Our purpose is to be the world’s most trusted energy partner. Hess Values set the framework and establish the ethical standards by which we conduct our business.

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

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

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

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

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

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

REPORTING STANDARDS AND ASSURANCE

GLOBAL REPORTING INITIATIVE (GRI) IN ACCORDANCE OPTION
This report has been prepared in accordance with the GRI Standards: Core option. Our declaration of conformance with the GRI Standards has been reviewed and confirmed by our external verifier, ERM Certification and Verification Services. See the assurance statement on page 62.

INDEX OF REPORTING INDICATORS
An index of our sustainability reporting indicators, including those from the GRI Standards, with cross reference to the Ten Principles of the United Nations Global Compact, IPIECA (the global oil and gas industry organization for environmental and social issues) sector-specific guidelines and Sustainability Accounting Standards Board oil and gas industry metrics, can be found at hess.com/sustainability/sustainability-reports/GRI-Index. The index includes all indicators required for a GRI Standards Core report, as well as a number of additional indicators for which we are able to provide supporting information.
# Table of Contents

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Message from the CEO</td>
<td>Our CEO’s view on building a sustainable enterprise</td>
</tr>
<tr>
<td>19</td>
<td>Social Responsibility</td>
<td>A review of social responsibility as our way of doing business</td>
</tr>
<tr>
<td>53</td>
<td>Environment</td>
<td>Responsible management of our environmental footprint</td>
</tr>
<tr>
<td>4</td>
<td>About Hess</td>
<td>Our company operations in brief</td>
</tr>
<tr>
<td>27</td>
<td>Safety and Health</td>
<td>Aiming to get everyone, everywhere, every day, home safe</td>
</tr>
<tr>
<td>60</td>
<td>Performance Data</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Approach to Reporting</td>
<td>A description of our materiality assessment, reporting framework and boundaries</td>
</tr>
<tr>
<td>35</td>
<td>Our People</td>
<td>Creating a company culture and high-quality workforce that innovates, leads and learns</td>
</tr>
<tr>
<td>62</td>
<td>Independent Assurance Statement</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Progress and Goals</td>
<td>A snapshot of our progress and path forward</td>
</tr>
<tr>
<td>39</td>
<td>Climate Change and Energy</td>
<td>Balancing the world’s growing energy needs with our cost-effective greenhouse gas emission reduction policy</td>
</tr>
<tr>
<td>63</td>
<td>Awards and Recognition</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>How We Operate</td>
<td>The values that define our expectations for sustainable management and performance</td>
</tr>
<tr>
<td>42</td>
<td>Carbon Asset Risk Assessment</td>
<td>Evaluating sustainability risks and global scenarios in making strategic decisions</td>
</tr>
<tr>
<td>63</td>
<td>Memberships and Associations</td>
<td></td>
</tr>
</tbody>
</table>

---

**2018 Sustainability Report**

1
Our company’s purpose is to be the world’s most trusted energy partner. We are committed to building a sustainable enterprise that helps meet the world’s growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way. In 2018 we continued to execute a strategy that positions Hess to deliver visible and low-risk production growth, increasing financial returns and accelerating free cash flow well into the next decade. Our strategy aligns with the energy transition needed to achieve the International Energy Agency’s Sustainable Development scenario, where oil and gas will continue to be essential to meeting the world’s growing energy demand through 2040.

In line with this strategy, we have built a balanced, focused portfolio that is positioned to deliver a breakeven of less than $40 per barrel Brent oil by 2025, with Guyana and the Bakken as our growth engines and the deepwater Gulf of Mexico and the Gulf of Thailand as our cash engines. We expect to allocate about 75 percent of our capital expenditures through 2025 to Guyana and the Bakken, among the best investments in the oil and gas industry.

We believe sustainability practices create value for our shareholders and position us to continuously improve our business performance. Our commitment to sustainability therefore starts with our Board of Directors and senior management and is reinforced at every level. Our Board is climate change literate and actively engaged in overseeing Hess’ sustainability practices, working alongside senior management to evaluate various risks and global scenarios in making strategic decisions. The Board’s Compensation Committee has tied executive compensation to advancing the company’s environmental, health and safety goals.

Our 2018 Sustainability Report shows how sustainable practices are integrated into our long-term strategy and daily operations. Hess’ environment, health, safety and social responsibility strategy is focused on several key areas of our operations, which are described below. Detailed information on our programs and performance is provided in this report and on our company website at hess.com.

SAFETY
Our company’s No. 1 priority is the safety of our workforce and the communities in which we operate, so we work closely with our employees and contractors to continuously improve our performance toward our ultimate goal of zero incidents. In 2018 we achieved the lowest severe safety incident rate in our company’s history — a 43 percent reduction from 2017. Severe safety incident rate is a key metric for incidents with the potential to result in severe consequences. Another key metric is total recordable incident rate or TRIR, which measures the number of recordable injuries or incidents by annual workforce hours. Our 2018 TRIR of 0.31 was up slightly from the prior year’s historic low of 0.24, primarily due to an increased rate of contractor incidents. We are emphasizing the vital importance of safety through companywide leadership site visits, refreshed safety leadership training and an expanded behavioral safety observation program.

In 2018 we reduced our number of process safety events for the fourth consecutive year. We also pursued program enhancements based on the outcome of the enterprisewide assessment of our process safety systems completed in 2017 including a multiyear process to standardize our approach to competency assurance and training for safety-critical positions across the company.

ENVIRONMENT AND CLIMATE CHANGE
Climate change is a significant global challenge that requires governments, businesses and civil society to work together on cost-effective policies. We believe climate risks can and should be addressed while also providing the safe, affordable and reliable energy necessary to ensure human welfare and global economic development in the context of the United Nations (U.N.) Sustainable Development Goals (SDGs).

Hess is committed to developing oil and gas resources in an environmentally responsible and sustainable way. Our business planning includes actions we will undertake to continue reducing our carbon footprint in keeping with the findings of the U.N. Intergovernmental Panel on Climate Change and the aim of the Paris Agreement to limit global average temperature rise to well below 2°C. Our Board of Directors and senior leadership...
We believe sustainability is fundamental to our long-term strategy and performance, which supports our purpose to be the world’s most trusted energy partner.

have set aggressive targets for greenhouse gas (GHG) emission reductions, and over the past 11 years our company has reduced our Scope 1 and 2 equity GHG emissions by approximately 64 percent.

Our climate change strategy is aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the G20 Financial Stability Board. In line with the TCFD framework, we have tested the robustness of Hess’ portfolio under the supply and demand scenarios from the International Energy Agency (IEA), including the ambitious GHG reductions assumed within the IEA’s Sustainable Development scenario. Our current asset portfolio is resilient, and our pipeline of forward investments provides strong financial returns even under the carbon-constrained future assumed in the IEA’s Sustainable Development scenario.

SOCIAL RESPONSIBILITY
Social responsibility is one of our company values and fundamental to the way we do business. We have endorsed or formally joined a number of international voluntary initiatives designed to advance transparency, environmental protection, human rights and good governance, including our continued support for the U.N. Global Compact and the Global Compact U.S. Network, which share best practices in sustainable business conduct across the private sector. We are also guided in our activities by the U.N. SDGs, and in 2018 we mapped the SDGs to issues identified as part of the materiality assessment described in this report.

Being a trusted energy partner means making a positive impact on the communities where we operate. Hess’ community investments support programs in a variety of areas, with a particular focus on education, workforce development and environmental stewardship. For example, in 2018 we expanded our LEAP (Learn, Engage, Advance, Persevere) program, which helps at-risk students in Houston’s Greater East End stay in school. In Guyana we are working with our joint-venture partners to build capacity among the local workforce and supplier companies, including through the Centre for Local Business Development established by the joint venture in 2017. In the U.S. Gulf Coast region in 2018, Hess joined the Gulf of Mexico Alliance’s Gulf Star program, which leverages public and private funding to address issues such as improved habitat conservation and water resource management.

PEOPLE
Hess relies on a world-class workforce and a company culture defined by our values. In 2018 we continued to refine our policies to promote a flexible and dynamic work environment in which a diverse and multigenerational workforce can thrive. We also piloted Unconscious Bias training and supported professional organizations that are helping to make our industry more diverse.

In 2018 we further reduced the size of our workforce in line with our focused portfolio. To foster employee engagement, our leadership team regularly shares strategic updates, explains the rationale for business decisions and listens to the views of our workforce through a robust employee communications program. Every employee below senior executive level was granted 85 shares of Hess stock in 2018 in celebration of our company’s 85th anniversary.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE
We believe transparency in reporting is a vital part of being a trusted energy partner. In 2018 our company continued to be recognized for the quality of our environmental, social and governance disclosures, reinforcing our position as a top-quartile performer in our industry.

We are proud of the progress made in executing our long-term strategy in line with our purpose and values. The ongoing support of our employees, communities, customers, business partners and investors is key to our success in building a sustainable enterprise, and we thank them for their partnership.

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

**Hess Portfolio of Operations**

- **11.5 Years of Reserve Life**
- **277,000 Barrels of Oil Equivalent per Day**
- **1,192 Million Barrels of Oil Equivalent Proved Reserves**

**2018 Highlights**

- Our company continued to have remarkable exploration success offshore Guyana, where Hess has a 30 percent interest in the Stabroek Block. In 2018 we participated in five major discoveries, bringing total discoveries on the block to 10 as of year-end 2018. The block is currently estimated to contain gross recoverable resources of more than 5.5 billion barrels of oil equivalent, with multibillion barrels of additional exploration potential remaining.
- Liza Phase 1 development, offshore Guyana, continued to advance toward first production by early 2020. Planning was undertaken for the second and third phases of development on the Stabroek Block.
- In the Bakken, through field trials and independent study in 2018, we confirmed that our planned transition to plug-and-perf completions from our previous 60-stage sliding sleeve design is expected to increase the asset’s net present value by approximately $1 billion.
- Hess’ operated rig count in the Bakken averaged 4.8 in 2018, compared with 3.5 in 2017. We ended the year with six rigs and brought 104 new wells on production.
- As part of our portfolio reshaping, we successfully closed on the sale of our joint-venture interests in the Utica shale play.

**2018 Key Economic Metrics**

<table>
<thead>
<tr>
<th>$ MILLIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordable Supplier Spend (Exploration &amp; Production)</td>
</tr>
<tr>
<td>Capital and Exploratory Expenditures</td>
</tr>
<tr>
<td>Income Tax Expenses</td>
</tr>
<tr>
<td>Wages and Benefits (U.S.)</td>
</tr>
<tr>
<td>Royalties and Other Payments</td>
</tr>
<tr>
<td>Dividends</td>
</tr>
<tr>
<td>Interest Expenses</td>
</tr>
</tbody>
</table>

Note: Divestitures in 2018 are not shown on the map. For the purposes of this report, Hess Midstream Partners LP is considered a subsidiary of Hess Corporation. Boundaries and restatements of data included in this report are discussed in the Approach to Reporting section.
In this report, we provide descriptions of Hess’ 2018 strategy and performance regarding material economic, environmental and social issues. Our annual report, U.S. Securities and Exchange Commission Form 10-K filing and proxy statement detail our financial and governance information and can be found on our website.

**REPORTING STANDARDS**

This report was prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards. It was also informed by the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting developed by IPIECA, the American Petroleum Institute and the International Association of Oil and Gas Producers; the United Nations (U.N.) Global Compact’s Ten Principles; key environmental, social and governance ratings; recommendations from the Task Force on Climate-Related Financial Disclosures; and oil and gas industry metrics from the Sustainability Accounting Standards Board (SASB).

**MATERIALITY**

Consistent with GRI’s materiality guidance, we identified and prioritized new and emerging issues important to our stakeholders when developing the content for this report. Through a survey of select industry peers and external stakeholder groups, as well as an annual, document-based assessment of key stakeholder perspectives and Hess’ operational and regulatory risks, we identified the 10 most material issues for our company:

- Regulatory Assurance
- Water Management
- Transportation Impacts
- Emergency Preparedness and Response
- Process Safety and Spills
- Community Engagement
- Climate Change and Greenhouse Gas (GHG) Emissions
- Stakeholder Engagement
- Transparency in Business Conduct
- Human Rights and Security

These material issues have informed our environment, health, safety and social responsibility (EHS & SR) strategy and helped to define the boundaries of this report. While we validate these issues on an annual basis, we are planning to update our materiality assessment in the 2019–2020 timeframe as part of a review of our EHS & SR strategy.

**BOUNDARY SETTING**

Included within the scope of this report are the principal facilities and assets operated by Hess Corporation and our subsidiaries during calendar year 2018, unless otherwise indicated. Data presented are gross figures from operated facilities, unless specified otherwise. The report includes partial-year data for the following assets that were divested in 2018:

- Utica shale operations in Ohio. Period of data included: January–August 2018.

We report GHG emissions on both an operated and equity-share basis in accordance with the GRI G4 Oil and Gas Sector Supplement and the IPIECA Petroleum Industry Guidelines for Reporting GHG Emissions (3rd edition, 2015). We report social investments for our operated assets, joint ventures and nonoperated facilities in which we hold a significant interest. We include in our workforce metrics contractors whose hours we track.

**ASSURANCE**

In order to evaluate accuracy and reliability, we conduct quality assurance/quality control reviews and validation of both aggregated and facility-level data. Individual numbers in the charts, tables and text may not precisely sum to the total amounts shown due to rounding. All currency in the report is in U.S. dollars.

This report, including our sustainability data and self-declared GRI “in accordance” status, was assured by ERM Certification and Verification Services (see page 62). This external review helps to ensure consistent and objective data collection and reporting of our sustainability performance.

**RESTATMENTS**

We believe our approach to restating data complies with the GRI Standards’ principle of comparability and specific disclosure regarding restatements of information, as well as IPIECA guidance. For GHG emissions, in cases of acquisitions and divestitures and other source ownership and control changes, we adjust our base year emissions if the change exceeds 10 percent of the original base year emissions total. The exact timing of the adjustment depends on several factors, as described in the Hess GHG Inventory Protocol. We also review and adjust targets included as part of our annual incentive plan formula to account for divestitures as needed.

**ACCESS TO REPORTING**

See our expanded performance data at hess.com/sustainability/approach-to-reporting/boundaries-for-material-issues

See our expanded performance data at hess.com/sustainability/approach-to-reporting/boundaries-for-material-issues

Access the Hess GHG Inventory Protocol at hess.com/sustainability/climate-change-energy

The document contains additional sustainability and investor information available at hess.com/investors
This section offers a snapshot of our progress and path forward with respect to our most material sustainability programs and initiatives; as such, it provides an indication of our commitment to improve performance across a range of issues. Through continued implementation of our environment, health, safety and social responsibility (EHS & SR) strategy, we are improving how we understand and manage nontechnical risks in our day-to-day operations while addressing the material sustainability issues facing Hess and the oil and gas industry at large. Our strategic efforts planned for 2019 will build on our progress to date.

Elements of our EHS & SR strategy are included in the summary table that follows, along with our key accomplishments in 2018 and select targets and metrics that we have established to measure how effectively we are implementing our strategy. Our progress and goals are categorized according to the six sections of the report in which they are discussed.

### HOW WE OPERATE

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulatory Assurance</strong></td>
<td>As our regulatory compliance systems are becoming embedded in daily operations, begin to shift focus to more formal assurance of Hess’ EHS management system*</td>
<td>Further enhanced the mobile application for our compliance tracking tool for field assurance personnel by synchronizing it with our work order system</td>
<td>Complete assurance on embedded regulatory compliance system, including standard work evaluation and equipment repair root cause analysis; begin pursuing a compliance standard for the enterprise in 2019*</td>
<td>58–59</td>
</tr>
<tr>
<td></td>
<td>Launch a regulatory tracking system that aligns regulatory priorities with our risk registers; further enhance U.S. offshore regulatory coordination through quarterly presentations to offshore leadership, aligned with their established operating rhythm*</td>
<td>Established a regulatory tracking system to support the asset risk registers and began issuing monthly regulatory reports for our U.S. onshore assets; U.S. asset regulatory teams met on a routine basis to discuss emerging regulations</td>
<td>Continue providing our assets with routine updates and discussions on emerging regulatory risks and changes through the use of existing communication methods and operating rhythms in 2019*</td>
<td>12–13</td>
</tr>
<tr>
<td><strong>Transparency in Business Conduct</strong></td>
<td>Publish our 2017 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards and aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations</td>
<td>Published our 2017 Sustainability Report in accordance with the GRI Standards Core “in accordance” option and included disclosure on alignment with TCFD recommendations; conducted a gap analysis on the Sustainability Accounting Standards Board’s oil and gas industry metrics</td>
<td>Continue to refine our sustainability disclosures to align with stakeholder expectations in 2019</td>
<td>5, 39–41</td>
</tr>
<tr>
<td></td>
<td>Continue to enhance our Global Trade Compliance Program and implement training on our revised Code of Business Conduct and Ethics</td>
<td>Improved our Global Trade Compliance Program by enhancing policies and procedures and updating third-party screening processes; launched a revised Code of Business Conduct and Ethics online training module</td>
<td>Implement a third-party online due diligence system and conduct compliance risk assessment and analysis on select assets in 2019</td>
<td>14-15</td>
</tr>
<tr>
<td><strong>Supply Chain and Contractor Management</strong></td>
<td>Continue to enhance standardization and alignment on contractor selection, contracting and management processes across our assets</td>
<td>Centralized sourcing and contracting activities to promote standardization and consistency in our approach to contractor selection; further revised our Procurement Policy to include a Contract Governance Board process to provide oversight of high-value, high-risk contracts</td>
<td>Continue to develop model contracts for key spend areas to enhance risk management; further evaluate the supplier relationship and performance management processes as part of the Hess Operational Management System initiative (HOMS) in 2019</td>
<td>16-17</td>
</tr>
<tr>
<td><strong>Management Systems</strong></td>
<td>Expand Lean deployment across Hess, including developing Lean leaders in our offshore organization; implement Lean with our key Stampede contractors, including at the offshore drill ships, to apply Lean improvements to routine drilling activities</td>
<td>Certified almost 100 employees as embedded Lean leaders (ELLs) enterprise-wide; existing ELLs continued local business improvements and provided coaching to other employees and contractors in their work areas; conducted a “Take Work Out” initiative, which resulted in over 200 improvements to reduce waste in routine activities</td>
<td>Continue expanding Lean deployment across Hess, including development of new ELLs in assets and central support functions and further development of those already trained; continue to use a structured Lean approach to identify “Take Work Out” opportunities in 2019</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Continue to develop and implement EHS global standards on a prioritized basis</td>
<td>Approved one new EHS global standard (Excavation and Trenching) and completed gap assessments for the standard at selected assets</td>
<td>Continue progressing the EHS global standards project through 2020</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Continue to measure effective implementation of the EHS &amp; SR strategy through established targets and metrics*</td>
<td>Continued tracking individual EHS &amp; SR initiatives through project-specific work plans as part of our business operating rhythm</td>
<td>Continue to measure effective strategy implementation through 2020; begin a refresh of the strategy in 2019 through an updated materiality assessment*</td>
<td>6–9</td>
</tr>
</tbody>
</table>

*Denotes a key goal or target of our EHS & SR strategy.
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and Management Approach</td>
<td>Review governance framework and processes to ensure alignment with our business strategy and geographic footprint; build on prior efforts to map business activities and social investment to the United Nations’ Sustainable Development Goals (SDGs)*</td>
<td>Completed further analysis and mapping of the SDGs, with results included in the Social Responsibility section of this report</td>
<td>Monitor and assess ongoing social investments to help ensure focus and alignment on areas that overlap with the SDGs in 2019*</td>
<td>19</td>
</tr>
<tr>
<td>Community and Stakeholder Engagement</td>
<td>Continue to expand implementation of stakeholder engagement and grievance mechanism processes*</td>
<td>Completed a review and refresh of our enterprise-level stakeholder planning and engagement process and aligned it with our Risk Management Standard; maintained our formal grievance mechanism in North Dakota, which – with the sale of our other onshore production assets in West Texas (2017) and Ohio (2018) – will be the focus of our formal grievance mechanism moving forward</td>
<td>Institute a semiannual cadence to review stakeholder outreach and refresh stakeholder mapping; increase focus on asset retirement obligations in North Dakota in cooperation with regulators in 2019*</td>
<td>20–22</td>
</tr>
<tr>
<td>Social Risk Management</td>
<td>Continue to monitor potential human rights risks and conduct risk assessments if needed based on activity levels*</td>
<td>Conducted risk assessments in North Dakota, the Gulf of Mexico and Malaysia as part of our risk management assessment and mitigation planning</td>
<td>Continue to monitor potential risks and conduct risk assessments if needed based on activity levels in 2019 and beyond*</td>
<td>22–23</td>
</tr>
<tr>
<td></td>
<td>Conduct human rights training as needed based on identified risks*</td>
<td>Conducted training for the North Malay Basin asset as planned in 2018</td>
<td>Continue to conduct human rights training as needed based on identified risks in 2019 and beyond*</td>
<td>22–23</td>
</tr>
<tr>
<td></td>
<td>Continue to track the number of employees and contractors completing human rights training at high-risk assets, as well as the percentage of new contracts with human rights clauses*</td>
<td>Brought the training for the North Malay Basin asset up to date; continued to monitor contracts to confirm inclusion of human rights clauses and alignment with Hess policies</td>
<td>Continue to track implementation of these efforts in 2019 and beyond*</td>
<td>17, 22–23</td>
</tr>
</tbody>
</table>

*Denotes a key goal or target of our EHS & SR strategy.
## Progress and Goals

### Safety and Health

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Process Safety and Spills</strong></td>
<td>Build on our work with integrity critical equipment (ICE) through critical maintenance compliance (i.e., inspect, test and maintain ICE to ensure it is performing as expected); actively manage risks identified through the asset integrity assessments through quarterly reviews*</td>
<td>Achieved established targets for ICE critical maintenance compliance</td>
<td>Continue to drive progress in critical maintenance compliance by expanding our annual incentive plan metric from safety-critical equipment only to include all equipment with performance standards in our work order system in 2019</td>
<td>30–31</td>
</tr>
<tr>
<td></td>
<td>Complete implementation of our enhanced barrier management approach at North Malay Basin and South Arne through the use of “bow tie” diagrams</td>
<td>Progressed implementation of bow tie diagrams at North Malay Basin; implementation at our South Arne asset was put on hold due to the (at the time) planned sale of that asset</td>
<td>Complete implementation of bow tie diagrams at North Malay Basin and pursue an alternative barrier management approach at South Arne in 2019*</td>
<td>30–31</td>
</tr>
<tr>
<td></td>
<td>Pursue improvement programs based on recommendations from the 2016-17 process safety assessment, mainly around deeper integration of our EHS and operational management systems and increased focus on integrity risks*</td>
<td>Progressed improvement programs highlighted through the process safety assessment, including developing HOMS, enhancing our enterprisewide competency assurance and training (CAT) strategy and driving continuous improvement in integrity risk</td>
<td>Related strategic actions for HOMS, ICE and CAT are covered by other goals in this section</td>
<td>12, 30–31</td>
</tr>
<tr>
<td></td>
<td>Continue to conduct audits and assessments under the tiered EHS assurance program; continue to develop our enhanced enterprisewide CAT strategy*</td>
<td>Completed audits and consulting activities per the Board-approved Corporate Audit plan and in line with the tiered EHS assurance program; established a five-year journey map and began developing the enterprisewide CAT standard</td>
<td>Continue to perform assurance activities according to the 2019 Board-approved plan and in line with our assurance program; continue to develop our enhanced CAT strategy, with phased implementation slated to begin in 2020*</td>
<td>27, 30–31</td>
</tr>
</tbody>
</table>

### Occupational Health and Safety

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Meet a workforce total recordable incident rate (TRIR) target of 0.20 or below</td>
<td>Did not meet this internal target - our TRIR of 0.31 was up slightly from 0.24 in 2017; see the Safety and Health section for details on our safety performance improvement programs</td>
<td>Meet a workforce TRIR target of 0.28 or below in 2019</td>
<td>28–29</td>
</tr>
<tr>
<td></td>
<td>Meet a severe safety incident rate target of 0.16 or below**</td>
<td>Surpassed our target, achieving a severe safety incident rate of 0.13; expanded this key metric to include “significant” safety incidents beginning in 2019</td>
<td>Achieve a 10 percent reduction from our 2018 actual severe and significant safety incident rate in 2019</td>
<td>29</td>
</tr>
</tbody>
</table>

### Our People

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment Practices</strong></td>
<td>Offer four Managerial Essentials programs</td>
<td>Offered four Supervisory Essentials Program and Managerial Essentials Program courses for supervisors and managers; offered eight professional development programs for nonmanagers</td>
<td>Continue to build high-quality leaders by refreshing and formalizing the resources available to them, on topics such as inclusion and diversity, innovation, Lean and coaching and feedback training, in 2019</td>
<td>36–37</td>
</tr>
<tr>
<td></td>
<td>Leverage our newly implemented succession planning technology to identify, develop and track the progress of our high-potential talent and future leaders</td>
<td>Utilized our succession planning technology during preparations for the executive talent review</td>
<td>Introduce a revised talent philosophy and associated succession planning technology more broadly in 2019, beginning with senior leaders and then cascading to other managers</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Implement a new grading structure that includes additional grades to provide more career growth opportunities and improve internal equity between different jobs; provide a consistent evaluation framework for jobs across the company; address job scope changes due to portfolio adjustments</td>
<td>Implemented a new grading structure, incorporating changes in job scope where applicable</td>
<td>Expand diversity (Unconscious Bias) training across our U.S. and international locations in 2019</td>
<td>35–36</td>
</tr>
</tbody>
</table>

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

**Target adjusted to exclude the Utica asset, which was divested in 2018, on a prorated basis. See our Approach to Reporting section online for additional detail.
<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Management</strong></td>
<td><strong>Assess opportunities to integrate EHS deliverables into the value assurance process for new projects; conduct a portfolio-specific carbon asset risk scenario planning exercise</strong></td>
<td>Developed a scenario planning guidance document; conducted a portfolio-specific scenario planning exercise in 2018 and early 2019</td>
<td>Disclose the results of our portfolio-specific carbon asset risk scenario planning exercise; incorporate scenario planning into our regular business planning cycle in 2019*</td>
<td>13, 39–45</td>
</tr>
<tr>
<td></td>
<td><strong>Pursue additional infrastructure projects that will continue to help with flaring reduction in the Bakken, including an additional compressor station and a new joint-venture gas plant</strong></td>
<td>Hess Midstream Partners LP continued expansion of the Bakken midstream gathering infrastructure, including additional gas compression facilities, natural gas liquids and gas gathering lines and a new joint-venture gas plant</td>
<td>Continue to invest in additional midstream infrastructure and increase compression capacity; complete construction and commissioning of the joint-venture gas plant (Little Missouri Four) operated by Targa Resources in 2019</td>
<td>48–50</td>
</tr>
<tr>
<td></td>
<td><strong>Continue to make progress toward our 2020 goal to achieve a 25 percent reduction in greenhouse gas (GHG) emissions intensity (tonnes per thousand barrels of oil equivalent (BOE)), versus our 2014 baseline</strong></td>
<td>Reduced GHG emissions intensity by 17 percent compared with our 2014 baseline; reviewed the 2020 GHG target and determined that adjustment to the target was not needed; however, restated the baseline and five-year historical emissions intensities to exclude recently divested assets that exceeded the threshold in our GHG protocol</td>
<td>Continue to make progress toward our 2020 goal to achieve a 25 percent reduction in GHG emissions intensity (tonnes per thousand BOE), versus our 2014 baseline</td>
<td>46–48</td>
</tr>
<tr>
<td></td>
<td><strong>Review and – if needed per the Hess GHG Inventory Protocol – adjust the 2020 GHG intensity reduction target based on asset divestitures</strong></td>
<td>Observed an increase in our relative methane intensity in 2018 due to the sale of our joint-venture interests in the Utica shale play, but are on track to achieve the 2025 targets through planned flaring reductions and the phaseout of high-bleed pneumatic controllers in North Dakota</td>
<td>Continue to make progress against ONE Future sector-based 2025 targets*</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td><strong>Continue to improve performance related to reducing methane emissions, through ONE Future sector-based targets</strong></td>
<td>Reduced flaring intensity by 41 percent compared with our 2014 baseline; reviewed the 2020 flaring target and determined that adjustment to the target was not needed; however, restated the baseline and five-year historical flaring intensities to exclude recent divestitures</td>
<td>Continue to make progress toward our 2020 goal to reduce flaring intensity (standard cubic feet per BOE) by 50 percent, versus our 2014 baseline</td>
<td>48–50</td>
</tr>
<tr>
<td></td>
<td><strong>Review and – if necessary – adjust the 2020 flaring intensity reduction target based on asset divestitures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ENVIRONMENT**

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018 GOALS</th>
<th>PROGRESS IN 2018</th>
<th>GOALS FOR 2019+</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Management</strong></td>
<td><strong>Continue to evolve our water data collection process to automate collection for trending and future target setting</strong></td>
<td>Continued to improve the water data collection methodology for the North Dakota and Gulf of Mexico assets</td>
<td>Develop a risk assessment toolbox for offshore water discharge in 2019; continue to work toward automated data collection in 2019 and beyond*</td>
<td>53, 55</td>
</tr>
<tr>
<td></td>
<td><strong>Conduct water risk assessment workshops for the North Dakota and Gulf of Mexico assets</strong></td>
<td>Completed water risk planning efforts for the North Dakota and Gulf of Mexico assets, including identifying the water lifecycle for each operational activity and mapping key stakeholders</td>
<td>Conduct water risk assessments for the South Arne and North Malay Basin assets and complete water risk ranking and resource evaluation (e.g., oil recovery per water use) in 2019*</td>
<td>53, 55</td>
</tr>
<tr>
<td></td>
<td><strong>Conduct water-related pilot studies to assess alternative practices for improving operating efficiencies in both onshore and offshore assets</strong></td>
<td>Did not complete pilot studies as planned due to vendor scheduling issues for the onshore recycling efforts and operational constraints regarding the offshore work</td>
<td>No pilot studies are planned at this time, but may be considered in the future as additional technologies are evaluated</td>
<td>—</td>
</tr>
<tr>
<td><strong>Process Safety and Spills</strong></td>
<td><strong>Achieve a severe environmental incident rate target of 0.020</strong></td>
<td>Surpassed our target, achieving a severe environmental incident rate of 0.013; expanded this key metric to include “significant” environmental incidents beginning in 2019</td>
<td>Achieve a 10 percent reduction from our 2018 actual severe and significant environmental incident rate in 2019</td>
<td>57–58</td>
</tr>
</tbody>
</table>

*Denotes a key goal or target of our EHS & SR strategy.
**Target adjusted to exclude the Utica asset, which was divested in 2018, on a prorated basis. See our Approach to Reporting section online for additional detail.
Offshore Operations, Gulf of Thailand
Hess is committed to helping meet the world’s growing energy needs in a way that protects the health and safety of our people, safeguards the environment and contributes to the sustainability of the communities where we operate, while also delivering long-term value to our shareholders and other stakeholders. The Hess Values and our company culture help us meet these high standards of corporate citizenship.

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

GOVERNANCE
The highest level of oversight at Hess rests with the Board of Directors, which had three principal committees in 2018: the Audit Committee, the Compensation and Management Development Committee and the Corporate Governance and Nominating Committee. The EHS Subcommittee of the Board’s Audit Committee was established in 2013 to assist the Board in identifying, evaluating and monitoring EHS strategies and material risks with the potential to affect the people, environment or communities where we operate or our company’s business activities, performance or reputation. The EHS Subcommittee has also developed recommendations for the Audit Committee and the full Board on policies, programs and practices to address such strategies and risks. The Subcommittee met four times in 2018, and each Subcommittee member attended at least 75 percent of the meetings.

In June 2019 the EHS Subcommittee was elevated to a fourth standalone committee of the Board of Directors, underpinning our commitment to evaluate sustainability risks at the highest level. All references to the EHS Subcommittee that follow reflect the responsibilities and planned activities of the newly elevated EHS Committee.

Board Accountability
The Audit Committee oversees the integrity of the company’s financial statements, financial reporting practices, systems of internal accounting and financial and disclosure controls, and other financial matters such as tax planning, compliance and reporting for income taxes. It also oversees compliance and risk management matters.

Until June 2019 the Audit Committee, through the EHS Subcommittee, also oversaw EHS & SR matters. Going forward, through the newly elevated EHS Committee and the Board as a whole, Board members will continue to actively oversee Hess’ sustainability practices, working alongside senior management so that sustainability risks are taken into account when making strategic decisions. Our independent Chairman periodically accompanies our CEO and other members of senior management to meet with investors to solicit shareholder views on various topics, including EHS & SR.

Our Vice President of EHS met regularly with the EHS Subcommittee and the Chair of the Subcommittee in 2018, and going forward will meet with the EHS Committee, to prioritize actions on a number of topics, including EHS performance and strategic priorities; enterprise risk management; regulatory matters; environment, social and governance reporting; climate change strategic actions; and progress against greenhouse gas and flaring targets.

Each member of the EHS Subcommittee (and the newly elevated EHS Committee) is independent and qualified under standards established by applicable law, stock exchange listing standards and Hess’ Corporate Governance Guidelines. Subcommittee members have extensive oil and gas industry experience, including operations, research and development, and financial expertise. To supplement their expertise, Hess brings in outside subject matter experts to brief members on current and developing issues relevant to our business, such as climate change. Members, together with our executive leadership, have also participated in field visits to Hess-operated and nonoperated assets to better understand our key EHS strategies and risks. In 2018 Subcommittee members visited two offshore platforms in Asia – one operated (North Malay Basin) and one nonoperated (Malaysia/Thailand Joint Development Area (JDA)) – to observe how Hess and the operator for JDA are managing and mitigating EHS risks.
Executive Oversight
The company is managed by an Executive Committee, which is composed of Hess’ most senior executives and chaired by our Chief Executive Officer. The Executive Committee focuses on operational, strategic, financial, EHS and social issues and is the highest approval body before the Board. The Executive Committee holds regularly scheduled meetings, and our President and Chief Operating Officer chairs an operational subcommittee of the Executive Committee that also meets routinely to discuss these and other matters.

See information on our approach to sustainable tax policy at hess.com/sustainability/how-we-operate/tax-practices

KEY INITIATIVES
We continue to evolve and advance our management systems in a manner that aligns with Hess’ portfolio and organizational structure. As part of this process, in 2018 we reorganized into teams of functional leaders (e.g., EHS, Wells, Human Resources, and Supply Chain), which will help us continue to improve oversight and assurance across the company and provide expertise in key functional areas within each asset. Each leader is responsible for overseeing activities in their functional area across the company, verifying that relevant standards are applied as appropriate and working with each asset to optimize safety, quality, delivery and cost. Leaders are supported by technical authorities (TAs) – many of whom are embedded directly into our assets. Functional leaders and additional TAs as needed meet monthly to support enterprise-wide initiatives, promote transparency of activities and optimize synergies across our functions and assets.

The functional leaders have replaced the prior Operational Excellence Network in providing cross-functional, companywide guidance on the development of high-value enterprise initiatives. It is anticipated they will continue to help us design and implement key enterprise initiatives by fostering collaboration across Hess’ global resources and creating standardized methodologies supported by tools and processes.

Over the past several years, we have been working on a number of initiatives to enhance our operational effectiveness and EHS performance. For example, we have been working to formalize an enterprise-wide operational management system to integrate the standards, procedures and guidance documents in use throughout our operations into a single system. We expect that implementation of this Hess Operational Management System (HOMS) will help us continue to manage risks associated with a changing organization; utilize technical expertise, standards and processes across the organization; and align asset-level operations with enterprise-wide corporate standards and business priorities. We expect to complete development of the formalized system in 2019, with asset implementation beginning in 2020.

In support of HOMS, we have also continued development and implementation of EHS standards that formalize enterprise-wide expectations and accountabilities and support a globally consistent approach to operational excellence. These standards, which address key areas of EHS risk and performance, are scheduled to be fully implemented by 2020.

Equipment reliability has been another area of continuous improvement. We have established an organization and put processes in place to drive proactive maintenance of our production equipment. To support this, in 2018 we began implementing organizational changes to better align maintenance and production operations to maximize efficiency, reliability, integrity and surveillance; optimize production and costs; and drive continuous improvement, including improvement to EHS performance. This is an evolution and culmination of improvement efforts that have been implemented over the last several years through initiatives such as Operations of the Future and Lean.

Additional detail can be found at hess.com/sustainability/how-we-operate/key-initiatives

KEY ENTERPRISE PROCESSES
We apply a number of key processes in our company that help to identify and mitigate risks in potential, new and existing operations; achieve operational excellence; and evaluate investment opportunities.

While these processes are focused on our operated assets, it is important to note that we have also established internal expectations for reviewing potential risks in Hess’ nonoperated assets. We prioritize four main objectives: building respectful relationships; influencing project outcomes by focusing on issues with the greatest potential impact; establishing governance structures and project assurance plans; and documenting and internally sharing high-value lessons learned. As these assets represent a significant portion of Hess’ capital spend, we have continued to conduct targeted, high-level reviews of nonoperated activities, including production operations, facilities and designs.

Enterprise Risk Management
Hess applies a comprehensive, standardized approach to identifying and managing risks of all types across our operations. Our enterprise risk management (ERM) program, which includes consideration of EHS & SR risks, provides a framework that enables Hess’ Board of Directors and executive
leadership to work together to strengthen the consistency of risk consideration in making business decisions. Our Board of Directors has ultimate oversight over the ERM process and is charged with understanding the key risks affecting the company’s business and how those risks can be managed. Our Chief Financial Officer (CFO) reports to the Board regularly on the status of risk management controls within the company. Periodically, our Chief Risk Officer (CRO) provides the Board’s Audit Committee with a comprehensive review of Hess’ enterprise-level risks, the status of the ERM program, and risk management strategies utilized under our corporate risk policy. The CFO and CRO oversee day-to-day implementation of the ERM process, including developing and verifying compliance with relevant policies and standards.

Hess’ ERM process is used to develop a holistic risk profile for each asset and major capital project, drawing input from subject matter experts, performance data, incident investigations, lessons learned and recent internal audits. In these risk assessments, we identify risks and assess their likelihood and potential impact to people, the environment, our reputation and our business.

Our Risk Management Standard, which applies to all assets and major capital projects, helps to align and integrate risk management across our operations and functional areas. The standard establishes a risk framework, accountabilities and expectations across the organization to provide a consistent and integrated risk management process across our assets, projects and business functions.

As part of our ERM process, all assets are required to have a risk assessment in place that is refreshed on an annual basis. In addition, major capital projects and new opportunities that go through the value assurance process (described at right) must have risk assessments completed prior to each value assurance stage gate. Risk registers and reports that are generated through these processes are reviewed and updated periodically as part of the asset and major project operating rhythm meetings.

We also require that functional-level risk assessments be included in each asset’s or project’s risk plan. Examples include identifying and validating concept selection or confirming the technical basis of design for a facility.

Climate risks are considered throughout both enterprise and functional risk assessments from the perspective of potential financial, physical, reputational and regulatory impacts. Further discussion of Hess’ approach to managing climate risks can be found in the Climate Change and Energy section of this report.

**Value Assurance**

Major investment opportunities are assessed through our value assurance process. This process helps to provide increased objectivity by including those who are not directly involved with the asset or project in internal reviews. Following this process helps to provide assurance that our capital allocation and portfolio management decisions are based on independently reviewed, high-quality input.

The value assurance reviews focus on economics, subsurface and facility design, safety, environmental and socioeconomic considerations, regulatory requirements and other nontechnical risks. In order to

---

**VALUE ASSURANCE PROCESS**

<table>
<thead>
<tr>
<th>INCEPTION</th>
<th>OPERATED VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FRAME</strong></td>
<td></td>
</tr>
<tr>
<td>• Determine objectives</td>
<td>• Meet/exceed sanction metrics</td>
</tr>
<tr>
<td>• Confirm technical and economic viability</td>
<td>• Meet Production Excellence expectations</td>
</tr>
<tr>
<td><strong>SCREEN</strong></td>
<td></td>
</tr>
<tr>
<td>• Evaluate and rank options</td>
<td><strong>OPERATE</strong></td>
</tr>
<tr>
<td>• Reduce risks and uncertainties</td>
<td>• Deliver refined option</td>
</tr>
<tr>
<td>• Select preferred option</td>
<td><strong>IMPLEMENT</strong></td>
</tr>
<tr>
<td><strong>REFINE</strong></td>
<td></td>
</tr>
<tr>
<td>• Optimize preferred option</td>
<td>• Develop execution plan</td>
</tr>
<tr>
<td>• Allocate budget</td>
<td><strong>IMPLEMENT</strong></td>
</tr>
<tr>
<td><strong>IMPLEMENT</strong></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATE</strong></td>
<td></td>
</tr>
<tr>
<td>• Meet/exceed sanction metrics</td>
<td>• Meet Production Excellence expectations</td>
</tr>
</tbody>
</table>

---

**FRAMING WORKSHOPS, VALUE ASSURANCE REVIEWS**

**OPERABILITY AND OPERATIONAL READINESS REVIEWS**

**POST-PROJECT REVIEWS**

**PEER ASSISTS AND TECHNICAL/FUNCTIONAL REVIEWS**
evaluate the potential impact of carbon cost on project economics, we apply a carbon price of $40 per tonne to the forecasted greenhouse gas emissions from significant new projects.

In 2018 we refreshed our value assurance process (see figure on the previous page) as a result of the company’s restructuring early in the year. We transitioned from having a centralized value assurance organization to bringing in technical experts from across the company, chosen based on how their skills and experience contribute to the project under review. Including experts from across the organization creates learning opportunities for participants to take back to their assets and functions and apply to future assurance processes.

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

New Country Entry
Our new country entry process helps us assess non-technical, aboveground risks when evaluating opportunities in a new country of operation. The process also helps the project team mitigate identified risks once a commitment is made to enter a new country. Ultimately, the process is complementary to our ERM and value assurance workflows, utilizing the necessary information at key decision points in our investment and project planning processes.

Lean
At Hess, Lean is not a short-term program for achieving cost savings, but rather a holistic cultural shift, changing the way we think and act. Central to this shift has been encouraging our leaders to learn fundamental Lean skills and then apply them to business problems. The leaders then coach and develop employees and contractors to generate solutions themselves. The result is a distinctive Lean culture in which continuous improvement comes from the entire workforce – our “army of problem solvers.”

For nearly a decade, we have been implementing Lean principles across our operations to eliminate waste, create value and drive reliability and continuous improvement for our shareholders, business partners, employees and other stakeholders. In 2018 we conducted a “Take Work Out” exercise, which encouraged all workers to closely evaluate their work activities to eliminate “waste” or unnecessary tasks. The initiative resulted in over 200 completed improvements to reduce waste in routine activities.

We use a standard process for selecting, training and developing embedded Lean leaders (ELLs), who, after completing the process outlined in the figure below, help to train their teams in basic Lean skills, improve processes and eliminate waste in their respective work areas. We certified approximately 100 employees as ELLs in 2018, bringing the total number of ELLs to 160 enterprise wide. ELLs participated in multiple kaizen (Japanese for “improvement”) workshops held across our value stream to provide sustainable improvements to business results for their respective assets or functions. We plan to train and certify 100 additional ELLs in 2019.

BUSINESS CONDUCT
In the Hess Code of Conduct, we describe the business conduct and behaviors we expect of our employees, officers, directors and contractors. Any individual or company working on behalf of Hess or our subsidiaries is expected to follow similar principles. Failure to comply with the Code of Conduct and related policies, or applicable laws, may result in disciplinary action, including termination.

Hess’ compliance policies and procedures all stem from our Code of Conduct. These policies and procedures are communicated to and available for all employees globally. Our Global Compliance team establishes, maintains and enforces the compliance policies and procedures, as well as other processes and initiatives to prevent and detect compliance violations. Our aim is to promote an organizational culture that is committed to ethical conduct and compliance with the law. The Chief Compliance Officer informs the Audit Committee of the Board of Directors on a regular basis regarding certain business conduct issues.

To continuously enforce compliance controls and embrace best practices, our Global Compliance team focuses on internal investigations and anti-bribery and anti-corruption (ABAC) programs, as well as other enterprise programs.

**EMBEDDED LEAN LEADER (ELL) CERTIFICATION PROCESS**

- **ELL Candidate Selection**
- **ELL and Manager Preparation**
- **ELL Immersion Training**
- **ELL Skill Development Assessment and Certification Cycles**
- **ELL Post-Certification**
- **Health Check**
and systems. In 2018 our Global Compliance team investigated all issues and allegations referred to the team through the various channels available to our workforce, including our dedicated compliance hotline. In addition, Global Compliance continued to manage the company’s automated approval systems – which are used to review and approve higher-risk transactions and relationships with our business partners – including our system for the disclosure, review and approval or mitigation of potential conflicts of interest. Throughout 2018, Global Compliance also continued to partner with key functions across the company, including Legal, EHS, Human Resources and Corporate Audit, to review potential issues and implement appropriate remediation steps.

Providing employees with effective training on the Hess Values is a key element of strengthening our culture and helping to ensure that employees understand and embody the Values in their daily work. As part of this effort, our Global Compliance team has developed in-depth online trainings on our Code of Conduct and our ABAC Policy and Procedure. The trainings include examples of how employees can translate the Hess Values into on-the-job actions. All employees who are active at the time training is launched, as well as all new employees and certain contracted staff, are required to take these trainings and certify compliance with the Code of Conduct and other applicable policies and procedures.

To support the launch of our new Code of Conduct in 2018, the Global Compliance team developed and deployed an updated version of our online training. This training, which was delivered through an enhanced, modular-based platform, highlighted key concepts from the new Code of Conduct.

The Global Compliance team conducts audits and ongoing monitoring to help ensure that all employees complete these online trainings. At year-end 2018, 99 percent of active employees had completed the Code of Conduct training, and 97 percent had completed the ABAC training.

**POLITICAL ENGAGEMENT**

**HessPAC**

HessPAC serves as the political action committee of Hess’ U.S. employees and acts in full compliance with U.S. federal and state campaign finance and election laws. HessPAC is used to promote the interests of Hess Corporation. In 2018 HessPAC entered its third full cycle of operation, generated approximately $64,000 in member contributions and distributed $71,500 in political contributions in a bipartisan manner to candidates at both the state and federal levels.

HessPAC publicly discloses all of its contributions to political candidates, parties and committees. Its federal contributions are accessible via the U.S. Federal Election Commission’s website (www.fec.gov). State contributions from HessPAC are also publicly available on the appropriate website of each state.
respective state where HessPAC is active. As legally permitted, Hess corporate funds were used to provide administrative support for HessPAC. Both direct and indirect corporate political contributions are prohibited by Hess company policy. HessPAC permits political contributions only through voluntary employee-funded PAC contributions.

Advocacy
Hess is in regular communication with an array of stakeholders in the public policy arena, including legislators and regulators both in the U.S. and internationally. Hess executives and our External Affairs function engage with legislative and regulatory institutions to offer a unique perspective on energy policy issues, to better understand federal and state requirements applicable to our operations and to mitigate potential risks to the company’s license to operate.

Consistent with Hess principles and values, our legislative and regulatory engagement is done in accordance with all applicable laws and regulations. Hess’ commitment to transparency also means that the company fully complies with all lobbying reporting requirements outlined in the Lobbying Disclosure Act of 1995 and all amendments made to the law by P.L. 110-81, the Honest Leadership and Open Government Act of 2007. In 2018 the company’s lobbying expenses totaled approximately $493,800. This includes fees and expenses for external consultants and trade association dues used for lobbying purposes, as required by the Lobbying Disclosure Act. Hess also complies with any and all relevant state and foreign legal and regulatory requirements concerning direct and indirect lobbying activities and contacts. Hess belongs to a number of trade associations (organized under section 501(c)(6) of the Internal Revenue Code) that include our industry peers and other companies in related sectors. Trade associations provide forums through which companies across the oil and gas industry can develop unified public policy agendas, exchange technical and industry best practices, and approach issues relevant to our business with a common voice. Hess requires all trade associations to publicly disclose all expenses related to lobbying activities, as outlined by the Lobbying Disclosure Act. Our trade associations’ lobbying activities accounted for 27 percent of our total lobbying spend in 2018.

In 2018, none of Hess’ membership fees or dues were used by any of our associations for direct or indirect political advocacy. Furthermore, no payments made by Hess to 501(c)(6) or 501(c)(4) organizations were used for political purposes. A list of memberships and associations that received more than $50,000 from Hess in 2018 can be found on page 63.

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

Hess’ Vice President of External Affairs is responsible for approving and overseeing employee engagement with elected officials or regulators when these employees act as official representatives of the company. This strict internal policy extends to Hess employees who serve on trade association committees that advocate for policy changes. This helps to ensure that Hess will continue to operate at the highest level of integrity and transparency and remain compliant with all reporting requirements.

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

SUPPLY CHAIN
Our business partners, suppliers and contractors are critical to Hess’ overall success and our ability to maximize the efficiency of operations while minimizing operational risks. In 2018 we purchased approximately $3.5 billion in commercial goods and services from approximately 3,600 suppliers, whose workhours comprised nearly 70 percent of our total workforce hours.

We work collaboratively with our suppliers to improve performance and create shared value. We jointly review processes, procedures and data with many suppliers to help drive the right actions and foster continuous improvement.

While this section describes our general approach to engagements with our suppliers, these practices may differ in certain instances if necessary to comply with applicable local laws and requirements or if otherwise appropriate.

Management Approach
We continue to enhance our capabilities to categorically manage our suppliers with a cross-functional team that works collaboratively to reach safety, quality, delivery and cost targets.

Our Procurement Policy specifies who should participate in the evaluation of
tenders, management of contracts and ongoing procurement of goods and services. It also includes code of ethics and conflict of interest guidelines and states that employees who violate the Procurement Policy are subject to disciplinary actions. A central goal of our supply chain management system, including our Procurement Policy, is to help ensure that suppliers understand and abide by our high ethical, safety and other performance standards, while helping us avoid unexpected commitments and leverage our spend more effectively.

Hess follows a standardized approach to evaluate and measure the performance of key potential and current suppliers on the basis of total value, including safety, quality, delivery and cost. We employ a systematic prequalification and selection process to help ensure we are working with qualified and safe suppliers. Where appropriate, potential suppliers – as determined by a risk-based decision matrix – undergo a risk review, an anti-bribery, anti-corruption and legal compliance review and a review of EHS performance and programs. In addition, our procurement staff reviews where appropriate the potential suppliers’ insurance, tax and quality information. If discrepancies with our applicable requirements arise, the relevant function within Hess conducts an additional review and develops mitigation plans as needed.

Contracts that involve higher risk, due to either the number of workhours the supplier is expected to work for Hess or the scope of work, are subject to an EHS review during the procurement process that covers training qualifications, safety programs and performance, environmental management systems and measurement, and emergency preparedness and response, among other topics. As one part of the EHS review, we use recognized industry prequalification systems for our areas of operation in the U.S. and Europe. Outside of these areas, we use a standardized process with a questionnaire based on our 14 EHS & SR management system elements. Further detail on our EHS-related qualifications review during procurement can be found in the Safety and Health section.

We are working to standardize the way we engage contractors based on their risk profiles and are developing a formalized, enterprise-wide procedure. To support this and maximize the overall efficiency and performance of our supply chain, in late 2018 we implemented a new digital platform for integrating supplier information and processes.

The companies that supply Hess with goods and services must comply with all applicable laws and regulations, including in areas such as EHS, conflicts of interest and anti-corruption, and must maintain any applicable licensing or permitting requirements for their activities. Suppliers are also required to meet the expectations set forth in our Code of Business Conduct and Ethics and Hess’ Voluntary Commitments regarding labor and human rights. Standard contract clauses include requirements with respect to ethical business practices, human rights, social responsibility, business integrity, search and seizure, EHS and quality of materials and services.

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

See more on Hess’ expectations and requirements for suppliers at suppliers.hess.com and hess.com/sustainability/how-we-operate/supply-chain
Social responsibility (SR) is one of the six Hess Values, reflecting its importance to our company and our stakeholders. The Hess Value of social responsibility commits us to meet the highest standards of corporate citizenship by protecting the health and safety of our employees, safeguarding the environment and creating a long-lasting positive impact on the communities where we do business. Our approach to SR emphasizes proactive stakeholder engagement, social risk and impact management, and strategic social investments that provide direct and indirect benefits to the communities where we operate. Our SR activities help us to generate economic opportunities for our stakeholders, create valued partnerships and maximize value for shareholders.

**GOVERNANCE FRAMEWORK**

Hess’ Code of Conduct is fundamental to our Hess Values and underscores our commitment to ethical and responsible business practices. The Code describes the business conduct and practices we expect of our employees, officers, directors and contractors, including our adherence to the highest human rights standards. We have endorsed or formally joined a number of voluntary initiatives designed to protect the environment, promote human rights and encourage financial transparency. We collectively call these our “Voluntary Commitments.” They include:

- The Universal Declaration of Human Rights
- The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work
- The United Nations (U.N.) Global Compact
- The Extractive Industries Transparency Initiative

**The Sustainable Development Goals**

U.N. member countries have adopted a set of 17 goals – called the Sustainable Development Goals, or SDGs – as part of the 2030 Agenda for Sustainable Development. The U.N. has sought to advance cooperation among governments, civil society and the private sector, all of which play a critical role in achieving the ambitious SDGs.

We have continued to work on defining what the SDGs mean in the context of our business and to better articulate our efforts through transparent reporting. In 2018 we further evaluated Hess’ alignment with the SDGs by mapping the goals to the issues we identified as part of our materiality assessment (see page 5 for more on that assessment). This exercise has allowed us to identify where our strategic actions and ongoing operations have the greatest potential to impact the goals. As part of the refresh of our environment, health, safety and social responsibility (EHS & SR) strategy planned for the 2019-2020 timeframe, we will consider opportunities to more fully integrate the SDGs into our regular business planning and reporting.

The following table summarizes the SDGs that we believe align with our material issues and identifies where discussion of those topics can be found in this report.

<table>
<thead>
<tr>
<th>RELEVANT SDGs</th>
<th>HESS MATERIAL ISSUES</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDG 3:</td>
<td>• Human Rights and Security • Process Safety and Spills • Transportation Impacts</td>
<td>22-23</td>
</tr>
<tr>
<td>SDG 4:</td>
<td>• Community and Stakeholder Engagement</td>
<td>23-25</td>
</tr>
<tr>
<td>SDG 6:</td>
<td>• Process Safety and Spills • Water Management</td>
<td>21, 30-31, 54-55, 57-58, 53, 55-56</td>
</tr>
<tr>
<td>SDG 7:</td>
<td>• Climate Change and Greenhouse Gas Emissions • Regulatory Assurance • Transparency in Business Conduct</td>
<td>39-51</td>
</tr>
<tr>
<td>SDG 8:</td>
<td>• Community and Stakeholder Engagement</td>
<td>17, 35</td>
</tr>
<tr>
<td>SDG 13:</td>
<td>• Climate Change and Greenhouse Gas Emissions</td>
<td>39-51</td>
</tr>
<tr>
<td>SDG 14:</td>
<td>• Emergency Preparedness and Response</td>
<td>30-32, 57-58</td>
</tr>
<tr>
<td>SDG 15:</td>
<td>• Community and Stakeholder Engagement • Process Safety and Spills • Regulatory Assurance • Water Management</td>
<td>30-32, 57-58, 58-59, 53, 55-56</td>
</tr>
</tbody>
</table>
These Voluntary Commitments inform our SR, Human Rights, and Security and Human Rights Policies. Hess’ SR Policy, for example, obligates us to demonstrate high standards of ethics and integrity and outlines our commitments to the communities where we operate and to our workforce. Our Human Rights Policy specifically prohibits child labor, forced labor and workplace harassment in our operations; it also covers key issues relating to our supply chain and community engagement. Our Security and Human Rights Policy sets forth guidelines governing the use of force by Hess employees and private security contractors engaged by Hess, when such security is needed. These policies are supported at the local level through training, toolkits and procedures specific to the needs of our operational locations.

In early 2018 we initiated a review of the company processes that support our Voluntary Commitments, to align them with our changed asset portfolio and risk profile. Later in this section we describe a refreshed approach to stakeholder engagement that facilitates integrated oversight of our Voluntary Commitments across the enterprise.

Organizational Structure
Hess’ External Affairs function provides a central SR support organization that coordinates resources with our assets and project teams. The support organization develops governance, reports company-wide social performance, provides technical and functional support to the assets and project teams, and provides assurance across these efforts. The asset and project resources report into the business line management structure and are responsible for developing and executing asset- or project-specific SR plans. SR activities are integrated and aligned between our central organization and global locations.

STAKEHOLDER ENGAGEMENT
In line with our purpose to be the world’s most trusted energy partner, we help deliver the energy the world demands – energy that is fundamental to advancing economic progress and improving living standards. We endeavor to partner as appropriate with resource owners, communities and stakeholders from across civil society to develop oil and natural gas resources in a manner that is environmentally and socially responsible. We prioritize safety, integrity and transparency and aim to treat all our stakeholders with respect. We actively seek out dialogues with stakeholders – specifically local communities, employees, contractors, suppliers, customers, industry members, governments and investors – to share our values, vision and goals and to seek feedback.

Stakeholder Planning and Engagement Process
In 2018 we completed a review and refresh of our enterprise-level stakeholder planning and engagement process, which is aligned with and included in the Hess Risk Management Standard. Based on the learnings from that review, we have been working to establish a clearer link between our stakeholder identification and engagement activities and the key external issues impacting each asset. Specifically, we have developed individualized External Affairs and Stakeholder Plans for each of Hess’ operated production locations (i.e., Denmark, Gulf of Mexico, North Dakota and North Malay Basin).

Each plan outlines a five-step process, as shown in the graphic to the right. The first step involves understanding the specific risks faced by each asset as identified in the asset-level risk register and heat maps and then prioritizing those risks to identify the issues that are the most important to Hess’ license to operate. In the second step, we establish documented internal accountabilities for managing each key issue – including identification of a Business Owner (i.e., an individual from senior management with accountability for the issue) and an Issue Manager or Managers (i.e., individuals responsible for managing the ongoing strategy and engagement to mitigate stakeholder impacts). In step three, each Issue Manager, with support from our External Affairs function, documents the relevant stakeholders, and then in step four outlines the engagement strategies for those stakeholders. The final step is monitoring and tracking the key issues, with updates to the Business Owner and, as required, other senior management at least twice a year.

Grievance Mechanisms
We believe that developing strong and transparent relationships with the communities in which we operate and addressing potential issues early – before they mature into more severe challenges – helps to avoid incidents. At the same time, formal grievance mechanisms provide
Collaborating with stakeholders helps us to identify opportunities for benefiting our host communities while improving our business and strengthening our license to operate. We engage with a wide range of external stakeholders – from local landowners and governments to community service agencies and indigenous groups. Recent examples of our stakeholder engagement activities are provided below.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>EXTERNAL STAKEHOLDER GROUPS</th>
<th>RECENT EXAMPLES OF ENGAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Users/Landowners</td>
<td>Residents, landowners, commercial land interests, farmers, ranchers</td>
<td>Continued to work through our Bakken grievance mechanism to increase communication with stakeholders. Conducted annual meetings with landowners. Continued monitoring of pipelines after construction to detect potential issues. Donated to Farm Rescue, a nonprofit that supports farming and ranching families in crisis in North Dakota and surrounding states.</td>
</tr>
<tr>
<td>Resources Users/ Rights Holders</td>
<td>Mineral rights owners, water rights owners and users, hunters/fishers/gatherers</td>
<td>Made additional improvements to our SMS so that landowners and mineral rights holders can more easily access forms and view their monthly payment details.</td>
</tr>
<tr>
<td>Governments</td>
<td>Local, regional and national authorities, national militaries, international governing authorities</td>
<td>Met with the U.S. Ambassador to Guyana. Hosted representatives of the Federal Reserve Bank of Minneapolis on a tour of our North Dakota operations. Also, hosted a group of North Dakota state government officials on a tour of our operations, including the Tioga Gas Plant and Tioga Rail Terminal. A Hess representative serves on the North Dakota Oil and Gas Research Council, a public–private partnership.</td>
</tr>
<tr>
<td>Direct Economic Interests</td>
<td>Investment partners, vendors and suppliers, contractors, unions, shareholders</td>
<td>In December 2018, held an Investor Day attended by over 450 participants, in person and via live webcast, to discuss Hess’ strategic priorities, portfolio and plans. Continued the Job Experience Training program in North Dakota, providing valuable work experience to students from Bismarck State College. Through our joint venture in Guyana, continued supporting the Centre for Local Business Development, to promote the establishment and growth of local businesses in that country. (See pages 24-25 for more on the latter two initiatives.)</td>
</tr>
<tr>
<td>External Business Interests</td>
<td>Chambers of commerce, industry organizations, local businesses, sustainability initiatives</td>
<td>A Hess representative joined the board of directors of the newly formed American Chamber of Commerce Guyana. Our President and Chief Operating Officer served on the board of directors for the Greater Houston Partnership. A Hess representative served on the executive committee of IPIECA. Leaders of Hess’ EHS and External Affairs functions actively participated in IPIECA and International Association of Oil and Gas Producers working groups and stakeholder engagement activities focused on topics such as social responsibility, water, climate change, EHS and sustainability reporting. Hess representatives serve on the advisory board for the University of North Dakota’s Petroleum Engineering Program; the executive committees and boards of directors of the American Petroleum Institute, the North Dakota Petroleum Council and the Louisiana Mid-Continent Oil and Gas Association; and the boards of directors of the Greater North Dakota Chamber of Commerce and the newly formed North Dakota Petroleum Foundation.</td>
</tr>
<tr>
<td>Special Interest Groups</td>
<td>Nongovernmental organizations, religious groups, cause-oriented nonprofits, community groups</td>
<td>Joined the Gulf of Mexico Alliance Gulf Star Program, which aims to invest in projects that support a healthy and productive Gulf of Mexico (see page 53). A Hess representative served on the board of the North Dakota Outdoor Heritage Fund, a governor-appointed position. In partnership with the YMCA in North Dakota, supported a Summer Unplugged program for kids, which involved once-a-week activities designed to provide an alternative to TV and computer screens.</td>
</tr>
<tr>
<td>Community Services</td>
<td>Local police/fire/emergency medical services, health care services, education, human service agencies</td>
<td>Conducted a joint emergency response drill with local emergency responders onboard an operations support vessel at our Tok Bali Supply Base in Malaysia. Hess employees assisted with the purchase and delivery of supplies – including 70 mattresses, bed frames and bedding donated by our employees – to help more than six dozen families who lost their homes to a tornado in Watford City, North Dakota, lessening the burden on local emergency managers. Participated in the Bakken Rocks CookFest, a family-friendly event that seeks to strengthen relationships between the local community and oil and gas operators.</td>
</tr>
<tr>
<td>Indigenous Groups</td>
<td>Formally recognized groups, tribal coalitions, government supporting agencies, indigenous advocacy groups</td>
<td>Supported Healing Horse Ranch on the Fort Berthold Indian Reservation in Parshall, North Dakota.</td>
</tr>
</tbody>
</table>
stakeholders with a means for sharing feedback with companies on their operational impacts, while also helping companies respond to and act on that feedback through an established process. Through the use of our grievance mechanisms, we aim to strengthen our relationships with communities and landowners and respond more effectively to their concerns.

The grievance mechanism we maintain for our Bakken asset in North Dakota, which was launched in 2015, accepts complaints (anonymously, if desired) through several access points, including via our Grievance Officer, Hess Owner Solutions team, North Dakota front desk staff and Surface Land team. We have reached out to community members through forums such as community meetings to share information about this grievance mechanism and explain how to contact us if they perceive a problem.

Through this mechanism we receive and address concerns relating to employee and contractor performance, behavior and activities toward external stakeholders. We may also receive feedback on workplace, procurement, supplier and EHS issues. The most commonly raised topics include issues such as road conditions, erosion, land reclamation, fencing, cattle guards and weeds. In 2018 we received 171 grievances through this process.

When alerted to a potential issue, the response team draws employees from various disciplines within Hess – such as EHS, drilling, completions, operations, maintenance, civil construction and human resources – that are best able to respond to the concern and reach a resolution. For example, safety concerns are forwarded to Hess’ EHS function; individual worker complaints are handled by Human Resources; and business integrity or ethics complaints are referred to our Code of Business Conduct and Ethics hotline. By engaging each discipline as appropriate, we escalate management of the grievance upward in the company as necessary to help resolve the issue.

We maintain an internal database – the stakeholder management system (SMS) – to track these grievances from start to completion. (The SMS also supports our stakeholder engagement process, described previously.) The response team strives to complete their investigation within 14 days of the original report and provide a response and/or resolution within 30 days. As a final step before closing a case, we contact the stakeholder to confirm they feel the issue has been adequately addressed. Trending data on grievances are reported upward to the Bakken Leadership Team, comprised of key senior decision-makers for the Bakken asset, as part of our regular operating rhythm.

As we continue to work toward the integration of formal grievance mechanisms at additional assets, we are relying on our existing manual tracking process at those assets to resolve issues in a timely manner. Separately, we maintain a grievance mechanism for landowners and mineral rights holders associated with our U.S. onshore assets. Specifically, we have a telephone hotline, webpage and email address through which these individuals can ask questions and share concerns and complaints. Our Owner Relations and Owner Support teams manage this system, and they use the SMS to track open issues and help ensure they are resolved. In 2018 these teams received and responded to nearly 17,000 emails and 2,800 phone calls, 4,326 of which developed into SMS cases to be tracked and addressed.

**SOCIAL RISK AND IMPACT MANAGEMENT**

When Hess enters a new country, commissions a new development or expands an existing facility, we engage with stakeholders to proactively identify, mitigate and manage aboveground risks that can impact our activities or the communities where we operate. As part of our strategic planning processes for...
these activities, we examine the social, political and reputational environment to identify nontechnical risks and mitigation activities. Where our operations are ongoing, we regularly conduct “heat map” reviews that take into account new and emerging risks and develop recommended mitigating actions.

We address human rights considerations throughout these processes, including during due diligence and social risk identification, mitigation and management. We also have a Security and Human Rights Toolkit that we utilize locally for training security personnel on human rights issues.

**Human Rights**

We remain committed to building trusted partnerships and treating all citizens with dignity and respect wherever we operate. Our strategy is to prevent human rights-related incidents by engaging with stakeholders to proactively address potential issues. The complex environments in which we operate present an opportunity to make positive and lasting contributions in the areas of governance, transparency, respect for rule of law, and social and economic development.

We have worked to align our business practices with our SR, Human Rights, and Security and Human Rights Policies. Human rights issues are analyzed at all phases of our business activities, beginning with new country entry. Hess is committed to educating our personnel on the importance of respecting human rights as well as raising internal awareness of best practices outlined in our Security and Human Rights Policy. Over the years, we have used our internal Global Security team or invited external experts to provide human rights training to our employees around the globe. In 2018, for example, we conducted human rights training in Malaysia.

We also utilize an online human rights training module for employees that explains the concept of human rights and why they are important for Hess, reviews our Human Rights Policy, offers guidance on integrating respect for human rights into employees’ daily work and provides directions on how to report suspected human rights violations.

**COMMUNITY BENEFITS AND CAPACITY BUILDING**

As part of Hess’ commitment to be a responsible corporate citizen, we aim to create positive, mutually beneficial relationships with our host communities. We focus on creating shared value in local communities and a favorable environment for our operations. At the local level, our assets create, maintain and implement strategic social investment programs tailored to each operation and community.

We evaluate our programs to confirm a balance of strategic investment and support of local organizations, which helps us evolve along with the changing development needs of the communities where we operate. Hess focuses on established partnerships with key organizations and projects best aligned with the business and social risks identified through risk assessments. We integrate this strategy into our business, enhancing investment visibility and leveraging volunteer opportunities for our employees.

Our social investment programs contribute to education improvement and work skill development, which are fundamental to sustainable economic growth. We also seek to identify opportunities in our supply chain to provide lasting economic benefit through local job creation.

In 2018 our social investments totaled nearly $6.9 million, with approximately $2.4 million going toward education projects.
SOCIAL RESPONSIBILITY

educational program managed by the Greater Houston Community Foundation. LEAP aims to keep at-risk middle school students in school and aspiring toward college or vocational training. After concluding a successful pilot in 2016, we launched LEAP 2.0 – an expanded, three-year program that engages students at three elementary schools, one middle school and one high school. Among other activities, the program gives books to elementary-aged students; offers a summer program for middle school students that focuses on science, technology, engineering and math (STEM); and provides college- and career-readiness training to high school students. New for 2018, we funded year-round internships for two students from the high school through the GenesysWorks program. Hess is contributing more than $700,000 annually to LEAP 2.0.

Improving Critical Infrastructure in Louisiana
The LA1 state highway in coastal Louisiana is the primary route for workers and supplies to reach Port Fourchon, which in turn is the jumping off point for moving those workers and supplies to offshore oil and gas platforms in the Gulf of Mexico. LA1 is also the only land-based hurricane evacuation route for Port Fourchon and nearby Grand Isle, a barrier island renowned for its fishing and birding habitat. Historically, the low-lying roadway has been impacted by storm surges during each hurricane season; for example, LA1 was closed for four days during Hurricane Isaac in 2012, which was a direct hit to the Louisiana coast. Currently, the roadway often floods even during lower-level storms.

Hess is a member of the LA1 Coalition, a public–private partnership composed of representatives from oil and gas companies, government agencies and the local community. The group has spearheaded efforts to replace a major portion of LA1 near Leeville, Louisiana, with a 19-mile bridge. Hess has contributed $300,000 to the project, which is now about half complete. Additional funding has come from other oil and gas companies and matching government grants, with the remainder to be paid through tolls from road users over the next 35 years. The new elevated roadway is expected to enhance emergency response capability and improve the evacuation route. In addition, beneficial sediment disposition to be performed during construction will create 100-plus acres of wetlands. For more information, see www.la1coalition.org.

Apprenticeships in North Dakota
In December 2018 our Job Experience Training (JET) program was recognized by the U.S. Department of Labor as an official Registered Apprenticeship Program – the first such program in North Dakota's oil and gas industry. JET is an apprenticeship for reliability operators developed by Hess in 2017, in collaboration with Bismarck State College, to develop local, qualified personnel in North Dakota. Through JET, apprentices are trained in our corporate culture and way of operating, and they “earn while they learn,” gaining job experience while pursuing their education. Since the program’s inception, 15 apprentices have entered the JET program, five have completed the apprenticeship and three have been converted to Hess employees. As a result of the Registered Apprenticeship Program designation, all JET apprentices will earn a U.S. Department of Labor credential formally recognizing their efforts.

Hess Toy Truck STEM Program in North Dakota
Hess collaborated with state education officials and the governor’s office to transform Hess toy trucks into teaching tools. The innovative program bundles our toy trucks with a STEM curriculum that was designed by Baylor College of Medicine’s Center for Educational Outreach. In January 2019 Hess shipped LEAP Program, Houston, Texas
24 toy trucks and STEM kits to each of the 336 elementary schools in North Dakota. The materials will help children learn about energy efficiency, kinetic energy and other STEM-related lessons.

**Malaysia Fulbright English Teaching Assistant Program**

In November 2018, Hess Malaysia was recognized as one of the top corporate citizens in the country by the American Malaysian Chamber of Commerce (AMCHAM) at the annual MY AMCHAM CARES event, which honors AMCHAM members that have shown a commitment to best practice in corporate social responsibility. Hess was commended for its sponsorship of and involvement with the Fulbright English Teaching Assistant (ETA) Program, which places graduating seniors from U.S. universities in underserved Malaysian secondary schools for 10 months. Administered by the Malaysian-American Commission on Educational Exchange in coordination with the Malaysia Ministry of Education, the Fulbright ETA Program helps Malaysian students improve their proficiency in English while also promoting goodwill between the ETAs, students, teachers and their communities. In 2018 Hess supported 10 Fulbright ETAs in Kelantan, Malaysia, who taught more than 5,000 students in the classroom and reached an additional 1,000 students in ETA-led “English camps.” Hess employees also contributed by volunteering at the English camps throughout the year.

**Capacity Building in Guyana**

Through our joint venture in Guyana via the operator, Esso Exploration and Production Guyana Limited, Hess is focusing on three key areas of social investment: spending with local suppliers, developing local resources and investing in the community. The joint venture supports a Centre for Local Business Development, for example, which aims to further the capabilities of local Guyanese businesses by helping them build their capacity and improve their competitiveness; providing opportunities for procurement, as well as mentoring, coaching and financial support; and providing information on safety and technical standards. In 2018 the Centre held training sessions for Guyanese residents on waste management, incident response, air-quality monitoring and other safety, security, health and environmental topics. The joint venture has committed a total of $4.5 million to the Centre over a three-year period. Also, more than 1,000 Guyanese are now employed in joint venture activities (either as direct employees or contractors), and the joint venture is using nearly 500 Guyanese vendors for goods and services, spending $58 million with Guyanese companies in 2018.
At Hess, our first priority is the safety of our workforce. Through our safety programs and practices, we seek to maintain a culture in which employees and contractors keep each other safe on the job, so that everyone across our operations returns home safe every day.

Our commitment to occupational and process safety begins at the top of our organization and is reinforced at every level. For example, we include key enterprise-wide safety metrics in our annual incentive plan formula for executives and employees. In July 2018 we held our 10th Global Safety Appreciation Day, an annual event that provides an opportunity for the Hess workforce to stop and reflect on safety issues and discuss how we can further embed safety in the Hess culture. And each year, our Chief Executive Officer and our President and Chief Operating Officer present awards for safety excellence to the Hess teams and individuals who exemplify outstanding safety performance.

In 2018 we completed more than 192,000 leadership site visits and safety observations, which we track as leading indicators of our safety performance. Also, in line with Hess’ commitment to Lean practices, we began the year with a “Go to Gemba” event to engage our workforce in conversations about safety, with a focus on our ongoing efforts to improve pre-job planning and job safety assessment tools and techniques. Gemba means “the real place” in Japanese and, in practice, “Going to Gemba” means having leaders from Hess visit our worksites to talk with workers to better understand safety challenges and reinforce our commitment to “everyone, everywhere, every day, home safe.” When a site’s workforce includes contract workers, managers from our contractor companies will often accompany our leaders on these visits.

Also in 2018 we refreshed our safety leadership training program so that it more precisely aligns with our operations. We brought the program in-house so that the content could be developed by internal Hess personnel, address specific Hess expectations and processes and be delivered to frontline leaders by our own asset operations and Environment, Health and Safety (EHS) staff. Throughout 2019, we will schedule workshops in our Bakken region to train over 200 frontline leaders to be safety role models. A member of the Bakken Leadership Team will be designated to attend the kickoff session for each class to demonstrate leadership support, set expectations and model the behaviors outlined in the workshop. Content developed under the refreshed program will then be rolled out to other assets using a phased approach.

**MANAGEMENT APPROACH**


For the past several years, we have been working to formalize and standardize many of our EHS practices across the company through our global EHS standards project. Hess’ safety standards and procedures address key areas of safety risk – such as energy isolation, dropped objects and confined space entry – and promote leadership, awareness, consistency and accountability across all levels of the organization. We also have a set of seven basic global requirements for safe work practices that we call the Hess Rules. In 2019 we will work toward updating and expanding these rules, which were first introduced in 2011, so they align with the newly completed EHS standards.

Through our EHS assurance program, we review conformance with our external and internal obligations, including regulations, policies, standards and procedures. The program operates in three tiers, as shown in the figure below. At the Tier I level, and as an independent assurance and consulting function, Hess Corporate Audit conducts annual EHS audits and consulting services following a risk-based plan that covers various EHS topics, including occupational safety and health; drilling, completions and production process safety; and management of environmental impacts. Corporate Audit’s
Highlights of Local Safety Performance

The real test of our safety programs is how thoroughly and effectively they are implemented each day at the local level – and whether they correlate to strong safety performance. The following are some examples of outstanding safety performance across our assets.

In Malaysia, Hess’ Tok Bali Supply Base has been operational for three years and has never had a lost time injury. The supply base, which provides logistics support for our North Malay Basin offshore production operations, has had a rigorous EHS program from the start - including monthly safety and health committee meetings and weekly and monthly hazard hunts, among other activities.

In addition, our North Malay Basin asset operated between May 2017 and July 2018 with no injuries of any kind. That means that more than 400 days and 3.3 million workhours – often involving high-risk activities, including construction, production, offshore hookup, commissioning and drilling – were completed without injury. In early 2018 Hess Malaysia was given an award from the national oil and gas company PETRONAS for Best Drilling HSE Performance in Malaysia.

In the Gulf of Mexico, the Paul Romano – a semisubmersible rig operated by Noble and performing drilling operations at multiple Hess leases – achieved notable safety metrics in its last two-and-a-half-year tenure for Hess. The rig experienced no severe safety incidents in 2016, 2017 or 2018; no recordable incidents in 2017 or 2018; and no dropped object incidents in 2018. Hess credits teamwork, leadership, alignment and collaboration between Hess and Noble for this performance.

The Gulfstar 1 production platform operated by Hess in the Tubular Bells Field (Gulf of Mexico) achieved two years without a recordable incident as of September 2018. The platform’s safety team met with representatives from other Hess assets in the region to share their experience and the daily practices that enabled them to achieve this safety record. In particular, the team highlighted the importance of good communication and attitudes among crewmembers, as well as a readiness to use stop-work authority.

Finally, in North Dakota, our Subsurface Maintenance, Reliability and Integrity (MRI) team achieved its lowest total recordable incident rate in three years in 2018, while also reducing losses of primary containment by 75 percent. This result was facilitated by developing and implementing standard work instructions (SWIs). SWIs describe the sequence of steps needed to do a particular task correctly and safely. They are an example of Lean processes in action, and are used as a baseline for continuous improvement. The Subsurface MRI team, which is responsible for 22 workover rigs and 15 separate contractor companies, built the SWIs from the ground up, with contractor input and involvement, and continually refines them as new lessons are learned.

The real test of our safety programs is how thoroughly and effectively they are implemented each day at the local level – and whether they correlate to strong safety performance. The following are some examples of outstanding safety performance across our assets.

In Malaysia, Hess’ Tok Bali Supply Base has been operational for three years and has never had a lost time injury. The supply base, which provides logistics support for our North Malay Basin offshore production operations, has had a rigorous EHS program from the start - including monthly safety and health committee meetings and weekly and monthly hazard hunts, among other activities.

In addition, our North Malay Basin asset operated between May 2017 and July 2018 with no injuries of any kind. That means that more than 400 days and 3.3 million workhours – often involving high-risk activities, including construction, production, offshore hookup, commissioning and drilling – were completed without injury. In early 2018 Hess Malaysia was given an award from the national oil and gas company PETRONAS for Best Drilling HSE Performance in Malaysia.

In the Gulf of Mexico, the Paul Romano – a semisubmersible rig operated by Noble and performing drilling operations at multiple Hess leases – achieved notable safety metrics in its last two-and-a-half-year tenure for Hess. The rig experienced no severe safety incidents in 2016, 2017 or 2018; no recordable incidents in 2017 or 2018; and no dropped object incidents in 2018. Hess credits teamwork, leadership, alignment and collaboration between Hess and Noble for this performance.

The Gulfstar 1 production platform operated by Hess in the Tubular Bells Field (Gulf of Mexico) achieved two years without a recordable incident as of September 2018. The platform’s safety team met with representatives from other Hess assets in the region to share their experience and the daily practices that enabled them to achieve this safety record. In particular, the team highlighted the importance of good communication and attitudes among crewmembers, as well as a readiness to use stop-work authority.

Finally, in North Dakota, our Subsurface Maintenance, Reliability and Integrity (MRI) team achieved its lowest total recordable incident rate in three years in 2018, while also reducing losses of primary containment by 75 percent. This result was facilitated by developing and implementing standard work instructions (SWIs). SWIs describe the sequence of steps needed to do a particular task correctly and safely. They are an example of Lean processes in action, and are used as a baseline for continuous improvement. The Subsurface MRI team, which is responsible for 22 workover rigs and 15 separate contractor companies, built the SWIs from the ground up, with contractor input and involvement, and continually refines them as new lessons are learned.

annual plan is reviewed and approved by the Audit Committee and EHS Committee of Hess’ Board of Directors, while the audit results are reported to and reviewed by the EHS Committee. At the Tier II level, working collaboratively with Hess assets, subject matter experts and technical authorities conduct assessments to evaluate conformance with corporate and asset EHS standards and procedures, as well as with regulations, and assist the assets in addressing identified improvement opportunities. The Tier III level constitutes routine self-assessments by assets against corporate EHS standards, corporate and asset-level procedures, and regulations.

In 2018 Hess’ Corporate Audit function conducted Tier I EHS audits and consulting activities in accordance with the Board-approved plan for the year. Based on asset requests, Hess subject matter experts also completed various Tier II assessments in 2018. At the Tier III level, self-assessments in the form of behavioral safety observations, leadership site visits, hazard observations, drilling rig inspections, and other reviews occurred throughout the year.

Managing change in people, equipment and processes is another important way that we address safety risks. As part of the company’s restructuring that took place in 2018, we followed a formal management of change process to help ensure that the roles and responsibilities of safety-critical personnel were assessed and actions implemented to address identified gaps.

OCCUPATIONAL SAFETY

Hess emphasizes a culture of ownership over occupational safety by tasking workers with identifying and mitigating the safety issues most relevant to their operations.

Our Behavioral Safety Observation Program (BSOP), for example, has helped to reinforce our global safety performance objectives by training workers to conduct peer-to-peer workplace observations in order to identify and trend safe and at-risk behaviors. Immediate feedback is given to workers who have been observed, and behavioral trends are analyzed to identify broader organizational improvement opportunities.

Behavioral safety programs have been in place at our U.S. onshore assets since 2011, and best practices developed at those assets were codified into Hess’ enterprise-wide BSOP Standard in 2017. In the Gulf of Mexico region, we implemented the standard at the Hess-operated production platform in the Tubular Bells Field in 2017 and at the Hess-operated production platforms in the Baldpate and Stampede Fields in 2018. The program promotes a continuous and collaborative sharing of best practices and safety information across Hess assets in the Gulf of Mexico region. In 2019 we plan to implement the program at our operated assets in Denmark and Malaysia.
Transportation is another key focus of our occupational safety efforts at Hess. We address land, aviation and marine safety through a variety of programs.

Hess’ Land Transportation Standard outlines the three pillars of land transportation safety at Hess: driver training and competency, the use of in-vehicle monitoring systems for company-owned vehicles, and journey management planning. Hess workers take proactive driver training prior to the first time they operate a motor vehicle on company business, with refresher training required every three years. Our key contractors are required to comply with Land Transportation Safety Recommended Practice, Report No. 365, published by the International Association of Oil and Gas Producers (IOGP).

Our Land Transportation team publishes weekly safety bulletins that address key topics, such as distracted driving, safe parking and safety technology. These bulletins are also provided to many of our contractors.

In 2018 we updated the in-vehicle monitoring systems in all Hess-owned vehicles. These updated systems monitor driver performance in greater detail than prior systems and provide real-time feedback to drivers. This feedback has correlated with overall improved performance in our main land transportation metric, which includes driver acceleration, deceleration and time over speed.

Hess’ aviation safety program is based on our Corporate Aviation Safety Management System and our EHS & SR Management System Manual. Our aviation standards and procedures frequently exceed national regulations in our countries of operation, and we regularly conduct aviation contractor safety audits, site visits and readiness reviews to monitor the safe operation of aircraft used to support our operations. While our aviation contractors have experienced no Hess-related aviation accidents or injuries in more than 25 years, we continuously work with these contractors to further reduce risk. Through these efforts, over the past five years our aviation contractors have moved more passengers with fewer flights, reducing the number of flights supporting our operations by 35 percent and overall flying hours by 25 percent.

Our approach to marine transportation safety is addressed under the Contractor Management heading later in this section.

Key Performance Metrics
Based on our total recordable incident rate (TRIR) of 0.24 in 2017, which was the best in our company’s history, we set a 10 percent improvement target for 2018. Unfortunately, we observed an increase in our TRIR, with a year-end result of 0.31, and did not achieve our target. This upward trend was primarily driven by an increase in our contractor incident rate.

We did, however, achieve a historical best rate in one of our other key safety metrics, our severe safety incident rate, which incorporates incidents that have the potential to result in severe consequences. This was supported by a decrease in severe dropped object incidents in 2018, which comprised the majority of our severe incidents in 2017. We experienced no lost time incidents among employees in 2018, and our workforce lost time incident rate was the same as in 2017. Also in 2018, there were no workforce fatalities among either employees or contractors.

We believe that tracking leading safety indicators – such as near-miss incidents that have potential high/severe consequences – is as important as tracking lagging indicators to improve safety performance. We require that information concerning near-miss incidents be reported internally and recorded into our incident management system. Hess’ enterprisewide annual incentive plan metrics include a target aimed at reducing the rate of severe safety incidents, which includes near-miss incidents with potential near-miss incidents with potential high/severe consequences.
SAFETY AND HEALTH

PROCESS SAFETY

Hess’ process safety program aims to prevent unplanned or uncontrolled loss of primary containment of any material, including materials that are nontoxic and nonflammable (e.g., steam, nitrogen, compressed air), that could result in an incident such as an injury, fire, explosion, toxic release or environmental impact. Our efforts focus on understanding and identifying key points within process safety systems that could impact integrity and the safe and proper operation of equipment, as follows:

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

Key Initiatives

Across Hess operations, our approach to process safety involves identifying, managing and mitigating risks. We do this by raising awareness of risks among our workforce, providing strong safety leadership and maintaining a commitment to continuously improving our process safety procedures, systems and standards.

In 2018 we built on the outcome of the enterprisewide assessment of our process safety systems, which was completed in 2017. The assessment was designed to identify improvement opportunities directly relevant to each asset, as well as systemic, enterprisewide opportunities. One of the actions that resulted from the assessment is to standardize and build upon the competency assurance and training (CAT) programs that have already been implemented at several of our assets to define, assess and develop workforce competencies. Standardization of these programs will allow us to have common competency assessment and training programs as well as a common electronic competency management system. In mid-2018 we kicked off what is expected to be a multiyear process to standardize our approach to CAT for safety-critical positions across the enterprise and link it to the Hess Operational Management System (HOMS). (See the How We Operate section for more on HOMS.)

Another strategy we have pursued to minimize process safety risk is to enhance our integrity management program. Our assets have identified integrity critical equipment (ICE), which acts as a barrier for the occurrence of incidents through isolation, containment, prevention, detection, control, mitigation or emergency preparedness and response within our facilities. We have established ICE performance standards, which set specific expectations and criteria for inspections and maintenance that help to ensure each ICE barrier is effective, and we have substantially completed maintenance and testing plans for individual pieces of ICE. To build on our efforts from prior years, we included a target in our 2018 annual incentive plan to measure whether maintenance on ICE was scheduled and performed as planned. We surpassed our target of 98 percent by completing more than 9,200 critical maintenance work orders.

“Barrier thinking” also continues to be a key part of our ongoing process safety efforts. Barrier thinking involves understanding the role of barriers in relation to hazards, threats, events and consequences. In 2018 we continued to use “bow tie” diagrams to help employees and contractors visualize threats, barriers and consequences. During the year we used bow tie models within our Gulf of Mexico organization to test awareness of the presence, use and effectiveness of...
barriers (both preventative and mitigative) designed to guard against major accidents. We expect to complete bow tie project implementation at our North Malay Basin asset in 2019.

**Key Performance Metrics**

Hess collects information on process safety key performance indicators (KPIs) pursuant to the IOGP’s Process Safety — Recommended Practice on Key Performance Indicators, Report No. 456, November 2018. Categorized as Tier 1 and Tier 2 KPIs, these are reported at an enterprisewide level in both internal and external reports.

Our goal has been to continually reduce our number of process safety events (PSEs), and in 2018 we achieved that goal for the fourth consecutive year. We experienced three Tier 1 events in 2018, compared with seven in 2017. Likewise, we had 10 Tier 2 events in 2018, down from 22 in 2017. This positive trend reflects the significant effort we have put into developing and implementing process safety systems and programs within our operations.

Hess also tracks Tier 3 and 4 KPIs, which are leading process safety indicators primarily designed to monitor risk control systems and process safety barriers at the facility, asset or enterprise level. We use these KPIs to support continuous improvement at particular facilities or within company systems. For instance, our global Drilling and Completions team tracks Tier 3 KPIs specific to its operations, such as well control system performance and loss of power events. An example of a Tier 4 KPI is the execution of required maintenance on ICE, which was an indicator added to the 2018 annual incentive plan bonus calculation for employees.

**EMERGENCY PREPAREDNESS AND RESPONSE**

At Hess, our safety programs are designed to help prevent incidents from occurring. However, we also diligently prepare to respond effectively to any emergency that may occur. We regularly participate in emergency preparedness and response exercises with our employees and key stakeholders, including our contractors, ranging from notification drills (in which personnel practice the communication protocols required in case of an emergency) to full-scale equipment mobilization exercises. In the event of an incident, Hess’ emergency preparedness and response program is designed to respond to actual or threatened injuries to people, spills and releases to the environment, damage to our assets and impacts to the company’s reputation – in that order of priority.

Preparedness at Hess involves our response organization (illustrated below), engagement with officials and communities, emergency facilities and response plans. We hold trainings and, as mentioned previously, exercises to define and clarify roles, responsibilities and resources. Continuous improvement is an essential element of our Emergency Preparedness and Response Standard by which we incorporate lessons learned from incidents and exercises into our preparedness planning, training and future exercises.

**HESS EMERGENCY RESPONSE ORGANIZATION**

<table>
<thead>
<tr>
<th>IST</th>
<th>Incident Support Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMT</td>
<td>Incident Management Team</td>
</tr>
<tr>
<td>ERT</td>
<td>Emergency Response Team</td>
</tr>
</tbody>
</table>

**Baldpate Life Extension**

In 2018 the Hess-operated production platform in the Baldpate Field of the Gulf of Mexico (Baldpate) reached its 20-year design life – that is, the time period over which it was expected to function without any major repairs or replacements. Back in 2012, well in advance of this deadline, Hess engineers and contracted, independent experts began an intensive structural integrity assessment of Baldpate. Our goal was to provide assurance to BSEE that we could continue to operate the facility after 2018 in a manner safe for our workers and the environment.

Life extension for Baldpate was a complex process, as the platform sits in 1,600 feet of water and is one of only five structures like it in the world. The integrity assessment involved extensive computer finite-element modeling and analysis based on 17 years of environmental data collected by accelerometers placed on the platform when it was first built, as well as observational data collected by remote-operated vehicles underwater.

Ultimately, the assessment showed that the Baldpate platform design is structurally robust and can be safely operated through the projected end of its economic life (i.e., about another 25 years). Another key outcome of this multiyear effort was, in coordination with BSEE, the development of a best-in-class, risk-based structural integrity management and monitoring program for Baldpate and our other assets in the Gulf of Mexico.
SAFETY AND HEALTH

As an example of our ongoing efforts at the local level, our Bakken asset held two equipment mobilization exercises in 2018 in North Dakota. Both drills involved deploying oil spill containment booms on Lake Sakakawea, to ensure key personnel knew how to effectively and accurately use the booms and all associated equipment in case of a spill that threatened a water body. Separately, our Bakken asset also held a tabletop exercise to test our North Dakota Business Continuity Plan, working through the steps that would be undertaken in the event of a tornado passing through our Tioga Office Complex.

At our Gulf of Mexico asset in 2018, the asset’s Incident Management Team focused on enhancing communication between team members and better understanding each other’s roles by instituting a weekly briefing. The briefings consist of a “role call” to confirm all Incident Management Team roles are accounted for, an operations briefing to discuss any high-risk activities or conditions (such as inclement weather), an equipment check to confirm members understand what tools are at their disposal during a response, and a training session to help maintain member competencies. Members of the Gulf of Mexico Incident Management Team also visited some of our partner oil spill recovery and response organizations to observe oil spill recovery equipment and offshore vessel operations. This gave the team a better understanding of the use and limitations of the equipment, if it were ever to be deployed.

Cross-Industry Collaboration on Contractor Training

Around the globe, oil and gas operators working in the same regions often utilize the same contractor companies, requiring employees at those companies to go through similar safety orientations – often multiple times per year. To minimize that redundancy and reduce associated inefficiencies and costs, Hess and others in the industry have increasingly been working together to standardize and share contractor safety orientations. In 2018 we made progress on such efforts in North Dakota, the Gulf of Mexico and Malaysia.

In North Dakota, the safety committee of the North Dakota Petroleum Council (NDPC), of which Hess is a member, began developing a Bakken-wide standardized contractor safety orientation program called One Basin – One Way. The committee is currently gathering orientation curricula from the 12 participating operators to determine core needs for the program. Once a common curriculum is established, it is anticipated the NDPC will contract with appropriate safety training providers and then commence the program. Those trained through the program will be given a card, similar to a driver’s license, that will identify them as ready to work in the Bakken. The orientation sessions are expected to begin in 2019.

Similarly, Hess Malaysia is part of an industrywide initiative led by the Malaysian national oil company, PETRONAS, to develop pan-Malaysian standardized EHS training requirements, which are expected to be recognized by all operators in Malaysia. Hess has been appointed by PETRONAS to lead the development of a workstream on defensive driving. The syllabus and specific requirements for this workstream have been agreed to by the relevant committee, and Hess is now leading an assessment of training provider centers. We expect these trainings will be underway once approval has been granted by the initiative’s Standardization Committee.

In the Gulf of Mexico, we worked with eight other operators in 2018 to increase consistency in the minimum safety requirements for contractors working in the region. Specifically, the group jointly developed a protocol for skills and knowledge verification for contractors. The protocol is now being used to verify compliance with regulatory training requirements within the common industry safety database we utilize to manage our contractor data.

CONTRACTOR MANAGEMENT

Contractors comprise nearly 70 percent of our total workforce hours and perform key tasks in our operations. Our EHS Management System addresses contractor capabilities and competencies, and, as part of this framework, we have implemented a Contractor Management Standard at most of our assets. In 2018 we continued implementation of the Contractor Management Standard across our international assets, as well as development of asset-specific procedures.

Our Contractor Management Standard includes requirements for both current and potential new contractors to whom the standard applies. For example, we use a recognized industry safety database to standardize our prequalification processes across multiple sites for our U.S. operations. This enables us to more clearly communicate requirements and expectations to our contractors and share information more efficiently across Hess operations. We also audit contractors to verify compliance with their own EHS programs and local, state and federal requirements as well as applicable industry standards and best practices.

In addition, new contractors working on Hess-controlled worksites must take part in an enhanced onboarding process.

Our contractor management process gives contractors a letter grade based on factors such as past EHS performance and existing safety management systems. If a contractor receives an unsatisfactory grade based on EHS criteria, the asset vice president or director must endorse a safety improvement action plan before that contractor may be approved for procurement or provide services on a Hess-controlled work location. If an operational situation (such as an emergency) requires the use of a
contractor that has not completed the prequalification process or that has received an unsatisfactory EHS grade, the asset vice president or director must approve the use of the contractor, and asset management must provide increased oversight.

For the evaluation of marine contractors and vessels, we use our enterprisewide marine assurance framework as well as the Offshore Vessel Management and Self-Assessment program, a tool developed by the Oil Companies International Marine Forum. This program helps to ensure a clearer and more consistent communication of our needs and expectations to our marine contractors and enables us to review the qualifications of marine contractors from around the world using an internationally accepted, standardized approach. Also as part of the program, we rate our marine contractors’ performance and use the resulting scores to determine where improvement plans may be needed.

HEALTH AND WELLNESS
We continue to look for ways to help our employees and contractors stay healthy on and off the job. We provide annual on-site flu vaccines, first aid and cardiopulmonary resuscitation training, and health and wellness fairs for our workforce. Our health and wellness fairs bring local vendors directly to workers during business hours and provide many options for improving personal health, including meal plans developed by a nutritionist, exercise programs shared by personal trainers and outdoor events to increase physical activity.

We maintain a random drug and alcohol testing program for employees and select contractors at our U.S. facilities. This effort includes the management of regulatory drug testing programs required by the U.S. Department of Transportation and U.S. Coast Guard. In early 2018 we approved a Drug and Alcohol Testing Standard, which updates and expands upon our prior Drug and Alcohol Procedure.

Health risks are considered as technologies in drilling and operations evolve. In North Dakota, Hess has worked with the National Institute for Occupational Safety and Health (NIOSH) – a branch of the federal Centers for Disease Control and Prevention – to stay abreast of changes to regulations and trending health topics and to promote the health of workers. In 2018 NIOSH conducted in-depth, on-site studies at Hess locations on occupational health and industrial hygiene topics, including, for example, taking a comprehensive look at the presence of chemicals in the atmosphere at a worksite from start to finish of a drilling operation. Separately, Hess’ industrial hygienist studied reliability operator job tasks, looking at the use of solvents and common oilfield chemicals in our operations to better understand potential exposures from such use. These types of studies help Hess continue to improve work practices, raise awareness among oilfield workers of potential hazards, and find and promote ways of reducing risks in our operations and throughout the industry.
The heart of our company is our employees, and the culture in which they work each day is critical to our success. We are deliberate in shaping our work environment, focusing on quality leadership, continuous learning, employee engagement, and diversity and inclusion.

The execution of Hess’ strategy has required significant changes in recent years, including the reshaping of our portfolio and a reduction in our workforce. In keeping with our imperative to remain an employer of choice, we have engaged our workforce during this transition through a new initiative called Life at Hess, which is discussed in more detail later in this section.

EMPLOYEE DEMOGRAPHICS
Hess began last year with 2,075 employees, and as of December 31, 2018, we had 1,708 employees. At year’s end, approximately 86 percent of employees were located in the U.S. and 14 percent were in international locations.

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

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

Hess’ Inclusion and Diversity Council provides executive leadership and direction to our hiring, work environment and development activities.

Internally, we are committed to fostering an inclusive work environment where each person is a valued team member who continually learns and grows. Our Life at Hess initiative, for example, is helping us to consider the various elements that create a high-quality experience for employees, and we continue to refine our policies to promote a flexible and dynamic work environment in which a diverse and multigenerational workforce can thrive. In 2018 we piloted Unconscious Bias training for our Houston-based senior leaders and Human Resources professionals, to highlight the natural biases we all have and equip us to think and act more inclusively. In 2019 we are expanding this training to all of our U.S. and international locations.

Externally, we support professional organizations that are helping make our industry more diverse. In 2018, for example, our outreach efforts included engagement with organizations such as the National Business & Disability Council at the Viscardi Center, the National Diversity Council, the U.S. Business Leadership Network, the National Action Council for Minorities in Engineering, the Women’s Energy Network (WEN), Lean-In Energy, the Society of Women Engineers and the Veteran Jobs Mission. We also continue to support additional membership-based organizations that promote a diversity of expression and thought.

The proportions of our female and minority employees – as defined by the U.S. Department of Labor – decreased slightly from 2017 to 2018.

### 2018 Employees by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>1,475</td>
<td>86%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>140</td>
<td>8%</td>
</tr>
<tr>
<td>Europe</td>
<td>90</td>
<td>5%</td>
</tr>
<tr>
<td>Africa</td>
<td>3</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

### 2018 Women and Minority Representation

#### WOMEN (U.S. AND INTERNATIONAL)

<table>
<thead>
<tr>
<th>JOB CATEGORY</th>
<th>Total Employees</th>
<th>Number of Women</th>
<th>Percent Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives and Senior Officers</td>
<td>31</td>
<td>5</td>
<td>16%</td>
</tr>
<tr>
<td>First and Mid-Level Managers</td>
<td>435</td>
<td>90</td>
<td>21%</td>
</tr>
<tr>
<td>Professionals</td>
<td>816</td>
<td>266</td>
<td>33%</td>
</tr>
<tr>
<td>Other</td>
<td>426</td>
<td>79</td>
<td>19%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,708</td>
<td>440</td>
<td>26%</td>
</tr>
</tbody>
</table>

#### MINORITIES (U.S.-BASED EMPLOYEES)

<table>
<thead>
<tr>
<th>JOB CATEGORY</th>
<th>Total Employees</th>
<th>Number of Minorities</th>
<th>Percent Minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives and Senior Officers</td>
<td>30</td>
<td>3</td>
<td>10%</td>
</tr>
<tr>
<td>First and Mid-Level Managers</td>
<td>360</td>
<td>66</td>
<td>18%</td>
</tr>
<tr>
<td>Professionals</td>
<td>707</td>
<td>188</td>
<td>27%</td>
</tr>
<tr>
<td>Other</td>
<td>378</td>
<td>63</td>
<td>17%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,475</td>
<td>320</td>
<td>22%</td>
</tr>
</tbody>
</table>

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

We remain committed to fostering the professional growth of women and minorities at Hess. As an example, Women Inspiring Success and Excellence (WISE) – a Hess networking group that grew to three chapters (Houston, New York and North Dakota) by year-end 2018 – has a vision to “help promote and cultivate leadership skills, business practices, career opportunities and personal contacts for women.” In 2018, WISE relaunched as a “Lean-In Circle,” utilizing workshop modules from Lean-In Energy, the newly formed industry chapter of the national organization based on Sheryl Sandberg’s bestselling book, Lean In. To underscore our commitment to gender equality, our Vice President, Offshore became a member of Lean-In Energy’s board of directors, and Hess was a sponsor of its new web-based mentoring platform. Our relationship with the Lean-In organization provides Hess employees with external opportunities for enrichment, development, networking and mentoring.

Also new for 2018, we provided employees at all of our U.S. locations with a corporate membership to WEN; we sponsored WEN’s annual science, technology, engineering and mathematics (STEM) Charity Luncheon in Houston; and we took part in the Forum on Women in Energy 2018 held in Kuala Lumpur, Malaysia. The forum was organized by the Malaysia Women in Energy group, in collaboration with the Malaysian Gas Association.

In keeping with our aim to foster diversity and cultivate leadership, we employ a high number of local nationals in our international operations and report publicly where the number of employees is 100 or more. Overall, the percentage of local nationals, as well as the proportion of nationals holding managerial or professional positions, has increased significantly at our international operations over the past five years. For example, the percentage of local nationals increased from 87 to 99 percent in Denmark and from 74 to 90 percent in Malaysia during this period.

TALENT MANAGEMENT
Hess takes a strategic and deliberate approach to talent development across the enterprise. We work to ensure that all employees receive development opportunities, and we continue to identify and grow future leaders.

CareerManager, our human resources system, provides a common platform to manage talent development and offers a range of development tools. In 2018 we greatly simplified the electronic forms we use to assess performance and create individual development plans. We also introduced a streamlined approach to tracking performance feedback in CareerManager called Performance Notebook, which enables employees and managers to record the outcomes of real-time performance feedback and development conversations.

Integrating Lean as a Way of Working
In 2018 we continued to advance our goal of establishing a distinctive Lean culture across the enterprise. Our Hess Way of Working competencies outline multiple expectations for employee and leadership behavior that support Lean operating principles, organized around People, Direction and Results. Employees are encouraged to participate in training and engage in coaching and mentoring to support their development. Embedded Lean leaders – employees who are highly trained in this area – help ensure we put Lean principles into practice effectively.

Learning and Development
Hess supports continuous learning for the entire workforce. Our enterprise-wide learning management system – CareerManager Learning – houses computer-based training modules and supporting materials for instructor-led courses. It also tracks and records employee training and measures training effectiveness through surveys and evaluations.

In 2018 we launched our new Professional Development Program, building on a 2017 pilot. Among the practical skills employees learn in this new program are how to give presentations, manage projects, master new software and be a better supervisor. These classroom-based courses are offered in Houston on a regular basis and in other Hess locations based on employee need.

Throughout the year, individual operating and support functions within Hess encourage knowledge-sharing through “lunch and learns” and other informal gatherings. Employees also regularly engage with trade associations, attend conferences and enroll in external courses.

New Hires and Early-Career Programs
Employees new to Hess benefit from our onboarding and orientation program, Passport to Hess. This program is designed to facilitate a smooth assimilation into the company through close interaction between supervisors and new employees. The experience begins with access to a pre-hire portal that enables new employees to learn about their work location prior to their first day on the job. After beginning their jobs at Hess, employees can access a structured, on-demand learning program that explains our culture and values. In addition, supervisors receive tools and coaching to guide them in helping new hires successfully integrate into their work teams. The Passport to Hess program intersects with our employee engagement activities (discussed on the next page) to help new hires get to know our senior leadership.
Early-career engineers and geoscientists can also take part in our Foundation Program, which helps prepare them for their careers through focused training, mentoring and on-the-job assignments. The Foundation Program maintains relationships with universities that align with our values, standards and business operations. As a part of our commitment to education in the engineering and geosciences fields, Hess leaders serve as members of the academic advisory committees of some of these universities.

**BENEFITS**

Hess provided more than $91 million in benefits to our U.S. employees in 2018. During the year, we also restructured some of our benefit offerings as part of a long-term strategy to improve service and value for employees. We increased employee awareness of company-provided rewards through a new Total Rewards Portal and introduced more options in our savings plan to encourage retirement readiness. We also introduced new and improved short-term disability, long-term disability, maternity, and paid parental and family leave policies. We enhanced our employees’ user experience by moving the administration of our health savings account to the same financial platform as our savings and pension plans and our employee stock ownership programs.

And, we continued to provide seminars on financial and health-related wellness topics.

Finally, in celebration of our company’s 85th anniversary, every employee below senior executive level was granted 85 shares of Hess stock in 2018 – a gift intended to reward employees and engage them in the future success of the company.

**EMPLOYEE ENGAGEMENT**

Hess regularly shares information with and solicits feedback from employees about our business performance, programs and processes. We use a range of engagement tools, including one-on-one and small-group discussions, focus groups, town hall meetings and interactive webcasts. We also utilize the company intranet and digital signage at our major locations to share information in a timely manner, and we conduct regular pulse polls to learn how we should check and adjust our internal communications.

For example, our Chief Executive Officer and our President and Chief Operating Officer host small-group sessions, called Leadership Dialogues, to discuss enterprise opportunities and challenges. In 2018 Hess convened 34 Leadership Dialogue sessions at our Houston operational headquarters and at our regional offices in North Dakota and Malaysia, reaching more than 530 employees.

In 2018 we held three global town hall meetings that were webcast to offices and offshore platforms in the U.S., Europe and Asia. Many more were held locally in Denmark, Houston, Malaysia and North Dakota. We use town halls to provide updates on business priorities and performance, reinforce strategy and values, share information about upcoming activities and answer questions from our workforce.

As part of our Life at Hess initiative, 32 focus groups were conducted to help assess our employee value proposition and identify areas of strength and opportunity. More than 15 percent of our employees at nine locations around the world participated in the dialogue about rewards, career, culture and company reputation.

After completing the focus groups, we made several changes in 2018 to help support and amplify our employees’ work – in the office and in our communities. We enhanced our Volunteer Policy, to formally allow employees, with manager approval, to participate in company-sponsored volunteer events during business hours, as well as our Matching Gifts and Volunteer Grants Policy, so that employees can request matching gifts of up to $5,000 annually for personal donations and up to $500 annually for qualified charities they support on their own time. Previously, matching gifts were only available for educational charities; now the list is much broader.

We continue to make a lasting, positive impact on our communities through volunteering and giving. We designated the month of October in Houston as our Season of Giving – a time to bring all of our resources together to help those in need, with a special focus on our adopted “Hess Neighborhood,” the area around our Houston operational headquarters. The campaign raised more than $325,000 (in employee donations plus company match) and included nearly 1,000 hours of volunteer time. As part of this effort, employees sorted 30,000 books for 10 elementary schools and donated 500 pounds of canned food to the Houston Food Bank to feed the homeless. All told in 2018, our employees spent nearly 6,500 hours volunteering and donated more than $240,000 through our matching gift program.

---

**Hess Houston Corporate Run**

In 2018, Hess became title sponsor of the Hess Houston Corporate Run, a 5K event held at Memorial Park that raised $60,000 for the Memorial Park Conservancy through registration and sponsorship revenue. More than 150 companies and 4,150 people, including 191 Hess employees, participated in the event. The Memorial Park Conservancy maintains and manages Memorial Park in a public-private partnership with the Houston Parks and Recreation Department.
EXTERNAL ENGAGEMENT

We engage with key stakeholders – including government agencies, investors, private landowners and communities – on select issues, including climate change, and we will continue to communicate our performance on these topics in our annual sustainability report and the sustainability section of our company website.

Hess is an active member of IPIECA on sustainable development issues such as climate change, biodiversity impacts and access to energy – issues that are too complex for individual companies to tackle alone. IPIECA represents its members by engaging with stakeholders and governments on climate change-related topics. It enables collaborative work with stakeholders by promoting an understanding of the key role the oil and gas industry should play in providing innovation, global reach, knowledge and technical expertise to help develop and implement feasible future energy solutions.

Hess has consistently been recognized as a leader in the oil and gas industry for our disclosure and transparency relating to sustainability, and we remain committed to our goal of top-quartile performance in this regard. In addition to preparing this sustainability report in accordance with the Global Reporting Initiative’s Standards at the Core reporting level and establishing our alignment with the TCFD recommendations, we participate in a number of voluntary initiatives related to climate change disclosure. Hess has been recognized for climate change stewardship, achieving leadership status in the CDP’s 2018 Global Climate Analysis for the 10th consecutive year. Hess is the only U.S. energy company to achieve leadership status, earning an A-. As shown on the following page, the CDP Score Report allows companies to benchmark and compare their progress.
CLIMATE CHANGE AND ENERGY

Access our latest CDP Climate Change response at hess.com/sustainability/climate-change-energy

For the ninth consecutive year, we were included in the Dow Jones Sustainability Index (DJSI) North America, which highlights public companies with outstanding performance across economic, environmental and social factors, including those related to climate change. Based on our disclosure through the DJSI survey, we received the additional distinction of being included in The Sustainability Yearbook 2018, meaning that Hess was in the top 15 percent of reporters in our industry.

GOVERNANCE
Hess’ Board of Directors works alongside senior management and actively oversees Hess’ sustainability practices, so that sustainability risks – including those related to climate change – are taken into account when making strategic decisions.

RISK MANAGEMENT
Through our enterprise risk management (ERM) process, we have developed risk profiles for each of our assets that identify key risks – including those related to climate change. For each risk scenario, we estimate the likelihood and potential impact that the identified risks, including transition and physical climate change risks, could have on our business. We compile all identified risks on an integrated risk register that catalogs actions for managing or mitigating each risk. All new significant projects are rigorously screened for transition and physical risks (as described below) to verify they meet or exceed established threshold return-on-investment criteria to balance risk and return and meet Hess’ capital discipline philosophy.

Transition Risks
Transition risks are the risks associated with the rate of change in policy actions, technologies or market conditions aimed at the emission reductions, energy efficiencies, subsidies or taxes that may be needed to achieve climate-related aims. Evaluating the IEA’s GHG reduction scenarios in our carbon asset risk assessment enables us to take into account a broad range of transition risks.

Physical Risks
Hess considers the physical risks associated with climate change – such as increased severity of storms, drought and flooding – for both new projects and existing operations through our ERM and value assurance processes.

For example, meteorological and oceanographic studies undertaken for offshore developments include modeling that incorporates assumptions from the latest climate change science. Mitigations
to address changing storm magnitude are incorporated into the design of our facilities, and severe weather management and business continuity plans are maintained for severe weather events such as Hurricane Harvey, a Category 4 storm that caused widespread flooding and damage to the Houston area in 2017.

We also assess how climate change may impact water availability and water stress in the areas we operate using the World Resources Institute's Aqueduct Tool.

We also maintain insurance coverage for physical damage to our property and liability related to negative environmental effects resulting from a sudden and accidental pollution event, excluding Atlantic Named Windstorm coverage, for which we are self-insured. The amount of insurance covering physical damage is based on the asset’s estimated replacement value or the estimated maximum loss.

---

### The Task Force on Climate-Related Financial Disclosures

Many corporations, lenders, investors and shareholders are integrating climate change risks and opportunities into their future financial planning. The TCFD provides a universal framework to communicate companies' responses to the physical and transition risks of climate change. Moreover, the TCFD is gaining momentum as the benchmark approach for climate disclosure. Through widespread adoption of the TCFD recommendations, climate-related risks and opportunities are meant to become a natural part of companies’ risk management and strategic planning processes.

We believe that Hess’ climate change strategy is aligned with the TCFD recommendations to evaluate the potential impacts of climate change-related risks and opportunities on our organization’s operations, strategy and financial planning.

The TCFD guidelines are very clear in laying out the corporate disclosures being sought. Broadly, disclosures should fall under four categories: governance, strategy, risk management, and metrics and targets.

<table>
<thead>
<tr>
<th>TCFD FRAMEWORK: CORE ELEMENTS</th>
<th>HESS’ ENVIRONMENT, HEALTH, SAFETY AND SOCIAL RESPONSIBILITY (EHS &amp; SR) STRATEGY: CLIMATE CHANGE ACTIONS</th>
<th>DISCUSSION (PAGE #)</th>
</tr>
</thead>
</table>
| **Governance**              | • Elevate the Board of Directors’ EHS Subcommittee, which oversees our climate change strategy and other EHS matters, to the EHS Committee in 2019  
• Continue to brief the Board of Directors on climate change matters, to help ensure they remain climate change literate and that climate change-related risks are considered in the development of company strategies and policies | 3, 11, 40 |
| **Strategy**                | • Maintain a Climate Change Position, and update as needed to align with internal initiatives and stakeholder expectations  
• Support the aim of the Paris Agreement  
• Continue to take proactive steps to measure and manage GHG emissions and evaluate emission reduction opportunities; set targets to reduce GHG emissions, methane and flaring  
• Continue environmental, social and governance disclosures, such as our annual sustainability report and the CDP Climate Change survey  
• Purchase renewable energy credits and carbon offsets to mitigate a portion of our annual Scope 1, 2 and 3 emission totals, increasing the scope of our investment in 2018 and 2019 | 39–51 |
| **Risk Management**         | • Utilize an enhanced enterprise risk management process to manage climate change-related risk  
• Screen new projects to balance risk and return on investment, including applying a $40 per tonne carbon price  
• Continue to publish a carbon asset risk analysis (first published in Hess’ 2013 Sustainability Report) that evaluates the most ambitious GHG reduction scenarios from the IEA  
• Conduct scenario planning to test the resilience of our portfolio against various alternative views of future market conditions (the results of our first portfolio-specific scenario planning analysis are summarized later in this section) | 12–13, 40–45 |
| **Metrics and Targets**     | • Continue to track progress against Hess’ three global targets that align with the TCFD’s considerations for target-setting; i.e., whether the target is absolute or intensity, timeframes over which the target applies, base year against which progress is measured, and key performance indicators used to assess progress against targets  
• Maintain our 25 percent GHG intensity reduction target (established in 2015), which is aligned with the IEA’s 2018 World Energy Outlook Sustainable Development scenario projection of a 21 percent carbon intensity reduction by 2030 | 46–51 |
Carbon Asset Risk Assessment

Ever since the second half of 2014, energy commodity markets have been defined by significant levels of volatility. From levels of over $100 per barrel between early 2011 and mid-2014, Brent oil prices fell to around $25 per barrel in early 2016, before rebuilding to the current range in 2019 of around $60 to $75 per barrel. Tight oil has revolutionized the supply side of the business, and the issue of decarbonization has risen to greater prominence. An energy transition to a lower-carbon economy appears to be underway, but there are multiple pathways to achieve this transition, which creates some uncertainty as to the pace and scale of change. Climate-related issues have evolved from an environmental concern to also include financial considerations. Our stakeholders have expressed an interest in understanding how Hess' oil and gas portfolio might be impacted by a transition to a lower-carbon economy.

To help quantify climate-related risks and opportunities – and address investor concerns – many companies are using scenario planning as a tool to assess portfolio resilience over the long term. Scenarios allow the testing of a variety of alternative views of the market as a means to identify areas of potential risk and opportunity worthy of further, more detailed analysis and monitoring. The scenario approach allows companies to communicate to their investors that they understand and have considered future risks and opportunities, which are derived from modeled changes in energy demand, the potential emergence of new technologies, and proposed changes by policymakers to curb GHG emissions.

Because the TCFD recommends transparency around key parameters, assumptions and analytical choices, Hess has chosen to model the three main scenarios detailed in the IEA's 2018 World Energy Outlook (WEO) against our own base case, which is explained later in this section. Furthermore, the TCFD recommends that organizations use a 2°C or lower scenario to test portfolio resilience – in other words, a scenario under which global warming is kept to within 2°C of preindustrial levels. Such scenarios usually feature reductions in demand for oil, natural gas and coal; growth in clean technologies; and a reshaping of trade flows, among other assumptions. The Sustainable Development scenario in the IEA's 2018 WEO (discussed further below), which is part of Hess's modeling, fits within this recommendation.

Considerations for Scenario Planning

In 2018 Hess senior management approved a scenario planning study to test the resilience of our portfolio against various views of the market. This exercise established a range of energy supply and demand; oil, natural gas and carbon prices; and emissions estimates that are projected to prevail under different publicly available, long-term scenarios for environmental policy and market conditions.

Scenario planning can be approached in a stepwise fashion. For Hess, the first step was to assess transition risks under divergent oil, natural gas and carbon price trajectories. In the next iteration of this analysis, we plan to consider expanding it to include looking at physical risks to our business (e.g., infrastructure) and reputational risk. Going forward, we plan to incorporate carbon asset risk assessment via scenario planning into our regular business planning cycle.

To evaluate potential exposure to our portfolio in a modeled carbon-constrained future, we began by considering the long-range outlook for energy supply and demand. We used the IEA's 2018 WEO to examine various supply and demand scenarios through 2040 (see www.iea.org/weo2018/). These scenarios are recognized as an industry benchmark worldwide, and are, therefore, an appropriate choice for an oil and gas producer such as Hess.

The 2018 World Energy Outlook's Three Main Scenarios

- Current Policies – the business-as-usual case
- New Policies – incorporates existing energy policy as well as an assessment of the results likely to stem from the implementation of announced policy intentions (chiefly the Nationally Determined Contributions – i.e., the emission reductions agreed to by individual countries under the Paris Agreement)
- Sustainable Development – reflects a pathway to achieving key energy-related components of the U.N. Sustainable Development Agenda, including universal access to modern energy by 2030, urgent action to tackle climate change and measures to improve poor air quality; and is fully aligned with the Paris Agreement’s aim to hold the increase in the global average temperature to well below 2°C

Note: While the Intergovernmental Panel on Climate Change (IPCC) published a report in October 2018 that suggests that net emissions of carbon dioxide must fall 45 percent by 2030 and reach “net zero” by 2050 to limit global temperature rise to below 1.5°C, the IEA has yet to develop energy demand scenarios that reflect the IPCC’s assumption. Additionally, there are no known regulatory proposals for achieving the IPCC’s suggestion.
The charts just below depict the 2018 WEO’s world energy demand and carbon dioxide (CO₂) emissions under the IEA’s three main scenarios.

In the New Policies scenario, which is the IEA’s central scenario, worldwide energy use will grow approximately 25 percent between 2017 and 2040. Energy demand for oil and gas is projected to grow by 24 percent during the same period and account for 53 percent of the energy mix in 2040, down slightly from 54 percent today.

The figure at the bottom of the page shows changes in global oil demand by sector in the IEA’s New Policies scenario between 2017 and 2040. The chart illustrates that the expected electrification of the passenger vehicle fleet is more than offset by increased demand from the petrochemical, truck and aviation sectors, which will dominate future oil demand growth and continue to create robust demand for oil through the projection period.

In the Sustainable Development scenario (consistent with limiting global temperature rise to less than 2°C), worldwide energy use is projected to experience a modest decline of 2 percent through 2040. Oil and gas are expected to account for 48 percent of the energy mix, down from 54 percent today. The IEA has indicated that oil and gas are still critical to meeting the growing energy demand and that the challenges of achieving the Sustainable Development scenario are substantial, requiring a major reallocation of energy-sector investment capital.
Carbon Asset Risk Assessment, continued

Hess’ Approach to Scenario Planning
Hess has prepared internal guidance that details our approach to scenario planning. This guidance establishes a specified methodology, which we describe below. The guidance also serves as a roadmap for our external verifier to review and verify that we followed our specified methodology when conducting the scenario analysis.

Hess’ approach was to establish a base case (i.e., $65 per barrel Brent oil and $3 per million British thermal units (MMBtu) Henry Hub natural gas, in 2019 real terms) and then run our current asset portfolio and intended forward investments through this model to assess financial robustness. In addition, we applied a sustained $40 per tonne cost of carbon to our assets and intended forward investments. Hess’ base case was then compared against the various oil, natural gas and carbon prices in the IEA’s three main scenarios: Current Policies, New Policies and Sustainable Development.

While we included the three IEA cases in our analysis, the Current Policies scenario is not discussed in our disclosure that follows, as it only considers the impact from current legislation and does not include the likely effects of announced policies, including the Nationally Determined Contributions made for the Paris Agreement.

The three charts below show the oil, natural gas and CO₂ prices under the IEA’s New Policies and Sustainable Development scenarios and Hess’ base case. As these charts show, there is a wide divergence in oil, natural gas and carbon prices between the two IEA scenarios. For Hess, oil and natural gas prices (and the underlying demand that drives them) are likely to be the most immediate concern, while the impact of carbon pricing is also relevant.

Our next step was to quantify the financial impact (delta) between the Hess base case and the IEA scenarios. The TCFD recommends that once a 2°C scenario is established, companies should define a base case or business-as-usual outlook for the future. The base case should use the same metrics as the 2°C scenario (e.g., oil demand, carbon prices and other market factors) and share the same fundamental economic foundations. Establishing multiple scenarios allows measurement of the delta between metrics at future points to properly understand the envelope within which risk and opportunity may occur.

Results of the Hess Scenario Planning Exercise
We have tested the robustness of Hess’ asset portfolio and intended forward investments under multiple scenarios, including the IEA’s Sustainable Development scenario. We note that the latter is fully aligned with the Paris Agreement’s aim of holding the increase in the global average temperature to well below 2°C. At the oil, natural gas and carbon prices established in our base case, the Hess portfolio remains resilient, and our pipeline of forward intended investments provides strong financial returns even under the Sustainable Development scenario, the IEA’s most challenging scenario in terms of GHG emission reductions.

While the Sustainable Development scenario projects lower oil demand in the 2040 timeframe, the IEA states that “continued investment in oil and gas supply...remains essential even in the Sustainable Development scenario to 2040, as decline rates at existing fields leave a substantial gap that needs to be filled with new upstream projects” (2018 World Energy Outlook, page 51).
However, with potentially lower oil demand, competition may intensify, and some high-cost producers may be forced out of the marketplace.

We believe our scenario analysis validates Hess’ strategic priorities (as shown in the figure on the previous page) to focus investment on high-return, low-cost oil and gas opportunities and to build a focused and balanced portfolio, robust at low prices – thereby providing competitive levels of returns to our shareholders.

We believe this strategy is consistent with the IEA’s Sustainable Development scenario, which envisions a meaningful role for oil and gas through 2040, when oil and gas are still projected to account for almost 50 percent of global primary energy demand.

Seventy-five percent of our investment capital through 2025 is planned to be allocated to our assets in Guyana and the Bakken, where we have a deep inventory of investment opportunities with predicted exceptional returns. Our discovery in Guyana (where Hess has a 30 percent interest in the Stabroek Block) is among the industry’s largest offshore oil discoveries in the past 10 years. The Liza Phase 1 development is projected to breakeven at $35 per barrel Brent oil, and the Liza Phase 2 development is projected to breakeven at $25 per barrel Brent oil. These are anticipated to be the lowest breakeven costs for the industry’s top 50 offshore developments and shale plays (source: RS Energy Group, Offshore First Class: The L.I.Z.A Framework, January 2018). As a result of the low breakeven costs in Guyana and aggressive cost-reduction activities in the Bakken, we plan to structurally lower our cash flow breakeven cost to less than $40 per barrel Brent portfolio breakeven by 2025, so that even if the market experiences reduced oil demand under the IEA’s Sustainable Development scenario, Hess is well positioned to retain our share in the marketplace as a low-cost producer.

Finally, using the lowest oil demand growth rate from the IEA’s Sustainable Development scenario, oil demand is still projected to be 70 million barrels per day in 2040. However, as the chart above right illustrates, without any new investment, oil production would halve by 2025. The IEA has repeatedly flagged that there has been substantial underinvestment in future oil supply since oil prices began their decline in 2014. This mismatch between strong oil demand in the near term and a shortfall in new projects risks a sharp tightening of oil markets in the 2020s. The IEA estimates that almost $13 trillion of total oil and gas investment will be needed for oil and natural gas supply between 2018 and 2040 to support the Sustainable Development scenario.

In summary, based on the results of our scenario planning analysis, we believe it is highly unlikely that any of our assets would be stranded or significantly impaired by the CO2 pricing under the most ambitious of the IEA scenarios – the Sustainable Development scenario, which is consistent with the aim of the Paris Agreement. Oil will continue to remain a key part of the world’s energy solution for many decades to come (2018 World Energy Outlook, page 27); and, based on this exercise and Hess’ strategic priority of being among the lowest-cost oil producers, we believe that during the projected period we can continue to monetize our reserves and deliver robust financial performance under a wide range of market conditions.

---

2018 Hess Proved Reserves by Region*
1.192 Million Barrels of Oil Equivalent

2018 Hess Proved Reserves by Resource Type**

---

*Hess’ proved reserves consist of 75 percent liquids (light and medium crude oils, condensate and natural gas liquids) and 25 percent natural gas.

**Deepwater is a conventional resource, but it is shown separately here to provide more clarity on our reserve base. Deepwater refers to reserves found below 1,000 feet of water depth.
METRICS AND TARGETS
As part of Hess’ climate change strategy, we have established three targets aligned with the TCFD’s criteria for target-setting. We have committed to:

• Reduce our GHG emissions intensity by 25 percent for our 2014 portfolio of operated assets, by 2020 (versus a 2014 emissions baseline)
• Reduce our flaring intensity by 50 percent for our 2014 portfolio of operated assets, by 2020 (versus a 2014 emissions baseline)
• Lower methane emissions intensity to less than 0.47 percent across our U.S. onshore upstream operations by 2025

The WEO’s Sustainable Development scenario requires an ambitious 21 percent carbon intensity reduction by 2030 in order to be consistent with a less than 2°C aim. This 21 percent carbon intensity reduction figure is derived from the Sustainable Development scenario’s CO₂ emissions divided by primary world energy demand in 2030 versus 2017. Hess’ 25 percent GHG intensity reduction target, referenced above, which was set in 2015 and is based on our operated Scope 1 and 2 GHG emissions divided by production, is aligned with the IEA’s Sustainable Development scenario 2030 goal and is consistent with the Paris Agreement’s 2°C ambition.

During the second half of 2017, Hess divested several operated assets, including our interests in Equatorial Guinea and enhanced oil recovery assets in the Permian Basin in West Texas. Also, in August 2018, Hess divested our joint-venture interests in the Utica shale. According to the Hess GHG Inventory Protocol, which is published on our company website, we restate our base year emissions if divestitures exceed 10 percent of the original base year emissions. The GHG emissions generated from the assets divested in 2017 and 2018 represent almost 50 percent of our 2014 base year emissions; therefore, we have restated our 2014 baseline and subsequent years of our GHG emissions and flaring intensities.

These baseline restatements have resulted in lower 2014 base GHG emissions and flaring, which will make it more difficult to achieve our intensity reduction targets. However, Hess is fully committed to achieving our original 25 percent GHG intensity and 50 percent flaring intensity reduction targets, and therefore no change is planned for those targets.

In the next section, where we discuss GHG performance, we reference our absolute emission reductions year over year, which include the divested assets. We also provide our restated 2014–2018 performance, which removes the 2017–2018 divestitures, to allow for comparison against our established targets.

GREENHOUSE GAS PERFORMANCE
We report GHG emissions from our oil and gas assets on both operated and equity bases. Our GHG emission estimates include carbon dioxide, methane and nitrous oxide – reported in units of carbon dioxide equivalent (CO₂e). In 2014 Hess began using global warming potentials based on the values in the Fourth Assessment Report: Climate Change 2007 (AR-4), prepared by the Intergovernmental Panel on Climate Change, to estimate CO₂e totals.

Approximately 95 percent of Hess’ direct reported (Scope 1) operated GHG emissions are from stationary combustion sources such as flaring, heaters, turbines and engines. The factors used to estimate emissions for these sources enterprise-wide are those prescribed by the U.S. Environmental
Protection Agency (EPA) in its GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart C). The remaining 5 percent of our reported operated GHG emissions are from a variety of noncombustion and fugitive emission sources such as storage tanks, compressor seals, pneumatic pumps and valves. For such sources at onshore facilities, we use the emission factors prescribed by the U.S. EPA in its GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart W). Hess uses other appropriate regulatory or industry-specific factors to estimate fugitive emissions for all other facilities.

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

**Operated Emissions (Scopes 1 and 2)**

In 2018, of the estimated 3.9 million tonnes of gross GHG emissions reported from our operated oil and gas assets, 3.6 million tonnes were Scope 1 emissions, primarily from flaring and fuel combustion, and approximately 0.3 million tonnes were Scope 2 emissions, from purchased electricity. Process operations (primarily fuel combustion) and flaring accounted for 43 percent and 52 percent of our Scope 1 GHG emissions, respectively.

In 2018 our absolute GHG emissions decreased by 0.2 million tonnes compared with 2017, due primarily to a reduction of 1.1 million tonnes from the sale of our assets in Equatorial Guinea and the Permian Basin. This decrease was partially offset by increased emissions of a reported 0.5 million tonnes in our North Dakota operations, a reported 0.2 million tonnes in our North Malay Basin operations and a reported 0.2 million tonnes in our Gulf of Mexico operations, all related primarily to an overall 30 percent increase in production year over year. Our restated GHG emissions intensity (i.e., tonnes of emissions per thousand barrels of oil equivalent (BOE)) decreased by 17 percent in 2018 versus our 2014 baseline. This cumulative improvement keeps us on track to achieve our 25 percent emissions intensity reduction target for 2020.

**Equity Emissions (Scopes 1, 2 and 3)**

Since 2007 Hess has tracked GHG emissions from our operated and nonoperated oil and gas assets based on our equity interest. The graphs at right detail our Scope 1, 2 and 3 emissions from 2008 to 2018 on an equity basis. These graphs show that over the past 11 years we have reduced our absolute Scope 1 and 2 equity emissions from 10.8 million tonnes of CO₂e to 3.9 million tonnes, or 64 percent. During the same period, Scope 3 equity emissions decreased from 114 million tonnes to 43 million tonnes of CO₂e, or 62 percent. In total, over this period, our combined Scope 1, 2 and 3 absolute CO₂e emissions have been reduced by 62 percent through a combination of emission reduction initiatives, asset sales and refinery shutdowns.

**Scopes 1 and 2 Equity Emissions**

Our major source of Scope 1 and 2 emissions from nonoperated oil and gas assets in 2018 was from the A-18 Block in the Malaysia/Thailand Joint Development Area. Our equity emissions from this asset were approximately 1.3 million tonnes. Major sources of emissions from our operated assets in 2018 included those from the North Dakota production asset, the Tioga Gas Plant and offshore Gulf of Mexico, which altogether accounted for an estimated 2.1 million tonnes of equity emissions. Our other operated and nonoperated assets made up the balance of equity emissions at an estimated 0.5 million tonnes.
**Scope 3 Equity Emissions**

Scope 3 GHG emissions are those generated from corporate value chain activities that are not accounted for and reported in our Scope 1 and Scope 2 emissions. Unlike fully integrated oil companies that are positioned to offer a full range of energy products and services to third-party customers, Hess, as a pure-play exploration and production company, has no direct control over our Scope 3 emissions. Nevertheless, we disclose these data on an equity basis.

This year, we have restated our historical Scope 3 emissions to follow the methodology established by IPIECA in its 2016 report *Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions*. This guidance, which is currently the industry standard, is based on the World Resources Institute’s and World Business Council for Sustainable Development’s Scope 3 guidance.

Per the IPIECA guidance, we report Scope 3 emissions for category 11 “Use of Sold Products” by calculating combustion emissions for our oil, natural gas and marketed oil products. We also report Scope 3 category 10 “Processing of Sold Products” emissions, which result from refining of our crude oil production by others.

In 2018 we sold 553 million standard cubic feet per day (MMSCFD) of natural gas, which, when used by customers, accounted for an estimated 11 million tonnes of GHG emissions. We sold 185 thousand barrels per day (MBPD) of crude oil, which accounted for another 29 million tonnes of GHG emissions, for an estimated total of 40 million tonnes of Scope 3 category 11 emissions. This crude oil, when processed by refineries, also resulted in an additional 3.2 million tonnes of Scope 3 category 10 emissions, which brings our total Scope 3 emissions to 43 million tonnes.

**Carbon Offsets**

As an element of our EHS & SR strategy, we have purchased carbon credits annually since 2010 to offset at least 100 percent of our Scope 3 business travel emissions (approximately 3,200 tonnes in 2018). We recently increased this commitment by also offsetting 100 percent of our Scope 1 emissions associated with operating the company’s truck fleet, aviation activities (aircraft and helicopters) and personal and rental vehicle miles driven while on company business (approximately 11,800 tonnes in 2018).

We purchased 15,000 tonnes of carbon credits from First Climate Markets AG, for the retirement of offsets related to a third-party landfill gas recovery project in Ohio. This contribution offset 100 percent of the GHG emissions we estimate were generated from our business travel in 2018 (Scopes 1 and 3).

Although not material, we also track and report Scope 3 emissions associated with employee business travel.

**EMISSION REDUCTION INITIATIVES**

In support of our GHG emission and flaring intensity reduction targets, we track and monitor air emissions at each of our assets and undertake a variety of emission reduction initiatives. Our efforts focus on our largest-emitting facilities and on opportunities that are technically and economically feasible and where we are able to achieve stakeholder approval.

**Flaring**

In 2018 flaring from Hess-operated assets totaled 51 MMSCFD, a decrease of 9 MMSCFD compared with 2017. This decrease was primarily related to reduced flaring of 21 MMSCFD from asset sales in Equatorial Guinea, Ohio and West Texas, and partially offset by increased flaring of 11 MMSCFD in North Dakota.

On an intensity basis, we have reduced our cumulative flaring intensity by 41 percent through 2018, compared with our 2014 baseline. While our flaring intensity remained essentially flat between 2017 and 2018, we are still on track to achieve our 50 percent reduction target by 2020.

Our flaring increase in North Dakota was primarily related to enhanced completion techniques in 2018 that increased and accelerated the productivity of our wells, as well as a 30 percent increase in the number of wells brought online in 2018 (from approximately 70 in 2017 to 100 in 2018). The changes in technique allow initial oil and natural gas production to flow to the surface much more quickly and at higher temperatures than with prior techniques, requiring additional short-term flaring to maintain safe operations. In order to mitigate this flaring we are introducing additional cooling capacity during well completion and initial flowback. Although flaring rates increased year on year, rates have remained within regulatory limits.
In addition, at many of our production facilities Hess relies on third parties to provide the gas gathering and processing infrastructure that is needed to mitigate gas flaring. In 2018 the rate of gas capture by third-party gathering and processing facilities was significantly less than expected. We project an increase in third-party gathering and processing capacity in 2019.

Through our subsidiary Hess Midstream Partners LP, we are committed to and are aggressively executing significant capital investment projects to increase gas capture rates in the region, including installation of gas capture units from GTUIT (discussed further below) and ColdStream, additional compression capability through brownfield and greenfield projects, and construction of the Little Missouri Four Gas Plant (LM4) through a joint venture with Targa Resources. Between 2012 and 2018, approximately $3 billion was invested in midstream infrastructure in North Dakota to capture and monetize natural gas produced from our operations and minimize flaring. In 2018 Hess Midstream Partners LP invested an additional $334 million for continued expansion of the Bakken midstream gas gathering infrastructure, including additional gas compression facilities, natural gas liquid (NGL) and gas gathering lines and construction of LM4. Approximately 31 MMSCFD of additional compression, along with high-pressure and low-pressure gas gathering lines, were added throughout the Bakken region.

We are planning and executing continued expansion of the Bakken midstream gas gathering infrastructure, including additional gas compression facilities and NGL and gas gathering lines, in 2019 and beyond. Approximately 100 MMSCFD of additional third-party gas processing capacity, through LM4, is expected to become available in 2019. In addition, 92 MMSCFD of additional compression is expected to be brought online throughout 2019. Longer-term gas gathering and processing investments are being evaluated for future approval. These midstream infrastructure projects will leave Hess well positioned to reduce flaring intensity by 2020 in line with our target.

Natural Gas Capture
Using technology developed through our partnership with GTUIT – a designer, manufacturer and operator of well site natural gas capture and NGL extraction equipment – we are recovering high-BTU
gas from locations in North Dakota that were previously flaring this raw, wet natural gas. The GTUIT equipment successfully addresses some of the technical challenges associated with capturing NGLs from the Bakken gas – the units are modular and mobile, they can operate reliably unmanned and they can adapt to the ever-changing flow conditions of the well and the changing chemistry of the associated gas.

In 2018 we operated 13 of these mobile units (9 MMSCFD of capacity), allowing us to capture 6 million gallons of NGLs. As a result, more than 420 MMSCF of gas flaring was avoided, and CO₂e emissions were reduced by an estimated 37,378 tonnes.

Hess is installing additional mobile units in 2019, increasing our capacity by 10 MMSCFD. This project provides dual economic and environmental benefits, as it converts gas into marketable products as well as reduces the amount of gas flared and the associated air emissions.

**ENERGY USE**

Reducing our energy use has the dual benefit of lowering costs and GHG emissions, and it is a central focus of both our EHS & SR strategy and our Lean approach to managing the business. We generate and purchase energy primarily for power, processing, heating and cooling. In 2018 energy consumption from Hess-operated assets was approximately 31 million gigajoules, 7 percent lower than in 2017. This decrease was primarily related to reduced energy use resulting from asset sales in Equatorial Guinea and the Permian Basin and partially offset by increased energy use in our North Dakota, North Malay Basin and Gulf of Mexico operations related to a 30 percent production increase. Eighty-two percent of Hess’ energy use was directly generated from our operations, primarily at the Tioga Gas Plant and at our production facilities in North Dakota, North Malay Basin, Denmark and the Gulf of Mexico. The remaining 18 percent was indirect energy (energy used by utilities to provide net purchased electricity) purchased for the North Dakota production operations and the Tioga Gas Plant.

We seek opportunities to promote energy efficiency where feasible. As one example, we have been working to streamline the management of flights to our offshore assets in the Gulf of Mexico. Over the past five years our aviation contractors have moved more passengers while reducing the number of flights by 35 percent and reducing overall flying hours by 25 percent. This emphasis on improved logistics and flight management in the Gulf of Mexico operations has resulted in a reduction in fuel usage of approximately 103,000 gallons between 2017 and 2018, resulting in a reduction of approximately 1,000 tonnes of CO₂e. This represents approximately 13 percent of Hess’ CO₂e emissions from aviation fuels, excluding the Hess charter operated by United Airlines.

In 2018 our U.S. operations accounted for all of our purchased electricity – approximately 600,000 megawatt hours (MWh), or a 23 percent decrease from last year, primarily attributable to the sale of the Seminole Gas Plant (as part of the Permian Basin asset). Based on U.S. electricity generation profiles, we estimate that approximately 27 percent of this electricity was generated from renewable sources, primarily wind power. We also support renewable energy through the purchase of renewable energy certificates (RECs) equivalent to at least 10 percent of the net electricity used in our operations. In 2018 we purchased 70,000 Green-e Energy certified RECs for wind power, equivalent to 70,000 MWh or about 12 percent of the electricity purchased for our operated exploration and production assets. In total, including the RECs, approximately 39 percent of our indirect energy use came from renewable sources. In 2019 we are expanding our support of renewable energy by purchasing enough RECs to offset 100 percent of our purchased electricity.

![Energy Use by Country](image)
Managing Methane Emissions

The advancement in shale energy technology in recent years has resulted in an increased supply of abundant, low-cost natural gas. The clean-burning characteristics of natural gas can play a critical role in the transition to a low-carbon economy. Although natural gas burns cleaner than other fuels, there is considerable debate about fugitive methane leakage along the natural gas value chain, which may have the potential to reduce its climate benefits.

Stakeholder interest in this issue has continued in recent years, and in 2016 the U.S. EPA and the Bureau of Land Management finalized several regulations aimed at controlling fugitive methane and volatile organic compound (VOC) emissions. However, those regulations are now subject to administrative reconsideration as well as litigation challenges. Industry generally maintains that these regulations are largely unnecessary, as methane emissions have decreased at a time of growth in natural gas production and it is industry’s best interest to monetize gas to generate additional revenue.

One element of our EHS & SR strategy has been to pursue voluntary reductions in methane emissions. As a result, Hess became a founding member of the ONE Future Coalition, a group of companies from across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions associated with the production, processing, transportation and distribution of natural gas. ONE Future offers a performance-based, flexible approach that is expected to yield significant reductions in methane emissions. The goal is to voluntarily lower methane emissions to less than 1 percent of gross methane production across the U.S. value chain by 2025. ONE Future has also set interim 2020 sectoral targets. Peer-reviewed analyses indicate that a leak/loss rate of 1 percent or less across the U.S. natural gas value chain provides immediate GHG reduction benefits.

To achieve this goal, ONE Future has established methane emission rate targets for each sector of the natural gas value chain: production (0.28 percent), gathering and boosting (0.09 percent), processing (0.11 percent), transmission and storage (0.30 percent) and distribution (0.22 percent), which cumulatively total to the 1 percent target. In 2017 the ONE Future members’ cumulative methane emissions intensity was 0.55 percent across the U.S. onshore natural gas value chain.

Hess has activities in three of the ONE Future sectors: production, gathering and boosting, and processing. In 2018 our methane emissions rate for production was 0.45 percent, for gathering and boosting it was 0.20 percent and for processing it was 0.04 percent. Our onshore U.S. methane intensity was 0.69 percent, which is slightly above the ONE Future combined 2020 interim target of 0.64 percent for those three sectors. Our relative methane intensity increased in 2018 due to the sale of our joint-venture interests in the Utica shale play. With our planned reductions to flaring and the phaseout of high-bleed pneumatic controllers in North Dakota, we anticipate that we will achieve the ONE Future targets by 2025.

Our combined U.S. methane emissions intensity across our onshore and offshore operations was 0.31 percent, while our global methane intensity in 2018 was 0.18 percent.

In a related voluntary effort, in 2017 Hess became one of the initial participants in the American Petroleum Institute’s Environmental Partnership. A key activity of the Environmental Partnership is furthering action to reduce air emissions, including methane and VOCs, associated with natural gas and oil production. To accomplish this, the Environmental Partnership developed three separate Environmental Performance Programs for participating companies to implement and phase into their operations starting January 1, 2018. Hess is implementing the two programs applicable to our operations in North Dakota, as follows:

- **Leak Program for Natural Gas and Oil Production Sources:** Participants will implement monitoring and timely repair of fugitive emissions at selected sites utilizing detection methods and technologies such as U.S. EPA Method 21 or optical gas imaging cameras. Hess conducted semiannual surveys at 407 sites in 2018.

- **Program to Replace, Remove or Retrofit High-Bleed Pneumatic Controllers:** Participants will replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices within five years. Hess has identified 246 high-bleed pneumatic controllers remaining in our North Dakota operations. We plan to phase these out by 2022.

The third program, involving manual liquids unloading for natural gas production sources, is not applicable to Hess, as we do not currently operate any natural gas-only production wells.

In addition to these programs, the Environmental Partnership will provide a platform for industry to collaborate with stakeholders and learn from one another.

In order to meet both our ONE Future and Environmental Partnership commitments, in 2018 we continued implementation of our leak detection and repair (LDAR) program across all of our production facilities (existing and new) in North Dakota and Ohio (now sold) and at the Tioga Gas Plant in North Dakota.

Further detail on our LDAR program is provided in the Environment section of this report and at hess.com/sustainability/environment

### Methane Emissions Intensity

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>ONE Future 2025 Target</th>
<th>ONE Future 2020 Target</th>
<th>Hess 2018 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Onshore Production</td>
<td>0.28</td>
<td>0.38</td>
<td>0.45</td>
</tr>
<tr>
<td>U.S. Onshore Gathering and Boosting</td>
<td>0.09</td>
<td>0.08</td>
<td>0.20</td>
</tr>
<tr>
<td>U.S. Onshore Processing</td>
<td>0.11</td>
<td>0.18</td>
<td>0.04</td>
</tr>
<tr>
<td>U.S. Onshore Upstream (Production, Gathering, Boosting and Processing)</td>
<td>0.47</td>
<td>0.64</td>
<td>0.69</td>
</tr>
<tr>
<td>U.S. Onshore and Offshore Upstream</td>
<td>NA</td>
<td>NA</td>
<td>0.31</td>
</tr>
<tr>
<td>Global Upstream</td>
<td>NA</td>
<td>NA</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Note: Data exclude Utica production, which was divested in 2018. NA: Not applicable.
Hess is committed to safeguarding the environment; this commitment is a key aspect of the Hess Value of Social Responsibility. Striving for continuous improvement in our environmental impacts – including water and energy use, air emissions, waste and spills – is a central focus of our work. We dedicate significant staff and resources to help ensure compliance with environmental laws and regulations, international standards and voluntary commitments. To track our environmental performance and drive improvement over time, we use key performance metrics – including several factored into our annual incentive plan – at the asset and enterprise levels.

We sponsor and actively participate in the Bakken Production Optimization Program – a research program led by the Energy and Environmental Research Center (EERC) and funded by the North Dakota Industrial Commission – that aims to improve Bakken system oil recovery and reduce the environmental footprint of Bakken oil and gas operations. In 2018 we worked with the EERC to help form the Intelligent Pipeline Integrity Program (iPIPE), a consortium of oil and gas producers leading and funding research on innovative technologies to detect leaks and other pipeline integrity issues (see page 59). The iPIPE consortium is one of several initiatives we are sponsoring that is designed to help meet North Dakota Governor Doug Burgum’s challenge to achieve zero pipeline spills.

Also in 2018, Hess joined the Gulf of Mexico Alliance’s Gulf Star program. The not-for-profit Gulf of Mexico Alliance (GoMA) is a public–private partnership that aims to enhance the ecological and economic health of the Gulf region by encouraging collaboration among government agencies, businesses, education providers and nongovernmental organizations. Investment through GoMA will be focused on improved habitat conservation, higher-quality water resources, increased natural resource stewardship and improved land use strategies.

We also voluntarily sponsor and participate in the Environmentally Friendly Drilling (EFD) program, a partnership among oil and gas companies, academia and environmental organizations coordinated by the Houston Advanced Research Center that aims to develop science-based solutions to environmental issues associated with oil and gas development.

WATER MANAGEMENT
Water is an important resource for our onshore exploration and production operations, where we primarily use it for drilling and completions in our upstream operations and cooling in our midstream gas processing operations. We also know that water is critical for the communities and ecosystems in which we operate. In some areas, our water use may be restricted by local limitations on water supply and disposal. Accordingly, water management has been identified as a material issue for Hess, and it is a key element of our environment, health, safety and social responsibility (EHS & SR) strategy. In 2018 we continued to develop our risk-based, lifecycle approach to managing water and made associated improvements to our water data collection process.

Our total freshwater use for exploration and production in 2018 was less than in 2017, primarily due to the sale of our enhanced oil recovery assets in West Texas, which included the Seminole Gas Plant. In 2018, the largest driver of our freshwater use was our North Dakota drilling and completion operations.
Maintaining the integrity of our wells – that is, preventing the uncontrolled or unintended release of oil, natural gas or produced fluids to the surface or belowground to aquifers or between geologic layers within the Earth – is fundamental to protecting the environment, the health and safety of our workforce and the communities in which we operate, and to safeguarding our product.

For all Hess wells, both offshore and onshore, we take a lifecycle approach to integrity. In the initial design phase, we identify the appropriate barrier systems for maintaining integrity throughout the well lifecycle. We establish these barriers during construction and maintain and monitor them through production, and then we add new barriers during abandonment.

Our global drilling and completion standards outline the criteria for installation, verification, maintenance and operating limits for commonly used barriers, and they require completion of a detailed well barrier diagram before undertaking activities in the field. An example well barrier diagram is shown below. We use a combination of barriers – such as casing, wellheads, seal assemblies, blowout preventers, cement, packers and bridge plugs – that work together to prevent uncontrolled flow. For example, we use cement in the annular space between the production tubing and the underground formation as a key structural component to protect aquifers. Hess requires a minimum depth of annular cement above and below potential flow zones that meets, and in some cases exceeds, applicable regulations. We also require maintaining multiple and redundant barriers throughout the well lifecycle, and our minimum requirements for the configuration of blowout preventers on drilling rigs meet, and in some cases exceed, applicable regulations.
Water use for these activities increased in 2018, largely due to an increase in drilling activity during the year. We also changed our completions strategy to improve production, which required using more sand proppant, and therefore, more water to move that proppant.

In 2019 we plan to continue ramping up activity levels and evolving our completions strategies in North Dakota, so we expect to see an increase in absolute water use this year. However, as our operational profile and practices continue to evolve, we are assessing the best ways to reduce water use impacts across our operations. For example, in North Dakota, our freshwater reduction strategy primarily involves reusing produced water – the nonpotable water that is released from deep underground formations along with produced oil and natural gas – for production maintenance. The total amount of water we need for our operations and our ability to reuse produced water varies based on the geology of the formation, production levels and changes in hydraulic fracturing technologies, among other factors. We remain committed, throughout our operations, to evaluating ways to reduce our water footprint.

Hess participates in two industry forums focused on water management, to advance our own performance and contribute to industrywide knowledge-sharing and progress. First, we are active participants in the IPIECA Water Working Group, which aims to help companies improve their water use performance and reduce their water footprint by providing sound analysis, assessment tools, good practices, credible data sources and appropriate indicators. We are also members of the Energy Water Initiative, a collaborative effort among 22 oil and natural gas companies to study, describe

---

Deepwater Assets

Deepwater assets, which include wells at a depth of more than 1,000 feet underwater, can, in certain circumstances, present unique challenges compared to land-based wells. In particular, because offshore wells tend to operate much deeper and under greater pressure, they present specific risks related to the containment of accidental discharges. Hess currently operates offshore production facilities in the Gulf of Mexico at the Baldpate, Tubular Bells and Stampede Fields - the latter of which achieved first oil in early 2018. These assets are subject to the U.S. federal government’s Safety and Environmental Management System regulations, which provide a systematic approach for identifying, managing and mitigating hazards.

We validate well components and barriers as part of the construction process to verify they are working as designed. For example, we run digital well logs to validate correct cement placement between production tubing and the formation before hydraulically fracturing our wells.

In deepwater offshore wells, we verify cement installation with remotely operated vehicles for subsea wellheads. We also pressure test barriers and well components as part of the construction process, after first running computer models to confirm we will not overpressure a component during testing.

We monitor each well’s integrity from the initial drilling activity through plugging and abandonment. Offshore, barriers critical to well integrity are digitally monitored on a continuous basis. Onshore, annular pressures are routinely monitored as an indicator of well integrity issues; however, we are in the process of transitioning to a remote, digital, continuous monitoring system.

In 2018 we began a multiyear process of updating and enhancing our well integrity management system, which defines the organizational structure responsible for managing well integrity and the standards, procedures and risk management protocols that support well integrity. The enhanced system is expected to help us better manage integrity risks throughout the well lifecycle and help to ensure these risks are reassessed if material changes to a well’s design or changes to steps in the planned development process are identified or anticipated. We also began a multiyear process to improve documentation, data collection and reporting on key performance indicators to measure compliance with these procedures and to enhance the chain of communication as responsibility for the well passes from one Hess team to another.

The enhanced management system will help to ensure that each stage of the well lifecycle and associated field activity is supported by technical standards and procedures that specify minimum requirements for designing, constructing and operating Hess wells, along with the elements critical to well integrity, including the barriers that prevent or stop the uncontrolled flow of well fluids. Moving to this structured and holistic approach to well integrity is in line with our commitment to operating safely and delivering value in our diverse global portfolio.
and improve lifecycle water use and management in upstream unconventional oil and natural gas exploration and production. In 2019 we will also continue our partnership with the EFD program to review beneficial uses of produced water in shale energy operations.

BIODIVERSITY
We are committed to conserving biodiversity and habitats in the places where we operate. We consider the protection of biodiversity in our decision making and management from the earliest stages of exploration and development through production and closure at every Hess location around the globe.

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

As part of our goal to improve biodiversity management at Hess’ global assets, we have been developing threatened and endangered species field guides for personnel to use during field activities. We have completed guides for our Bakken asset and our Utica asset (now sold), with guides for other assets planned over the next few years.

We monitor the addition of new species to the U.S. Fish and Wildlife Service’s national endangered and threatened species lists. In addition, we identify locations where we may need to conduct new biological risk assessments and, where applicable, develop mitigation plans as a result of these listings. Also, where applicable, we adjust drilling site locations to accommodate habitat features and priorities for certain species.

Hess utilizes third-party software programs, such as the Integrated Biodiversity Assessment Tool, to identify protected areas and key biodiversity areas as well as specific species listings. We maintain a list of IUCN Red List species with habitats that overlap with our operations. (See table below, which provides a snapshot of relevant species at the time of publication of this report.) The IUCN updates the Red List species classifications regularly based on new information and improved data from ongoing third-party studies, and we update our species list accordingly.

We also identify IUCN protected areas (categories I-III) adjacent to our operations. In 2018 there were two such areas, both in North Dakota (Lostwood Wilderness Area and Theodore Roosevelt National Park).

We regularly work with our industry peers on biodiversity-related issues. For example, we are an active member of the Biodiversity and Ecosystem Services Working Group of IPIECA. We also participate in the Endangered Species Working Group of the American Petroleum Institute (API) to discuss oil and gas development, with the goal of proactively balancing development with environmental decision making.

We also participate in the Cross-Sector Biodiversity Initiative, a partnership of IPIECA, the International Council on Mining and Metals and the Equator Principles Association. This initiative brings the mining, oil and gas and financial sectors together to develop and share good practices for safeguarding biodiversity and ecosystems.

WASTE
We generate a variety of waste streams, including waste specific to drilling and production activities. For each Hess asset, we manage waste through specific waste management plans designed to comply with all applicable regulatory and Hess requirements for that location, as well as to protect human health and the environment. These plans, which are developed to align with the Hess Waste Management Standard, require the application of our waste minimization principles of “Remove, Reduce, Reuse, Recycle, Recover, Treat and Dispose” – with disposal being the least-preferred option.

In 2018 we generated approximately 47,000 tonnes of solid waste, approximately 96 percent of which was classified as nonhazardous according to applicable regulations. Our overall waste generation volume was lower in 2018 compared with 2017 due to portfolio adjustments and a decrease in asset retirement obligations.

We also disposed of approximately 82,000 tonnes of drill cuttings from our North Dakota asset at licensed disposal sites in 2018. These drill cuttings, as well as the discharges from our offshore facilities (discussed in the next section),
are not included in our overall waste totals per IPIECA reporting guidance.

We have continued our efforts to reduce landfilled piping waste by decontaminating it (i.e., removing technologically enhanced naturally occurring radioactive material or TENORM) and recycling it instead. In 2018 we recycled 178 tonnes of nonhazardous piping waste in North Dakota due to these efforts.

**DISCHARGES FROM OFFSHORE FACILITIES**

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

In 2018 our offshore facilities discharged to sea approximately 11,000 tonnes of nonaqueous drilling mud and cuttings, which included 112 tonnes of nonaqueous base fluid.

Offshore produced water discharges to sea totaled an estimated 1.3 million cubic meters in 2018. Produced water discharges had an average oil content of 10 parts per million volume (PPMV), totaling 13 tonnes of oil discharged. This data reflects a year-on-year decrease in total oil discharged, mainly due to our 2017 divestitures and ongoing initiatives.

For example, we have been steadily reducing the amount of produced water discharged to sea at our South Arne asset by instead reinjecting it into our wells to stimulate production. By reinjecting the produced water, we are able to offset our use of seawater and reduce the environmental footprint of our North Sea operations. We steadily increased reinjection volumes of produced water from an estimated 76 percent in 2014 to 85 percent in 2017, and in 2018 we achieved reinjection of 94 percent. While reinjection is somewhat driven by regulations, we have gone beyond what is required, substantially reducing our produced water discharges over time.

**SPILL PREVENTION**

Hess maintains spill preparedness and response plans and conducts emergency response exercises at each of our assets. To support a swift and effective response to any loss of primary containment (LOPC) incident, we maintain strong relationships with mutual aid and emergency response organizations at the local, regional and global levels. Hess’ international oil spill response needs are supported by our partnership with Oil Spill Response Limited (OSRL), an international, industry-funded cooperative that responds to oil spills globally. Our domestic needs are supported by Marine Spill Response Corporation, Clean Gulf Associates, Sakakawea Area Spill Response Cooperative, Tri-State Bird Rescue and Research, Wildlife Center of Texas, and International SOS. Hess representatives serve on the board of directors of the OSRL and on the executive committee of Clean Gulf Associates, a not-for-profit oil spill cooperative that supports the Gulf of Mexico.

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

We are also active members of the Oil Spill Response Joint Industry Project.
organized by IPIECA and the International Association of Oil and Gas Producers, and we contribute to the IPIECA Oil Spill Working Group in support of our international assets. We served as chair of the API’s Oil Spill Emergency Preparedness and Response Subcommittee in 2018. Hess also participates in the Area Planning Committee meetings for Regions 6 and 8 of the U.S. Environmental Protection Agency (EPA).

We track LOPC events through our incident reporting system by size and material and report spills following applicable industry and regulatory guidance. We also use leading and lagging indicators to monitor LOPC performance, including continuing to tie LOPC performance to our annual incentive plan.

In 2018 we changed our environmental spill definition to better align with global industry reporting practices. While our performance data previously included all spills greater than one barrel, we have restated our data to include only spills greater than one barrel and not completely contained within secondary containment. It is worth noting, however, that we still include data on all reported spills and releases in our LOPC metric.

In 2018, Hess continued a trend of year-over-year reductions in both hydrocarbon and nonhydrocarbon spills, even though our production increased compared with 2017. The number and volume of hydrocarbon spills decreased by 44 percent and 50 percent, respectively. The number of nonhydrocarbon spills decreased by 9 percent in 2018 compared with 2017, and the volume of spills decreased by 80 percent.

We have been working to implement a range of programs to continue our focus on spill prevention. To address spills that result from corrosion and integrity issues, for example, we continue to enhance our inspection and surveillance programs, upgrade external corrosion protection and use of corrosion inhibitors, and replace or redesign pipes. We have also continued to expand spill prevention training and spill-related worksite controls, such as fluid transfer checklists. In addition, we have enhanced the range of key performance indicators we use to track performance internally and increased internal transparency and reporting.

AIR EMISSIONS

The normal operation of fuel combustion and processing equipment as well as flaring activities results in air emissions of nitrogen oxides (NOₓ), sulfur dioxide (SO₂) and volatile organic compounds (VOCs). Fugitive emission sources, including those related to product loading and storage, also can contribute to VOC emissions.

We observed a decrease in absolute and normalized SO₂ emissions in 2018, mainly due to divestitures in 2017 and 2018. In addition, our Bakken asset has been handling more “sweet” natural gas (i.e., with lower amounts of hydrogen sulfide), resulting in reduced emissions of SO₂ from both natural gas-fueled sources and flaring.

Absolute VOC emissions decreased slightly from 2017 to 2018; however, normalized VOC emissions increased somewhat due to lower production in 2018. Both absolute and normalized NOₓ emissions increased in 2018, primarily due to increased drilling activity and the associated combustion of diesel fuel (affecting absolute emissions) combined with lower production (affecting normalized emissions).

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Strengthening our regulatory assurance program is one of the six components of our EHS & SR strategy. Internal assurance also helps us to ensure the effectiveness of our management systems. As part of our long-term compliance strategy, our regulatory team continued to expand the use of a compliance tracking tool at our U.S. assets in 2018. Key enhancements to the tool in 2018 included further refinement of a mobile application for field assurance personnel and synchronization of the application with our work order system.

As mentioned in the Climate Change and Energy section, we continued our leak detection and repair (LDAR) program in 2018 across all of our U.S. onshore operations, as a way to achieve emission reductions as part of our ONE Future and API Environmental Partnership commitments and to comply with a prior Consent Decree in North Dakota.

In our North Dakota production operations, the LDAR program helps to decrease the turnaround time for repairs
identified through LDAR inspections, and our formalized process for assigning work material flows to field personnel helps increase accountability and the efficiency of any needed repairs.

As an enhancement to our LDAR program in 2018, we implemented a preventive maintenance program for high-volume critical equipment, which includes subjecting certain fugitive emission components, as that term is defined by the U.S. EPA, to semiannual optical gas imaging inspections. This preventative maintenance program is helping to reduce the number of leaks identified during these inspections.

For a detailed description of our LDAR program, visit hess.com/sustainability/environment.

We are also continuing a multiyear effort through the API’s Pipeline Safety Management System group to implement API Recommended Practice 1173, which is related to pipeline safety management systems. A key aspect of our commitment to this initiative is the evaluation and enhancement of our integrity management systems pertaining to pipelines.

Environmental Expenditures
Hess received 103 alleged violations totaling $75,000 in penalties during 2018. The majority of our expenditures on environmental fines and penalties in 2018 – $41,000 – were the result of an alleged water supply violation with respect to a now-divested asset. Other expenditures were related to one alleged offshore violation ($6,000) and various alleged violations from U.S. Department of Transportation and Bureau of Land Management field inspections.

Intelligent Pipeline Integrity
In 2018 Hess helped form the Intelligent Pipeline Integrity Program (iPIPE), a collaboration of oil and gas operators, the Energy and Environmental Research Center – a nonprofit division of the University of North Dakota – and the North Dakota Industrial Commission (NDIC). Program participants are investing a total of $4 million (a $1.6 million grant from the NDIC plus matching funds from participating operators) over the next four years to research and demonstrate emerging technologies that can enhance pipeline integrity efforts and then encourage industrywide adoption of worthy technologies.

Each year, iPIPE members will review a range of technologies and choose a few winners for additional investment and testing. In 2018, iPIPE members chose to support two technologies. The first is a miniaturized pipeline sensor that can be run through new and existing pipelines to detect potential obstructions, magnetic features, geometric defects, deposits, and corrosion and leak whistling. This type of sensor has the potential to help identify trouble spots or performance issues that could lead to pipeline leaks or spills and to allow companies to take steps to proactively eliminate or reduce the potential for incidents. The sensor may also provide an affordable option to better maintain pipeline performance and safety with no assessment-related downtime.

The second focus technology uses low-orbiting satellites to collect data that could be used to identify pipeline leaks or other performance issues. This system includes proprietary algorithms and autonomous software to synthesize the massive amounts of data collected from thousands of miles of pipeline into simple visualizations and actionable alerts. iPIPE member operators are supporting further testing and refinement of these technologies in their own operations over the next few years.
### Business Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and other operating revenue</td>
<td>$ Million</td>
<td>6,323</td>
<td>5,466</td>
<td>4,762</td>
<td>6,636</td>
<td>10,737</td>
</tr>
<tr>
<td>Net income (loss) attributable to Hess Corporation</td>
<td>$ Million</td>
<td>(282)</td>
<td>(4,074)</td>
<td>(6,132)</td>
<td>(3,056)</td>
<td>2,317</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ Million</td>
<td>21,433</td>
<td>23,112</td>
<td>28,621</td>
<td>34,157</td>
<td>38,372</td>
</tr>
<tr>
<td>Total debt</td>
<td>$ Million</td>
<td>6,672</td>
<td>6,977</td>
<td>6,806</td>
<td>6,592</td>
<td>5,952</td>
</tr>
<tr>
<td>Stockholders’ equity</td>
<td>$ Million</td>
<td>10,888</td>
<td>12,354</td>
<td>15,591</td>
<td>20,401</td>
<td>22,320</td>
</tr>
<tr>
<td>Debt to capitalization ratio</td>
<td>%</td>
<td>38.0</td>
<td>36.1</td>
<td>30.4</td>
<td>24.4</td>
<td>21.2</td>
</tr>
</tbody>
</table>

### Exploration and Production

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net hydrocarbons produced</td>
<td>Thousand BOE/D</td>
<td>277</td>
<td>306</td>
<td>322</td>
<td>375</td>
<td>329</td>
</tr>
<tr>
<td>Proved reserves (total)</td>
<td>Million BOE</td>
<td>1,192</td>
<td>1,154</td>
<td>1,109</td>
<td>1,086</td>
<td>1,431</td>
</tr>
<tr>
<td>Liquids (crude oil (light and medium oils), condensate &amp; natural gas liquids)</td>
<td>%</td>
<td>75</td>
<td>72</td>
<td>74</td>
<td>76</td>
<td>78</td>
</tr>
<tr>
<td>Gas</td>
<td>%</td>
<td>25</td>
<td>28</td>
<td>26</td>
<td>24</td>
<td>22</td>
</tr>
<tr>
<td>Reserve life</td>
<td>Years</td>
<td>12</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Replaced production</td>
<td>%</td>
<td>170</td>
<td>351</td>
<td>119</td>
<td>NM</td>
<td>158</td>
</tr>
</tbody>
</table>

### Key Economic Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and exploratory expenditures</td>
<td>$ Million</td>
<td>2,340</td>
<td>2,168</td>
<td>2,154</td>
<td>4,338</td>
<td>5,606</td>
</tr>
<tr>
<td>Income tax expense/(benefit)</td>
<td>$ Million</td>
<td>335</td>
<td>(1,837)</td>
<td>2,222</td>
<td>(1,299)</td>
<td>744</td>
</tr>
<tr>
<td>Royalties and other payments to governments</td>
<td>$ Million</td>
<td>468</td>
<td>379</td>
<td>330</td>
<td>457</td>
<td>707</td>
</tr>
<tr>
<td>Cash dividends paid to shareholders</td>
<td>$ Million</td>
<td>345</td>
<td>363</td>
<td>350</td>
<td>287</td>
<td>303</td>
</tr>
<tr>
<td>Employee wages and benefits (U.S.)</td>
<td>$ Million</td>
<td>598</td>
<td>603</td>
<td>707</td>
<td>791</td>
<td>1,040</td>
</tr>
<tr>
<td>Interest expense before income taxes</td>
<td>$ Million</td>
<td>399</td>
<td>325</td>
<td>338</td>
<td>341</td>
<td>323</td>
</tr>
<tr>
<td>Operating costs</td>
<td>$/BOE</td>
<td>13</td>
<td>14</td>
<td>16</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Supplier spend (approximate)</td>
<td>$ Billion</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Carbon and nitrogen oxides (NOx) taxes</td>
<td>$ Million</td>
<td>0.2</td>
<td>0.8</td>
<td>0.8</td>
<td>5.5</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Social Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social investment</td>
<td>$ Million</td>
<td>7</td>
<td>14</td>
<td>20</td>
<td>21</td>
<td>41</td>
</tr>
<tr>
<td>Education</td>
<td>%</td>
<td>34</td>
<td>61</td>
<td>83</td>
<td>85</td>
<td>82</td>
</tr>
<tr>
<td>Community contributions (not in-kind)</td>
<td>%</td>
<td>21</td>
<td>31</td>
<td>15</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>In-kind*</td>
<td>%</td>
<td>41</td>
<td>2</td>
<td>1</td>
<td>&lt;1</td>
<td>4</td>
</tr>
<tr>
<td>Environment</td>
<td>%</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>All other**</td>
<td>%</td>
<td>2</td>
<td>12</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

### Our People

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of permanent employees</td>
<td>#</td>
<td>1,708</td>
<td>2,075</td>
<td>2,304</td>
<td>2,770</td>
<td>3,039</td>
</tr>
<tr>
<td>U.S.</td>
<td>%</td>
<td>86</td>
<td>85</td>
<td>83</td>
<td>79</td>
<td>78</td>
</tr>
<tr>
<td>International</td>
<td>%</td>
<td>14</td>
<td>15</td>
<td>17</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>%</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>1</td>
</tr>
<tr>
<td>Full-time employees</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>99</td>
</tr>
<tr>
<td>Employee turnover – voluntary</td>
<td>%</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Employee layoffs</td>
<td>%</td>
<td>20</td>
<td>13</td>
<td>18</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Female employees (U.S. and international)</td>
<td>%</td>
<td>26</td>
<td>28</td>
<td>27</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>Minority employees (U.S.)</td>
<td>%</td>
<td>22</td>
<td>23</td>
<td>25</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Employees represented by collective bargaining agreements</td>
<td>%</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

### Safety Performance

<table>
<thead>
<tr>
<th>Metric</th>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities – workforce (employees + contractors)</td>
<td>#</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hours worked – workforce</td>
<td>Million hours</td>
<td>14.9</td>
<td>20.8</td>
<td>21.7</td>
<td>28.6</td>
<td>37.8</td>
</tr>
<tr>
<td>Employee total recordable incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.09</td>
<td>0.09</td>
<td>0.10</td>
<td>0.24</td>
<td>0.20</td>
</tr>
<tr>
<td>Contractor total recordable incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.41</td>
<td>0.31</td>
<td>0.50</td>
<td>0.39</td>
<td>0.45</td>
</tr>
<tr>
<td>Workforce total recordable incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.31</td>
<td>0.24</td>
<td>0.39</td>
<td>0.36</td>
<td>0.40</td>
</tr>
<tr>
<td>Employee lost time incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.00</td>
<td>0.03</td>
<td>0.06</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>Contractor lost time incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.12</td>
<td>0.10</td>
<td>0.15</td>
<td>0.10</td>
<td>0.14</td>
</tr>
<tr>
<td>Workforce lost time incident rate</td>
<td>Per 200,000 hours worked</td>
<td>0.08</td>
<td>0.08</td>
<td>0.13</td>
<td>0.08</td>
<td>0.12</td>
</tr>
<tr>
<td>Employee occupational illness rate</td>
<td>Per 200,000 hours worked</td>
<td>0.13</td>
<td>0.06</td>
<td>0.00</td>
<td>0.09</td>
<td>0.00</td>
</tr>
<tr>
<td>Contractor occupational illness rate</td>
<td>Per 200,000 hours worked</td>
<td>0.02</td>
<td>0.08</td>
<td>0.14</td>
<td>0.25</td>
<td>0.24</td>
</tr>
<tr>
<td>Workforce occupational illness rate</td>
<td>Per 200,000 hours worked</td>
<td>0.05</td>
<td>0.08</td>
<td>0.10</td>
<td>0.21</td>
<td>0.20</td>
</tr>
<tr>
<td>Products with Safety Data Sheets</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

NM: Not meaningful.
*Includes company matching gifts.
**Includes disaster relief, health, civic and employee, and arts and culture.
## Greenhouse Gas Emissions

<table>
<thead>
<tr>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of flared and vented hydrocarbons (MMSCF)</td>
<td>18,797</td>
<td>22,009</td>
<td>26,991</td>
<td>36,121</td>
<td>35,987</td>
</tr>
<tr>
<td>Flaring intensity (SCF/BOE)</td>
<td>163</td>
<td>164</td>
<td>174</td>
<td>192</td>
<td>276</td>
</tr>
<tr>
<td>Operated direct emissions (Scope 1) (Million tonnes CO₂e)</td>
<td>3.6</td>
<td>3.7</td>
<td>4.1</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td>CO₂</td>
<td>3.3</td>
<td>3.4</td>
<td>3.7</td>
<td>4.7</td>
<td>4.4</td>
</tr>
<tr>
<td>CH₄</td>
<td>Thousand tonnes CO₂e</td>
<td>283.0</td>
<td>313.4</td>
<td>296.9</td>
<td>403.7</td>
</tr>
<tr>
<td>N₂O</td>
<td>Thousand tonnes CO₂e</td>
<td>2.7</td>
<td>2.7</td>
<td>2.3</td>
<td>2.7</td>
</tr>
</tbody>
</table>

**Operated direct emissions (Scope 1) by source**
- Flaring/venting: 52, 52, 52, 63, 61
- Fuel combustion: 43, 42, 43, 33, 35
- Other: 5, 6, 5, 4, 3

<table>
<thead>
<tr>
<th>Units</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operated indirect emissions (Scope 2) (Million tonnes CO₂e)</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>CO₂</td>
<td>Million tonnes CO₂e</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>CH₄</td>
<td>Thousand tonnes CO₂e</td>
<td>0.8</td>
<td>0.9</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>N₂O</td>
<td>Thousand tonnes CO₂e</td>
<td>1.6</td>
<td>1.9</td>
<td>2.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

**Operated GHG emissions intensity (Tonnes CO₂e/thousand BOE)**
- Flaring/venting: 52, 52, 52, 63, 61
- Fuel combustion: 43, 42, 43, 33, 35
- Other: 5, 6, 5, 4, 3

**Operated indirect emissions (Scope 2) (Million tonnes CO₂e) by source**
- Flaring/venting: 34, 34, 33, 33, 41
- Fuel combustion: 3.9, 4.0, 4.2, 5.5, 6.0
- Other: 43.4, 48.8, 51.6, 60.2, 53.0

**Energy Use**
- Production energy intensity (Gigajoules/BOE): 0.26, 0.27, 0.29, 0.23, 0.23
- Operated direct energy use (Thousand gigajoules): 25,064, 25,831, 29,973, 27,506, 25,829
- Operated indirect energy use (Thousand gigajoules): 5,589, 7,290, 8,273, 8,642, 8,597
- Net purchased electricity by primary energy source (Million MWh): 606, 790, 896, 936, 865
- Green-e certified renewable energy certificates (wind power): 70, 90, 100, 135, 125

**Freshwater Use**
- Groundwater (Million cubic meters): 1.5, 5.6, 5.7, 6.0, 6.2
- Municipal water (Million cubic meters): 0.8, 1.2, 0.6, 1.2, 1.9
- Surface water (Million cubic meters): 1.6, 0.8, 1.2, 1.7, 2.2
- Reused/recycled (estimated): 4.0, 7.7, 14.5, 12.0, 9.0

**Solid Waste**
- Nonhazardous waste (Thousand tonnes): 45.4, 154.4, 92.5, 252.5, 118.8
- Hazardous waste (Thousand tonnes): 1.7, 2.6, 0.9, 0.4, 1.1

**Liquid Waste**
- Nonhazardous waste (Thousand cubic meters): 141.0, 48.2, 73.0, 7,275, 5,296
- Hazardous waste (Thousand cubic meters): 0.0, 0.0, 10.5, 18.4, 0.5

**Spills**
- Hydrocarbon spills – number: 29, 52, 46, 47, 65
- Hydrocarbon spills – volume (Barrels): 123, 245, 308, 1,025, 865
- Nonhydrocarbon spills – number: 20, 22, 42, 91, 53
- Nonhydrocarbon spills – volume (Barrels): 113, 581, 1,104, 10,033, 1,334

**Air Emissions**
- Sulfur dioxide (SO₂) (Tonnes): 1,655, 2,987, 3,804, 3,727, 2,016
- SO₂ intensity (Tonnes/Million BOE): 14.0, 24.1, 28.6, 23.6, 13.7
- NOₓ (Tonnes): 14,306, 12,665, 10,261, 11,515, 9,595
- NOₓ intensity (Tonnes/Million BOE): 121.4, 102.1, 77.2, 72.8, 65.2
- Volatile organic compounds (VOC) (Tonnes): 10,303, 10,724, 9,441, 13,133, 13,288
- VOC intensity (Tonnes/Million BOE): 87.5, 86.4, 71.1, 83.1, 90.3

**Exploration and Production Discharges**
- Oil in produced water to sea (Tonnes): 13, 70, 87, 81, 70
- Oil in produced water to sea (PPMV): 10, 17, 18, 15, 14
- Produced water to sea (Million cubic meters): 1.3, 5.7, 6.4, 6.5, 6.0

**Other Environmental Indicators**
- Environmental fines and penalties – operated ($ Thousand): 75, 842, 24, 25, 84
- Environmental expenditures – remediation ($ Million): 15, 15, 10, 13, 12
- Environmental reserve ($ Million): 80, 80, 80, 80, 80

---

1. GHG emissions and flaring intensities have been restated to reflect recent divestitures and are based on an adjusted annual gross operated hydrocarbon production (normalization factor) for 2018 of 114,344,323 BOE. See the Approach to Reporting and Climate Change and Energy sections for details.
2. The annual gross operated hydrocarbon production (normalization factor) for 2018 was 117,803,360 BOE.
3. Third-party power generation.
4. Liquid waste totals include wastewater treatment and deep well disposal.
5. Spill data have been restated to better align with global industry reporting practices. See the Environment section and the online Approach to Reporting section for details.
ERM Certification and Verification Services (ERM CVS) was engaged by Hess Corporation (Hess) to provide assurance on the 2018 Sustainability Report (the Report).

### Engagement Summary

<table>
<thead>
<tr>
<th>Scope:</th>
<th>Whether the Report is fairly presented, in all material respects, in accordance with the reporting criteria.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Criteria:</td>
<td>The Global Reporting Initiative (GRI) Standards 2016 (Core option).</td>
</tr>
<tr>
<td>Assurance Level:</td>
<td>Limited assurance.</td>
</tr>
</tbody>
</table>
| Respective Responsibilities:  | • Hess is responsible for preparing the Report and for its correct presentation, including disclosure of the reporting criteria and boundary.  
                                  | • ERM CVS’s responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment. |

### OUR CONCLUSION

Based on our activities, nothing has come to our attention to indicate that the Report is not fairly presented, in all material respects, in accordance with the GRI Standards 2016 (Core option).

### OUR ASSURANCE ACTIVITIES

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusion.

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

- A review of external media reporting relating to Hess to identify relevant sustainability issues in the reporting period.
- Interviews with relevant staff to understand Hess’ sustainability strategy, policies and management systems.
- Interviews with relevant staff to understand and evaluate the data management systems and processes (including IT systems and internal review processes) used for collecting and reporting the information.
- A site visit to Hess’ Stampede asset in the Gulf of Mexico, and a remote verification of Hess’ operation in the North Malay Basin, offshore Malaysia, to verify the source data for the assets’ sustainability performance indicators for 2018 and to review sustainability management implementation at the asset level.
- An analytical review of the 2018 data for the sustainability performance indicators from all assets and a check on the completeness and accuracy of the data consolidation at the Hess corporate level.
- A visit to Hess’ head office in Houston, Texas, to review the consolidation process and the results of the internal data validation process, and to conduct interviews with subject matter experts regarding the content of the Report.
- A review of samples of documentary evidence, including internal and external documents, relating to the assertions made regarding 2018 sustainability performance and activities in the Report.
- A review of selected evidence related to the design, information collection and production of the Report in accordance with GRI requirements.
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

### THE LIMITATIONS OF OUR ENGAGEMENT

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

### OUR OBSERVATIONS

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

Jennifer Iansen-Rogers
Head of Corporate Assurance
25 June 2019

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS and the staff who have undertaken this engagement work have provided no consultancy-related services to Hess in any respect.
AWARDS AND RECOGNITION

SUSTAINABILITY

- CDP Climate Change leadership status for 10th consecutive year
- Dow Jones Sustainability Index North America for ninth consecutive year
  – Industry Mover distinction in The Sustainability Yearbook 2018
- Corporate Responsibility Magazine’s 100 Best Corporate Citizens for 11th consecutive year
  – Leading oil and gas company
- STOXX Global ESG Leaders Index for sixth consecutive year
- MSCI ESG Indexes for seventh consecutive year
  – MSCI ESG Leaders Indexes
  – MSCI SRI Indexes
  – MSCI KLD 400 Social Index
- The Rocky Mountain Oil and Gas (Individual) Award for Industry Leader
- MY AMCHAM CARES Certificate of Recognition for Excellence in Corporate Social Responsibility
- American Petroleum Institute
- Center for Offshore Safety
- Center for Strategic and International Studies
- Council on Foreign Relations
- Extractive Industries Transparency Initiative
- Independent Petroleum Association of America
- International Association of Oil and Gas Producers
- IPIECA
- Oil Gas Denmark
- National Petroleum Council
- U.S. Chamber of Commerce

WORKFORCE

- Minority Engineer magazine’s Top 50 Employers
- Workforce Diversity magazine’s Top U.S. Employers
- Hispanic Network magazine’s Best of the Best Employers
- Black EOE Journal’s Best of the Best Employers
- Careers and the disABLED magazine’s Top 50 Employers
- Prairie Business magazine’s Top 50 Best Places to Work

MEMBERSHIPS AND ASSOCIATIONS

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

.requests for information

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

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

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

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Requests for Information

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

The savings below are achieved when PCW recycled fiber is used in place of virgin fiber:
- 84 trees preserved for the future
- 6 pounds of water pollutants not created
- 39,349 gallons of water saved
- 2,209 pounds of solid waste not created
- 7,255 pounds of net greenhouse gases (GHGs) prevented
- 38 million British thermal units of energy not consumed

Savings from the use of emission-free wind-generated electricity:
- 6,103 pounds of GHG emissions not generated

Displaces this amount of fossil fuel:
- 3.00 barrels of natural oil unused

In other words your savings from the use of wind-generated electricity are equivalent to:
- 3,128 miles not driven
- 34 trees planted
LEARN MORE AT
WWW.HESS.COM/SUSTAINABILITY

SOCIAL RESPONSIBILITY
A review of social responsibility as our way of doing business
www.hess.com/sustainability/social-responsibility

CLIMATE CHANGE AND ENERGY
Balancing the world’s growing energy needs with our cost-effective greenhouse gas emissions reduction policy
www.hess.com/sustainability/climate-change-energy

SAFETY AND HEALTH
Aiming to get everyone, everywhere, every day, home safe
www.hess.com/sustainability/safety-health

ENVIRONMENT
Responsible management of our environmental footprint
www.hess.com/sustainability/environment

OUR PEOPLE
Creating a company culture and high-quality workforce that innovates, leads and learns
www.hess.com/careers/life-at-hess

GRI CONTENT INDEX
Performance against GRI Standards indicators
www.hess.com/sustainability/sustainability-reports/GRI-Index