonnes CO2e per unit of production	2014	287	2020	No, and we do not anticipate setting one in the next 2 years	We have set a 2020 target to reduce flaring intensity (scf/BOE) by 50% for the current portfolio of assets we operate compared to a 2014 baseline. We anticipate flaring reduction will result from major initiatives in Equatorial Guinea and our Bakken asset in North Dakota assuming we receive approval from key stakeholders for these initiatives.
Int2	Scope 1+2 (location-based)	100%	25%	Metric tonnes CO2e per unit of production	2014	43	2020	No, and we do not anticipate setting one in the next 2 years	We have set a 2020 target to reduce GHG emissions intensity (Tonnes/ MBOE) for the current portfolio of assets we operate by 25% compared to a 2014 baseline. This target is exclusive of Renewable Energy Certificates (RECs).

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int1	Decrease	50			We expect to grow our production as we grow our business, but reduce the flaring intensity of our operations between now and 2020. Scope 3 emissions changes have not been considered in this Scope 1 target.
Int2	Decrease	10			We expect to grow our production as we grow our business, but reduce the greenhouse gas intensity of our operations between now and 2020. Scope 3 emissions changes have not been considered in this scope 1 and 2 target.

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
RE1	Electricity consumption	2016	896000	15%	2016	26%	Part of Hess's strategy is to purchase at least 10% renewables based on net electricity each year. Based on the grid, 15% came from renewables, and we purchased RECs equal to 11% of net electricity. As a result, we have exceeded our 10% target.

CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Int1	33%	58%	
Int2	33%	76%	
RE1	100%	100%	

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Product	Natural Gas	Low carbon product	Other:	16%	Less than or equal to 10%	We consider natural gas, which typically has about half the GHG emissions of coal in electricity generation, as a bridging fuel as customers transition to a lower carbon economy.

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Implemented*	4	1178340
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Process emissions reductions	A key component of our climate change strategy is to reduce flaring in North Dakota and Equatorial Guinea. 2016 flaring from EG and North Dakota were reduced by a combined 10,860 MMscf from 2015 levels. Calculation: 2015 flaring emissions for EG and North Dakota were 2,905,366 CO2e tonnes and 2016 flaring emissions were 1,730,120 CO2e	1175246	Scope 1	Voluntary	16073047	2200000000	16-20 years	16-20 years	This flare reduction initiative is a major component of our climate change strategy. We have set a target to reduce the flaring intensity of our current portfolio of assets that we operate by 50% by 2020 compared to a 2014 baseline. Thru 2016, we have made substantial progress by reducing our cumulative

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	tonnes resulting in a reduction of 1,175,246 CO2e tonnes. Calculations are based upon flare gas composition, flare volume and EPA Mandatory Reporting Rule emission calculations. This flare reduction has resulted from a series of major infrastructure projects beginning in 2012, where cumulative investment has totaled \$2.2 billion thru 2016 to capture and process associated gas from oil production. 2016 cost savings: 10,860 MMscf gas times \$1.48 per mcf 2016 average onshore natural gas price = \$16,073,047.								flaring intensity by 29% vs. our 50% target.
Energy efficiency: Processes	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	685	Scope 1	Voluntary	500000	2450000	1-3 years	Ongoing	Lifetime of initiative is based on the duration of the drilling rig contracts. Calculated emissions reduction is based solely on the difference between diesel fuel combustion and natural gas combustion.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	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. Between 2015 and 2016 this project saved an estimated 237 thousand gallons of diesel fuel, reduced greenhouse gas emissions by an estimated 685 tonnes and resulted in an estimated 34 fewer truck deliveries.								Monetary investments were made in 2013. Estimated annual CO2e savings reflect 2016 savings.
Transportation: use	In 2016, we operated a compressed natural gas (CNG) fuel facility near our Tioga Gas Plant in North Dakota. The facility, which includes one CNG compressor, four light-duty filling stations and two heavy-duty filling stations, is currently being used to	1824	Scope 1 Scope 3	Voluntary			<1 year	Ongoing	Because savings started in 2016, emissions savings for 2016 do not include a full year. As a result, we expect expect our 2017 GHG emissions reductions from this CNG facility to be even more significant when compared to

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	partially displace diesel in high-horsepower engines for drilling and well completion operations in the Tioga area and to fuel Hess' fleet of 25 CNG/gasoline, bi-fuel light duty trucks. This use of CNG is helping us meet our climate change and GHG goals by reducing flaring and providing a lower-emissions fuel alternative in lieu of more expensive diesel and gasoline fuel. Since April 2016, our use of CNG from this fueling station has reduced CO2e emissions by approximately 1,800 tonnes and eliminated the use of nearly 630,000 gallons of diesel and gasoline.								2016.
Energy efficiency: Processes	Power generation utilizing Bakken gas was piloted by us in 2014. This project involved replacing diesel generators with gas generators. As a result of the project, we are now using 270 thousand	585	Scope 1	Voluntary			<1 year	Ongoing	As planned gas gathering infrastructure is put in place then the gas from the Bakken wells will be sent to market. Estimated annual CO2e savings reflect 2016 savings.

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	standard cubic feet per day (MSCFD) of gas to directly power Hess' electrical needs, replacing 13,410 barrels of diesel fuel that were previously used for operations at two remote Bakken production sites. In 2017, a gas generator will be added at a third remote Bakken production site and it is estimated this will help decrease GHG emissions by another 800 tonnes per year.								

CC3.3c

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	
Other	Capital projects which meet investment hurdles and are approved by key stakeholders that result in energy

Method	Comment
	efficiency and emissions reduction activities.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: **CC4. Communication**

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) but have not used the CDSB Framework	Complete	Annual report, pages 2, 9, and 10	https://www.cdp.net/sites/2017/74/8274/Climate Change 2017/Shared Documents/Attachments/CC4.1/2016_HESS_AR_Full.pdf	Letter to shareholders (page 2) and Social Responsibility section (pages 9 and 10) of Hess' annual report
In voluntary communications	Complete	Climate change and energy (starting on page 39) & Environmental (starting on page 47) sections	https://www.cdp.net/sites/2017/74/8274/Climate Change 2017/Shared Documents/Attachments/CC4.1/Hess_2016CSR.pdf	

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	Hess' Denmark operations are subject to the European Union Emissions Trading Scheme (EU ETS). Under	Increased operational cost	1 to 3 years	Direct	Virtually certain	Low	Our cost to purchase additional allowances in 2015 was approximately US\$1.3 million.	2016 Summary: Hess' Denmark operations banked free allowances under EU ETS Phase II. In order to meet our 2016	There is minimal to no cost for managing the purchase of allowances we need to meet our EU ETS

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Phase III of the EU ETS, Hess makes annual purchases of allowances to cover the gap between free allowances allocated and verified GHG emissions. In 2016, Hess purchased 162390 allowances in addition to the 189643 of free allowances allocated. During Phase III the gap between the annual number of free allowances allocated to Hess (EUAs) and actual GHG emissions is expected to widen. This means that we will need to purchase more allowances which will add to routine operational costs.						This is estimated based on an EU ETS price of \$6-7 per EU Allowance Unit (EUA). Our cost to purchase additional allowances in 2016 was approximately US\$980,000. This is estimated based on an EU ETS price of \$6 per EUA. While it is difficult to estimate future financial implications, using the past several years of costs may serve as a reasonable proxy.	obligations, we carried over surplus allowances from 2015 and applied these, as well as a portion of our 2016 free allowances, toward our 2016 obligations. We also received allowances from our partners and utilized a third-party to purchase additional EUAs. 2017 Goals: To meet the full obligations in 2017 we will purchase quotas on the spot market.	obligations as the cost of using a third party to purchase allowances on our behalf is already included in the price we pay for the EUAs. Annual third party verification of GHG emissions is part of the EU ETS and costs US\$20,000-25,000. This annual cost is likely to occur for the duration of the EU ETS.
Uncertainty surrounding new	The issue of fugitive emissions of methane during	Increased operational cost	1 to 3 years	Direct	Unlikely	Medium		Hess has already been undertaking measures to	

Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
regulation	<p>natural gas production has received attention as shale energy production in the United States has resulted in an increased supply of abundant, low cost natural gas. Since methane is emitted by natural sources as well as by human activities, questions related to attribution and measurement have led to uncertainties in estimates of current and projected methane emissions. In January 2015, the U.S. government announced plans to cut methane emissions from oil and gas operations by 45 percent by 2025 from 2012 levels. In response, the U.S. Environmental</p>							<p>understand and reduce its methane emissions. Hess is a founding member of the ONE Future Coalition, established in 2014, which is comprised of companies from across the natural gas industry. ONE Future is focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions associated with the production, processing, transportation and distribution of natural gas. Since 1997, Hess has been a member of the U.S. EPA's Natural Gas STAR program, a partnership</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	Protection Agency (EPA) issued a rule to control methane emissions from new and existing sources of methane and volatile organic compounds (VOC)'s at oil wells. Certain aspects of this rule went into effect in 2016, with remaining provisions currently under review by the EPA.							between the EPA and industry to identify and share best practices that yield reduced methane emissions. Hess also sits on the API Environmental Strategy Committee and is providing input into the development of emissions regulations.	

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Tropical	To the extent	Reduction/disruption	1 to 3	Direct	Virtually	Low-	Increased storm	Each Hess	Costs

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
cyclones (hurricanes and typhoons)	that climate change may result in more extreme weather related events, Hess could experience increased costs related to preparedness and recovery of affected operations, such as Hess' Tubular Bells Production Platform in the Gulf of Mexico, in addition to costs and lost revenues due to business disruption. In addition, the potential for more robust metocean structural standards for offshore platforms to withstand storms of increased severity could increase capital costs for offshore facilities.	in production capacity	years		certain	medium	severity could materially affect our operations in the Gulf of Mexico. The financial impact of recent storms may serve as an indicator of potential future implications. As an example, in 2016 Hurricane Hermine hit the Gulf of Mexico, requiring Hess to shut-in its Tubular Bells Production Platform. Total gross lost production was approximately 175 thousand barrels of oil equivalent to a market value of about \$7-\$9 million, along with additional operating expenses of \$125k. Hess equity share of this asset is 57%.	asset, including Tubular Bells, maintains an emergency response plan that details procedures for potential emergency scenarios, including severe weather events, because increased storm severity could materially affect our operations. When a hurricane has formed which could affect facility operations, Hess monitors the position and conditions as well as the forecast of movements and intensity. A facility is advised as soon as possible to initiate evacuation of	associated with tropical cyclones, hurricanes and storms include emergency response staff resources at the enterprise and asset levels, evacuation of platform crews, and weather forecasting services. These costs are part of routine operating expenses and are not considered significant. These are annual costs and are likely to occur for as long as Hess is in business.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Although we maintain insurance coverage against property and casualty losses, there can be no assurance that such insurance will adequately protect the Corporation against liability from all potential consequences and damages. Moreover, some forms of insurance may be unavailable in the future or be available only on terms that are deemed economically unacceptable.</p>							<p>personnel and where possible, to take steps to protect equipment and environment. As an example, in 2016, Hurricane Hermine hit the Gulf of Mexico, requiring Hess to shut-in its Tubular Bells Production Platform while executing emergency response plans as outlined above. Following the emergency response risk management procedures during this hurricane resulted in minimal damage to the facility and minimized the financial impact of the shutdown. In addition to our</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>own experts, Hess has established strategic relationships with third party specialists who are experienced in emergency response and crisis management. Hess also has regional and worldwide mutual aid agreements and relationships with emergency response organizations that have strategically positioned equipment and personnel to supplement and support our response efforts.</p>	

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Reputation	In 2015, we completed an EHS & SR Strategy Refresh project to fully align with our transition to an exploration and production company and our commitment to operating as a trusted energy partner. This identified a wide range of material issues for benchmarking and evaluated Hess' strategic position relative to its peers to inform strategy development. Through benchmarking and a materiality assessment, six material EHS & SR issues (Climate Change and Greenhouse Gas Emissions, Community and Stakeholder Engagement, Human Rights and	Increased capital cost	1 to 3 years	Direct	More likely than not	Medium-high	Negative perceptions of Hess' management of climate changes and related disclosures could theoretically lead to our exclusion from ESG indices, which could increase our cost of capital. Because we cannot predict future actions or the makeup of our top shareholders going forward, at this time we are unable to assign a specific monetary value to the potential for future higher cost of capital if we are excluded from ESG indices. However, most of Hess' top ten institutional investors and top ten mutual fund investors used	Hess is managing reputational risk through implementation of our climate change strategy, which includes: • public disclosure of our climate change strategy, programs and performance; • reducing operational flaring; • becoming more energy efficient and incorporating more renewable energy in our energy spend. In 2016 we purchased 100,000 MWH Green-e Energy certified RECs for wind power; 11% of purchased electricity from E&P operated assets; • including energy efficiency and carbon cost considerations in all major new investments. We are dedicated to disclosure and	Costs of implementing our climate change strategy, such as CSR report preparation and responding to CDP, include staff time and are not separated from the costs of salaries. In addition to staff time, Hess spends approximately \$100,000 annually on costs that include CDP reporter services, GHG report assurance, and external consultants.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Security, Process Safety and Spills, Regulatory Assurance, and Water Management) for strategy enhancement were identified based on the level of risk to the company and stakeholder expectations. Based on Hess' materiality assessment, climate change has a high level of external interest and is of high priority to the company. The issues reviewed in the materiality determination are based on a survey of both internal and external stakeholder evaluation of risk and impact, level of internal and external stakeholder interest, and applicability of international</p>						<p>sustainability data to evaluate ESG performance and inform shareholding strategy. As of the end of 2016, at least \$8.3 billion of Hess shares were owned by investors who were signatories to the United Nations Principles for Responsible Investment, which shows that investors are concerned with ESG performance.</p>	<p>transparency through reporting activities including: publishing an annual Corporate Sustainability Report using GRI (with a Content Index) and external assurance of our CSR including GHG emissions. Hess continues to meet our goal of top quartile performance in our sector for the quality of our climate change disclosures. In 2016, Hess earned leadership status on CDP's Global Climate List and was among the top-ranking energy producers on the list. Also in 2016, the company was included in the Dow Jones Sustainability Index North America for the seventh consecutive year. We work with others in our industry on energy efficiency and GHG</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	reporting frameworks and oil and gas sector guidelines and best practice.							emissions reduction best practices, energy management systems, operational flaring reduction, and upstream energy performance methodology. We are proactively reducing GHG emissions in several countries where we operate, including those where GHG emissions are not currently regulated.	

CC5.1d

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: **CC6. Climate Change Opportunities**

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Opportunities driven by changes in regulation
- Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
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Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other regulatory drivers	The North Dakota Industrial Commission (NDIC) has worked closely with the North Dakota Petroleum Council's (NDPC) Flaring Task Force to develop strategies and identify measures to develop policy that will increase wellhead gas capture, thus reducing flaring of associated gas from oil and gas development in the Bakken. As part of this approach, the NDIC has adopted a wellhead flaring goal of 10% by October 1, 2020, with interim flaring rate targets	Increased production capacity	1 to 3 years	Direct	Virtually certain	High	We estimate Hess' infrastructure investments will allow us to reduce our flaring rate from 27% in 2013 to 10% by 2020. Achieving this target will also result in an absolute reduction in our total volume of flared gas. Based on the average onshore natural gas price of \$1.48 per thousand cubic foot (mcf) found in Hess' 2016 SEC 10-K, the estimated market value of the amount of wellhead gas and natural gas liquids that would be captured instead of flared is approximately \$13 million per year.	Hess has invested \$2.2 billion in natural gas capture, processing and fractionation capacity in the Bakken region in North Dakota over the past several years. Most noteworthy, Hess' expansion of its Tioga Gas Plant from 115 million cubic feet of natural gas per day (MMSCFD) to 250 MMSCFD and expansion of its natural gas liquids processing capacity from 8 thousand barrels per day (MBD) to 60 MBD provides the Bakken region with much-needed capacity, both for Hess and for other operators,	Hess has invested \$2.2 billion to construct infrastructure to capture, transport, process and fractionate Bakken natural gas which is rich in natural gas liquids. This represents a one-time capital cost. Costs for staff resources to obtain the necessary licenses and permits and to operate new and expanded infrastructure are considered routine.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>along the way. Hess is on the Board of the NDPC. We are a member of the NDPC's Flaring Task Force and have had the opportunity to collaborate with other member companies to shape the NDPC's position on wellhead flaring reduction. We also have the opportunity to reduce our wellhead flaring by increasing our capacity to capture the gas and process it into products, including methane, ethane, propane, butane and natural gasoline, that we can sell and realize additional</p>							<p>to process and monetize the liquids-rich associated natural gas and reduce operational flaring at the wellhead. Hess also has short-term wellhead gas capture projects ongoing. Hess is a member of the North Dakota Petroleum Council's Flaring Task Force, has regulatory and government affairs specialists on staff and has a local landowner notification system. Hess has also replaced an internal voluntary target to reduce our wellhead flaring rate in North Dakota to 10</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	revenue. Hess began constructing gas gathering and gas processing and fractionation infrastructure several years ago to monetize natural gas and natural gas liquids from both our own production and from third-party production, and to reduce our wellhead flaring rate to 10% by 2020.							percent with newly established regulatory targets that require Bakken operators to achieve a 10% or lower wellhead flaring rate by 2020. We routinely track the flaring rate, flared volumes, and progress toward our flaring target; results are regularly reported internally.	
Voluntary agreements	Pneumatic devices powered by pressurized natural gas, which are a source of methane emissions, are used widely in the natural gas industry as liquid level controllers,	Reduced operational costs	1 to 3 years	Direct	More likely than not	Low-medium	Hess utilized the EPA's Natural Gas STAR estimates of the economic and environmental benefits of voluntarily replacing non-regulated high-bleed units with low bleed units before end-of-life. Based on	Opportunities for replacing existing high-bleed pneumatics with low bleed devices in North Dakota go through the following steps: 1) creating and prioritizing an inventory of pneumatic	Using EPA's Natural Gas STAR estimated implementation cost per unit is \$1,850, total implementation costs would be approximately \$740,000. This is a one-time capital cost.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>pressure regulators, and valve controllers. The Natural Gas STAR Program, a voluntary U.S. EPA partnership which Hess has belonged to since 1997, encourages oil and gas companies to adopt cost-effective technologies, including low/no bleed pneumatics and practices that improve operational efficiency and reduce methane emissions. Hess has a voluntary opportunity to reduce methane emissions and operational costs at our</p>						<p>this information, we assumed a natural gas price of \$1.64 per thousand cubic foot (per Hess' 2015 SEC 10-K) and 260 Mcf natural gas savings for each of the 350 units. The monetized value from reducing emissions is approximately \$150,000 per year. Potential additional maintenance cost savings range from \$90,000 to \$520,000 per year.</p>	<p>controllers installed before the compliance obligation; 2) developing a project plan; 3) drafting a budget; 4) securing authorization for expenditures and approval from key external stakeholders; and 5) managing project cost flows.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	North Dakota asset by replacing high-bleed pneumatic devices installed before August 2011, when new EPA regulatory requirements came into effect.								

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	<p>Opportunities for improved efficiency: In North Dakota we have converted diesel engines to bi-fuel natural gas/diesel engines on several drilling rigs operating in the Bakken. The bi-fuel engines use natural gas captured at the wellhead. They reduce air emissions by using cleaner burning natural gas, reduce emissions associated with less diesel fuel truck deliveries, and reduce flaring. In addition, we have converted nine boilers to operate exclusively on natural gas during winter operations. In 2016, these actions saved 766,000 gallons</p>	Reduced operational costs	1 to 3 years	Direct	More likely than not	Low-medium	<p>Each project has its own financial implications, but as an example: A bi-fuels conversion system, including conversion of drilling rig boilers to natural gas, saved an estimated \$1.9 million in 2016 based on the cost differential between diesel fuel and natural gas.</p>	<p>To manage the opportunities presented by energy efficiency, we are implementing a number of projects, including bi-fuels conversion: Once the opportunity for bi-fuels conversion was identified, a project justification document was prepared. This information was integrated into the relevant drilling services contracts. Under the terms of the contract, the drilling contractors are responsible for purchasing, installing and commissioning the bi-fuel system. Hess observes and provides certain feedback to our contractors relating to activities needed to tie-in to a gas supply. For example, in 2013,</p>	<p>Each project has its own costs, but as an example: Bi-fuel rig conversions, inclusive of all necessary components (bi-fuel system installation and commissioning, boiler conversion, and other equipment and installation costs at the well site) are approximately \$350,000 per rig conversion. Each rig conversion is a one-time cost to the drilling contractor. There are no costs for project and contract management beyond the normal course of business.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>of diesel fuel, reduced GHG emissions by an estimated 2,200 tonnes and resulted in 100 fewer truck deliveries. In North Dakota, through our partnership with GTUIT, we have developed an innovative new approach to recover high-BTU gas from locations that were producing NGLs and flaring. Utilizing 14 of these mobile units, through 2016 we captured an estimated 7.9 million gallons of NGLs, avoided more than 510 MMSCFD of gas flaring and reduced GHG emissions by an estimated 49,000 tonnes. Also in North Dakota, we use flexible hose to transport</p>							<p>Hess launched a bi-fuel installation project in which our contractors retrofitted diesel engines to gas/diesel engines on several of the drilling rigs operated for Hess in the Bakken play of North Dakota. In addition to engine conversions, the boilers were converted to operate exclusively on natural gas. Besides cost savings, bi-fuel conversions provide additional benefits including reduced flaring and diesel truck delivery trips, thus reducing CO2 and other air emissions. In 2016, this project saved an estimated 766 thousand gallons of diesel fuel, reduced greenhouse gas</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>freshwater directly from the water source to our wells, instead of using trucks. In 2016, 100 percent of the water used for hydraulic fracturing in North Dakota (5.2 million barrels) was transported using flexible hose, eliminating 50,400 truck deliveries and 2 million miles driven, and cutting 4400 tonnes of transportation related GHG emissions. In 2016, we also opened a compressed natural gas fuel facility near our Tioga Gas Plant. Since April 2016, our use of CNG from this fueling station has reduced CO2 emissions by approximately</p>							<p>emissions by an estimated 2,200 tonnes and resulted in an estimated 100 fewer truck deliveries.</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>1700 tonnes and eliminated the use of nearly 630,000 gallons of diesel and gasoline. We began piloting power generation utilizing gas from our Bakken operations in 2014 and, building on that experience, implemented gas generation at a second site in May, 2016. As part of this project, we replaced eight diesel-powered generators with 170 kilowatt gas-fueled generators. At these two remote Bakken production sites we use 270 thousand standard cubic feet per day of gas to replace diesel fuel and directly power the sites' electrical</p>								

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	needs. In 2016, these generators eliminated 13,410 barrels of diesel fuel use and reduced GHG emissions by 1600 tonnes.								
Reputation	Based on our materiality assessment, climate change has a high level of external interest and is of high priority to the company as part of this determination. The issues reviewed in the materiality determination are based on a survey of both internal and external stakeholder evaluation of risk and impact, level of internal and external stakeholder interest, and applicability of international	Reduced capital costs	1 to 3 years	Direct	More likely than not	Medium-high	Positive perceptions of Hess' management of climate change and related disclosures have led to our inclusion in ESG indices, which could theoretically decrease our cost of capital. Because we cannot predict shareholders' future actions or the makeup of our top shareholders going forward, at this time we are unable to assign a specific monetary value to the potential for future lower	Hess is managing these potential opportunities through implementation of our climate change strategy, which includes: <ul style="list-style-type: none"> public disclosure of our climate change strategy, programs and performance reducing operational flaring associated with stranded gas becoming more energy efficient and incorporating more renewable energy in our energy spend including energy efficiency and carbon cost considerations in all major new 	Costs of implementing our climate change strategy, such as CSR report preparation and responding to CDP, include staff time and are not separated from the costs of salaries. In addition to staff time, Hess spends approximately \$100,000 annually on costs that include CDP reporter services, GHG report assurance, and external consultants.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	reporting frameworks and oil and gas sector guidelines and best practice.						cost of capital resulting from our inclusion on ESG indices. However, most of Hess' top ten institutional investors and top ten mutual fund investors used sustainability data to evaluate ESG performance and inform shareholding strategy. As of the end of 2016, at least \$8.3 billion of Hess shares were owned by investors who were signatories to the United Nations Principles for Responsible Investment, which shows that investors are concerned with ESG performance.	investments. Hess continues to meet our goal of top quartile performance in our sector for the quality of our climate change disclosures. In 2016, Hess was recognized on the prestigious CDP Global Climate List, as a leader in addressing climate-related risks and opportunities. Hess earned leadership status, the highest category, and was among the top-ranking energy producers on the list. Also, for the seventh consecutive year we were included in the Dow Jones Sustainability Index North America. We also work with others in our industry on energy efficiency and GHG	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								emissions reduction best practices, energy management systems, operational flaring reduction, and upstream energy performance methodology. We are proactively reducing greenhouse gas emissions intensity in several countries where we operate, including those where GHG emissions are not currently regulated.	
Other drivers	A key component of our climate change strategy is to reduce flaring. We have set a 2020 target to reduce flaring intensity (i.e., standard cubic feet per barrel of oil equivalent, or SCF/BOE) by 50% for the current portfolio	Wider social benefits	>6 years	Direct	Very likely	High	In 2016, flaring reduction resulted in over 1 million tonnes of GHG emissions reductions, and an annual savings of approximately \$16 million from gas that was previously flared which is now being sold.	Hess is managing its flare reduction target through implementation of our climate change strategy which includes: - public disclosure of our climate change strategy, programs and performance - reducing operational flaring	Since 2012, Hess has invested approximately \$2.2 billion in infrastructure to capture and monetize gas that was previously flared as part of oil production.

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>of assets we operate, compared to a 2014 baseline. 2016 flaring from EG and North Dakota were reduced by a combined 10,860 MMscf from 2015 levels.</p> <p>Calculation: 2015 flaring emissions for EG and North Dakota were 2,905,366 CO2e tonnes and 2016 flaring emissions were 1,730,120 CO2e tonnes resulting in reduction of 1,175,246 CO2e tonnes.</p> <p>Calculations are based upon flare gas composition, flare volume and EPA Mandatory Reporting Rule emission calculations.</p> <p>Savings for 10,860 MMscf gas times \$1.48 per mcf 2016 average onshore</p>							<p>associated with stranded gas - becoming more energy efficient and incorporating more renewable energy in our energy spend - including energy efficiency and carbon cost considerations in all major new investments. Hess continues to meet our goal of top quartile performance in our sector for the quality of our climate change disclosures. In 2016, Hess was recognized on the prestigious CDP Global Climate List, as a leader in addressing climate-related risks and opportunities. Hess earned leadership status, the highest category, and was among the top-ranking energy</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	natural gas price = \$16,073,047 This flare reduction results from major infrastructure projects totaling \$2.2 billion thru 2016 to capture and process associated gas resulting from oil production.							producers on the list. Also, for the seventh consecutive year, Hess was listed in the Dow Jones Sustainability Index North America.	

CC6.1d

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

i. In 2014 Hess completed its transition from an integrated oil and gas company to a pure play E&P company. Thus physical opportunities from climate change, such as offshore drilling benefits from a warming scenario, that we reported in previous years as associated with discontinued businesses, are no longer applicable.

ii. In 2015, we completed an EHS & SR Strategy Refresh project. We began by identifying a wide range of material issues for benchmarking. Through this process, we evaluated Hess' strategic position relative to other companies to inform the strategy's development. Next, we focused on strategy recommendations, tactical actions, and key metrics for six material issues based on stakeholder expectations, opportunities, and risk to the company.

iii. As a result of this process, and with respect to our new status as a pure play E&P company, we have not identified any physical climate change opportunities that would have a substantive financial and operational impact on our business. For example, Hess does not currently operate in regions that would benefit from a warming scenario and this is not an element of our oil and gas E&P strategy.

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jan 2014 - Wed 31 Dec 2014	4944576

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 2 (location-based)	Wed 01 Jan 2014 - Wed 31 Dec 2014	522671
Scope 2 (market-based)		

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
Other

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Scope 1 and Scope 2 GHG emissions calculations are based on the Greenhouse Gas Protocol (WRI/WBCSD) and also rely on sector-specific guidance provided in the "Petroleum industry guidelines for reporting greenhouse gas emissions 2nd edition" (IPIECA/American Petroleum Institute (API)). The primary Scope 1 emission factors we use are for combustion of diesel and natural gas for which we use the factors prescribed by EPA in the Mandatory Reporting Rule, CFR Part 98, Subpart W. Those factors are shown in CC7.4 below and are integrated into the Enviance GHG calculation tool. This tool utilizes U.S. Environmental Protection Agency (US

EPA) and industry-specific emission factors for stationary and mobile sources. All Scope 2 emissions (purchased electricity) result from US based facilities and are calculated using emission factors from EPA's Emission & Generation Resource Integrated Database (eGRID).

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	IPCC Fourth Assessment Report (AR4 - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Distillate fuel oil No 2	430	Other: tonnes/bbl	EPA Mandatory Reporting Rule, 40 CFR Part 98, Subpart W
Natural gas	54.452	Other: kg/mcf	EPA Mandatory Reporting Rule, 40 CFR Part 98, Subpart W

Further Information

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

4073098

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We are reporting a Scope 2, market-based figure	

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
522442	464152	Market-based calculation is based on location-based emissions and the 11% of emissions (approx. 100,000 MWh) for purchased Green-e Certified RECs for wind energy. As the RECs are not related to a specific Hess asset but are purchased at a Hess Corp level, for calculation purposes the RECs are allocated across assets according to their share of the total MWh. As the RECs are not related to a specific Hess asset but are purchased at a Hess Corp level, for calculation purposes the RECs are allocated across assets according to their share of the total MWh.

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Assumptions Metering/ Measurement Constraints	Most of our estimates are based on metered fuel flows and gas composition but some are based on engineering estimated flows and composition. When calculating emissions from use of common fuels we often use standard recognized emission factors, as each batch is not analyzed. Please note that the stated uncertainty range reflects uncertainty in our choice of emissions factors and does not reflect inherent uncertainty associated with the calculation of the emissions factors themselves.
Scope 2 (location-based)	More than 5% but less than or equal to 10%	Assumptions	Quantity of purchased electricity is known but assumptions are made regarding the appropriate utility emission factors to apply. Please note that the stated uncertainty range reflects uncertainty in our choice of emissions factors and does not reflect inherent uncertainty associated with the calculation of the emissions factors themselves
Scope 2 (market-based)			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/74/8274/Climate Change 2017/Shared Documents/Attachments/CC8.6a/FINAL ERM CVS GHG Assurance Statement for CDP Reporting Hess 2016_22 June 2017.pdf	Page 1	ISO14064-3	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/74/8274/Climate Change 2017/Shared Documents/Attachments/CC8.7a/FINAL ERM CVS GHG Assurance Statement for CDP Reporting Hess 2016_22 June 2017.pdf	Page 1	ISO14064-3	100

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1 and 2)	ERM CVS has performed annual assurance engagements for Hess in 2013, 2014, 2015, 2016 and 2017 for calendar year GHG emissions data pertaining to 2012, 2013, 2014, 2015 and 2016 respectively. As part of this engagement, ERM CVS reviews year-on-year data.
Year on year change in emissions (Scope 3)	ERM CVS has performed annual assurance engagements for Hess in 2013, 2014, 2015, 2016 and 2017 respectively for calendar year GHG emissions data pertaining to 2012, 2013, 2014, 2015 and 2016 respectively. As part of this engagement, ERM CVS reviews year-on-year data.

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
Denmark	205626
Equatorial Guinea	1081207
Malaysia	248405
United States of America	2537859

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

- By business division
- By GHG type

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
Exploration & Production	4073098

CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	3773332
CH4	297040
N2O	2726

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2016 - 31 Dec 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

No

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
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CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

By business division

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
Exploration & Production	522442	

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	0
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

8135310

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Natural gas	7579533
Distillate fuel oil No 2	812794

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
Energy attribute certificates, Renewable Energy Certificates (RECs)	100000	0	RECs purchased are wind energy, thus are accounted for at an emissions factor of 0.

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
896314	896314	0	0	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	20.91	Decrease	Emissions reductions attributed to emissions reduction activities are 1,178,340 tonnes in 2016 which equates to 20.91% of Hess' combined Scope 1 and 2 GHG emissions in 2015, which were 5,634,591. This was calculated as follows: $(1,178,340 \text{ tonnes} / 5,634,591 \text{ tonnes}) * 100 = 20.91$. CO2 savings from emissions reduction activities are broken down as follows: Bifuels rigs = 685, Power generation = 585, Transportation = 1824, and Flaring = 1,175,246. Because Hess uses location-based Scope 2 emissions to compare year-over-year performance, this figure is exclusive of RECs.
Divestment			
Acquisitions			
Mergers			
Change in output	2.47	Increase	North Malay Basin increased emissions are attributable to significant drilling activity in preparation for full field production commencing in 2017.
Change in methodology			
Change in boundary			
Change in physical operating conditions			
Unidentified			
Other			

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00096	metric tonnes CO2e	4762000	Location-based	13	Increase	Absolute GHG emissions are about 19% lower this in 2015 and Hess revenues decreased 28% in 2016. Hess does not consider revenue to be an appropriate normalization factor for determining the company's GHG emissions intensity.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
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Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
35	metric tonnes CO2e	unit of production	132830	Location-based	2.8	Decrease	Absolute GHG emissions are about 19% lower than in 2015 and Hess production decreased by 17% in 2016. This decreased emissions intensity was also attributable to the emissions reduction activities that occurred in 2016.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
European Union ETS	Fri 01 Jan 2016 - Sat 31 Dec 2016	189643	162390	189643	Facilities we own and operate

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

2016 Summary:

Hess' Denmark operations banked free allowances under EU ETS Phase II. In order to meet our 2016 obligations, we carried over surplus allowances from 2015 and applied these, as well as a portion of our 2016 free allowances, toward our 2016 obligations. We also received allowances from our partners and utilized a third-party to purchase additional EUAs.

2017 Goals:

To meet the full obligations in 2017 we will purchase quotas on the spot market.

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

No

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO ₂ e)	Number of credits (metric tonnes CO ₂ e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
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Further Information

CC14.1

Please account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Not relevant, explanation provided				In 2014 Hess completed divestment of all downstream (refining, terminals and retail) operations. This eliminated the material GHG emissions associated with motor fuels purchased for sale at our retail stations. Our most significant Scope 3 emissions are associated with customer and consumer use of our natural gas product. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories.
Capital goods	Not relevant, explanation provided				Our most significant Scope 3 emissions are associated with customer and consumer use of our natural gas product. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Based on the calculations that we performed in 2012, when oil drilling was at its peak, we did not exceed the 5% materiality

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					threshold. Since oil drilling has declined significantly since 2012, this category is still not material.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, explanation provided				The reporting boundary for this Scope 3 category is operational control. In 2014 we obtained total volumes of third party fuels consumed by Hess in our operations. We utilized life cycle GHG emissions factors from the U.S. Department of Energy (DOE) National Energy Technology Laboratory (NETL document DOE/NETL 1009-1346) for stage 1 (raw material acquisition), stage 2 (raw material transport) and stage 3 (liquid fuels production). Global Warming Potentials (GWPs) for CO2, methane and N2O were 1, 25 and 298 respectively (IPCC Fourth Assessment Report AR4-100 year). Data quality: The DOE NETL study provides detailed information on data quality for life cycle stages 1, 2 and 3 (see pages 123-127). The resulting GHG of 93,000 tonnes was determined to be immaterial. Our most significant Scope 3 emissions are associated with customer and consumer use of our natural gas product. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Since 2014, purchased fuel has not increased so this category is still deemed to be not material.
Upstream	Not relevant,				Our most significant Scope 3 emissions are

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
transportation and distribution	explanation provided				associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. In previous years, calculated Scope 3 emissions were substantially below our materiality threshold and we did not recalculate upstream transportation and distribution emissions this year (2013 emissions were substantially below the materiality threshold).
Waste generated in operations	Not relevant, explanation provided				The reporting boundary for this Scope 3 category is operational control. We reviewed our 2013 enterprise-wide waste generation amounts and waste management methods, and entered waste volumes by management method into the U.S. EPA's Waste Reduction Model (WARM version 12). The GWPs for CO2, methane, and N2O were from the IPCC Fourth Assessment Report (AR4-100 year); these were 1, 25 and 298 respectively. Data quality: The WARM model is typically used to compare CO2e emissions between one type of waste management method and alternative and there can be a high degree of uncertainty. Our most significant Scope 3 emissions are associated with customer and consumer use of our natural gas product. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					materiality/relevance of other Scope 3 categories. Based on calculations we performed in 2013, and the fact that waste quantities were even less in 2016 due to reduced activity, we did not recalculate emissions from this source because 2013 emissions were substantially below the materiality threshold).
Business travel	Not relevant, calculated	5411	The reporting boundary for this Scope 3 category is operational control. We utilize our travel agency's records which include the number of short, medium and long haul flights flown. We calculate CO2e emissions in accordance with the US EPA Climate Leaders GHG Inventory Protocol, Table 7 Business Travel Emissions Factors. GWPs used for CO2, CH4 and N2O were 1, 25 and 298 respectively. Data quality (flight miles): The uncertainty is between 5% and 10%.	100.00%	While GHG emissions associated with business travel are significantly below our 5% materiality threshold, we are reporting these emissions because a component of our climate change strategy is to offset 100% of emissions associated with employee business travel with carbon offsets. In 2016, we purchased 10,000 carbon offsets which more than offset the emissions from employee business travel.
Employee commuting	Not relevant, explanation provided				We took the following steps in 2012 to investigate and identify the relevance of this Scope 3 category: We determined that employee commuting by air carrier is already included in or Scope 3 Business Travel emissions; employee commuting via company-contracted services is already included in our Scope 1 emissions; and made conservative assumptions regarding potential employee commuting by car. The conclusion of our investigation was that Scope 3 emissions from employee commuting are well below our materiality

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					<p>threshold. Our most significant Scope 3 emissions are associated with customer and consumer use of our natural gas product. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Based on calculations we performed in 2012, and the fact that we have even fewer employees in 2016, we did not recalculate emissions from this source (2012 emissions were substantially below the materiality threshold).</p>
Upstream leased assets	Not relevant, explanation provided				<p>Our most significant Scope 3 emissions are associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. We reviewed our Hess operated assets to determine if there were upstream leased assets that were not included in our Scope 1 emissions and determined that there were none.</p>
Downstream transportation and distribution	Not relevant, explanation provided				<p>Our most significant Scope 3 emissions are associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Calculations from previous</p>

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					years determined that emissions from downstream transportation and distribution activities were significantly below our materiality threshold.
Processing of sold products	Relevant, calculated	3450138	The reporting boundary for this Scope 3 category is operational control for our crude oil which is processed at refineries. Crude production volumes were multiplied by an emission factor from the International Energy Agency's 2017 report. The GWPs we used for CO2, methane, and N2O were from the IPCC Fourth Assessment Report (AR4-100 year); these were 1, 25 and 298 respectively. Data quality: Production volumes numbers were taken from the company's production accounting records which are based on rigorous transfer of custody meters. The uncertainty of our emissions estimate is 5% or less.	0.00%	
Use of sold products	Relevant, calculated	9136005	The reporting boundary for this Scope 3 category is operational control for our natural gas produced. Production volumes were multiplied by EPA GHG emission factors from Table MM- 1 and NN-1 in Subparts MM and NN of US EPA's Mandatory Reporting of Greenhouse Gases rule. The GWPs we used for CO2, methane, and N2O were from the IPCC Fourth Assessment Report (AR4-100 year); these were 1, 25 and 298 respectively. Data quality: Production volumes numbers	0.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			were taken from the company's production accounting records which are based on rigorous transfer of custody meters. The uncertainty of our emissions estimate is 5% or less.		
End of life treatment of sold products	Not relevant, explanation provided				Our most significant Scope 3 emissions are associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. In 2012 we took the following steps to investigate and determine the relevance of this Scope 3 source: 1) reviewed GHG life cycle assessments of petroleum fuels; 2) established that these studies do not include an "end-of-life treatment of sold products" stage since fossil fuel products are consumed during use. Thus, we concluded that this Scope 3 source is not relevant to Hess.
Downstream leased assets	Not relevant, explanation provided				Our most significant Scope 3 emissions are associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Historically Hess had very few leased facilities and the emissions were insignificant. In 2014 Hess divested all retail

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					stations including leases. Emissions from this Scope 3 source are well below our materiality threshold.
Franchises	Not relevant, explanation provided				Hess has no franchises.
Investments	Not relevant, explanation provided				Our most significant Scope 3 emissions are associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of total Scope 3 emissions (equivalent to 629,578 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance process in place

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/74/8274/Climate Change 2017/Shared Documents/Attachments/CC14.2a/FINAL ERM CVS GHG Assurance Statement for CDP Reporting Hess 2016_22 June 2017.pdf	Page 1	ISO14064-3	100

CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Business travel	Emissions	50	Decrease	GHG emissions from employee business travel was 50% lower in 2016

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
	reduction activities			versus 2015 due to a conscious decision to reduce travel activities.
Processing of sold products	Change in output	21	Decrease	Sale of oil from 2016 operations was 21% lower by volume than in 2015.
Use of sold products	Change in output	6	Decrease	Sale of natural gas from 2016 operations was 6% lower by volume than 2015 sales.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, other partners in the value chain

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

We engage with other partners in the value chain through joint venture partnerships.

Method of engagement: When we go into new joint venture projects with partners, we engage directly to evaluate project economics as well as potential environmental impact. Then, through direct technical review with our partners regarding technology for exploration and production as well as how to help ensure safety and minimize emissions, we work with our partners to provide development plans to local governments.

Strategy for prioritizing engagements: Our strategy for prioritizing joint ventures is in line with our overall business strategy. 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. We evaluate all potential partnerships while considering the overall impact on our business and the environment, including project economics and emissions production. Specifically, we prioritize select joint venture partners based on the size of our financial investment. When we make significant financial investments, we engage in a higher level of direct involvement to minimize our environment, social and reputational risk.

Measures of success: Success is based on whether or not the goals of the project have been met, as noted above, which include measuring actual performance

against financial, environmental, and social metrics established during the project planning process. In addition, in countries where we have joint ventures which include regulatory related emissions trading schemes, success is based on measuring compliance costs for carbon emissions.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
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CC14.4c

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Greg Hill	President and Chief Operating Officer	Chief Operating Officer (COO)

Further Information

Module: Oil & Gas

Page: OG0. Reference information

OG0.1

Please identify the significant petroleum industry components of your business within your reporting boundary (select all that apply)

Exploration, production & gas processing

Further Information

Page: OG1. Production, reserves and sales by hydrocarbon type - (1 Jan 2016 - 31 Dec 2016)

OG1.1

Is your organization involved with oil & gas production or reserves?

Yes

OG1.2

Please provide values for annual gross and net production by hydrocarbon type (in units of BOE) for the reporting year in the following table. The values required are aggregate values for the reporting organization

Product	Gross production (BOE)	Net production (BOE)	Production consolidation boundary	Comment
Light oil	73563710		Operational control	
Associated natural gas	42258339		Operational control	
Conventional non-associated natural gas	17007750		Operational control	

OG1.3

Please provide values for reserves by hydrocarbon type (in units of BOE) for the reporting year. Please indicate if the figures are for reserves that are proved, probable or both proved and probable. The values required are aggregate values for the reporting organization

Product	Country/region	Reserves (BOE)	Date of assessment	Proved/Probable/Proved+Probable
Conventional non-associated natural gas Associated natural gas Natural gas condensate Natural gas liquids (NGL) Light oil	United States of America	538000000	Tue 10 Jan 2017	Proved
Associated natural gas Light oil	Europe	255000000	Tue 10 Jan 2017	Proved

Product	Country/region	Reserves (BOE)	Date of assessment	Proved/Probable/Proved+Probable
Associated natural gas Light oil	Africa	186000000	Tue 10 Jan 2017	Proved
Conventional non-associated natural gas Natural gas condensate Natural gas liquids (NGL)	Asia, Australasia	129000000	Tue 10 Jan 2017	Proved

OG1.4

Please explain which listing requirements or other methodologies you have used to provide reserves data in OG1.3. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this

Hess' proved oil and gas reserves are calculated in accordance with the Securities and Exchange Commission (SEC) regulations and the requirements of the Financial Accounting Standards Board. Proved oil and gas reserves are quantities, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from known reservoirs under existing economic conditions, operating methods and government regulations. Hess' estimation of net recoverable quantities of liquid hydrocarbons and natural gas is a highly technical process performed by internal teams of geoscience professionals and reservoir engineers. Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principals and techniques that are in accordance with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" (Revision as of February 19, 2007).

OG1.5

Please provide values for annual sales of hydrocarbon types (in units of BOE) for the reporting year in the following table. The values required are aggregate values for the reporting organization

Product	Sales (BOE)	Comment
Light oil	73563710	
Associated natural gas	42258339	
Conventional non-associated natural gas	17007750	
Other: Gas processed at gas plants		

OG1.6

Please provide the average breakeven cost of current production used in estimation of proven reserves

Hydrocarbon/project	Breakeven cost/BOE	Comment

OG1.7

In your economic assessment of hydrocarbon reserves, resources or assets, do you conduct scenario analysis and/or portfolio stress testing consistent with a low-carbon energy transition?

OG1.7a

Please describe your scenario analysis and/or portfolio stress testing, the inputs used and the implications for your capital expenditure plans and investment decisions

OG1.7b

Please explain why you have not conducted any scenario analysis and/or portfolio stress testing consistent with a low-carbon energy transition

Further Information

Page: **OG2. Emissions by segment in the O&G value chain - (1 Jan 2016 - 31 Dec 2016)**

OG2.1

Please indicate the consolidation basis (financial control, operational control, equity share) used to report the Scope 1 and Scope 2 emissions by segment in the O&G value chain. Further information can be provided in the text box in OG2.2

Segment	Consolidation basis for reporting Scope 1 emissions	Consolidation basis for reporting Scope 2 emissions
Exploration, production & gas processing	Operational Control	Operational Control

OG2.2

Please provide clarification for cases in which different consolidation bases have been used and the level/focus of disclosure. For example, a reporting organization whose business is solely in storage, transportation and distribution (STD) may use the text box to explain why only the STD row has been completed

Hess sold or closed down all downstream operations in 2013 and 2014 and now only operates in exploration, production and gas processing.

OG2.3

Please provide masses of gross Scope 1 carbon dioxide and methane emissions in units of metric tonnes CO₂ and CH₄, respectively, for the organization's owned/controlled operations broken down by value chain segment

Segment	Gross Scope 1 carbon dioxide emissions (metric tonnes CO2)	Gross Scope 1 methane emissions (metric tonnes CH4)
Exploration, production & gas processing	3773332	11882

OG2.4

Please provide masses of gross Scope 2 GHG emissions in units of metric tonnes CO2e for the organization's owned/controlled operations broken down by value chain segment

Segment	Gross Scope 2 emissions (metric tonnes CO2e)	Comment
Exploration, production & gas processing	522442	

Further Information

Page: OG3. Scope 1 emissions by emissions category - (1 Jan 2016 - 31 Dec 2016)

OG3.1

Please confirm the consolidation basis (financial control, operational control, equity share) used to report Scope 1 emissions by emissions category

Segment	Consolidation basis for reporting Scope 1 emissions by emissions category
Exploration, production & gas processing	Operational Control

OG3.2

Please provide clarification for cases in which different consolidation bases have been used to report by emissions categories (combustion, flaring, process emissions, vented emissions, fugitive emissions) in the various segments

OG3.3

Please provide masses of gross Scope 1 carbon dioxide and methane emissions released into the atmosphere in units of metric tonnes CO₂ and CH₄, respectively, for the whole organization broken down by emissions category

Emissions category	Gross Scope 1 carbon dioxide emissions (metric tonnes CO ₂)	Gross Scope 1 methane emissions (metric tonnes CH ₄)
Combustion	1740133	678
Flaring	1983231	5424
Process emissions		
Vented emissions		
Fugitive emissions	49968	5780

OG3.4

Please describe your organization's efforts to reduce flaring, including any flaring reduction targets set and/or its involvement in voluntary flaring reduction programs, if flaring is relevant to your operations

Hess has set a flaring reduction target for operated production to reduce the flaring per BOE produced by 50% from 2014 to 2020. Hess has infrastructure projects in North Dakota and Equatorial Guinea to reduce flaring.

Our primary focus remains to decrease our GHG emissions by reducing flaring, to include investing more than \$30 million in Equatorial Guinea in a project to pipe gas that has previously been flared at our Okume operation to the nearby Ceiba field to use as fuel gas to run our operations. Hess is a founding member of ONE Future, a group of companies from across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement of methane emissions. The goal is to voluntarily reduce methane emissions to less than one percent of methane production across the value chain- each sector is responsible for meeting its own sectorial target representing a portion of this overall goal. Although Hess has already met its combined ONE Future 2025 sectoral targets, we are committed to further improving our performance. Our principal focus in 2016 was implementation of an extensive leak detection and repair (LDAR) program across all of our production facilities (new and existing) in North Dakota. This supplements our ongoing LDAR programs at our gas plants in Texas and North Dakota and our production operations in Ohio. In addition, over the past few years, we have invested \$2.2 billion in natural gas capture, processing and fractionation capacity, adding much-needed regional capacity for our own production and that of other operators to process and monetize natural gas and to reduce

wellhead flaring.

Further Information

Page: OG4. Transfers & sequestration of CO2 emissions - (1 Jan 2016 - 31 Dec 2016)

OG4.1

Is your organization involved in the transfer or sequestration of CO2?

No

OG4.2

Please indicate the consolidation basis (financial control, operational control, equity share) used to report transfers and sequestration of CO2 emissions

Activity	Consolidation basis

OG4.3

Please provide clarification for cases in which different consolidation bases have been used (e.g. for a given activity, capture, injection or storage pathway)

OG4.4

Using the units of metric tonnes of CO2, please provide gross masses of CO2 transferred in and out of the reporting organization (as defined by the consolidation basis). Please note that questions of ownership of the CO2 are addressed in OG4.6

Transfer direction	CO2 transferred – Reporting year
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OG4.5

Please provide clarification on whether any oil reservoirs and/or sequestration system (geological or oceanic) have been included within the organizational boundary of the reporting organization. Provide details, including degrees to which reservoirs are shared with other entities

OG4.6

Please explain who (e.g. the reporting organization) owns the transferred emissions and what potential liabilities are attached. In the case of sequestered emissions, please clarify whether the reporting organization or one or more third parties owns the sequestered emissions and who has potential liability for them

OG4.7

Please provide masses in metric tonnes of gross CO2 captured for purposes of carbon capture and sequestration (CCS) during the reporting year according to capture pathway. For each pathway, please provide a breakdown of the percentage of the gross captured CO2 that was transferred into the reporting organization and the percentage that was transferred out of the organization (to be stored)

Capture pathway in CCS	Captured CO2 (metric tonnes CO2)	Percentage transferred in	Percentage transferred out
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OG4.8

Please provide masses in metric tonnes of gross CO2 injected and stored for purposes of CCS during the reporting year according to injection and storage pathway

Injection and storage pathway	Injected CO2 (metric tonnes CO2)	Percentage of injected CO2 intended for long-term (>100 year) storage	Year in which injection began	Cumulative CO2 injected and stored (metric tonnes CO2)
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OG4.9

Please provide details of risk management performed by the reporting organization and/or third party in relation to its CCS activities. This should cover pre-operational evaluation of the storage (e.g. site characterization), operational monitoring, closure monitoring, remediation for CO2 leakage, and results of third party verification

Further Information

Page: OG5. Emissions intensity - (1 Jan 2016 - 31 Dec 2016)

OG5.1

Please provide estimated emissions intensities (Scope 1 + Scope 2) associated with current production and operations

Year ending	Segment	Hydrocarbon/product	Emissions intensity (metric tonnes CO2e per thousand BOE)	% change from previous year	Direction of change from previous year	Reason for change
2016	Exploration, production & gas processing	Conventional non-associated natural gas Associated natural gas Light oil	35	2.8	Decrease	Hess decreased GHG emissions by about 19% and decreased production by 17%.

OG5.2

Please clarify how each of the emissions intensities has been derived and supply information on the methodology used where this differs from information already given in answer to the methodology questions in the main information request

GHG intensity is calculated by dividing total Scope 1 and 2 GHG emissions for all operated assets by total BOE production for those operated assets.

Further Information

Page: OG6. Development strategy - (1 Jan 2016 - 31 Dec 2016)

OG6.1

For each relevant strategic development area, please provide financial information for the reporting year

Strategic development area	Describe how this relates to your business strategy	Sales generated	EBITDA	Net assets	CAPEX	OPEX	Comment
Exploration and development of new hydrocarbon reserves	Hess has transitioned to a pure-play E&P company over the past few years by divesting or closing downstream businesses.						
Other:	Effective July 1, 2015, Hess entered into a midstream energy joint venture, Hess Midstream Partners LP, to own, operate, develop and acquire a diverse set of midstream assets to provide fee-based services to both Hess and third party crude oil and natural gas producers. Hess has invested over \$2.2 billion to expand natural gas gathering and processing infrastructure in the Bakken region of North Dakota.						

OG6.2

Please describe your future capital expenditure plans for different strategic development areas

Strategic development area	CAPEX	Total return expected from CAPEX investments	Comment
Exploration and development of new hydrocarbon reserves			Please refer to hess.com/investors for further information.
Other:			Please refer to hess.com/investors for further information on Hess Midstream Partners LP.

OG6.3

Please describe your current expenses in research and development (R&D) and future R&D expenditure plans for different strategic development areas

Strategic development area	R&D expenses – Reporting year	R&D expenses – Future plans	Comment

Further Information

Page: OG7. Methane from the natural gas value chain

OG7.1

Please indicate the consolidation basis (financial control, operational control, equity share) used to prepare data to answer the questions in OG7

Segment	Consolidation basis
Exploration, production & gas processing	Operational Control

OG7.2

Please provide clarification for cases in which different consolidation bases have been used

OG7.3

Does your organization conduct leak detection and repair (LDAR), or use other methods to find and fix fugitive methane emissions?

Yes

OG7.3a

Please describe the protocol through which methane leak detection and repair, or other leak detection methods, are conducted, including predominant frequency of inspections, estimates of assets covered, and methodologies employed

Hess has written operating procedures for methane leak detection mitigation for its assets in North Dakota and Ohio.

Our principal focus in 2016 was implementation of an extensive leak detection and repair (LDAR) program across all of our production facilities (existing and new) in North Dakota. This supplements our ongoing LDAR programs at our gas plants and in Ohio. This program comprises: monthly audible, visual and olfactory inspection of equipment with the potential to leak; and, semi-annual optical gas imaging which is performed by our field assurance personnel who are certified in the use of infra-red thermal cameras and other monitoring techniques to detect fugitive emissions. These measures, together with the steps we are taking to reduce flaring in North Dakota, aim to help further reduce our fugitive methane emissions.

OG7.3b

Please explain why not and whether you plan on conducting leak detection and repair, or other methods to find and fix fugitive methane emissions

OG7.4

Please indicate the proportion of your organization's methane emissions inventory estimated using the following methodologies (+/- 5%)

Methodology	Proportion of total methane emissions estimated with methodology	What area of your operations does this answer relate to?
Direct detection and measurement	0%	All
Engineering calculations	5% to <10%	All
Source-specific emission factors (IPCC Tier 3)	0%	All
IPCC Tier 1 and/or Tier 2 emission factors	>75%	All

OG7.5

Please use the following table to report your methane emissions rate

Year ending	Segment	Estimate total methane emitted expressed as % of natural gas production or throughput at given segment	Estimate total methane emitted expressed as % of total hydrocarbon production or throughput at given segment
2016	Exploration, production & gas processing	0.17%	0.08%

OG7.6

Does your organization participate in voluntary methane emissions reduction programs?

Yes

OG7.6a

Please describe your organization's participation in voluntary methane emissions reduction programs

For the past 19 years, Hess has been a partner in the US EPA's Natural Gas STAR program. This program created a partnership between EPA and industry to identify and share best practices that yield reduced methane emissions. Since joining the Natural Gas STAR program in 1997, Hess has achieved cumulative methane emissions reductions of 1.6 million tonnes of CO₂-e (3,325,333 MCF).

These results have been achieved through employing the following Natural Gas STAR methane reduction technologies and practices:

- a) Installation of vapor recovery units (28.4% of emissions reductions)
- b) Installation of electric compressors (26.2%)
- c) Installation of flash tank separators on glycol dehydrators (18.4%)
- d) Catalytic converter installation (17.8%)
- e) Flare reduction (5%)
- f) Other (4.2%)

In addition, Hess is one of the founding members of ONE Future, a coalition of companies from across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions associated with the production, processing, transmission and distribution of natural gas. If adopted widely, our system of emissions management could lower total methane emissions to less than one percent of gross production – the point at which the use of natural gas for any purpose provides clear and immediate greenhouse gas reduction benefits as compared to any other conventional fuel.

Members of Our Nation's Energy Future Coalition (ONE Future): AGL Resources, Apache Corporation, BHP Billiton, Hess Corporation, Kinder Morgan, Inc., National Grid, Southwestern Energy Company.

ONE Future's 2015 Work Program:

- a) Research and catalogue emissions data from the natural gas value chain. ONE Future has retained AECOM (formerly URS) to review the EPA Greenhouse Gas Inventory (GHGI), GHG Reporting Rule and other reports and scientific papers. AECOM will catalog potential updates to emission factors and activity data and provide recommendations for improvements to EPA's GHGI and GHGRP.
- b) Establish uniform emissions accounting protocols. AECOM will also help to develop specific accounting and reporting protocols for ONE Future participants, which will verify that all companies are using uniform metrics to assess and report their emissions. These protocols will draw on the latest science to update the accounting standards of the EPA's Greenhouse Gas Reporting Program, and augment those standards with protocols for sources not currently covered by the GHGRP.
- c) Catalogue cost-effective opportunities to reduce methane emissions. Additionally, ONE Future has hired ICF International to conduct a comprehensive analysis of methane abatement technologies and their marginal abatement costs. These projects will be closely coordinated with input from the EPA and DOE and also an external advisory panel made up of academia, NGOs and industry.
- d) Constructive engagement with policymakers. ONE Future will also be actively engaged with policymakers in Washington as well as at the state and local levels, where ONE Future will work to foster constructive dialogue on reasonable, science-based and cost-effective methane emission management policies.

OG7.7

Did you have a methane-specific emissions reduction target that was active (ongoing or reached completion) in the reporting year and/or were methane emissions incorporated into targets reported in CC3?

Yes, methane emissions were incorporated into targets reported in CC3

OG7.7a

If you have a methane-specific emissions reduction target that is not detailed as a separate target in CC3, please provide those details here, addressing all of the metrics requested in table CC3.1a or CC3.1b (for an absolute or intensity target, respectively)

OG7.7b

If methane emissions were incorporated into targets reported in CC3 (but not detailed as a separate target), please indicate which target ID(s) incorporate methane emissions, and specify the portion of those targets that is comprised of methane

CC3.1b, Int 1: We have set a 2020 target to reduce flaring intensity (scf/BOE) by 50% for the current portfolio of assets we operate compared to a 2014 baseline. We anticipate flaring reduction will result from major initiatives in Equatorial Guinea and our Bakken asset in North Dakota assuming we receive approval from key stakeholders for these initiatives.

OG7.7c

Please explain: (i) why you do not have a methane-specific emissions reduction target or do not incorporate methane into your targets reported in CC3; and (ii) forecast how your methane emissions will change over the next five years

Further Information

CDP