CDP

CDP 2015 Climate Change 2015 Information Request
Hess Corporation

Module: Introduction

Page: Introduction

CC0.1

Introduction
Please give a general description and introduction to your organization.

Hess Corporation (HES) is a leading global energy company engaged in the exploration and production (E&P) of crude oil and natural gas. In 2014, Hess completed its transformation to a pure play 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
Wed 01 Jan 2014 - Wed 31 Dec 2014

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
Algeria
Denmark
Equatorial Guinea
Ghana
Libya
Malaysia
Norway
Thailand
United Kingdom
United States of America
Virgin Islands
China

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, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sub-industries, companies in the oil and gas sub-industries, companies in the information technology and telecommunications sectors and companies in the food, beverage and tobacco industry group should complete supplementary questions in addition to the main questionnaire.
If you are in these sector groupings (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will not appear below but will automatically appear in the 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. If you wish to view the questions first, please see https://www.cdp.net/en-US/Programmes/Pages/More-questionnaires.aspx.

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 Leadership Team (HLT) which comprises the company's most senior executives and is chaired by our CEO, who sits on the Board. The HLT focuses on operational, strategic 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?

No

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

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
Annually	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, Asia, Australia, and the Middle East. In addition, potential new assets and associated geographic regions would also be considered as part of evaluating major new investments.	3 to 6 years	5 years for existing asset and life of project for new assets

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. The portfolio view is presented to the Board of Directors.

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 value, reputation, production, compliance and/or health and safety. 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. These 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 risks are aligned to annual business plans.

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) Development of a five-year (2009-2013) climate change strategy helped us to set goals and targets for minimizing our carbon emissions from existing operations and for ensuring consideration of carbon price risk and energy efficiency in major new projects to promote more carbon efficient choices in equipment selection. Now that this 5 year strategy has concluded, we are in the process of refreshing our strategy to fit with our new business model as a pure-play exploration and production company. In the interim, we are carrying forward many of the elements of our original 5 year strategy until we complete the strategy refresh and review it with senior leadership and the Board. We track year-on-year GHG emissions at the asset level and forecast GHG emissions to track our progress against our goals, including our emissions reduction targets. Two of Hess' key enterprise processes, Enterprise Risk Management (ERM) and Value Assurance (VA), incorporate non-technical risk considerations, such as social and environmental risks, including climate change risk. We account for the cost of carbon in the VA process for major new projects, and expanded this in 2013 to include an annual review of all significant 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 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.

ii) 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. As new GHG emissions regulations have been introduced into the United States, meeting emissions reduction targets is also a priority.

iii) The most important components of the 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 initial recommendations from the Task Force that helped shape NDIC order

24665. NDIC Order # 24665 mandates operators capture 77 percent of produced gas in 2015, increasing to 85 percent in January of 2016 and increasing again to 90 percent in October of 2020. C) Before the NDIC flaring regulation was put in place, we had already started on a multi-year effort to capture and process associated wellhead gas by investing more than $1.5 billion in gas gathering and processing infrastructure in the Bakken region in North Dakota. We have superseded our goal of achieving a 10% flaring rate target by 2017 by adopting the NDIC regulatory compliance target of 10% flaring rate at the wellhead by 2020. We are supplementing the building of long-lasting gas infrastructure capacity with shorter-term wellhead gas capture projects. D) We publish information on our climate change programs and performance in our annual sustainability report and CDP Climate Change response. We participate in international 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 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.

iv) The most important components of the long term strategy that have been influenced by climate change include GHG emissions minimization and regulatory changes. We address these through integrating carbon price risk, potential future regulatory constraints and energy efficiency considerations into our value assurance process for major new investments. Beginning in 2013, the value assurance process was expanded from new projects 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.

v) We have been included in the CDP Global 500 and S&P 500 leadership indices since 2009 for the quality of our disclosures. Our climate change reporting has been instrumental in our inclusion in various ESG stock indices and in our ranking as 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 ensure that new and existing assets evaluate and rank all above-ground non-technical risks, including those related to climate change.

vi) Our primary focus remains to decrease our GHG emissions by reducing wellhead flaring of associated gas in the Bakken region of North Dakota. In 2013 we set a voluntary aspirational goal to reduce our wellhead flaring rate to 10% by year-end 2017; this rate reduction will also decrease absolute emissions. This goal has been revised to be consistent with the new regulatory compliance target of a 10% wellhead flaring rate by October 2020. Over the past few years, we have invested $1.5 million 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. In 2014, we began expanding our efforts to reduce flaring at the wellhead by utilizing natural gas for drilling operations and by capturing natural gas liquids. In 2012, we incorporated carbon accounting and energy efficiency considerations into the value assurance process for major new projects. As part of our climate change strategy update, we plan to re-evaluate the current cost of carbon being used in our project planning process. Beginning in 2013, the value assurance process was expanded from new projects to include an annual review of all significant existing assets. These analyses enable 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.

CC2.2b

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

CC2.2c

Does your company use an internal price of carbon?

Yes

CC2.2d

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

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?
North Dakota Petroleum Council	Consistent	The North Dakota Petroleum Council (NDPC) has been working closely with state regulatory agencies, particularly the North Dakota Industrial Commission (NDIC), to develop strategies and identify measures to reduce flaring from oil and gas development. In 2013, the NDPC formed a Flaring Task Force which has advocated for a holistic approach to increase natural gas capture and reduce flaring. In January 2014, the Flaring Task Force made a presentation to NDIC which included the following set of recommendations: 1) mandatory gas capture plans for all new wells beginning June 1, 2014; 2) regulatory consequences for failure to comply; 3) policies and legislation to enhance Right of Way access, thereby facilitating timely construction of pipeline infrastructure which is critical to increasing gas capture and reducing flaring; 4) support for infrastructure build-out and new technologies; 5) a "hotline" to provide landowners with an easy notification system to report pipeline-related problems and concerns; and 6) midstream planning and tracking to ensure that the state has current information on gas capture and processing capability. NDIC order # 24665 was recently put in place which requires ND operators to capture 77% of produced gas in 2015, 85% starting in January of 2016 and 90% starting in October of 2020.	Hess is on the Board of the North Dakota Petroleum Council (NDPC). Hess played a key role in the formation of the North Dakota Petroleum Council's Flaring Task Force and the initial recommendations from the Task Force that helped shape NDIC order # 24665. Our position remains consistent with that of NDPC and the state of North Dakota on the importance of implementing measures to reduce wellhead flaring and increase gas capture and monetization.
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,	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

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?
		the Executive Branch, state governments, and other trade associations to achieve members' public policy goals. API contributes to 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, in partnership with IPIECA, issued guidance for oil and natural gas companies as they evaluate options for reducing their greenhouse gas emissions and registering project-level GHG emissions reductions. API has also recognized 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 has long endorsed the Natural Gas STAR Program, a voluntary partnership between EPA and the oil and gas industry designed to cost-effectively reduce methane emissions. The U.S. EPA's Natural Gas STAR program has played an important role in API's mission to work constructively for sound energy and environmental public policies. API encourages all of its member companies to take an active role in protecting the environment by participating in Natural Gas STAR. API and the Natural Gas STAR are working together to promote a common goal of profitably reducing methane emissions in the oil and gas industry. API and its member companies have now taken its efforts to reduce methane emissions to the next level. In 2014, API formed a Methane Task Force to develop an API member position on methane. That group has worked with EPA to shape its newly launched Enhanced Gas STAR program which goes even further to reduce methane emissions. API and its member companies have also 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.	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 internal Methane Working Group to share information and promote Hess' 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 meets regularly to identify opportunities to reduce methane from our operations and to shape our engagement with the Federal government on the issue.

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?
International Petroleum Industry Environmental Conservation Association (IPIECA)	Consistent	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 science, including engaging with the Intergovernmental Panel on Climate Change (IPCC).	Hess is an active participant in the relevant committees and working groups.
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 recognizes the risks of climate change due to rising greenhouse gas emissions. These result from the world's fast growing requirements for energy driven by industrial and economic growth. 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. Every day, you rely on this energy for heat, light and mobility. So	Hess is an active participant in the relevant committees and working groups.

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?
		do billions of other people around the world. 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.	

CC2.3d

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

CC2.3e

Do you fund any research organizations to produce or disseminate public work on climate change?

CC2.3f

Please describe the work and how it aligns with your own strategy on climate change

CC2.3g

Please provide details of the other engagement activities that you undertake

ONE Future:
i) Hess's Head of Environmental & Regulatory Affairs is on the Board 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. 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) ONE Future is focused on demonstrating an innovative, performance-based approach to the management of methane emissions directed toward a concrete goal: to achieve an average rate of methane emissions across the entire natural gas value chain that is 1% or less of total natural gas gross production. ONE Future's member companies are committed to continuously improving their emissions management to assure efficient energy production and delivery. If adopted widely, this system of emissions management could lower total methane emissions to less than 1% of gross production – the point at which the use of natural gas for any purpose provides clear and immediate GHG-reduction benefits as compared to any other fossil fuel.
iii) Hess's Head of Environmental & Regulatory Affairs participates in regular ONE Future Board meetings. Representatives of ONE Future then engage on behalf of the coalition with groups such as the Environmental Protection Agency, the Pipeline and Hazardous Material Safety Administration, the Department of Energy, the Bureau of Land Management, and other Federal bodies.
iv) The companies in ONE Future begin with a focus on the outcome. In the case of methane emissions, that desired outcome is to collectively achieve an average rate of emissions across all of our facilities that is equivalent to 1% (or less) of total natural gas production. Each company then has the flexibility to determine the most cost - effective pathway to achieve that goal, whether it is deploying an innovative technology, modifying a work practice, or in some cases, retiring an asset. In order to demonstrate credible and measurable results, ONE Future companies agree to measure their starting point emissions (establishing a baseline) and track their progress according to uniform, EPA-approved reporting protocols. Combining a performance target with a flexible pathway allows companies to deploy their capital where it will be maximally effective in reducing emissions. This is important because most studies clearly show that the majority of methane emissions come from a small fraction of sources. ONE Future's approach allows companies to focus their resources on identifying and addressing those major sources.

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.

EDF:
The Environmental Defense Fund (EDF) is leading a large methane leakage research initiative, comprising 16 different projects and involving partnerships with about 100 universities, research institutions and companies. Hess is one of six companies collectively providing $1.9 million in funding to Colorado State University to lead a field study to quantify methane emissions associated with natural gas gathering and processing. The results of this study will be linked to other studies of methane emissions already underway under this EDF research initiative to provide an accurate, impartial, peer-reviewed, and journal-published estimate of methane leakage throughout the natural gas supply chain. The science-based, peer-reviewed, and journal-published data are anticipated to be utilized in development of U.S. policy and potential future regulation. This is consistent with Hess' position that climate change is a global problem that requires collaborative action and cost-effective solutions--including fair and equitable climate change policy and regulation--that reduce global GHG emissions, address adaptation, and do not impede economic growth. In addition, EDF and seven oil and natural gas companies, including Hess, are challenging technology developers and engineers to design cutting-edge, new methane monitors that can help the oil and gas industry better detect and reduce methane emissions.

CC2.3h

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 will require cooperation between a significant majority of world leaders and industry to develop comprehensive energy and climate solutions. Hess is committed to help meet the world's growing energy needs in an environmentally responsible manner by taking steps to monitor, measure and reduce our carbon footprint. In 2013 Hess began building a more robust Government Affairs organization and added a senior manager for Environmental Affairs in early 2014. Government Affairs and Hess' enterprise Environment Health Safety (EHS) function are developing a process to ensure our trade association activities are consistent with the company's position on climate change. 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 recognize that our positions cannot always align with all formal positions of the associations, organizations and collaborative working groups in which we participate, and we are just one of many members. Our funding should not be considered a direct endorsement of the entire range of activities undertaken by these membership organizations. 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

CC2.3i

Please explain why you do not engage with policy makers

CC2.4

Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

CC2.4a

Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

Hess acknowledges the need for transparent and equitable carbon price signals that will promote energy efficiency and reduction in greenhouse gas emissions.

Further Information

Page: CC3. Targets and Initiatives

CC3.1

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

Intensity 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 (metric tonnes CO2e)	Target year	Comment

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	Target year	Comment
Int1	Scope 1	27%	17%	Other:	2013	4400000	2020	Hess has a goal to reduce the wellhead flaring rate (natural gas flared divided by natural gas produced) at its North Dakota asset to 10% by 2020. This is a recent North Dakota regulatory requirement. This target supersedes a voluntary goal that Hess previously set to reduce its North Dakota wellhead flaring rate to 10% by 2017. This will come about as about $1.5 billion in gas capture and processing infrastructure projects

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
								that are ongoing will be completed. 2013 is considered the base year and the 10% target reflects a decrease of 17%.

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		No change		We expect to increase oil and associated gas production between 2013 and 2017. Therefore, we cannot provide a % change anticipated in absolute Scope 1+2 emissions. Scope 3 emissions changes have not been considered.

CC3.1d

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

ID	% complete (time)	% complete (emissions)	Comment
Int1	20%	7%	On a full-year basis, our wellhead flaring increased 1%, from 27% in 2013 to 28% in 2014, as a result of the shutdown of the Tioga Gas Plant to complete an expansion project. After start-up of the expanded gas plant in April, the average flaring rate was reduced by 7% to 21% through year end 2014.

CC3.1e

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

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

No

CC3.2a

Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

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	
To be implemented*	1	5000
Implementation commenced*	2	593700
Implemented*	5	202802
Not to be implemented	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
Low carbon energy	An element of our climate strategy is to use more	86250	Scope 2	Voluntary	0	131250	<1 year	<1 year	Lifetime is 1 year, although this is an

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
purchase	renewable energy through the purchase of renewable energy certificates (RECs) equivalent to at least 10 percent of net electricity used in our operations. In 2014 we purchased 125,000 Green-e Energy certified RECs for wind power, equivalent to 125,000 megawatt hours or about 14 percent of our purchased electricity from E&P operated assets.								annual initiative that may be renewed year-to-year.
Energy efficiency: Processes	Conversion of drilling rig engines from diesel to bi-fuel and boilers from diesel to natural gas at seven drilling rigs operating in the Bakken play in North Dakota. These conversions facilitated capture of well site natural gas, thus reducing flaring. Direct (Scope 1) emissions from fuel combustion were also reduced by replacing a portion of diesel fuel use with natural gas. These drilling rig conversions were voluntary.	1500	Scope 1	Voluntary	2000000	0	1-3 years	1-2 years	LIfetime 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. Monetary investments were made in 2013.

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
Energy efficiency: Processes	Installations of electric drive compressors at Tioga Gas Plant instead of natural gas-fueled compressors as part of gas processing infrastructure expansion in North Dakota. The installation of 11 electric drive compressors is a voluntary project that is also a US EPA Natural Gas STAR qualified methane reduction project.	87000	Scope 1	Voluntary	463785		4-10 years	21-30 years	The carbon emission reduction represents only the methane component of natural gas. Lifetime is based on the expected lifetime of the gas processing plant. Methane reduction calculations are based on Natural Gas STAR factors. Under the rules of the Natural Gas STAR program the project will continue to accrue Natural Gas STAR emissions reductions for the next 10 years. Annual monetary savings based on Natural Gas STAR default value of $7/MCF.
Fugitive emissions reductions	Installation of vapor recovery units (VRUs) on closed-top tanks used for temporary storage of condensate at well sites to capture vapors and reduce direct (Scope 1) emissions from venting. The use of an emissions control device on storage tanks at the well	19352	Scope 1	Mandatory				21-30 years	The carbon emission reduction represents only the methane component of natural gas. Lifetime is based on the expected lifetime of the field. Methane reduction calculations are based on Natural Gas STAR factors.

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
	site is mandatory. Options can include combustion devices or vapor recovery units. The installation of vapor recovery units on tank batteries in the Utica region of North Dakota comprised a US EPA Natural Gas STAR qualified methane reduction project.								
Transportation: use	In 2013 in North Dakota we began using flexible hose for freshwater transport instead of trucks. This type of hose collapses when not in use, like a fire hose, and can be used to pipe water directly from the water source to our wells. Use of these flat hoses eliminates the need for trucks to haul water, reducing GHG emissions, transportation costs, and risk of vehicle accidents. In 2014 our North Dakota frac team piped 43% of the water used for fracturing, exceeding its 25% target. Approximately 4.5 million	8700	Scope 3	Voluntary					

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
	barrels of water were piped, removing approximately 41,174 truckloads from the road.								
Low carbon energy purchase	Valhall: Discontinued turbines offshore and replaced with hydro power from shore.	57700	Scope 1	Voluntary					BP is the operator of record for Valhall.

CC3.3c

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

Method	Comment
Compliance with regulatory requirements/standards	
Internal price of carbon	
Other	Capital projects which meet investment hurdles and result in energy 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
In mainstream financial reports but have not used the CDSB Framework	Complete	Page 10	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC4.1/hess-2014-annual-report-complete.pdf
In other regulatory filings	Complete	Page 15	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC4.1/HessSEC10K.pdf
In voluntary communications	Complete	pages 35-43, page 53	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC4.1/HessCSR2014.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

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 Phase III, Hess makes annual purchases of allowances to make up the gap between free allowances allocated and the verified greenhouse gas (GHG) emissions. During Phase III the gap between the annual number of free allowances	Increased operational cost	1 to 3 years	Direct	Virtually certain	Low	Our cost to purchase additional allowances was approximately US$1million. This is estimated based on an EU ETS price of $6-7 per EUA.	2014 Summary: Hess' Denmark operations banked free allowances under EU ETS Phase II. In order to meet our 2014 obligations, we carried over surplus allowances from 2013 and applied these, as well as a portion of our 2014 free allowances, toward our 2014 obligations. We also received allowances from our partners and utilized a third-party	There is minimal to no cost for managing the purchase of allowances we need to meet our EU ETS 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 $20,000-

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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.							to purchase additional EUAs. 2015 Goals: To meet the full obligations in 2015 we will purchase quotas on the spot market.	25,000. This annual cost is likely to occur for the duration of the EU ETS.
Uncertainty surrounding new regulation	The issue of fugitive emissions of methane during natural gas production has received attention as shale energy production in the United States has resulted in an increasing 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	Increased operational cost	1 to 3 years	Direct	Likely	Low		Hess has already been undertaking measures to understand and reduce its methane emissions. Hess is a founding member of the ONE Future Coalition, established in 2014, which comprises 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,	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	emissions. In January 2015, the Obama Administration announced plans to cut methane emissions from oil and gas operations by 45 percent by 2025 from 2012 levels. The Administration appears to be focused first on regulation of new and modified sources of emissions and has deferred direct regulation of existing sources of methane emissions in hopes that voluntary industry initiatives, such as ONE Future, will minimize the need for regulatory action.							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 between the EPA and industry to identify and share best practices that yield reduced methane emissions. The EPA is currently developing the next generation of Natural Gas Star through a program called Enhanced Natural Gas Star, which Hess is helping to shape through ONE Future and the American Petroleum Institute. Hess also chairs the API Environmental Strategy Committee and is providing input into	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								the development of new source regulation.	

CC5.1b

Please describe your inherent risks that are driven by change 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 cyclones (hurricanes and typhoons)	To the extent that climate change may result in more extreme weather related events, Hess could experience increased costs related to preparedness and recovery of affected operations in addition to costs and lost revenues due to business disruption. In	Reduction/disruption in production capacity	Unknown	Direct	Virtually certain	Low-medium	Increased storm severity could materially affect our operations in the Gulf of Mexico. The financial impact of recent storms is an indicator of potential future implications. In 2013 Tropical Storm Karen hit the Gulf of Mexico, requiring Hess to shut-in its Baldpate Production	Each Hess asset, including Baldpate, maintains an emergency response plan that details procedures for potential emergency scenarios, including severe weather events. When a hurricane has formed which could affect facility operations,	Costs 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

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	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. 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						Platform. Total gross lost production was approximately 130 thousand barrels of oil equivalent with a market value of about $9 million. Hess equity share is 50%.	Hess monitors the position and conditions as well as the forecast of movements and intensity. A facility is advised as soon as possible in initiating evacuation of personnel and protecting equipment and environment. In addition to our 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	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
	available only on terms that are deemed economically unacceptable.							with emergency response organizations that have strategically positioned equipment and personnel to supplement and support our response efforts.	

CC5.1c

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

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 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

There are no other climate change risks that have clearly been determined to have a substantive financial and operational impact on our business. Hess operates in North America, West Africa, North Africa, the European North Sea, and AustralAsia and our strategy is to focus on basins where we have extensive knowledge of the geology. To the extent that future other climate change risks are identified by the company, those risks will be addressed in the ordinary course of enterprise risk management.

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
Voluntary agreements	Pneumatic devices powered by pressurized natural gas are used widely in the natural gas industry as liquid level controllers, pressure regulators, and valve controllers. Methane emissions from pneumatic devices are one of the largest sources of methane emissions from the natural gas industry. The Natural Gas STAR Program, a voluntary U.S. EPA partnership which Hess has belonged to since 1997	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 unit with low bleed units before end-of-life. Based on this information, we assumed a natural gas price of $3.18 per thousand cubic foot (per Hess' 2014 SEC 10-K) and 260 Mcf natural gas savings per unit. The monetized value from reducing natural leakage is approximately $330,000 per year. Potential additional	Opportunities for replacing existing high-bleed pneumatics with low bleed devices in North Dakota go through the following steps to be funded: 1) creating and prioritizing an inventory of pneumatic controllers installed before the compliance obligation; 2) developing a project plan; 3) drafting a budget; 4) securing authorization for expenditures; 5) managing project cost flows; and 6) reporting on asset creation.	Using EPA's Natural Gas Star estimated implementation cost per unit of $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
	years, 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 North Dakota asset by replacing high-bleed pneumatic devices installed before August 2011, when new EPA regulatory requirements came into						maintenance cost savings range from $90,000 to $520,000 per year.		

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	effect.								
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	Increased production capacity	1 to 3 years	Direct	Virtually certain	High	Hess' infrastructure investments will allow us to reduce our flaring rate from 27% in 2013 to 10% by 2020. This also reflects an absolute reduction in the volume of flared gas. Based on the average onshore natural gas price of $3.18 per thousand cubic foot (mcf) found in Hess' 2014 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 $30 million per year.	Hess has invested $1.5 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 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	Hess has invested $1.5 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
	interim flaring rate targets 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							other operators, 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	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	realize additional 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.							Dakota to 10 percent with newly established regulatory targets that require Bakken operators to achieve a 10% wellhead flaring rate by 2020. We routinely track the flaring rate, flared volumes, and progress toward our flaring target; results are reported internally on a weekly basis.	

CC6.1b

Please describe the 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 the 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	Wellhead gas capture at Hess' oil wells in the Bakken play of North Dakota (ND) represents energy and operational efficiency and air emission reduction opportunities. In 2013, Hess launched a bi-fuel installation project by converting 7 of our 14 contracted drilling rigs operating in the Bakken. In addition to drilling rig engine	Reduced operational costs	1 to 3 years	Direct	More likely than not	Low-medium	A bi-fuels conversion system, including conversion of drilling rig boilers to natural gas, could potentially have best case scenario cost savings of approximately $1 million per rig per annum based on the cost differential between diesel fuel and natural gas. Under actual field conditions, cost savings are considerably lower due to a variety of factors,	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. These activities are overseen by Hess. In addition, Hess provides	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 which Hess then pays as it is incorporated into drilling

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	conversions, the boilers on the rigs were converted to operate exclusively on natural gas. Besides cost saving benefits from utilization of gas over diesel, bi-fuel conversions provide environmental benefits including reduced flaring and diesel truck delivery trips, thus reducing CO2 and other air emissions.						including the availability of a reliable and cost-effective gas supply at some drilling locations.	oversight for other field activities needed to tie-in to a gas supply.	contractor rates for the 1-2 year remaining life of the contract. There are no costs for project and contract supervision beyond the normal course of business.

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 physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

In 2014 Hess completed its transition from an integrated oil and gas company to a pure play exploration and production company (E&P). Thus physical opportunities from climate change that we reported in previous years, which were associated with discontinued businesses, are no longer applicable.

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 is not an element of our oil and gas exploration and development 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	Tue 01 Jan 2008 - Wed 31 Dec 2008	10347768
Scope 2	Tue 01 Jan 2008 - Wed 31 Dec 2008	445521

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 GHG 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 majority of emission factors we use are based on the API Compendium of GHG Emissions Estimation Methodologies for the Oil and Gas Industry as integrated into the API tool. This tool, SANGEA, utilizes U.S. Environmental Protection Agency (US EPA) and industry-specific emission factors for stationary and mobile sources. Some exploration and

production (E&P) assets in the U.S. are subject to US EPA mandatory greenhouse gas reporting rules and calculate Scope 1 GHG emissions using emissions factors required by U.S. EPA.

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	163.05	lb CO2 per million BTU	API Compendium of GHG Emissions
Natural gas	117.07	lb CO2 per million BTU	API Compendium of GHG Emissions
Residual fuel oil	171.96	lb CO2 per million BTU	API Compendium of GHG Emissions

Further Information

Page: CC8. Emissions Data - (1 Jan 2014 - 31 Dec 2014)

CC8.1

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

Equity share

CC8.2

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

5561176

CC8.3

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

427907

CC8.4

Are there are 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?

Yes

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 Scope 2 emissions excluded from this source	Explain why the source is excluded
Bayonne Energy Center	Emissions are not relevant	Emissions are not relevant	The Bayonne Energy Center (BEC) is a natural-gas fired power plant that was sold August 19, 2014. As such, it has been classified as an asset in transition. In addition, power generation is not part of Hess' core oil and gas exploration and production business. Further, BEC's 2013 GHG emissions were 223,000 tonnes CO2e, only about 3% of Hess' total Scope 1+2 emissions.

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 our use of common fuels we often use standard recognized emission factors, as each batch is not analyzed.
Scope 2	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 factor to apply.

CC8.6

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

Third party verification or assurance complete

CC8.6a

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

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC8.6a/Hess2014 Assurance Statement.pdf	1	ISO14064-3	93

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions 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 your reported Scope 2 emissions

Third party verification or assurance complete

CC8.7a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC8.7a/Hess2014 Assurance Statement.pdf	1	ISO14064-3	93

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
No additional data verified	ERM CVS has performed annual assurance engagements for Hess in 2013, 2014 and 2015 respectively for calendar year GHG emissions data for 2012, 2013 and 2014. As part of this engagement, ERM CVS reviews year-on-year data. However, this is not formally specified within the Terms of Reference for the assurance engagement.

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 2014 - 31 Dec 2014)

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
United States of America	1984134
Malaysia	1554611

Country/Region	Scope 1 metric tonnes CO2e
Equatorial Guinea	1428667
Algeria	240318
Denmark	136755
Thailand	67430
Virgin Islands	53215
Norway	30872
United Kingdom	26205
Ghana	20730
Libya	18128
China	121

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	5557819

Business division	Scope 1 emissions (metric tonnes CO2e)
Retail and Marketing	3357

CC9.2b

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

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude

CC9.2c

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

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	5081189
CH4	446947
N2O	33039

CC9.2d

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

Activity	Scope 1 emissions (metric tonnes CO2e)

CC9.2e

Please break down your total gross global Scope 1 emissions by legal structure

Legal structure	Scope 1 emissions (metric tonnes CO2e)

Further Information

Totals may not match exactly to 8.2 total emissions due to rounding differences.

Page: CC10. Scope 2 Emissions Breakdown - (1 Jan 2014 - 31 Dec 2014)

CC10.1

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

Yes

CC10.1a

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

Country/Region	Scope 2 metric tonnes CO2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for in CC8.3 (MWh)
United States of America	427761	2386647	
Thailand	96	1657	
Algeria	50	620	

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 emissions (metric tonnes CO2e)
Exploration & Production	353332
Retail and Marketing	74575

CC10.2b

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

Facility	Scope 2 emissions (metric tonnes CO2e)

CC10.2c

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

Activity	Scope 2 emissions (metric tonnes CO2e)

CC10.2d

Please break down your total gross global Scope 2 emissions by legal structure

Legal structure	Scope 2 emissions (metric tonnes CO2e)

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 fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	7175201
Electricity	865291
Heat	0
Steam	0
Cooling	0

CC11.3

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

Fuels	MWh
Natural gas	5610915
Distillate fuel oil No 2	1564286

CC11.4

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

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
No purchases or generation of low carbon electricity,		We do not apply a low carbon emission factor. We buy RECs for wind-

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
heat, steam or cooling accounted with a low carbon emissions factor		power projects but do not reduce our calculated emissions because of these purchases.

Further Information

Our reported energy data is for E&P operated assets only as energy data for non-operated assets is not available.

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	Comment
Emissions reduction activities	2.5	Decrease	Electricity from hydroelectric plant via offshore cable operational for full year at Valhall platform. Installation of electric drive compressors at Tioga Gas Plant. Installation of VRUs for capture of tank emissions. Expanded use of flat hoses to transport water and therby reduce truck transport of water. 165,552 tonnes/6,531,638 tonnes
Divestment	9.8	Decrease	Sale or shutdown of Retail Marketing business as well as Exploration & Production assets in Thailand, Indonesia and UK. 642,515 tonnes/6,531,638 tonnes

Reason	Emissions value (percentage)	Direction of change	Comment
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	5.7	Increase	Production increased in North Dakota, Ohio, Denmark, Malaysia and U.S. Gulf of Mexico with the startup of the Tubular Bells asset. In addition, natural gas and natural gas liquids processing increased at the expanded Tioga Gas Plant in North Dakota. 374,439 tonnes/6,531,638 tonnes
Change in methodology	1.0	Increase	In 2014 Hess used the AR-4 GWP factors whereas in 2013 the AR-2 factors were used. 67,435 tonnes/6,531,638 tonnes
Change in boundary	0	No change	
Change in physical operating conditions	3.1	Decrease	Reduction in CO2 content of inlet gas and increase in CO2 in sales gas at our gas field in the joint development area (JDA) of Malaysia/Thailand resulted in CO2 emissions reduction due to decreased combustion and flaring emissions. This decrease was partially offset by increased flaring in Equatorial Guinea associated with the startup of a new well with high natural gas content. Reduced operations in Libya due to security issues. 200,517 tonnes/6,531,638 tonnes
Unidentified			
Other			

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	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.0005577	metric tonnes CO2e	unit total revenue	2	Increase	GHG emissions decreased 8% while revenues decreased 10%. Hess does not consider revenue to be the appropriate normalization factor for determining the company's GHG emissions intensity.

CC12.3

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
1967	metric tonnes CO2e	FTE employee	265	Increase	GHG emissions decreased 8% while FTE employees decreased by 75% due to Hess selling its remaining downstream business. Hess does not consider the FTE to be the appropriate normalization factor to be appropriate for determining the company's GHG emissions intensity.business.

CC12.4

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
.050	metric tonnes CO2e	barrel of oil equivalent (BOE)	6	Decrease	GHG emissions decreased 8% at least in part due to emissions reduction activities while production (BOE) decreased by 2%

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	Wed 01 Jan 2014 - Wed 31 Dec 2014	174527	180858	174527	Facilities we own and operate

CC13.1b

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

2014 Summary:
Hess' Denmark operations banked free allowances under EU ETS Phase II. In order to meet our 2014 obligations, we carried over surplus allowances from 2013 and applied these, as well as a portion of our 2014 free allowances, toward our 2014 obligations. We also received allowances from our partners and utilized a third-party to purchase additional EUAs.

2015 Goals:
To meet the full obligations in 2015 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?

Yes

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 of CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Landfill gas	CAR-1-US-439-4-234-TX-2011 Camelot Landfill	CAR (The Climate Action Reserve)	25000		Yes	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

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	Relevant, calculated	2900000	The reporting boundary for this Scope 3 category is operational control. From company sales records, we obtained total volumes of refined petroleum products Hess purchases and resells to customers and consumers. 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). GWPs for CO2, methane and N2O were 1, 25 and 298 respectively (IPCC Fourth Assessment Report AR4-100 year). The DOE NETL study provides detailed information on data quality for life cycle stages 1, 2 and 3 (see pages 123-127).	0.00%	
Capital goods	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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Based on calculations we performed in 2012, and the fact that capital goods purchases were not substantially different in 2014, we did not recalculate emissions from this source (2012 emissions were substantially

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
					below the materiality threshold).
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not relevant, calculated	93000	The reporting boundary for this Scope 3 category is operational control. From purchase records, 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). 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).	0.00%	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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Scope 3 emissions from fuel and energy-related activities are well below our materiality threshold.
Upstream transportation and distribution	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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 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

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
					distribution emissions this year (2013 emissions were substantially below the materiality threshold).
Waste generated in operations	Not relevant, calculated	110000	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 fuel and other products. We have established a threshold of 5% of Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Scope 3 emissions from waste generated in operations are well below our materiality threshold.
Business travel	Relevant, calculated	20000	The reporting boundary for this Scope 3 category is operational control. We utilize our travel agency's records which include flight segments flown and total flight segment miles. 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%	In 2009 we began quantifying Scope 3 emissions from employee business travel on commercial air carriers due to stakeholder interest and relative ease in obtaining primary data from our corporate travel agency. Although businesss travel emissions are well below our Scope 3 materiality threshold of 5% of Use of Sold Products emissions (575,000 tonnes CO2e), we consider this category relevant by exception and annually purchase carbon credits to offset these emissions.
Employee	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
commuting	explanation provided				associated with customer and consumer use of our fuel and other products. We have established a threshold of 5% of Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. 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 threshold.
Upstream 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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 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

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
					our Scope 1 emissions and determined that there were none.
Downstream transportation and distribution	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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Calculations from previous years determined that emissions from downstream transportation and distribution activities were significantly below our materiality threshold.
Processing of sold products	Not relevant, calculated	266000	The reporting boundary for this Scope 3 category is equity share. We obtained the volume of natural gas exported from our Malaysia/Thailand Joint Development Area joint venture to third-party gas processing for power generation. We relied on the Deutsche Bank Group DB Climate Change Advisors study "Comparing Life Cycle Greenhouse Gas Emissions from Natural Gas and Coal" Exhibit 8 to obtain an emission factor of 3.2 kg CO2e/MMBTU, which was developed based on US EPA 2011 Methane Emissions Methodology. GWPs for CO2, CH4 and N2O were 1, 25 and 298 respectively. Data quality: Since an emission factor is used, uncertainty	0.00%	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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Scope 3 emissions from processing of sold products are well below our materiality threshold as ascertained by calculations performed in 2014 as well as previous years.

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
			could be 10-30%.		
Use of sold products	Relevant, calculated	11500000	The reporting boundary for this Scope 3 category is operational control for refined petroleum products and equity share for natural gas. Sales volumes of each type of refined petroleum product (residual oil, diesel, and gasoline) and natural gas 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 EPA factors for natural gas combustion were adjusted upwards to account for our gas production in Southeast Asia which has higher than average CO2 content. 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: Sales volumes numbers were taken from the company's 2012 SEC Form 10-k. Southeast Asia gas composition data are based on actual measurements. The uncertainty of our emissions estimate is 5% or less.	0.00%	
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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for

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
					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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 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 information on the number and type of downstream leased assets; 2) determined that Hess has very few leased locations and all are retail gas stations which have de minimis emissions; and 3) concluded that emissions from this Scope 3 source are well below our materiality threshold.
Franchises	Not relevant, explanation				Our most significant Scope 3 emissions are associated with customer and consumer use of

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
	provided				our fuel and other products. We have established a threshold of 5% of Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. In 2012 we determined that we had very few franchises and emissions from franchises were well below our materiality threshold.
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 Scope 3 Use of Sold Products emissions (equivalent to approximately 575,000 tonnes CO2e) for determining the materiality/relevance of other Scope 3 categories. Hess did not have investments in 2014.
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 complete

CC14.2a

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

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/74/8274/Climate Change 2015/Shared Documents/Attachments/CC14.2a/Hess2014 Assurance Statement.pdf	1	ISO14064-3	96

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
Purchased goods & services	Divestment	72	Decrease	Purchased goods and services data reflect refined petroleum products purchased by Hess for resale at Hess' gas stations. Hess divested its Retail business on 1 October, 2014. In addition, Hess used actual sales data to determine volumes purchased for sale, whereas in previous years we used purchase records which also included commodity trades.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Unidentified	27	Decrease	The decrease may reflect the fact that Hess substituted a portion of purchased diesel with Hess natural gas for well site drilling operations.
Waste generated in operations	Unidentified	40	Decrease	A small proportion of the decrease may be related to the divestment of Hess' Retail operations.
Business travel	Emissions reduction activities	1	Decrease	Business travel miles were down, in part due to more video-conferencing and more efficient coordination of face-to-face meetings.
Processing of sold products	Change in output	7	Decrease	Decrease in amount of natural gas exported for gas processing.
Use of sold products	Divestment	21	Decrease	Hess divested its retail operations as of 1 October, 2014.

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)

No, we do not engage

CC14.4a

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

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

Number of suppliers	% of total spend	Comment

CC14.4c

If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details

CC14.4d

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

Hess has engaged with our suppliers and customers, most recently in 2013. However, we have divested our downstream businesses and therefore engaging with our customers is no longer relevant. With respect to our suppliers, Hess participated in the CDP supply chain program for the 2013 CDP reporting cycle. Our goal was to obtain source data from key suppliers. For our upstream business, we focused on 3 key suppliers of services critical to our business success. All of the upstream suppliers completed the supply chain module and provided GHG emissions that were allocated based on revenues earned from Hess. However, our measure of success was to obtain primary source data and this was not achieved. Also, the GHG emissions attributed to Hess were significantly below our Scope 3 materiality threshold. Therefore, Hess did not engage with suppliers in 2014 and has no plans to engage with suppliers in 2015 given that supplier emissions have not proved to be material.

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
Michal Pelzig	Senior Manager, Sustainability	Environment/Sustainability manager

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
Retail & marketing

Further Information

Hess sold its Retail business at the end of the third quarter of 2014, completing our multi-year exit from our downstream businesses.

Page: OG1. Production & reserves by hydrocarbon type - (1 Jan 2014 - 31 Dec 2014)

OG1.1

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

Yes

OG1.2

Please provide values for annual 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. The values required for the next reporting year are forward-looking estimates

Product	Production (BOE) - Reporting year	Production (BOE) - Next reporting year estimate
Light oil	80300000	
Natural gas liquids (NGL)	8760000	
Associated natural gas	12045000	
Conventional non-associated natural gas	18980000	

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
Light oil	United States of America	631000000	Wed 04 Feb 2015	Proved
Associated natural gas	United States of America	103000000	Wed 04 Feb 2015	Proved
Light oil	Europe	291000000	Wed 04 Feb 2015	Proved
Associated	Europe	37000000	Wed 04 Feb	Proved

Product	Country/region	Reserves (BOE)	Date of assessment	Proved/Probable/Proved+Probable
natural gas			2015	
Light oil	Africa	188000000	Wed 04 Feb 2015	Proved
Associated natural gas	Africa	26000000	Wed 04 Feb 2015	Proved
Natural gas condensate	Australasia	7000000	Wed 04 Feb 2015	Proved
Conventional non-associated natural gas	Australasia	148000000	Wed 04 Feb 2015	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

The Corporation's 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. The Corporation's 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 the average breakeven cost of current production used in estimation of proven reserves

Hydrocarbon/project	Breakeven cost/BOE	Comment

OG1.6

In your economic assessment of hydrocarbon reserves and resources, do you conduct scenario analysis consistent with global developments to avoid dangerous climate change by reducing GHG emissions?

OG1.6a

Please describe your analysis and the implications for your capital expenditure plans

OG1.6b

Please explain why you have not conducted any scenario analysis based on a low-carbon scenario

Further Information

Hess does not provide public forecast of production. Hess does not provide public break out of reserves by country other than the USA therefore data is only provided for USA.

Page: OG2. Emissions by segment in the O&G value chain - (1 Jan 2014 - 31 Dec 2014)

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	Equity Share	Equity Share
Retail & marketing	Equity Share	Equity Share

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.

OG2.3

Please provide masses of gross Scope 1 GHG emissions in units of metric tonnes CO2e for the organization's owned/controlled operations by value chain segment. The values required for the next reporting year are forward-looking estimates

Segment	Gross Scope 1 emissions (metric tonnes CO2e) - Reporting year	Gross Scope 1 emissions (metric tonnes CO2e) - Next reporting year estimate
Exploration, production & gas processing	5557819	
Retail & marketing	3357	

OG2.4

Please provide masses of gross Scope 2 GHG emissions in units of metric tonnes CO2e for the organization's owned/controlled operations by value chain segment. The values required for the next reporting year are forward-looking estimates

Segment	Gross Scope 2 emissions (metric tonnes CO2e) – Reporting year	Gross Scope 2 emissions (metric tonnes CO2e) – Next reporting year estimate
Exploration, production & gas processing	353332	
Retail & marketing	74575	

Further Information

Hess does not provide public forecasts of GHG emissions.

Page: OG3. Scope 1 emissions by emissions category - (1 Jan 2014 - 31 Dec 2014)

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	Equity Share
Retail & marketing	Equity Share

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 GHG emissions released into the atmosphere in units of metric tonnes CO2e for the whole organization broken down by emissions categories: combustion, flaring, process emissions, vented emissions, fugitive emissions. The values required for the next reporting year are forward-looking estimates

Category	Gross Scope 1 emissions (metric tonnes CO2e) – Reporting year	Gross Scope 1 emissions (metric tonnes CO2e) – Next reporting year estimate
Combustion	1748260	
Flaring	3614929	
Process emissions	41176	
Vented emissions	48	
Fugitive emissions	156762	

Further Information

Hess does not provide public forecasts of GHG emissions.

Page: OG4. Transfers & sequestration of CO2 emissions - (1 Jan 2014 - 31 Dec 2014)

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

OG4.5

Please provide clarification on whether any oil reservoirs and/or sequestration system (geological or oceanic) have been included within the 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

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)

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 characterisation), operational monitoring, closure monitoring, remediation for CO2 leakage, and results of third party verification

Further Information

Page: OG5. Sales and emissions intensity - (1 Jan 2014 - 31 Dec 2014)

OG5.1

Please provide values for annual sales of the hydrocarbon types (in units of BOE) for the years given in the following table. The values required are aggregate values for the reporting organization. The values for the next reporting year are forward-looking estimates

Product	Sales (BOE) - Reporting year	Sales (BOE) - Next reporting year estimate
Light oil	80300000	
Natural gas liquids (NGL)	8760000	
Associated natural gas	12227500	
Conventional non-associated	18980000	

Product	Sales (BOE) - Reporting year	Sales (BOE) - Next reporting year estimate
natural gas		
Gasoline/petroleum	31805038	

OG5.2

Please provide estimated emissions (Scope 1 + Scope 2) intensities for the a) exploration, production and gas processing, b) storage, transportation and distribution, and c) refining associated with current production and operations

Year ending	Emissions intensity: exploration, production & gas processing (metric tonnes CO2e per thousand BOE)	Emissions intensity: storage, transportation & distribution (metric tonnes CO2e per thousand BOE)	Emissions intensity: refining (metric tonnes CO2e per thousand BOE)
2014	49.2		

OG5.3

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

OG5.1 Gasoline sales were sold at Retail by Hess but not refined by Hess as all refineries were shutdown in 2012 and 2013. Hess sold all of the Retail operations in October 2014.

Further Information

Page: OG6. Development strategy - (1 Jan 2014 - 31 Dec 2014)

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.						Please refer to Hess' 2014 SEC 10-K for financial information.
Other:	In 2014, Hess formed 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 $1.5 billion to expand natural gas gathering and processing infrastructure in the Bakken region of North Dakota.						Please refer to page 6 of Hess' 2014 SEC 10-K for further description.

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
Production	Operational Control
Gathering	Operational Control
Processing	Operational Control

OG7.1a

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

OG7.2

Does your organization have written operating procedures and/or policies covering the reduction of methane leakage and venting?

Yes

OG7.2a

Please attach the relevant document(s) in the further information field or describe how the written procedures/policies cover these emissions sources

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

OG7.3

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		All
Source-specific emission factors (IPCC Tier 3)		All
IPCC Tier 1 and/or Tier 2 emission factors	>75%	All

OG7.3a

Do your operations include the production, gathering and processing stages?

Yes

OG7.3b

Please use the following table to report the proportion of your organization's natural gas production that is emitted into the atmosphere during production (differentiating if possible between production from hydraulically-fractured wells and non-hydraulically-fractured wells), gathering and processing

Stage	Estimate gas leaked or vented expressed as % of gas produced
Production (all wells)	1%
Gathering	0%
Processing	0%

OG7.4

OG7.4: Does your organization participate in voluntary methane emissions reduction programs?

Yes

OG7.4a

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

For the past 18 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. In addition, AECOM will help to develop specific accounting and reporting protocols for ONE Future participants, which will ensure 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 we will work to foster constructive dialogue on reasonable, science-based and cost-effective methane emission management policies.

OG7.5

Are reduced emission completions relevant to your operations?

OG7.5a

For natural gas wells that are hydraulically-fractured, please complete the table

What proportion of completions and work-overs in the reporting year used reduced emission completion technology for these wells?	If gas is not utilized via reduced emission completion technology, please explain if it is flared or vented	What area of your operations does this answer relate to?

OG7.6

Is liquids unloading (de-watering) of natural gas wells relevant to your operations?

OG7.6a

For gas wells with liquids accumulation requiring venting into the atmosphere or some form of artificial liquids unloading, please complete the table

What proportion has technologies in place that reduce methane venting from the liquids unloading process?	If you wish, please add context to this figure	What area of your operations does this answer relate to?

OG7.7

Does your organization have a program for identifying and replacing or retrofitting high-bleed rate pneumatic controllers powered by natural gas (i.e. controllers that vent more than 6 standard cubic feet per hour)?

OG7.7a

Please complete the table on high-bleed rate pneumatic controllers

What proportion of the organization's high-bleed controllers have been replaced with low-emission alternatives?	If you wish, please add context to this figure	What area of your operations does this answer relate to?

OG7.8

Are natural gas compressors relevant to your operations?

OG7.8a

Please complete the table on natural gas compressors

What proportion of compressors, including those at the wellhead and in gathering and processing, are either reciprocating compressors or centrifugal compressors operating wet seals?	What proportion of these compressors is vented to the atmosphere?	What area of your operations does this answer relate to?

OG7.8b

Please explain measures you are taking to reduce emissions from these sources

OG7.9

Is associated gas relevant to your organization?

OG7.9a

What is your organization's overall approach for dealing with associated gas in terms of its relative use of venting, flaring and capture (e.g. for sale, re-injection or use as a fuel)? Organizations may differentiate their approach between circumstances where there is/is not a market

OG7.9b

Outline the measures undertaken to reduce venting for example from tank and casing-head gas

Further Information

Question 7.3 b does not accept values less than 1. Leakage rates for production, gathering and processing were all below 1% and were rounded off in order to fit into the ORS format. Actual leakage rates were: 1) 0.52% for production; 0.06% for gas gathering; and 3) 0.003% for gas processing.

CDP 2015 Climate Change 2015 Information Request