

HESS CORPORATION

2021 Sustainability Report



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

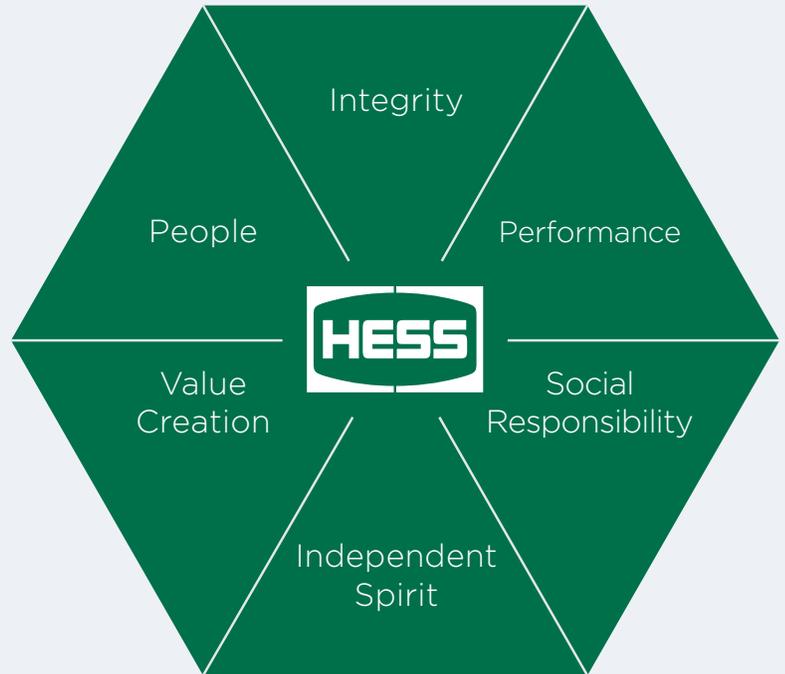
We are committed to preserving the special qualities and unique personality that have made us a successful independent enterprise.

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) STANDARDS

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 68.



UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS

This is our Communication on Progress in implementing the principles of the United Nations Global Compact. We welcome feedback on its contents.

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, Sustainability Accounting Standards Board oil and gas industry metrics and the World Economic Forum Stakeholder Capitalism Metrics, can be found at hess.com/docs/default-source/sustainability/hess-gri-content-index-2021.pdf. 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.

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/sustainability/how-we-operate.

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.



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Production Operations,
North Dakota

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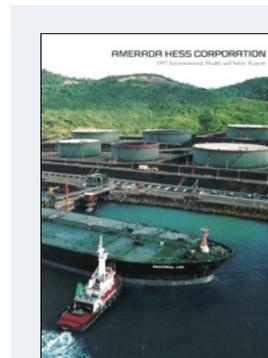
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Our company's first sustainability report, published for calendar year 1997

Message from the CEO

This year marks the publication of our 25th annual sustainability report, demonstrating our longstanding commitment to sustainability and the value it creates for all of our stakeholders. In keeping with our company's purpose – to be the world's most trusted energy partner – we are focused on building a sustainable enterprise that helps meet the world's growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way.

Russia's invasion of Ukraine put a spotlight on energy security and the critical importance of oil and gas to the global economy. At the same time, the world is facing climate change, the greatest scientific challenge of the 21st century. The International Energy Agency's (IEA's) latest *World Energy Outlook* provides multiple scenarios for addressing the dual challenge of growing the global energy supply by about 20% over the next 20 years and reaching net zero emissions by 2050. In all of the IEA scenarios, oil and gas will be needed and significantly more investment will be required in the years ahead – much more in renewables and much more in oil and gas.

In a world that will need reliable, low cost oil and gas resources for decades to come, Hess is in a strong position. Our strategy is to deliver high return resource growth, a low cost of supply and industry leading cash flow growth – while at the same time maintain our industry leadership in environmental, social and governance (ESG) performance and disclosure.

Sustainability starts at the top of our company and is reinforced at every level. Our Board of Directors is actively engaged in overseeing Hess' environment, health, safety and social responsibility (EHS & SR) practices, working alongside senior management. Our 2021 Sustainability Report shows how we are addressing sustainability issues and integrating sustainable business practices into our strategy, goals, metrics and daily operations. Several key areas are highlighted below, with detailed information in this report and on our company website at www.hess.com.

ENVIRONMENT AND CLIMATE CHANGE

We believe climate risks can and should be addressed while at the same time meeting the growing demand for affordable and secure energy, which is essential to ensure a just and orderly energy transition that aligns with the United Nations Sustainable Development Goals. Governments, businesses and civil society must work together on cost effective policies to meet this dual challenge. Our company supports transparent carbon pricing as an economically efficient method to encourage the investments needed to accelerate decarbonization across all sectors of the economy while keeping energy affordable.

Our climate strategy is closely aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the G20 Financial Stability Board, and its implementation is led by senior members of our leadership team with oversight by our Board. We support the global ambition to

achieve net zero emissions by 2050 and the Paris Agreement's aim to limit the global average temperature rise to well below 2°C. As part of our commitment to implement a substantive climate strategy, an executive led task force is currently developing a plan for our company to achieve net zero Scope 1 and 2 emissions.

Our Board and senior leadership have set aggressive targets for greenhouse gas (GHG) emissions reduction. After our company significantly outperformed our five year emissions reduction targets for 2020, we set new five year reduction targets for 2025, which are to reduce operated Scope 1 and 2 GHG emissions intensity by approximately 50% and methane emissions intensity by approximately 50%, both from 2017. We also have committed to achieve zero routine flaring from our operations by the end of 2025 and have endorsed the World Bank's "Zero Routine Flaring by 2030" Initiative. These targets are designed to exceed the carbon intensity reductions by 2030 in the IEA's Sustainable Development and Net Zero Emissions by 2050 Scenarios, which are consistent with the Paris Agreement's aim to limit the global average temperature rise to well below 2°C.

Continued flaring reduction, particularly from our Bakken operations, is a key driver for reducing our GHG emissions intensity. For this reason, Bakken flaring reduction was one of the performance metrics in our company's 2021 annual incentive plan with a target to achieve a 7% flaring rate from our operated Bakken wells and pads as reported to the North Dakota Industrial Commission. We surpassed this target, reducing our flaring rate to approximately 4% by the end of 2021.

As part of our sustainability commitment, we are funding innovation to mitigate societal emissions through the Salk Institute's Harnessing Plants Initiative, which aims to develop plants with larger root systems that are capable of absorbing and storing potentially billions of tons of carbon per year from the atmosphere. We also address 100% of the indirect emissions from our purchased electricity through a combination of renewable energy generated from the grid and the purchase of renewable energy certificates.

We test the long term resilience of Hess' portfolio in a lower carbon economy using energy supply and demand scenarios developed by the IEA. Hess' strategic priorities are consistent with the IEA's less than 2°C scenarios, which envision a meaningful role for oil and natural gas as part of the global energy mix through 2050. More information about our annual scenario planning is on pages 45–48.

We bring in subject matter experts to advise and inform our Board on climate and other sustainability issues to be considered in the development of company strategies and policies. The EHS Committee of our Board provides oversight and makes recommendations to the full Board with respect to Hess' policies, positions and systems for EHS & SR, compliance and risk management. The Board's Compensation and Management Development Committee has tied executive compensation to advancing the company's EHS and climate change goals.

SAFETY

Hess' safety programs and practices aim to maintain a culture in which employees and contractors keep each other safe on the job and work together to continuously improve our performance. In 2021, our multidisciplinary emergency response team continued to oversee our plans and precautions to reduce the risks of COVID-19 in our work environment and ensure business continuity.

In 2021, we achieved a 9% reduction in our workforce total recordable incident rate (TRIR) from 2020, driven by a year over year decrease in our employee TRIR. We reached a six year low in our severe and significant safety incident rate, achieving a 14% reduction from 2020. We continue to improve our process safety performance and between 2016 and 2021 have reduced the number of Tier 1 process safety incidents by 60% based on our current portfolio of operated assets.

The safety performance of our contractors, who represent approximately 65% of our total workforce hours, is critical to achieving our safety goals. In 2021, we successfully completed a number of operational milestones where contractor engagement was vital to our strong safety performance. These included onboarding two drilling rigs in the Bakken and one in North Malay Basin and completion of the Tioga Gas Plant turnaround – all with zero recordable safety incidents.

SOCIAL RESPONSIBILITY

In keeping with our company values and purpose, we have a longstanding commitment to diversity, equity and inclusion (DEI) in our workplace and through social investment programs that make a positive and lasting impact on the communities where we operate. For example, in 2021, we announced a \$1.4 million grant to the Jackie Robinson Foundation to provide four year scholarships and internship opportunities to underrepresented college students and to support the new Jackie Robinson Museum that will serve as a venue for educational programming.

In 2021, Hess also announced a \$9 million financial commitment over three years as part of our Learning for Life Partnership to fund educational programs and support services in three underserved Houston communities. Our Learning for Life Partnership will benefit 22 schools and more than 13,000 children from prekindergarten through high school.

In Guyana, Hess is supporting work by respected third party organizations to address development initiatives in healthcare, infrastructure, education and economic development that have been set as key priorities by the government with the aim of building shared prosperity for the people of Guyana.

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. Sustainable Development Goals, which were considered as part of the development of our updated EHS & SR strategy in 2020.

PEOPLE

Our success as a company depends on having a world class workforce and a culture defined by our values. To attract and retain the best people, we cultivate a workplace culture that is guided by the Hess Values and reinforced by quality leadership; DEI; learning and engagement; and Lean and innovation processes. Our human capital strategy is led by Hess' executive leadership and our Board of Directors.

As part of our DEI commitment, in 2021 we hired a dedicated head of DEI and a dedicated expert to lead our supplier related DEI and sustainability efforts. Hess leaders continued hosting listening sessions with small groups of underrepresented employees to better understand their experiences and shape our actions to advance our company culture. In 2021, five new employee resource groups launched, and we expanded our DEI training and our efforts to attract more diverse job candidates.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE

We see transparency in reporting as an important part of being a trusted energy partner. Our reporting aligns with a number of frameworks including oil and gas industry metrics from the Sustainability Accounting Standards Board and TCFD recommendations. Our sustainability report is prepared in accordance with the Core option of the Global Reporting Initiative Standards.

We are proud of our company's continued sustainability progress and honored to have been recognized throughout 2021 as an industry leader in our ESG performance and disclosure. Thank you to our employees, communities, customers, business partners, Board of Directors and shareholders for your support. Together we will continue to build a sustainable enterprise that helps meet the world's growing energy needs and makes a positive social impact on the world around us.



John B. Hess
Chief Executive Officer
June 2022

About Hess

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

2021 Highlights

- We safely added two operated rigs in the Bakken in 2021, supported by rising oil prices and increasing global oil demand.
- Through the continued application of technology and Lean manufacturing techniques, we reduced our average drilling and completion costs in the Bakken to \$5.8 million per well in 2021, down from \$6.2 million in 2020. We continue to optimize the development of our Bakken acreage through a combination of well spacing and completion design.
- On the Stabroek Block in Guyana, where Hess has a 30% interest, 2021 marked another year of extraordinary exploration success with five significant discoveries.
- Our sanctioned oil developments on the Stabroek Block have world class economics, with a Brent breakeven oil price of between \$25 and \$35 per barrel. Guyana, which is the largest new oil province discovered in the last decade, is positioned to be one of the highest margin, lowest carbon intensity oil developments in the world according to Wood Mackenzie data.
- In 2021, production from the Liza Phase 1 development on the Stabroek Block averaged 117,000 gross barrels of oil per day for the full year, compared with 74,000 gross barrels of oil per day for the full year in 2020.
- Significant progress was made in 2021 at three other developments on the block: Liza Phase 2, which achieved first oil in February 2022; Payara, which is ahead of schedule and is now expected to come online in late 2023; and Yellowtail, which was sanctioned in April 2022 and is expected to come online in 2025.
- In 2021, net production from the Hess operated North Malay Basin development project and the Carigali Hess operated Malaysia/Thailand Joint Development Area (JDA) increased as demand recovered from the impacts of the COVID-19 pandemic. Development drilling at JDA recommenced in 2021 and we continued the drilling program at North Malay Basin with first gas for Phase 3 development expected in 2022.

1,309

Million Barrels of Oil
Equivalent Proved Reserves

11

Years of
Reserve Life

315,000

Barrels of Oil Equivalent per Day
Total Net Hydrocarbons Produced

Hess Portfolio of Operations

- Production
- Midstream
- Developments
- Exploration



PRODUCTION

Operated assets include the Bakken in North Dakota; Baldpate, Conger, Penn State, Stampede and Tubular Bells in the Gulf of Mexico; and North Malay Basin in Malaysia. Nonoperated assets include the Liza Phase 1 and 2 developments offshore Guyana, the Malaysia/Thailand Joint Development Area, Llano in the Gulf of Mexico and the Waha Concessions in Libya.



DEVELOPMENTS

Activities are focused on nonoperated developments on the Stabroek Block, offshore Guyana.



MIDSTREAM

Assets operated by Hess Midstream LP include a natural gas processing plant, a rail loading terminal and associated rail cars, a crude oil truck and pipeline terminal, crude oil and natural gas gathering systems and produced water gathering and disposal systems, all in North Dakota. Nonoperated assets include an additional natural gas processing plant in North Dakota.



EXPLORATION

Activities are focused on the Atlantic Margin and include nonoperated interests offshore Guyana and Suriname and both operated and nonoperated interests in the Gulf of Mexico.

Note: For the purposes of this report, Hess Midstream 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.

Creating Value for Society

Hess' purpose is to be the world's most trusted energy partner. We seek to help meet the world's energy needs and address key challenges facing the world today, including climate change, and to create value for the benefit of all our stakeholders – our shareholders and business partners, our employees and the local communities and economies where we operate – which in turn benefits society at large. We believe our company is well positioned, with our low cost of supply and high return investments, to deliver strong performance under a variety of market conditions.

MAINTAINING FOCUS ON SOCIETY'S GREATEST CHALLENGES

We integrate sustainable business practices, corporate citizenship and environmental stewardship into our operations and long term strategy. Our sustainable business practices are guided by the United Nations Sustainable Development Goals (SDGs), and our environment, health, safety and social responsibility strategy is aligned with the SDGs that are most relevant to our business (see pages 8–9). Producing and enabling access to affordable, reliable energy is key to creating opportunity and raising living standards across the globe. At the same time, the world is faced with the significant challenge of addressing climate change and achieving the energy transition to a lower carbon economy. We believe the oil and gas industry can play a vital role in helping to address these challenges.

After our company significantly outperformed our five year emissions reduction targets for 2020, we announced new five year greenhouse gas (GHG) reduction targets for 2025 consistent with the Paris Agreement's well below 2°C ambition (see page 49). We remain committed to doing our part to limit GHG emissions while supporting sustainable global development and the just and secure transition to a lower carbon economy.

Delivering Value for Our Stakeholders

The following are some of the primary ways Hess delivered value for our stakeholders in 2021.



WORKFORCE

We generate value through the jobs we create directly as well as those we support indirectly – both in our supply chain and in the broader economy, where the energy we produce is essential to industries across the globe. We extend our high ethical and safety standards throughout our supply chain by requiring suppliers and contractors to abide by our Code of Business Conduct and Ethics and our Voluntary Commitments regarding labor and human rights (see pages 18–19).

- 1,545 Hess employees globally
- \$539 million in employee wages and benefits (U.S.)
- 5,270 hours of learning and development
- \$2,120 million in total supplier spend across 3,020 suppliers



SHAREHOLDERS

Hess is committed to delivering long term value to our shareholders. We continue to successfully execute our long term strategy of disciplined capital allocation, focusing only on low cost, high return opportunities and providing increasing cash returns to our shareholders, while investing in our people and business. Furthermore, our efforts to lower our costs and our emissions intensity are aligned with the energy transition needed to achieve long term sustainable development (see pages 49–50).

- \$311 million in dividends paid to investors
- Three year total shareholder return of 52% for the 2019–2021 performance cycle at year end 2021, second among our 2019 peer group



COMMUNITIES

Our community investments are designed to make long lasting, positive impacts on the communities where we operate. We seek to develop the local workforce to enable upward mobility into higher paying jobs in our industry and supply chain (see pages 19, 24–25 and 36).

- \$8.8 million in social investments directed toward communities in Louisiana, North Dakota and Texas
- \$4.2 million in social investments by our joint venture in Guyana
- 18,800 hours of volunteering by our workforce, with the majority in Texas
- 92% local nationals employed in Malaysia
- 93% of our total supplier spend was on purchases made within the same country in which we were doing business



SOCIETY

We contribute value to society at large through the direct economic value we generate, the affordable energy we produce and our commitment to operate responsibly and advance sustainable development (see pages 8–9, 21–25 and 53).

- \$2,012 million in capital and exploration expenditures
- \$530 million in royalties, taxes and other remittances to governments
- \$15.7 million in social investments, including \$4.5 million going toward the Salk Institute's Harnessing Plants Initiative

Approach to Reporting

In this report, we provide descriptions of Hess' environment, health, safety and social responsibility (EHS & SR) strategy and 2021 performance regarding material economic, social and environmental 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.

We provide further detail on our midstream operations, including segregated performance data, in a separate companion sustainability report available on the Hess Midstream LP website at hessmidstream.gcs-web.com/sustainability-report.

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

REPORTING STANDARDS

This report was prepared in accordance with the Core option of the Global Reporting Initiative (GRI) Standards. Our reporting is also informed by the



reporting guidance documents, templates and other engagements listed below.

- *Sustainability Reporting Guidance for the Oil and Gas Industry*, which was jointly developed by IPIECA (the global oil and gas industry organization for environmental and social issues), the American Petroleum Institute (API) and the International Association of Oil & Gas Producers
- API Template for GHG Reporting, a set of greenhouse gas (GHG) indicators that API member companies, including Hess, have agreed represents the core, or foundational, indicators for individual company public reporting of companywide GHG emissions and mitigation activities
- The United Nations (U.N.) Global Compact's Ten Principles
- Recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD)
- Oil and gas industry metrics from the Sustainability Accounting Standards Board (SASB)
- World Economic Forum (WEF) Stakeholder Capitalism Core Metrics, a set of metrics drawn from existing voluntary standards and frameworks such as GRI, SASB and TCFD that is aimed at strengthening sustainability benchmarking for companies and investors, to which Hess has publicly committed
- Key external environmental, social and governance ratings and scorecards

 An index of GRI, IPIECA, WEF, SASB and U.N. Global Compact reporting indicators is available at hess.com/sustainability/sustainability-reports and our response to the API Template for GHG Reporting is available at hess.com/sustainability/climate-change-energy

MATERIALITY

We determined the content for this report by applying the GRI's reporting principles

such as stakeholder inclusiveness, sustainability context, materiality and completeness of information. We conducted a materiality assessment in 2020, which considered our operations and performance in the wider context of sustainability issues as well as new and emerging issues important to our stakeholders. Engagement with Hess' stakeholders – which include employees, suppliers, customers, communities, shareholders, government bodies, nongovernmental organizations, industry peers and academics – enables us to strengthen our license to operate and brings increased focus to our transparency goals.

Our materiality assessment, facilitated by third party experts, helped us prioritize the key sustainability topics most relevant to our company. The assessment was consistent with approaches and guidance provided by leading standards bodies, including GRI, IPIECA and the International Organization for Standardization; it also considered the SASB materiality profile for the oil and gas industry as an additional reference point.

The materiality assessment informed our forward looking EHS & SR strategy, which is described more fully in the section Strategy and Progress (see pages 8–9), and helped us define the boundaries of this report. This strategy is designed to address the eight most material sustainability issues for our company, which include:

- Climate Related Risk and GHG Emissions
- Community and Stakeholder Engagement
- Diversity, Equity and Inclusion
- Emergency Preparedness and Response
- Occupational Health and Safety
- Process Safety and Release Prevention
- Supply Chain and Contractor Management
- Water Management

While these eight topics will be the focus of our strategic sustainability actions through 2025, many of the other relevant topics included in our materiality assessment are important to our stakeholders and our company and will continue to be addressed in Hess' business processes and external reporting.

As has been our practice, we plan to continue annual, document based assessments of key stakeholder perspectives and Hess' operational and regulatory risks to validate our top material issues for our sustainability reporting and strategy.



See reporting boundaries for each of these issues at hess.com/sustainability/approach-to-reporting

BOUNDARY SETTING

The business units and assets operated by Hess Corporation and/or our subsidiaries during calendar year 2021 are included within the scope of this report, unless otherwise indicated. This includes Hess Midstream LP (also referred to in this report as Hess Midstream), although we publish an annual companion sustainability report for that entity with segregated midstream performance data. Data presented are gross figures from operated facilities, unless specified otherwise.

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 *Sustainability Reporting Guidance for the Oil and Gas Industry* (4th edition, 2020), Module 3: *Climate Change and Energy*, as well as IPIECA's 2016 report *Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions*. We report social investments for our operated assets, joint ventures and nonoperated facilities in which we hold a significant interest. Our workforce metrics include data for contractors whose hours we track.



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

RESTATEMENTS

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% 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.

This report includes partial year performance data (January–August 2021) for Denmark, as we divested our interests in that asset in August 2021.



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

INTERNAL QUALITY ASSURANCE

Our internal information systems promote the centralized collection of data from Hess operated and joint venture assets around the world. In order to evaluate accuracy and reliability, we conduct quality assurance/quality control reviews and validation of both aggregated and asset 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 references in the report are in U.S. dollars.

EXTERNAL ASSURANCE

This report, including our sustainability data and self declared GRI "in accordance" status, was assured by ERM Certification and Verification Services (ERM CVS) (see page 68). This external review helps to ensure consistent and objective data collection and reporting of our sustainability performance.

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

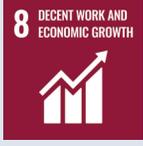
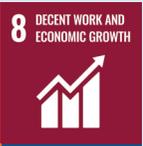
Strategy and Progress

Our environment, health, safety and social responsibility (EHS & SR) strategy is focused on our eight most material sustainability topics. Our related strategic actions are not the sum of all activities that will drive continuous improvement in each of these areas, but are instead the specific areas targeted to drive progress or to maintain or achieve leadership among our industry peers for each of our material issues. Our management approach, annual performance (including achievements and challenges in 2021) and forward plans for a broader set of issues relevant to our company and our stakeholders are described further in this report and on our website at hess.com/sustainability.

The table below summarizes the initiatives, goals and targets that we have established as part of our 2025 EHS & SR strategy and indicates their alignment with and support of the United Nations (U.N.) Sustainable Development Goals (SDGs). Targets that are part of Hess' annual incentive plan (AIP) performance metrics for 2022 are indicated with "AIP."

Hess' Material Issues & Relevant U.N. SDGs	Key Actions to Enhance Hess' EHS & SR Performance	2021 Progress	Discussion (Page #)	
Climate Related Risk and Greenhouse Gas Emissions     	Enhance disclosure in 2021 regarding alignment with trade associations on climate related issues and position on public policies that would set a carbon price	✔	16–18, 39, 51	
	Enhance data collection methodologies in 2021 to enable a direct linkage between the new enterprisewide climate related target and employee compensation	✔	39–40, 42, 49	
	Align carbon pricing for internal processes in 2021 for decisions on significant new investments and scenario planning methodology	✔	13, 42, 46	
	Strengthen governance and climate strategy oversight by continuing to foster climate literacy at the Board level and through a newly formed, executive led climate strategy task force in 2021 and beyond	⚠	39–40, 42	
	Evaluate the feasibility of achieving net zero greenhouse gas (GHG) emissions by 2050 in 2021 and beyond	⚠	42, 51	
	Continue to look for opportunities for Scope 1 and 2 GHG emissions and flaring reductions in 2021 and beyond	⚠	53–57	
	Continue to support external climate initiatives such as ONE Future and The Environmental Partnership in 2021 and beyond	⚠	55–56	
	QUANTITATIVE TARGETS <ul style="list-style-type: none"> Achieve a 7% flaring rate from wells and pads, as reported to the North Dakota Industrial Commission, in 2021 (AIP) Reduce routine flaring intensity to 5% in our Bakken, North Dakota operations, in 2022 (AIP) Reduce operated Scope 1 and 2 GHG emissions intensity by approximately 50% from 2017 to 17 kilograms carbon dioxide equivalent per barrel of oil equivalent by 2025 Reduce methane emissions intensity by approximately 50% from 2017 to an intensity of 0.19% by 2025 Continue to improve performance related to reducing methane emissions through ONE Future sectoral targets by 2025 Achieve zero routine flaring at our operated assets by the end of 2025 	✔ ○ ⚠ ✔ ⚠ ○	49–51	
	Process Safety and Release Prevention    	Enhance Tier II Assurance through major accident event barrier health reviews in 2021	⚠	30–31
		Integrate process safety fundamentals into safety training to increase process safety awareness by 2023	⚠	27
Complete the rollout of the electronic management of change system, where applicable, and the rollout of the electronic permit to work system across onshore assets, both by 2023		✔	31	
QUANTITATIVE TARGETS <ul style="list-style-type: none"> Achieve a 10% reduction in loss of primary containment rate, year over year, in 2021 2022 (AIP) Achieve 99% completion of all safety critical equipment maintenance and corrective work orders with performance standards in our work order system in 2021 2022 (AIP) 		✔ ○ ✔ ○	61 30	

✔ Goal achieved as planned ⚠ Goal partially achieved or still in progress ✖ Goal not achieved as planned ○ Goal not yet started in 2021

Hess' Material Issues & Relevant U.N. SDGs	Key Actions to Enhance Hess' EHS & SR Performance	2021 Progress	Discussion (Page #)
Occupational Health and Safety 	Continue to elevate Hess' safety culture by conducting an enterprisewide safety culture assessment and implementing updated safety leadership training by 2023		27–28
	Evaluate emerging technologies and consider implementation into Hess' standard operating practices in 2021 and beyond		28
	QUANTITATIVE TARGETS <ul style="list-style-type: none"> • Achieve a 10% reduction in our workforce total recordable incident rate, year over year, in 2021 2022 • Achieve a 10% reduction in our severe and significant safety incident rate, year over year, in 2021 2022 (AIP) 	   	30
Emergency Preparedness and Response  	Enhance the tracking, reporting, closure and validation of actions identified as part of training and drill after-action reviews in 2021		32
	Continue the development of competencies to maintain asset level capability by 2025		32
	Implement learnings from participation in external networks related to the latest technologies and processes by 2025		32
Water Management  	Enhance the chemical selection process for hydraulic fracturing to further evaluate risks and water quality impact by 2023		60
	Develop decision making criteria or thresholds for proactive water management projects by 2023		59–60
	Identify and prioritize mitigations related to water stress and scarcity by 2023		59–60
Diversity, Equity and Inclusion  	Continue to engage employees of diverse backgrounds through various initiatives in 2021		11–12, 35–36
	Progress efforts of the newly formed diversity, equity and inclusion (DEI) task forces in 2021, further embedding strategic initiatives into forward planning		11–12, 35–36
	Build DEI elements into Hess' people strategy in 2021 and beyond		11–12, 35–36
Supply Chain and Contractor Management    	Incorporate environmental, social and governance (ESG) criteria in the procurement and supplier evaluation processes by 2023		18–19
	Develop a program to include diverse suppliers in the procurement process and increase diverse supplier spend that is aligned with ESG and DEI goals by 2023		12, 19
	Enhance contractors' shared responsibility and accountability for safety performance through tools such as integrated safety committees and the behavioral safety observation program by 2023		33
Community and Stakeholder Engagement    	Enhance the consistency of social investment spend tracking and reporting in 2021		24
	Develop an outcomes measurement framework for key social investment programs in 2021		24
	Refresh the Social Responsibility and Human Rights Policies to align with the company's current asset base and strategic objectives by 2023		21
	Enhance the reporting and communication of social risks through our enterprise risk management process by 2025		12–13, 23–24

 Goal achieved as planned
  Goal partially achieved or still in progress
  Goal not achieved as planned
  Goal not yet started in 2021



How We Operate

We aim to help 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 delivering long term value to our shareholders and other stakeholders. Our expectations for sustainable management and performance are defined by the Hess Values, our Code of Business Conduct and Ethics (Code of Conduct), Social Responsibility (SR) Policy, Human Rights Policy, and Environment, Health and Safety (EHS) Policy. 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 has four standing committees: the Audit Committee, the Compensation and Management Development Committee, the EHS Committee and the Corporate Governance and Nominating Committee.



See Hess' committee charters and Corporate Governance Guidelines at hess.com/investors

Board Accountability

Hess' Board is actively engaged in overseeing the company's sustainability strategy and performance, working alongside senior management to evaluate sustainability risks and global scenarios in making strategic decisions, including those related to climate change. 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 the environment, health, safety and social responsibility (EHS & SR). For more information on Board involvement in climate change related issues, see the Climate Change and Energy section (page 42).

The Board's 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.

The Board's EHS Committee leads the Board's oversight of Hess' sustainability practices, working with the full Board and senior management so that sustainability risks and opportunities are taken into account when making strategic decisions. The EHS Committee assists 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. In 2021, the EHS Committee's charter was amended to further clarify the Committee's oversight of climate change related policies and practices. The EHS Committee makes recommendations to the full Board on how to address EHS strategies and risks and also monitors the company's compliance with such policies, programs and practices. The EHS Committee advises the Board's Compensation and Management Development Committee regarding executive compensation measures to advance the EHS goals of the company. The EHS Committee also reviews emergency response preparedness and planning and EHS legal and regulatory matters that could affect the company's business and operations, including our ongoing response to COVID-19.

The EHS Committee met three times in 2021, and each committee member attended at least two of the meetings. Our Vice President of EHS facilitated the EHS Committee meetings, which included a number of topics such as EHS performance and strategic priorities; COVID-19 response; EHS & SR risks within our enterprise risk management (ERM) framework; regulatory matters; environmental, social and governance reporting; climate change strategic actions; and establishing and monitoring progress toward greenhouse gas (GHG) emissions and flaring targets.

Each member of the EHS Committee is independent and qualified under the standards established by applicable law, stock exchange listing standards and Hess' Corporate Governance Guidelines. Committee members have extensive oil and gas industry experience, including operational, regulatory and financial expertise. To supplement the expertise of EHS Committee members and the full Board of Directors, Hess brings in internal and external subject matter experts to brief members on current and developing issues relevant to our business, such as climate change. Board members, together with our executive leadership, also participate in field visits to Hess operated and nonoperated assets to better understand our key EHS strategies and risks. During these visits, the EHS Committee engages with the Hess workforce and observes how Hess is managing and mitigating EHS risks and opportunities, such as leveraging Lean and technology focused initiatives in the field. While field visits were deferred in 2021 due to the COVID-19 pandemic, plans are underway to recommence this practice when it is deemed safe and appropriate to do so.

Executive Oversight

The company is managed by an Executive Committee, which is composed of Hess' most senior executives and chaired by our CEO. 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 Chief Operating Officer chairs an operating 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

DIVERSITY, EQUITY AND INCLUSION

Hess has a longstanding commitment to diversity, equity and inclusion (DEI),

How We Operate

which we believe creates value for all of our stakeholders and is essential to being a socially responsible and sustainable enterprise. Our focus is on fostering a diverse and inclusive work environment in which all Hess employees have fair and equitable opportunities to achieve their full potential.

Externally, our company has a long history of social investment programs in the communities where we operate to make a positive and lasting impact through education and work skill development, both of which are fundamental to social equity and sustainable economic growth. We also promote diversity, equity and sustainability in our supply chain and industry to help diverse business owners grow and thrive. (See pages 35–36 for further detail on our workforce DEI efforts, 19 for further detail on our supplier diversity and sustainability efforts and 24–25 for more on our DEI related community investments and partnerships.)

In 2021, we engaged in numerous strategic actions to advance DEI and drive progress. Our three DEI focused task forces, comprising employees from a mix of assets and functions, made progress in the following key areas:

- *Recruitment:* We are focused on ensuring diverse candidate slates and panels and expanding diversity outreach and partnership to build a diverse talent pipeline. In 2021, we successfully expanded our diversity and outreach partnerships and made year over year improvements in representation of women by approximately 4% globally and of people of color by approximately 9% in the U.S.
- *Employee Development:* We are working to build inclusion skills and capability and develop talent management programs that help improve diversity representation and career growth. In 2021, we achieved approximately 99% completion of DEI training, launched our Inclusive Leadership program and launched five new employee resource groups.

- *Supplier Diversity:* We began establishing a multiyear roadmap to promote economic equity in support of diverse businesses. In 2021, we increased diverse supplier participation in direct business opportunities and engaged our nondiverse strategic suppliers to improve our indirect spend with their diverse suppliers.

Based on the task forces' recommendations, we hired two dedicated diversity experts to continue progressing our DEI and supplier diversity strategies.

Hess' senior management is actively engaged in our DEI plans and programs, with oversight by our Board of Directors. Our DEI Council, comprising the executive sponsors of our employee resource groups and other Hess executives, provides business and leadership guidance that helps advance and steer DEI while working to ensure alignment with business priorities. Additionally, DEI progress is reported to our Board.

KEY ENTERPRISE PROCESSES

Several key processes in our company 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 also review potential risks and conduct assurance reviews for our nonoperated assets, which represent a significant portion of Hess' capital spend. We generally prioritize four main objectives for reviews of nonoperated assets: making a positive contribution to local communities; 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. See pages 15 and 28 for more information on our assurance process for nonoperated assets.

Enterprise Risk Management

Hess applies a comprehensive, standardized approach to identifying

and managing risks of all types across our business, including those related to process safety, climate change and cybersecurity. Our ERM program, which includes consideration of EHS & SR risks along with other business considerations such as hedging strategies and risks related to market trends, delivers a framework that enables Hess' Board of Directors and executive leadership to make risk informed 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. Annually, our Chief Risk Officer 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 Risk Management Standard. The status of EHS & SR risks and mitigations is also discussed at the Board's EHS Committee meetings, as appropriate. Enterprise level risks, including the relative risks of assets and projects within the portfolio, are discussed periodically by the full Board of Directors. Corporate Risk oversees day-to-day implementation of the ERM process, including developing relevant policies and standards and working with Internal Audit to verify compliance.

Hess' ERM framework 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 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 the company. 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 and risk plan in place that are refreshed at least annually. In addition, major capital projects and new development opportunities that go through the value assurance process (described below) 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 asset and major project operating rhythm meetings.

Also, functional risk assessments are required as part of 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 enterprise and functional risk assessments from the perspective of potential financial, physical, reputational and regulatory impacts. Further discussion of our approach to managing climate risks can be found on pages 42–48.

Value Assurance

Major investment opportunities are assessed through our value assurance process. This process provides increased

objectivity in our investment decisions 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 are risk based and focus on economics; subsurface and facility design; safety, environmental and socioeconomic considerations; regulatory requirements; and other technical and nontechnical risks. In order to evaluate the potential impact of carbon cost on project economics, we apply either actual carbon pricing where a regulatory framework for it exists or – where a framework does not exist – we evaluate the potential impact of carbon cost as set out in our planning guidance. In April 2021, we updated our planning guidance to expand the evaluation for all significant investment decisions to include a sensitivity using the International Energy Agency's Sustainable Development Scenario carbon pricing (see pages 42 and 46).

Through our value assurance process, we bring in technical experts from across the company who are 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 respective 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.

Due Diligence

Our due diligence processes help us assess nontechnical, aboveground risks when evaluating opportunities, including those in new geographies. Through these processes, subject matter experts from various functions across Hess, and third party subject matter experts where necessary, evaluate our future operations in a particular location through a detailed risk questionnaire that accounts for social, environmental, legal, external affairs, compliance, commercial and supply chain risks. The purpose of this due diligence, which draws on available information from governmental and nongovernmental organizations, is to categorize each risk as high, medium or low based on severity and whether the risk can be easily mitigated.

Through these due diligence processes, we endeavor to enhance the quality and breadth of information available to Hess leadership for the evaluation of new opportunities. The processes also help the project team mitigate identified risks if a commitment is made to proceed. Ultimately, the processes are complementary to our ERM and value assurance workflows, utilizing the necessary information at key decision points in our investment and project planning processes.

Lean and Innovation

At Hess, we apply Lean thinking and methodologies across our operations to eliminate waste, improve safety and reliability, drive continuous improvement and create value for our shareholders, business partners, employees and other stakeholders. With over a decade of successes and lessons learned, Lean is integrated into our company culture and

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our workforce is empowered to be an “army of problem solvers” focused on continuous improvement.

We see innovation as a complementary mindset to Lean thinking that will help us achieve significant performance improvements. Through Lean thinking, we encourage our people to identify opportunities for incremental improvements – ways to do what they already do better. An innovation focus helps our people think of entirely new ways to do what they do, producing step change improvements. Our innovation guidelines establish a common framework for driving innovation and integration with Lean across our organization.

Hess uses an innovation funnel process to collect ideas from employees and a variety of relevant industry sources, identify ideas that have the potential to add value, rank ideas for future development and select those that align with our priorities for piloting. This process helps formalize and organize innovative thinking and drives ideas from conception to implementation. Since 2019, our pilot projects have been focused on some of the greatest challenges of the oil and gas industry, including the lower carbon energy transition, subsurface productivity and autonomous operations. To help

guide and focus our innovation efforts, we have also developed key processes and technology enablers that will help drive performance breakthroughs in each area and have expanded our pilots.

We continue to operationalize these principles into how we work, including through developing Lean and innovation leaders, fostering internal collaboration networks and sharing learnings from pilot projects across the organization.



See details on another key process, reliability operations, at hess.com/sustainability/how-we-operate/key-enterprise-processes

HESS OPERATIONAL MANAGEMENT SYSTEM

We utilize the Hess Operational Management System (HOMS) as the single, enterprisewide system that establishes a common framework outlining how we address operational risk management, process safety, environmental responsibility, and management of employees and contractors, as well as the efficient and reliable design and operation of our assets. This integrated and consistent enterprisewide approach is designed to help us manage risks throughout a project and asset lifecycle; coordinate technical expertise, standards and processes across the organization; and align asset level

operations with enterprisewide corporate standards and business priorities.

We continue to evolve and advance our management system to align with Hess’ portfolio and organizational structure and to support our performance objectives. Our teams of functional leaders (e.g., EHS, Wells, Reliability Operations, Projects and Facilities Engineering, and Global Supply Chain) provide expertise in key functional areas within each asset and provide oversight and assurance across the company. The Heads of each functional area are responsible for overseeing activities for that area across the company, verifying that relevant standards and other applicable governance documents are applied as appropriate and working with each asset to optimize safety, quality, delivery and cost.

The Heads of each function are supported by technical authorities and subject matter experts – many of whom are embedded directly into our assets. Together with leadership from each asset, these individuals form the “Heads of” and Technical Authority Network, which supports operations across the company. This group – and other functional leaders and subject matter experts as relevant – meets monthly to optimize synergies across our functions and assets, support enterprisewide initiatives and promote transparency of activities.

In 2021, representatives from various Hess functions continued the HOMS optimization exercise, integrating standalone functional requirements into cross functional standards for nine of the 14 HOMS Element Standards. For example, we merged EHS, operations, design and other existing function specific requirements and expectations for management of change into a single integrated and cross functional standard. We are in the process of delivering the nine integrated standards to our operated assets for adoption. In 2021, we also began developing standard specific guidelines to assist the assets with implementation. We will continue

Taking a “Learn by Doing” Approach to Innovation

Piloting high potential new ideas is a key element of our approach to innovation that helps build a culture that supports creativity and the cross pollination of ideas and cultivates a learning mentality.

For example, in 2021, members of the maintenance, reliability and integrity team in our Bakken upstream asset identified an opportunity to reduce energy demand by capturing the downstroke energy of the up and down movement of our pumping units. They developed and piloted a project for capturing and storing this energy from pumping units and connecting them into a common electrical system to move regenerated energy between units. We ultimately determined that retrofitting the large number of existing pumping units to use this system was cost prohibitive. But, following our learn by doing approach to innovation, we transferred the successful elements of this trial into a new idea: installing energy capture systems directly into pumping unit drives. We are currently piloting this idea at several pumping units in the Bakken to determine the extent of energy savings and will then determine a plan forward.

to integrate the standalone functional requirements into cross functional standards for the remaining five HOMS Element Standards in 2022, and “check and adjust” our processes and practices throughout the implementation process.

HOMS Assurance

Our ongoing assurance efforts help align expectations and requirements such as HOMS across our operated and nonoperated assets and drive continuous improvement. Results are reported to and reviewed several times per year by the EHS Committee of Hess’ Board of Directors.

In 2021, we began implementing our revised three tiered assurance framework in alignment with HOMS Element 13: Assurance. Tier I audits, conducted by the Corporate Audit Department, include “health of process” audits to provide reasonable assurance that the Tier II and Tier III processes and practices effectively conform to Hess policies and applicable regulations and industry standards.

Under the new framework, Tier II Assurance includes independent audits and collaborative assessments involving assets to confirm proper EHS & SR, major accident event (MAE) and license to operate risk management. Tier II Assurance covers the activities of various functions under HOMS such as Operations, Wells, Projects, Facilities and Engineering, EHS, Operational Technology/ Cybersecurity and Global Supply Chain. The assurance is performed by technical authorities and subject matter experts who evaluate conformance with corporate and asset level standards and procedures, as well as with applicable regulations and industry standards, and assist the assets in addressing identified improvement opportunities. Audits and assessments are performed following a risk based plan that covers various topics under HOMS. Tier III Assurance remains unchanged in the revised framework and constitutes routine self assessments by assets against corporate HOMS Standards, corporate and asset level procedures, regulations and applicable industry standards.

In 2021, we completed assurance activities across all three tiers. At the Tier I level, we reviewed the health of the Tier II Assurance program and recommended measures to enhance governance and sustainability, which we plan to address in 2022. Tier II Assurance efforts at our operated assets covered key risk based Hess Rules and other topics such as barrier health, safety system bypass, drilling operations readiness, dropped object prevention, lifting and hoisting management, emergency response and preparedness, spill prevention and response, produced water and waste management, stormwater management and cybersecurity. We also conducted the first Tier II Assurance effort at our nonoperated joint venture (NOJV) in Guyana in 2021 with a review of the process safety and MAE prevention aspects of our NOJV operator’s management systems, including risk management, competency assurance and learning, emergency preparedness and response, design operation and maintenance, management of change and contractor management. Tier III Assurance efforts at our operated assets included behavioral safety observations, leadership site visits, hazard observations, drilling rig inspections and other reviews, as well as formal audits and inspections by external authorities such as certifying agencies and regulators.

BUSINESS CONDUCT

The Hess Code of Conduct outlines 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.

All of our key compliance policies and procedures are described in 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 updates the Audit Committee of the Board of Directors on a regular basis.

To continuously enforce compliance controls and embrace best practices, our Global Compliance team focuses on internal investigations and antibribery and anticorruption (ABAC) programs, as well as other enterprise programs and systems. In 2021, 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.

Providing employees with effective training on the Hess Values is a key element of strengthening our culture so 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. At year end 2021, 99% of active employees had completed the Code of Conduct training, and 99% had completed the ABAC training.



See more detail on ABAC at hess.com/sustainability/how-we-operate/anti-bribery-and-anti-corruption-compliance

POLITICAL ENGAGEMENT

HessPAC

HessPAC serves as the political action committee (PAC) of Hess’ U.S. employees and acts in full compliance with U.S. federal and state campaign finance and election laws. HessPAC is

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used to promote the interests of Hess Corporation. In 2021, HessPAC continued in its fourth full cycle of operation, generated approximately \$88,600 in member contributions and distributed \$79,500 in political contributions in a bipartisan manner to candidates.

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). In 2021, HessPAC made one state level contribution in North Dakota, totaling \$2,500, which is publicly available on the appropriate state website. 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 regularly communicates 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.

Our 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 2021, the company's lobbying expenses totaled approximately \$633,700. This includes fees

and expenses for external consultants and trade association dues used for lobbying purposes, as required by the Lobbying Disclosure Act. We also comply 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. We require all our 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 approximately 22% of our total lobbying spend in 2021.

In 2021, 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 2021 is shown below.

2021 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
- Marine Well Containment Company
- Meridian International Center
- National Ocean Industries Association
- National Petroleum Council
- Oil Gas Denmark
- U.S. Chamber of Commerce

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 we continue to operate at the highest level of integrity and transparency and remain compliant with all reporting requirements.

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.

Trade Association Alignment

Hess is a member of many associations, organizations and collaborative working groups. While many of these associations, organizations and collaborative working groups share Hess' positions on climate change, our positions do not always align with all formal positions of these groups, and our membership should not be considered a direct endorsement of the entire range of activities that they undertake. However, these organizations often provide broader value to our company in the form of industry EHS standards, along with opportunities to promote ongoing emissions reductions and transparency through industry led voluntary programs. Additionally, decisions by Hess to become a member or to discontinue a particular membership or relationship with an organization are made based on a variety of factors and should not be solely attributed to alignment or misalignment on any one issue.

In 2021, we actively participated in ongoing efforts to update association positions, including on climate change and methane emissions, so that they more closely align with our positions. To address concerns related to potential inconsistency on a variety of issues, we publish our own positions on key sustainability topics in this annual report.

To illustrate our alignment on climate change policies with our national and international memberships and associations, we evaluate major advocacy organizations that have historically received more than \$50,000 from Hess in any given year. For our most recent analysis completed earlier this year, we did not include the Independent Petroleum Association of America or U.S. Chamber of Commerce, as we did not renew these memberships for 2022. Similarly, we joined the American Exploration & Production Council (AXPC) in 2022 and have thus included it in this most recent analysis.

Furthermore, although we are an active member of IPIECA on sustainable development issues such as climate change, biodiversity impacts and access to energy – issues that are often too complex for individual companies to tackle alone – we do not include IPIECA in this evaluation. Unlike many of the organizations that we have reviewed below, IPIECA is not a lobbying organization. IPIECA instead represents its members by engaging with stakeholders and governments on climate change and other sustainability topics and by providing a forum for encouraging continuous improvement of industry performance. IPIECA 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 energy solutions.

Our 2022 evaluation was conducted using publicly available positions and statements, along with our own assessment of each organization’s activities regarding climate change and whether their climate positions are consistent with the following Hess positions: (1) acknowledgment of the science of climate change, (2) support for the Paris Agreement’s aim to limit global average temperature rise,

Findings of Hess’ Trade Association Evaluation	
Industry Advocacy Organizations	Summary of Alignment with Hess’ Climate Positions
American Petroleum Institute (API)	API has continued to enhance its position on climate and continues to consider forward leaning climate action that is <u>consistent</u> with the five Hess positions included in our analysis. We will continue to share our viewpoint on climate policy in an attempt to promote changes in policy direction, where appropriate.
American Exploration & Production Council (AXPC)	AXPC maintains climate positions that are <u>partially consistent</u> with the five Hess positions included in our analysis and discussions are proceeding in a positive direction. As a new member of this organization, we will share our viewpoint on climate policy in an attempt to more closely align AXPC’s position with ours.
National Ocean Industries Association (NOIA)	NOIA’s recently adopted Climate Change Position and Principles are <u>consistent</u> with the four Hess positions included in our analysis that are applicable to this organization. Hess will continue to support NOIA’s efforts to balance the environmental, social, economic and energy needs of society and will continue to share our viewpoint on climate policy in an attempt to promote changes in policy direction, where appropriate.

(3) acknowledgment of the need to accelerate GHG emissions reductions through technological innovation, (4) support for a carbon price applied to emitters across all sectors and (5) support for the direct regulation of methane. The fifth position was added to our evaluation this year in recognition of our support for the enactment of cost effective direct methane regulations that would preserve a state’s ability to adapt implementation to local conditions. All of the organizations we analyzed acknowledge the science of climate change and support GHG emissions reductions through technological innovation. One of the organizations we evaluated, AXPC, has not directly and publicly supported the aim of the Paris Agreement, a carbon price, or the direct regulation of methane. However, AXPC has established public principles that demonstrate thoughtful consideration of these issues and a willingness to work with all stakeholders as these policies are further developed. For this reason, we have identified AXPC as “partially consistent” with Hess’ positions on these issues. As an offshore-only trade association, the National Ocean Industries Association (NOIA) has not addressed the direct regulation of onshore

methane emissions. This criterion is therefore not applicable to NOIA, and we have identified it as “consistent” with Hess’ climate positions overall. The table above summarizes the overarching results of our review as of April 2022.

We will continue to review the positions of our major advocacy organizations on an ongoing basis and, in the event that those positions appear to be or become misaligned with Hess’ positions, we will share our viewpoint in an attempt to more closely align their position with ours.

SUPPLY CHAIN

Our suppliers and contractors are critical to our success and play a significant role in Hess’ day-to-day business operations, collaborating with us to promote efficient operations, maintain high standards of EHS performance, mitigate risks and create shared value. As such, supply chain and contractor management is one of our key sustainability issues. We view our suppliers and contractors as important partners in advancing our sustainability efforts, and these partnerships will play an important role in helping us achieve many of the key actions outlined in our updated EHS & SR strategy.

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We have tailored our engagement approach with our suppliers based on the value of the contract, risk level and additional criteria, focusing on deeper engagement with our most strategic suppliers who play a significant role in the overall performance of our business and sustainability objectives. For example, we have implemented an ongoing engagement cadence between Hess senior executives and our strategic suppliers' senior leaders focused on increasing transparency, delivering mutual value and prioritizing supplier diversity.

During the ongoing challenges brought on by the COVID-19 pandemic, we continued to support the resilience of our supply chain by working with our suppliers to understand impacts to their operations, monitor potential operational risks and develop mitigation strategies.

While this section describes our general approach to engagement 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

Effective supply chain management underpins our business and operational strategies. We continue to enhance our capabilities to understand the market and strategically manage our suppliers with cross functional teams that work collaboratively to reach safety, quality, delivery and cost targets. To further support a robust and consistent approach, sourcing

and supplier management have been integrated into HOMS (see pages 14–15).

Our Procurement Policy specifies expectations and governance for the evaluation of proposals, management of contracts and ongoing procurement of goods and services. It also includes code of ethics and conflict of interest guidelines that establish clear expectations for our employees when engaging with suppliers. This includes an expectation that our suppliers respect our Code of Conduct and related policies, including those related to labor and human rights – or adopt equivalent standards – and that they train their employees accordingly. 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 to avoid unexpected commitments and leverage our spend more effectively.

Supplier Qualifications

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

We employ a systematic prequalification and selection process to help ensure we are working with qualified and safe suppliers. Prospective suppliers are given a scope of work and EHS expectations during the sourcing phase. We conduct risk assessments for all potential suppliers. Where appropriate, certain potential suppliers – as determined by a risk based decision matrix – undergo expanded risk assessments including

an antibribery, anticorruption and legal compliance review and, as detailed below, a review of EHS performance and programs. In addition, our procurement staff reviews, where appropriate, potential suppliers' insurance, tax and quality information. If discrepancies with our applicable requirements arise, the relevant function within Hess conducts additional assessments and develops mitigation plans, as needed. In 2021, we also began screening suppliers based on DEI criteria (see page 19).

Contracts that involve higher risk, due to factors such as the number of workhours 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 European Union. In Malaysia, we use a standardized process aligned with our partnership with PETRONAS. Further detail on our EHS related qualifications review during procurement can be found in the Safety and Health section (pages 32–33).

Potential suppliers receive a grade based on this assessment, and where the grade does not meet our requirements, the supplier must develop an improvement plan before they can perform work for Hess. Should an operational situation occur, such as an emergency, that requires the use of a supplier that has not completed the prequalification process or that has received an unsatisfactory grade, an escalated approval and increased oversight are required.

At our operated assets, we perform periodic assessments of suppliers and help them develop improvement plans if we find any gaps in their EHS processes or performance.

Supplier Spend

We rely on our suppliers to provide key goods and services and perform essential tasks. In 2021, we purchased approximately \$2.1 billion in commercial goods and services from approximately 3,000 suppliers, whose workhours constituted approximately 65% of our total workforce hours.

Supplier Transparency and Compliance

Contractually, the companies that supply Hess with goods and services must comply with all applicable laws and regulations, maintain any applicable licensing or permitting requirements for their activities and meet the expectations set forth in our Code of Conduct and our Voluntary Commitments regarding labor and human rights (see page 21). Standard contract clauses include requirements with respect to ethical business practices, human rights, SR, business integrity, search and seizure, EHS and quality of materials and services. In addition, clauses that cover federal contractor requirements are included in our domestic contract templates for suppliers. For activities deemed as high risk or as required by regulators, we utilize tools such as bridging documents to address potential gaps between the supplier's EHS management system and Hess' EHS requirements.

Contracts typically also include a requirement that suppliers cooperate with all audits and inspections. We use a risk based approach and conduct audits and other assurance activities of existing suppliers to help ensure compliance with applicable Hess requirements and laws and regulations.

Supplier Diversity

We recognize the value of engaging a diverse supplier base to bring innovation, agility and value to our business and to reflect our commitment to create economic opportunities in the communities where we operate. In 2021, a task force of cross functional leaders at Hess completed a six month process of research, benchmarking and strategy development aimed at improving the diversity of our supply base and contractors. As one of the first steps in implementing our resulting supplier diversity strategy, we hired a supplier diversity leader to help ensure an impactful and sustainable program.



Drilling Operations, North Dakota

In 2021, we began establishing a multiyear roadmap to promote economic equity in support of diverse businesses. We increased diverse supplier participation in direct business opportunities and engaged our nondiverse strategic suppliers to improve our indirect spend with their diverse suppliers. In 2022, we are focused on further embedding diversity into our established supply chain processes.

Local Content

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

In Malaysia, for example, 92% of our workforce is considered local, and we use an approved vendor list that includes Malaysian owned companies. We also require our suppliers to prioritize hiring local staff.

In Guyana at Hess' joint venture (JV), 57% of the workforce is considered local. The JV and its contractors used over 880 Guyanese vendors, spending approximately \$219 million for goods and services, a 37% increase in spending from 2020. The JV also launched the Greater Guyana Initiative (GGI) in 2021, a 10 year commitment of \$100 million, to significantly expand capacity building efforts in diverse sectors such as health and agriculture and to promote sustainable economic development in Guyana. The GGI's capacity development efforts include programs that partner with local institutions within Guyana's Technical and Vocational Education and Training Sector, the University of Guyana and the Centre for Local Business Development (CLBD). The JV has supported the CLBD since 2017 and has registered more than 3,400 local businesses for new opportunities since that time.



See more on Hess' expectations and requirements for suppliers at suppliers.hess.com and hess.com/sustainability/how-we-operate/supply-chain



Volunteer Tree Planting Event, Houston, Texas

Social Responsibility

At Hess, we are committed to maintaining the highest standards of corporate citizenship while we help to meet the world's energy needs. The Hess Value of Social Responsibility (SR) is built into our company culture and is reflected in the way we conduct business. We live this value by protecting the health and safety of our workforce and safeguarding the environment. We ultimately aim to create long lasting positive benefits wherever we operate, supporting our purpose to be the world's most trusted energy partner.

We are guided in our activities by Hess' Code of Business Conduct and Ethics (Code of Conduct), our SR and Human Rights Policies, and the United Nations (U.N.) Sustainable Development Goals (SDGs), which were considered in the development of our environment, health, safety and social responsibility (EHS & SR) strategy.

GOVERNANCE FRAMEWORK

We are committed to implementing ethical and responsible business practices in all that we do. Through the Hess Code of Conduct, we have established the business conduct and practices we expect of our employees, officers, directors and contractors, including adherence to the highest standards of SR and human rights.

We have endorsed or formally joined a number of voluntary initiatives, known collectively as our Voluntary Commitments, designed to protect the environment, promote human rights and encourage financial transparency. They include:

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

Additionally, Hess is a member of the Human Rights Campaign's Business Coalition for the Equality Act. This legislation, which is under review in the U.S. Congress, would guarantee explicit, permanent protections

for lesbian, gay, bisexual, transgender and queer people under existing civil rights laws and create a federal standard to treat all employees equally.

Hess' Voluntary Commitments help to provide a foundation for our SR and Human Rights Policies, which are supported at the local level through training and procedures specific to the needs of our operational locations. We also expect our suppliers and contractors to respect our Voluntary Commitments; Code of Conduct; Environment, Health and Safety (EHS) Policy; SR Policy; and related policies or to adopt equivalent standards and train their employees accordingly.

Our SR Policy compels us to demonstrate high standards of ethics and integrity and outlines our commitments to both the communities where we operate and to our workforce. For example, we are committed to conducting environmental and social impact assessments prior to making major investments and minimizing any adverse impact as a result of our operations.

Our Human Rights Policy specifically prohibits child labor, forced labor and workplace harassment in our operations. It also covers the rights of Indigenous peoples and key issues relating to security, community engagement and our supply chain.

In 2021, in recognition of the evolving SR related responsibilities of companies and our changing portfolio, we began a project to review and update our SR and Human Rights Policies.

Organizational Structure

Hess' External Affairs function serves as an internal coordination body and technical resource for our assets and

project teams as they implement our SR commitments and programs. External Affairs develops governance, reports companywide social performance, provides technical and functional support to the assets and project teams, and provides assurance across these efforts. The assets 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

As we work to develop oil and natural gas resources in a manner that is environmentally and socially responsible, we engage with a wide range of external stakeholders, as appropriate – from local landowners and governments to community service agencies and Indigenous groups. We actively pursue dialogue with our stakeholders to share our values, vision and goals; seek their feedback; and collaborate on opportunities to make lasting contributions to our host communities, especially in the areas of education and health.

Stakeholder Planning and Engagement Process

Our stakeholder planning and engagement process is a foundational element of the Hess Risk Management Standard, allowing us to link key external issues impacting each asset to specific stakeholders and adopt appropriate risk mitigations and engagement activities (see graphic below).

The first step of this process is understanding the specific risks faced by each asset as identified in the asset level risk register and "heat maps," as well as identifying external facing issues that are

Integrated Stakeholder Engagement Process



Social Responsibility

critical to maintaining 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, Issue Managers, with support from our External Affairs function, document the relevant stakeholders, and then, in step four, outline 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 per year.

We maintain individualized External Affairs and Stakeholder (EAS) Plans for each of Hess' operated locations, which document the five step engagement process. These EAS Plans were updated in 2021 to identify high priority issues and related mitigation and engagement approaches, where applicable.

Hess' Key External Stakeholders

Collaborating with stakeholders helps us to identify opportunities for benefiting our host communities while improving our business and strengthening our license to operate. We engage with a wide range of external stakeholders, including the following:

- *Land Users/Landowners*: Residents, landowners, commercial land interests, farmers, ranchers
- *Resources Users/Rights Holders*: Mineral rights owners, water rights owners and users, hunters, fishers
- *Governments*: Local, regional and national authorities; national militaries; international governing authorities
- *Parties with Direct Economic Interests*: Investors, vendors and suppliers, contractors, unions, shareholders
- *Parties with External Business Interests*: Chambers of commerce, industry organizations, local businesses, sustainability initiatives
- *Special Interest Groups*: Nongovernmental organizations, religious groups, cause oriented nonprofits, community groups

- *Community Services*: Police, fire and emergency medical services; health care services; education; human service agencies
- *Indigenous Groups*: Formally recognized groups, tribal coalitions, government supporting agencies, Indigenous advocacy groups

 Recent examples of our stakeholder engagement activities can be found at hess.com/sustainability/social-responsibility/stakeholder-engagement

Grievance Mechanisms

In the communities where we operate, we do our best to address potential issues early, before they mature into more severe challenges – and we believe that strong and transparent stakeholder relationships help us to do that. Formal grievance mechanisms are an important part of our commitment to solicit external stakeholder feedback for our company's operational impacts and help us respond to and act on feedback through an established process. We are committed to addressing all concerns we receive.

We have reached out to community members through forums, such as community meetings, town halls and local hearings, to share information about our grievance mechanisms and to establish channels of communication. As an additional step in the process, we survey stakeholders who communicate concerns to assess whether they are satisfied with our response.

Through one of the grievance mechanisms at our Bakken asset, we accept feedback and complaints (anonymously, if desired) via several access points, including our Grievance Officer, the Hess Owner Solutions team, our North Dakota front desk staff and our Surface Land team. Our response team then investigates and draws on personnel 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



Farm Rescue Support, North Dakota

forwarded to our EHS function; individual worker complaints are handled by Human Resources; and business integrity or ethics complaints are referred to our Code of Conduct hotline. By engaging each discipline as appropriate, we escalate management of the grievance upward in the company as necessary to help resolve the issue. The response team strives to complete each investigation within 14 days of the original report and to provide a response and/or resolution within 30 days. Before closing the feedback or complaint, we contact the stakeholder to confirm the issue has been adequately addressed. Trending data on grievances are reported upward to the Bakken Leadership team, composed of key senior decision makers for the Bakken asset. This approach bolsters accountability and sharing of lessons learned throughout the organization. Our internal database – the stakeholder management system (SMS) – helps us to track grievances from start to closeout.

We receive and address concerns related to our operations. Although feedback and complaints can cover any topic related to our operations, including workplace, procurement and supplier issues or EHS concerns, the most commonly raised topics at the Bakken asset include road conditions, erosion, land reclamation, fencing, cattle guards and weed control.

We also maintain an owner relations telephone hotline, webpage and email address through which landowners and mineral rights owners at our Bakken asset can ask questions and share concerns and complaints. While most of the inquiries through this system are requests or questions related to owner accounts, the system also serves as a separate grievance mechanism for this key stakeholder group. Our Owner Relations and Owner Support teams manage this system and use the SMS to track open inquiries and grievances and to help ensure resolution.

In 2021, we received 315 grievances through these processes, 94% of which

Engaging with Local Stakeholders on the Tioga Gas Plant Turnaround

At the Tioga Gas Plant, Hess Midstream safely and successfully completed a scheduled maintenance turnaround in 2021, which will help to increase processing capacity, maintain a safe and reliable plant and reduce flaring from production operations. The turnaround was completed in 35 days (10 days shorter than planned) and involved more than 650 workers, including 300 who were contracted specifically for the project.

Turnarounds of this magnitude have the potential to result in impacts to the community, such as traffic congestion from increased construction activities and inflated short term housing costs from nonlocal workers. To help mitigate these potential impacts before the turnaround commenced, Hess and Hess Midstream developed a comprehensive engagement plan and proactively engaged our local stakeholders – including local residents, businesses and government officials – to explain the project and solicit their feedback. This engagement and planning drew on personnel from various disciplines within Hess, including External Affairs, EHS, infrastructure, operations, maintenance, civil construction and human resources.

The turnaround was originally scheduled to occur in 2020, but we chose to delay all maintenance activities until 2021, in part due to local stakeholders' concerns related to COVID-19 and our priority to keep our workforce and community safe. To reduce COVID-19 related risks associated with assembling the large number of workers required to complete this project, we implemented strict safety practices for all workers including hygiene protocols, wearing masks, social distancing, completing daily health questionnaires and regular COVID-19 testing for the entire workforce.

Once we began to progress the turnaround in 2021, we continued this dialogue with our stakeholders to solicit their input on the effectiveness of the mitigations in place. This involved, for example, our land team regularly meeting with landowners to provide a forum to review any new emerging issues and to spread awareness of our grievance mechanism.



Midstream Operations, North Dakota

have been resolved as of May 2022. We are committed to resolving the remaining 6%, which are primarily grievances that require construction activities and are planned to be completed in the spring or summer when both weather conditions and harvest season make these activities feasible.

SOCIAL RISK AND IMPACT MANAGEMENT

When entering a new geography, commissioning a new development or expanding an existing facility, Hess uses strategic planning processes to examine

the social, political and reputational environments; identify nontechnical risks and impacts; and develop mitigations. Where our operations are ongoing, we regularly conduct heat map reviews through our enterprise risk management process that take into account new and emerging nontechnical risks and develop mitigations where appropriate. We identify, mitigate and manage human rights issues during the strategic planning process for new and expanding operations and the regular risk reviews of our ongoing operations.

Social Responsibility

Human Rights

Our Code of Conduct and SR and Human Rights Policies codify our commitment to respect human rights and we uphold this commitment in our operations. By engaging with stakeholders, we aim to proactively address potential issues and work to prevent human rights related incidents. We seek to make positive and lasting contributions in governance, transparency, respect for rule of law, and social and economic development.

Hess is committed to educating our personnel on the importance of respecting human rights, as well as raising internal awareness of the best practices outlined in our Human Rights Policy. We include a human rights training module as part of our online Code of Conduct training for employees that explains the concept and importance of human rights, 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.

With the help of an external consultant, we performed a social risk assessment focused on human rights issues for our North Malay Basin (NMB) asset in 2020. The final assessment report, which was completed in 2021, resulted in an overall finding of low risk and identified two opportunities for improvement: enhance our human rights training for NMB employees and appoint a local human rights key point of contact. As part of our EHS & SR strategy, we planned to advance our human rights training program and have begun piloting a module developed through IPIECA with our NMB employees. If successful, we plan to expand it across the enterprise in the future. We have also appointed a local human rights key point of contact.

In 2021, we continued to participate in IPIECA's Social Responsibility and

Supply Chain working groups, which aim to advance our industry's approach to human rights and help to inform Hess' policies and practices.

COMMUNITY BENEFITS AND CAPACITY BUILDING

Hess is committed to making a lasting positive impact in the communities where we operate. We aim to achieve this through direct and indirect economic and employment opportunities and social investment, which in 2021 totaled approximately \$15.7 million.

At the local level, our assets and Houston operational headquarters create, maintain and implement strategic social investment, capacity building and infrastructure improvement programs tailored to each operation and community.

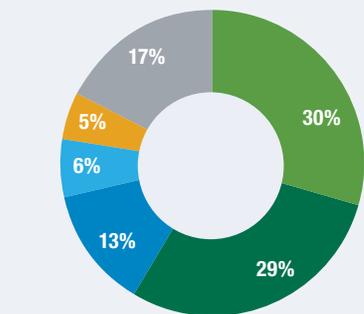
We evaluate our programs to confirm a balance of strategic investment and support of local organizations, which helps us meet the changing development needs of the communities where we operate. Hess focuses on established partnerships with key organizations and projects best aligned with our values as well as the business and the 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 opportunities to have a positive impact on economic inclusion and equity in our supply chain to provide lasting benefit to the communities where we operate.

Hess also supports innovative programs and initiatives combating societal issues such as climate change. In 2021, for example, we donated \$2 million to the Salk Institute – as part of a \$3 million

2021 Social Investment Spend by Type of Investment

\$15.7 Million



- Environment
- Education
- Disaster Relief
- Health
- Skills & Economic Development
- Other*

Note: This chart includes all social investments in 2021, including those associated with joint venture operations. Non cash or "in-kind" contributions have been included within the category for the social issue which they support.

**Other category includes charitable donations for general community needs and matching gifts.*

commitment – to establish an endowed Hess Chair in Plant Science as the institute continues its research on developing plants with larger root systems capable of absorbing and storing potentially billions of tons of carbon per year from the atmosphere. We also donated \$2.5 million in support of the Salk Institute's Harnessing Plants Initiative in 2021 as part of a multiyear \$12.5 million commitment.

In 2021, we developed social investment expenditure and reporting guidance to enhance the consistency of tracking our spend, one of our strategic EHS & SR actions. We also drafted a framework to measure the outcomes of our key social investment programs and better assess the alignment of our social investment strategy and programs with the U.N. SDGs. This effort, which is another strategic EHS & SR action, is slated for implementation in 2022.

Local Program Highlights

In 2021, Hess' global assets and Houston operational headquarters engaged in a variety of local social investment activities based on community development priorities and involving local stakeholders. The following are selected highlights.

Winter Storm Relief in Houston

Hess donated \$1 million to the 2021 Houston Harris County Winter Storm Relief Fund and \$1 million to the Houston Food Bank following the severe winter storm that significantly impacted communities already suffering from the pandemic's economic effects. We also matched donations made by employees through our matching gift program.

Educational Programs and Services in Houston

In Houston, Hess announced a \$9 million financial commitment over the next three years as part of our Learning for Life Partnership. We are funding educational programs and support services for children in three underserved communities that are part of the Houston mayor's Complete Communities Initiative. Learning for Life will benefit approximately 22 schools and more than 13,000 children from prekindergarten through high school in Houston's Third Ward, Magnolia Park-Manchester and Second Ward Complete Communities neighborhoods.

Scholarships and Educational Programming through the Jackie Robinson Foundation

As part of Hess' longstanding commitment to diversity, equity and inclusion, we announced a \$1.4 million grant to the Jackie Robinson Foundation (JRF) in 2021. The grant includes \$1 million to support the new Jackie Robinson Museum being built in New York City, which will serve as a venue for innovative educational programming and dialogue on critical social issues. The remaining \$400,000 will provide four year scholarships and support services to five underrepresented college students as part of the JRF scholarship program. In addition, Hess will provide internship opportunities for JRF Scholars, with a goal of five Hess JRF Scholar internships per year starting in 2022.

College Apprenticeships in North Dakota

Job Experience Training (JET) is an apprenticeship program developed by Hess in 2017, in collaboration with Bismarck State College, to develop local, qualified reliability operators in North Dakota. Since inception, 31 apprentices have entered the JET program, 17 have completed the apprenticeship and 16 have transitioned to be Hess employees. Given the success of the program, we made an additional investment of \$50,000 in 2021. We plan to fund eight new JET apprentices in 2022.

STEM Teaching Tools in North Dakota

In partnership with North Dakota state education officials and the governor's office, Hess provided toy trucks to every public elementary school in North Dakota for the 2021–2022 academic year. We have been shipping these trucks since 2018 as science, technology, engineering and math (STEM) teaching tools that accompany a corresponding STEM curriculum designed by Baylor College of Medicine's Center for Educational Outreach. The materials provide teachers with ready made plans for STEM educational opportunities and help children learn about energy efficiency, kinetic energy and other STEM lessons.

Gulf of Mexico Sustainability Programs in Texas and Louisiana

Hess continues to work with the Gulf of Mexico Alliance (GOMA) to support the sustainability and health of the Gulf's aquatic resources, primarily through programs that help to improve water quality and clean up marine waste. In 2021, we supported the GOMA Gulf Star program's Water Watch and citizen science water quality initiatives for the fourth year in a row with a \$50,000 donation. We also sponsored the water bottle refill stations installed in Lafourche Parish schools in southern Louisiana.

Food Security in Malaysia

Hess continues to support the work of MyKasih Foundation in Malaysia to benefit impoverished families. In 2021, we contributed to its "Love My Neighbourhood" food aid program, and our funding helped approximately 200 households in Kelantan purchase seven months' worth of essential supplies.

Capacity Building in Guyana

In 2021, our Stabroek joint venture continued to provide social and economic benefits to the people of Guyana. This included the Greater Guyana Initiative (GGI), a \$100 million commitment over 10 years to expand capacity building efforts and promote sustainable economic development in the country. Efforts include programs that partner with local institutions within Guyana's Technical and Vocational Education and Training sector, the Centre for Local Business Development and the University of Guyana. The GGI will also focus on supporting regional initiatives and capacity development of diverse sectors including health and agriculture.



See more detail on these programs at hess.com/sustainability/social-responsibility



Volunteer Marsh Restoration, Gulf of Mexico



Greater Guyana Initiative Announcement



Safety and Health

Our commitment to safety is embedded in the Hess Values and our organizational culture. Occupational health and safety, process safety and release prevention, and emergency preparedness and response are among our most important sustainability issues, and we continue to prioritize continuous improvement in these areas through our environment, health, safety and social responsibility strategy. (See pages 8–9 for our goals and targets through 2025.)

Our safety programs and practices aim to maintain a culture in which employees and contractors keep each other safe on the job. We support this culture by fostering collaboration, communication and accountability through standardized tools, processes and procedures, frequent sharing of performance data and clear performance goals.

Hess' commitment to safety begins at the top of our company, and we work to reinforce it at every level. For example, we include key enterprisewide safety metrics in our annual incentive plan formula for executives and employees. We also

conduct leadership site visits and safety observations to engage our organization in safety performance. Our leadership site visits – known as “Go to Gemba” – focus on Hess leaders visiting our worksites to better understand safety challenges and reinforce our commitment to safety. When a site's workforce includes contract workers, managers from our contractor companies will often accompany our leaders on these visits. Though the COVID-19 pandemic continued to limit employee travel in 2021, we completed approximately 70,750 visits and observations.

Our 13th annual Global Safety Appreciation Day, held virtually in 2021, provided an opportunity for the Hess workforce to reflect on safety. The main topic was process safety, and materials were provided to our office and field locations that emphasized the important role and responsibility each person plays in helping us operate in a safe manner. The event also allowed our leaders to emphasize that no project or deadline is more important than our goal to have everyone, everywhere, return home safe every day.

Collaboration with industry groups helps us advance our collective understanding of and approach to managing safety risks. In 2021, we concluded our work with the Center for Offshore Safety (COS) and the International Association of Oil and Gas Producers (IOGP) on a set of process safety fundamentals, which we plan to integrate into future training programs. We also supported the American Petroleum Institute's Onshore Safety Alliance, which officially launched its Onshore Safety Program in 2021 for oil and gas companies to share best practices on personal and process safety.

MANAGEMENT APPROACH

We utilize the Hess Operational Management System (HOMS) as a framework for managing, measuring and promoting continuous improvement in our safety performance.

Over the past several years, we have formalized and standardized many of our environment, health and safety (EHS) global standards, which address key areas of safety risk – such as energy isolation, dropped objects and confined space entry –

Responding to the COVID-19 Pandemic

In 2021, the COVID-19 pandemic continued to be a central focus of our occupational safety and emergency response efforts. Our first priority in responding to this crisis has been the safety of our workforce, their families and the communities where we live and operate.

Throughout the pandemic, we utilized our emergency response incident command system to support a coordinated response across functions, business units and business partners. Our centralized Incident Support Team (IST) worked to address long term business continuity, evolve COVID-19 safety and health protocols and remote working arrangements, develop communications and provide regular leadership updates. Incident Management Teams (IMTs) at our assets and office locations in the U.S., Europe and Asia supported the IST by focusing on local needs and conducting local stakeholder engagement.

We used a range of health and safety measures to help keep our workforce safe and evolved those measures based on guidance from the Centers for Disease Control and Prevention and other health authorities and applicable government requirements, in addition to ongoing engagement with medical experts, peers and suppliers, and local communities. Over the course of the pandemic, our safety measures included the use of face masks, social distancing, altered schedules, remote work, and travel and

visitor restrictions, as well as vaccination and testing programs. To support our employees in getting vaccinated, we provided paid time off, hosted forums with medical experts and implemented a vaccine helpline, staffed by experts, to answer questions and help with vaccine locations and appointments.

Supporting employees' mental health was an important element of our pandemic response. For example, we expanded access to virtual mental health therapy and launched a dedicated COVID-19 mental health resource center, which remains available to employees. This web based center pulls together information and support tools for key mental health issues brought to the forefront by the pandemic, including unique challenges for working parents without access to in person school and childcare, stress and anxiety management skills, and guidance for managers to support employees facing increased stress and the challenges of remote work.

Due to evolving conditions, we have transitioned from a pandemic response to a longer term endemic management plan. In 2021, we stood down the IST and IMTs and formed a Return to Office team, which began implementing site specific plans to facilitate resuming normal operations. We are following a risk based, phased approach to endemic management that incorporates an ongoing review of local criteria, including strain on local health care services and case positivity and transmission rates.

Safety and Health



Offshore Operations, Gulf of Mexico

and promote leadership, awareness, consistency and accountability across all levels of the organization. As described in the How We Operate section, these standards are now or are in the process of being embedded into HOMS (see pages 14–15). We also maintain a set of Hess Rules to clearly express our universal, mandatory safety requirements to our workforce.

We review conformance with the external and internal requirements (e.g., regulations, policies, standards and procedures) related to HOMS through HOMS Element 13: Assurance. Our Assurance Standard was updated in 2021 to address both operated and nonoperated assets. Assurance for operated assets covers a broad range of activities and functions under HOMS. For nonoperated assets, Hess' assurance activities focus on process safety and major accident event prevention. For further detail on our 2021 assurance activities, see page 15.

OCCUPATIONAL SAFETY

Hess emphasizes a culture of ownership for occupational safety by empowering workers and giving them the responsibility to identify and mitigate the potential safety risk relevant to their operations.

Our safety observation program helps us to facilitate this culture of ownership by empowering workers to take an active role in their safety and that of others, and be a part of the solution when issues arise. In 2021, we maintained a formal behavioral observation safety program at our operated assets that trains workers to conduct peer to peer workplace observations in order to identify and track safe and at risk behaviors and provide immediate feedback. We implemented multiple training sessions for employees and contractors across the organization to support effective safety observations, critical conversations and follow up actions.

We continue working toward a generative safety culture that emphasizes a worker centered, collaborative approach to safety. In 2021, we surveyed our Bakken workforce to understand the current state of our safety culture and identify opportunities for improvement. We also began to explore how we can enhance our efforts through a human and organizational performance approach to safety that focuses on strengthening our safety performance and culture through learning – not only from incidents, but also from successful events and evaluating what went right.

We further enhanced joint leadership and frontline worker safety steering committees that include Hess employees and contractors at our assets. These groups provide a critical link between management and workers on safety issues and underpin our efforts to create a culture that fosters open communication and continuous learning and improvement. The steering committees take a lead role in collecting and analyzing safety observation data, identifying specific corrective actions and addressing impediments to improvement.

Through our safety leadership training, we aim to empower frontline leaders to be role models who help set safety expectations. We have trained over 253 frontline leaders in our Bakken asset since this training was initiated three years ago. In 2021, we began expanding this safety leadership training in North Malay Basin with “Train the Trainer” workshops focused on fostering more effective safety conversations. Although full expansion of this training program in North Malay Basin and the Gulf of Mexico was delayed in 2021 due to the COVID-19 pandemic, we will continue its implementation in 2022.

We are in the multiyear process of building a consistent approach to competency assurance and learning (CAL) across our operations and integrating CAL into our HOMS processes (see pages 14–15). In 2021, we completed implementation at our U.S. assets of a competency training management system and established regional regulatory based training requirements at each of our U.S. assets.

In 2021, we established an Innovation Task Force to monitor and evaluate emerging technologies and their applicability to Hess' standard operating practices. For example, we piloted a fatigue management program in North Malay Basin that assessed employees' and contractors' readiness prior to commencing work each morning and, based on results, provided them with additional rest time if needed.

Transportation Safety

Transportation is an important focus of our occupational safety efforts. The Hess Land Transportation Standard is being incorporated into HOMS and has three pillars: driver training and competency, the use of in vehicle monitoring systems for company owned vehicles and journey management planning. We believe this approach has helped us reduce collisions per million miles traveled by 65% from 2016 to 2021. We also reduced time spent driving over the speed limit by 54% from 2018 to 2021, in part due to an enhanced in vehicle speed monitoring system we implemented in 2018.

Hess workers are required to take proactive driver training prior to the first time they operate a motor vehicle on company business, with refresher training required every three years. In 2021, we continued to use COVID-19 safety precautions for our in vehicle training program based on the recommendations of medical and occupational health experts. For example, we used dedicated, sanitized vehicles; required mask wearing in vehicles with multiple occupants; and instructed trainers to ride in the back seat to increase social distancing.

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. Our key contractors are encouraged to comply with *Land Transportation Safety Recommended Practice*, Report No. 365, published by the IOGP.

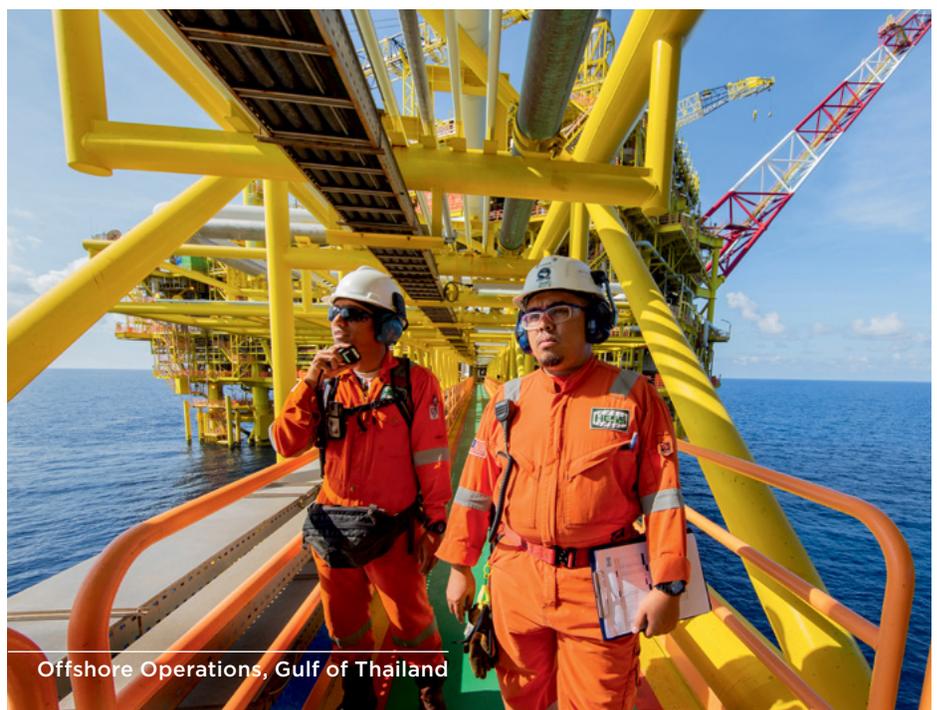
We participate in several industry groups to share best practices and further improve our transportation safety. We are active participants in the IOGP Land Transportation subcommittee, which sets industry standards for upstream oil and gas producers, and we adhere to

these standards. A Hess representative also serves as a board member of the Network of Employers for Traffic Safety, an employer led collaborative group that works to improve the safety and health of employees, their families and community members where they live and work by preventing traffic accidents. Our Bakken asset is an active member of Vision Zero, a traffic safety organization aiming to reduce collisions in North Dakota that includes participation by law enforcement, the state's Department of Transportation and Department of Health, and the private sector. Hess is also working with the U.S. government's National Institute for Occupational Safety and Health on a project to better understand the role of in vehicle monitoring to promote driver safety in the oil and gas industry.

The Hess Air Transportation Standard is also being incorporated into HOMS and is supported by the Aviation Guideline, and together they form the basis of our aviation safety program. This program frequently goes beyond national regulations in our countries

of operation, and we collaborate with industry organizations to develop industry guidance and recommended practices. We undertake assurance evaluations to confirm the use of safe practices and adherence to regulations across our operations. For example, we conduct routine assurance reviews of our aviation contractors, including safety audits, site visits and readiness reviews, to monitor the safe operation of aircraft used to support our operations. We also conduct assurance on the unmanned aerial systems that are increasingly being used to survey our assets and operations.

While our aviation contractors have experienced no significant Hess related aviation accidents or injuries in more than 25 years, we continuously work with these contractors to further reduce risk and increase efficiency and reliability. In 2021, safe operations were maintained for all routine, nonroutine and medevac flights in the face of additional challenges caused by COVID-19 and Gulf of Mexico hurricanes, even with an increase in aviation activity compared with 2020.

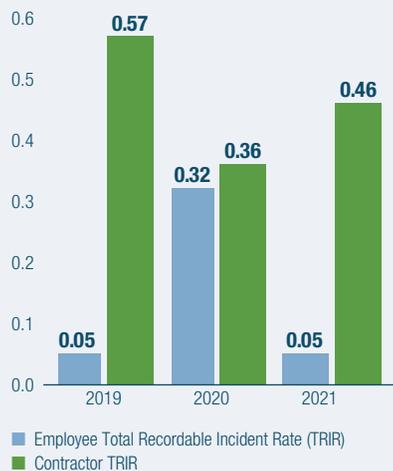


Offshore Operations, Gulf of Thailand

Safety and Health

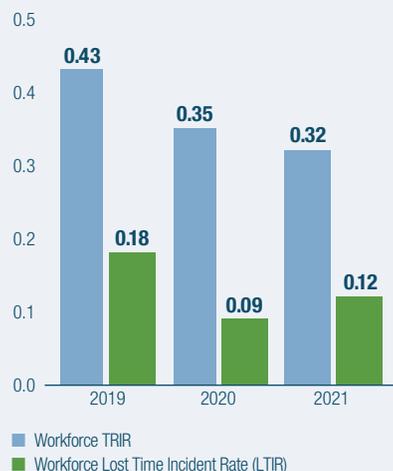
Employee and Contractor Safety Performance

Incidents per 200,000 Hours



Workforce Safety Performance

Incidents per 200,000 Hours



Note: Hess' workforce data includes both employees and contractors. When calculating LTIR, calendar workdays are used. A lost time incident involves one or more days away from work, excluding the day of the incident.

Key Performance Metrics

In 2021, we achieved a 9% reduction in our workforce total recordable incident rate (TRIR) compared with 2020, just under our goal of a 10% reduction year over year. This reduction was driven by a year over year decrease in our employee TRIR but was offset by a slight increase in our contractor

rate – due to one additional contractor safety incident compared with 2020. Our workforce lost time incident rate increased from 0.09 in 2020 to 0.12 in 2021, again due to one additional lost time incident compared with 2020. No employee or contractor fatalities occurred during 2021.

In response to incidents throughout the year, our assets conducted root cause analyses and implemented corrective actions across our onshore and offshore operations. We share information on safety incidents and related lessons learned across our operations to help prevent future incidents.

Hess' enterprisewide annual incentive plan metrics include a target aimed at reducing the rate of severe and significant safety incidents (SSSIs). In 2021, our SSSI rate was 0.420 – a six year low and a 14% reduction from 2020 – which surpassed our target of 0.423.

As part of our SSSI rate, we track near miss incidents that have the potential to result in severe consequences, as well as incidents that result in an actual consequence, including Tier 2 process safety events (PSEs) and recordable incidents. We require that near miss incidents be reported internally and recorded into our incident management system as if an actual consequence had occurred.

PROCESS SAFETY

The aim of Hess' process safety program is to prevent the 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.

We focus on understanding and identifying key points within process safety systems that could impact asset integrity and the safe and proper operation of equipment.

In particular, we address:

- *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

Our approach to process safety involves identifying, managing and mitigating risks across Hess operations. 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.

Over the past several years we have been working to address process safety risk through enhancements to our integrity management program and assessment of barrier health at our assets globally. Our efforts have centered on integrity critical equipment (ICE), which are barriers and safeguards that prevent or mitigate PSEs through detection, isolation, containment, control, or emergency preparedness and response within our facilities.

We have established ICE performance standards, which set specific requirements and criteria for inspections and tests to help ensure ICE barriers are effective. We have been increasing the number of ICE inspections, testing and performance standard assurance tests each year. In 2021, we again surpassed our target of 99% inspection and testing of ICE, with approximately 16,000 critical performance standard assurance test work orders completed. We will continue to measure compliance with planned assurance tests and corrective critical maintenance in 2022.

We initiated a pilot program to enhance our Tier II Assurance through major accident event barrier health reviews in 2021, beginning with the Baldpate platform in the Gulf of Mexico. We plan to

Safe Worker Onboarding for New Rigs

In 2021, we safely and successfully brought two drilling rigs into operation at our Bakken asset and one at our North Malay Basin asset. Onboarding drilling rigs can introduce additional safety risks because it can involve both new equipment and contractors. We address these risks by working with our contractors to plan work activities, conduct worker training and bridge our systems and processes.

For the two rigs we brought online in North Dakota, we undertook assurance readiness reviews to confirm all personnel were informed of the process, potential hazards and hazard mitigation processes. We also reaffirmed bridging between our management system and those of our long term, strategic drilling contractors to clarify roles and responsibilities and safety requirements, and thus help ensure alignment. Additionally, we adjusted the time frame to move the rigs to their new locations and adopted additional safety protocols to accommodate hazards associated with both extreme cold temperatures and the COVID-19 pandemic. Thanks in part to our onboarding

process and long term supplier relationships, we were able to move, orient and onboard crews, as well as bring the new rigs online, with zero recordable safety incidents.

Though the specifics for rig onboarding are different for offshore rigs, we followed a similarly detailed and careful process to prioritize safety when bringing a rig online in North Malay Basin. In addition to conducting our usual preplanning assurance reviews, completing the contractor bridging process and partnering with a long term, strategic contractor, we implemented a new digital onboarding system that provided a streamlined, consistent and more automated avenue for us to track required training and certifications. This helped us confirm that people coming onto the rig – Hess employees, contractors and subcontractors, whether for an extended work rotation or a short term task – met our requirements. Even with the increased complexities caused by COVID-19, we brought this rig online with zero recordable safety incidents.

proceed with these assessments globally to cover remaining assets.

In 2021, we completed the implementation of “bow tie” diagram use in our Gulf of Mexico and North Malay Basin offshore assets. Bow tie diagrams help to visualize the relationship between threats, barriers and consequences, which supports our risk assessments. We were recognized in the COS Annual Safety Awards as finalists due to our use of bow ties on the Tubular Bells production hub in the Gulf of Mexico.

In Denmark, prior to the sale of our interests in that asset in August 2021, we continued to strengthen barrier effectiveness and maintenance as part of our effort to obtain third party validation for the asset’s performance standards, as required by applicable legislation. Specifically, we worked to validate existing assessments of threats, barriers and consequences for the asset to identify and mitigate safety risk. In 2021, we undertook a third party audit of selected performance tests to further validate the asset’s maintenance management system.

We began implementation of an electronic permit to work (ePTW) system at the

Tioga Gas Plant in 2020 and continued implementation at Baldpate and Tubular Bells in 2021. The ePTW system strengthens our permit process, which ensures that risks are mitigated prior to conducting work, personnel are involved in planning the work and conducting a risk assessment, proper authorization is in place for the work to be carried out, the person in charge of an area is aware of the ongoing work and a formal handing back of the facility or equipment in a safe condition is in place.

We also proceeded with the implementation of an electronic management of change (eMOC) system in 2021. The eMOC system supports the HOMS requirement for effective management of planned or unplanned changes to people, processes and equipment, and improves consistency across our operations in order to improve our risk management and decision making capabilities.

Key Performance Metrics

Hess tracks 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.

We experienced an increase in the number of Tier 1 PSEs in 2021 – with two incidents in 2021 compared with zero in 2020. On a longer term basis, however, we have reduced the number of Tier 1 PSEs by 60% between 2016 and 2021, based on our current portfolio of operated assets. We have completed investigations and root cause analyses of the Tier 1 PSEs that occurred in 2021 and are implementing appropriate corrective actions to help prevent similar incidents in the future.

We also track Tier 3 and Tier 4 KPIs, which are leading process safety indicators primarily designed to monitor risk control

Process Safety Events			
	2019	2020	2021
Tier 1 PSE Count	6	0	2
Tier 2 PSE Count	10	19	12

Safety and Health



systems and process safety barriers at the facility, asset or enterprise level. Hess uses these KPIs to drive continuous improvement. An example of a global production Tier 4 KPI is the execution of required maintenance on ICE, which was an indicator that was again included in the 2021 annual incentive plan for employees.

EMERGENCY PREPAREDNESS AND RESPONSE

Hess' emergency preparedness and response program is based on Element 9 of HOMS and is designed to respond to actual or potential 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. We use a three tiered approach to plan for and respond to emergencies that



integrates communication and action from the corporate level in Houston to asset and facility level response teams. This system helps ensure that standards, plans, information and resources work efficiently so that we understand and address the specific needs of the situation at hand.

Preparedness at Hess involves our emergency response organization (illustrated below, left), engagement with officials and communities, emergency facilities and response plans. We also maintain relationships with mutual aid and emergency response organizations at the local, regional and global levels. For example, international and domestic travel, medical and security incident responses are covered by our agreements with International SOS and Global Guardian. See page 61 for organizations that support our spill response needs.

We undertake regular emergency preparedness and response exercises to engage our employees and key stakeholders, including our contractors, in preparing for and responding to an incident. The exercises help to define and clarify roles, responsibilities and resources. They also include notification drills, in which personnel practice the communication protocols required in case

of an emergency, and full scale equipment mobilization exercises. We conduct annual training on hurricane emergency response and choose other topics for training and drills using a risk based approach.

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. We conduct after-action reviews for all drills, exercises and incidents and develop improvement actions that are assigned to individuals with specific due dates and tracked in our internal incident reporting system.

In 2021, responding to the COVID-19 pandemic remained a central focus of our emergency response efforts. While continuing to manage our ongoing response, we also began our transition to endemic management. We presented on COVID-19 management using our incident response structure at the Clean Gulf annual conference, allowing us to share our learnings with industry peers. See page 27 for more on our response to COVID-19.

Though 2021 was a less active hurricane season than in recent years, we initiated emergency response plans for three named hurricanes or tropical storms, as well as Winter Storm Uri in Texas. We successfully responded to each of these events with zero severe or significant safety incidents.

In 2021, we also completed a cybersecurity training exercise that included our Houston based Incident Support Team and Cybersecurity Incident Response Team. The exercise identified areas for improvement in our Cybersecurity Plan and enhanced the familiarity with and ability to effectively use virtual collaboration and other information technology tools to manage an incident.

CONTRACTOR MANAGEMENT

Contractors are critical to Hess, constituting approximately 70% of our total workforce hours and performing key tasks throughout our operations. We continue to enhance

engagement with our contractors in safety and other key performance areas. For example, at our operated assets, we include contractor company leaders and frontline workers in our safety steering committees, which underpin our shared responsibility with contractors to create a culture that fosters open communication and continuous learning and improvement. We also included contractors in our 2021 Bakken safety culture survey to understand their views on the current state and performance of our safety programs at that asset.

We use a recognized industry safety database to standardize our prequalification processes across multiple sites for our U.S. operations. This enables us to clearly communicate requirements and expectations to our contractors and share information efficiently. For example, we use this database to track required safety training and certifications that contractors must have to work at our locations. Where appropriate, contractors also participate in Hess sponsored safety training.

HOMS Element 6 addresses contractor capabilities and competencies, and, as part of this framework, we have implemented a Contractor Management Standard at our operated assets. We are updating this standard as part of our ongoing HOMS optimization process (see pages 14–15). Key improvements include streamlining and integrating requirements across EHS, Global Supply Chain and operations.

For in scope contractors, our current standard includes requirements from initial sourcing to contracting to reviewing the work they do for us. For example, the standard requires that we grade contractors 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 Hess asset vice president or director must endorse a performance improvement action plan before that contractor can be approved for work or provide services on a Hess work location. If an operational situation such as an emergency requires the use of a contractor that has not completed the prequalification

Prioritizing Worker Safety in the COVID-19 Pandemic

In 2021, we completed a significant maintenance turnaround of the Tioga Gas Plant, which required bringing in hundreds of workers in addition to permanent staff. To keep the entire workforce safe we implemented strict COVID-19 safe work practices such as wearing masks, social distancing, completing daily health questionnaires and regular COVID-19 testing for the entire workforce, including testing nonvaccinated workers every three days. The managed protocols resulted in a COVID-19 positivity rate of less than 0.3%, which was significantly below both the local and federal positivity rates at the time.

process or that has received an unsatisfactory EHS grade, the Hess asset vice president or director must approve the use of the contractor, and asset management must provide increased oversight.

As an extension of the Contractor Management Standard, in 2021, we implemented a new risk based contractor engagement process, which is at various stages of maturity at our assets, that requires certain engagement activities based on a contractor's EHS risk profile. Where not otherwise required by applicable regulation, one of the required activities of the process is to perform "bridging" for higher risk, in scope contractors using a standard bridging philosophy and methodology that help bring consistency to the exercise and associated documents. Bridging works to align Hess' expectations with those of our contractors. The contractor engagement process also helps us prioritize engagement with higher risk contractors and focus our contractor management resources accordingly through a range of activities including management system reviews and performance assessments.

Our standard contract clauses include contractual obligations for our contractors to have safety requirements and programs that meet Hess' expectations. We audit contractors through annual management system reviews, desktop reviews and field verification to confirm compliance with contract obligations; applicable Hess EHS requirements; contractor EHS requirements; local, state and federal requirements; and industry standards and best practices. In 2021, desktop reviews were conducted by third parties in place of in person interviews due to the COVID-19 pandemic.

HEALTH AND WELLNESS

At Hess, we prioritize the health of our employees and contractors both on and off the job.

As part of our continuous improvement and HOMS optimization efforts, we are developing an enhanced Industrial Hygiene Procedure covering key occupational health requirements and processes. This procedure focuses on protecting workers from potential workplace health hazards and provides a consistent, efficient approach to health risk management. It includes ongoing workplace health hazard assessments, processes for monitoring exposure risks, requirements for workplace controls and mitigations including personal protective equipment and exposure monitors.

To support compliance with government and company required health screenings, we have a dedicated mobile health clinic that enables us to undertake health testing internally and at our U.S. assets. This approach allows for efficiency and standardization and facilitates worker compliance with testing requirements.

In key locations, such as Houston and North Dakota, and for eligible employees and their spouses, we offer a comprehensive wellness program that encompasses emotional, social, physical and financial wellbeing.

COVID-19 was the central focus of our employee health and wellness efforts in 2021, as it had been in 2020. In addition to the safety protocols in place to protect employees, we provided enhanced mental health and work life balance support (see page 27 for more on our response to COVID-19).



Hess' success as a company depends on our people. To attract and retain the best, we cultivate a workplace culture that is guided by the Hess Values and reinforced by quality leadership; diversity, equity and inclusion (DEI); learning and engagement; and Lean and innovation processes. Our human capital strategy is led by Hess' executive leadership and our Board of Directors.

We strive to deliver a positive and fulfilling work experience for employees through our Life at Hess initiative, which encompasses programs, policies, practices and a listening system that draws on leadership dialogues, pulse polls and data analytics to help leaders understand employee perspectives and assure the health of our company culture. This approach enabled us to quickly adapt to the changing needs of our employees during the COVID-19 pandemic.

EMPLOYEE DEMOGRAPHICS

At the start of 2021, Hess had 1,621 employees. As of December 31, 2021, we had 1,545 employees; approximately 91% were in the U.S. and 9% were in international locations. We hired 103 new employees during the year.

The reduction in employees during 2021 was due in part to the sales of our interests in Denmark and our Little Knife and Murphy Creek nonstrategic acreage interests in the Bakken in North Dakota.

2021 Employees by Country		
United States	1,400	91%
Malaysia	142	9%
Libya	3	<1%

DIVERSITY, EQUITY AND INCLUSION

Hess has a longstanding commitment to DEI, an issue we have prioritized in our environment, health, safety and social responsibility strategy (see pages 8–9). We believe that a diverse and inclusive workforce creates value for all of our stakeholders and is

essential to being a socially responsible and sustainable enterprise.

Our expectations for a diverse and inclusive workplace and a company culture of mutual respect and trust are spelled out in our Code of Business Conduct and Ethics, as well as in our Equal Employment Opportunity, Harassment Free Workplace, Human Rights and Social Responsibility Policies and other Human Resources policies. These expectations are reinforced with employees at every level of our company through training.

We provide equal employment opportunities for all employees and job candidates regardless of race, color, religion, gender, age, sexual orientation, gender identity, creed, national origin, genetic information, disability, veteran status or any other protected status in all aspects of employment. We provide reasonable workplace accommodations for employees with disabilities, as well as for religious practices, family circumstances and other individual needs. We do not tolerate any form of workplace harassment, including sexual harassment.

In 2021, we took an important step forward in our DEI efforts by hiring a Head of DEI. This position plays a key role in guiding our DEI strategy and leads our newly created DEI Center of Excellence, a robust DEI ecosystem of people, programs and practices. We also hired an expert to lead our supplier related DEI efforts (see page 19), leaving us well positioned to launch the next phase of our DEI strategy in 2022.

Hess' senior management is actively engaged in our DEI plans and programs, with oversight by our Board of Directors. Hess' DEI work is supported by our DEI Council, which is comprised of the executive sponsors of our employee resource groups (ERGs) and other Hess executives. The Council provides leadership to advance DEI while helping ensure alignment with business priorities. Workforce activity and trends such as

employee turnover, promotions, diversity and leadership development metrics, along with qualitative information such as program development and progress, are considered by the Council.

We prioritize diversity both in our workforce and in the composition of our Board of Directors. The Board updated its Corporate Governance Guidelines and has instructed its third party recruitment firm engaged in recruiting new Board members to include diverse individuals in the list of candidates. At present, 45% of the independent members of the Hess Board are diverse based on gender or race and ethnicity. Hess' Board is also actively engaged in guiding and reviewing our DEI efforts and receives updates on this work at least annually.

Recruiting Diverse Hires

In 2021, we continued to advance our efforts to attract more diverse job candidates and expanded our requirements for diverse interview slates. Hess continued to use HireVue recruiting technology to help access a larger talent pool; expanded our recruiting efforts at historically Black colleges and universities and reached more diverse candidates through the Professional Diversity Network and a partnership with the Greater Houston LGBT (lesbian, gay, bisexual, transgender) Chamber of Commerce; and advanced our relationship with the National GEM Consortium to develop diverse talent in science, technology, engineering and math at the master's and doctoral levels. As part of the Genesys Works program, we welcomed five more high school interns who represent diverse backgrounds. We are also supporting the Jackie Robinson Foundation by funding college scholarships and by providing internships and mentoring support (see page 25).

Fostering Inclusion

Hess is committed to fostering an inclusive work environment where all employees can reach their full potential.

Our People

We also create opportunities in the communities where we operate and our supply chain as a means to help address societal inequities.

In 2021, Hess leaders – including members of our President and Chief Operating Officer’s (COO’s) operating committee – participated in seven Hess VOICES listening sessions with small groups of underrepresented employees to better understand their experiences in society and at our company. Based on the themes identified through these sessions, we initiated a series of actions to advance Hess’ culture. This included launching five new ERGs, which provide an opportunity for employees to connect for personal and professional development. In addition to Women Inspiring Success and Excellence, an existing ERG, we now have Asians for Professional Excellence, Black Employees and Allies Community Network, Hess Vets, Spirit for lesbian, gay, bisexual, transgender and queer (LGBTQ) employees and Hispanic Organization for Leadership and Advancement.

During the first half of 2021, we continued to expand the rollout of our “Fostering an Inclusive Environment” online training module to help bring awareness to unconscious bias; 99% of our employees completed this online module. We trained a number of employees to be small group facilitators for additional DEI training sessions, which were attended by 96%

of our employees when hosted later in the year. We also launched an Inclusive Leadership training pilot to build inclusive habits and capabilities needed to lead in a dynamic and diverse environment.

We remain committed to the professional growth of women. In 2021, we renewed our membership with Lean In Energy and continued to provide U.S. employees with membership in the Women’s Energy Network (WEN), both of which offer opportunities for enrichment, development, networking and mentoring. We also continued to support WEN’s Young Women Energized program, which provides scholarships and mentoring to exemplary female high school students in the Houston area.

Tracking Our Performance

We track employee demographic data including gender, race and ethnicity and publish our U.S. Equal Employment Opportunity Commission EEO-1 Report to enhance transparency. In 2021, women represented 27% of our global employees and people of color accounted for 24% of our U.S. employees, a year over year improvement of approximately 4% and 9%, respectively. Among new hires, women and people of color together accounted for 55% of our employees, up from 28% in 2020.

We also track the number of local national employees in our international operations and report publicly where the number of employees is 100 or more. In Malaysia,

the proportion of local nationals holding managerial or professional positions has grown over the past five years and the percentage of all employees who are local nationals increased from 91% in 2020 to 92% in 2021.

In 2021, Hess again earned external recognition for our DEI performance. We were included in the Bloomberg Gender Equality Index, which tracks and reports public companies’ performance on gender equality and representation and related disclosures. Additionally, after receiving a score of 85% on the 2021 Human Rights Campaign’s Corporate Equality Index (CEI), we raised our score to 100% on the 2022 CEI. This index ranks the largest U.S. businesses on their practices related to LGBTQ equity and inclusion. For a comprehensive list of awards and recognition received in 2021, see page 69.

External Efforts

We endeavor to take a leadership role in our external efforts to help make our industry more diverse. We are a member of the Human Rights Campaign’s Business Coalition for the Equality Act. We also engage with groups such as Disability:IN, the Greater Houston LGBT Chamber of Commerce, the National Action Council for Minorities in Engineering, the Society of Women Engineers and the Veteran Jobs Mission. In 2021, Hess was among the first companies to pledge support for One Houston Together, a set of racial equity principles for the Houston business community aimed at reforming systems of bias and strengthening underserved communities.

TALENT MANAGEMENT

Hess takes a strategic and deliberate approach to talent development so that our employees have meaningful opportunities and a clear development path within the company. In 2021, we facilitated 159 internal promotions and 83 internal moves that created career development opportunities for 242 employees. Aligned with our efforts to help ensure inclusive and high quality succession planning, 25% of those promoted were women and 21% were people of color.

2021 Women and People of Color* Representation						
Job Category	Women (U.S. and International)			People of Color (U.S. Based Employees)		
	Total Employees in Job Category	Number of Women	% Women	Total Employees in Job Category	Number of People of Color	% People of Color
Executives and Senior Officers	32	5	16	32	6	19
First and Mid Level Managers	388	91	23	335	67	20
Professionals	779	261	34	699	207	30
Other	346	65	19	343	55	16
Total	1,545	422	27	1,409	335	24

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

Learning and Development

We're committed to continuous learning. Our enterprisewide learning management system, CareerManager Learning, houses computer based training modules and materials for instructor led courses, tracks employee training and measures training effectiveness. We more than doubled employee training hours in 2021, in part due to a renewed focus on DEI. Over 1,500 employees participated in approximately 5,300 hours of training, or an average of 3.4 hours per employee, during the year.

New Hires and Early Career Programs

Passport to Hess is an onboarding and orientation program for new employees designed to facilitate their smooth transition. This includes a structured, on demand learning program that explains our culture and Hess Values. Supervisors are given tools and coaching to help new hires integrate into their teams.

We have maintained our three year Foundation Program to recruit college graduates and develop their careers. Approximately 35 early career engineers and geoscientists currently benefit from focused training, mentoring and on the job assignments. The diversity of participants in the program continues to increase and at the end of 2021 more than 75% were women or people of color.

Hess continues to support the Job Experience Training (JET) apprenticeship program in North Dakota (see page 25). Since 2017, 31 apprentices have entered the JET program, 17 have completed the apprenticeship and 16 have become Hess employees.

BENEFITS

Hess' compensation and benefits programs are focused on attracting and retaining a highly skilled workforce. We validate the competitiveness of these programs by reviewing them annually through industry specific surveys to identify and address compensation inequities, including pay parity based on gender, race and ethnicity in the U.S.

In 2021, we enhanced our annual pay parity evaluation process by leveraging new technology to identify and review remediation for outliers, as appropriate, and continued to educate the workforce about our rewards strategy.

In 2021, we provided \$100 million in benefits to our U.S. employees and their families, and extended coverage to offer equitable benefits for LGBTQ employees. We maintained our policy of awarding stock to new hires, which we view as an important benefit and incentive for supporting our long term success.

We provide an award winning wellness program focusing on emotional, social, physical and financial wellbeing to employees and their spouses and partners. We contribute to our employees' Health Savings Accounts and offer employees an additional contribution that they can earn by participating in the wellness program throughout the year.

Based on a review of aggregated, anonymized data of our employees' medical needs, we added two new valuable health benefits in 2021 for employees and family members. Livongo offers digital diabetes management to help control blood sugar levels and prevent future health complications. Hinge Health offers digital physical therapy exercises and education to address chronic lower back pain and other musculoskeletal conditions.

We also continued our education assistance program in 2021, with 53 employees taking advantage of this benefit.

In 2021, we established the Hess Severe Weather Texas Employee Relief Plan to support employees whose homes were damaged during Winter Storm Uri. It covered reasonable and necessary expenses not covered by insurance or another party and provided benefits including up to \$5,000 to cover short term essentials and up to three months of temporary housing and car rental.



See an overview of our benefits at hessbenefits.com

EMPLOYEE ENGAGEMENT

We regularly share information with and solicit feedback from employees about our business performance, programs and processes through town hall meetings, webcasts and small group discussions, as well as the company intranet. During 2021, our CEO and our President and COO hosted three town hall webcasts and shared an outlook on the external business environment, strategic priorities and business performance.

In 2021, we expanded the use of an online employee communications platform called Workplace. About 80% of employees now regularly use the platform to keep in touch with each other, follow the latest Hess news and participate in more than 100 groups dedicated to recognition, wellness, ERGs, business initiatives, community activities and more.

We also poll employees throughout the year to assess engagement based on pride in our company, enthusiasm about our future, whether they feel valued and if they believe Hess is a great place to work. For the past three years, we maintained a high employee engagement score (four on a five point scale) on these assessments. We also piloted a new survey tool in the Bakken to provide deeper insight into employee sentiment and plan to deploy it across the company in 2022.

Throughout the year, our employees helped to make a positive impact on our communities through volunteering and charitable giving. Our Volunteer Policy allows employees to participate in company sponsored volunteer events during business hours. Our workforce spent nearly 18,800 hours volunteering in 2021, including approximately 17,000 hours distributing meals to Houstonians in need due to the pandemic through the nonprofit Second Servings. Employees can also request 1:1 matching gifts of up to \$5,000 annually for personal donations, and qualified charities may receive a \$500 grant on behalf of employees who support that charity on their own time. Our employees donated approximately \$481,000 through our matching gift program in 2021.



Drilling Operations, North Dakota

Climate Change and Energy

Hess' Climate Change Position

We see climate change as the greatest scientific challenge of the 21st century. We believe climate risks can and should be addressed while at the same time meeting the growing demand for affordable and secure energy, which is essential to ensure a just and orderly energy transition that aligns with the United Nations Sustainable Development Goals. Governments, businesses and civil society must work together on cost effective policies to meet this dual challenge, and we support transparent carbon pricing to encourage the investments needed to accelerate decarbonization across all sectors of the economy while keeping energy affordable. We review the climate positions of our major advocacy organizations on an ongoing basis and, in the event that those positions appear misaligned or become misaligned with Hess' positions, we will share our viewpoint in an attempt to more closely align their position with ours.

We support the global ambition to achieve net zero emissions by 2050 and the Paris Agreement's aim to limit global average temperature rise to well below 2°C. Our climate strategy is closely aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures, as established by the G20 Financial Stability Board, and its implementation is led by senior members of our leadership team with oversight by our Board of Directors. As part of our commitment to implement a substantive climate strategy, an executive led task force is currently developing a plan for our company to achieve net zero Scope 1 and 2 emissions.

Our Board of Directors is climate change literate, and we periodically bring in subject matter experts to advise our Board on climate and other sustainability issues to be considered in the development of company strategies and policies. Our Board's Environmental, Health and Safety (EHS) Committee, comprised of independent directors, has a mandate to identify, evaluate, monitor and report to the full Board on climate change issues, trends, risks and opportunities. This committee is actively engaged in overseeing Hess' sustainability practices and works alongside senior management to evaluate climate change risks and global scenarios in making strategic decisions. For example, the committee has been providing oversight of the executive led task force that is working on the elements of our Low Carbon Transition Framework, including a plan to achieve net zero Scope 1 and 2 emissions. Furthermore, the Board's Compensation and Management Development Committee has tied executive compensation to advancing the company's EHS and climate change goals.

Our business planning includes actions we will undertake to continue reducing our carbon footprint consistent with the aim of the Paris Agreement to limit global average temperature rise to well below 2°C. As we work to develop our net zero emissions plan, our Board and senior leadership have set aggressive short and medium term greenhouse gas reduction targets. These targets are designed to exceed the carbon intensity reductions by 2030 in the International Energy Agency's (IEA's) Sustainable Development Scenario (SDS) and Net Zero Emissions by 2050 Scenario (NZE), which are consistent with the Paris Agreement.

As part of our sustainability commitment, we seek to fund innovation with the potential to mitigate societal emissions, including the Salk Institute's Harnessing Plants Initiative, which aims to develop plants with larger root systems that are capable of absorbing and storing potentially billions of tons of carbon per year from the atmosphere (see page 53). In 2020, we announced a \$12.5 million gift to the Salk Institute, and in 2021, we announced another \$3 million gift. We also address 100% of the indirect Scope 2 emissions from our purchased electricity through the purchase of renewable energy certificates.

We account for the cost of carbon in significant new capital investment decisions. We conduct scenario planning that includes the SDS and NZE to test the resilience of Hess' portfolio against a range of energy supply and demand, environmental policies and market conditions. According to the IEA, the world is not investing enough to meet its future energy needs, and uncertainties over policies and demand trajectories create a strong risk of a volatile period ahead for energy markets. In 2022, we tested Hess' portfolio under the IEA's four scenarios, including the SDS and NZE. We have concluded that Hess can continue to monetize our reserves and deliver strong performance under a wide range of market conditions, including under the aggressive conditions assumed in the SDS. Under the NZE, a normative scenario that reflects a narrow pathway for the global energy sector to achieve net zero carbon dioxide emissions by 2050, we could still monetize the majority of our reserves but would expect lower cash margins. We also consider potential physical risks associated with climate change, such as increased severity of storms, drought and flooding, for new projects and existing operations.

Hess' strategic priorities – to deliver high return resource growth, a low cost of supply and industry leading cash flow growth – are aligned with the energy transition needed to achieve the IEA SDS and position us well for the coming decades.

HESS' LOW CARBON TRANSITION FRAMEWORK

Many corporations, lenders and investors are integrating climate change risks and opportunities into their future financial planning. The Task Force on Climate-Related Financial Disclosures (TCFD) provides a universal framework to communicate companies' responses to the physical, reputational and transition risks of climate change, which has become the leading approach for climate disclosure.

Through widespread adoption of the TCFD recommendations, climate related risks and opportunities are meant to become integrated into companies' risk management and strategic planning processes. We believe that Hess' climate change strategy is aligned with the TCFD's 2017 guidance, which contained recommendations to evaluate the potential impacts of climate change related risks and opportunities on our organization's operations, strategy and financial planning. We are continuing to

advance the elements of our TCFD related disclosures so that they are aligned with the revised guidance issued in October 2021.

On the following pages, we detail our Low Carbon Transition Framework, aligned with the four core TCFD elements: governance, strategy, risk management, and metrics and targets. We will continue to update this framework as we develop our net zero Scope 1 and 2 emissions plan.

Climate Change and Energy

Hess' Low Carbon Transition Framework	
Governance — Key Disclosures and Actions	References
<p>Board Oversight of Climate Related Risks and Opportunities</p> <p><i>Approval:</i> Hess' climate related actions and targets are reviewed and approved by senior leadership and executives, the Board of Directors' Environmental, Health and Safety (EHS) Committee and the full Board.</p> <p><i>Oversight:</i> The Board's EHS Committee is tasked with assisting the full Board in identifying, evaluating and monitoring EHS risks and strategies (including climate change). Oversight is provided by the Board's EHS Committee and the full Board.</p> <p><i>Organizational Expertise and Training:</i> The Board is briefed by external climate change experts and by our Vice President of EHS on climate related risks, opportunities, strategies and policies.</p> <p>Management's Role in Assessing and Managing Climate Related Risks and Opportunities</p> <p><i>Incentives:</i> Employee compensation is linked to EHS and climate initiatives, including flaring reduction.</p> <p><i>Monitoring, Reporting and Review:</i></p> <ul style="list-style-type: none"> • Our Vice President of EHS monitors monthly progress toward various elements of Hess' climate strategy, including progress toward our short and medium term goals and development of our long term objectives. • Greenhouse gas (GHG) emissions and production data is collected, monitored and reported through various data management systems, enabling Hess asset and business function leaders to track progress toward GHG performance targets. • Each business unit revisits its GHG emissions and production forecast for the life of its assets on an annual basis, or more frequently if necessary. • Our Vice President of External Affairs evaluates alignment with our trade associations with respect to climate related issues and this analysis is shared with Hess senior executives and the Board's EHS Committee. <p><i>Accountability:</i></p> <ul style="list-style-type: none"> • Our CEO has broad oversight of climate related issues. • An executive led task force is leading implementation of our climate change strategy, with oversight provided by our Chief Operating Officer and members of the Hess operating committee. • Senior executives have accountability for execution of this strategy and members of the Hess workforce have appropriate levels of authority and access to resources to effectively execute the strategy. <p><i>Transparency:</i> Hess provides transparency to external stakeholders on transition planning goals and performance, including performance against targets and impacts on our business and financial results, in our annual sustainability report and reporting to third parties (e.g., responses to the CDP climate change questionnaire and the S&P Global Corporate Sustainability Assessment).</p> <p><i>Assurance:</i> Hess' sustainability report, including our performance data for key sustainability metrics, is assured annually by an independent third party.</p>	<p>Pages 11, 39, 42 2021 Form 10-K, pages 28–29</p> <p>EHS Committee Charter</p> <p>2022 Proxy, page 27 Pages 11, 16–17, 39, 42, 51–53</p> <p>Pages 11, 39, 42</p> <p>Pages 49–57</p> <p>Page 68</p>
Strategy — Key Disclosures and Actions	References
<p>As an important aspect of its 2021 guidance, the Task Force on Climate-Related Financial Disclosures (TCFD) encourages companies to set their own strategy time frames according to the lifecycle of their assets and the profile of climate related risks they face. Hess has chosen to define our climate strategy time horizons as follows:</p> <p>Short Term Strategy (2021–2024)</p> <p>Our short term strategy (0–3 years) primarily addresses near term business decisions required for operational budgetary and planning purposes.</p> <ul style="list-style-type: none"> • Endorse the World Bank's Zero Routine Flaring by 2030 Initiative • Set annual targets to support our medium and longer term GHG, methane and flaring objectives (e.g., Bakken routine flaring intensity reduction target) • Purchase renewable energy certificates (RECs) and/or offsets to address 100% of our Scope 2 emissions from purchased electricity and purchase carbon offsets to mitigate 100% of our business travel related Scope 3 emissions • Apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations and continue to explore additional opportunities to do so • Work with government and industry partners to advance the development of a range of low GHG emissions pathways and technological advancements • Invest in innovative research and scientific solutions to mitigate climate change on a societal level <p>Medium Term Strategy (2025–2031)</p> <p>Our medium term strategy (4–10 years) primarily addresses project level changes at our various assets.</p> <ul style="list-style-type: none"> • Set interim targets to continue reducing GHG and methane emissions and flaring in support of longer term objectives • Purchase RECs and/or offsets to address Scope 2 GHG emissions • Engage joint venture partner companies on their climate strategies, plans and targets for our nonoperated assets • Continue to evaluate opportunities to apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations, work with partners to advance the development of a range of low GHG emissions pathways and technological advancements, and invest in innovative research and scientific solutions to mitigate climate change on a societal level <p>Long Term Strategy (2032+)</p> <p>Our long term strategy (10+ years) will primarily address changes in energy supply and demand and related policies, as well as the emergence of new technologies, that could alter the company's overall portfolio. We are developing a plan to achieve net zero Scope 1 and 2 emissions and are focused on examining additional opportunities to address the remainder of our GHG emissions through a combination of operational practices, energy efficiency projects and advanced technologies still in development, along with the purchase of carbon offsets.</p>	<p>Page 8</p> <p>Page 49</p> <p>Pages 49–50</p> <p>Page 51</p>

Hess' Low Carbon Transition Framework, continued

Risk Management — Key Disclosures and Actions

References

Hess applies a comprehensive, standardized approach to identifying, integrating and managing risks of all types, including climate change, across our operations. We develop a holistic risk profile for the enterprise based on the risk registers, risk assessments and heat maps for our assets and projects, and climate related risks are considered in both enterprise and functional risk assessments. Risks are considered significant when the potential financial impact is greater than \$100 million and the likelihood of occurrence is medium or greater (based on a number of risk categories). We track identified risks and corresponding mitigation scenarios on an integrated risk register.

Pages 12–13, 45–48

Our enterprise risk management (ERM) framework enables Hess' Board of Directors and executive leadership to strengthen the consistency of risk consideration in making business decisions. Our Board has oversight of the ERM framework and is charged with understanding the key risks affecting the company's business and how those risks are managed.

Energy Transition Risks

Hess examines energy transition risks, which are risks associated with the rate of change in policy actions, technologies or market conditions aimed at emissions reductions, energy efficiencies, subsidies or taxes that may be needed to achieve climate related aims.

Page 43
2021 Form 10-K, pages 19–23

- We incorporate carbon risk scenario analysis into our business planning cycle to test the resilience of our portfolio against various alternative views of future market conditions, including evaluation of the most ambitious International Energy Agency GHG reduction scenarios, where sufficient public data is available to conduct modeling.
- Results of our annual scenario based carbon asset risk assessment are published in our sustainability report.
- Our annual scenario analysis is verified against our internal scenario analysis guidance by a third party.

Physical Risks

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

Page 43
2021 Form 10-K, pages 19–23

- Meteorological and oceanographic studies undertaken for offshore developments include modeling that incorporates assumptions from the latest climate science.
- Mitigations that address changing storm magnitude are incorporated into the design of our facilities, where appropriate.
- We maintain severe weather and business continuity plans.
- We maintain asset and company level emergency response teams and conduct training and exercises against our plans.
- We assess how climate change may impact water availability and water stress in areas where we operate.

Reputational Risks

The TCFD identifies climate change as a potential source of reputational risk, categorized by shifts in consumer preferences, stigmatization of a sector and increased stakeholder concern or negative stakeholder feedback.

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- Hess undertook an exercise to measure the potential impacts to Hess' market valuation from changes in corporate reputation driven by climate related risks, which did not produce a statistically significant correlation.
- As of March 2022, Hess' RepRisk rating of A classifies our company as having low ESG risk exposure, which is comparable to many of our peers.
- We find that these types of climate related reputational risks are being managed and mitigated through our ERM process.
- We will continue to monitor and mitigate our exposure to reputational risk.

Metrics and Targets — Key Disclosures and Actions

References

The TCFD's October 2021 guidance document, *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures*, defines seven cross industry climate related metrics that companies should disclose in their sustainability reports. We have addressed three of those metrics in this sustainability report, and are working toward disclosure of the other four. We have also defined the time frames for our climate related targets in line with our short, medium and long term strategy, as detailed below.

TCFD Cross Industry Climate Related Metrics Disclosed in This Sustainability Report

Pages 51–57

- GHG emissions
- Carbon price(s)
- Remuneration

TCFD Cross Industry Climate Related Metrics under Development

Pages 42–48

We are developing appropriate methodologies to track the following metrics and anticipate reporting them in a future sustainability report:

- Transition risks
- Physical risks
- Climate related opportunities
- Capital deployment

Hess Short Term Climate Related Targets (2021–2024)

Page 49

- Achieve a 7% flaring rate from Bakken wells and pads, as reported to the North Dakota Industrial Commission, in 2021 (goal achieved in 2021)
- Reduce Bakken operations' routine flaring rate to 5% in 2022

Hess Medium Term Climate Related Targets (2025–2031)

Pages 49–50

- Reduce the GHG emissions intensity of our operated assets to 17 kilograms carbon dioxide equivalent per BOE by the end of 2025
- Reduce the methane emissions intensity of our operated assets to 0.19% by the end of 2025
- Achieve zero routine flaring at our operated assets by the end of 2025

Hess Long Term Climate Related Targets (2032+)

Page 51

Our long term targets will be established by the executive led task force that is developing a plan to achieve net zero Scope 1 and 2 emissions.

Climate Change and Energy

EXTERNAL ENGAGEMENT

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

We participate in a number of voluntary initiatives related to climate change disclosure, and Hess has consistently been recognized as a leader in the oil and gas industry for the quality of our performance and our disclosure relating to sustainability (see page 69).

In 2021, Hess achieved the highest level rating (Level 4-strategic assessment) by the Transition Pathway Initiative (TPI), a global initiative that assesses companies' preparedness for the transition to a low carbon economy and their efforts to address climate change. TPI complements and aligns with existing climate reporting initiatives and frameworks such as the TCFD.

We also achieved leadership status in CDP's 2021 Global Climate Analysis, a position we have held for 13 consecutive years. CDP's ranking recognizes our continued leadership in transparency and performance as we address climate related risks and opportunities. Hess is one of only two U.S. oil and gas producers to achieve leadership status in the 2021 analysis, earning an A-. We obtained an A- by earning high marks in many of the leadership categories critical to the TCFD.



Access our latest CDP Climate Change response and CDP Score Report at [hess.com/sustainability/climate-change-energy](https://www.hess.com/sustainability/climate-change-energy)

GOVERNANCE

Hess' Board of Directors works alongside senior management and oversees Hess' sustainability practices so that sustainability risks and opportunities are taken into account when making strategic decisions.

The Board's Environmental, Health and Safety (EHS) Committee has a mandate to

identify, evaluate, monitor and report to the full Board on climate change issues, trends, risks and opportunities. This committee is actively engaged in overseeing Hess' sustainability practices and works alongside senior management to evaluate climate change risks and global scenarios in making strategic decisions. The Board is periodically briefed by experts to help ensure members remain climate change literate and that climate change related risks are considered in the development of company strategies and policies. Our Vice President of EHS facilitated three EHS Committee meetings in 2021 to provide updates on climate change related issues and strategic initiatives, to review external drivers for strategy and reporting, and to prioritize ongoing and future actions. (See page 11 for more detail on governance.)

In late 2020, Hess established a task force to lead our climate change strategy implementation and to evaluate the medium and long term aspects of our strategy. The task force is comprised of nine senior executives responsible for various functions throughout the company, with oversight provided by our Chief Operating Officer and members of his operating committee. The task force was instrumental in Hess' endorsement of the World Bank's Zero Routine Flaring by 2030 Initiative (ZRF) and our commitment to achieve zero routine flaring by the end of 2025. The task force is also charged with developing our plan to achieve net zero Scope 1 and 2 emissions. The task force will continue to monitor, enhance and evaluate Hess' progress toward these objectives, as well as assess emerging technologies with emissions reduction potential.

As an added measure to incentivize Hess employees and executives to continue to support our industry leading performance in sustainability, we link employee compensation to EHS and

climate initiatives, including flare reduction. The annual incentive plan (AIP) payout is primarily determined based on enterprise performance results that align with the company's business strategy and applies to all employees. The EHS component of the total AIP metric is 20%, and our climate related AIP target accounts for 5% of the total AIP.



Access our 2022 Proxy Statement at investors.hess.com/Financial-Information/SEC-Filings

INVESTMENT DECISIONS

All significant new investment proposals, as presented for approval to senior management, incorporate the cost of carbon as set out in our planning guidance documentation. In geographies where there is an established regulatory framework in relation to carbon dioxide (CO₂) cost, impacts are included in the base case of the investment analysis. Where there is currently no regulatory framework, we evaluate the potential impact of carbon cost as set out in our planning guidance. In 2021, we updated our planning guidance to expand the evaluation for all significant investment decisions to include sensitivities using the International Energy Agency's (IEA's) carbon pricing in one of its most stringent scenarios, the Sustainable Development Scenario (SDS).

RISK MANAGEMENT

Through our enterprise risk management (ERM) process, we have developed a holistic risk profile for the enterprise based on the risk registers, risk assessments and heat maps for our assets and projects. For each risk scenario, we estimate the likelihood and potential impact that the identified risks, including physical, reputational and transition related climate change risks, could have on our business. We track all identified risks on an integrated risk register that catalogs actions for managing or mitigating each risk.

Energy Transition Risks

Energy transition risks are the risks associated with the rate of change in policy actions, technologies or market conditions aimed at emissions reductions, energy efficiencies, subsidies or taxes related to climate related objectives. In order to assess a broad range of energy transition risks, and as an integral part of our planning cycle, we conduct an annual scenario based carbon asset risk assessment (see pages 45–48).

Physical Risks

Hess considers the potential physical risks associated with climate change – such as increased severity of storms, droughts 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, where appropriate, and severe weather management and business continuity plans are maintained for severe weather events. (See page 32 for details of our emergency preparedness and response efforts related to the 2021 Atlantic hurricane season.)

We also assess how climate change may impact water availability and water stress in the areas we operate using the World Resources Institute's (WRI's) Aqueduct Tool (see page 59).

In 2019, we initiated a phased program of climate related physical risk assessments to inform our wider ERM process on potential climate impacts. These assessments consider the potential impact to the facilities and infrastructure we operate, as well as how these may be affected by predicted future climate change scenarios. The geospatial output



Offshore Operations, Gulf of Thailand

from these assessments allows us to overlay climate variables such as extreme heat stress, extreme cold, rainfall, water stress, fire, storm intensity and coastal flooding projections and create heat maps showing the changes from the baseline values for our current and planned operations. We have adopted a flexible approach to these assessments that will enable us to reevaluate climate impacts as the science evolves and as our operations change and adapt.

We completed the first assessment on our Gulf of Mexico operations in 2020 and the second on our Bakken operations in 2021. We identified potential risks associated with worker heat stress and flooding of coastal logistics infrastructure related to our assets in the Gulf of Mexico. However, these risks are not unique to Hess and would also apply broadly to the oil and gas industry and other industrial sectors and would necessitate mitigation at a state and national level.

For our Bakken operations, we identified a potential increase in extreme heat stress, decrease in extreme cold, mild increase in rainfall and negligible change in extreme drought, all compared with the baseline. Furthermore, the Bakken assessment projected water stress to be at a medium risk in the future compared with the baseline generated using the WRI Aqueduct tool. We will continue to monitor and assess these potential impacts and to determine what mitigations and adaptations may be required.

We plan to conduct further assessments across our portfolio in 2022 and 2023.

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.

Climate Change and Energy



Midstream Operations, North Dakota

Reputational Risks

The TCFD identifies climate change as a potential source of reputational risk or opportunity for companies. The TCFD further categorizes reputational risks and opportunities posed by climate change into three distinct categories:

- Shifts in consumer preferences
- Stigmatization of a sector
- Increased stakeholder concern or negative stakeholder feedback

In 2019, to address this potential risk as identified by the TCFD, Hess undertook an exercise to measure the potential

impacts of changes in corporate reputation (driven by climate change risks and opportunities) on Hess' market valuation. Our analysis used a Capital Asset Pricing Model (CAPM) to calibrate the historical relationship between the stock price return of Hess and changes in our RepRisk exposure, oil prices and S&P's Oil and Gas Stock Price Index.

RepRisk – a global data science company focused on due diligence of material environmental, social and governance (ESG) risks – produces a quantitative summary of the ESG risk exposure of a company, including climate related risks.

RepRisk's assessment of the ESG risk exposure of a company is based on the company's activities observed by media, stakeholders and third party sources and excludes information provided by the company itself. A company's RepRisk ESG exposure is based on a combination of company specific ESG risk and country sector ESG risk determined by where the company operates. A company's RepRisk rating is a proprietary risk metric ranging from AAA to D, which captures and quantifies a company's risk exposure related to ESG issues. As of March 2022, Hess' RepRisk rating of A classifies our company as having low ESG risk exposure, which is comparable to many of our peers. Due to our exit from downstream businesses with more exposure to end users, our ESG risk exposure, as measured by RepRisk, has continued to decline over time.

The goal of our analysis was to measure the potential impact of changes in RepRisk scores for Hess resulting from the publication of a series of historical news articles related to climate change risks and then correlate this impact to a change in market valuation for Hess. The CAPM model showed a moderately statistically significant correlation between our stock price and our RepRisk score when general market conditions were assumed to be held constant; however, this did not result in substantial changes in Hess' market valuation.

While we found this exercise helpful, we have not repeated it because we found that measuring and valuing reputational risks and opportunities is extremely challenging due to the difficulty of isolating the long term climate change related reputation impacts from other company specific, industry related and stock market fluctuations. In addition, we found that these types of climate related risks, for the most part, have already been identified through Hess' ERM process and are being managed and mitigated through that process.

Carbon Asset Risk Assessment

To help quantify climate related risks and opportunities – and to provide perspectives to our investors and other key stakeholders on how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy – Hess conducts an annual scenario planning exercise to assess portfolio resilience over the longer term. This scenario based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand, energy mix, the emergence of new technologies and possible changes by policymakers with respect to greenhouse gas emissions.

In accordance with the Task Force on Climate-Related Financial Disclosures' (TCFD's) recommended transparency around key parameters, assumptions and analytical choices, Hess has chosen to model the four key scenarios detailed in the International Energy Agency's (IEA's) *2021 World Energy Outlook (WEO)* against our own internal base planning case. The TCFD recommends that organizations use a scenario under which global warming is kept to well below a 2°C increase during this century, compared with preindustrial levels, to test portfolio resilience. Such scenarios usually feature a reduction in demand for oil, natural gas and coal and a growth in clean technologies. The Sustainable Development Scenario (SDS) and Net Zero Emissions by 2050 Scenario (NZE) in the IEA's 2021 WEO, which are part of Hess' modeling, fit with this recommendation.

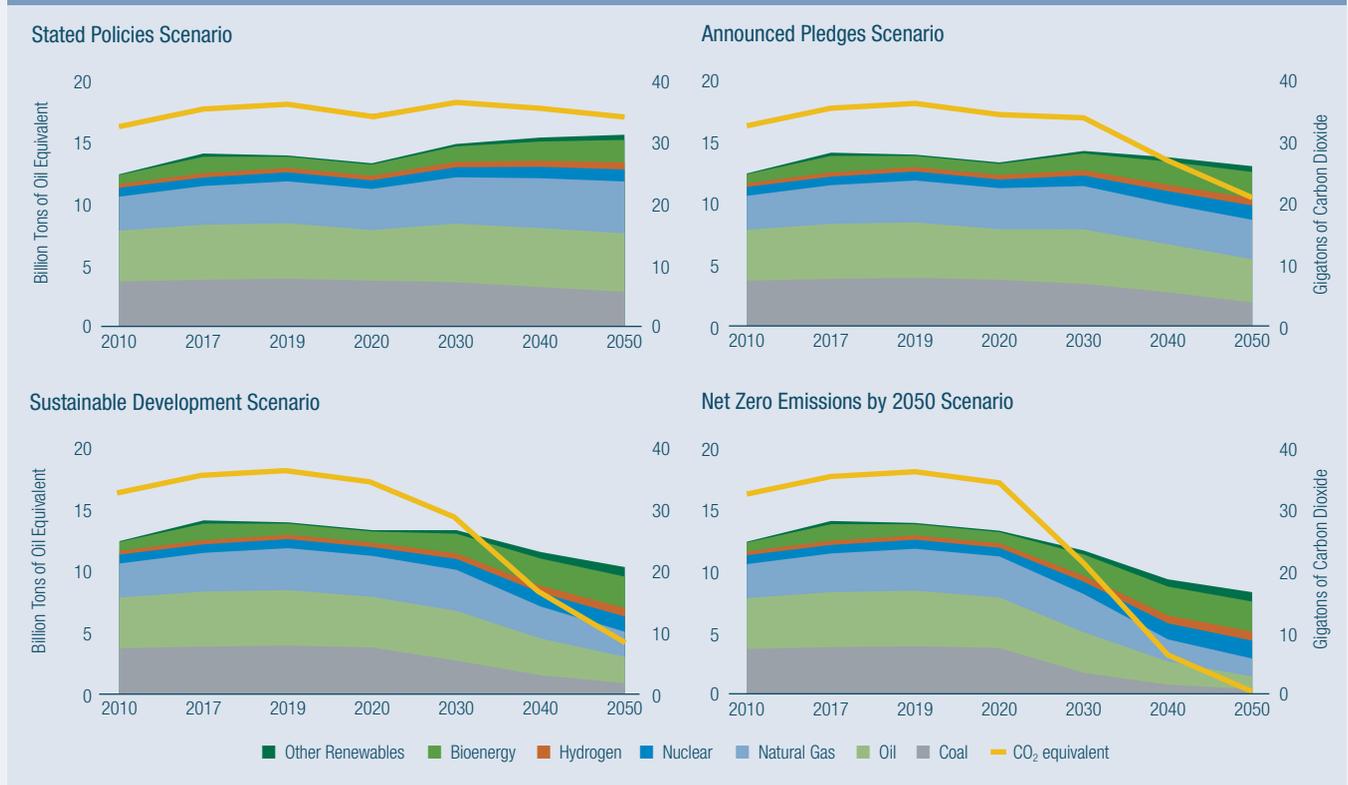
Considerations for Carbon Risk Scenario Assessment

To evaluate the potential exposure of our portfolio in a carbon constrained future, we began by considering the long range outlook for energy supply and demand, as well as for oil, natural gas and carbon prices. We have used the IEA's 2021 WEO to examine supply and demand and oil, natural gas and carbon price scenarios through 2050 in the Stated Policies Scenario (STEPS), Announced Pledges Scenario (APS), SDS and NZE (see [iea.org/reports/world-energy-outlook-2021](https://www.iea.org/reports/world-energy-outlook-2021)). These scenarios are recognized as a leading industry standard and benchmark worldwide and are, therefore, an appropriate choice for an oil and gas producer such as Hess.

An important consideration when reviewing the results of our analysis is that the SDS and NZE are considered reverse engineered or "normative forecasts," meaning they are designed to achieve a specific outcome, and the pathway to reach that outcome may be a narrow one. For example, over 50% of the reductions needed to achieve the NZE come from technologies that are currently in the demonstration or prototype stage, meaning they are not readily available on the market. The two other IEA scenarios used in our modeling, STEPS and APS, define a set of starting conditions and then project a path forward based on those conditions. Additionally, according to the IEA, the scenarios in the WEO are designed to "describe a smooth, orderly process of change," while in practice, "energy transitions can be volatile and disjointed affairs" (2021 WEO, page 68).

The charts below depict the 2021 WEO's world energy supply and carbon dioxide (CO₂) emissions under the IEA's four key scenarios.

World Primary Energy Demand by Fuel and Energy Related Carbon Dioxide Emissions by IEA Scenario



Climate Change and Energy

Carbon Asset Risk Assessment, continued

In STEPS, which is consistent with enacted energy policies and a pragmatic view of proposed policies, worldwide energy supply is expected to grow by approximately 21% between 2019 and 2050. While there is a decline in supply for coal in this scenario, between 2019 and 2050, oil and natural gas are expected to grow by 6% and 24%, respectively, and account for approximately 50% of the energy mix in 2050.

In APS, worldwide energy supply is expected to grow by approximately 10% between 2019 and 2050, while oil and natural gas supply are expected to decline by approximately 21% and 6%, respectively. However, even with this decline, oil and natural gas supply still represent over 42% of the total energy mix in 2050.

In the SDS, worldwide energy supply is projected to experience a moderate decline of approximately 6% between 2019 and 2050. Oil and natural gas supply are projected to decrease by 47% during that same time frame, accounting for approximately 30% of the energy mix in 2050.

The IEA acknowledges that society is not on the NZE pathway. In the NZE, worldwide energy supply is projected to essentially remain flat between 2019 and 2050. This scenario, which is a normative forecast, is designed

to drive a specific outcome. In 2050, renewables are projected to account for approximately 67% of the total energy mix, while oil and natural gas are projected to account for approximately 20% of the energy mix.

Oil and Gas Investment in IEA's 2021 Scenarios

Annual upstream oil and gas investment is assumed to be significantly higher in the STEPS and APS during 2021–2050 and in the NZE during 2021–2030, when compared with 2020, in order to meet energy supply requirements (see the IEA table below, left).

Hess' Approach to Scenario Planning

The TCFD recommends that once a less than 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 set of metrics as the less than 2°C scenario (e.g., oil demand, carbon prices and other market factors) and share the same fundamental economic foundations. Establishing multiple scenarios allows for measurement of the delta between metrics at future points to properly understand the envelope within which risk and opportunity may occur.

Hess' approach to scenario planning is aligned with the TCFD recommendations. We have prepared internal guidance that details our approach and establishes a specified methodology. This also serves as a roadmap for our external verifier to review and verify that we followed our specified methodology when conducting this scenario analysis.

Our first step in this process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price through 2050 and a \$3.50 per million British thermal units Henry Hub natural gas price through 2050; both cost bases are in 2022 real terms. In addition, in the base case, we applied either actual carbon pricing for our assets and intended forward investments (where a regulatory framework for such exists) or used a carbon price of \$40 per tonne through 2050 for other geographies.

Hess' base case was then compared against the various oil, natural gas and carbon prices in the IEA's four key scenarios – STEPS, APS, SDS and

Average Annual Upstream Oil and Gas Investment by Scenario, \$ Billion (2020)						
	STEPS		APS		NZE	
	2021–2030	2031–2050	2021–2030	2031–2050	2021–2030	2031–2050
Existing Fields	244	255	240	204	288	171
New Fields	403	436	331	251	77	0
Total	647	691	572	455	365	171

Note: Total investment in existing and new fields was \$330 billion in 2020. The IEA does not provide updated investment data for the SDS in the 2021 WEO. New fields also include those that have already been approved.

The IEA 2021 World Energy Outlook's Four Key Scenarios

- The Stated Policies Scenario (STEPS) takes into account implementing measures affecting energy markets that have already been adopted, chiefly the Nationally Determined Contributions (NDCs) – the emissions reductions agreed to by individual countries under the Paris Agreement. Essentially, the STEPS shows how the energy system might progress without additional steer from policymakers. The International Energy Agency (IEA) estimates that implementing the STEPS will result in an increase in global average temperatures of 2.6°C in 2100 compared with preindustrial levels.
- The Announced Pledges Scenario (APS) assumes all climate commitments made by governments worldwide will be met in full and on time including NDCs and net zero targets. The IEA estimates that implementing the APS will result in an increase in global average temperatures of 2.1°C in 2100 compared with preindustrial levels.
- The Sustainable Development Scenario (SDS) reflects a pathway to achieving key energy related components of the United Nations Sustainable Development Agenda – including universal access to modern energy by 2030, urgent action to tackle climate change and measures to improve poor air quality. The SDS represents a gateway to achieve the aim of the Paris Agreement, with a 50% probability of limiting the global average temperature rise to 1.65°C in 2100 and assumptions that advanced economies achieve net zero emissions by 2050, China by 2060 and all other countries by 2070 at the latest. If negative emissions technologies were to be deployed after 2070, the temperature rise in 2100 could be limited to 1.5°C with a 50% probability.
- The Net Zero Emissions by 2050 Scenario reflects a narrow pathway for the global energy sector to achieve net zero carbon dioxide emissions by 2050, consistent with limiting the global average temperature rise to 1.5°C in 2100 with a 50% probability.

NZE – running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness.

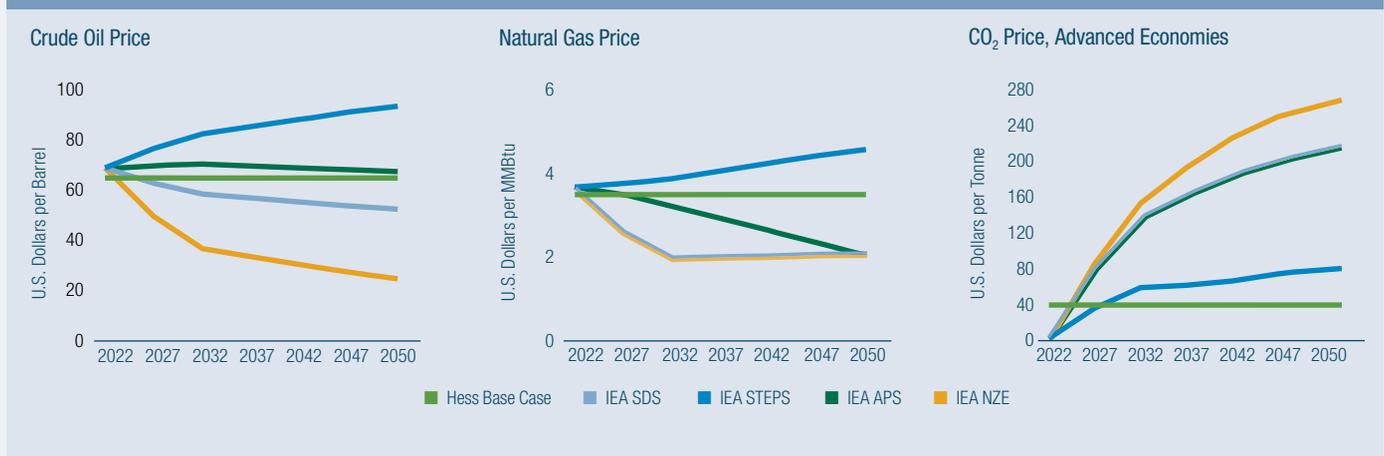
The charts below show the oil and natural gas prices, as well as CO₂ prices in advanced economies, under the IEA's STEPS, APS, SDS and NZE against Hess' base case. Please note that the IEA's oil, natural gas and CO₂ prices have been adjusted to 2022 real terms to be comparable to Hess' base case price assumptions. As these charts show, there is a wide spread of oil, natural gas and carbon pricing across the four IEA scenarios, a key component of informed scenario planning.

Results of the Hess Scenario Planning Exercise

Through our methodology, we have tested the robustness of Hess' asset portfolio and intended forward investments under multiple energy supply and demand scenarios, including the IEA's STEPS, APS, SDS and NZE.

In discussing potential financial implications, the TCFD does not ask organizations to provide a financial forecast (for which scenario analysis is not appropriate). Organizations are asked to provide an indication of direction or ranges of potential financial implications. While we do not publish quantitative financial results due to their confidential nature, we are providing a range of potential financial implications from the various IEA scenarios, as detailed below.

Oil, Natural Gas and CO₂ Prices (2022 Real Terms) in the IEA Scenarios and Hess Base Case



Conclusions from Hess' Scenario Analysis Based on the 2021 WEO

STEPS, APS and SDS

- The Hess portfolio remains resilient in all of these scenarios, with production from our current reserve base remaining economic over the next 30 years.
- Our portfolio, adjusted for assumptions in these scenarios, continues to generate sufficient cash flow to deliver our development plan.
- There are no stranded assets and no expected changes to the Hess base plan under any of these scenarios.

NZE

- The majority of Hess' current reserve base is producible under the NZE over the next 30 years, with lower operating cash flow relative to the Hess base plan driven by lower commodity prices and the cost of CO₂.
- The NZE reflects low oil prices and shows a very narrow pathway to achievement, including an assumption that 50% of emissions reductions come from technologies that are currently in the demonstration or prototype phase.
- As part of our annual scenario planning exercise, we will continue to monitor for indications that the world is moving along the NZE pathway; we expect that these indications would provide Hess sufficient time to complete a detailed review of our cost structure and adjust our portfolio accordingly.

Direction or Ranges of Potential Financial Implications Relative to the Hess Base Case Development Plan

- Higher operating cash margins in the STEPS and APS
- Comparable operating cash margins under the SDS
- Lower cash margins under the NZE
- If we see indications that the world is moving along the NZE pathway, we would expect to optimize our development plan and overall business strategy to maximize cash margins

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Carbon Asset Risk Assessment, continued

Validation of Hess Strategy

If the lower oil demand assumed in the IEA's NZE comes to fruition, industry competition will intensify and higher cost producers may be forced out of the marketplace. Hess' strategic priorities, which uniquely position us to deliver long term value, are to deliver (1) high return resource growth, (2) a low cost of supply and (3) industry leading cash flow growth. This strategy is consistent with the IEA's less than 2°C scenarios, which envision a meaningful role for oil and natural gas through 2050.

Hess plans to allocate the majority of our capital expenditures to developing the company's assets offshore Guyana and in the Bakken shale play in North Dakota. Our offshore oil discoveries in Guyana are among the industry's largest discoveries made globally over the last decade, with more than 11 billion barrels of oil equivalent recoverable reserves. Our four sanctioned developments – Liza Phase 1, Liza Phase 2, Payara and Yellowtail – have a breakeven Brent oil price of between \$25 and \$35 per barrel. According to a study by Wood Mackenzie (as illustrated below), Guyana is one of the highest margin, lowest carbon intensity oil developments globally.

In the Bakken, Hess has approximately 800 and 1,600 locations at \$40 per barrel and \$50 per barrel West Texas Intermediate (WTI), respectively, that can generate at least a 15% internal rate of return. That equates to greater than 27 to 53 rig years for the company, assuming one rig drills 30 wells per year, as illustrated at right.

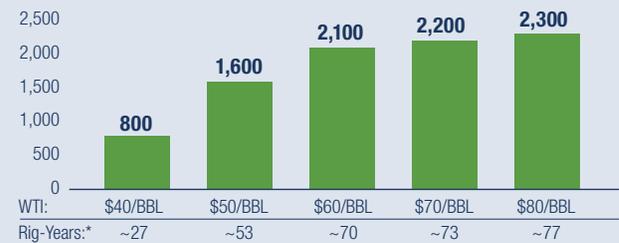
We expect that Guyana's low breakeven costs, along with aggressive cost reduction activities in the Bakken, will contribute substantially to structurally

lowering our portfolio breakeven costs to less than \$45 per barrel Brent oil by 2026. Notably, this is lower than the oil price assumption through 2030 in the STEPS, APS and SDS. As a result, Hess is well positioned to retain our share in the marketplace as a low cost producer, even with the gradually reducing global oil demand projected under the IEA's various scenarios.

In summary, based on the results of our 2022 scenario planning analysis, we conclude that we can produce our current reserve base and deliver strong performance under the STEPS, APS and SDS and produce the majority of our current reserve base under the NZE.

Hess Future Bakken Locations with Internal Rate of Return of 15% or Higher, as of January 2022

Gross Number of Economic Locations at Various WTI Prices*



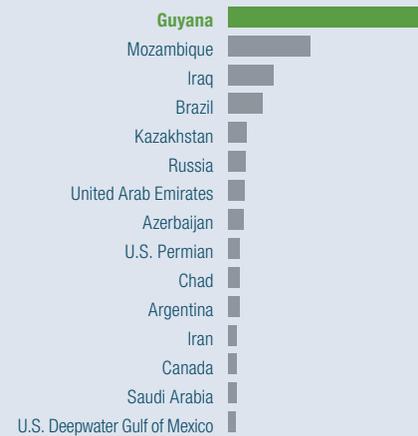
*Point forward January 2022, locations generating higher than 15% after tax return. Assumes approximately 30 wells per rig-year. Operating cost assumptions include Hess net tariffs and field general and administrative costs.

Low Cost, Low Carbon Development in Guyana

Operating Cash Margins and Carbon Intensity of Global Upstream Assets



Production Compound Annual Growth Rate for Global Upstream Assets, 2021–2025



Note: Source of data is Wood Mackenzie Lens. In the chart at left, data shows relative positioning in 2025, and operating cash margin is defined as post tax cash flow with capital expenditures added back, divided by production. The chart at right shows global upstream assets with the 15 highest BOE growth projections to 2025.

METRICS AND TARGETS

Following the TCFD's latest recommendations, our Low Carbon Transition Framework includes short, medium and long term climate related emissions reduction targets.

Short Term Climate Related Emissions Reduction Targets (2021–2024)

Hess considers our short term strategy (0–3 years) as primarily addressing near term business decisions required for operational budgetary and planning purposes. Our short term climate related targets are as follows:

- Achieve a 7% flaring rate from wells and pads, as reported to the North Dakota Industrial Commission (NDIC), in 2021
- Reduce routine flaring intensity to 5% in our Bakken, North Dakota, production operations in 2022

Flare reduction is a primary driver for achieving our medium and longer term climate objectives, including our 2025 greenhouse gas (GHG) emissions intensity target and commitment to zero routine flaring by the end of 2025 through the World Bank's ZRF. We use short term targets as a stepwise approach to meeting these objectives.

In 2021, we set an AIP compensation target to achieve a 7% flaring rate from Bakken wells and pads, as reported to the NDIC. This target was more aggressive than the 9% flaring rate required by the NDIC at the time. At year end 2021, the actual flaring rate from wells and pads in North Dakota was approximately 4%, well below our 7% target and the 9% NDIC limit.

We aim to build on this progress in 2022 while better aligning our flaring reduction metric with our commitment to the World Bank ZRF definitions and reporting nomenclature, which vary slightly from those of the NDIC. We have therefore set a new short term AIP target to reduce routine flaring in our Bakken operations to 5% by the end of 2022.

We also purchase renewable energy certificates (RECs) to mitigate 100% of our Scope 2 purchased electricity requirements for the assets that we operate.

Medium Term Climate Related Emissions Reduction Targets (2025–2031)

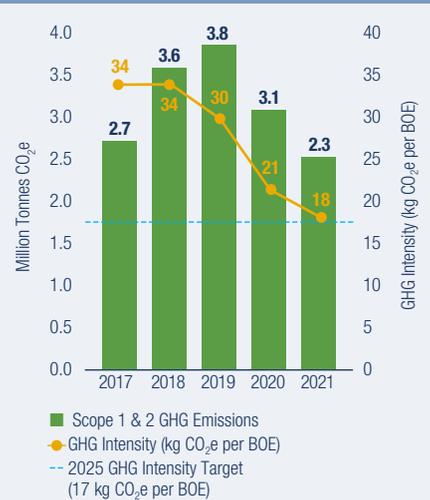
Our medium term strategy (4–10 years) primarily addresses project level changes at our various assets. In this time frame, our strategy and targets are focused on addressing Scope 1 and 2 GHG emissions, flaring and methane as well as purchasing renewable energy and/or offsets to address Scope 2 emissions.

GHG Emissions

We have established a GHG intensity reduction target for the end of 2025, which we consider to be medium term. Our target is to reduce the GHG emissions intensity of our operated assets to 17 kilograms (kg) of carbon dioxide equivalent (CO₂e) per barrels of oil equivalent (BOE) by 2025 versus a 2017 baseline of 34 kg CO₂e per BOE.

This GHG reduction target utilizes a market based approach to GHG accounting, which allows the use of market based instruments such as RECs to mitigate the environmental impact of Scope 2 GHG emissions. Our location based GHG emissions can be found in the Performance Data table on page 67.

Operated GHG Emissions (Scopes 1 and 2), Market Based

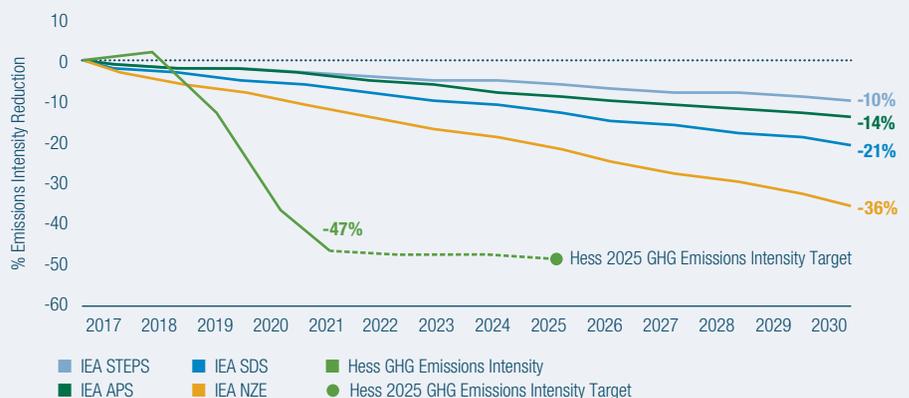


Note: Denmark emissions are excluded from this chart because they are excluded from our 2025 target.

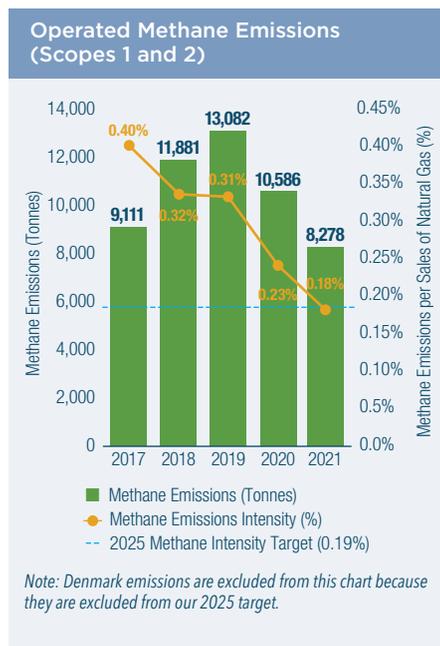
Through 2021, we have reduced our GHG emissions intensity to 18 kg CO₂e per BOE or by approximately 47% compared with our 2017 baseline of 34 kg CO₂e per BOE as shown on the chart above.

We aligned this GHG intensity reduction target with the IEA's 2021 *World Energy Outlook* SDS and Net Zero Emissions by 2050 Scenario (NZE), as illustrated in the chart below. The 21% carbon intensity reduction between 2017 and 2030 in the SDS is consistent with a well below 2°C ambition, whereas the NZE suggests a 36% reduction during that time frame

Hess Operated GHG Emissions Intensity (Scopes 1 and 2) Compared with IEA Scenario Intensity Reductions



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would be needed to achieve a 1.5°C ambition. These IEA carbon intensity reduction figures are derived using the IEA’s SDS and NZE CO₂ emissions divided by their worldwide energy supply estimate in 2030 versus 2017 actuals. Hess’ GHG intensity reduction target is based on our operated Scope 1 and 2 market based GHG emissions normalized by production. The Hess target results in a 50% GHG intensity reduction between 2017 and 2025, which is more aggressive than the IEA SDS’ 21% and NZE’s 36% emissions intensity reductions by 2030. This target is also designed to place us in a leadership position for emissions performance among our peers in the oil and gas industry, based on current publicly available data.

Flaring

Hess has recently endorsed the World Bank’s Global Gas Flaring Reduction Partnership (GGFR) ZRF. GGFR advocates for ending routine gas flaring by garnering commitments from oil and gas companies to end routine flaring by 2030. GGFR defines routine flaring as “flaring that occurs during the normal production of oil,

and in the absence of sufficient facilities to utilize the gas onsite, dispatch it to a market or reinject it.” The initiative does not address nonroutine flaring events, which include initial well flowback, process upsets, equipment or natural gas handling infrastructure and malfunctions. Hess has set a medium term target to eliminate routine gas flaring at all of our operated production sites by the end of 2025, five years ahead of the ZRF commitment date.

To support the achievement of this objective, and in partnership with Hess Midstream, we continue to focus on the buildout of gas infrastructure in the Bakken and consider additional flare reduction initiatives globally. (See page 54 for further detail on these initiatives.)

Methane

While natural gas continues to play a critical role in the transition to a low carbon economy, there remains debate about fugitive methane leakage along the natural gas value chain and whether that may have the potential to reduce this fuel’s climate benefits. Hess supports the Global Methane Pledge to reduce methane emissions by 30% below 2020 levels by 2030, which was announced by the U.S. and European Union at the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow, Scotland.

Hess also supports the enactment of cost effective direct methane regulations that would preserve a state’s ability to adapt implementation to local conditions. In late 2021, the U.S. Environmental Protection Agency (EPA) proposed a rule to expand and strengthen methane reduction requirements. We are in the process of reviewing the EPA’s proposed regulation and welcome continued engagement with the agency to help develop a final rule that encourages significant methane emissions reductions while also providing producers with the flexibility needed to continue supplying reliable and affordable energy to consumers.

We are a founding member of the ONE Future Coalition, a group of companies from the natural gas industry focused on reducing methane emissions across the value chain. We are also founding participants in The Environmental Partnership (The Partnership), which aims to progress actions to reduce air emissions associated with natural gas and oil production. Our voluntary commitments to pursue emissions reductions through these groups are described further on pages 55–56.

Consistent with these efforts, Hess set a medium term target to reduce operated methane emissions intensity to 0.19% by 2025, which equates to an over 50% reduction in methane emissions intensity versus our 2017 baseline. As of year end 2021, we have achieved a methane intensity rate of 0.18%, as shown at left, surpassing our 2025 target. We attribute this result to a combination of our continued efforts to reduce methane emissions, which include increasing natural gas capture, reducing flaring, continuing our leak detection and repair (LDAR) program, and replacing and retrofitting the remaining high bleed pneumatic controllers in our North Dakota operations. An additional factor is the updating of our calculation methodology, so that we remain in line with industry standards. While we aim to maintain this performance in support of our year end 2025 target, we are in the process of reevaluating the target to determine if it should be adjusted.

Renewable Energy

A component of both our short and medium term strategy is to purchase renewable energy and/or carbon offsets to mitigate 100% of our Scope 2 GHG emissions. We are currently implementing this strategy by purchasing RECs. However, we are also exploring various options for securing renewable and/or carbon neutral energy in the future.

Long Term Climate Related Emissions Reduction Targets (2032+)

We believe considerations for our long term strategy (10+ years) are primarily related to changes in energy supply and demand and related policies as well as the emergence of new technologies that could alter the composition of Hess' overall portfolio.

In late 2020, we established an executive led task force to develop a net zero Scope 1 and 2 emissions plan. We expect that our short and medium term commitments, including reducing GHG and methane emissions intensity, eliminating routine flaring and purchasing renewable energy, will help us mitigate a significant portion of our current Scope 1 and 2 emissions profile. While we believe that the shorter term strategic actions we are implementing will continue to be viable beyond a 10 year time frame, we are also examining additional opportunities to address our GHG emissions in the long term. These include increased energy efficiency from electrification of our operations and deployment of advanced technologies that are not currently commercially viable or are still in development, in combination with the purchase of high quality carbon offsets to address the residual Scope 1 and 2 emissions that are difficult to mitigate with direct reductions. We are in the early stages of refining this long term plan and will continue to provide updates on its progress.

With regard to Scope 3, we are committed to transparency on our emissions and have reported our estimated Scope 3 carbon footprint for many years. We believe Scope 3 is a societal issue and needs to be addressed in a different manner from our own Scope 1 and Scope 2 footprint. Hess supports a carbon price to encourage the investments needed to accelerate decarbonization across all sectors of the economy while keeping energy affordable. We believe that a market based mechanism will drive innovation

for new technologies and lead to a more efficient end use of hydrocarbon products. A policy that puts a price on carbon should ensure uniform cost of GHG emissions on a CO₂e basis throughout the global economy and should address key pricing risks, such as carbon leakage, energy affordability and policy durability, and equity issues such as regressive impacts on underdeveloped communities. In addition, we are focusing on scientific solutions and innovative research with the potential to address GHG emissions on a global scale. Our support of groundbreaking research on plant based carbon capture and storage by the Salk Institute is described in more detail on page 53.

GHG PERFORMANCE

We report GHG emissions from our oil and gas assets on both operated and equity bases. Additionally, while our short and medium term GHG emissions reduction targets utilize a market based approach to GHG accounting, we report these operated GHG emissions on both a location and market basis.

Our GHG emissions estimates include CO₂, methane and nitrous oxide, which are reported in units of CO₂e. In 2014, Hess began using global warming potentials based on the values in the *Fourth Assessment Report: Climate Change 2007*, prepared by the Intergovernmental Panel on Climate Change, to estimate CO₂e totals.

Approximately 93% of Hess' direct reported (Scope 1) operated GHG emissions are from stationary combustion sources such as flares, heaters, turbines and engines. The factors used to estimate emissions for these sources enterprisewide are those prescribed by the EPA in its GHG Mandatory Reporting Rule (40 CFR Part 98, Subpart C). The remaining 7% of our reported operated GHG emissions are from a variety of noncombustion and fugitive emissions sources, such as storage tanks, compressor seals, pneumatic pumps and valves. For such sources at onshore facilities, we use the emissions factors prescribed by the 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.



See additional reporting indicators in our response to the American Petroleum Institute Template for GHG Reporting at hess.com/sustainability/climate-change-energy

Baseline Review and Restatements

We continuously look for opportunities to improve our GHG data collection efforts and calculation methodologies, and have made a number of restatements in the performance data within this report, as follows:

- Through analysis of our historical GHG emissions inventories, we have identified certain emissions sources previously designated as not material to our overall emissions profile, including emissions from our North Dakota truck fleet and office electricity use, which have now been incorporated into our annual inventories for 2017–2020. We have also been working to fine-tune the activity data used for our emissions calculations, such as applying adjusted run times for the heater treaters used at our operated wellsites.
- We have made some enhancements to our Scope 3 emissions calculations as described on page 53.

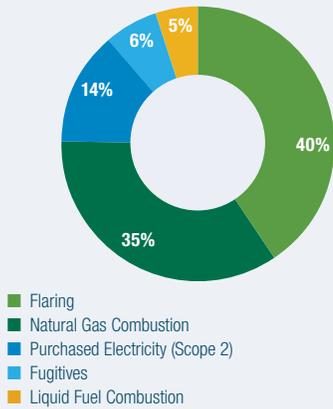
After establishing our new five year GHG reduction target with a 2017 baseline, we engaged our third party sustainability data verifier to conduct an additional verification of our 2017 GHG inventory at the reasonable assurance level. Based on this exercise, we were able to validate our 2017 GHG inventory.

Another important data consideration is related to the sale of our interests in Denmark in August 2021. As the sale was announced in early 2021, we excluded Denmark when establishing the 2017

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2021 Operated GHG Emissions (Scopes 1 and 2) by Source

2.9 Million Tonnes CO₂e



Note: The flaring total above includes 184 tonnes of CO₂e emissions from venting.

Operated GHG Emissions (Scopes 1 and 2) by Country

Million Tonnes CO₂e



*Divested in August 2021.

Equity GHG Emissions (Scopes 1 and 2) by Country

Million Tonnes CO₂e



*Divested in August 2021.

baseline year data for our new GHG and methane emissions intensity targets (that were also announced last year). However, because Hess operated the asset through August 2021, we have included Denmark in our 2021 absolute GHG emissions data discussed in the following subsections.

Operated Emissions (Scopes 1 and 2)

In 2021, of the estimated 2.9 million tonnes of gross GHG emissions reported from our operated oil and gas assets, 2.5 million tonnes were Scope 1 emissions, primarily from flaring and fuel combustion, and approximately 0.4 million tonnes were Scope 2 emissions from purchased electricity. Process operations (primarily fuel combustion) and flaring each accounted for approximately 40% of our combined Scope 1 and 2 GHG emissions.

In 2021, our absolute GHG emissions decreased by 0.7 million tonnes compared with 2020, due primarily to a significant reduction in natural gas flaring in North Dakota associated with aggressive expansion of Hess Midstream's natural gas gathering, compression and processing infrastructure. On a market basis, our cumulative GHG emissions intensity through 2021 (i.e., tonnes of emissions per thousand BOE) decreased by 47% compared with our 2017 baseline.

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 on pages 52–53 detail our Scope 1, 2 and 3 emissions from 2017 to 2021 on an equity basis. These graphs show that over the past five years, our absolute Scope 1 and 2 equity emissions have decreased by 0.2 million tonnes to approximately 3.8 million tonnes of CO₂e. During the same period,

estimated Scope 3 equity emissions decreased by 0.3 million tonnes to approximately 43 million tonnes of CO₂e.

Scope 1 and 2 Equity Emissions

Our major source of Scope 1 and 2 emissions from nonoperated oil and gas assets in 2021 was from the A-18 Block in the Malaysia/Thailand Joint Development Area. Our equity emissions from this asset were approximately 1.2 million tonnes, an increase of 0.1 million tonnes from 2020.

Major sources of emissions from our operated assets in 2021 included those from Hess Midstream's Tioga Gas Plant (TGP) and our North Dakota, North Malay Basin and offshore Gulf of Mexico production assets, which together accounted for an estimated 1.8 million tonnes of equity emissions.

Our other operated and nonoperated assets made up the balance of equity emissions at an estimated 0.9 million tonnes, of which Guyana accounted for approximately 0.4 million tonnes and our other assets accounted for a combined 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. We disclose our estimated Scope 3 GHG emissions, the vast majority of which are assumed – based on the methodology described below – to come from the processing and end use of our sold products, on an equity basis.

To estimate our Scope 3 emissions, we 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 WRI's and World Business Council for Sustainable Development's

Contribution to the Salk Institute’s Development of Plant Based Carbon Capture and Storage

As an additional measure beyond our emissions reduction efforts, which are currently focused on our operated Scope 1 and 2 emissions, we are pursuing ways to help mitigate climate change on a global scale. Hess has made a multiyear financial commitment to help fund the Salk Institute’s Harnessing Plants Initiative’s research, which is comprised of two programs: CO₂ Removal on a Planetary Scale (CRoPS) and Coastal Plant Restoration (CPR).

The CRoPS program aims to increase suberin content – a carbon rich polymer found in plant roots – in common crops such as wheat, rice and corn with the goal to absorb and store significant amounts of carbon from the atmosphere. In addition to removing CO₂, the enhanced root systems would help protect plants from droughts and other climate related threats, enrich soil with added

carbon and potentially produce better yields. CRoPS may also allow farmers to sell carbon credits and provide an added income source in an emerging marketplace.

The CPR project is focused on restoration and preservation of wetlands, which are significant carbon sinks. The project aims to develop wetland plants that can hold carbon, purify water, preserve land and thrive in challenging environments around the world.

Salk aims to collaborate with governments and the agriculture industry to bring development of these specialized plants to a global scale by 2030, with the capability of absorbing and storing significant amounts of carbon per year from the atmosphere by 2035.

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 the refining of our crude oil production by others.

In 2021, we enhanced the accuracy of our Scope 3 emissions calculations. For category 11, we previously assumed all liquids sold were crude oil. We now account for our two separate liquid products – crude oil and natural gas liquids (NGLs) – by using separate emissions factors for each product. For category 10, where we previously applied a single GHG factor over time, we now use annual factors that take into account the improved efficiency and related emissions reductions at U.S. refineries between 2017 and 2021. This improved methodology has resulted in Hess’ Scope 3 emissions totals being lowered by approximately 4 million tonnes of CO₂e each year between 2017 and 2020.

In 2021, we sold 591 million standard cubic feet per day (MMSCFD) of natural gas, which, when used by consumers, accounted for an estimated 11.7 million

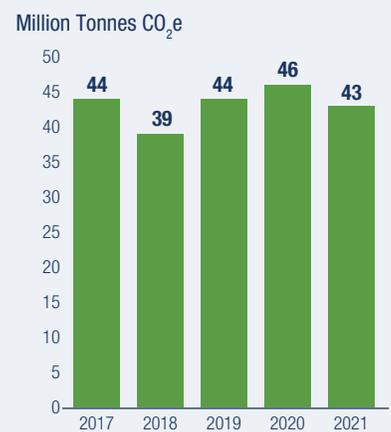
tonnes of GHG emissions. We sold 163 thousand barrels per day of crude oil and 53 thousand barrels per day of NGLs, which accounted for another estimated 25.8 million and 4.4 million tonnes, respectively, of GHG emissions, for an estimated total of 42 million tonnes of Scope 3 category 11 emissions. This crude oil, when processed by refiners, resulted in an additional estimated 1.4 million tonnes of Scope 3 category 10 emissions, which brings our total Scope 3 emissions to an estimated 43.4 million tonnes.

Although not material, we also track, report and offset 100% of the Scope 3 emissions associated with employee business travel. We offset the approximate 400 tonnes of CO₂e emissions associated with our employees’ business travel in 2021 with carbon credits related to a third party landfill gas to energy project in Whitfield County, Georgia, U.S.

EMISSIONS REDUCTION INITIATIVES

In support of our GHG emissions and flaring intensity reduction targets, we track and monitor air emissions at each of our assets and undertake a variety of emissions reduction initiatives. Our efforts focus on our largest emitting operations, on opportunities that are technically and

Scope 3 Equity GHG Emissions



Note: Our 2021 equity Scope 3 emissions were comprised of 42 million tonnes of CO₂e from use of sold products, and 1 million tonnes from processing of sold products.

economically feasible and on where we are able to achieve stakeholder approval.

As discussed earlier, we established an executive led task force in 2020 to provide oversight for our climate change strategy implementation and to evaluate the medium and longer term aspects of our strategy. A subgroup of this task force is working to identify and recommend GHG reduction opportunities, evaluating and implementing technologies as appropriate

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and evaluating capital and infrastructure requirements. Currently, the group is evaluating, piloting or implementing the following emissions reduction opportunities:

- Optimizing Hess Midstream’s gas gathering infrastructure in the Bakken, which includes additional compression capacity and gathering lines
- Installing oil coolers to stabilize oil and reduce tank gas flashing to flare
- Reinjecting NGLs into the product line at compressor stations
- Replacing gas assisted flares with more efficient air assist flares
- Diverting compressor station blowdown from flares to the station inlet
- Optimizing piping heat trace design to lower power consumption
- Using grid electricity, which we mitigate through the purchase of RECs, to power onshore drilling and completions activity
- Examining alternatives to wellhead flaring, such as utilizing natural gas for onsite power generation or conversion to liquefied natural gas
- Examining power purchasing options to supply Hess’ electricity needs through renewable or carbon neutral energy, thereby offsetting or eliminating our Scope 2 GHG emissions
- Implementing offshore LDAR programs
- Using advanced data analytics and machine learning to optimize fuel gas consumption
- Optimizing diesel fuel use at offshore production facilities, drilling rigs and marine vessels

Flaring

In 2021, flaring from Hess operated assets totaled 33 MMSCFD, a decrease of 19 MMSCFD or 37% compared with 2020, primarily related to our focus on natural gas capture through increased availability and reliability at our compressor stations; expansion of gathering and processing

infrastructure; enhanced communication with third party gatherers; and improved planning of new wells to prioritize gathering of new natural gas production. We are taking multiple steps, which are described on the following pages, to eliminate routine flaring by the end of 2025.

More than \$3.6 billion has been spent on midstream infrastructure in North Dakota over the past 10 years, supporting our strong performance over the past several years. Hess Midstream is continuing to execute capital projects to increase natural gas capture rates, which provide economic returns through the sale of the additional natural gas and NGLs captured and reduce flaring in the Bakken region.

In the summer of 2021 Hess Midstream conducted a successful and safe turnaround of the TGP. The maintenance activities completed during the turnaround will help to maintain a safe and reliable plant. The turnaround, along with an expansion project that was completed in 2020, increased processing capacity from 250 to 400 MMSCFD. During the turnaround, as expected, we lost the capacity to gather and process natural gas at the TGP. However, with careful planning prior to the turnaround – entering into natural gas offload agreements and executing pipeline interconnects that allowed Hess to sell natural gas that would otherwise have been flared – we successfully reduced gas flaring during the turnaround by 70% compared with the amount anticipated. Ultimately, the increased capacity gained from the expansion project is expected to help us reduce flaring in future years.

These improvements in capacity at the TGP are complemented by the Little Missouri 4 gas plant, operated by Targa Resources, which came online in 2019 and can process 200 MMSCFD of natural gas. Hess Midstream owns 50% interest in the Little Missouri 4 gas plant.



We also installed an additional 14 MMSCFD of capacity at the new Blue Buttes Compressor Station in the second quarter of 2021, which has further expanded our ability to bring more natural gas to market. We plan to continue to add a further 85 MMSCFD of natural gas compression and gathering capacity in 2022, with the capability to expand up to 130 MMSCFD in the future. These improvements will help us continue to reduce flaring.

In addition to infrastructure buildout, we have continued to improve compressor station reliability in 2021. We have reduced compressor trips and routine downtime issues and as a result we have reduced our flaring by 1.8 MMSCFD, which equates to approximately 56,000 tonnes of CO₂e per year.

In some cases, Hess relies on third parties to provide the natural gas gathering and processing infrastructure needed to mitigate gas flaring. In 2021, we were able to reduce our reliance on these third parties due to the additional infrastructure Hess Midstream brought online during the year. We have also enhanced our relationships and lines of communication with third

parties to further reduce downtime and bottlenecks. We estimate that these enhancements helped to generate a 2 MMSCFD reduction in flaring, equivalent to a reduction of approximately 63,000 tonnes of CO₂e during the year. We are continuing to explore additional commercial arrangements to improve third party gas gathering and processing capacity and performance, supporting reduced flaring.

Methane

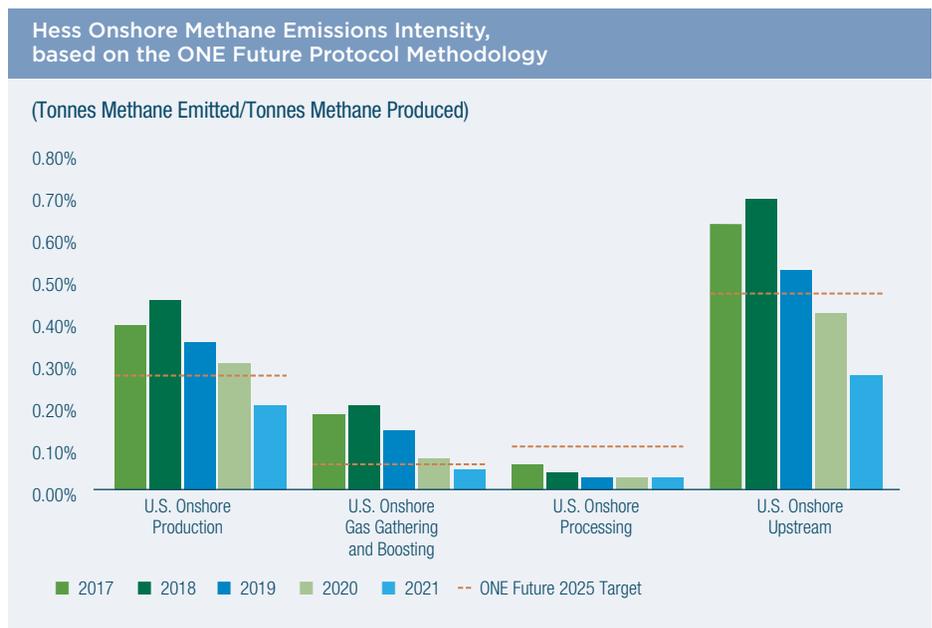
Reducing methane emissions, which represent around 8% of our operated Scope 1 GHG emissions, continues to be an important priority for Hess. Our major sources of methane, based on our regulatory emissions inventory estimates, are fugitive emissions from pneumatic devices, pumps, tanks, compressor seals and pipelines, and the residual unburned methane associated with flaring.

In 2021, our total Scope 1 methane emissions were around 8,395 tonnes, which equates to approximately 210,000 tonnes of CO₂e (assuming a Global Warming Potential of 25). This represents a 22% reduction from 2020 and a 33% reduction from 2017.

In support of our medium term climate related strategy, we established a 2025 global methane intensity target of 0.19% versus a 2017 baseline of 0.40%, using natural gas sales as a denominator. Our 2021 intensity based on this methodology was 0.18%, surpassing our 2025 target (see pages 8 and 50).

ONE Future

We continue to pursue voluntary reductions in methane emissions in two areas: performance based targets and best practices. In support of this strategy, in 2014, Hess and seven other companies founded the ONE Future Coalition – a group with representation from across the natural gas value chain focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions associated with the production, gathering and boosting, processing, transportation and distribution of natural gas. By the



end of 2021, ONE Future membership had grown to over 50 companies. ONE Future offers a performance based, flexible approach that is expected to yield significant reductions in methane emissions. ONE Future's measurement protocol has been approved by the EPA.

The goal of ONE Future is to voluntarily lower methane emissions to less than 1% of gross methane production across the U.S. value chain by 2025. Peer reviewed analyses indicate that a leak/loss rate of 1% or less across the U.S. natural gas value chain provides immediate GHG reduction benefits. To achieve this goal, ONE Future has established 2025 methane emissions rate targets for each sector of the natural gas value chain: production (0.28%), gathering and boosting (0.08%), processing (0.11%), transmission and storage (0.30%) and distribution (0.22%), which cumulatively total the 1% target. In 2020, the ONE Future members' cumulative methane emissions intensity was 0.42% across the U.S. natural gas value chain. ONE Future's 2021 progress report will be published later this year.

In 2021, Hess' onshore U.S. methane intensity was 0.29%, which is below the 2025 ONE Future combined target of 0.47% for the sectors in which we operate

(i.e., production, gathering and boosting, and processing).

Our relative methane intensity continues to improve, and we attribute this to flaring reduction, the continued implementation of our LDAR program across all of our North Dakota production facilities and our program to phase out high bleed pneumatic controllers.

The Environmental Partnership

In a related voluntary effort to adopt and promote industry best practices, Hess became one of the founding participants of The Partnership in 2017. The Partnership is focused on technologically feasible and commercially proven solutions that result in significant emissions reductions. In addition to specifying best practices for member companies over specific time frames, The Partnership provides a forum for participants to share information and analyze best practices and technological breakthroughs in order to help the industry improve its understanding of emissions reduction strategies.

A key goal of The Partnership is furthering action to reduce air emissions associated with natural gas and oil production. The Partnership has initiated six Environmental

Climate Change and Energy

Performance Programs and allows member companies to decide which are best suited for their operations. Hess was one of the first companies to commit to participating, and we have been implementing five of the six programs 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 EPA Method 21 or optical gas imaging cameras. Hess conducted 790 semiannual surveys at 355 sites in 2021, less than in 2020 due to the sale of legacy sites. Of the 2.25 million devices and components surveyed, only 0.07% were found to be leaking. The majority (70%) of those components with leaks were repaired immediately and the remaining 30% were repaired within 30 days following the survey. Since our first year of participation in this program in 2019, our leak occurrence rate has reduced by 42%, from 0.11% to 0.07%.

- **Replace, Remove or Retrofit High Bleed Pneumatic Controllers:** Participants will remove, replace or retrofit high bleed controllers with low or zero emitting devices within five years. Hess completed our phaseout of high bleed pneumatic controllers in our North Dakota operations in 2021. We replaced 60 high bleed controllers with low bleed controllers and removed seven from service. In 2021, this phaseout program reduced our overall pneumatic controller methane emissions by 80%, from 1,583 tonnes of methane in 2019 to 318 tonnes.
- **Compressor Program:** Participants are committed to implementing practices that minimize emissions associated with centrifugal and reciprocating compressors. These include conversion of compressors to electric drive, improving vent gas capture and improving rod packing replacement practices.
- **Pipeline Blowdowns:** Participants are committed to implementing reduction practices that minimize emissions during

pipeline blowdowns. We are implementing best practices to reduce methane emissions, including routing blowdown gas to low pressure systems or to flare.

- **Flare Management Program:** Participants are committed to implementing approved flare volume and emissions reduction practices and reporting the company's flare volumes to demonstrate progress.

The sixth program, focused on manual liquids unloading for natural gas production sources, is not applicable to Hess because we do not currently operate any natural gas-only production wells.

Hess submits information on our implementation of the programs applicable to our operations to The Partnership, which in turn publishes an annual report. We also plan to report on our progress in implementing these applicable programs as part of our annual sustainability report.

The Partnership continues to assist members with identifying additional techniques with greater sophistication

Emissions Reduction Initiatives

The following case studies are additional examples of emissions reduction initiatives at Hess.

Natural Gas Capture

We have continued to use technology developed through our partnership with GTUIT – a designer, manufacturer and operator of wellsite natural gas capture and natural gas liquid (NGL) extraction equipment – to recover high British thermal unit 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, can operate reliably unmanned and can adapt to the changing flow conditions at the well level.

In 2021, we operated four GTUIT mobile units with four million standard cubic feet per day (MMSCFD) of capacity in total, allowing us to capture 3.6 million gallons of NGLs. These four units were utilized on a continuous basis. As a result of this NGL capture, about 139 MMSCFD of gas flaring was avoided, and carbon dioxide equivalent (CO₂e) emissions were reduced by an estimated 22,427 tonnes. This project provides dual economic and environmental benefits because it converts gas into marketable products as well as reduces the amount of gas flared and the associated air emissions.

Flexible Hose for Freshwater Transport

In North Dakota, we continue to utilize flexible hose to transport fresh water directly from water sources to our wells, instead of using truck transport. In 2021, 100% of

the water we used for hydraulic fracturing in North Dakota (approximately 15.1 million barrels) was transported using flexible hoses, eliminating 134,420 truck deliveries and 6.72 million truck miles driven and reducing nearly 14,640 tonnes of transportation related greenhouse gas emissions.

Utilizing Wellsite Natural Gas for Electricity

In 2021, we continued our collaboration with Digital Stream Energy (DSE) to take natural gas from a wellsite that would otherwise be flared to generate electricity. The electricity generated is used to power computer servers. The natural gas consumed by DSE in 2021 was 87.6 MMSCF, which equates to around 4,770 tonnes of CO₂e emissions. The key benefit is that gas that would otherwise be flared is put to use. We continue to work with DSE in 2022 and are evaluating the application of this technology at additional sites.

Replacement of Diesel with Natural Gas

Hess Midstream's compressed natural gas (CNG) fuel facility near the Tioga Gas Plant in North Dakota has been in operation since 2016. The CNG is partially displacing diesel in high horsepower engines for drilling and in water heaters for well completion operations in the region and is capable of fueling CNG/gasoline bifuel light duty trucks. In 2021, the operation of this facility helped to displace 1.2 million gallons of diesel fuel, resulting in a reduction of approximately 3,500 tonnes of CO₂e.

to detect, repair and prevent leaks from oil and gas operations. Those efforts include facilitating collaboration with other operators and technology providers. For example, The Partnership is collaborating with several groups to understand their capabilities in aerial technologies and plans to introduce the technology to participating companies. Hess has actively participated in these efforts and, going forward, will promote the expanded use of aerial surveys to advance our understanding of emissions and contribute to the common industry goal of minimizing methane emissions.



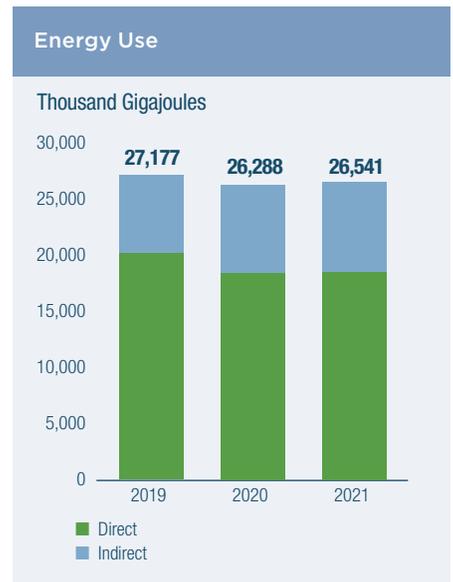
Further detail on our LDAR program is provided in the Environment section of this report and at hess.com/sustainability/environment

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 environment, health, safety and social responsibility strategy and our Lean approach to managing our business. We

generate and purchase energy primarily for power, processing, heating and cooling. In 2021, energy consumption from Hess operated assets was approximately 26.5 million gigajoules, 1% higher than in 2020. Seventy percent of Hess' energy use was directly generated from our operations, primarily at Hess Midstream's TGP and at our production facilities in North Dakota, the North Malay Basin, Denmark and the Gulf of Mexico. The remaining 30% was indirect energy (i.e., energy used by utilities to provide electricity) purchased for our North Dakota production operations and Hess Midstream's TGP.

In 2021, our U.S. operations accounted for more than 99% of our purchased electricity of approximately 870,000 megawatt hours (MWh), a 4% increase from last year, primarily attributable to increased production in North Dakota and the conversion of new compressor stations from natural gas to electric compression. We support renewable energy through the purchase of RECs that offset 100% of the net electricity used in our operations.



To offset our approximately 870,000 MWh of purchased electricity, we purchased 869,928 RECs, primarily from wind power generation.



See more detail on our purchased electricity use in our expanded performance data at hess.com/sustainability/performance-data/key-sustainability-metrics



Production Operations, North Dakota



Safeguarding the environment is a core commitment for Hess and is incorporated into the Hess Values. We seek to continuously improve our performance across the range of potential environmental impacts, including water and energy use, air emissions, waste and spills, and doing so is embedded in the Hess Operational Management System (HOMS) that guides the work we do every day. We dedicate significant staff and resources to this effort to help ensure compliance with environmental laws and regulations, international standards and voluntary commitments. We have developed specific goals and key performance metrics to drive and track improvements in our environmental performance at both the enterprise and asset levels. Some of these metrics are factored into our annual incentive plan, helping to further advance our culture of environmental stewardship.

We collaborate with peers, governments and nongovernmental organizations (NGOs) to help drive environmental performance improvements across our industry. As an example, 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 (NDIC) that aims to improve Bakken system oil recovery and reduce the environmental footprint of Bakken oil and gas operations. We work with the EERC as part of the Intelligent Pipeline Integrity Program, a consortium of oil and gas producers leading and funding research on innovative technologies to detect leaks and other pipeline integrity issues (see page 65). We also voluntarily sponsor the Houston Advanced Research Center, which aims to develop science based solutions to environmental issues associated with oil and gas development.

WATER MANAGEMENT

At Hess, we know that the communities and ecosystems where we operate

depend on water to thrive and our operations have the potential to impact this resource, primarily through our use of fresh water and possible impacts on water quality that could occur due to well integrity issues, spills or discharges.

Responsible water management is a focus of our environmental efforts and continues to be one of our key sustainability issues. We continue to employ a risk based, lifecycle approach to managing water through which we carefully assess and work to mitigate any potential impacts on water resources in both our onshore and offshore operations. In 2021, we updated our water stressed resource analysis in the Bakken region – our only onshore operations and the primary region where we use fresh water for our operations – using the World Resources Institute’s Aqueduct Water Risk Atlas. While this analysis confirmed that we are not operating in any areas of high baseline water stress and the potential for us to impact fresh water is therefore limited, this remains an important issue to us and our stakeholders.

In 2021, we completed a water data mapping exercise for our North Malay Basin asset and a chemical analysis for Denmark. Through this effort, we validated water usage and discharge data and incorporated the associated processes into our HOMS Tier II Assurance efforts. Based on assurance reviews of our water data collection and tracking processes, we developed corrective actions to help us track these data at a more granular level and enhance our management of water resources.

Engaging with stakeholders is central to our approach to water management. In North Dakota, our water use strategy is based on engagement and feedback with local stakeholders such as the NDIC, the Army Corps of Engineers, the North Dakota State Engineer and the Western Area Water Supply Authority. We are active members of the IPIECA Water Working

Group, which aims to help companies improve their water use performance by providing sound analysis, assessment tools, good practices, credible data sources and appropriate indicators. We are members of the Energy Water Initiative, a collaborative effort among 20 oil and gas companies to study, describe and improve lifecycle water use and management in upstream unconventional oil and natural gas exploration and production. We also participate in the National Alliance for Water Innovation – a government, academic and private sector research partnership working to support a resilient water supply through applied research on affordable and energy efficient desalination and other advanced water treatment technologies.

We engage with a variety of nonprofit organizations focused on water issues. In 2021, Hess continued supporting the Gulf of Mexico Alliance’s Gulf Star program, a nonprofit, 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 NGOs. We also worked with the Galveston Bay Foundation and Pontchartrain Conservancy on water sampling projects and the Barataria–Terrebonne National Estuary Program on cultivating native plants and grasses to restore the function and habitat of critical Gulf Coast wetlands.

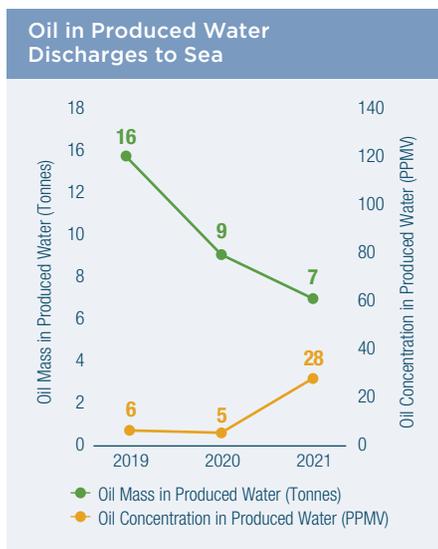
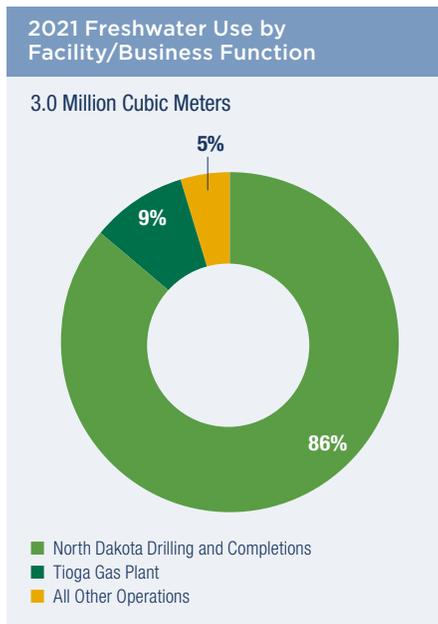
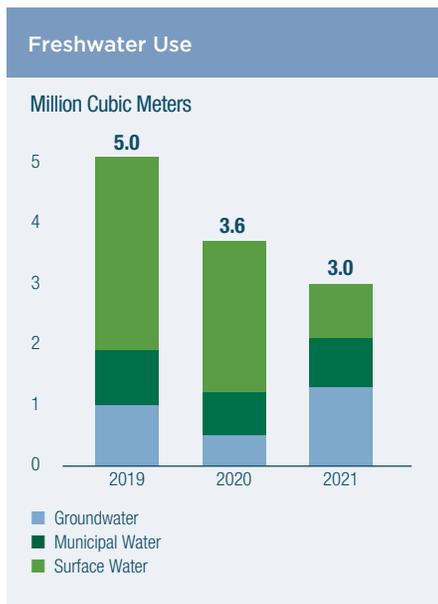


See the Shale Energy section online for more detail on our approach to water management in our shale operations: hess.com/sustainability/environment/shale-energy

Freshwater Use

We primarily use fresh water in our onshore upstream operations for drilling and completions, and for cooling in midstream gas processing. We also use fresh water in our offshore operations for some drilling activities and to supply potable water to personnel; however, we primarily meet these needs by converting seawater to fresh water through reverse osmosis.

Environment



Hess' total freshwater use in 2021 decreased by 17% compared with 2020. The largest driver of this decrease was a 20% reduction in freshwater use in our onshore drilling and completions operations in the U.S. This decrease was largely the result of a planned reduction in activity – we drilled eight fewer wells and hydraulically fractured 48 fewer wells in 2021 than in 2020.

As our operational profile and practices continue to evolve, we remain committed to reducing the potential for impacts to freshwater resources. A key component of this commitment is to reuse produced water – nonpotable water that is released from underground formations along with produced oil and natural gas. Our ability to reuse produced water, however, varies based on the geology of the formation, production levels and changes in hydraulic fracturing technologies, among other factors. In our onshore operations in North Dakota, our freshwater reduction strategy primarily involves reusing produced water for production maintenance activities.

In 2021, we reused 272,751 cubic meters of produced water to replace fresh water in our operations, a 91% increase from 2020.

Water Quality

Onshore, our impacts to water quality are primarily related to potential releases that could occur due to well integrity issues or spills. Offshore, impacts are related to releases that could occur from well integrity failures, other oil spills or produced water discharges. We have implemented rigorous management practices to help prevent and mitigate potential impacts on water quality, including continuously improving our approach to well integrity and to managing produced water, our primary source of wastewater.

In North Dakota, our operations are covered by the Department of Environmental Quality's routine review of groundwater quality monitoring wells, which is intended

to identify any potential impacts to groundwater. We also maintain a separate groundwater monitoring program for Hess Midstream's produced water disposal wells.

In 2021, we continued to pursue research projects to better understand and mitigate potential impacts to water quality. We advanced two pilot projects focused on produced water management: one testing new tools to improve the measurement and tracking of produced water collection, reuse and disposal, and the other assessing new approaches to treat and reuse produced water during completions. We also completed a project to evaluate potential microplastics pollution from offshore drilling activities, and we found negligible impacts.

We discuss responsible produced water management in more detail online at hess.com/sustainability/environment/shale-energy. Release prevention, a central element of our efforts to protect water quality and one of our key sustainability issues, is discussed on page 61.

Discharges from Offshore Facilities

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

In 2021, our offshore facilities discharged to sea approximately 200 tonnes of nonaqueous drilling mud and cuttings, which included 47 tonnes of nonaqueous base fluid. Produced water discharges to sea totaled an estimated 1.1 million cubic meters in 2021, with an average oil content of 28 parts per million volume (PPMV) for a total of 7 tonnes of oil discharged. While the oil concentration of these discharges increased year over year, tonnes of oil discharged decreased by approximately 20%. All of these discharges were in compliance with applicable regulations.

SPILL PREVENTION

The prevention of releases is one of Hess' most important sustainability issues. We maintain spill preparedness and response plans and conduct 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 industry funded cooperative. Our domestic needs for oil spill response are supported by the Marine Spill Response Corporation, Clean Gulf Associates, the Sakakawea Area Spill Response Cooperative, Tri-State Bird Rescue and Research, and the Wildlife Center of Texas. Hess representatives serve on the board of directors of OSRL and on the technical operations committee of Clean Gulf Associates, a nonprofit oil spill cooperative that supports the Gulf of Mexico.

Our international subsea well control preparedness and response capabilities are supported by Wild Well Control. In the Gulf of Mexico, we are members of 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 contribute to the IPIECA Oil Spill Working Group in support of our international assets. We are also a member of the Oil Spill Emergency Preparedness and Response Subcommittee of the American Petroleum Institute (API). In addition, we participate in Area Planning Committee meetings for Regions 6 and 8 of the U.S. Environmental Protection Agency (EPA).

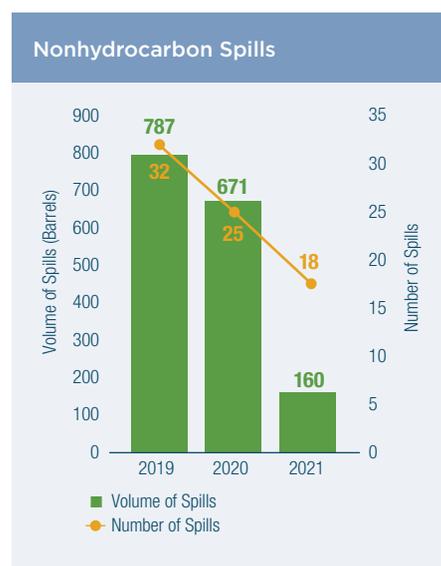
We track LOPC events through our incident reporting system by size and material, and we report spills in accordance with applicable industry and regulatory guidance.

We also use leading and lagging indicators to monitor LOPC performance and continue to include LOPC performance in our annual incentive plan.

In 2021, the number of hydrocarbon spills we experienced decreased by 40% compared with 2020, but the volume increased by 46%. The number of nonhydrocarbon spills decreased by 28% compared with 2020, and the volume decreased by 76%. We recovered approximately 77% of the hydrocarbon spilled and approximately 54% of the nonhydrocarbon spilled during initial cleanup. Additional long term remediation activities were or are in the process of being implemented at the affected sites where appropriate.

We continued to implement a range of programs focused on spill prevention in 2021. To address spills that result from corrosion and integrity issues, we continued to enhance our inspection and surveillance programs. For example, in the Bakken we continued to implement enhanced, real time, remote monitoring systems for equipment, including integrity critical equipment, that track alignment with applicable operating parameters to help us identify and prioritize maintenance planning and response. We continued mitigation efforts to protect pipeline equipment from residual fracturing proppants that can impact reliability and integrity. In addition, we continued to enhance the range of key performance indicators (KPIs) we use to track performance internally and increase internal transparency and reporting.

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. In 2021, we completed a review of our current pipeline safety systems against API 1173 to identify improvement opportunities. We formed a steering



committee to drive our implementation of identified opportunities, and we developed a series of KPIs that will be used to track our progress.

LIFECYCLE APPROACH TO WELL INTEGRITY

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 – is fundamental to protecting the environment and the health and safety of our workforce and the communities where we operate.

Environment

We take a lifecycle approach to integrity for all Hess wells, both offshore and onshore. We identify the appropriate barrier systems for maintaining integrity throughout the well lifecycle during the initial design phase. We establish these barriers during construction, maintain and monitor them through production and add new barriers during abandonment, as needed. At any point during the well lifecycle, if a barrier is compromised, we will repair or replace it so that we maintain two barriers at all times.

Hess' enhanced well integrity management system, which is being integrated into HOMS, defines our organizational structure for managing well integrity across the enterprise and provides a framework of technical standards and procedures for each stage of the well lifecycle and associated field activity. Our global standards for well integrity specify requirements for designing, constructing and operating Hess wells and identifying and assessing elements critical to well integrity, such as barriers designed to prevent or stop the uncontrolled flow of well fluids. They also outline the criteria for installation, verification, maintenance and operating limits for barriers used through the lifecycle of the well.

We continue to enhance our well integrity management system based on ongoing reviews of field activity and will reassess integrity risks throughout the well lifecycle if we identify or anticipate any material changes to a well's design, construction or operation. We are also continuing to improve documentation, data collection and

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 with land based wells. 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. 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.

KPI reporting and to enhance the chain of communication as responsibility for the well passes from one Hess team to another.

Well Barrier Design, Construction and Monitoring

Our standards require completion of a detailed well barrier diagram before undertaking activities in the field. To prevent uncontrolled flow, we use a combination of barriers such as casing, wellheads, seal assemblies, blowout preventers, cement, packers and bridge plugs. For example, we use cement in the annular space between the casing and the underground formation as a key structural component to protect aquifers.

We require a minimum length of annular cement above and below potential flow zones that meets or exceeds applicable regulations. We maintain multiple and redundant barriers throughout the well lifecycle, and our requirements for the configuration of blowout preventers on drilling rigs meet or exceed applicable regulations.

We validate well components and barriers as part of the construction process to verify they are working as designed.

For example, we pressure test barriers and well components during construction, after first utilizing computer models to confirm we will not overpressure the component during testing. In addition, we use techniques such as well logging that either meet or go beyond applicable regulatory requirements to validate correct cement placement between the production casing and the formation before completing our wells. In deepwater offshore wells, we use remotely operated vehicles to verify cement installation and proper isolation of wellbore fluids from the environment.

We maintain and monitor well integrity from initial drilling 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, which is planned to be completed in 2023.



See the Shale Energy section online for specifics on our approach to well integrity in our shale operations, including an example well barrier diagram, at hess.com/sustainability/environment/shale-energy

Well Development Lifecycle



BIODIVERSITY

We are committed to conserving biodiversity and habitats in the places where we operate. We consider biodiversity protection in our decision making and management from the earliest stages of exploration and development through production, closure and abandonment at every Hess location around the globe. We follow the mitigation hierarchy of first avoiding impacts, then minimizing and mitigating unavoidable impacts, restoring impacted lands and using offsets to address lasting impacts.

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 and cultural heritage baseline and field studies, identifying species on the International Union for Conservation of Nature (IUCN) Red List and other threatened, endangered and protected species lists and/or cultural heritage sites in federal or state databases. We use the results of ESIAs to create avoidance or mitigation strategies, where appropriate. Even where the conditions or circumstances do not call for a full ESIA, we routinely conduct biodiversity and cultural heritage risk screenings and undertake appropriate mitigation activities.

As part of our commitment to conserve biodiversity and habitats, we have threatened and endangered species field guides for personnel to use during field activities. We also have a standard work instruction for addressing threatened and endangered species that may be encountered during field activities to help ensure we take appropriate steps to protect natural resources across our operations.

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 or are adjacent to our operations. (See table at right, which provides a snapshot of relevant species at this report’s publication time.)

The IUCN regularly updates the Red List species classifications based on new information and improved data from ongoing third party studies, and we update our species list accordingly. We also monitor the addition of new species to the U.S. Fish and Wildlife Service’s national endangered and threatened species lists. As a result of these updated species classifications and new listings, we identify locations where we may need to conduct new biological risk assessments and develop mitigation plans. During the 2021 construction season, a total of 118 onshore projects in the Bakken region required environmental evaluation. Of those 118 projects, 45 required field studies. Based on those field studies, 11 projects required mitigations or adjustments to protect species habitat, including that of the threatened Dakota skipper butterfly, 31

IUCN Red List Species with habitats overlapping Hess operations	
Category	Species (Count)
Critically Endangered	22
Endangered	58
Vulnerable	173
Near Threatened	154

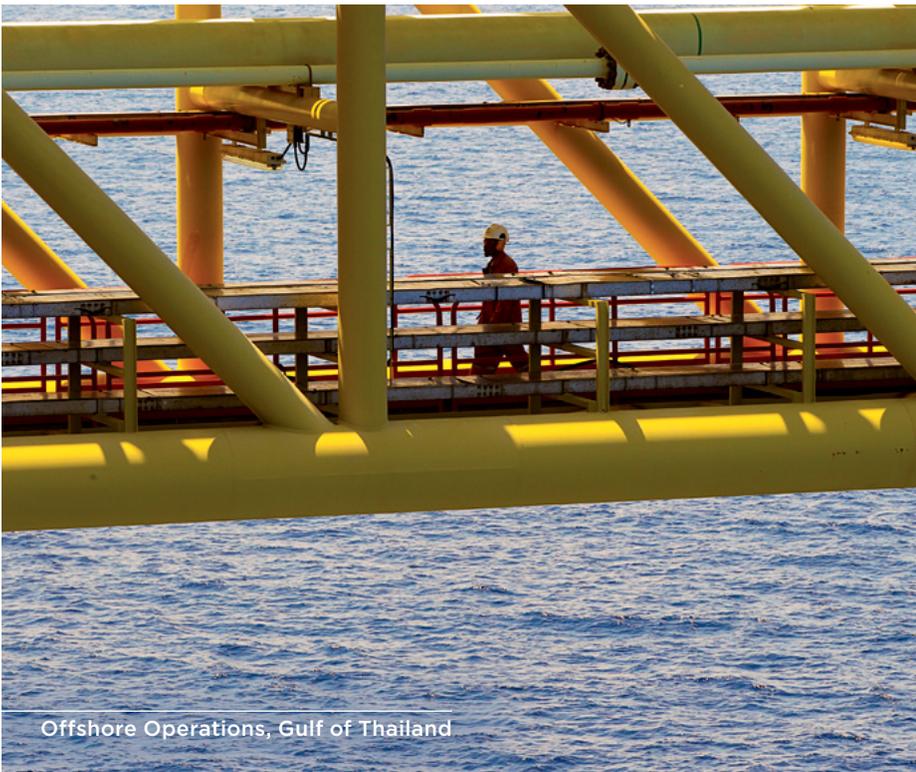
projects necessitated wetlands mitigation and seven projects required adjustments to protect cultural heritage resources.

In 2021, we expanded our analysis of IUCN protected areas in North Dakota beyond category I–III to include categories IV–VI, which are protected areas with lesser vulnerability than categories I–III. Our analysis found that there were four category I–III areas adjacent to our operations but not within our operating footprint (Lostwood Wilderness Area, Fort Union Trading Post National Historic Site, Two Top and Big Top Mesas and Theodore Roosevelt National



Drilling Operations, North Dakota

Environment



Park). Furthermore, there were eight category IV, 36 category V and 67 category VI areas in our operating footprint, and these protected areas represented 996 hectares, or 0.3%, of the total 331,993 hectares where we operate in North Dakota.

While our first priority is avoiding impacts to biodiversity and ecosystems, we work to mitigate or restore any unavoidable impacts throughout the project or asset lifecycle. We implement stakeholder engagement plans as part of our restoration and decommissioning efforts to proactively understand and incorporate the inputs and needs of impacted stakeholders. We also develop asset restoration, retirement and closure plans in consultation with relevant regulatory agencies and other stakeholders. As relevant to each location, these plans may include addressing well and subsurface equipment closure and long term integrity, removing aboveground equipment and restoring impacted lands. We use native vegetation in surface restoration, unless otherwise stipulated by landowners or regulatory agencies, and

undertake ongoing monitoring to confirm the effectiveness of restoration efforts. Restoration and closure planning activities are overseen by asset and enterprise leadership, and we allocate funding to adequately address these efforts. In 2021, for example, we continued restoration efforts for the Hawkeye Pipeline Project, which involved replacing affected plant species at a 3:1 ratio and monitoring their establishment for three years after construction.

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 participate in the API's Endangered Species Working Group, with the goal of proactively balancing oil and gas development with environmental stewardship. 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 2021, we generated approximately 47,000 tonnes of solid waste, approximately 99% of which was classified as nonhazardous according to applicable regulations. Our overall waste generation volume was higher in 2021 compared with 2020 due to an increase in storage yard cleanup efforts.

We also disposed of approximately 60,224 tonnes of drill cuttings from our North Dakota asset at licensed disposal sites in 2021. These drill cuttings, as well as the discharges from our offshore facilities (see page 60), 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 then recycling it. In 2021, we recycled 1,919 tonnes of nonhazardous piping waste in North Dakota due to these efforts.



See the Shale Energy section online for more information on naturally occurring radioactive material and TENORM: hess.com/sustainability/environment/shale-energy

Intelligent Pipeline Integrity Program (iPIPE) in North Dakota

Hess and Hess Midstream continue active involvement in iPIPE, a collaboration of oil and gas operators and the University of North Dakota's Energy and Environmental Research Center as part of a research contract with the North Dakota Industrial Commission's (NDIC's) North Dakota Oil and Gas Research Program. The iPIPE consortium was started in 2018 to advance technologies that enhance pipeline integrity efforts and encourage their adoption across the industry. Since then, program participants have invested over \$9 million (including a \$2.6 million grant from the NDIC and over \$4.1 million in matching funds and in-kind cost shares from participating operators and subcontractors) to fund nine projects helping to test innovative new leak detection and prevention technologies and processes.

Each year, iPIPE members review a range of technologies and choose a few for additional investment and testing. In 2021, iPIPE members supported the following projects:

- A leak prevention technology that leverages machine learning and artificial intelligence to examine operator specific and regional data to learn risk profiles within pipeline systems and provide an advanced risk ranking
- An application that uses advanced pressure sensing devices to distinguish leaks from normal operation and locate leaks anywhere within a pipeline system, using a simple point measurement of pressure
- A measurement technique using stereo paired imagery from satellites to monitor erosion control, a key priority for pipeline crossings of rivers and lakes
- A hyperspectral imaging satellite, which provides high resolution imagery to identify points of methane leaks

We will continue to test the effectiveness of these systems compared with our current standard optical gas imaging camera based leak detection and repair (LDAR) systems, maintaining our current LDAR practices until remote sensing systems are further improved and accepted as regulatory and/or industry best practice.

AIR EMISSIONS

The normal operation of fuel combustion equipment as well as flaring activities result in air emissions of nitrogen oxides (NO_x), sulfur dioxide (SO₂) and volatile organic compounds (VOCs). Fugitive emissions sources, including those related to product loading and storage, also can contribute to VOC emissions. In 2021, both our absolute emissions and emissions intensities decreased compared with 2020 for all three of these air pollutants.

We observed a 24% decrease in absolute NO_x emissions in 2021 due in part to significant reductions in flaring and the continuing transition to electric driven compressors from natural gas fired engines in the Bakken. Absolute SO₂ emissions decreased by 17% in 2021 compared with 2020, mainly as a result of reduced drilling activity. Absolute VOC emissions decreased by 30% from 2020 to 2021, primarily due to reduced flaring and reductions in our fugitive emissions.

Leak Detection and Repair

We continued our leak detection and repair (LDAR) program in 2021 across our Bakken operations. LDAR helps us to achieve emissions reductions as part of our ONE Future and API Environmental

Partnership commitments, and the LDAR program also helps to decrease the turnaround time for repairs identified through LDAR inspections. The program has a formalized process for assigning work material flows to field personnel, which helps to increase the accountability for and efficiency of any needed repairs.



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

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Assuring compliance with external regulations is an important element of HOMS. Internal assurance also helps us to ensure the effectiveness of our management systems. As part of our long term compliance strategy, our regulatory team uses a compliance tracking tool for our U.S. assets.

Environmental Expenditures

Hess received 23 alleged violations for various administrative activities regarding timing on submittals, well status changes and procedural reporting activities, which resulted in penalties totaling \$351,650 during 2021.

The majority (\$195,000) of our environmental fine and penalty expenditures in 2021 was the result of an administrative penalty resulting from a 2015 EPA inspection of the Tioga Gas Plant that found deficiencies primarily related to spill prevention and control measure documentation, which have since been addressed. The other substantive fine in 2021 was related to a 2019 Pipeline and Hazardous Materials Safety Administration audit of Hess Midstream's facilities, focused on a valve relocation and operator procedures.



Performance Data

This table contains a subset of our publicly reported performance data. An expanded version of this table, which includes cross references to supporting narratives in this sustainability report, can be found at hess.com/sustainability/performance-data/key-sustainability-metrics.

Our annual report, U.S. Securities and Exchange Commission (SEC) Form 10-K filing and proxy statement, which can be found at hess.com/investors, provide more detail on our financial and governance information. A copy of our annual EEO-1 Report to the U.S. Equal Employment Opportunity Commission, which includes additional detail on our diversity metrics, can be found at hess.com/sustainability/diversity-and-inclusion.

	Units	2021	2020	2019	2018	2017
Business Performance						
Sales and other operating revenue	\$ Million	7,473	4,667	6,495	6,323	5,466
Net income (loss) attributable to Hess Corporation	\$ Million	559	(3,093)	(408)	(282)	(4,074)
Total assets	\$ Million	20,515	18,821	21,782	21,433	23,112
Total debt (including finance lease obligations)	\$ Million	8,677	8,534	7,397	6,672	6,977
Total equity	\$ Million	7,026	6,335	9,706	10,888	12,354
Debt to capitalization ratio	%	55.3	57.4	43.2	38.0	36.1
Exploration and Production						
Total net equity hydrocarbon production ⁽¹⁾	Thousand BOE/D	315	331	311	277	306
Total operated hydrocarbon production (wellhead) ⁽²⁾	Thousand BOE/D	379	454	394	323	340
Total operated hydrocarbon production (sales) ⁽³⁾	Thousand BOE/D	354	394	350	285	220
Proved reserves (total)	Million BOE	1,309	1,170	1,197	1,192	1,154
Liquids (crude oil (light and medium oils), condensate & natural gas liquids)	%	80	78	78	75	72
Gas	%	20	22	22	25	28
Reserve life	Years	11	9	10	12	10
Replaced production (excluding asset sales)	%	295	95	104	170	351
Selected Economic Metrics						
Capital and exploration expenditures	\$ Million	2,012	2,039	3,159	2,340	2,168
Income tax expense/(benefit)	\$ Million	600	(11)	461	335	(1,837)
Royalties, taxes and other remittances to governments	\$ Million	530	388	580	468	379
Cash dividends paid to shareholders	\$ Million	311	309	316	345	363
Employee wages and benefits (U.S.)	\$ Million	539	591	594	598	603
Interest expense before income taxes	\$ Million	481	468	380	399	325
Operating costs	\$/BOE	12	10	12	13	14
Supplier spend (approximate)	\$ Billion	2	3	4	4	5
Total social investment	\$ Million	16	11	8	7	16
Nitrogen oxides taxes	\$ Million	0.1	0.2	0.2	0.2	0.8
Our People						
Number of permanent employees	#	1,545	1,621	1,775	1,708	2,075
U.S.	%	91	87	86	86	85
International	%	9	13	14	14	15
Employee voluntary turnover (including retirements)	%	4	3	6	6	5
Employee layoffs (including reduction in force and asset sales)	%	6	9	0	20	13
Total turnover (including voluntary, layoffs and other involuntary)	%	11	13	6	26	19
Women (U.S. and international)	%	27	26	26	26	28
People of color (U.S.)	%	24	22	22	22	23
Employees represented by collective bargaining agreements	%	0	2	2	2	2
Safety Performance⁽⁴⁾						
Fatalities – workforce (employees + contractors)	#	0	0	0	0	0
Hours worked – workforce	Million hours	11.4	13.2	16.0	14.9	20.8
Employee total recordable incident rate	Per 200,000 hours worked	0.05	0.32	0.05	0.13	0.09
Contractor total recordable incident rate	Per 200,000 hours worked	0.46	0.36	0.57	0.41	0.31
Workforce total recordable incident rate	Per 200,000 hours worked	0.32	0.35	0.43	0.32	0.24
Employee lost time incident rate	Per 200,000 hours worked	0.05	0.09	0.00	0.00	0.03
Contractor lost time incident rate	Per 200,000 hours worked	0.16	0.09	0.24	0.12	0.10
Workforce lost time incident rate	Per 200,000 hours worked	0.12	0.09	0.18	0.08	0.08
Employee occupational illness rate	Per 200,000 hours worked	0.00	0.00	0.05	0.13	0.06
Contractor occupational illness rate	Per 200,000 hours worked	0.03	0.05	0.12	0.02	0.08
Workforce occupational illness rate	Per 200,000 hours worked	0.02	0.03	0.10	0.05	0.08

⁽¹⁾Total net hydrocarbons produced are equity share values from Hess' SEC Form 10-K.

⁽²⁾Total operated hydrocarbon production (wellhead) is used to calculate our flaring and production energy intensities.

⁽³⁾Total operated hydrocarbon production (sales) is used to calculate our intensity metrics for greenhouse gas (GHG) emissions and other air emissions.

⁽⁴⁾The rates reflected above for incidents and illness do not account for COVID-19 cases that were determined to be work related on the basis that an alternative explanation for how an employee contracted the disease could not be identified. While not included in our rates, these cases are recorded on Hess' OSHA Injury and Illness logs, where applicable.

	Units	2021	2020	2019	2018	2017
Greenhouse Gas Emissions⁽¹⁾						
Volume of flared and vented hydrocarbons	MMSCF	11,924	18,975	25,864	20,158	22,387
Flaring intensity ⁽²⁾	SCF/BOE	86	115	201	195	215
Operated Scopes 1 and 2 emissions (location based) – includes Denmark						
Operated direct emissions (Scope 1)	Million tonnes CO ₂ e	2.5	3.2	3.8	3.5	3.7
Carbon dioxide	Million tonnes CO ₂ e	2.3	2.9	3.5	3.2	3.4
Methane	Thousand tonnes CO ₂ e	209.9	270.7	335.2	307.1	311.6
Nitrous oxide	Thousand tonnes CO ₂ e	1.7	2.0	2.5	2.6	2.6
Operated indirect emissions (Scope 2) (location based)	Million tonnes CO ₂ e	0.4	0.4	0.4	0.4	0.4
Carbon dioxide	Million tonnes CO ₂ e	0.4	0.4	0.4	0.3	0.4
Methane	Thousand tonnes CO ₂ e	1.0	1.1	1.2	0.8	0.9
Nitrous oxide	Thousand tonnes CO ₂ e	1.8	2.0	2.0	1.7	1.9
Operated indirect emissions (Scope 2) (market based)	Million tonnes CO ₂ e	0.00	0.11	0.12	0.31	0.30
Operated Scopes 1 and 2 emissions (market based) – includes Denmark	Million tonnes CO ₂ e	2.47	3.26	3.97	3.75	2.91
Operated Scopes 1 and 2 emissions (market based) – excludes Denmark	Million tonnes CO ₂ e	2.32	3.07	3.77	3.56	2.71
Operated GHG emissions intensity (market based) ⁽³⁾ – excludes Denmark	Kilograms CO ₂ e/BOE	18	21	30	34	34
Equity (Scopes 1 and 2) GHG emissions	Million tonnes CO ₂ e	3.8	4.3	4.3	3.8	4.0
Equity Scope 3 emissions	Million tonnes CO ₂ e	43.4	45.8	43.5	38.7	43.7
Energy Use						
Production energy intensity ⁽²⁾	Gigajoules/BOE	0.19	0.16	0.21	0.28	0.32
Operated direct energy use	Thousand gigajoules	18,511	18,406	20,165	23,048	25,694
Operated indirect energy use (gross)	Thousand gigajoules	8,030	7,882	7,011	5,743	7,450
Net purchased electricity by primary energy source ⁽⁴⁾	Thousand MWh	870	854	760	622	807
Renewable energy certificates (wind power) ⁽⁵⁾	Thousand MWh	870	634	531	70	90
Freshwater Use						
Total freshwater	Million cubic meters	3.0	3.6	5.0	3.8	7.7
Groundwater	Million cubic meters	1.3	0.5	1.0	1.5	5.6
Municipal water	Million cubic meters	0.8	0.7	0.9	0.8	1.2
Surface water	Million cubic meters	0.9	2.5	3.2	1.6	0.8
Reused/recycled (estimated) ⁽⁶⁾	%	9.1	3.9	3.6	3.3	7.7
Solid Waste						
Nonhazardous	Thousand tonnes	46.9	42.0	107.0	45.4	154.4
Hazardous	Thousand tonnes	0.2	1.0	0.8	1.7	2.6
Liquid Waste⁽⁷⁾						
Nonhazardous	Thousand cubic meters	103	200	542	141	48
Hazardous	Thousand cubic meters	0	0	0	0	0
Spills						
Hydrocarbon spills – number	#	12	20	30	29	52
Hydrocarbon spills – volume	Barrels	70	48	158	123	245
Nonhydrocarbon spills – number	#	18	25	32	20	22
Nonhydrocarbon spills – volume	Barrels	160	671	787	113	581
Air Emissions (Excludes GHGs)^{(3), (8)}						
Sulfur dioxide	Tonnes	417	500	1,711	1,655	2,987
Sulfur dioxide intensity	Tonnes/Million BOE	3	3	13	16	37
Nitrogen oxides	Tonnes	5,835	7,629	9,909	14,306	12,665
Nitrogen oxides intensity	Tonnes/Million BOE	45	53	78	138	158
Volatile organic compounds	Tonnes	8,207	11,659	13,000	10,303	10,724
Volatile organic compounds intensity	Tonnes/Million BOE	63	81	102	99	134
Exploration and Production Discharges						
Oil in produced water to sea	Tonnes	7	9	16	13	70
Oil in produced water to sea	PPMV	28	5	6	10	17
Produced water to sea	Million cubic meters	1	1	2	1	6
Other Environmental Indicators						
Environmental fines and penalties – operated	\$ Thousand	352	34	7	75	842
Environmental expenditures – remediation	\$ Million	16	15	20	15	15
Environmental reserve	\$ Million	60	65	70	80	80

⁽¹⁾GHG performance data for 2017–2021 have been restated, as described on pages 51–52.

⁽²⁾Normalization factor for intensity is total operated hydrocarbon production (wellhead).

⁽³⁾Normalization factor for intensity is total operated hydrocarbon production (sales).

⁽⁴⁾Third party power generation.

⁽⁵⁾Hess' purchased electricity is offset using renewable energy certificates (RECs) that are either Green e-certified (U.S.) or I-REC certified (Malaysia).

⁽⁶⁾Reused/recycled water 2018–2021 represents the percentage of total Bakken produced water that was reused in those years. By reusing 272,751 cubic meters of produced water for well maintenance in 2021, we were able to offset freshwater use in that same amount.

⁽⁷⁾Liquid waste totals include wastewater treatment and deep well disposal.

⁽⁸⁾Air emissions intensities have been restated using total operated hydrocarbon production (sales), for consistency with other normalized environmental performance data.

Independent Assurance Statement

ERM Certification and Verification Services, Inc. (ERM CVS) was engaged by Hess Corporation (Hess) to provide assurance on Hess' 2021 Sustainability Report (the 2021 Report) and selected greenhouse gas (GHG) emissions data as set out below.

Engagement Summary	
Scope:	<ul style="list-style-type: none"> • Whether the 2021 Report is fairly presented, in all material respects, in accordance with the reporting criteria. • Whether the 2021 data for the following GHG emissions are fairly presented in the Report, in all material respects, in accordance with the reporting criteria: <ul style="list-style-type: none"> – Total operated and Total equity Scope 1 GHG emissions (tonnes CO₂e) – Total operated and Total equity Scope 2 (location-based and market-based) GHG emissions (tonnes CO₂e) – Total Scope 3 GHG emissions from the following categories (tonnes CO₂e) <ul style="list-style-type: none"> - Category 6: Business travel (air travel only); Category 10: Processing of sold products; Category 11: Use of sold products • Whether the 2017 data for the following GHG emissions are fairly presented in the Report, in all material respects, in accordance with the reporting criteria: <ul style="list-style-type: none"> – Total operated Scope 1 GHG emissions (tonnes CO₂e) – Total operated Scope 2 (location-based and market-based) GHG emissions (tonnes CO₂e)
Reporting Criteria:	<ul style="list-style-type: none"> • Sustainability Report: Global Reporting Initiative (GRI) Standards (Core option) • GHG emissions: WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard; IPIECA's Petroleum Industry Guidelines for reporting GHG emissions (2nd edition, 2011); U.S. EPA Mandatory Greenhouse Gas Reporting Rule
Assurance Standards:	<ul style="list-style-type: none"> • Sustainability Report: ERM CVS's assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) • GHG emissions: International Organization for Standardization (ISO) 14064-3:2019: Specification with guidance for the verification and validation of greenhouse gas statements
Assurance Levels:	<ul style="list-style-type: none"> • 2021 GHG emissions and Sustainability Report: Limited assurance • 2017 GHG emissions: Reasonable assurance
Respective Responsibilities:	<ul style="list-style-type: none"> • Hess is responsible for preparing the Report and the GHG emissions data, and for their correct presentation, including disclosure of the reporting criteria and boundary. • ERM CVS' responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgment.

Our Opinion – Reasonable Assurance

In our opinion, the 2017 Total operated Scope 1 and Total operated Scope 2 (location-based and market-based) GHG emissions are fairly presented, in all material respects, in accordance with the reporting criteria.

Our Conclusion – Limited Assurance

Based on our activities, nothing has come to our attention to indicate that the 2021 Report and 2021 GHG emissions are not fairly presented, in all material respects, in accordance with the reporting criteria.

Our assurance activities

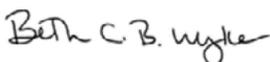
We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance opinion and conclusion. A multidisciplinary team of sustainability, GHG and assurance specialists performed the following activities:

- 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 procedures) used for collecting and reporting the information.
- An analytical review of the 2021 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.
- Virtual visits to Hess' operations in the Gulf of Mexico and the North Malay Basin, to verify the source data for the operations' sustainability performance indicators for 2021 and to review sustainability management implementation at the operation level.
- A virtual 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 2021 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.
- Desktop testing of samples of evidence for the activity data underlying the 2017 GHG emissions for selected Hess operations in the United States and Malaysia, and a review of the calculation of the GHG emissions from those underlying activity data, including a review of the unit conversion and emission factors used.

The limitations of our engagement

The reliability of the assured data and information 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.

Due to travel restrictions as a result of COVID-19, our assurance work was conducted using a combination of desk-based reviews of information and data, and virtual interviews and meetings with the Hess corporate reporting team and the operations selected for virtual visits. We did not undertake any in-person visits to Hess operations.



Beth Wyke
Partner, Head of Corporate Assurance, Malvern, PA
June 30, 2022

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

Awards and Recognition

Environmental, Social and Governance

- CDP Climate Change leadership status, 13 consecutive years
- Dow Jones Sustainability Index North America, 12 consecutive years
- 3BL Media's 100 Best Corporate Citizens, 14 consecutive years; No. 1 energy company and only oil and gas company
- STOXX Global ESG Leaders Index, 9 consecutive years
- MSCI AAA ESG Rating; earned AA ratings for 10 consecutive years before being upgraded in 2021
- FTSE4Good U.S. Index, 9 consecutive years
- *Newsweek* magazine's America's Most Responsible Companies; highest ranked oil and gas producer
- Transition Pathway Initiative; Level 4 rating

Diversity, Equity and Inclusion

- Bloomberg Gender-Equality Index, 2 consecutive years
- Human Rights Campaign's Corporate Equality Index; top third of oil and gas companies
- *Minority Engineer* magazine's Top 50 Employers, 4 consecutive years
- *STEM Workforce Diversity* magazine's Top 50 Employers, 13 consecutive years
- *Hispanic Network* magazine's Best of the Best Employers, 6 consecutive years
- *Black EOE Journal's* Best of the Best Employers, 6 consecutive years
- *Careers and the disABLED* magazine's Top 50 Employers, 11 consecutive years
- *Woman Engineer* magazine's Top 50 Employers, 10 consecutive years
- *Equal Opportunity* magazine's Top 50 Employers, 3 consecutive years

Management

- *Wall Street Journal's* Top 250 Best-Run Companies
- *Institutional Investor's* All-America Executive Team, #1 across all eight categories for the oil and gas production sector
- *Forbes'* America's Best Midsize Employers

Health and Wellness

- American Heart Association 2021 Workplace Health Achievement – Silver, 2 consecutive years
- Springbuk's Healthiest 100 Employers in America and #1 in Texas for Midsize Companies
- *Houston Business Journal's* Healthiest Employers for Midsize Companies

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

This report contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; estimates of our crude oil and natural gas reserves and levels of production; benchmark prices of crude oil, natural gas liquids and natural gas and our associated realized price differentials; our projected budget and capital and exploratory expenditures; expected timing and completion of our development projects; future economic and market conditions in the oil and gas industry; and information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives.

Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. The following important factors could cause actual results to differ materially from those in our forward-looking statements: fluctuations in market prices of crude oil, natural gas liquids and natural gas and competition in the oil and gas exploration and production industry, including as a result of COVID-19; reduced demand for our products, including due to COVID-19, perceptions regarding the oil and gas industry, competing or alternative energy products and political conditions and events; potential failures or delays in increasing oil and gas reserves, including as a result of unsuccessful exploration activity, drilling risks and unforeseen reservoir conditions, and in achieving expected production levels; changes in tax, property, contract and other laws, regulations and governmental

actions applicable to our business, including legislative and regulatory initiatives regarding environmental concerns, such as measures to limit greenhouse gas emissions and flaring, fracking bans as well as restrictions on oil and gas leases; operational changes and expenditures due to climate change and sustainability related initiatives; disruption or interruption of our operations due to catastrophic events, such as accidents, severe weather, geological events, shortages of skilled labor, cyberattacks, health measures related to COVID-19, or climate change; the ability of our contractual counterparties to satisfy their obligations to us, including the operation of joint ventures under which we may not control and exposure to decommissioning liabilities for divested assets in the event the current or future owners are unable to perform; unexpected changes in technical requirements for constructing, modifying or operating exploration and production facilities and/or the inability to timely obtain or maintain necessary permits; availability and costs of employees and other personnel, drilling rigs, equipment, supplies and other required services; any limitations on our access to capital or increase in our cost of capital, including as a result of limitations on investment in oil and gas activities or negative outcomes within commodity and financial markets; liability resulting from environmental obligations and litigation, including heightened risks associated with being a general partner of Hess Midstream LP; and other factors described in Item 1A—Risk Factors in our Annual Report on Form 10-K and any additional risks described in our other filings with the Securities and Exchange Commission.

As and when made, we believe that our forward-looking statements are reasonable. However, given these risks and uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.



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