



# **AMERADA HESS CORPORATION**

**ENVIRONMENT, HEALTH, SAFETY  
AND SOCIAL RESPONSIBILITY**

**2002 REPORT**

## SCOPE OF REPORT

This report covers the principal facilities and assets operated by Amerada Hess Corporation and its subsidiaries. It also includes information from HOVENSA L.L.C., our 50% owned refining joint venture in St. Croix with Petroleos de Venezuela, S.A. (PDVSA).

This report does not include data on oil and gas fields or marketing sites in which we have an equity interest but which are operated by other companies. Data from new assets are included in this report but may be reported separately from Company totals.

Data on emissions and other environmental aspects refer to gross figures from operated facilities. Company baselines are not adjusted to reflect material changes from acquisitions or divestitures.

In September 2002, the Company completed the divestiture of its U.S. flag tanker operations (marine operations). The divestiture included six vessels, their management and employees, and ancillary assets. Information regarding environmental and safety performance related to the former marine operations is presented in this report through the completion of the divestiture.

The format of this report follows the framework of the Global Reporting Initiative (GRI). However, gaps may exist where GRI reporting requirements are not applicable or are not reported for Amerada Hess operations. Environmental and safety data referred to in this report are available in tabular format in our web-based report at [www.hess.com](http://www.hess.com). The reporting format has been modified from previous year reports to reflect changes in our internal data reporting structure.

## 2002 OPERATING STATISTICS

<b>Exploration &amp; Production</b>	Net Crude Oil and NGL Production	325,000 bbls/day
	Gross Crude Oil and NGL Production from operated fields	379,500 bbls/day <sup>(a)</sup>
	Net Natural Gas Production	754,000 Mcf/day
	Gross Natural Gas Production from operated fields	1,540,000 Mcf/day <sup>(a)</sup>
	<b>Total Net Barrels of Oil Equivalent Production</b>	<b>451,000 boed</b>
<b>Refining &amp; Marketing</b>	Port Reading facility production rate	53,000 bbls/day
	Gross HOVENSA refinery production rate	362,000 bbls/day <sup>(a)</sup>
	Retail Outlets Year-end 2002	1,187
	<b>Net Refined Products Sold</b>	<b>383,000 bbls/day</b>
<sup>(a)</sup> Gross operated production and throughput figures are used for data normalization for consistency with reported emissions.		

In 2002, our average number of employees was approximately 11,600. Additional operating and financial data are available in our 2002 Annual Report at [www.hess.com](http://www.hess.com).

## CONTENTS

**1** Management Letter **2** Management of Environment, Health and Safety at Amerada Hess **6** Social Responsibility  
**10** Environmental, Health and Safety Performance **16** Stewardship **18** Verification Statement

**GLOSSARY** A glossary of terms used in this report is available in our web-based report at [www.hess.com](http://www.hess.com).



## MANAGEMENT LETTER

As a leading global independent energy company we know that commercial success is not the sole measure for business today. Companies are judged as much by how they operate as they are on their results. Fortunately, we have a long established set of values, both written and unwritten, which guide us to respect the environment and benefit the communities where we do business, while delivering the increased energy demands of a growing world. These values will continue to shape our actions as we grow our Company.

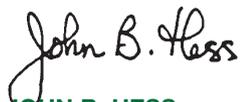
Our goal is to help provide the world with affordable energy in an environmentally and socially responsible manner. Since the first publication of this report six years ago we have developed challenging performance goals, accelerated our engagement with local and global organizations and reached a greater understanding of the interrelationship between our Company, energy consumption, the environment and social needs.

Considerable progress was made towards our environmental objectives in 2002. Compared to 2001, on a normalized basis, we reduced the amount of SO<sub>x</sub>, NO<sub>x</sub>, VOC and

Greenhouse Gas emissions. Our total volume of liquid spills and releases was reduced by 84% from 2001. Compared to 2000 this is a 92% reduction in spill volume. By the end of 2002, nearly a quarter of total oil production and throughput was from ISO-14001 certified operations.

Although we did not achieve the 2002 safety objectives we had set for ourselves, we did reduce our recordable injury rate by 2%. We are not satisfied with this level of performance and have developed new targets and strategies to significantly improve our safety performance. A more detailed documentation of our performance is available on our web site at [www.hess.com](http://www.hess.com).

We hope that in reviewing this report, in addition to our general annual report, you will gain a better understanding of the efforts we are taking to meet the world's energy challenge while remaining a responsible corporate citizen.



**JOHN B. HESS**  
Chairman of the Board and  
Chief Executive Officer



**J. BARCLAY COLLINS**  
Executive Vice President and  
General Counsel

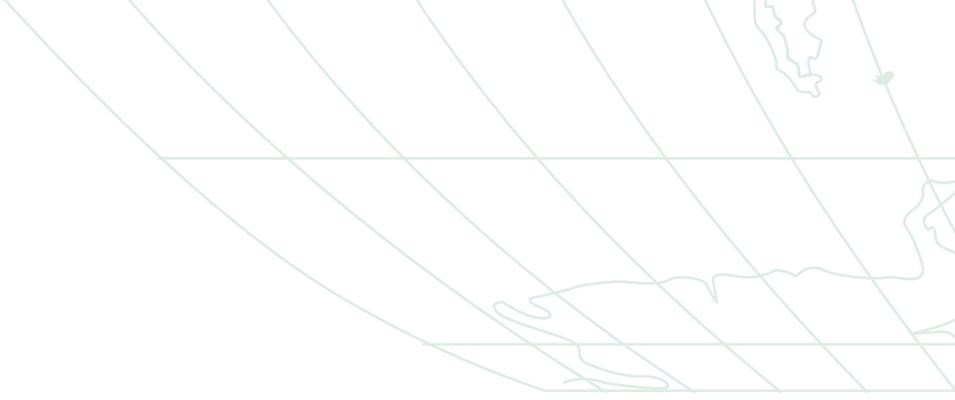


**GERALD I. BRESNICK, Ph.D.**  
Vice President,  
Environment, Health and Safety

# MANAGEMENT OF ENVIRONMENT, HEALTH AND SAFETY AT AMERADA HESS



Joint Development Area • Malaysia/Thailand



The **success** of our company reflects the **strong performance** and **high ethical standards** of each Amerada Hess employee.

## GOVERNANCE

In early 2002, the Hess Leadership Team, consisting of the top five executive officers of Amerada Hess, was formed to provide strategic business direction and key operational decisions for the Company. Some of the objectives established by the Leadership Team are focused on promotion of Environmental, Health, Safety (EH&S) and Social Responsibility (SR) policies and management systems that protect the Company's workforce, customers and local communities.

We took several steps to support these objectives. We developed a new Environment, Health and Safety Policy that reaffirms our commitment to environment, health and safety protection and provides management direction and support in regards to our expectations and objectives. We also established a new Corporate Social Responsibility Policy to provide increased alignment throughout our organization in regards to integrity and business conduct, stakeholder engagement, assessment of social impacts, and making a positive contribution to the communities where we do business. Copies of these policies are available at [www.hess.com](http://www.hess.com).

## IMPLEMENTING A MANAGEMENT FRAMEWORK

In addition to providing overall direction and support for the Company's EH&S and SR policies and programs, the Hess Leadership Team is engaged in establishing performance expectations and holding business units accountable for their performance. Likewise, our performance in these areas is reviewed routinely with the Audit Committee of our Board of Directors. Our business units and line management are ultimately responsible for incorporating EH&S and SR expectations into their business activities and providing adequate resources and mechanisms to meet performance objectives.

We have made some organizational changes to underscore the importance of line management responsibility and provide guidance to business units, and are working on common processes across the Company to approach EH&S and SR in a consistent and coordinated manner. Some of our efforts are discussed on the following pages.



### ORGANIZATION

The Company has corporate and business unit EH&S staff in place to provide technical support and functional guidance to our business units. We continued our corporate EH&S audit program in 2002 to ensure that our operations and subsidiaries adhere to company policies and objectives, comply with regulatory requirements and, as appropriate, implement best in class industry standards. Our EH&S organization is presented in our web-based report at [www.hess.com](http://www.hess.com).

We have established task force groups to help guide the Company on issues such as corporate social responsibility and greenhouse gas emissions. Since much can be learned from our industry peers, other companies, and external groups, we also participate in various organizations such as the International Petroleum Industry Environmental Conservation Association and the National Safety Council.

### PROCESSES

Our Business Units have incorporated Environmental Management Systems based on the ISO-14001 international standard. In 2002, Amerada Hess ApS, our Danish subsidiary, received ISO-14001 certification. By year-end 2002, nearly a quarter of total oil production and throughput was from ISO-14001 certified operations.

The Company has in place an “Implementation Plan for Achieving and Maintaining Safety Excellence” to guide our Company-wide efforts towards improved safety performance. We are also in the process of establishing a Company-wide management system for EH&S and SR. Although the management system will not replace our existing systems, it will be used to provide an overall structure for managing EH&S and SR across the Corporation using a common language.



### **IMPROVING EH&S AND SR PERFORMANCE**

In order to better align our performance with our EH&S and SR strategy, we revised our previous targets and developed new targets to help drive continual improvement and guide us towards our leadership goal. Some of these targets are “end-of-process” targets, such as improved safety performance or reduced air emissions, focusing on the results of our EH&S and SR actions. Other targets are “in-process” targets, focusing on how well we are performing the actions themselves. Our new targets are included in our web-based report at [www.hess.com](http://www.hess.com).

### **PROTECTING AND GROWING OUR REPUTATION**

While compliance with EH&S regulations is still a core part of our operational expectations, we understand that our efforts must also be focused on providing a meaningful contribution

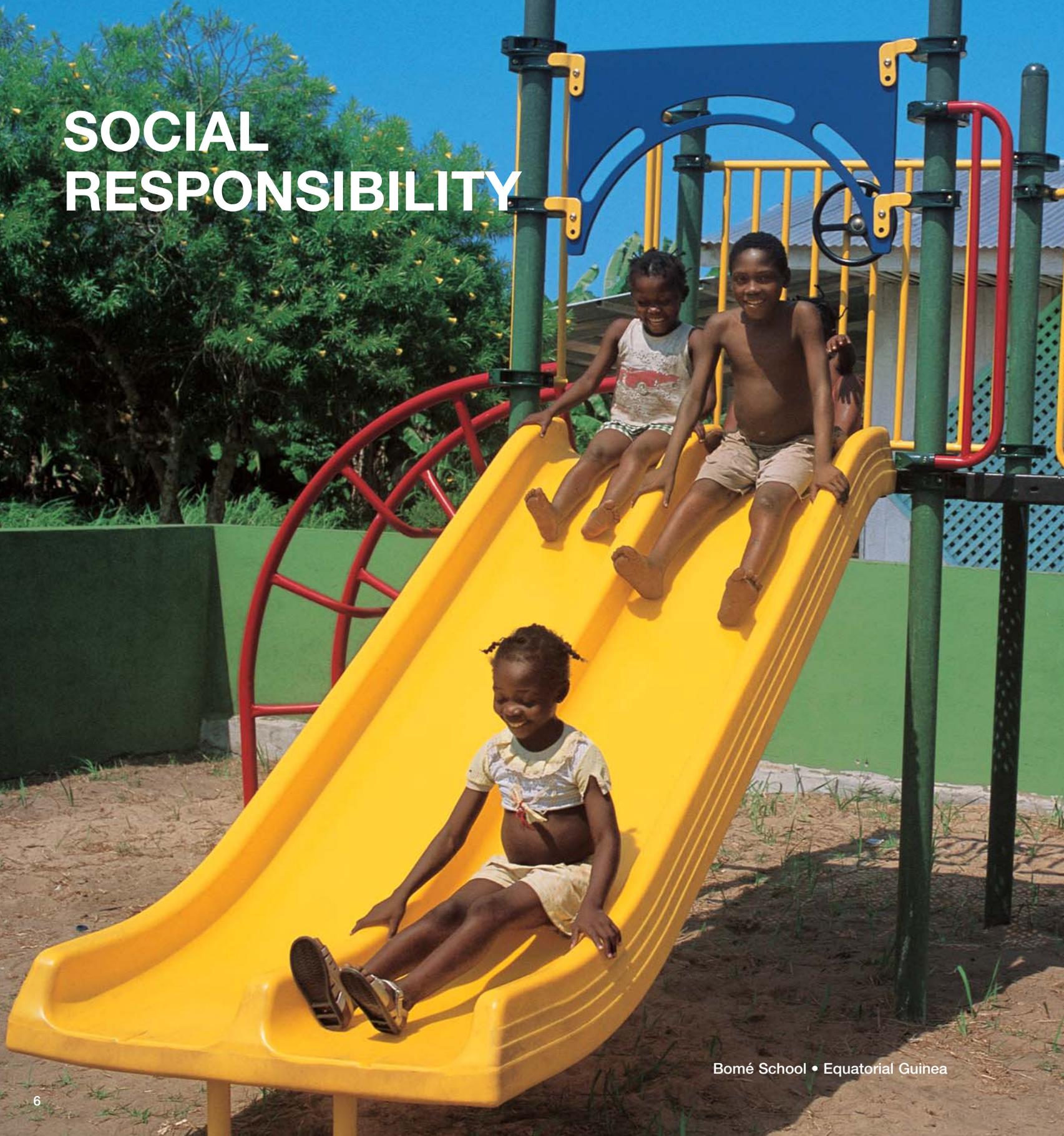
to the well-being of the communities in which we operate. In addition, given the demands for increased transparency, we believe that it is important to have in place a robust process for stakeholder engagement.

### **EH&S AND SR STRATEGY IMPLEMENTATION**

We will stage our EH&S and SR strategy implementation over the next few years. Our particular focus in 2003 is on establishing and achieving our new performance targets, significantly improving our safety performance, and putting in place mechanisms to underscore line management responsibility for EH&S and SR performance. We have turned our strategy into a plan of action and are beginning to measure results.

In 2002, we participated in “Innovest’s” integrated oil and gas sector study. The study evaluated the relative performance of 17 companies within the global integrated oil and gas industry and focused on over 60 different aspects of environmental risk, business opportunity and management strategy. Amerada Hess Corporation was ranked 6 out of 17, an improvement from our 2000 ranking of 14 out of 15.

# SOCIAL RESPONSIBILITY



Bomé School • Equatorial Guinea



As we expand **globally**, social responsibility becomes increasingly important to us, **ethically** and **competitively**.

In 2002, we put in place a formal Corporate Social Responsibility Policy and pledged our support to the United Nations Global Compact, which challenges businesses to endorse and support nine principles in the areas of human rights, labor and the environment. We engaged in discussions with both internal and external stakeholders to better understand their positions and perspectives on our operations. Based on these discussions and led by our values, we are improving our existing programs and are developing new programs to address gaps.

Amerada Hess has a long history of socially responsible community involvement and charitable contributions. In our 2001 Environment, Health, Safety and Social Responsibility report we presented several studies detailing Amerada Hess' sponsored social efforts, many of which are highlighted on our website at [www.hess.com](http://www.hess.com). We continued many of these community activities in 2002, such as participation in the

March of Dimes, disaster relief efforts, and various charities and sponsorships. While these initiatives serve as a cornerstone of our efforts, we believe that corporate social responsibility is founded on sound economic development performed in a manner that upholds ethical standards and contributes positively to members of the community.

Some of the social responsibility challenges we face, and our response to them, are provided below:

**Transparency** – We support transparency initiatives within our own operations and within the oil and gas industry. The Company published its first Environment, Health and Safety Annual Report in 1997. Since then, we have added a discussion of our social responsibility efforts to our annual report, and have engaged independent report verifiers to help improve our reporting processes and provide assurances to our readers in regards to our report content.



Tórshavn • Faroe Islands

**Stakeholder Engagement** – We believe that it is essential to engage and build cooperative relationships with our stakeholders. Examples of some of our stakeholder engagement efforts include discussions with non-governmental organizations (NGOs), either directly or through industry organizations; discussions with multi-national intergovernmental organizations such as the United Nations (UN) Environment Programme, UN Development Programme, and the World Bank, discussions with community advisory panels, meetings with neighborhood groups and associations, and support of and participation in local community events.

In an effort to support engagement and transparency within the investment community, we participated in various “socially responsible” investment surveys focused on environmental, social, and economic performance.

**Business Practices** – We have revised our existing Business Practice Guide to provide our employees guidance and expectations in regards to business ethics, corporate citizenship, contracting and labor practices, regulatory compliance,

employee safety, and protection of the environment. All employees must review and sign the Business Practice Guide when hired, and employees are required to report violations.

**Employees** – We strive to attract, motivate and reward highly talented people. In regards to employment practices, the Company has a Corporate Employment Practices Policy which addresses issues such as diversity, equal employment opportunity discrimination, sexual harassment, consensual relationships, and employee training. The policy applies to all of our operations, and audits are performed in regards to the policy requirements.

**Human Rights** – In our Corporate Social Responsibility Policy, we committed to accept and uphold the principles contained in the UN Universal Declaration of Human Rights, meaning that we strive to provide safe and healthy working conditions to our employees; support freedom of association; oppose discrimination and forced or child labor; support responsible use of security forces; and promote economic livelihood and public debate.

#### CASE STUDY • FAROE ISLANDS

In preparation for the first licensing round and subsequent drilling operations in the Faroes, Amerada Hess and its partners undertook a program to address economic development, cultural preservation and environment and safety issues. We invite you to read more about these efforts at [www.hess.com](http://www.hess.com).



In response to human rights issues, we apply our policies in all countries where we operate and have conducted assessments against our Corporate Social Responsibility Policy to evaluate contractor and service provider performance.

**Community Projects** – As part of our efforts to provide value to our stakeholders, we strive to improve the educational, health, cultural, and socio-economic conditions of community members wherever we operate.

In 2002, we initiated a social investment pilot project for one of our operations in West Africa focused on stakeholder engagement, partnering and capacity building, and sustainable implementation. We intend to employ our learnings from this pilot project to other community well-being projects.

**Environment, Health and Safety** – In addition to focusing on improved environmental performance, we are identifying areas where we can enhance and protect biodiversity. We are also implementing employee medical, travel, security, and fitness programs aimed at safeguarding the health and

well-being of employees, and are committed to implementing new safety and wellness programs to help us attain our safety improvement goals.

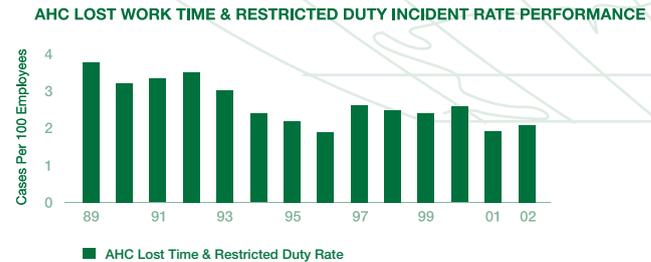
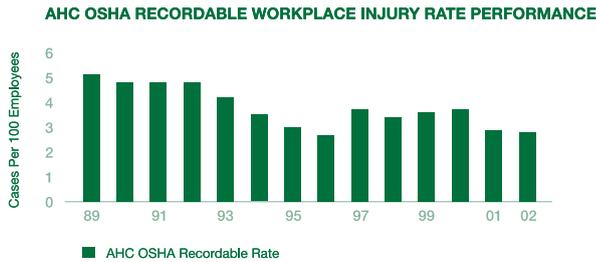
**Security** – Our corporate security program is based on best industry practices and meets the security principles contained in the UN Universal Declaration of Human Rights. The program objective is to provide the Company with the tools and expertise necessary to protect our personnel, facilities and assets on a global basis.

We recognize that both our EH&S and SR performance is of interest to an increasingly broad spectrum of stakeholders, including our employees, our shareholders, host governments, local communities, NGOs and others. We are mindful that, in the modern era, a larger role is expected of companies by all segments of society and that in the final analysis, our success depends on our performance.

# ENVIRONMENTAL, HEALTH, AND SAFETY PERFORMANCE



Hess Fuel Oil Delivery Truck • New York City



## HEALTH AND SAFETY

We believe that any occupational injury or illness is unacceptable and are committed to continuous improvement of our health and safety performance. One of our highest priorities is to provide a safe and healthy workplace. We also expect our employees to take individual responsibility for their own health and safety and to exhibit and encourage safe work behaviors.

We have made progress in our safety performance. Since 1989, we have reduced our Occupational Safety and Health Administration (OSHA) recordable workplace injury rates and lost work time incident rates by 45%. These rates are an annualized measure of the number of recordable incidents per 100 employees. In 2002, our OSHA recordable rate was 2.80, and our lost work time incident rate was 2.07. These rates correspond to a 2% reduction and 7% increase in our 2001 OSHA and lost work time incident rates.

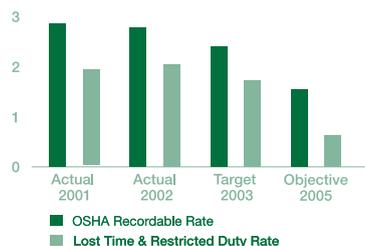
We have established aggressive improvement targets for our business units in support of achieving our 2005 OSHA and lost work time incident rate goals. We have not yet achieved

the degree of improvement and performance levels that we seek. Despite this, we are happy to report some areas of significant improvement. Led by our Terminal Operations, which recorded a 24% reduction in OSHA recordable rates and a 35% reduction in lost work time incident rates, and our Retail Operations, which reduced its OSHA rate by 8%, our Refining and Marketing Division reduced its overall OSHA recordable rate by 7% compared to 2001. In addition, many of our Exploration and Production (E&P) operations completed 2002 with zero recordable incidents, a notable accomplishment.

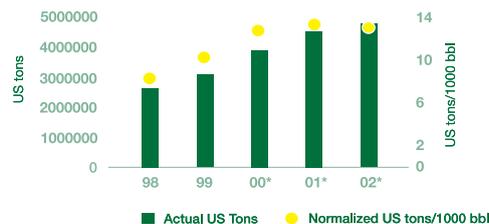
Our HOVENSA joint venture refinery in St. Croix was unable to sustain the excellent safety performance in 2002 that it achieved in 2001. The facility's OSHA recordable rates increased by 28% and lost work time incident rates increased by 6% due to an increase of 6 OSHA incidents and 1 lost time incident in 2002.

In addition to tracking the safety performance of our own employees, we also monitor our contractors as a further measure of workplace safety and to ensure that our contractors have acceptable safety records.

#### COMPANY WIDE SAFETY TARGET & OBJECTIVE



#### AHC GREENHOUSE GAS (CO<sub>2</sub> EQUIVALENT) EMISSIONS



We note with regret that two fatalities occurred in 2002. The first occurred as a result of an apparent robbery at a convenience and fuel service store in Charleston, South Carolina. The second fatality occurred as a result of a vehicle collision involving a HOVENSA employee.

Although we have made progress, we are not satisfied with our current safety performance. As we progress towards our 2005 safety goals, we continue to stress and prioritize health and safety in our work culture. Highlights of activities that we are undertaking are presented in our web-based report at [www.hess.com](http://www.hess.com).

## ENVIRONMENTAL PERFORMANCE

Amerada Hess recognizes that its operations will impact the environment. We manage impacts according to their significance within our business as identified by both our environmental management systems and by our key stakeholders.

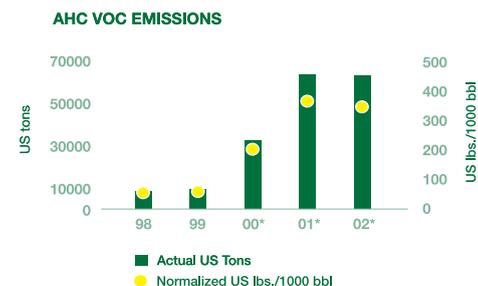
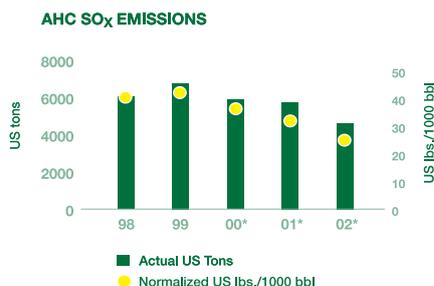
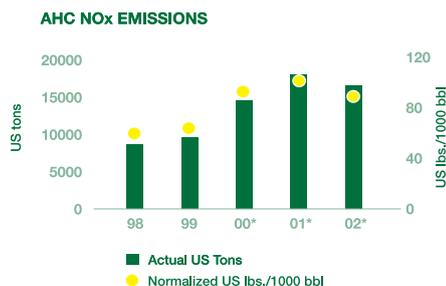
## GLOBAL CLIMATE CHANGE

Greenhouse gases have been linked to global climate change, which can affect ecosystems, agriculture, forestry and human health. Within our operations, sources of greenhouse gas emissions include combustion of hydrocarbon fuels for power generation and flaring of associated gas.

On a normalized basis, our company-wide greenhouse gas emissions were approximately 13.2 tons per 1000 barrels in 2002 based on overall production and throughput. This equates to a 1% decrease compared to 2001.

We have established a 2005 target of reducing our company wide greenhouse gas emissions by 5% on a normalized basis in comparison to our 2001 asset base. As we expand our operations, we acknowledge that our total atmospheric emissions may increase and we are evaluating options to sustain or reduce our overall emissions.

Since partnering with the U.S. EPA Star Program in 1997 we have reduced methane emissions by 623,000 Mcf – equivalent to removing 55,500 cars from the road.



\* Major Algerian acquisition in 2000. Charts exclude HOVENSA and Equatorial Guinea emissions.

Since Amerada Hess only commenced operations in Equatorial Guinea in August 2001 following the acquisition of Triton Energy Limited, emissions from these operations have not been integrated into our current targets. However, we are currently collecting and evaluating emissions data from these operations in order to set appropriate targets. The emissions from the operations in Equatorial Guinea are included in our emission summary tables presented in our web-based report at [www.hess.com](http://www.hess.com).

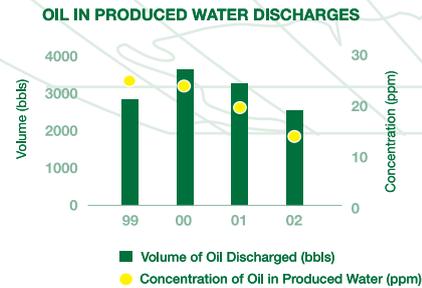
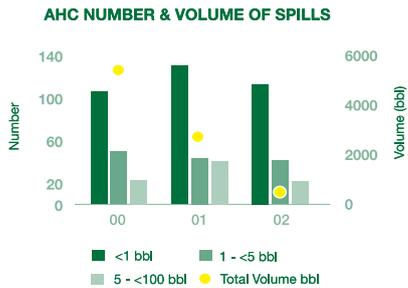
### ACIDIFICATION AND SMOG

Acidification occurs when certain gases, mainly oxides of sulfur (SO<sub>x</sub>) and oxides of nitrogen (NO<sub>x</sub>), are emitted to the atmosphere and react to enhance the natural acidity (pH) of precipitation. Smog, or ground level ozone, is formed by complex chemical reactions between volatile organic compounds (VOC) and NO<sub>x</sub> in sunlight.

As with greenhouse gases, the predominant source of SO<sub>x</sub> and NO<sub>x</sub> from our operations are power generation and flaring. Major sources of VOC emissions are flaring and hydrocarbon loading operations.

We made progress in reducing our NO<sub>x</sub>, SO<sub>x</sub>, and VOC emissions in 2002 compared to our 2001 performance. On a normalized basis, we decreased our company-wide NO<sub>x</sub> emissions by 13%, SO<sub>x</sub> emissions by 24%, and VOC emissions by approximately 5%. Significant SO<sub>x</sub> reductions were achieved at our U.S. Gas Plants through process improvements and better coordination with field production. We note that our absolute NO<sub>x</sub> and VOC emissions increased considerably between 1999 and 2001, mainly due to the addition of new assets such as our Algeria operations. Our current emission accounting procedures do not make any adjustments for material changes resulting from acquisitions and divestitures.

The HOVENSA facility saw an average 6% decrease in total criteria pollutant emissions (NO<sub>x</sub>, SO<sub>x</sub>, VOC) compared to 2001, largely as a result of a shift from fuel oil to fuel gas, lower fuel consumption, and a temporary outage of its Fluidized Catalytic Cracking Unit.



### AQUEOUS IMPACTS

Our operations have the potential to impact water resources. Offshore, we undertake a number of activities that can affect the marine environment, such as the discharge of oil and chemicals in produced water or the use of seawater for re-injection. Similarly, onshore operations may result in discharges to rivers and also have the potential to impact ground water supplies. We are cognizant of these impacts and have established controls to minimize impacts and metrics to help us monitor and improve our performance.

### OIL SPILLS

Spills and releases to the environment can occur accidentally. Therefore, the avoidance of any oil and chemical spills from our operations is an important concern. Our overall goal is to achieve zero spills.

Our total company spill volume in 2002 was the lowest since 1998. In 2002, we had 183 spills which totaled 426 barrels of oil. On a normalized basis, this equates to less than 1 barrel of spilled oil per million barrels total oil production and throughput (including Retail Operations). In 2002, the number of spills was reduced by 9% and the overall volume of spills was reduced by 84% compared to 2001.

### CONTROLLED DISCHARGES

At the Port Reading facility and HOVENSA joint venture refinery, we continued our excellent discharge performance, with actual concentrations of discharged materials substantially below permitted levels.

The volume of oil discharged in produced water at offshore facilities decreased from 3,209 barrels in 2001 to 2,551 barrels in 2002. Concentration data shows that performance is improving with time; average overall concentrations were 14 parts per million (ppm) in 2002 compared to 20 ppm in 2001 and 25 ppm in 1999.

We decreased our overall drilling mud and cuttings discharged worldwide due, in part, to reduced drilling activities and to an increase in cuttings shipped to shore for treatment, reuse and disposal. The amount of oil discharged with the cuttings also declined.



### RESOURCE USE

Our operations and design decisions ultimately have an effect on the use of raw materials and natural resources. Material selection, re-use, recycling or the use of alternatives is a consideration when making these decisions.

Although the waste we produce is a function of our overall level of activity, it is an indirect measure of resource usage. In addition to reducing the amount of materials used in our operations, we are initiating the collection of water use and energy data in order to better assess our overall resource usage performance and to facilitate target setting.

### WASTE

Our total waste in 2002 was approximately 109,000 tons, an increase of 58% compared to 2001. The overall increase is in large part due to the introduction of waste reporting by our U.S. E&P operations in 2002. Excluding U.S. E&P in our 2002

total, our absolute waste production decreased by 10% compared to 2001. Wastes that were beneficially reused or recycled increased in 2002.

### EXCEEDANCES AND ENFORCEMENT ACTIONS

Company policy has long stressed our fundamental commitment to comply with applicable environment, health and safety laws and regulations. Although 100% compliance is an operational goal, exceedances of permitted levels can occur, as do citations from regulatory authorities.

In 2002, Amerada Hess had a total of 1,617 major regulatory inspections and received 67 violations. The amount of fines paid in 2002 decreased approximately 50% compared to 2001.

**Our Terminal and Retail Operations and our Port Reading facility each increased the amounts of reused or recycled wastes by over 20%.**

# STEWARDSHIP



Hess Express • Miami, Florida



We are **committed** to **reducing** the environmental footprint of our **worldwide operations**.

#### **FUEL QUALITY**

Emissions from the consumption of gasoline and other fuels can impact air quality. Compared to U.S. national averages, our gasoline contains less sulfur and benzene content, and our reformulated gasoline is significantly cleaner than required by federal standards.

Gasoline and diesel fuels sold in the United States will be required to have reduced sulfur content by 2004 and 2006. Amerada Hess is preparing for these reductions and will be in compliance with sulfur reduction regulations.

#### **ALTERNATIVE ENERGY**

Amerada Hess supports Nuvera Fuel Cells – a leading company in the commercial development of fuel cell technology ranging from power modules that support distributed generation and commercial hydrogen industries, to fuel cell stacks and on-board fuel processors for the automotive industry.

#### **ENERGY EFFICIENCY**

Because improvements in energy efficiency will need to play a greater role in meeting the world's rising demand for energy, we are supporting the development of energy efficient technologies through our Hess Microgen subsidiary. Hess Microgen cogeneration units generate both electrical and thermal power from the same energy source. The cogeneration units are more efficient than central power stations and subject to lower transmission losses resulting in a greater percentage of fuel conversion into usable energy.

#### **BIODIVERSITY**

The Company's operations are managed to avoid or minimize impacts on biodiversity. This includes undertaking environmental baseline surveys, impact assessments, use of operational controls and ongoing monitoring, and site restoration activities. If spills or releases occur, we have strategic response plans in place.

#### **ENERGY CONSERVATION PROGRAM • ST. CROIX, US VIRGIN ISLANDS**

**HOVENSA L.L.C.**, our refining joint venture, began an Energy Conservation Program in 2000. By the end of 2002, **HOVENSA** reduced fuel usage by 1,645 barrels of fuel oil equivalent per day, or approximately 25.2 million gallons of fuel in a year. This has resulted in a 5.3% reduction in overall fuel consumption, and reduced air emissions and waste production.

# VERIFICATION STATEMENT FROM ERM CVS



## VERIFICATION OBJECTIVES AND SCOPE

ERM Certification & Verification Services (ERM CVS) was commissioned by Amerada Hess Corporation (AHC) to undertake verification of its 2002 Environment, Health, Safety and Social Responsibility Report (the Report). The objective of the verification was to establish that the information presented is a complete, accurate, and reliable representation of performance and programs for the year 2002.

The verification scope included both data and representations made by Amerada Hess Corporation in the 2002 Report and relevant linked information provided by the company at their web site [www.hess.com](http://www.hess.com). The Board of Directors of AHC are responsible for the information contained within the Report.

## VERIFICATION APPROACH

ERM CVS verification procedures and methodologies have been developed with due regard to the requirements of international standards governing environmental management systems, and general principles of auditing. Our verification approach is customised for each client and involves detailed challenge of the contents of the report, selected document review, random chain of custody audits for data, selected interrogation of source data and consolidated data, and interviews with both corporate and operational staff at all levels of the organisation.

The verification was conducted through a series of meetings at AHC Offices with corporate staff responsible for policy direction, the design, management and internal assurance of data collection systems, the compilation of overall data and material production for inclusion in this report. Substantiation of a sample of statements and claims made in the Report has been undertaken and evidence sought where deemed appropriate. Additionally a review was conducted of the supplemental report produced for UK operations, primarily with respect to evaluating consistency with the Corporate Report. Our activities included source data interrogation and ERM CVS verifiers visited 7 sites globally, interviewing site personnel to assess whether environment, safety and health data had been collected and reported completely and accurately. The sites visited by ERM CVS were: the First Reserve Terminal, New Jersey, the Pennsauken Terminal, New Jersey, the Seminole Gas Plant in Texas, the Port Reading Refinery in New Jersey, two retail gasoline stations in New York (Staten Island and Manhattan), and the South Arne platform in the North Sea off the coast of Denmark.

## OPINION & RECOMMENDATIONS

In the opinion of ERM CVS, and based on the sample of data reviewed, the 2002 environment, safety and health data provides reliable information for understanding group-wide performance. The assertions, claims and statements made by AHC are supported by evidence obtained during the verification process.

AHC has developed indicative safety and health indicators and a robust set of environmental performance indicators, upon which performance associated with the activities of AHC can be evaluated. ERM CVS believes that the information gathering processes and the stated corporate performance targets provide a sound basis against which progress can be reviewed by the management team and external stakeholders. With respect to AHC's emerging social strategies, leadership teams are currently tasked with developing practicable performance goals and measures. A fair and comprehensive representation of the current position with respect to social strategies and specific local initiatives in this regard has been presented.

There remain opportunities to improve and strengthen the relevance and alignment of corporate goals with the issues associated with the varied activities of operating units. It is recommended that continuing and increased emphasis be placed on improving internal consistency with respect to current and developing indicators. Furthermore, a review of the completeness and materiality parameters of new and existing indicators would be of benefit, taking into account both internal and external stakeholder views on the relevance and importance of information presented.

As this is the second year AHC has included social issues in its report, an initial set of social indicators to measure performance related to goals and, comprehensive programs for engaging external stakeholder involvement in the reporting process should be a central focus for the coming year. As these policies and strategies develop AHC will need to consider how it will ensure and engender consistent approaches across its varied operations while maintaining the flexibility required to meet local needs.

A handwritten signature in black ink, appearing to read "Brian Kraus".

Brian Kraus, Chief Operating Officer  
ERM Certification and Verification Services

## FOR MORE INFORMATION

For copies of our Environment, Health and Safety Policy and our Corporate Social Responsibility Policy, or for more information regarding our operations, please visit our website at [www.hess.com](http://www.hess.com).

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

Assistant Corporate Secretary  
Amerada Hess Corporation  
1185 Avenue of the Americas  
New York, NY 10036

You can also send us an e-mail at [ehs@hess.com](mailto:ehs@hess.com).

♻️ The Fox River Coronado recycled paper used in this report contains 50 percent recycled fiber, including 30 percent post consumer waste and meets or exceeds federal EPA guidelines for recycled paper. This product is manufactured to be consistent with the principles of sustainable forestry.

Design: Inc Design, [www.incdesign.com](http://www.incdesign.com)



# AMERADA HESS CORPORATION

1185 AVENUE OF THE AMERICAS

NEW YORK, NY 10036

[WWW.HESS.COM](http://WWW.HESS.COM)