

# HESS CORPORATION

## 2022 Sustainability Report



## Hess Values

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.

### 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.

### PERFORMANCE

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

### VALUE CREATION

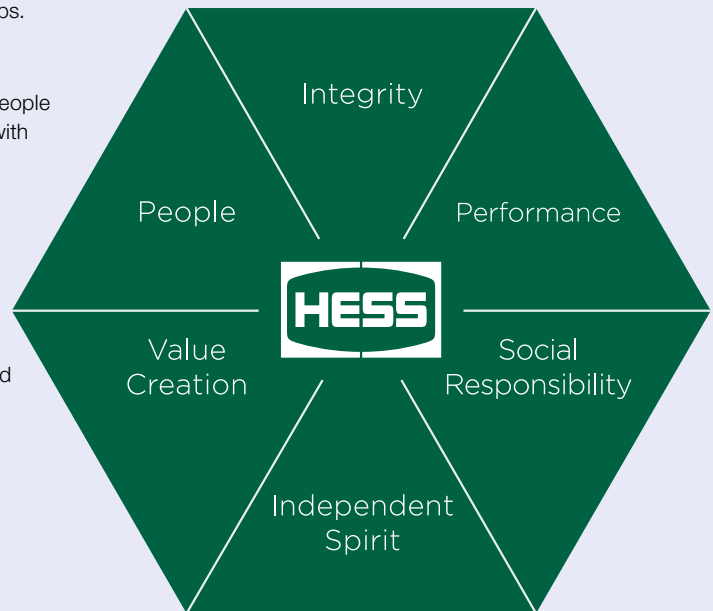
We are committed to creating shareholder value based on sustained financial performance and long term profitable growth.

### 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.



## Reporting Standards and Assurance

### GLOBAL REPORTING INITIATIVE STANDARDS

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, including the Oil and Gas Sector Standard. Our declaration of conformance with the GRI Standards has been reviewed and confirmed by our external verifier, ERM Certification and Verification Services. See the Independent Assurance Statement on page 72.

### UNITED NATIONS GLOBAL COMPACT COMMUNICATION



#### ON PROGRESS

We reaffirm our support of the Ten Principles of the United Nations (U.N.) Global Compact as well as the U.N. Sustainable Development Goals. This report and our GRI Content Index demonstrate our progress against the Ten Principles. Our annual Communication on Progress submittals to the U.N. Global Compact are available at [unglobalcompact.org](http://unglobalcompact.org).

## Index of Reporting Indicators

An index of our sustainability reporting indicators, including those from the GRI Standards, with cross references to the Ten Principles of the U.N. Global Compact, Ipieca's (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-2022.pdf](http://hess.com/docs/default-source/sustainability/hess-gri-content-index-2022.pdf).

## Requests for Information

For copies of our Code of Business Conduct and Ethics, Environment, Health and Safety Policy or Human Rights Policy or for more information regarding our operations, please visit our website at [hess.com/sustainability/how-we-operate](http://hess.com/sustainability/how-we-operate).

We invite your feedback regarding this report. To send us your questions or comments or to request more information or 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](mailto:sustainability@hess.com).



On the Cover  
Offshore Operations,  
Gulf of Mexico

# Table of Contents

2

## Message from the CEO

Our CEO's view on building a sustainable enterprise

4

## About Hess

Our company operations in brief

5

## Creating Value for Society

An overview of ways we deliver value for our stakeholders

6

## Approach to Reporting

A description of our materiality assessment, reporting framework and boundaries

8

## Strategy and Progress

A snapshot of our progress and path forward

11

## How We Operate

Our approach to sustainable management and performance

21

## Social Responsibility

A review of social responsibility as our way of doing business

27

## Safety and Health

How we aim to get everyone, everywhere, every day, home safe

35

## Our People

How we are creating an inclusive culture and high quality workforce that innovates, leads and learns

39

## Climate Change and Energy

Our approach to balancing the world's growing energy needs with greenhouse gas emissions reduction

46

### Carbon Asset Risk Assessment

Evaluating sustainability risks and global scenarios in making strategic decisions

63

## Environment

Responsible management of our environmental footprint

70

## Performance Data

72

## Independent Limited Assurance Statement

73

## Awards and Recognition



# Message from the CEO

The world is facing a massive dual challenge – how to meet demand for approximately 20% more energy globally by 2050 and over the same period reach net zero emissions. At the end of last year, the International Energy Agency (IEA) published its latest World Energy Outlook that offers three scenarios for addressing this dual challenge. In all three IEA scenarios, oil and gas will be needed for decades to come and are fundamental to an affordable, just and secure energy transition.

Our company's purpose is to be the world's most trusted energy partner, and 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. Our strategy has been and continues to be to grow our resource base, deliver a low cost of supply and generate industry leading cash flow growth – and at the same time maintain our industry leadership in environmental, social and governance performance and disclosure.

As we continue to execute our strategy, our commitment to sustainability will remain a top priority throughout our company. Our Board of Directors is actively engaged in overseeing Hess' environment, health, safety and social responsibility (EHS & SR) practices, working alongside senior management. Our 2022 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 more detailed information in this report and on our company website at [hess.com](https://www.hess.com).

## SAFETY AND ENVIRONMENT

Hess is committed to the health and safety of our workforce and the communities where we operate. Our safety programs and practices aim to maintain a culture in which employees and contractors keep themselves and each other safe on the job, and we achieved a six year low in our severe and significant safety incident rate in 2021. Unfortunately, our safety performance was mixed in 2022, with good overall performance in our offshore assets but an increase in incidents in our Bakken operations including two tragic contractor fatalities in separate incidents that involved heavy equipment movement. Consistent with our established Hess Safety Improvement Framework, leadership and teams across our company have worked closely with our contractors to reflect on these incidents and address areas for improvement.

The safety performance of our contractors, who represent approximately 70% of total workforce hours on Hess sites, is critical to improving our performance and achieving our safety goals. As the COVID-19 pandemic has transitioned to an endemic phase, activity levels have increased, causing labor shortages, increased turnover rates and crew continuity challenges across our industry. We are addressing these issues by collaborating with our contractors to share learnings, deploy asset specific safety improvement plans, and reinforce safety expectations, culture and procedures across our operations.

In addition to personal safety, we continued to advance process safety improvements in 2022. We included compliance with planned assurance tests and corrective critical maintenance as one of the EHS focused performance metrics in our company's 2022 annual incentive plan and surpassed our target of 99% completion.

Our commitment to environmental release prevention was challenged in 2022 with a hydrocarbon release at a Hess site and a produced water release at a Hess Midstream underground pipeline, both in North Dakota. The leaks were isolated and impacted areas remediated. We also accelerated implementation of advanced release detection technology that significantly enhances our release detection capabilities.

## 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. 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 and secure. We also support the enactment of cost effective direct methane regulations that would preserve a state's ability to adapt implementation to local conditions.

Hess supports the aim of the Paris Agreement and has made a commitment to achieve net zero Scope 1 and 2 greenhouse gas (GHG) emissions on an equity basis by 2050. Our climate strategy is closely aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and its implementation is led by senior members of our leadership team with oversight by our Board.

Our Board and senior leadership have set aggressive targets for GHG emissions reduction. After our company significantly outperformed our five year emissions reduction targets for 2020, we set new five year targets for 2025, which are to reduce operated Scope 1 and 2 GHG emissions intensity by approximately 50% from 2017 to 17 kilograms per barrels of oil equivalent and to reduce our methane emissions intensity by approximately 50% from 2017 to an intensity of 0.19%. As part of our voluntary commitments, we are actively pursuing advancements in methane detection and measurement technologies.

Our company has endorsed the World Bank's "Zero Routine Flaring by 2030" initiative with a commitment to achieve zero routine flaring from our operations by the end of 2025. Because continued flaring reduction, particularly from our Bakken operations, is a key driver for reducing our GHG emissions intensity and flaring rates, our company's 2022 annual incentive plan included a target to achieve a 5% routine flaring intensity from our Bakken, North Dakota production operations in 2022. We surpassed this target, ultimately reducing our routine flaring rate to 3% by the end of 2022.

In December 2022, we announced an agreement to purchase high quality, independently verified REDD+ carbon credits for a minimum of \$750 million between 2022 and 2032 directly from the government of Guyana. Saving the world's forests and the important role they play as natural carbon sinks is foundational to the Paris Agreement's aim of limiting the global average temperature rise to well below 2° C and is one of the major commitments made at the COP26 climate summit, where more than 130 countries including Guyana pledged to end deforestation by 2030. The purchase of these carbon credits adds to our company's ongoing and successful emissions reduction efforts and is an important part of our net zero commitment. We also address 100% of the indirect emissions from our purchased electricity through renewable energy certificates.

As part of our sustainability commitment, we seek to fund innovation to mitigate societal GHG emissions, including the Salk Institute's Harnessing Plants Initiative (HPI), 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. Earlier this year, we announced a \$50 million donation over the next five years to HPI, building on our donations in 2020 and 2021.

We conduct scenario planning that includes the Announced Pledges and Net Zero Emissions by 2050 Scenarios developed by the IEA to test the resilience of our company's portfolio against a range of environmental policies and market conditions in a lower carbon economy. Hess' strategic priorities are aligned with the energy transition needed to achieve the IEA's 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 46–50.

Our company periodically brings 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. The EHS Committee of our Board provides oversight and makes recommendations to the full Board with respect to Hess' policies, programs and practices 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.

## **SOCIAL RESPONSIBILITY**

In keeping with our company values and purpose, we have a longstanding commitment to making a positive and lasting impact on the communities where we operate. In 2022, we invested more than \$20 million in social programs with a primary focus on education, healthcare and the environment. For example, in North Dakota, we announced a new apprenticeship program developed in partnership with the North Dakota Tribal College System to improve educational and employment opportunities for Native Americans across the state. In Guyana, Hess and the government of Guyana launched a national healthcare initiative in collaboration with the Mount Sinai Health System that is dedicated to providing every Guyanese citizen with access to affordable and high quality healthcare.

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 Ten Principles and the Global Compact's efforts to promote best practices in sustainable business conduct across the private sector. We also are 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 2022, we revised our Human Rights Policy to align with the evolving responsibilities of companies and our changing portfolio.

## **PEOPLE**

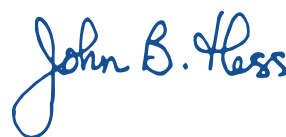
Our human capital strategy, which is guided by the Hess Values and led by Hess' executive leadership and our Board of Directors, is designed to attract, engage and retain the very best talent. We aim to create a positive and fulfilling workplace experience – what we call Life at Hess – for a multigenerational and demographically diverse workforce through continuous learning and development; diversity, equity and inclusion (DEI); community volunteering; flexible working; wellness; and Lean and technological innovations.

In 2022, we continued to advance DEI in our recruitment, career development, succession planning and benefit offerings. In the U.S., we perform a pay equity evaluation process based on gender and race, partnering with third party experts to create governance and utilize best in class analytics with a statistically based methodology. In this year's sustainability report, we include the results of the 2022 analysis on page 36.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE**

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

We are proud of our company's continued progress in sustainability and honored to have been recognized throughout 2022 as an industry leader in our environmental, social and governance performance and disclosure. We are grateful for the support of our employees, communities, customers, business partners, Board of Directors and shareholders as we 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 2023

# About Hess

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

## 2022 Highlights

- We added a fourth operated drilling rig in the Bakken in 2022, supported by higher oil prices and global oil demand. We continued the efficient development of our Bakken acreage utilizing a combination of optimized well spacing and well completion design, and we brought 69 new wells into production during the year.
- The Stabroek Block in Guyana (Hess 30% interest) is one of the industry's highest margin, lowest carbon intensity and highest growth oil and gas provinces according to Wood Mackenzie data.
- 2022 was a year of extraordinary exploration success in Guyana with nine significant discoveries on the Stabroek Block; gross discovered recoverable resources are currently estimated to be more than 11 billion barrels of oil equivalent with multibillion barrels of exploration potential remaining.
- Five sanctioned oil developments on the Stabroek Block have world class economics with a Brent breakeven oil price of between approximately \$25 and \$35 per barrel.
- In 2022, production at the Liza Phase 1 development reached its new production capacity of more than 140,000 gross barrels of oil per day following production optimization work. The Liza Phase 2 development achieved first oil in February 2022 and reached its production capacity of 220,000 gross barrels of oil per day in July 2022.
- Payara, the third development on the Stabroek Block, is on track for first oil later in 2023; the Yellowtail development was sanctioned in April 2022 and is expected to come online in 2025; and the fifth development on the block at Uaru was submitted for government approval in 2022 and sanctioned earlier in 2023.
- In the deepwater Gulf of Mexico, the Shell operated Llano-6 well (Hess 50% interest) achieved first oil in August 2022.
- In the Gulf of Thailand, the Hess operated North Malay Basin Phase 4 development achieved first gas in December 2022 safely and on schedule.

1,256

Million Barrels of Oil  
Equivalent Proved Reserves

10

Years of  
Reserve Life

344,000

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 and Llano in the Gulf of Mexico.



### 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.



### DEVELOPMENTS

Activities are focused on nonoperated developments on the Stabroek Block, offshore Guyana, and include Payara, Yellowtail and Uaru.



### EXPLORATION

Activities are focused on the western 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 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 in support of SDG 1 “End Poverty in All Its Forms Everywhere.” At the same time, the world is faced with the significant challenge of meeting growing energy needs while 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, and Hess remains committed to doing our part to limit greenhouse gas (GHG) emissions, including through continued reductions in our carbon footprint and our plan to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050, while supporting sustainable global development and the just and secure transition to a lower carbon economy.

For example, in 2022, Hess advanced two significant commitments in Guyana that will support the country's sustainable development plan. In December 2022, Hess entered into a multiyear agreement with the government of Guyana to purchase 37.5 million high quality REDD+ (reducing emissions from deforestation and degradation) carbon credits that will support Guyana's efforts to save the country's vast forests and provide capital to improve the lives of Guyana's citizens. The government of Guyana plans to direct 15% of the proceeds from the agreement to Indigenous communities. Hess and our coventure partners on the Stabroek Block, together with the government of Guyana, also made significant progress in 2022 on the Gas to Energy project that will enable Guyana to shift from imported heavy fuel oil currently used for the majority of its power generation to lower cost, lower emissions intensity and more reliable natural gas.

We also continue to prioritize social investments in education and healthcare, including through our collaboration with the Mount Sinai Health System on a national healthcare initiative centered on affordable and high quality healthcare in Guyana, and a new apprenticeship program focused on improving educational and employment opportunities for Native Americans in North Dakota. Some of the primary ways Hess delivered value for our stakeholders in 2022 are shown below.

## Delivering Value for Our Stakeholders



### WORKFORCE

We generate value through the jobs we create as well as those we support in our supply chain and in the broader economy, where the energy we produce is essential to industries globally. We require our suppliers to abide by our high ethical and safety standards, including our Code of Business Conduct and Ethics and our voluntary commitments regarding labor and human rights (see pages 17–19).

- 1,623 Hess employees globally
- \$616 million in employee wages and benefits (U.S.)
- 5.4 average hours of learning and development training per employee
- \$3,190 million in total supplier spend across 2,124 suppliers



### COMMUNITIES

We make long lasting, positive impacts in our communities through social investments, volunteering and direct and indirect employment. 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 37).

- \$8.2 million in social investments directed toward communities in Louisiana, North Dakota and Texas
- \$7.5 million in social investments in Guyana
- \$1.3 million donated to charitable organizations by employees and Hess matching gifts
- 93% local nationals and 95% local suppliers in Malaysia
- \$300 million in spend with more than 1,000 Guyanese vendors by our joint venture in Guyana



### SHAREHOLDERS

We are committed to delivering value to our shareholders by successfully executing 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 50–54).

- \$465 million in dividends paid to investors
- Three year total shareholder return of 121% at year end 2022



### SOCIETY

We contribute value to society at large through the direct economic value we generate, the affordable energy we produce and our commitments to operate responsibly and advance sustainable development (see pages 8–9, 24–25, 39, 55 and 70–71).

- \$2,953 million in capital and exploration expenditures
- \$735 million in royalties, taxes and other remittances to governments
- \$1,036 million in corporate income tax paid on a cash basis
- \$20.7 million in social investments, including \$2.5 million going toward the Salk Institute's Harnessing Plants Initiative
- \$75 million in carbon credits registered on the ART (Architecture for REDD+ Transactions) Registry purchased from the government of Guyana

# Approach to Reporting

In this report, we provide descriptions of Hess' environment, health, safety and social responsibility (EHS & SR) strategy and 2022 performance regarding key 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 at [hess.com/investors](https://hess.com/investors).

We provide further detail on Hess Midstream LP (also referred to in this report as Hess Midstream), including segregated performance data, in a separate companion sustainability report available at [hessmidstream.gcs-web.com/sustainability-report](https://hessmidstream.gcs-web.com/sustainability-report).

## REPORTING STANDARDS

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards, including the Oil and Gas Sector Standard. This report and the broader sustainability disclosures on our website are also informed by the guidance documents, templates and other engagements listed below.

- *Sustainability Reporting Guidance for the Oil and Gas Industry*, which was jointly developed by Ipieca, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers
- 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
- API Template for Greenhouse Gas (GHG) Reporting
- American Exploration & Production Council Environmental, Social and Governance (ESG) Metrics Template
- Key ESG ratings and scorecards

 [Access an index of our reporting indicators and our responses to the API and AXPC templates at hess.com/sustainability/sustainability-reports](https://hess.com/sustainability/sustainability-reports)

## MATERIALITY

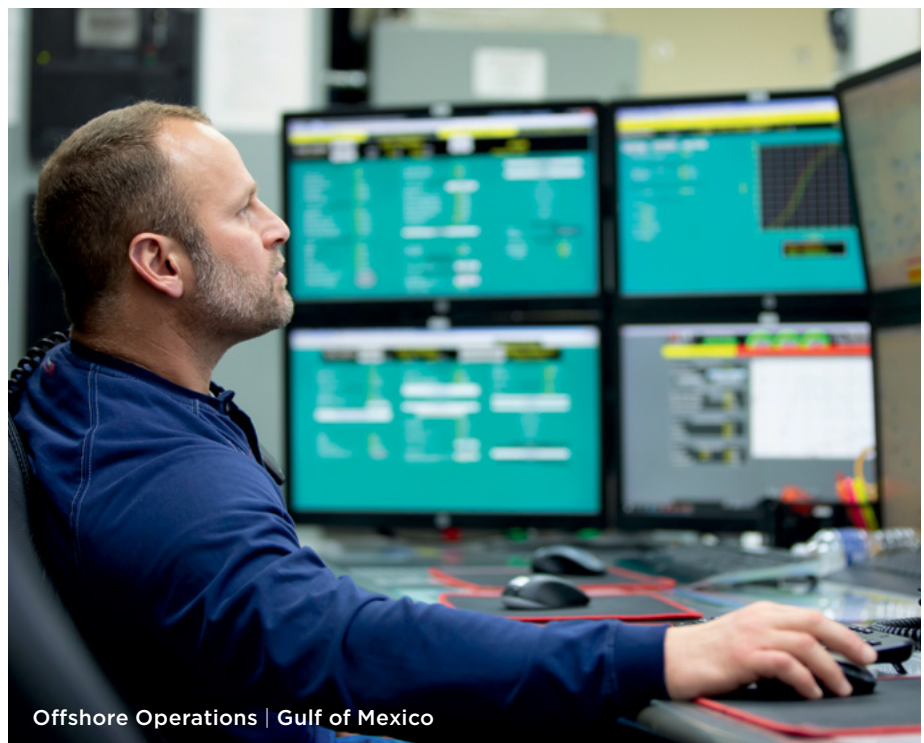
We determined the content for this report by applying GRI's reporting principles, such as stakeholder inclusiveness, sustainability context, materiality and completeness of information. We conducted a materiality assessment in 2020, which considered our operations, performance and impacts in the wider context of sustainability issues as well as new and emerging issues important to our stakeholders.

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 assessment included engagement with Hess' stakeholders – which include employees, suppliers, customers, communities, shareholders, government bodies, nongovernmental organizations, industry peers and academics – enabling us to strengthen our license to operate and bringing increased focus to our transparency goals.

The materiality assessment informed our forward looking EHS & SR strategy, which is described more fully in the Strategy and Progress section (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 are as follows:

- 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

Although these eight topics will be the focus of our strategic sustainability actions through 2025, many of the other topics included in our materiality assessment are relevant and 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.



Access reporting boundaries for each of these issues at [hess.com/sustainability/approach-to-reporting](https://hess.com/sustainability/approach-to-reporting)

## BOUNDARY SETTING

The assets operated by Hess Corporation and/or our subsidiaries during calendar year 2022 are included within the scope of this report unless otherwise indicated. This includes 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 Standards and the Ipeca *Sustainability Reporting Guidance for the Oil and Gas Industry* (4th edition, 2020), Module 3: *Climate Change and Energy*, as well as Ipeca'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.



Access our expanded performance data at [hess.com/sustainability/performance-data/key-sustainability-metrics](https://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 with Ipeca 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



Offshore Operations | Guyana

of the adjustment depends on several factors, as described in the Hess GHG Inventory Protocol.

We also look for opportunities to improve our data collection efforts and calculation methodologies on an ongoing basis. In 2022, we incorporated new emissions factors in our methane inventory resulting in a 9% reduction in 2021 emissions and a 5% increase in our 2017 estimate, and these data have been restated. We also revised our approach to estimating the oil concentration in offshore produced water discharges based on industry guidance and have made some necessary corrections to historical calculations.

We review and adjust targets included as part of our annual incentive plan formula to account for divestitures as needed. In 2022, this included restating our targets and five year data for severe and significant safety incident and loss of primary containment rates to account for the sale of our interests in Denmark.

In November 2022, Hess completed the sale of our interest in the Waha Concession in Libya, a nonoperated asset. This report includes partial year equity GHG emissions data (January–November 2022) for Libya.



Access the Hess GHG Inventory Protocol at [hess.com/sustainability/climate-change-energy](https://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 was assured by ERM Certification and Verification Services (ERM CVS) (see page 72). 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 based on our Global Reporting Initiative aligned materiality assessment. Our related strategic actions are not the sum of all activities that will drive continuous improvement in each of these eight areas, but are instead the specific actions targeted to drive progress or to maintain or achieve leadership among our industry peers in each area. As we progress the implementation of our EHS & SR strategy, we are closing out certain actions and, in some cases, identifying new actions to support continued performance improvement in these eight areas. Strategy actions that were completed in 2021 can be found in our 2021 Sustainability Report, and new actions adopted in 2022 are included in the table below.
































Our management approach, annual performance (including achievements and challenges in 2022) and forward plans for a broader set of topics relevant to our company and our stakeholders are described further in this report and on our website at [hess.com/sustainability](https://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 2023 are indicated with "AIP."

Hess' Material Issues & Relevant U.N. SDGs	Key Actions to Enhance Hess' EHS & SR Performance	2022 Progress	Discussion (Page #)
<b>Climate Related Risk and Greenhouse Gas Emissions</b>     	Strengthen governance and climate strategy oversight by continuing to foster climate literacy at the Board level and through our executive led climate strategy task force in 2021 and beyond		40, 44
	Evaluate the feasibility of achieving net zero greenhouse gas (GHG) emissions by 2050 in 2021 and beyond		50–54
	Continue to look for opportunities for Scope 1 and 2 GHG emissions and flaring reductions in 2021 and beyond		52–54
	Continue to support external climate initiatives such as ONE Future and The Environmental Partnership in 2021 and beyond		42–43
	<b>QUANTITATIVE TARGETS</b>		
	• Reduce routine flaring intensity to 5% in our Bakken, North Dakota, operations in 2022 (AIP)		55, 58–61
	• Reduce routine flaring intensity to 3% in our Bakken, North Dakota, operations in 2023 (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			
• Achieve Scope 1 and 2 net zero GHG emissions on an equity basis by 2050			
<b>Process Safety and Release Prevention</b>    	Enhance Tier II Assurance through major accident event barrier health reviews by 2023 <sup>(1)</sup>		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, by 2023		31
	Complete the rollout of the electronic Permit to Work system across onshore assets by 2024 <sup>(2)</sup>		31
	<b>QUANTITATIVE TARGETS</b>		
	• Achieve a 10% reduction in loss of primary containment rate, year over year, in 2022   2023 (AIP)	   	65–66
• Achieve 99% completion of all safety critical equipment maintenance and corrective work orders with performance standards in our work order system in 2022   2023 (AIP)	   	31	
<b>Water Management</b>  	Enhance the chemical selection process for hydraulic fracturing to further evaluate risks and water quality impact by 2023		64
	Develop decision making criteria or thresholds for proactive water management projects by 2023		63–64
	Identify and prioritize mitigations related to water stress and scarcity by 2023		63–64

 Goal achieved as planned  Goal partially achieved or still in progress  Goal not achieved as planned  Goal not yet started in 2022

(1) Deferred from initial 2021 target date due to evolving business priorities (2) Implementation will extend beyond initial 2023 target date

Hess' Material Issues & Relevant U.N. SDGs	Key Actions to Enhance Hess' EHS & SR Performance	2022 Progress	Discussion (Page #)
<b>Occupational Health and Safety</b> 	Continue to elevate Hess' safety culture by conducting an enterprisewide safety culture assessment and implementing updated safety leadership training by 2023		27
	Evaluate emerging technologies and consider implementation into Hess' standard operating practices in 2021 and beyond		13, 27
	Communicate to our workforce requirements for managing risks associated with Line of Fire, including dropped objects, as part of our existing Hess Rules by 2023		27–28
	<b>QUANTITATIVE TARGETS</b> <ul style="list-style-type: none"> <li>• Achieve a 10% reduction in our workforce total recordable incident rate, year over year, in 2022   2023</li> <li>• Achieve a 10% reduction in our severe and significant safety incident rate, year over year, in 2022   2023 (AIP)</li> </ul>	   	30
<b>Emergency Preparedness and Response</b>  	Continue the development of competencies to maintain asset level capability by 2025		32–33
	Implement learnings from participation in external networks related to the latest technologies and processes by 2025		32–33
<b>Diversity, Equity and Inclusion</b>  	Build diversity, equity and inclusion (DEI) elements into Hess' people strategy in 2021 and beyond		12, 35–37
	Actively promote an inclusive culture by increasing inclusion skills and cultural awareness through training, education, events and employee resource groups' initiatives in 2022 and beyond		35–37
	Maintain strong DEI partnerships and diverse talent pipeline programs to attract and develop diverse talent and improve diverse representation in 2022 and beyond		35–37
	Periodically check and adjust talent and pay practices to drive and maintain fairness and equity in 2022 and beyond		36–37
	Work collaboratively with underserved communities where we operate to help them prosper and grow in 2022 and beyond		25, 37
<b>Supply Chain and Contractor Management</b>    	Incorporate environmental, social and governance (ESG) criteria in the procurement and supplier evaluation processes by 2023		17–18
	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		19
	Enhance contractors' shared responsibility and accountability for safety performance through tools such as integrated safety committees and the safety observation program by 2023		27, 30, 33
<b>Community and Stakeholder Engagement</b>    	Develop an outcomes measurement framework for key social investment programs by 2023 <sup>(1)</sup>		24
	Refresh the Social Responsibility and Human Rights policies to align with the company's current asset base and strategic objectives by 2023		21, 23–24
	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 2022

(1) Deferred from initial 2021 target date due to evolving business priorities



# 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), our Human Rights Policy and our Environment, Health and Safety (EHS) Policy. We apply these principles across 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.



Access Hess' committee charters and Corporate Governance Guidelines at [hess.com/investors](https://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 (pages 39–40 and 44).

The Corporate Governance and Nominating Committee is responsible for recommending to the Board qualified candidates for election as directors. Among the criteria described in Hess'

Corporate Governance Guidelines are diversity of viewpoints, background and experience, including diversity of race, gender, nationality, ethnicity and sexual orientation, as well as professional background and industry experience.

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, including those related to climate change, working with the full Board and senior management so that sustainability risks and opportunities are considered 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. 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 our business and operations.

In 2022, the EHS Committee held three meetings and one site visit, which all committee members attended. Our Vice President of EHS facilitated the EHS Committee meetings, which included topics such as EHS performance and strategic priorities; EHS & SR risks within our enterprise risk management

(ERM) framework; safety improvement; regulatory matters; environmental, social and governance (ESG) reporting; climate change strategy; and the establishment and monitoring of 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. In 2022, a new Board member was elected and joined the EHS Committee with significant knowledge of sustainability, energy policy and innovation. To supplement the expertise of EHS Committee members and the full Board of Directors, Hess also brings in internal and external subject matter experts to brief members on current and developing issues relevant to our business, such as climate change.

In 2022, Board members, together with our executive leadership, participated in two field visits to Hess operated assets in the Bakken and Gulf of Mexico. During these visits, the Board members engaged with the Hess workforce to discuss our EHS culture and better understand our key EHS strategies and processes.

## Executive Oversight

The company is managed by the 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 details on our sustainable tax practices at [hess.com/sustainability/how-we-operate/tax-practices](https://hess.com/sustainability/how-we-operate/tax-practices)

**KEY ENTERPRISE PROCESSES**

Several of Hess’ key processes help to identify and mitigate risks in potential, new and existing operations; achieve operational excellence; and evaluate investment opportunities.

Although 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. For more information on our assurance process for nonoperated assets, see pages 14 and 28.

**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 ERM Standard. Similarly, our Chief Information Security Officer provides updates of cybersecurity threats to the Board’s Audit Committee at least twice per year. The status of EHS & SR risks and mitigations is discussed at the Board’s EHS Committee meetings, as appropriate. Enterprise level risks, including the relative risks of assets and major capital projects within our 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 our Corporate Audit team to verify compliance. Our ERM Standard, which applies to all assets and major capital projects, aligns and integrates risk management across Hess and establishes a risk framework, accountabilities and expectations across the enterprise. As part of our ERM process, all assets are required to conduct risk assessments periodically, and major capital projects that go through the value assurance process are required to conduct risk assessments prior to each value assurance stage gate. These risk assessments draw input from subject matter experts, performance data, incident investigations, lessons learned and recent audits. As a result of these risk assessments, specific risks are identified, collated in risk registers and assigned a risk level based on the likelihood and potential impact to people, the environment, our reputation and our business. Each risk is assigned to an accountable party who develops a risk plan to mitigate or manage that specific risk. Additionally, each risk’s level is evaluated relative to the company risk appetite for the specific risk. For example, if certain environment or safety risks are classified as high or intolerable that would be considered unacceptable relative to the company’s risk appetite and would require further review and consultation, including a supplementary risk assessment to identify appropriate mitigations that reduce the identified risk before work can begin or restart.

**Our Diversity, Equity and Inclusion Priorities**

Hess has a longstanding commitment to diversity, equity and inclusion (DEI), which we believe creates value for all of our stakeholders and is essential to being a socially responsible and sustainable enterprise. Our goal is to embed DEI into the way we operate every day. This includes incorporating DEI into our culture – which we describe as Life at Hess – and our business practices, as well as our support for the communities where we operate. For more information on Life at Hess, see the Our People section (pages 35–37).

Within Hess, 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, we have a long history of investing in 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 continue to source from and increase our spending with diverse suppliers and engage with our strategic suppliers on their own ambitions to grow a diverse supplier base. For more information about employee DEI initiatives, our social investment and our supplier diversity, see pages 35–37, 24–25 and 19, respectively.



**Diversity**

**PEOPLE**

Maintain strong DEI programs and partnerships to attract, retain and develop diverse talent



**Equity**

**FAIR SYSTEMS AND PRACTICES**

Promote fair and equitable talent, pay and business practices and support our communities



**Inclusion**

**BEHAVIORS AND ENVIRONMENTS**

Cultivate a culture of inclusion and amplify employee voices through Employee Resource Groups

Climate risks are considered throughout the ERM process 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 44–50.

### 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. Our planning guidance directs evaluations for all significant investment decisions to

include a sensitivity using the International Energy Agency’s carbon pricing from the Announced Pledges Scenario, one of the more stringent scenarios from the 2022 *World Energy Outlook* (see pages 44–50 of the Climate section).

Through our value assurance process, we bring in technical experts from across the company who are chosen based on the relevance of their skills and experience to the project under review. By including experts from across the organization, we create learning opportunities for them 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.

### 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. Incorporating over a decade of successes and lessons learned, Lean is integrated into our company culture, and our workforce is empowered to be an “army of problem solvers.”

We see innovation as a complementary mindset to Lean thinking in that we

encourage our people to identify opportunities for incremental improvements to what they already do. A focus on innovation 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 business priorities. This process helps formalize and organize innovative thinking and drives ideas from conception to implementation. Our pilot projects focus on some of the greatest challenges of the oil and gas industry, including reducing emissions, enhancing subsurface productivity and enabling autonomous operations.

We have screened more than 2,100 emerging technologies and completed over 160 pilot tests since 2019. In 2023, we are working to scale dozens of these technologies to enhance safety, increase productivity and sustainability and reduce cost.



See details on our due diligence and reliability operations processes at [hess.com/sustainability/how-we-operate/key-enterprise-processes](https://hess.com/sustainability/how-we-operate/key-enterprise-processes)

## Leveraging Augmented Reality to Improve Offshore Operations

As part of our multiyear Autonomous Fields of the Future (AFoF) project, Hess employees and contractors working onshore are collaborating with offshore operators using augmented reality (AR), an emerging technology that superimposes computer generated data such as text, images or video onto the real world environment. Our ongoing “Connected Worker” pilot is a part of the AFoF project. In the pilot, our offshore operators at the Tubular Bells platform are wearing AR headsets or smart glasses, giving specialists working onshore a shared “you see what I see” view of the platform and allowing for collaborative troubleshooting in real time. The use of these headsets eliminates the need for unscheduled offshore trips and in turn improves worker safety and reduces our emissions, costs and other impacts. Our innovation and engineering teams are currently analyzing results from the pilot to determine additional use cases and to plan for making this new way of working available at other onshore and offshore facilities.



Smart Glasses Technology in Use | Gulf of Mexico

## 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 project and asset lifecycles; 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 function 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, cost and people management.

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 2022, we continued to optimize HOMS through an initiative to streamline the number of corporate governing standards and improve the effectiveness of their implementation across our organization. Ten of the 14 updated standards were published by the end of 2022, and the remaining updated standards will be finalized in 2023. HOMS not only consolidates standards, it also supports greater authority and flexibility for our assets to determine how best to implement them based on the local operational conditions. Each asset has formed a steering team to review the HOMS elements and complete a bridging document, which will identify how each operationalizes the governing standards.

### HOMS Assurance

Our ongoing assurance efforts help drive continuous improvement and support operational conformance with applicable regulations, industry standards and HOMS requirements. Results are reported to and reviewed several times each year by the Board's EHS Committee.

Following implementation of our revised three tiered assurance framework in 2021, we have continued to perform EHS & SR and major accident event (MAE) assurance

across all assets. Tier I “health of process” audits, conducted by our Corporate Audit team, verify that our Tier II and Tier III activities are being performed according to the HOMS framework. Tier II Assurance is led by corporate technical authorities and internal subject matter experts and includes independent audits and collaborative assessments involving assets to confirm proper EHS & SR and MAE risk management. Tier III Assurance includes self checks of processes and practices. Both Tier I audits and Tier II assessments are performed following a risk based plan that covers various topics under HOMS.

In 2022, we completed assurance activities across all three tiers, covering topics such as HOMS health of process, asset gap assessment against new HOMS standards, wells risk management, MAE barrier health, cybersecurity and operational technology, flaring compliance, dropped object prevention and lifting and hoisting risk management, incident reporting and investigation and emergency preparedness and response. We performed MAE risk management assurance at the assets of our nonoperated joint ventures; regulators also performed independent audits of our operated assets.



Drilling Operations | North Dakota



## 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. Our 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 2022, our Global Compliance team investigated all issues and allegations referred to the team through the various channels available to our workforce, including anonymously through the Hess Hotline ([HessHotline.ethicspoint.com](#)). In addition, our Global Compliance team 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. The Code of Conduct training emphasizes the importance of our Open Door and Anti-Retaliation Policy, the confidentiality of the Hess Hotline and the value that we place on inclusion and diversity, workplace safety and human rights. At year end 2022, 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](https://hess.com/sustainability/how-we-operate/anti-bribery-and-anti-corruption-compliance)

## POLITICAL ENGAGEMENT

### HessPAC

HessPAC is used to promote the interests of Hess Corporation. It 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. In 2022, HessPAC continued in its fifth full cycle of operation, generated \$91,336 in member contributions and distributed \$63,500 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 ([fec.gov](#)). In 2022, HessPAC made one state level contribution in North Dakota totaling \$1,000, which is publicly available on the appropriate state website, and 22 federal level contributions totaling \$62,500.

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.



Offshore Operations | Gulf of Thailand

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 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 2022, the company's lobbying expenses totaled \$987,459. 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.

### 2022 Memberships and Associations

- American Exploration & Production Council
- American Petroleum Institute
- Center for Offshore Safety
- Center for Strategic and International Studies
- The Conference Board
- Council on Foreign Relations
- Extractive Industries Transparency Initiative
- Ipieca
- Marine Well Containment Company
- Meridian International Center
- National Ocean Industries Association
- National Petroleum Council
- North Dakota Petroleum Council
- Offshore Operators Committee
- World 50, Inc.

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 24.5% of our total lobbying spend in 2022.

In 2022, 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 2022 is shown below, left.

Hess' Vice President of External Affairs is responsible for approving and overseeing employees' engagement when they are acting as official Hess representatives and interacting with elected officials or regulators or when serving on trade association committees. With this oversight, we can 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. Although many of these associations, organizations and collaborative working groups share Hess' positions on key issues, including climate change, our positions do not always align with all positions of these groups, and our membership, as well as our findings of alignment as described on the next page, should not be considered a direct endorsement of the entire range of activities that they undertake or have previously undertaken. However, these organizations often provide broader value to our company in the form of industry

standards, along with opportunities to promote continuous improvement in our sustainability performance and transparency through industry led voluntary programs. In addition, 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 2022, we continued our ongoing efforts to update association positions so that they more closely align with our positions, including on climate change and methane emissions. To ensure clarity of our company's stance on a variety of issues, we publish our positions on key topics in this annual sustainability report.

To illustrate our alignment on climate change policies with our national and international memberships and associations, we evaluate the major advocacy organizations that receive more than \$50,000 from Hess in the reporting year.

Our 2023 evaluation was conducted using current publicly available key 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) support for the Paris Agreement's aim to limit global average temperature rise, (2) acknowledgment of the need to accelerate GHG emissions reductions through technological innovation, (3) support for a carbon price applied to emitters across all sectors, (4) support for the direct regulation of methane and (5) support for standardization of climate related disclosures. We replaced our 2022 benchmarking criterion on "acknowledgment of science of climate change" with "support for standardization of climate related disclosure" in our 2023 analysis. We feel that acknowledgment of climate science is so foundational to our company's ESG policies that it is no longer a critical part of the analysis. Transparency,

however, remains a critical component of Hess' sustainability program and a cornerstone to our company's purpose of being the world's most trusted energy partner. Therefore, we expect our major advocacy organizations to be aligned with our goal to provide consistent, comparable and reliable information to investors and other key stakeholders.

All of the organizations we analyzed support GHG emissions reductions through technological innovation and support standardization of climate related disclosures, and both the American Petroleum Institute (API) and the American Exploration and Production Council (AXPC) – the two organizations to which direct methane regulation was applicable to its membership – have publicly indicated support for methane regulation. Although AXPC has not directly and publicly supported the aim of the Paris Agreement or a carbon price, it 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. Further, as AXPC has publicly indicated a willingness to support direct regulation of methane through its comments on the Environmental Protection Agency's proposed methane rule, we have considered them "consistent" with Hess on this issue. Overall, we now consider AXPC to be "mostly consistent" with Hess' positions. The National Ocean Industries Association (NOIA) has not addressed the direct regulation of onshore methane emissions, but as an offshore-only trade association this criterion is not applicable to it. With respect to our new criterion on climate disclosure standardization, we feel that NOIA's public comments on the U.S. Securities and Exchange Commission's proposed climate disclosure rule were constructive and generally supportive of meaningful transparency while also representing an effort commensurate with the organization's size and purpose. Therefore, we continue to view NOIA as "consistent" with Hess' climate positions

Findings of Hess' Trade Association Evaluation	
Industry Advocacy Organizations	Summary of Alignment with Hess' Climate Positions
<b>API</b>	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.
<b>AXPC</b>	AXPC maintains climate positions that are <u>mostly 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.
<b>NOIA</b>	NOIA's Climate Change Position and Principles are <u>consistent</u> with the four Hess positions included in our analysis that are applicable to this organization. As an offshore organization, NOIA does not address onshore methane regulation, which is an additional Hess position considered for the other organizations in this analysis. 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.

overall. The table above summarizes the overarching results of our review as of April 2023.

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. They collaborate 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 and supplier diversity efforts, and these partnerships play an important role in helping us achieve many of the key actions outlined in our EHS & SR strategy.

In 2022, the COVID-19 pandemic remained a challenge in terms of the procurement of goods and services. Labor issues and logistical bottlenecks led to continued supply chain shortages and disruptions. We supported 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. We also undertook a quarterly "surety of supply" assessment to evaluate supply chain disruption risk across our critical suppliers.

This subsection describes our general management of and 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, collaborative teams. Hess follows a standardized

approach to evaluate key prospective suppliers' qualifications and assess current suppliers' performance related to safety, quality, delivery, cost and people management. In 2022, we expanded our engagement with suppliers on "people" to consider such criteria as their proposed workforce qualifications and their capabilities on supplier diversity.

To further support a robust and consistent approach, supplier management has been integrated into HOMS (see the HOMS subsection on page 14).

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.

### Prequalifications

We employ a systematic prequalification and selection process to help ensure we are working with suppliers who meet our expectations and requirements for sustainability and other areas.

Prospective suppliers are given a scope of work and EHS requirements during the sourcing phase of prequalification.

Through our use of a central global electronic sourcing system, we conduct risk assessments for all prospective suppliers, which can include screening based on antibribery, anticorruption, legal compliance, EHS performance and programs and workforce qualifications. When applicable, we review prospective



suppliers' insurance, tax and quality information. In 2022, we added broader ESG screening criteria to the risk assessments.

We perform expanded EHS risk assessments for prospective suppliers as relevant based on contracts that involve higher risk due to factors such as the number of workhours or the scope of work. These expanded risk assessments cover training qualifications, safety programs and performance, environmental management systems and measurement, and emergency preparedness and response, among other topics. As one part of the expanded EHS risk assessment, we use a recognized industry safety database to standardize our prequalification processes across multiple sites for our U.S. operations. In Malaysia, we use a standardized process aligned with our partnership with PETRONAS. Further detail on our EHS related prequalifications review during procurement can be found in the Safety and Health section (page 33).

Prospective suppliers receive a grade based on these risk assessments. When the grade does not meet our requirements, the prospective supplier

must develop an improvement plan before it can perform work for Hess. Should an operational situation occur, such as an emergency that requires the use of a prospective supplier who has not completed the prequalification process or who has received an unsatisfactory grade, an escalated approval and increased oversight are required.

### Monitoring and Compliance

We have a central global electronic sourcing system in place that houses standard contracting documents and other key materials and manages the procurement process.

As part of our contracting requirements, companies that supply Hess with goods and services must, at a minimum, comply with all applicable laws and regulations, maintain any applicable licensing or permitting requirements for their activities and meet expectations set forth in our Code of Conduct and our voluntary commitments (see page 21). Standard contract clauses also include requirements for ethical business practices, labor and human rights, SR, business integrity, search and seizure, EHS and quality of materials

### Supplier Spend

We rely on our suppliers to provide goods and services to enable and support our operations. In 2022, we purchased approximately \$3,190 million in commercial goods and services from 2,124 suppliers, whose workhours constituted approximately 70% of our total workforce hours.

and services. They require suppliers to cooperate with all audits and inspections. In the U.S., our contract templates contain clauses that cover federal contractor requirements as well.

For activities deemed high risk or as required by regulators, we are working to further develop a “bridging” process to address potential gaps between the supplier’s EHS management system and Hess’ EHS requirements. For more information on bridging, see the Safety and Health section (page 33).

Our suppliers are expected to take reasonable measures to ensure they communicate and uphold our requirements across the value chain of their business, and suppliers remain accountable to Hess for compliant performance of work by all their personnel and subcontractors.

At our operated assets, we follow a risk based approach when conducting audits and other assurance activities of suppliers. We help suppliers develop improvement plans if we find any gaps in their compliance with laws and regulations or Hess requirements, including those related to EHS.

### Engagement

We tailor our approach to ongoing supplier engagement using a range of criteria, including contract value and risk level, so that we focus on deeper engagement with our most strategic suppliers. 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. In 2022, we completed 45 supplier engagements, including three each with 10 strategic suppliers and one each with 15 core suppliers.

### Supplier Diversity

We recognize that diverse suppliers bring innovation, agility and value to our business and further create economic opportunities in the communities where we operate. We continue to source from

and grow our business with diverse suppliers while also engaging with our strategic suppliers to encourage their increased use of diverse suppliers and share best practices. We have completed diversity focused engagements with all of our strategic suppliers, as well as with some of our core suppliers.

In 2022, Hess continued developing a multiyear supplier diversity roadmap that will further embed diversity in our established supply chain processes. At present, we are building the foundation of our program by identifying diverse suppliers that currently work with Hess. We are also constructing metrics and a tracking system to help measure our progress.

Hess is an active member of numerous nongovernmental and advocacy organizations that promote supplier diversity. For example, in 2022, we worked with API and the Houston Minority Supplier Development Council to implement a supplier development program through which an initial group of 22 minority owned suppliers received guidance on supplier business

requirements, international compliance standards and other topics to help them build on their current successes.

### 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, we use an approved vendor list from the government and have sourced \$483 million for goods and services from 241 Malaysia owned companies, representing 95% of our spend in the country. In Guyana, Hess’ Stabroek Block joint venture and its contractors used more than 1,000 Guyanese vendors, spending over \$300 million for goods and services, a 37% increase in spending from 2021.



See more detail on Hess’ expectations and requirements for suppliers at [suppliers.hess.com](https://www.hess.com) and [hess.com/sustainability/how-we-operate/supply-chain](https://www.hess.com/sustainability/how-we-operate/supply-chain)



Production Operations | North Dakota



# Social Responsibility

Social responsibility (SR) is one of our core values built into our company culture and reflected in the way we do business. We live this value every day by protecting the health and safety of our workforce, investing in our communities and safeguarding the environment. We 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 revised Human Rights Policy and the United Nations (U.N.) Sustainable Development Goals (SDGs), which were considered in the development of our business and environment, health, safety and social responsibility (EHS & SR) strategies.

## 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. In 2022, we revised our Human Rights Policy to align with the evolving SR related responsibilities of companies

and our changing portfolio. In it, we have retained our endorsement of a number of voluntary initiatives and also have endorsed a number of new ones. Our endorsement of these initiatives, known collectively as our voluntary commitments (shown below, left), codify our responsibilities to protect the environment, promote human rights and encourage financial transparency.

Given the enhancements we made to our Human Rights Policy, our commitments in other related policies and our additional pledges included in our sustainability disclosures, we have retired our Social Responsibility Policy.

We expect our suppliers and contractors to respect our voluntary commitments, comply with applicable international standards and laws and act in accordance with our Code of Conduct, our Human Rights Policy and all other related policies. Our suppliers and contractors are expected to take reasonable measures to communicate and uphold our requirements across the value chain of their business. For more information on our supply chain management, see pages 17–19.

## 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 teams are responsible for developing and executing asset or project specific SR plans.

## 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, health and environment.

## Stakeholder Planning and Engagement Process

Our stakeholder planning and engagement process is a foundational element of the Hess Enterprise Risk Management (ERM) Standard, enabling 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 involves understanding the specific risks faced by each asset as identified in the asset level risk register and heat maps, as well as identifying external issues that are 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 the third step, Issue Managers, with support from our External Affairs function, document the relevant stakeholders, and then in the fourth step, they outline the engagement strategies for those stakeholders. The fifth and final step involves monitoring and tracking the key issues and providing updates at least twice per year to the

### Our Voluntary Commitments

- Universal Declaration of Human Rights
- U.N. Guiding Principles on Business and Human Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- ILO Core Conventions on Rights at Work
- U.N. SDGs
- U.N. Voluntary Principles on Security and Human Rights
- ILO Indigenous and Tribal Peoples Convention (No. 169)
- U.N. Declaration on the Rights of Indigenous Peoples
- U.N. Global Compact
- Extractive Industries Transparency Initiative

## Integrated Stakeholder Engagement Process



## Collaborating With Stakeholders Throughout Asset Retirement

In 2022 at our Bakken asset, Hess' asset retirement obligation (ARO) team completed work on more locations than ever before – with 71 wells plugged, 81 facilities demolished, 77 sites reclaimed and over 250 sites monitored post reclamation.

The goal of our ARO program is to restore the land we use for our operations to its predevelopment state. To do this, we have developed a sustainable and repeatable process for the effective management of retired assets such as wells, pipelines and associated facilities. Proactive stakeholder engagement is critical to this process.

As part of the ARO planning process, we reach out to each landowner and/or local tenant to share information about our approach to asset retirement and understand their preferences for their property – for example, how they want to use the site after reclamation; any infrastructure they would like to keep; and types of vegetation

they prefer to be planted. We also seek to understand any concerns they might have about the process, most of which are related to post reclamation monitoring. Then we conduct environmental reviews for impacts to wetlands, threatened and endangered species and conservation areas to understand if specific mitigations need to be taken. Finally, with the landowner and/or local tenant's feedback and in consultation with the regulatory agencies and county extension services, we develop a reclamation plan. We maintain two way communication throughout the entire ARO process.

After reclamation activities are completed, the site is placed in our post reclamation monitoring program, which consists of semiannual inspections to monitor vegetative growth, weeds, erosion and any other potential issues. If issues arise at any point between our inspections, we encourage landowners and other stakeholders to contact us so that we may work to promptly address the issue.

Business Owner and, as required, other senior management.

For each of Hess' operated assets, we maintain an individualized External Affairs and Stakeholder (EAS) Plan that documents the five step engagement process. These EAS Plans were updated in 2022 to identify high priority issues and, where applicable, related mitigation and engagement approaches.

### Hess' Key External Stakeholders

Collaborating with stakeholders helps us identify opportunities to benefit 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, shareholders, coventure partners, vendors and suppliers, contractors, unions

- **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 services; human service agencies
- **Indigenous Groups:** Formally recognized groups, tribal coalitions, government supporting agencies, Indigenous advocacy groups



See recent examples of our stakeholder engagement activities at [hess.com/sustainability/social-responsibility/stakeholder-engagement](https://hess.com/sustainability/social-responsibility/stakeholder-engagement)

### Community Feedback Mechanisms

In the communities where we operate, we do our best to address potential issues early, and we believe that strong and transparent stakeholder relationships help us do that. Formal community feedback 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 community feedback mechanisms and to establish channels of communication. For our onshore operated assets, we also post emergency contact numbers along the perimeter of our facilities to enable community members to raise immediate concerns.

We have a community feedback mechanism in the Bakken. Through this mechanism, we receive feedback and grievances (anonymously, if desired) via several access points, including the Hess Owner Solutions team, our North Dakota front desk staff and our Surface Land team. After we receive feedback, 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 forwarded to our EHS function; individual worker grievances are handled by Human Resources; and business integrity and ethics grievances are referred to Global Compliance. By engaging each discipline as appropriate, we escalate management of the community feedback 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 grievance, we contact the stakeholder to confirm the issue has been adequately addressed and solicit input about the process. Trending data 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 track community feedback from start to closeout.

Although feedback and grievances can cover any topic related to our operations, including workplace, procurement, supplier and EHS issues, the most commonly raised topics in the Bakken involve cattle guards, road conditions, erosion and fencing.

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 grievances. Although most of the inquiries through this system are requests or questions related to owner accounts, the system also serves as a separate community feedback 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 2022, we received 263 grievances and 30 questions. Of these grievances,

94% were resolved as of December 31, 2022, and we are committed to resolving the remaining 6%, which require construction activities that will be planned for when weather conditions and planting seasons allow.

In 2022, we deployed a land grievance collection app that enables Hess employees and contractors in the field to use their smartphone or tablet to report issues before they affect community members.

### SOCIAL RISK AND IMPACT MANAGEMENT

When entering a new geography, commissioning a new development or expanding an existing facility, we follow our key enterprise processes to examine the social, political and reputational environments; identify nontechnical risks and impacts; and develop mitigations (see the Value Assurance subsection on page 13 and the Due Diligence subsection available online). Where our operations are ongoing, we periodically

conduct risk assessments that consider new and emerging nontechnical risks, as well as update our risk plans (see the Enterprise Risk Management subsection on pages 12–13). If and when nontechnical risks and impacts are identified through these processes, we follow the mitigation hierarchy of avoiding, minimizing, restoring and offsetting.

### Human Rights

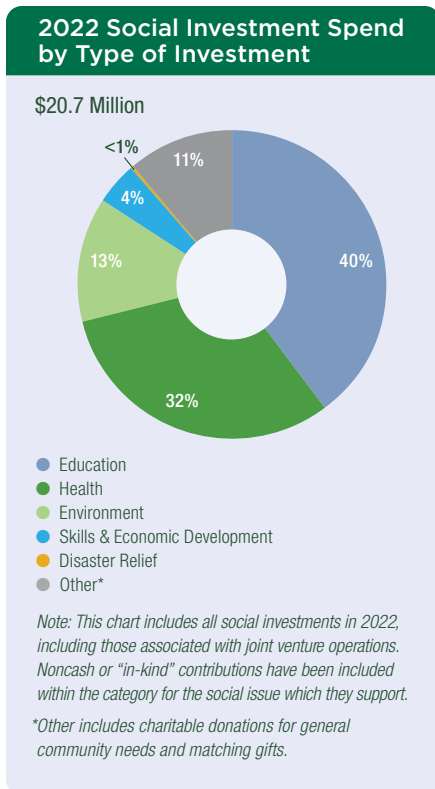
We respect the human rights of our stakeholders throughout our operations.

In our revised Human Rights Policy (see page 21), we are more explicit about our human rights commitments related to labor rights, supply chain, community development and stakeholder engagement, security, Indigenous peoples and governance and transparency.

Our Human Rights Policy is supported by a number of processes and programs. For example, our ERM, value assurance and due diligence processes enable us to identify human rights risks and impacts



School Supplies Donation | Malaysia



across our projects and operations and develop mitigations where relevant; our stakeholder engagement process and community feedback mechanism enable us to engage with key stakeholders, address potential issues and prevent human rights related incidents; and our Code of Conduct training emphasizes the importance of human rights, gives an overview of our commitments and offers guidance on integrating respect for human rights into our daily work.

As part of our EHS & SR strategy, we continue to advance human rights training. In 2022, we provided feedback on a set of human rights training modules and a video developed through Ipieca, which we plan to implement across the enterprise when it is finalized.

In 2022, we continued to be an active participant in Ipieca's Social Responsibility Working Group, which aims to advance our industry's approach

to human rights and helps inform Hess' policies and practices.

### Indigenous Rights

We respect the rights of Indigenous peoples throughout our operations. In our revised Human Rights Policy, we made new endorsements of the ILO Indigenous and Tribal Peoples Convention (No. 169) and the U.N. Declaration on the Rights of Indigenous Peoples. When applicable, we aim to follow an approach consistent with the principles set out in these international standards, including applying free, prior and informed consent.

As with other local stakeholders, we engage with Indigenous peoples as part of our processes and programs to identify, mitigate and manage issues that might affect them. We are also making significant investments to benefit tribal communities, including a \$12 million commitment to create apprenticeship programs at North Dakota's five tribal colleges (see the case study on the next page).

### COMMUNITY DEVELOPMENT 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 2022 totaled approximately \$20.7 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 balance 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 employee volunteer opportunities.

Our social investment programs contribute to education improvement and work skills development, which are fundamental to sustainable economic growth. We also seek opportunities that have a positive impact on economic inclusion and equity in our supply chain to provide lasting benefits to the communities where we operate.

In 2021, we finalized our social investment expenditure and reporting guidance to enhance consistency of tracking our spend – one of the goals in our EHS & SR strategy. During rollout of this guidance in 2022, we identified additional opportunities to further support its implementation. We also continued drafting 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, another goal in our EHS & SR strategy. Completion of this goal was deferred to 2023.

In addition to the Local Program Highlights described on the next page, Hess supports innovative programs and initiatives that address societal issues such as climate change. For example, our ongoing support for the Salk Institute includes an endowed Hess Chair in Plant Science and a \$12.5 million, multiyear commitment to help fund its Harnessing Plants Initiative (HPI). In 2023, we announced a commitment to donate an additional \$50 million over the next five years to support faculty recruitment and laboratory and research operations as well as provide vital infrastructure by establishing the new Hess Center for Plant Science. HPI aims to combat climate change by developing plants with larger root systems capable of absorbing and storing potentially billions of tons of carbon per year from the atmosphere.

## Improving Quality and Access to Health Care in Guyana



**Mount Sinai**

Access to affordable and high quality health care is central to the government of Guyana's vision for long term, shared prosperity for the Guyanese people.

In 2022, Hess and the government of Guyana launched a national health care initiative in collaboration with the Mount Sinai Health System

that is dedicated to providing every Guyanese citizen with access to affordable and high quality health care. The national health care initiative is a multiyear effort funded jointly by Hess and the government of Guyana, to which we expect to contribute \$32 million over the next three years.

Since the announcement, more than 40 leading health care experts from Mount Sinai arrived in Guyana and are helping develop high quality primary care as well as specialized services in cardiology and oncology. Their work should lead to significant improvements at Georgetown Public Hospital, the country's largest hospital, and to a modern system of health care records and financing options. Mount Sinai's experts are also creating a plan to help mitigate hypertension and diabetes; both are common conditions among the Guyanese population.

## Building Economic Opportunities With North Dakota's Tribal Colleges



In September 2022, Hess announced a new apprenticeship program developed in partnership with the North Dakota Tribal College System to improve education and employment opportunities for Native Americans across the state.

Over the next four years, Hess will invest \$12 million to provide funding for tuition assistance, stipends, child care and other support for apprenticeships at North Dakota's five tribal colleges based on the local job market and needs of their communities. The program, which officially launched in January 2023, aims to create 80 apprenticeships by the end of 2026.

Programs will focus on building higher paying job skills, such as in plumbing, heating and air conditioning, heavy equipment, the building trades, auto technology, information technology and nursing. Students will be offered on-the-job training through work study programs, internships and apprenticeships as they progress toward earning technical certification or completing an associate's, bachelor's or master's degree.

## Local Program Highlights

In 2022, Hess' 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.

### Educational Programs and Services in Houston

In Houston, Hess completed the second year of a three year, \$9 million financial commitment as part of our Learning for Life Partnership. Learning for Life benefits 22 schools and more than 13,000 children from prekindergarten through high school in three underserved Houston neighborhoods.

### Flood and Hurricane Protection Efforts in Louisiana

Hess joined the Moganza Action Coalition (MAC) as part of our sustainability efforts in the Gulf of Mexico. MAC supports the efforts of the Terrebonne, North Lafourche and South Lafourche Levee Districts to build and maintain local levees and floodgates designed to provide 100 year, Category 3 storm surge protection, which will benefit more than 150,000 people living in coastal parishes as well as over 1,700 square miles of fresh and saltwater marsh.

### STEM Teaching Tools in North Dakota

For the fifth consecutive year, Hess partnered with the North Dakota Department of Public Instruction to provide Hess Toy Truck STEM (science, technology, engineering and math) kits to every elementary school in the state along with a related curriculum designed by the Baylor College of Medicine's Center for Educational Outreach. The program has reached students in more than 275 schools in North Dakota, and we have donated nearly 33,000 toy trucks valued at approximately \$1.3 million since 2018.

### Flood Relief in Malaysia

In response to severe flooding that displaced more than 11,000 people in Kelantan, Malaysia, Hess volunteers from the logistics team provided aid to impacted communities by transporting boxes of food essentials, including rice, flour and cooking oil, to Rantau Panjang in Pasir Mas and Kampung Chuchuh Puteri. Hess volunteers also handed out school supplies to children from impacted communities following the reopening of schools.

### Capacity Building in Guyana

Hess and our two Stabroek Block coventure partners continued to fund the Greater Guyana Initiative (GGI) through our 10 year, \$100 million commitment to support capacity building with a focus on education and training, sustainable economic development and health. One initiative that GGI supports is the Centre for Local Business Development, which in 2021 launched the Accelerate Her Program, which provides business mentorship for women; the Community Business Talks Program, which facilitates meaningful dialogue on topics of importance to local business community; and the Project Management Mentorship Program, which offers guidance to local businesspeople.

### Scholarships and Educational Programming Through the Jackie Robinson Foundation

As part of Hess' commitment to diversity, equity and inclusion, we announced a \$1.4 million grant to the Jackie Robinson Foundation (JRF), which included support for the new Jackie Robinson Museum. Opened in 2022, the museum is a venue for innovative educational programming and dialogue on critical social issues. The grant is also being used to provide four-year scholarships and support services for five underrepresented college students. In 2022, Hess also provided internship opportunities for three JRF Scholars.



See descriptions of additional local programs at [hess.com/sustainability/social-responsibility](https://hess.com/sustainability/social-responsibility)



# Safety and Health

Hess is committed to the health and safety of our workforce and the communities where we operate, and our ultimate goal is to have everyone, everywhere, home safe every day. Our commitment to safety is embedded in the Hess Values, and our safety culture is continuously reinforced by executive leadership, with oversight from our Board of Directors.

Unfortunately, in 2022, our safety performance was mixed. While we had good overall performance in our offshore assets, we experienced an increase in incidents in our Bakken operations, including two tragic contractor fatalities in separate incidents that involved heavy equipment movement. Consistent with our established Hess Safety Improvement Framework, leadership and teams across Hess have worked closely with our contractors to reflect on these incidents and identify and address areas for improvement.

The Hess Safety Improvement Framework, illustrated below, has four key components: cultivating a strong safety culture; refining our safety procedures, processes and tools; engaging our workforce on safety and adopting clear safety goals; and measuring and striving to improve our safety performance.

We continue building a safety culture that emphasizes a worker centered, collaborative approach and enables learning both from incidents and successful events. To measure our progress on this journey, we conducted

## Hess Safety Improvement Framework



workforce safety culture surveys in the Bakken and North Malay Basin in 2021. Based on the feedback received, we identified opportunities for improvement and, in 2022, implemented actions to enhance this culture. We plan to conduct additional surveys across our Bakken and Gulf of Mexico assets in 2023.

We also continued rolling out our frontline safety leadership training program, which addresses the International Association of Oil & Gas Producers (IOGP) process safety fundamentals as well as other fundamental skills that span various safety disciplines. The aim of this training program is to empower frontline leaders to be role models who help set safety expectations. In 2022, we met our rollout target and trained 96 frontline leaders in our Malaysia asset, and in the Bakken, where we began including strategic contractors as well as employees in the training, we trained 276 employee and contractor frontline leaders. We plan to begin rollout of this training program in the Gulf of Mexico in 2023.

In the Bakken, we also began delivering leadership training led by third party experts to Hess worksite supervisors at our workover operations. The objective of this training is to further develop supervisors' leadership skills in order to reinforce worksite accountability, build high performing teams and drive a culture of safety excellence. We plan to continue delivering this training in 2023. To further support our safety improvement efforts, we have also increased the number of field supervisory staff and environment, health and safety (EHS) personnel at select locations.

The safety procedures, processes and tools that we use to drive improvements in safety performance include the Hess Rules, which are universal, mandatory safety requirements for our workforce; our global EHS standards, which address key areas of safety risk such as energy isolation, dropped objects and confined space entry and are embedded into the Hess Operational Management System (HOMS); and a three tiered assurance process.

Since late 2022, we have been communicating more widely with our workforce about Hess' requirements for managing line of fire risks, which are risks associated with being struck by and caught between hazards such as moving objects, vehicles, pressure releases and dropped objects. In 2023, we will update our Hess Rules and HOMS documentation to include our line of fire requirements and conduct reviews as part of HOMS assurance.

In 2022, we developed and began implementing a new procedure in the Bakken – the Heavy Equipment Movement Procedure – to help minimize the potential line of fire risk. The procedure sets out specific requirements for heavy equipment operators and spotters, including required training, and outlines an assurance process to assess ongoing compliance.

We have also been working with some of our contractors to screen emerging technologies and conduct pilots to support our procedures, processes and tools. A number of our ongoing pilots are focused on mitigating line of fire risks (see page 13 for more details on our innovation process and funnel).

We continued to engage our workforce on safety and address key learnings in 2022. Our Board conducted two field visits to discuss our EHS culture and better understand our key EHS strategies and processes, and our asset workforce completed approximately 112,600 site safety observations and 50 leadership site visits.

We established a joint Hess and core contractor safety committee in the North Malay Basin, which is modeled after our safety committee in the Bakken, and we are continuing to enhance our existing safety committee and networks in the Gulf of Mexico. The objectives of these committees are to facilitate open communication between management, Hess employees and contractors on safety issues; collect and analyze safety observation data; identify corrective actions; and support improvement efforts.

As part of our efforts to reinforce our safety culture, each year a team or an individual who has best embodied our commitment to safety receives the CEO Award for Safety Excellence, our highest internal recognition. We also held our 14th annual Global Safety Appreciation Day (GSAD), which included the participation of all of our assets and office locations. The theme of our 2022 GSAD was learning from incidents and applying those learnings to help prevent reoccurrence. As part of the event, Hess leaders and workers discussed how to continue to improve safety performance with a focus on reducing line of fire risks. We have established enterprise level improvement actions related to occupational health and safety, process safety and release prevention and emergency preparedness and response, and we have incorporated them into our environment, health, safety and social responsibility strategy (see pages 8–9). To measure and support our safety improvement efforts, we utilize both leading and lagging indicators and include key enterprisewide safety metrics in our annual incentive plan (AIP) formula for executives and employees.

We also continued to leverage external

memberships, such as with the American Petroleum Institute (API), the American Exploration & Production Council and the Center for Offshore Safety and Marine Well Containment Company, to learn from industry peers, improve our safety performance and share lessons learned. In 2023, we rejoined IOGP, with which Hess employees have been actively engaged for many years. (See pages 29 and 32 for more details our employees' engagement with IOGP.)

### MANAGEMENT APPROACH

HOMS is our overarching framework for managing, measuring and promoting operational risk management and continuous improvement in our safety performance. Within HOMS, we have formalized and standardized many of our global EHS standards, which address key safety risk areas such as energy isolation, dropped objects and confined space entry. Further details are provided in the How We Operate section (see page 14).

Our Assurance Standard is specified in HOMS Element 13 and addresses compliance with internal requirements related to HOMS and external regulatory requirements. Our Assurance Standard applies to both operated and nonoperated assets. Although our

assurance focus for operated assets covers a broad range of activities and functions under HOMS, our focus for nonoperated assets is on process safety and major accident event (MAE) prevention. For further detail on our 2022 assurance activities, see the How We Operate section (page 14).

### OCCUPATIONAL SAFETY

Hess emphasizes a culture of ownership in occupational safety by empowering workers and giving them the responsibility to identify and mitigate potential risks relevant to their work activities.

We continue to hone our safety observation program, which underpins our safety culture by empowering workers to take an active role in protecting their safety and that of others when issues arise. In 2022, we simplified our formal behavioral safety observation program and our hazard observation program to form a single safety observation program, which enables workers to use one system to report both safe and hazardous behaviors and conditions and facilitates shared learning across the enterprise. The behavioral aspect of the program trains workers to conduct peer to peer workplace observations to identify and track unsafe and hazardous behaviors and provide immediate feedback. The hazard identification aspect of the program gives workers the tools and processes for reviewing worksites and tasks to proactively identify and address potential hazards and risks. This new safety observation program was rolled out in the Gulf of Mexico in 2022 and will be implemented at our other operated assets in 2023 and 2024.

In 2022, we continued to refine our approach to competency assurance and training (CAT) by integrating a CAT standard into HOMS to build a consistent approach across our operations. As part of its implementation, we conducted needs assessments and gap analyses between our workforces' existing competencies, central expectations and regional requirements and have since developed strategic plans to further develop our



Offshore Operations | Gulf of Thailand

workforce's technical competencies as needed. We also piloted a CAT management system in the Bakken, which we plan to implement in the Gulf of Mexico in 2023.

### Transportation Safety

Transportation safety is a central focus of our occupational safety program.

In 2022, the Hess Land Transportation Guideline was incorporated into HOMS. It addresses driver training and competency, the use of in-vehicle monitoring systems and journey management planning.

All 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; however, assets may adopt more stringent training requirements. For example, in the Bakken our driver training program was updated in 2022. The program utilizes a risk based approach in which employees' driving behavior is continuously assessed and their performance determines the type and frequency of their refresher training.

At Hess, in-vehicle monitoring systems have been installed in all company owned vehicles as well as in leased vehicles if the leased vehicles are intended to be in our fleet for longer than three months. The monitoring system automatically sends weekly assessments of employees' driving performance to their line managers, and these managers individually follow up with employees on driving behaviors, as necessary.

All Hess operated assets conduct a risk assessment every three years to identify land transportation hazards and then develop and implement a journey management procedure that addresses them. For example, in the Bakken extreme weather was identified as a hazard, so the asset's journey management procedure was updated to include requirements for training on driving in hazardous conditions.

In addition, we encourage our contractors to comply with *Land Transportation Safety Recommended Practice*, Report No. 365, published

### Safety Achievements in Malaysia

Our Malaysian operations achieved a number of safety milestones in 2022, exemplifying our commitment to a culture of safety excellence both onshore and offshore.

In August 2022, two teams representing over 1,000 employees and contractors completed platform turnarounds on time, within budget and without any major injuries – one at the North Malay Basin and one at the Malaysia-Thailand Joint Development Area (JDA). In the North Malay Basin turnaround, a team of over 500 individuals completed all scheduled maintenance and equipment swaps four days ahead of schedule. At JDA, nearly 800 workers completed all scheduled maintenance in just over 14 days, all while remaining injury free and without any COVID-19 cases offshore. When both turnarounds were successfully completed, the teams shared lessons learned regarding safety and efficiency that will benefit future turnarounds.

Two onshore supply bases that serve our offshore operations in Malaysia also achieved safety milestones – reaching 10 years without a lost time incident or recordable incident at the Hess Kemaman Supply Base and seven years at the newer Hess Tok Bali Supply Base. These are significant achievements given the number of workers, workhours and activities conducted by these supply bases – every week a team of over 100 workers transports staff and supplies to offshore platforms through approximately two to three boat trips and 10 helicopter flights. In addition, the team operating the Bergading Central Processing Platform in the North Malay Basin recently marked five years without a lost time incident, which they accomplished in the face of COVID-19 related challenges and while completing over 2 million workhours.

by the IOGP, and to adopt a similar approach to land transportation safety.

We believe this approach to land transportation safety has helped us reduce collisions per million miles traveled by over 80% from 2015 to 2022 and reduce time spent driving over speed by 87% from 2018 to 2022.

In order to continue refining our approach to land transportation safety, we participate in several industry groups and engage with other stakeholders to share best practices. A Hess representative is an active participant 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 (NETS), an employer led collaborative group that works to improve safety and health by preventing traffic accidents. We participate in NETS' annual, cross industry benchmarking of member companies' key traffic safety metrics and in 2022 achieved the lowest collision rate of all the companies that submitted data. Our Bakken asset is an active member of Vision Zero, a traffic safety

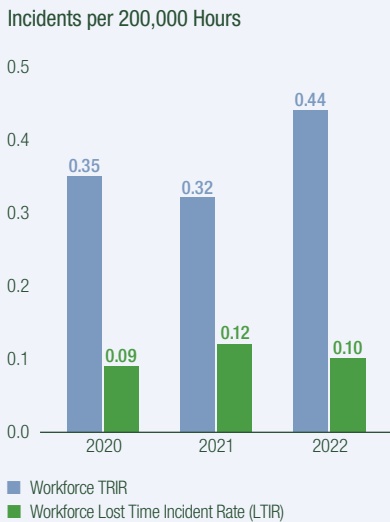
organization aiming to reduce collisions in North Dakota that includes participation by law enforcement, the state's Department of Transportation and Department of Health and the private sector. Hess is also continuing to work with the National Institute for Occupational Safety and Health on a project to better understand the role of in-vehicle monitoring to promote driver safety in the oil and gas industry.

The Hess Aviation Standard and Hess Air Transportation Procedure are being incorporated into HOMS and together form the basis of our aviation safety program. This program goes beyond national regulations in our countries of operation and strives to align with industry guidance and recommended practices, including those already established by the Helicopter Safety and Advisory Committee and IOGP. 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. Our aviation contractors have experienced no significant Hess related

### Employee and Contractor Safety Performance



### Workforce Safety Performance



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.

aviation accidents or injuries in more than 25 years; nevertheless, we continuously work with these contractors to further reduce risk and increase efficiency and reliability. In 2022, safe operations were maintained for all routine, nonroutine and medevac flights.

#### Key Performance Metrics

We had a very challenging year from a safety perspective in 2022, with two tragic contractor fatalities and increases

in our severe and significant safety incident (SSSI) rate and workforce total recordable incident rate (TRIR). After having reached a six year low in our SSSI rate in 2021, it increased by 86% in 2022. Our workforce TRIR increased by 40% compared with 2021. We experienced a 19% decrease in our lost time incident rate (LTIR), year over year.

We have been reviewing concerns and discussing common challenges with industry peers, business partners and contractors to identify lessons learned and to inform improvement efforts. As the COVID-19 pandemic has transitioned to an endemic phase, work activity levels have increased for Hess and more broadly for our industry, causing labor shortages, increases in short service employees and crew continuity challenges.

The safety performance of our contractors, who represent approximately 70% of total workforce hours on Hess sites, is critical to improving our performance and achieving our safety goals. Worker recruitment, turnover rates and crew continuity remain significant challenges for our suppliers, particularly in operational areas such as drilling, completions, well maintenance and well servicing, which rely on cohesive and experienced work crews to deliver safe operations. To support improvement in these areas, Hess leadership and teams across Hess have been collaborating with our contractors to share learnings, deploy asset specific safety improvement plans and reinforce safety expectations, culture and procedures across our operations. We have instituted measures with key suppliers to help reduce worker turnover, promote consistency in work teams and reward operational safety performance. We also added new EHS requirements to our standard contracting documents related to short service employee programs and subcontractor management practices.

#### OCCUPATIONAL HEALTH

The health of our employees and contractors is a key element of our approach to EHS.

As part of our continuous improvement and HOMS optimization efforts, we published an Industrial Hygiene Procedure for employees and contractors 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 and requirements for workplace controls and mitigations, including personal protective equipment and exposure monitors. In 2022, we conducted a baseline industrial hygiene review at the Tioga Gas Plant and the Tioga Rail Terminal and will expand monitoring in 2023.

In 2022, we developed a Fitness for Duty Procedure that provides health and fitness requirements for different jobs being performed by employees and describes how fitness for duty will be determined. In addition, this procedure formalizes our approach to fatigue management and drug and alcohol screening and requirements.

#### 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 injury, fire, explosion, toxic release or environmental impact. Our program supports our compliance with regulatory requirements including, where applicable, those of the U.S. Occupational Safety and Health Administration's Process Safety Management, the U.S. Environmental Protection Agency's Risk Management Program, and the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration.

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 the following:

- *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 limits

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 improve 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 includes barriers and safeguards that prevent or mitigate process safety events (PSEs) through detection, isolation, containment, control or emergency preparedness and response within our facilities.

We 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, tests and performance standard assurance reviews each year. In 2022, we again surpassed our target of 99% inspection and testing of ICE, with approximately 14,500 critical performance standard assurance test work orders completed. We will continue to measure compliance with planned assurance tests and corrective critical maintenance in 2023.

In 2022, we completed MAE Barrier Health Tier II Assurance reviews at our Stampede



and Tubular Bells assets in the Gulf of Mexico and across our Bakken asset. We will undertake these reviews at North Malay Basin in 2023. Findings from these reviews are managed per the HOMS Assurance requirements (see page 14).

We also maintained an electronic permit to work (ePTW) system to identify and mitigate risks prior to conducting work. This system entails engaging key personnel in planning the work and conducting risk assessments, obtaining proper authorization for the work to be carried out and notifying the person in charge of the area of the ongoing work. It also establishes a formal process for handing back the facility or equipment in a safe condition after the work is completed. The ePTW system is currently in place across our Gulf of Mexico and North Malay Basin operations, as well as at the Tioga Gas Plant. We are planning to launch a software upgrade in 2023 and will begin implementation of this system in the rest of Hess Midstream’s assets in North Dakota once the upgrade is completed.

We also continue to use our electronic management of change (eMOC) software, which we implemented fully in 2021. The eMOC software supports the HOMS requirement for effective management of planned or unplanned

changes to people, processes and equipment and drives consistency across our operations in order to improve our risk management and decision making capabilities. In 2022, we increased our use of eMOC software dashboards that track management of change execution using key performance indicators (KPIs) to support continuous improvement.

Hess has a Process Safety Network made up of our key Technical Authorities involved in the various process safety programs across the enterprise. The network serves as a forum that supports knowledge sharing, reviews process safety incidents and promotes collaboration.

**Key Performance Metrics**

Hess tracks process safety 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. Hess follows the IOGP’s Report No. 456 instead of the API’s Recommended Practice 754 because its guidance is specific to oil and gas industry operations, whereas the API’s guidance focuses only on refining and petrochemical operations.

Process Safety Events			
PSE Count	2020	2021	2022
Tier 1	0	2	2
Tier 2	19	12	16



In 2022, a Hess representative on the IOGP's Process Safety Subcommittee was tasked with updating Report No. 456 to incorporate the latest changes made to the API's Recommended Practice 754 and aligning the reporting requirements of both documents. The updated version of Report No. 456 will be published in early 2023; our 2023 process safety KPIs will reflect those updates.

In 2022, all Tier 1 and 2 PSEs were in our production operations. Compared with 2021, 2022 Tier 1 PSEs remained flat and Tier 2 events increased. We completed investigations and root cause analyses for all Tier 1 and 2 PSEs, and we 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 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 2022 AIP for employees.

## EMERGENCY PREPAREDNESS AND RESPONSE

Hess' emergency preparedness and response program, which is formalized in HOMS Element 9, outlines our approach to responding 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 response actions across our organization – from our corporate level Incident Support Team (IST) in Houston to asset level Incident Management Teams (IMTs) and facility level emergency response teams. This system also 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 at right), 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 the Environment section (pages 65–66) for organizations that support our spill response needs.

To enable external stakeholders, such as fence line neighbors and community members, to quickly contact us in case of an emergency, we post emergency numbers along the perimeter of our facilities for our onshore operated assets. For both our onshore and offshore operated assets, we include emergency numbers within response plans, which are widely shared with emergency response organizations, local officials and other relevant stakeholders.

To continue to improve our emergency preparedness and response, we conduct regular exercises, drills and trainings for our employees, contractors, mutual aid and emergency response organizations and other key stakeholders. Emergency preparedness and response exercises help define and clarify roles, responsibilities and resources. These exercises range from workshops for drafting emergency response plans to full scale exercises during which we activate our emergency response organization. In 2022, we conducted numerous exercises, including a simulated fatality exercise in the Gulf of Mexico and a simulated leak exercise at the Tioga Rail Terminal in the Bakken.

Emergency preparedness and response drills focus on equipment deployments and notifications and test components of our emergency preparedness and response plans. In equipment drills, personnel deploy

### Hess Emergency Response Organization

**IST** Incident Support Team  
HOUSTON

**IMT** Incident Management Team  
ASSET

**ERT** Emergency Response Team  
FACILITY

emergency equipment such as booms. In notification drills, personnel practice the communication protocols required in case of an emergency. In 2022, we conducted numerous drills, including fire and evacuation drills.

Trainings help us continue to develop competencies and maintain our capabilities. In 2022, we conducted numerous trainings in Houston and across our operated assets. These included training on IMT roles and responsibilities, cybersecurity threats and hurricane response and well control plans. We activated our emergency response organization four times in 2022, including for a tropical storm in the Gulf of Mexico, two contractor incidents and a produced water release from a Hess Midstream underground pipeline. See the Environment section (pages 65–66) for more information on the produced water release and our response.

Continuous improvement is an essential element of our Emergency Preparedness and Response Standard. It provides guidance for incorporating lessons learned from incidents and exercises into our preparedness planning, training and future exercises. We conduct after-action reviews for all incidents, drills and exercises and develop improvement actions that are assigned to individuals with specific due dates and tracked in our internal incident reporting system.

We also are members of a number of industry associations and participate in related events to share lessons learned and best practices. In 2022, Hess representatives presented at the Clean Gulf Conference and Clean Waterways Conference to discuss overall emergency preparedness and the importance of a unified command.

Although our emergency response efforts focused less on COVID-19 in 2022, we continued to manage our response as needed but concentrated more on future pandemic preparedness. As part of this effort, Hess is collaborating with API to develop a robust pandemic response plan to help ensure appropriate systems and programs are in place should a similar emergency occur in the future.

## CONTRACTOR MANAGEMENT

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

Our approach to managing contractors – from prequalification to ongoing engagement to assurance – is formalized in HOMS Element 6. In support of this, we implemented a Supply Chain Management Standard for our operated assets in 2022, and we are developing new procedures that enhance our practices for monitoring and managing contractor performance.

We use a recognized industry safety database to standardize our prequalification processes across multiple sites for our U.S. operations. This database enables us to clearly communicate safety requirements and expectations to our prospective contractors and share information efficiently. It also enables us to track whether prospective contractors have completed the safety training and certifications required to work at our locations.

For higher risk prospective contractors, we have expanded requirements for prequalification. If a prospective contractor receives a grade that does not meet our requirements on EHS criteria, the Hess asset vice president must endorse a performance improvement action plan before that prospective 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 prospective contractor who has not completed the prequalification process or who has received an unsatisfactory EHS grade, the Hess asset vice president must approve the use of the prospective contractor, and asset management must provide increased oversight.

After prequalification and upon selecting a contractor for a scope of work, we use a standard contract that includes obligations for our contractors to follow safety requirements and programs that meet Hess' expectations, to ensure that all of their subcontractors performing work on a Hess site comply with these requirements and to provide appropriate assurance on those subcontractors. We audit our

contractors through annual management system reviews, desktop reviews and field verification to confirm compliance with contract obligations, including applicable Hess EHS requirements; contractor EHS requirements; local, state and federal requirements; and industry standards and best practices.

In 2022, we conducted a comprehensive review of our standard contractual exhibits related to EHS and revised some EHS requirements in response to lessons learned from near miss events and incidents. These revisions include new requirements related to short service employee programs, lone worker policies, subcontractor management practices and heavy equipment movement practices. These revised contractual exhibits will be used moving forward.

Where not otherwise required by applicable regulation, we are working to further develop a “bridging” process for higher risk, in-scope contractors using a standard bridging philosophy and methodology to support alignment of Hess' and our contractors' safety management systems. This process, in turn, helps define responsibilities and expectations as specific work activities commence.

We continue to enhance engagement with our contractors in safety and other key performance areas (see page 27). We conduct routine engagements with our strategic and core suppliers at the most senior levels of the organization. In the Bakken and North Malay Basin, we include contractor company leaders and frontline workers in our safety steering committees, which underpins our shared responsibility with contractors to create a culture that fosters open communication and continuous learning and improvement. We also included contractors in our safety culture surveys in the Bakken and North Malay Basin in 2021 – and plan to include them in future safety culture surveys at our assets – to better understand their views on the current state and performance of our safety programs.

In 2022, we expanded Hess sponsored frontline safety leadership training to include core contractors.



# Our People

Hess' success as a company depends on our people. Our human capital strategy, which is guided by the Hess Values and led by Hess' executive leadership and our Board of Directors, aims to attract, engage and retain the very best talent so that we remain a high performing organization.

We aim to create a positive workplace experience – what we call Life at Hess – to be fulfilling and rewarding for a multigenerational and demographically diverse workforce. That experience is brought to life through thoughtfully curated and managed programs, policies and practices that encompass continuous learning and development; diversity, equity and inclusion (DEI); community volunteering; flexible working; wellness; and Lean and technological innovations. We believe our focus on the unique Life at Hess experience is essential to unlocking our employees' discretionary effort, which is required for us to be an industry leading enterprise on a sustained basis.

## EMPLOYEE DEMOGRAPHICS

Hess started 2022 with 1,545 employees and finished the year with 1,623 employees, 1,476, or 91%, of whom were in the U.S. and 147, or 9%, in Malaysia. The percentage of employees who are local nationals in Malaysia increased from 92% in 2021 to 93% in 2022.

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 and as part of our commitment to DEI. In 2022, the percentage of women among global employees remained stable at 27%. People of color accounted for 25% of our U.S. employees, a year over year increase of 4%. Women and people of color together accounted for 47% of new U.S. hires, down from 55% in 2021.

## DIVERSITY, EQUITY AND INCLUSION

DEI is an essential element of Life at Hess. For us, DEI is about creating an environment in which everyone can fully contribute to our company's strategic priorities.

Our expectations for a diverse and inclusive workplace and a company culture of mutual respect and trust are outlined in our Code of Business Conduct and Ethics (Code of Conduct). They are also reflected in our Equal Employment Opportunity, Harassment Free Workplace, Human Rights and other Human Resources policies and are reinforced with employees at every level of our company through training.

In 2022, our CEO signed the CEO Action for Diversity and Inclusion pledge, which is the largest CEO driven business commitment to advance diversity and inclusion in the workplace. The pledge includes a commitment to cultivate an environment that supports open dialogue on DEI, to implement and expand unconscious bias training, to share DEI

best practices and to engage with our Board on our DEI strategy – all of which we continue to progress.

Our DEI Council, composed of the executive sponsors of our employee resource groups (ERGs) and other Hess executives, provides leadership direction to help steer and advance our DEI strategy while helping ensure alignment with business priorities. Our DEI Council also monitors and evaluates progress and trends in the areas of workforce diversity and employment activity, ERGs, inclusion, culture and DEI programs and partnerships. Our Board of Directors helps guide and review our DEI efforts and receives updates at least annually.

Our vision is to power a culture of DEI that generates innovation and exceptional performance and positively impacts our communities now and into the future. To support our vision, we have identified strategic priorities related to DEI (see page 12).

In 2022, we took a number of actions to advance DEI in recruitment, career development, succession planning and benefit offerings. We also engaged with a range of external organizations and initiatives on DEI.

Hess was recognized externally for our DEI efforts from independent rating organizations, which helps us benchmark against other companies and identify areas for improvement. For example, we were included in the 2022 Bloomberg Gender-Equality Index, which tracks and reports public companies' performance on gender equality and representation and related disclosures. In addition, we earned a 100% score on the 2022 Human Rights Campaign's Corporate Equality Index, which evaluates the largest U.S. businesses on inclusive and equitable LGBTQ practices.

### 2022 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	31	5	16	31	6	19
First and Mid Level Managers	401	93	23	346	76	22
Professionals	840	281	33	760	236	31
Other	351	62	18	347	55	16
<b>Total</b>	<b>1,623</b>	<b>441</b>	<b>27</b>	<b>1,484</b>	<b>373</b>	<b>25</b>

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

**TALENT MANAGEMENT**

**Recruitment and Outreach**

We target the best people with our recruitment efforts.

Dedicated campus teams help attract students from leading engineering programs, such as those at the University of Texas, Texas A&M and the Colorado School of Mines. Hess also partners with the American Petroleum Institute (API) to attract qualified students who might not otherwise consider a career in the oil and gas industry.

In 2022, we continued to expand our efforts to recruit job candidates from more diverse pools for roles at all levels, which is aided by our enhanced job posting policy and practices. We continued to use HireVue recruiting technology to reach a larger talent pool; expand outreach at historically Black colleges and universities; and connect with professional organizations such as the Professional Diversity Network, DirectEmployers, the National Society of Black Engineers, the Society of Hispanic Professional Engineers and the Society of Women Engineers.

Hess welcomed five high school interns from diverse backgrounds as part of our continued participation in the Genesys Works program. We also partnered with the National GEM Consortium to support diverse talent in science, technology, engineering and math at the master’s and doctoral levels and with the Jackie Robinson Foundation to fund college scholarships and provide three internships in 2022 (see Local Program Highlights on page 25).

**Career Development, Training and Succession Planning**

Hess emphasizes development so that our employees have meaningful opportunities and a clear career path. In 2022, we facilitated opportunities for 26% of employees, including 272 internal promotions – 30% of which were women and 23% of which were people of color – and 144 internal moves.

We champion a development approach in which employees create individual

development plans that help guide them in achieving their goals through building their capabilities and maximizing their potential career opportunities.

Our onboarding and orientation program – known as Passport to Hess – is designed to facilitate a smooth transition and give managers tools to help new employees integrate into their teams. Passport to Hess includes a structured, on-demand learning program that explains our culture and the Hess Values. It includes required training modules on topics such as the Hess Code of Conduct and unconscious bias in the workplace.

Our enterprisewide learning management system, CareerManager Learning, serves as a repository of Hess trainings, automatically assigns to employees required courses and modules on topics such as anti-harassment and cybersecurity, tracks employee training and measures effectiveness. In 2022, the average number of training hours per employee was 5.4, excluding required compliance training.

In 2022, we piloted Inclusive Leadership training to help leaders be more effective in an increasingly dynamic, diverse and complex environment. The training will be expanded to include all people managers by the end of 2024.

We continued to offer our Foundation Program to recruit college graduates and jump start their careers. Currently, 26 early career engineers and geoscientists benefit from focused training, mentoring and on-the-job assignments at Hess. The diversity of participants in the program continues to increase, and at the end of 2022, 85% were women or people of color.

In North Dakota, Hess continued to support the Job Experience Training (JET) apprenticeship program, which

we developed in collaboration with Bismarck State College in 2017. Since its launch, 38 apprentices have entered the JET program, 22 have completed the apprenticeship and 18 have become Hess employees.

We also continued our education assistance program for employees, providing reimbursement for undergraduate or graduate tuition for eligible and approved programs, with a maximum benefit of \$25,000 for undergraduate studies and \$40,000 for graduate studies. In 2022, 45 employees took advantage of this benefit.

**BENEFITS AND COMPENSATION**

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.

In the U.S., we perform a pay equity evaluation process based on gender and race, partnering with third party experts to create governance and utilize best in class analytics with a statistically based methodology. We create substantially similar groups in terms of job content, such as duties, conditions and responsibilities, while also utilizing a consistent set of controls such as salary grade, salary structure, time in role and relevant experience. We then run the base salary analysis within specific groups by gender and by race. If any outliers are discovered, we review and implement timely remediations, where appropriate. Due to the number of factors included in our analysis, some year to year variability can be expected in the results.

The result of the 2022 analysis, including associated remediations, is an adjusted pay gap (see table below).

	Women vs. Men	People of Color* vs. White
<b>Adjusted Pay Gap, U.S.</b>	Women earn 101.1¢ for every \$1 earned by comparable men	People of color earn 99.1¢ for every \$1 earned by the comparable majority

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

In 2022, Hess took action to mitigate the disproportionate impact of rising inflation on U.S. hourly employees and salaried employees at lower job grades by providing a modest salary increase and lump sum payment out of cycle. We also kept all U.S. employees' 2023 benefit costs for medical and dental coverage the same as 2022, absorbing the cost of annual increases.

We provided approximately \$104 million in benefits to our U.S. employees and their families in 2022, which included equitable benefits for LGBTQ employees. We maintained our policy of awarding stock to new employees so that all employees are Hess shareholders and support our long term success. We continued our wellness program for employees and their spouses and partners. We contributed to our employees' Health Savings Accounts and offered employees an additional contribution if they participated in a wellness program throughout the year. We enriched dental coverage, expanded coverage for telehealth visits and added more digital care options with Hinge Health physical therapy and Livongo diabetes management. We added inclusive care health coverage, travel expense benefits and concierge care for both cancer and heart disease. Hospital indemnity insurance, coverage for legal needs and pet insurance discounts were also added to our voluntary benefit programs.



See an overview of our benefits at [hessbenefits.com](https://hessbenefits.com)

## ENGAGEMENT

We engage employees to better understand their needs, optimize their experience and help shape how they feel about their work and workplace. We also create opportunities for employees to make a difference in the community as Hess Force volunteers and through charitable giving.

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 through our internal communication and social networking channel, Workplace. During 2022, our CEO and our President and Chief Operating Officer hosted five town hall webcasts and three Q&A sessions.

We expanded the use of Workplace as part of our engagement with employees online. Approximately 92% of employees now use the platform to interact 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.

Hess leaders – including members of our senior operating committee – participated in Hess VOICES listening sessions with veterans to understand their experiences in society and at our company. Leaders also conducted field visits to our worksites and engaged employees to better assess the specific challenges they face.

Hess is committed to building an inclusive work environment. Our six affinity based ERGs sponsored companywide events, such as hosting external speakers to spread awareness on relevant topics, and facilitated employee led discussions on individuals' experiences. In 2022, we also established a cross cultural ERG comprising the leaders of the other affinity based ERGs to create synergies, enable collaboration and eliminate duplication between the ERGs.

In 2022, we also launched Kudos+, an enhancement to Kudos, our existing recognition program where we celebrate our people for the many things they do every day. The enhanced system allows for peer-to-peer recognition to reinforce Hess values and strategic initiatives. We approved more than 8,000 Kudos+ awards in 2022 that included peer-to-peer recognitions and service anniversaries. As part of each award, employees are given points that they can redeem for electronics, clothes, sports and recreation equipment and much more.

In 2022, we conducted a companywide Life at Hess survey to assess employees' experience across 24 aspects of culture such as leadership, communication, work-life balance and career growth. More than 80% of employees responded to the survey and scored Hess above the third party external benchmark in 13 aspects and at the benchmark in five. Action plans were built based on the findings and will be implemented throughout 2023.

We support our employees in their efforts to volunteer and donate to charities in the communities where we live and work. Our Volunteer Policy allows for employees to participate in company sponsored events during business hours. In 2022, our workforce spent approximately 2,000 hours volunteering.

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. During the 2022 Season of Giving Campaign, the company match increased to 1:1.5, and the campaign generated over \$700,000 from employee donations and company matching gifts. Our employee and matching gifts totaled approximately \$1.3 million in 2022.

Hess employees take leadership roles with third party organizations helping to improve life in our communities, including One Houston Together, Disability:IN, the Texas Diversity Council, the Energy Diversity & Inclusion Council, the DEI Subcommittee of API, the Greater Houston LGBT Chamber of Commerce, the Greater Houston Partnership's Houston DiverseCity Summit, the Society of Women Engineers, the Veteran Jobs Mission, the Women's Energy Network (WEN), WEN's Young Women Energized and Lean In Energy. We are also a member of the Human Rights Campaign's Business Coalition for the Equality Act, an organization that supports pending U.S. legislation to provide the same basic protections for LGBTQ people that are provided to other protected groups under federal law.





# Climate Change and Energy

## Hess' Climate Change Position

We support the Paris Agreement's aim to limit global average temperature rise to well below 2°C and have made a commitment to achieve net zero Scope 1 and 2 greenhouse gas (GHG) emissions on an equity basis by 2050. We believe climate risks can and should be addressed while at the same time meeting the growing demand for affordable, reliable 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 as an economically efficient method to encourage the investments needed to accelerate decarbonization across all sectors of the economy while keeping energy affordable and secure. 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.

Our company's strategy is focused on high return resource growth, low cost of supply and industry leading cash flow while maintaining leadership in sustainability. Our climate strategy is closely aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and its implementation is led by senior members of our leadership team with oversight by our Board of Directors. Our Low Carbon Transition Framework details how we are addressing climate related risks, opportunities and actions in the areas of governance, strategy, risk management and metrics and targets consistent with the TCFD's October 2021 guidance.

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, composed of independent directors, has a mandate to identify, evaluate, monitor and report to the full Board on climate change issues, trends, risks and opportunities. The EHS 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 has been leading development of our plan to achieve net zero Scope 1 and 2 emissions on an equity basis by 2050. Furthermore, the Board's Compensation and Management Development Committee has linked 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 Paris Agreement's aim to limit global average temperature rise to well below 2°C. Our

Board and senior leadership have set aggressive interim GHG reduction targets to drive these actions and to support our goal to reach net zero emissions. In addition to our ongoing emissions reduction efforts, and as an important part of our net zero commitment, Hess has agreed to purchase high quality, independently verified REDD+ (reducing emissions from deforestation and degradation) carbon credits for a minimum of \$750 million between 2022 and 2032 directly from the government of Guyana. Protecting the world's forests and the important role they play as natural carbon sinks is foundational to the Paris Agreement's aim of limiting the global average temperature rise to well below 2°C and was one of the major commitments made at the 26th United Nations Climate Change Conference of the Parties (COP26) climate summit.

We offset 100% of the indirect Scope 2 emissions from our purchased electricity through the purchase of renewable energy certificates.

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.

We account for the cost of carbon in significant capital investment decisions. We conduct scenario planning that includes scenarios developed by the International Energy Agency (IEA) to test the resilience of Hess' portfolio against a range of environmental policies and market conditions in a lower carbon economy. 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 2023, we tested Hess' portfolio under three IEA scenarios, the Stated Policies Scenario (STEPS), the Announced Pledges Scenario (APS) and the Net Zero Emissions by 2050 Scenario (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 APS. Under the NZE, a normative scenario that reflects a narrow pathway for the global energy sector to achieve net zero emissions by 2050, we could still monetize the majority of our reserves. We also consider potential physical risks associated with climate change, such as heat stress, flooding, increased severity of storms and drought, for new projects and existing operations.

Hess' strategic priorities – to grow our resource base, deliver a low cost of supply and generate industry leading cash flow growth while maintaining our industry leadership in environmental, social and governance performance and disclosure – are aligned with the energy transition needed to achieve the IEA's APS 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 TCFD provides a universal framework to communicate companies' responses to the physical 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 October 2021 guidance, which contains recommendations to evaluate the potential impacts of climate change related risks

and opportunities on our company's operations, strategy and financial planning. 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 the details of this framework as we refine our plan to achieve net zero Scope 1 and 2 equity emissions by 2050.

Hess' Low Carbon Transition Framework	
Governance — Key Disclosures and Actions	References
<p><b>Board Oversight of Climate Related Risks and Opportunities</b></p> <p><i>Approval:</i> Hess' climate related actions and targets are reviewed and approved by senior leadership, 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><b>Management's Role in Assessing and Managing Climate Related Risks and Opportunities</b></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"> <li>Our Vice President of EHS monitors monthly progress toward various elements of Hess' climate strategy, including progress toward our shorter and longer term goals.</li> <li>Greenhouse gas (GHG) emissions and production data are collected, monitored and reported through various data management systems, enabling Hess asset and business function leaders to track progress toward GHG performance targets.</li> <li>Each asset revisits its GHG emissions and production forecast for the life of its assets on an annual basis, or more frequently if necessary.</li> <li>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.</li> </ul> <p><i>Accountability:</i></p> <ul style="list-style-type: none"> <li>Our CEO has broad oversight of climate related issues.</li> <li>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.</li> <li>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.</li> </ul> <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&amp;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, 44 2022 Form 10-K, page 25 EHS Committee Charter</p> <p>2023 Proxy, page 27 Pages 11–13, 16–17, 39–61</p> <p>Pages 11, 39, 44</p> <p>Pages 43, 50–61</p> <p>Page 72</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><b>Short Term Strategy (2022–2025)</b></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"> <li>Endorse the World Bank's Zero Routine Flaring by 2030 Initiative, with a commitment to end routine flaring from our operations by the end of 2025</li> <li>Set annual targets to support our 2025 GHG, methane and flaring objectives (e.g., Bakken routine flaring intensity reduction target) and 2050 net zero emissions commitment</li> <li>Purchase renewable energy certificates (RECs) to address 100% of our Scope 2 emissions from purchased electricity and carbon offsets to mitigate 100% of our business travel related Scope 3 emissions</li> <li>Apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations and continue to explore additional opportunities to do so</li> <li>Work with government and industry partners to advance the development of a range of low GHG emissions pathways and technological advancements</li> <li>Invest in innovative research and scientific solutions to mitigate climate change on a societal level</li> </ul> <p><b>Medium Term Strategy (2026–2032)</b></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"> <li>Set interim targets to continue reducing our carbon footprint in support of longer term objectives</li> <li>Utilize carbon credits and RECs to address the Scope 1 and 2 GHG emissions that we are otherwise not able to practically reduce or eliminate</li> <li>Engage joint venture companies on their climate strategies, plans and targets for our nonoperated assets</li> <li>Continue to evaluate opportunities to apply technological innovation and efficiency to decrease energy use and GHG emissions across our operations; work with joint venturers 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</li> </ul> <p><b>Long Term Strategy (2033+)</b></p> <p>Our long term strategy (10+ years) primarily addresses 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.</p> <ul style="list-style-type: none"> <li>Continue to refine our plan to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050</li> <li>Continue to examine 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 use of carbon credits</li> </ul>	<p>Pages 50–54</p>

## Hess' Low Carbon Transition Framework, continued

Risk Management — Key Disclosures and Actions	References
<p>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.</p> <p>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.</p> <p><b>Energy Transition Risks</b></p> <p>Hess examines energy transition risks, which are risks associated with the rate of change in policy actions, technologies and market conditions aimed at emissions reductions, energy efficiencies, subsidies or taxes, along with potential sources of reputational risk, associated with climate related objectives.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Results of our annual scenario based carbon asset risk assessment are published in our sustainability report.</li> <li>• Our annual scenario analysis is verified against our internal scenario analysis guidance by a third party.</li> <li>• We regularly review emerging legal and regulatory climate related issues.</li> <li>• We engage with policy makers to monitor and understand regulatory developments.</li> <li>• Our innovation team monitors the latest technological advancements and advises our operations teams on technological solutions to reduce process emissions where practical.</li> <li>• We monitor potential reputational risks on an ongoing basis, including through RepRisk, a global data science company focused on due diligence of material environmental, social and governance risks.</li> </ul> <p><b>Physical Risks</b></p> <p>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.</p> <ul style="list-style-type: none"> <li>• We examine the risk exposure of our assets under the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) scenarios RCP 8.5, RCP 4.5 and RCP 2.6.</li> <li>• We incorporate mitigations that address changing storm magnitude into the design of our facilities, where appropriate.</li> <li>• We maintain severe weather and business continuity plans, along with insurance coverage for physical damage to property and liability related to windstorms.</li> <li>• We maintain asset and company level emergency response teams and conduct training and exercises against our plans.</li> <li>• We assess how climate change may impact water availability and water stress in areas where we operate.</li> </ul>	<p>Pages 12–13, 44–50</p> <p>Pages 44–50 2022 Form 10-K, pages 18–22</p> <p>Pages 44–45 2022 Form 10-K, pages 18–22</p>
Metrics and Targets — Key Disclosures and Actions	References
<p>The TCFD's October 2021 guidance document, <i>Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures</i>, defines seven categories of cross industry climate related metrics that companies should disclose in their sustainability reports. We have defined and addressed these metrics in this sustainability report. We have also defined the time frames for our climate related targets in line with our short, medium and long term strategies, as detailed below.</p> <p><b>TCFD Cross Industry Climate Related Metrics</b></p> <ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon price(s)</li> <li>• Remuneration</li> <li>• Transition risks</li> <li>• Physical risks</li> <li>• Capital deployment</li> <li>• Climate related opportunities</li> </ul> <p><b>Hess Short Term Climate Related Targets (2022–2025)</b></p> <ul style="list-style-type: none"> <li>• Reduce Bakken operations' routine flaring rate to 5% in 2022</li> <li>• Reduce Bakken operations' routine flaring rate to 3% in 2023</li> <li>• Reduce the GHG emissions intensity of our operated assets to 17 kilograms carbon dioxide equivalent per barrel of oil equivalent by the end of 2025</li> <li>• Reduce the methane emissions intensity of our operated assets to 0.19% by the end of 2025</li> <li>• Achieve zero routine flaring at our operated assets by the end of 2025</li> </ul> <p><b>Hess Medium Term Climate Related Targets (2026–2032)</b></p> <p>A medium term target is under consideration by the executive led task force responsible for our climate strategy</p> <p><b>Hess Long Term Climate Related Targets (2033+)</b></p> <p>Achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050</p>	<p>Pages 50–51</p> <p>Pages 50–54</p> <p>Pages 50–54</p> <p>Pages 50–54</p>

**EXTERNAL ENGAGEMENT AND COMMITMENTS**

Hess' climate strategy and disclosures, which are continuously evolving, are informed by our voluntary external engagements and initiatives. We have taken a leading position in a number of climate related initiatives that address emissions reductions and measurement and reporting, including the ONE Future Coalition (ONE Future) and The Environmental Partnership (The Partnership), and have contributed to the pursuit of technological innovation for enhanced leak detection and prevention through organizations like the Intelligent Pipeline Integrity Program (iPIPE) in North Dakota. We collaborate with peers through our trade associations to share best practices, review and develop reporting guidance, promote standardization of reporting and support engagement on regulatory policies in development (see pages 16–17). We endorse voluntary initiatives such as the World Bank Zero Routine Flaring by 2030 Initiative (ZRF) and the Global Methane Pledge to reduce methane emissions by 30% below 2020 levels by 2030 (see pages 56 and 60). We engage with key stakeholders, including government agencies, investors, private landowners and communities, on issues such as climate change and consider their feedback when reviewing enhancements to our annual reporting.

**ONE Future**

ONE Future, which Hess and seven other companies founded in 2014, is 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 2022, ONE Future membership had grown to 55 companies.

ONE Future offers a performance based, flexible approach that is expected to yield significant reductions in methane emissions, and its measurement protocol has been approved by the U.S.

Environmental Protection Agency (EPA). ONE Future requires new members to agree that they will work to reduce their methane emissions and collaborate with other ONE Future members to collectively help the supply chain drive down methane emissions. Hess' Director for Sustainability and Reporting has been on the ONE Future board of directors since 2014, providing guidance on and oversight over the program's initiatives and direction. Since ONE Future's inception, Hess has regularly participated in meetings and conferences held by ONE Future to further the organization's goals, reported our performance metrics to ONE Future and contributed to both versions of the ONE Future methane intensity protocol.

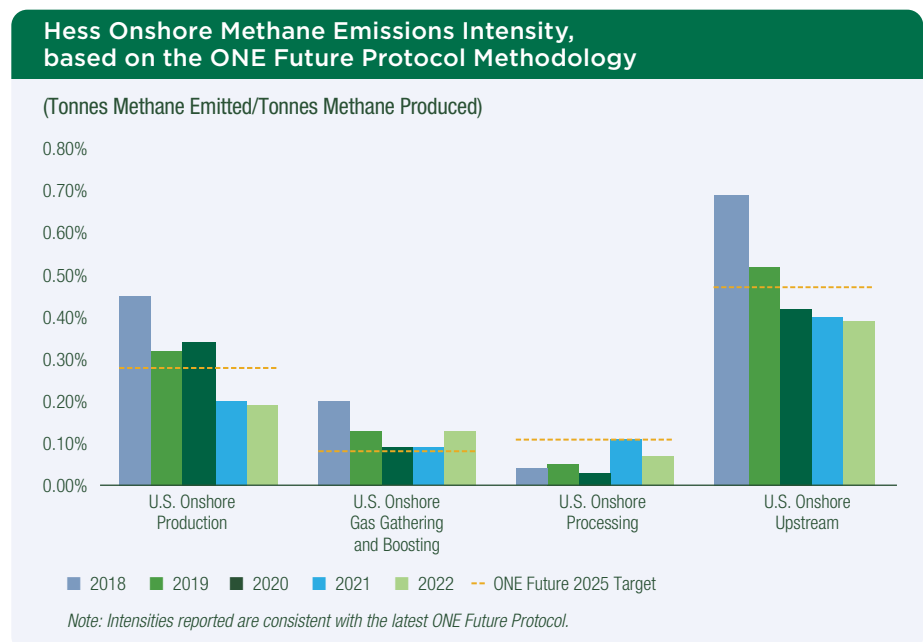
The goal of ONE Future is to voluntarily lower methane emissions to less than 1% of gross methane production across the U.S. natural gas value chain by 2025. Peer reviewed analyses indicate that a leak/loss rate of 1% or less across the U.S. natural gas value chain provides immediate greenhouse gas (GHG) reduction benefits. To achieve this goal, ONE Future has established 2025 methane emissions rate targets for each sector of the natural gas value chain, as shown in the chart below. In 2021, the ONE Future members' overall methane emissions intensity was 0.46% across the U.S. natural gas value chain compared with the ONE Future goal of 1%. ONE Future's 2022 progress report

will be published later this year.

In 2022, Hess' U.S. methane intensity, based on the ONE Future Protocol, was 0.39%, 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 leak detection and repair (LDAR) program across all of our North Dakota production facilities and our phaseout of high bleed pneumatic controllers.

**The Environmental Partnership**

We are founding participants in The Partnership, which aims to progress actions to reduce air emissions associated with natural gas and oil production through adoption and promotion of industry best practices. 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 actions to reduce air emissions associated with natural gas and oil production. The Partnership has initiated six Environmental 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 and optical gas imaging cameras.
- *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.
- *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, 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.



Production Operations | North Dakota

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

### Intelligent Pipeline Integrity Program

Hess continues active involvement in iPIPE, a collaboration of oil and gas operators and the University of North Dakota's Energy and Environmental Research Center, which aims to review advanced technologies that enhance pipeline integrity efforts (including remote emissions monitoring by drones). Hess works with iPIPE members to review a range of technologies and choose a few for additional investment and testing. We will continue to test the effectiveness of these systems compared with our current standard optical gas imaging camera based LDAR systems, maintaining our current LDAR practices until remote

sensing systems are further improved and accepted as regulatory or industry best practice.

### Disclosure

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 73). In 2022, Hess once again achieved a Level 4 strategic assessment rating on a 1–4 scale 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 those of the TCFD. We also achieved leadership status in CDP's 2022 Global Climate Analysis, a position we have held for 14 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 2022 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://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 considered when making strategic decisions.

The Board's 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 that 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 and one site visit in 2022. Two of the meetings were focused on climate change related issues and strategic initiatives, including review of external drivers for strategy and reporting and prioritization of 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 composed 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 ZRF initiative, our commitment to achieving zero routine flaring from our operated assets by the end of 2025, our carbon credits agreement with the government of Guyana and our plan to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050. 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. In 2022, the EHS component of the total AIP metric was 20%. Our climate related AIP target, which was included as part of the EHS component, accounted for 5% of the total AIP metric.



Access our 2022 Proxy Statement at [investors.hess.com/Financial-Information/SEC-Filings](https://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 (CO<sub>2</sub>) 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. Our planning guidance directs evaluations for all significant investment decisions to include sensitivities using the IEA's carbon pricing in one of its more stringent scenarios from the 2022 *World Energy Outlook* (2022 WEO), the APS.

## 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 climate related risks could have on our business. Risks are considered significant when the potential financial impact is greater than \$100 million and

the likelihood of occurrence is medium or higher (based on a number of risk categories). We track all identified risks on an integrated risk register that catalogs actions for managing or mitigating each risk. Our ERM framework enables Hess' Board of Directors and executive leadership to strengthen consistency of risk considerations 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.

The October 2021 TCFD guidance recommends that companies provide investors and other stakeholders with an understanding of how an organization's climate related risks are identified, assessed and managed and whether those processes are integrated into an existing risk management process. As recommended, we have categorized these risks into two categories, as follows:

- *Transition risks*, which are associated with the rate of change in policy actions, technologies or market conditions aimed at emissions reductions, energy efficiencies, subsidies or taxes, along with potential sources of reputational risk, associated with climate related objectives
- *Physical risks* due to increased severity of storms, droughts and flooding, for both new projects and existing operations, which includes assessing how climate change may impact water availability and water stress in the areas we operate using the World Resources Institute's (WRI) Aqueduct Tool (see pages 63–64)

The table on the following page provides a summary of the key climate related risks that Hess has identified, assessed and managed through our ERM process.

Further detail on our approach to monitoring reputational and physical risks, including results of our most recent assessments from 2022, is available at [www.hess.com/sustainability/climate-change-energy/reputational-physical-risk](https://www.hess.com/sustainability/climate-change-energy/reputational-physical-risk).

## Hess Risk Mitigation Strategies by TCFD Risk Type

TCFD Risk Type	Risk Description (Examples)	Potential Time Horizon	Potential Financial Impact	Hess Risk Mitigation Strategies
<b>Energy Transition Risks</b>				
<b>Market</b>	<ul style="list-style-type: none"> <li>Price volatility</li> <li>Demand degradation</li> <li>Stranded reserves</li> </ul>	Short, medium and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Incorporate carbon risk scenario analysis into our business planning cycle annually to test the resilience of our portfolio against various alternative views of future market conditions, including evaluation of the most ambitious IEA GHG reduction scenarios, where sufficient public data is available to conduct modeling.</li> <li>Publish results of our annual scenario based carbon asset risk assessment in our sustainability report.</li> <li>Engage a third party to verify our annual scenario analysis against our internal scenario analysis guidance.</li> </ul>
<b>Policy and Legal</b>	<ul style="list-style-type: none"> <li>Changes in regulations</li> <li>Changes in national policies</li> <li>Changes in tax programs</li> <li>Exposure to litigation</li> </ul>	Short and medium term	Increased operating costs and increased capital expenditures	<ul style="list-style-type: none"> <li>Regularly review emerging legal and regulatory issues.</li> <li>Engage with policy makers.</li> <li>Support transparent carbon pricing.</li> <li>Engage in voluntary emissions reduction programs to reduce the need for additional regulation.</li> </ul>
<b>Technology</b>	<ul style="list-style-type: none"> <li>Step changes in technologies that accelerate the transition away from oil and gas</li> </ul>	Medium and long term	Decreased revenue	<ul style="list-style-type: none"> <li>Apply technological solutions to reduce process emissions (e.g., carbon capture and sequestration).</li> <li>Enhance energy efficiency.</li> <li>Work with key external stakeholders to keep abreast of the latest technological advancements.</li> <li>Consider selective new investments such as gas reinjection.</li> <li>Fund innovation with the potential to mitigate societal emissions.</li> </ul>
<b>Reputation</b>	<p>TCFD's three categories:</p> <ul style="list-style-type: none"> <li>Shifts in consumer preferences</li> <li>Stigmatization of oil sector</li> <li>Increased stakeholder concern or negative shareholder feedback</li> </ul>	Medium and long term	Increased cost of capital	<ul style="list-style-type: none"> <li>Conduct an exercise using a capital asset pricing model to measure potential impacts to Hess' market valuation from changes in corporate reputation driven by climate change related risks (conducted in 2019, the exercise did not produce a statistically significant result).</li> <li>Monitor Hess' environmental, social and governance (ESG) risk exposure ratings published by RepRisk.</li> <li>Continue to monitor and mitigate our exposure to reputational risk through our ERM process.</li> </ul>
<b>Physical Risks</b>				
<b>Acute</b>	<p>Increased severity of extreme weather events, such as:</p> <ul style="list-style-type: none"> <li>Hurricanes and tropical storms</li> <li>Severe temperature changes</li> <li>Seasonal droughts</li> </ul>	Short, medium and long term	Decreased revenue and increased operating costs	<ul style="list-style-type: none"> <li>Look at the risk exposure of our assets under the various IPCC Representative Commitment Pathway (RCP) scenarios from the IPCC's Assessment Report 5 (AR5) and AR6, including RCP 8.5 (4.3°C increase by 2100), RCP 4.5 (2.4°C increase by 2100) and RCP 2.6 (1.6°C increase by 2100).</li> <li>Maintain severe weather and business continuity plans, along with insurance coverage for physical property damage and liability related coverage for selective assets related to negative environmental effects from sudden and accidental pollution events.</li> <li>Maintain asset and company level emergency response teams and conduct training and exercises against our plans.</li> </ul>
<b>Chronic</b>	<ul style="list-style-type: none"> <li>Changes in weather patterns</li> <li>Changes in water availability</li> <li>Rising sea levels</li> <li>Changes in biodiversity and species listings</li> </ul>	Medium and long term	Decreased revenue, increased operating and capital expenditures	<ul style="list-style-type: none"> <li>Look at the risk exposure of our assets under the various IPCC RCP scenarios as detailed above. These climate related risk assessments, which inform our wider ERM process on potential climate impacts, 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. 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.</li> <li>Incorporate mitigations that address changing storm magnitudes into the design of our facilities, where appropriate.</li> <li>Assess how climate change may impact water availability and water stress in areas where we operate.</li> <li>Conduct formal environmental and social impact assessments (ESIAs) on major capital projects that include biodiversity and cultural heritage baseline and field studies and identify species on the International Union for Conservation of Nature Red List.</li> <li>Use the results of ESIAs to create avoidance or mitigation strategies, where appropriate.</li> <li>Have personnel use the Hess-created threatened and endangered species field guides during their field activities.</li> </ul>

### Carbon Asset Risk Assessment

Hess conducts an annual scenario planning exercise to assess portfolio resilience over the longer term in order to help understand 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. This scenario based approach enables 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 policy makers with respect to GHG emissions.

Hess has chosen to model the three key scenarios detailed in the 2022 WEO against our own internal base planning case. This is in accordance with the TCFD’s recommended transparency around key parameters, assumptions and analytical choices. The TCFD recommends that organizations use at least one scenario in 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 APS and NZE,

which are included in the 2022 WEO and are part of Hess’ modeling, fit with this recommendation.

### Considerations for Carbon Risk Scenario Assessment

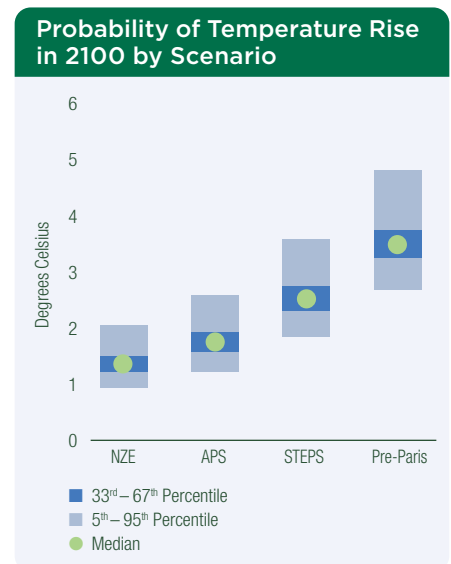
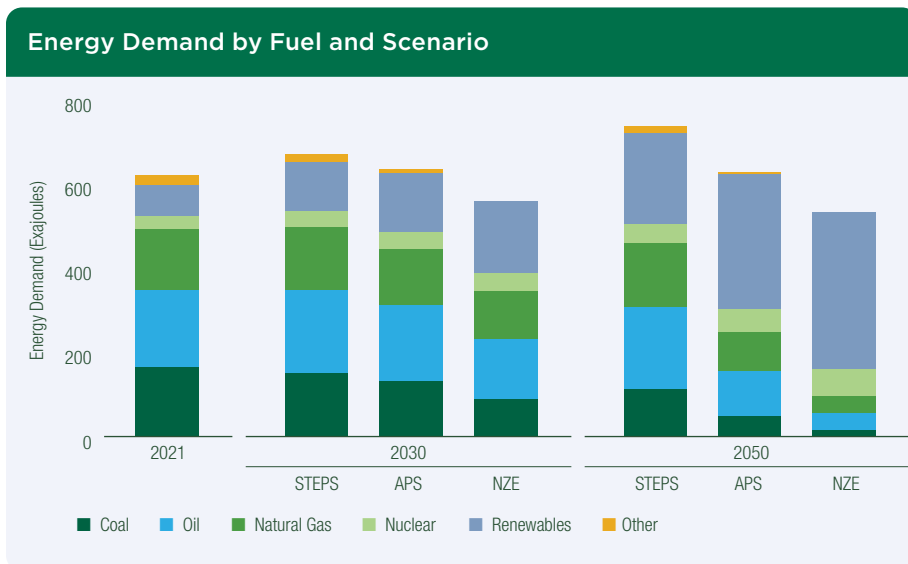
To evaluate the potential exposure of our portfolio in a carbon constrained future, we begin by considering the long range outlook for energy supply and demand, as well as for oil, natural gas and carbon prices. We use the 2022 WEO to examine energy supply and demand and oil, natural gas and carbon price scenarios through 2050 within the STEPS, the APS and the NZE (see [iea.org/reports/world-energy-outlook-2022](https://www.iea.org/reports/world-energy-outlook-2022)). Use of these scenarios is recognized as a leading industry standard and benchmark worldwide, and they are, therefore, an appropriate choice for an oil and gas producer such as Hess. The IEA has several views on how the energy system might evolve; therefore, these scenarios are not considered to be forecasts. In the 2022 WEO, the APS replaced the Sustainable Development Scenario (SDS) and is close in terms of temperature outcome to the SDS’ below 2°C scenario. An important consideration when reviewing the results of our scenario analysis is that the NZE is considered a normative scenario, which means that it is designed to achieve a specific outcome – a 1.5°C or lower rise in temperature by 2100 – and works backward from the outcome to achieve its objective, even

though the pathway to reach this result may be a narrow one. The APS assumes that all aspirational targets announced by governments and companies are met on time and in full, including their long term net zero emissions and energy access goals. The STEPS is an exploratory scenario, in that it does not target a specific outcome, but rather establishes a set of starting conditions and considers where they may lead.

The charts (below and on page 47) depict the 2022 WEO’s projected world energy demand and CO<sub>2</sub> emissions under the IEA’s three key scenarios.

The IEA refers to the gap in CO<sub>2</sub> emissions reductions between the STEPS and the APS as the “implementation gap,” the gap that needs to be filled to realize commitments in full. The gap between the APS and the NZE is called the “ambition gap” because it refers to the collective pledges made to date that are not ambitious enough to match the goal of a 1.5°C stabilization in global average temperature by 2100. The gap in CO<sub>2</sub> emissions reductions between the APS and the NZE in 2030 is twice as large as the gap between the STEPS and the APS, highlighting the magnitude of the unmet global ambition by 2030 to reach NZE objectives (2022 WEO).

In the STEPS, which is consistent with enacted energy policies and a pragmatic view of proposed policies, global energy demand is expected to grow by





### Energy Related and Process CO<sub>2</sub> Emissions by Scenario



Note: Pre-Paris trajectory is based on the Current Policies Scenario from the IEA's 2015 World Energy Outlook. Temperature rise estimates are relative to 1850–1900 and match the IPCC Sixth Assessment Report definition of warming of 0.85°C, 1995–2014.

approximately 20% from 2021 to 2050. Between 2021 and 2050, oil and natural gas are expected to grow by 7% and 2%, respectively, and to account for approximately 47% of the energy mix in 2050, down slightly from 53% today. In the 2022 WEO, natural gas demand declines significantly in all IEA scenarios, compared with the 2021 WEO, due primarily to a larger share of renewables in the power generation sector displacing natural gas. According to the IEA, Russia's invasion of the Ukraine is prompting a wholesale reorientation of global energy trade, whereby the European Union compensates for the loss of Russian imports with an accelerated transition away from natural gas through a surge in renewable capacity additions (2022 WEO).

In the APS – a scenario that is back casted to meet global pledges – global energy demand is expected to remain essentially flat between 2021 and 2050 partly due to lower oil demand related to an accelerated rate of electric vehicle penetration in the automobile market, along with measures designed to slow demand, such as energy and materials efficiency. Despite these drivers, oil and natural gas are still expected to represent a third of the total energy mix in 2050.

With every passing year and the continuing increase in global emissions, it is more challenging for the world to align with the NZE pathway. In 2021, energy

related carbon dioxide equivalent (CO<sub>2</sub>e) emissions rose by approximately 6%, or 2 billion tonnes, to reach 36.6 billion tonnes. This increase more than negated the emissions decrease that was witnessed globally in 2020 and was driven by rapid post pandemic economic growth, slow progress in improving energy intensity and a surge in coal demand even though renewable capacity additions reached record levels. According to the IEA, the rise in emissions to a record level is at odds with what is needed to meet countries' Nationally Determined Contributions – the emissions reductions agreed to by individual countries under the Paris Agreement – by 2030 and their pledges to reach net zero emissions (2022 WEO). In the NZE, global energy demand is projected to decrease approximately 15% between 2021 and 2050. In 2050, renewables are projected to account for approximately 70% of the total energy mix, and oil and natural gas are projected to account for approximately 15% of the energy mix. The NZE requires

unprecedented global cooperation, significant changes in government policies, technologies that currently do not exist at commercial scale and, as noted in the 2022 WEO, at least four times the current investment in clean energy.

#### Energy Investment in the IEA's 2022 Scenarios

In all three IEA scenarios, the world is facing a structural supply deficit in energy, and significantly more investment is required both in oil and gas and in clean energy to address the dual challenge of meeting global energy demand and reaching net zero emissions. In the NZE, investment in clean energy needs to increase to more than \$4 trillion to reach net zero by 2050. Current investment in upstream oil and gas – approximately \$417 billion in 2022 – is below what is required even in the NZE (see table below).

According to the IEA, “governments have not been pursuing strong enough policies to generate a much needed increase in clean energy investment. In the absence of such a surge in energy efficiency improvements and clean energy deployment, investment in the fossil fuels sector has also been falling short of what is required to meet rising demand” (p. 88). Investment in upstream oil and gas halved between 2014 and 2021, due primarily to two commodity price collapses between 2014 and 2020. The discovery of new oil resources in 2021 was at its lowest level since the 1930s. Total investment in clean energy is estimated at \$1.4 trillion in 2022 and would have to double by 2030 to be consistent with the APS and quadruple in the same time period to be consistent with the NZE. As mentioned in the 2022

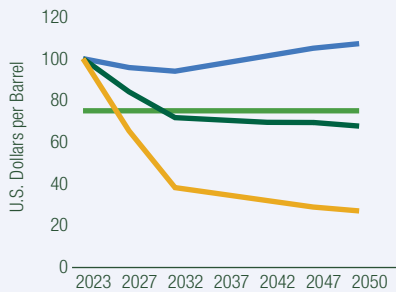
#### Annual Average Energy Investment by Scenario (\$ Billion)

	STEPS		APS		NZE	
	2022–2030	2031–2050	2022–2030	2031–2050	2022–2030	2031–2050
<b>Upstream Oil and Gas Investment</b>	660	585	550	325	430	180
<b>Clean Energy Investment</b>	1,700	2,300	2,300	3,700	2,500	4,320

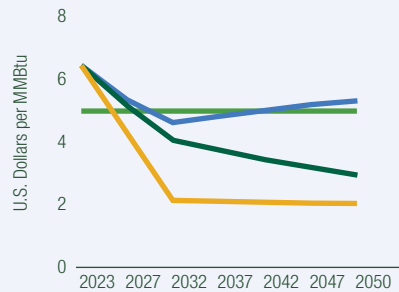
Note: These rounded data are based on IEA estimates. Clean energy is as defined by the IEA on page 488 of the 2022 WEO.

**Oil, Natural Gas and CO<sub>2</sub> Prices (2023 Real Terms) in the IEA Scenarios and Hess Base Case**

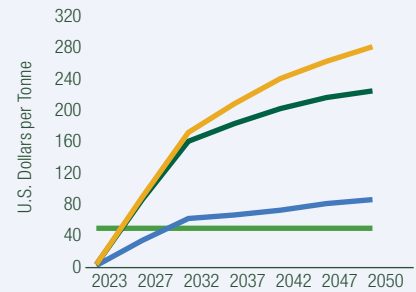
**Crude Oil Price**



**Natural Gas Price**



**CO<sub>2</sub> Price, Advanced Economies**



— Hess Base Case — IEA STEPS — IEA APS — IEA NZE

WEO, a significant increase in energy investment is essential to reducing the risks of future price spikes and volatility and to supporting the global ambition of achieving net zero emissions by 2050.

**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 third party 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 2023 was premised off a \$75 per barrel Brent oil price through 2050 and a \$5.00 per million British thermal units Henry Hub natural gas price through 2050; both cost bases are in 2023 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 \$50 per tonne through 2050 for other geographies.

We then compared our base case against the various oil, natural gas and carbon prices in the IEA's three key scenarios – STEPS, APS and NZE – running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness.

The charts above show the oil and natural gas prices, as well as CO<sub>2</sub> prices in advanced economies, under the IEA's

STEPS, APS and NZE against Hess' base case. The IEA's oil, natural gas and CO<sub>2</sub> prices have been adjusted to 2023 real terms to enable comparison with Hess' base case price assumptions. As these charts show, there is a wide spread of oil, natural gas and carbon pricing across the three 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

**Conclusions From Hess' Scenario Analysis Based on the 2022 WEO**

**STEPS and APS**

- The Hess portfolio remains resilient in both 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 either 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 CO<sub>2</sub>.
- The NZE reflects low oil prices and shows a very narrow pathway to achievement.
- 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
- Comparable operating cash margins under the APS
- 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.

and demand scenarios, including the IEA's STEPS, APS and NZE.

In discussing potential financial implications, the TCFD asks organizations to provide an indication of direction or ranges of potential implications. Financial implications from Hess' scenario analysis are detailed in the table on the prior page.

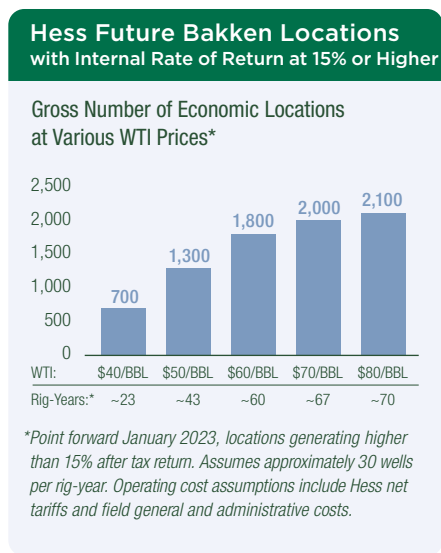
Hess' ability to monetize our reserve base in a well below 2°C scenario is reinforced in Carbon Tracker's most recent report, *Paris Maligned* (December 2022). This report assesses the production and investment plans of oil and gas producers using the IEA's APS as the basis for being considered Paris-aligned (1.7°C by 2100). In the report (Figure 2), Hess appears to be one of the companies that is most well aligned with the APS, meaning that we can monetize our reserves in a well below 2°C scenario.

### Validation of Hess Strategy

If the lower oil demand assumed in the IEA's APS or NZE comes to fruition, industry competition will intensify, and higher cost producers may be forced out of the marketplace. Hess' strategic priorities, which position us to deliver long term value, are to deliver (1) high

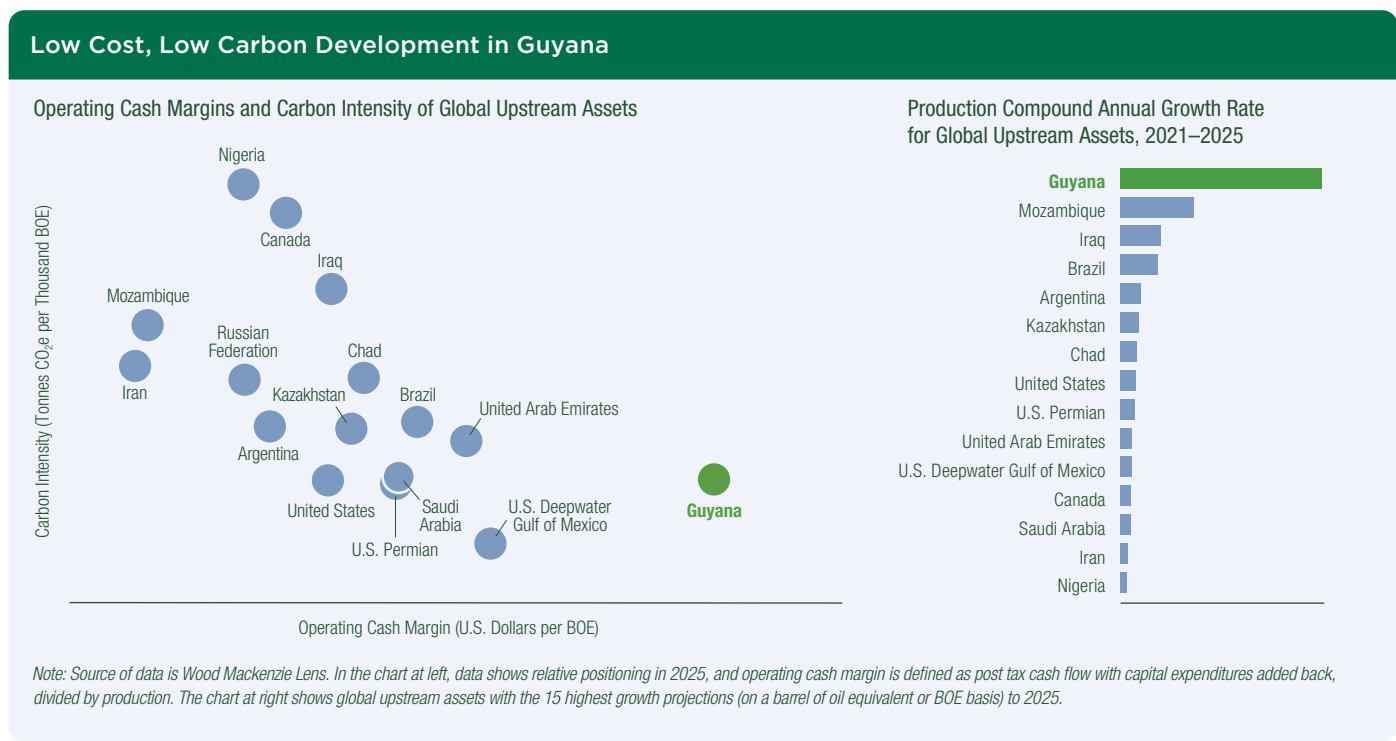
return resource growth, (2) a low cost of supply and (3) industry leading cash flow growth. This strategy is consistent with the IEA's less than 2°C scenarios, which envision a meaningful role for oil and natural gas through 2050.

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. Guyana is one of the largest oil provinces discovered in the world in the last 20 years. We have had more than 30 oil and gas discoveries since 2015, with more than 11 billion barrels of oil equivalent (BOE) gross discovered recoverable resources and billions of barrels of remaining exploration potential. Our five sanctioned developments through May 2023 – Liza Phase 1, Liza Phase 2, Payara, Yellowtail and Uaru – have breakeven Brent oil prices between approximately \$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, highest growth oil developments globally. In the Bakken, Hess has approximately 700 and 1,300 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 23 to 43 rig years for the company, assuming one rig drills 30 wells per year, as illustrated above.

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 \$50 per barrel Brent oil by 2027. Notably, this is significantly lower than the oil price assumption through 2030 in the STEPS and APS (1.7°C Paris-aligned scenario). 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 2023 scenario planning analysis, we conclude that we can produce our current reserve base and deliver strong performance under the STEPS and APS and produce the majority of our current reserve base under the NZE.

### TCFD Cross Industry Metrics

In its October 2021 guidance, TCFD identified a set of climate related metrics categories that all organizations should disclose. These cross industry metric categories do not prescribe the exact metrics to be used in order to provide companies with the flexibility to define specific metrics within these broader disclosure categories that are most appropriate for their business. The TCFD is highlighting these metrics categories because they reflect information that stakeholders find useful in making financial decisions and help drive comparability in company disclosures. The table on the next page reflects Hess' characterization of these seven cross industry metric categories in what we consider the most appropriate company specific metrics for our business at this time.

### STRATEGY AND TARGETS

An executive led task force at Hess has been leading the development and implementation of our Low Carbon Transition Framework, including our plan to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050.

We expect that our commitments to reduce GHG and methane emissions intensity, eliminate routine flaring and purchase renewable energy will help us mitigate a significant portion of our current Scope 1 and 2 emissions profile. Although we believe that the shorter term strategic actions we are implementing will continue

to be viable in the longer term, we continue to examine additional opportunities to address our GHG emissions. These include increased energy efficiency from electrification of our operations, carbon capture and sequestration (CCS) and deployment of advanced technologies that are not currently commercially viable or are still in development, in combination with the use of carbon credits – including those we have agreed to purchase from the government of Guyana.

Our climate related targets, as well as the strategies and initiatives designed to support their achievement, are discussed in the subsections that follow.

### Emissions Reduction Targets

Following the TCFD's latest recommendations, our Low Carbon Transition Framework outlines our short, medium and long term climate strategies.

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, which provide a step approach to achieving our longer term objectives, are as follows:

- Reduce routine flaring intensity to 5% in our Bakken, North Dakota, production operations in 2022
- Reduce routine flaring intensity to 3% in our Bakken, North Dakota, production operations in 2023
- Reduce the GHG emissions intensity of our operated assets to 17 kilograms CO<sub>2</sub>e per barrel of oil equivalent (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
- Purchase renewable energy certificates (RECs) to mitigate 100% of our Scope 2 GHG emissions (annual)

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

Although our short term goals are focused on our operated portfolio, an important element of our strategy in the medium term is engagement with our coventure partners on their climate strategies, plans and targets. Our nonoperated assets will be growing to become a significant portion of our company's portfolio over the next decade. Accordingly, we are considering a potential medium term target or targets that are aligned with our climate strategy and commitment to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050. We will share the outcome of that effort in our future reporting.

Our long term strategy (10+ years) primarily addresses 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 will continue examining opportunities to address our GHG emissions through a combination of operational practices, energy efficiency projects and advanced technologies still in development, along with the use of carbon credits, as part of our long term strategy. Our plan to achieve net zero Scope 1 and 2 GHG emissions on an equity basis by 2050 is described in the next subsection (see page 52).

## TCFD Cross Industry Metrics

Metric Category	Metric Description	Values	Discussion (Page #)
<b>GHG Emissions</b>	2022 Operated Scope 1	2.2 million tonnes of CO <sub>2</sub> e	55, 58–61
	2022 Operated Scope 2	0.4 million tonnes of CO <sub>2</sub> e	
	2022 Operated Scope 1 and Scope 2 GHG intensity	18.5 kg CO <sub>2</sub> e per BOE	
	2022 Equity Scope 1 and Scope 2	3.9 million tonnes of CO <sub>2</sub> e	
	2022 Equity Scope 3	48 million tonnes of CO <sub>2</sub> e	
<b>Internal Carbon Prices</b>	<p>Price on each tonne of GHG emissions used internally by an organization</p> <ul style="list-style-type: none"> <li>Internal shadow price: For internal analysis, Hess uses a shadow price for internal decision making.</li> <li>Investment decisions: Our planning guidance dictates that evaluation of significant investment decisions should include sensitivities using the IEA's APS carbon prices.</li> <li>Scenario analysis: We stress test all assets using the IEA's APS and NZE 2050 carbon prices.</li> </ul>	<ul style="list-style-type: none"> <li>Internal shadow price: \$50 per tonne</li> <li>Investment decisions: Up to \$200 per tonne</li> <li>Scenario analysis: Up to \$250 per tonne</li> </ul>	44, 48
<b>Transition Risks</b>	<p>Amount and extent of assets or business activities vulnerable to transition risks</p> <ul style="list-style-type: none"> <li>We incorporate carbon risk analysis into our business planning cycle to test the resilience of our portfolio against various alternative views of future market conditions using the IEA's three main scenarios detailed in the 2022 WEO.</li> </ul>	<p>Stranded assets under IEA scenarios, 2022–2050</p> <ul style="list-style-type: none"> <li>STEPS: 0%</li> <li>APS: 0%</li> <li>NZE: see note below</li> </ul> <p>Note: The majority of Hess' current reserve base is producible under the NZE over the next 30 years. If there are 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.</p>	44–50
<b>Physical Risks</b>	<p>Amount and extent of assets or business activities vulnerable to physical risks</p> <ul style="list-style-type: none"> <li>We incorporate physical risk analysis into our business planning cycle through our ERM and value assurance processes. Hess considers the potential physical risks associated with climate change – such as increased severity of storms, droughts and flooding. We have looked at the risk exposure of our assets under the various IPCC RCP scenarios: RCP 8.5 (4.3°C increase by 2100), RCP 4.5 (2.4°C increase by 2100) and RCP 2.6 (1.6°C increase by 2100).</li> </ul>	<p>Stranded assets under IPCC scenarios, 2022–2050</p> <ul style="list-style-type: none"> <li>RCP 8.5: 0%</li> <li>RCP 4.5: 0%</li> <li>RCP 2.6: 0%</li> </ul>	44–45
<b>Climate Related Opportunities</b>	<p>Proportion of revenue, assets or other business activities aligned with climate related opportunities</p> <ul style="list-style-type: none"> <li>A subgroup of our executive led climate strategy task force works to identify potential opportunities to reduce emissions and utilizes a marginal abatement cost curve to evaluate and prioritize projects on a cost and emissions reduction basis.</li> </ul>	<p>We have identified over 90 potential emissions reduction opportunities that are currently at different stage gates and are primarily focused on the TCFD opportunity categories of resource efficiency, energy source and diversification and resilience.</p> <p>We are continuing to enhance the information that is needed to address this metric and are working toward a more quantitative response.</p>	52–54
<b>Remuneration</b>	<p>Proportion of executive management remuneration linked to climate considerations</p> <ul style="list-style-type: none"> <li>Hess links employee compensation to EHS and climate initiatives, including flaring. The AIP payout is primarily determined by our enterprise performance results that align with the company's business strategy and applies to all employees.</li> </ul>	<p>AIP compensation linked to climate related activities</p> <ul style="list-style-type: none"> <li>Climate related AIP metric = 5% of the total AIP</li> </ul>	44
<b>Capital Deployment</b>	<p>Amount of capital expenditure, financing or investment deployed toward climate related risks and opportunities</p> <ul style="list-style-type: none"> <li>Hess utilizes our annual scenario analysis exercise to determine this metric. As a pure play exploration and production company, Hess includes all oil and gas assets producible at an acceptable rate of return (i.e., not stranded) under the IEA's APS, a Paris aligned scenario.</li> <li>We are also taking steps toward a consolidated number for capital deployed for climate related opportunities. We continue to develop the necessary processes and procedures, including how we define capital that is incurred for normal operations but also reduces emissions, as well as how we receive emissions information from our partners on our nonoperated assets.</li> </ul>	<p>Annual capital investment deployed toward assets that are included in low carbon transition framework under the IEA's APS</p> <ul style="list-style-type: none"> <li>2022 capital expenditures: \$2.95 billion</li> <li>2022 capital expenditures aligned with IEA's APS: \$2.95 billion, or 100%</li> </ul> <p>In addition to our 2022 capital expenditures that are aligned with the IEA APS as described above, in 2022 we also:</p> <ul style="list-style-type: none"> <li>Purchased 5 million REDD+ carbon credits registered on the ART Registry for \$75 million under our carbon credits agreement with the government of Guyana</li> <li>Continued to fund research at the Salk Institute's Harnessing Plants Initiative through a \$2.5 million donation</li> </ul>	5, 46–50

### Net Zero Emissions Strategy

Our approach to achieving net zero Scope 1 and 2 emissions on an equity basis by 2050 can be defined in three primary focus areas: direct emissions reductions in our asset portfolio, application of technologies with adjacencies to our operations and the use of carbon credits and RECs.

A selection of opportunities that we are currently evaluating, piloting or implementing across these different areas is shown in the table on the next page according to the opportunity types outlined by the TCFD.

### Direct Reductions

As part of our continued efforts to reduce our carbon footprint and in support of our net zero commitment, 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 economically feasible and on operations in which we are able to achieve stakeholder approval.

We have made significant reductions in flaring and methane intensity over the past three years, which have supported our GHG reduction efforts. This progress has been supported by the aggressive targets we had set for 2020 – which we surpassed – and by our 2025 and 2050 commitments.

Our flaring reductions in recent years have primarily been related to our focus on natural gas capture through increased availability and reliability at Hess Midstream’s compressor stations; expansion of gathering and processing infrastructure; enhanced communication and coordination with third party gatherers; and improved planning of new wells to prioritize gathering of new natural gas production. 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 natural gas liquids (NGLs) captured, and to reduce flaring in the Bakken region.

In some cases, Hess relies on third parties to provide natural gas gathering and processing infrastructure. We actively manage our relationships and lines of communication with these third parties to mitigate potential downtime and bottlenecks, and we are exploring additional commercial arrangements to improve third party gas gathering and processing capacity and performance, supporting reduced flaring. Further, as Hess Midstream brings additional infrastructure online, we expect that we will be able to reduce our reliance on these third parties in the future.

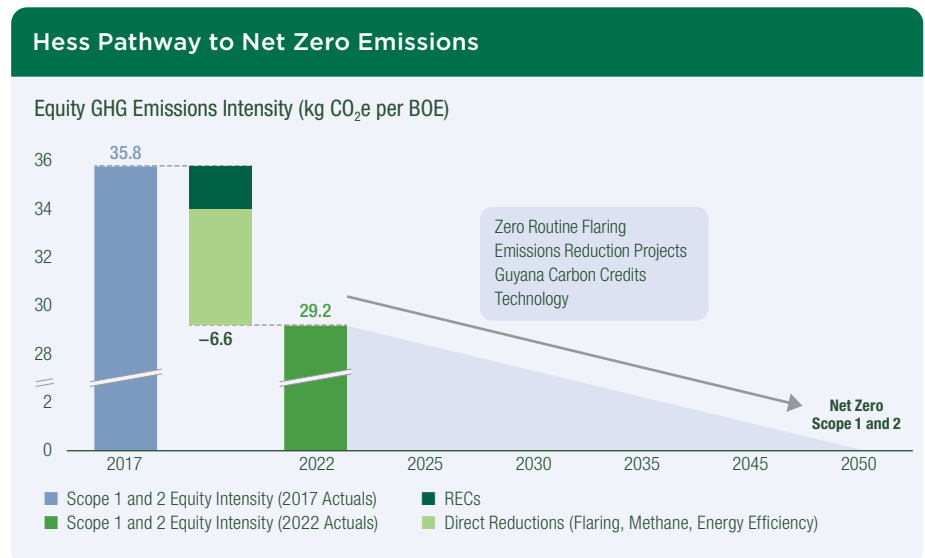


See more detail on the infrastructure investments being made in the midstream business in Hess Midstream’s sustainability reports at [hessmidstream.gcs-web.com/sustainability-report](https://hessmidstream.gcs-web.com/sustainability-report)

These efforts have supported significant reductions in flaring, which, when paired with continued implementation of our LDAR program across all of our North Dakota production facilities and our program to phase out high bleed pneumatic controllers (which was completed in 2021), have also contributed to reductions in methane emissions intensity.

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 and evaluating capital and infrastructure requirements. The subgroup, which consists of cross functional representatives from our operated assets, has identified over 90 potential opportunities to reduce emissions. Of note, these opportunities are at various stage gates, and some that are currently being evaluated or piloted may not move forward to implementation.

In 2022, we enhanced our process for evaluating emissions reduction opportunities by developing a marginal abatement cost curve (MACC), an economic efficiency prioritization tool, and including updates to the MACC in our budget and planning process. Utilizing a MACC has helped us to better understand the scale of our opportunities and to better quantify them in terms of emissions reductions and costs. Notably, a large portion of the projects on our MACC are below our internal cost of carbon and are being progressed through our stage gate process.



## Selected Climate Opportunities

TCFD Opportunity Type	Emissions Source Category	Opportunity Description	Estimated Emissions Reduction	Financial Benefits
<b>Resource Efficiency</b>	Flare reduction and elimination	Installation of oil coolers to stabilize oil and reduce tank gas flashing to flare	<b>M</b>	Increased production capacity and revenues
		Reinjection of natural gas liquids (NGLs) into the product line at compressor stations	<b>M</b>	Reduced operating costs through efficiency gains
		Increased replacement of gas assisted flares with air assisted flares resulting in reduced fuel gas consumption	<b>M</b>	
		Installation of sales gas coolers on new well pads to enable gas capture during early production and reduce flaring	<b>M</b>	
		Installation of flare gas liquid recovery system to capture NGLs from flare gas stream	<b>M</b>	
		Reduction in cold venting using improved flare surveillance systems and analytics	<b>M</b>	
		Elimination of redundant flare stacks to reduce cold venting	<b>M</b>	
	Reduced fuel combustion	Replacement of natural gas powered compressors with electric motor driven compressors	<b>M</b>	Reduced operating costs through efficiency gains and reduced equipment downtime
		Utilization of diesel fuel additive on drilling rigs resulting in reduced fuel consumption (offshore)	<b>L</b>	
		Utilization of flexible hose for water transport	<b>L</b>	
		Replacement of conventional lighting with LED lights (offshore)	<b>L</b>	
		Piloting of optimized intercooler temperatures to increase compressor efficiency	<b>L</b>	
	Design improvements to lower electricity consumption	Piloting of optimized piping heat trace design at compressor stations	<b>L</b>	Reduced operating costs through efficiency gains
		Rebalancing of pumping units and installation of regenerative pumping unit drives to optimize power consumption on well pads	<b>M</b>	
	Improve natural gas capture to reduce fugitives and flaring	Piloting of mobile cross compressor skids to capture vented emissions during equipment blowdown operations	<b>L</b>	Increased production capacity and revenues
		Piloting of automated pigging systems to reduce frequency of blowdowns	<b>L</b>	
		Validation of component count using artificial intelligence or machine learning (offshore)	<b>L</b>	
		Piloting of vapor recovery units for recovering low pressure vapors from tanks and compressor packings	<b>L</b>	
		Direct emissions measurement and monitoring trial to better understand and prevent equipment leaks and cold venting	<b>L</b>	
		Testing of machine learning and artificial intelligence to improve our ability to predict and prevent fugitive leaks	<b>M</b>	
	<b>Energy Source</b>	Electrification and market based instruments	Utilization of grid electricity to power onshore drilling rigs when possible	<b>M</b>
Purchase of renewable energy certificates to address 100% of our Scope 2 emissions			<b>H</b>	
Fuel switching		Replacement of diesel with compressed natural gas in selected drilling and completion operations	<b>M</b>	
<b>Diversification and Resilience</b>	Carbon capture and sequestration	Evaluation of carbon capture and sequestration opportunities	<b>H</b>	Potential tax incentives

**H** Relatively higher emissions reduction potential, 100,000 tonnes of CO<sub>2</sub>e per year or greater

**M** Medium emissions reduction potential, between 10,000 and 100,000 tonnes of CO<sub>2</sub>e per year

**L** Relatively lower emissions reduction potential, up to 10,000 tonnes of CO<sub>2</sub>e per year

Opportunities are for onshore locations unless otherwise noted. All opportunities shown are being evaluated, piloted and/or implemented in the short to medium term.

### Application of Technologies

We are partnering with innovators, industry peers and other industrial segments to identify and potentially develop large scale carbon reduction initiatives in the regions where we operate. Our process for evaluating these types of opportunities includes the following:

- Screening breakthrough technologies that could enable additional carbon reduction
- Working with strategic suppliers to advance innovative concepts in carbon reduction
- Piloting new technologies that enable increased energy efficiency or electrification of processes
- Building networks and capability in areas of interest, including CCS, hydrogen and electrification

We are focusing on evaluating opportunities for low carbon and carbon reduction technologies in the adjacencies of our assets, in particular CCS. CCS is the process of capturing CO<sub>2</sub> emissions from oil and gas operations, compressing it and transporting it to underground storage sites. These sites are deep geological formations that have natural

seals, including depleted oil and gas wells, that can trap the CO<sub>2</sub> and store it permanently. Hess is exploring the technical viability of implementing CCS in our portfolio and working on understanding the scale and cost implications. Because of the overlap in operational requirements, implementing CCS can be a natural translation of oil and gas skills.

Focusing on technologies that have adjacencies to our core competencies and are complementary to our existing skill sets will help position us well to deliver high resource, low cost barrels while producing these barrels with a low emissions profile.

### Carbon Credits

While we are prioritizing direct emissions reductions and pursuing advanced technologies to achieve our net zero ambition, a component of our strategy is to purchase carbon credits.

There is growing recognition that market mechanisms such as carbon credits or offsets have a role to play in achieving the global ambition of net zero emissions by 2050. The IEA acknowledges in the 2022 WEO, “The use of offsets can be a cost-effective mechanism to reduce emissions from parts of value chains where direct emissions reductions are challenging,

provided that schemes to generate emissions credits result in permanent, additional and verified emissions reductions” (p. 426). Hess’ carbon credits agreement with Guyana directly deals with avoiding deforestation in Guyana, and this agreement provides us with a unique opportunity to utilize credits from a country in which our production is growing.

We also purchase RECs to offset our Scope 2 GHG emissions, and we continue to explore various options for securing renewable and/or carbon neutral energy in the future.

### Considerations for Scope 3 Emissions

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 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 and secure. 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 CO<sub>2</sub>e 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, for example, our support of groundbreaking research on plant based carbon capture and storage by the Salk Institute.



Optical Gas Imaging | North Dakota



## GHG PERFORMANCE

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

Our GHG emissions estimates include CO<sub>2</sub>, methane and nitrous oxide, which are reported in units of CO<sub>2</sub>e. In 2014, Hess began using global warming potentials based on the values presented in the *Fourth Assessment Report: Climate Change 2007*, prepared by the IPCC to estimate CO<sub>2</sub>e totals.

Approximately 93% of Hess' direct reported (Scope 1) operated GHG emissions are from stationary combustion sources such as flares, heaters, turbines and engines.

(continued on page 58)



Guyana's 18 million hectares of forest are estimated to store approximately 20 billion tonnes of CO<sub>2</sub>e

## Hess' Support of Natural Climate Solutions

Natural climate solutions (NCSs) are defined as actions that conserve, restore or improve the use or management of high carbon ecosystems (e.g., peatlands, forests, wetlands, grasslands, agricultural lands, coastal ecosystems) while increasing carbon storage and avoiding GHG emissions. According to the IPCC, NCSs could provide at least 30% of the emissions reductions needed to achieve net zero emissions globally by 2050. Hess is supporting NCSs through several important initiatives.

Avoiding global deforestation is foundational to the Paris Agreement's aim of limiting the global average temperature rise to well below 2°C and was one of the major commitments made at the COP26 climate summit, where more than 130 countries, including Guyana, pledged to end deforestation by 2030. On December 2, 2022, Hess Corporation and the government of Guyana announced a historic agreement that will serve to support Guyana's efforts to save the country's vast forests and provide capital to improve the lives of Guyana's citizens through investments made by the government as part of Guyana's Low Carbon Development Strategy 2030. The agreement is one of the largest private sector forest preservation agreements in the world. As Guyana's partner in this agreement, Hess will purchase high quality carbon credits for a minimum of \$750 million between 2022 and 2032 directly from the government of Guyana. This multiyear agreement is for the purchase of 37.5 million high quality REDD+ carbon credits (current and future issuance) that are independently verified to represent permanent and additional emissions reductions. REDD+ (reducing emissions from deforestation and degradation) is a global conservation mechanism created by the Conference of the Parties to the United Nations Framework Convention in support of the Paris Agreement.

We continue to support research with the potential to mitigate climate change on a global scale. In early 2023, we announced a \$50 million donation over the next five years to the Salk Institute's Harnessing Plants Initiative (HPI), which aims to mitigate climate change by optimizing plants and supporting wetlands to increase capture of excess atmospheric carbon. These funds will support the HPI's work, including faculty recruitment as well as laboratory and research operations, and will also provide vital infrastructure by establishing the new Hess Center for Plant Science. These funds are in addition to Hess' prior commitments of \$12.5 million to support Salk's HPI research and \$3 million to establish the endowed Hess Chair in Plant Science. 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.

Hess is also sponsoring a collaborative, multidisciplinary research project initiated by the North Dakota Natural Resources Trust to demonstrate the role of managed agricultural grazing lands in mitigating GHG emissions. The study will collect, process and analyze high frequency atmospheric carbon data at grazed and ungrazed pastures in order to examine how rotational, managed grazing influences rates of biological carbon utilization and carbon sequestration. The results will provide the basis for a prototype to illustrate how North Dakota grazing lands can be managed to improve carbon utilization and sequestration for the benefit of agricultural and energy industries as well as rural economies.

## Methane Management

Natural gas continues to play a critical role in the transition to a low carbon economy. However, there remains debate about the role that methane – the primary constituent of natural gas – and fugitive methane leakage along the natural gas value chain may have in reducing this fuel’s climate benefits. Hess, along with our trade associations and many others in the oil and gas industry, has been focused on identifying strategies to add transparency around methane emissions reporting and to address methane leakage, which are both key to realizing the benefits of natural gas as a transition fuel.

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 COP26 in Glasgow, Scotland. We have established our own methane emissions intensity target as part of our short term climate strategy, and our progress is discussed below. We are also a founding member of both ONE Future, a coalition of companies from the natural gas industry focused on reducing methane emissions across the value chain, and 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 on pages 42–43.

We believe that performance based programs such as ONE Future and The Partnership, together with individual companies’ methane emissions reduction targets, are effective at achieving voluntary reductions of methane emissions in the oil and gas industry. As part of our voluntary commitments, we have established our own methane emissions intensity reduction target and are actively exploring advancements in detection and measurement technologies that can help improve our performance and transparency, including early leak detection and enhanced emissions data quality. Hess supports the enactment of cost effective direct methane regulations that would preserve a state’s ability to adapt implementation to local conditions, and we welcome continued engagement with the U.S. government to help develop a methane rule that encourages significant methane emissions reductions while also providing producers with the flexibility needed to continue supplying reliable and affordable energy to consumers.

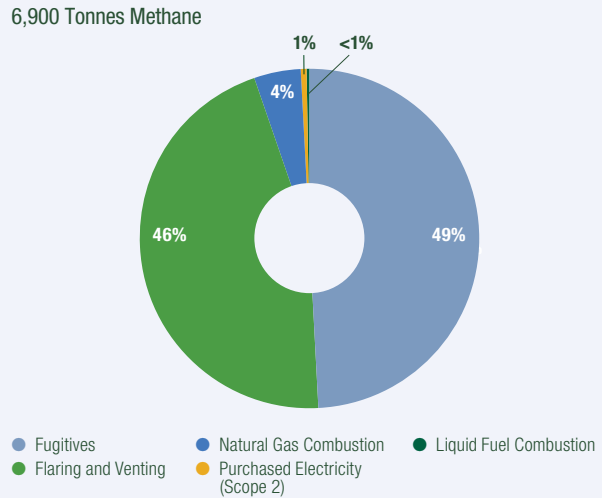
### Emissions Performance

Our major sources of methane are fugitive emissions from pneumatic devices, pumps, tanks, compressor seals and pipelines, the residual unburned methane associated with flaring and the uncombusted methane released in the exhaust from natural gas internal combustion engines (“methane slip”). Reducing methane emissions, which represent around 8% of our operated Scope 1 GHG emissions, continues to be a priority for Hess. In 2022, our total Scope 1 and 2 methane emissions were approximately 6,900 tonnes, which equates to approximately 172,500 tonnes of CO<sub>2</sub>e when applying a Global Warming Potential of 25 (consistent with U.S. regulatory reporting). Our methane emissions decreased by 8% from 2021 and by 28% from our 2017 baseline of 9,600 tonnes.

#### Hess’ Methane Management Priorities

- Design and operate facilities to prevent methane emissions
- Use technology to identify leaks, validate performance and improve inventories
- Incorporate direct measurement into emissions inventories where appropriate

### 2022 Operated Methane Emissions (Scope 1 and 2) by Source



In 2021, Hess set a target to reduce operated methane emissions intensity to 0.19% by 2025, which equates to more than a 50% reduction in methane emissions intensity versus our 2017 baseline. As of year end 2022, we have achieved a methane intensity rate of 0.15%, surpassing our 2025 target. This result can be attributed to 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. This intensity rate is also a reflection of the significant strides we have made in updating our methane emissions estimation process, which are intended to keep us aligned with industry standards and help us adjust to evolving stakeholder expectations.

Although we aim to maintain this performance in support of our year end 2025 target, we recognize that significant changes are imminent due to the introduction of new measurement, reporting and verification (MRV) frameworks and protocols, such as those introduced by the Oil and Gas Methane Partnership (OGMP), GTI Veritas and the Energy Emissions Modeling and Data Lab (EEMDL). As Hess and the broader oil and gas industry adopt these MRV practices, we anticipate that inventories, metrics and targets will inevitably need to be adjusted. And we believe that as MRV practices evolve, we may have to adjust our historical inventory. Therefore, we do not believe it would be appropriate to adjust our 2025 methane intensity target until we understand the full implications of MRV related changes to our inventory.

### Inventory Improvements

We have been disclosing our greenhouse gas (GHG) emissions data, including methane emissions, for over 20 years. Our aim has been to prioritize transparency by providing accurate, representative and consistent emissions data to our stakeholders, and we are constantly working to improve our emissions inventory. Over recent years we have introduced component count and leak detection based factors to our regulatory inventories. We have also worked through organizations like ONE Future and the American Petroleum Institute (API) to validate and advocate for measurement based emissions calculations in regulatory inventories.

Our GHG inventory is informed by calculation methodologies and emissions factors in the API's GHG Compendium and the EPA's GHG Reporting Program. Our methane emissions estimates are largely based on source level emissions factors (OGMP Level 3). In some instances, these factors incorporate gas composition data, flow rates and incident duration (OGMP Level 4), but to date we have only incorporated a limited amount of direct measurement data into our corporate inventory or regulatory submissions. In addition, although we have conducted site and basin level measurements using aircraft based light detection and ranging (LiDAR) and satellite remote sensing methods, we have not attempted to reconcile these measurements with our factor based inventory. In 2022, we incorporated new emissions factors that better represent methane slip emissions from lean burn internal combustion engines that drive Hess Midstream's compressors. We also included quantified gas releases from our incident reporting system. We made the following improvements to our methane emissions estimation process for our 2022 inventory and baseline:

- Adjusted our Gulf of Mexico fugitive emissions estimates to incorporate equipment based component estimates, rather than facility level throughput factors, 2017–2022 (reduction)
- Adjusted our Gulf of Mexico venting calculation to use metered gas volumes rather than equipment runtime, 2017–2022 (increase)
- Included LDAR emissions factors for all facilities conducting LDAR in North Dakota, 2022 (reduction)
- Included leak survey measurement data at our North Malay Basin facilities, 2022 (reduction)
- Updated gas combustion methane slip factors for Hess Midstream facilities, 2017–2022 (increase)
- Included methane volumes from gas releases recorded in our Incident Reporting and Investigation System, 2017–2022 (increase)

These methodology changes resulted in a 9% reduction in 2021 methane emissions and a 5% increase in our 2017 estimate.

Our current GHG emissions inventory, including methane, is verified by ERM Certification and Verification Services, and the results of their assurance effort are disclosed on page 72. As direct measurements are adopted in our reported emissions, those methods and data will be subject to the same level of assurance. We are also evaluating methane specific verification standards and services.

As material differences are identified, we plan to adjust our inventory, reevaluate our emissions baseline and intensity targets, and disclose restatements accordingly. The Hess GHG Inventory Protocol, available on our website, details our approach to materiality and explains how and why we adjust our inventory and target baseline.

We are committed to improving our methane emissions reporting to align with the newer technologies and reporting protocols that are becoming available. Along with many of our industry peers and interested stakeholders, we have invested significant time and resources to understand the limitations of our current methane inventories and to identify more accurate and cost effective ways to measure and reconcile our methane data. Collectively, we have learned that methane MRV is a complex issue and none of the key elements (measurement technologies, reconciliation protocols and reporting frameworks) are fully mature.

### Measurement Reporting and Verification

In recent years, academic and industry studies have identified gaps in established regulatory methane emissions estimation protocols, and various methane measurement programs have begun to either propose alternative emissions factors or highlight the need for direct measurement in order to reflect emissions more accurately. Efforts to develop measurement and reconciliation protocols and the adoption of alternative measurement methodologies by regulators is a multiyear process. For example, protocols on site level measurement and reconciliation were only released by GTI Veritas in early 2023. We plan to evaluate MRV protocols using data from our past and future planned site level surveys.

We support the approach of using direct methane measurement to reconcile and validate emissions inventories. We do believe, however, that there are still significant challenges to the interpretation of methane measurement data, including the following:

- Many of the emerging methane measurement technologies that have the potential to increase frequency of measurement are relatively immature and have high levels of uncertainty.
- There is a lack of widely accepted reconciliation methodologies and protocols.
- Few of the measurement technologies under evaluation have regulatory equivalency.
- Regulators have been slow to adopt measurement based emissions factors, a step that will be needed before companies can fully reconcile their inventories with regulatory reporting.

In order to help address some of these concerns, we have been active in a wide range of initiatives to try to progress the adoption of methane MRV, including the following in 2022:


- Monitored and evaluated evolving methane measurement technologies through active involvement in ONE Future and the North Dakota Energy and Environmental Research Center's Intelligent Pipeline Integrity Program
- Conducted LDAR surveys, aerial LiDAR surveys and satellite remote sensing (through a third party) to obtain site and/or source specific leak detection and methane measurement data (see table on the next page)
- Initiated simultaneous technology pilots at four sites in the Bakken (one compressor station and three well pads) in order to rapidly compare technologies, with the aim to evaluate the applicability of these different technologies for reconciliation purposes and to correlate measurements with operational activity data in order to prioritize mitigation
- Initiated trials with two data analytics software vendors that take source inventory data, measurement data and real time operations data to help predict and prevent leaks
- Supported development of the GTI Veritas measurement and reconciliation protocols through our ONE Future membership
- Met with the OGMP directly to discuss the fundamental requirements of an OGMP 2.0 commitment and indirectly through our involvement in ONE Future and Ipieca and engaged with peer companies to learn more about their OGMP implementation
- Met with representatives from the EEMDL to learn more about their plans to develop MRV tools and services and with MiQ about certification

## Methane Management, continued

Hess' Methane Measurement Programs		
Type of Measurement	Level of Measurement	Implementation Status
LDAR (FLIR) Leak Detection	Source	Conducting LDAR surveys at all Bakken wells and pads sites semiannually. Included in reporting since 2016.
LDAR (FLIR/FIR) Leak Measurement	Source	Conducting LDAR measurements at Tioga Gas Plant semiannually. Included in reporting since 2015. Initiated a component level quantitative LDAR program at North Malay Basin in 2022. Included in reporting beginning in 2022.
Aerial Surveys (LiDAR)	Site and Major Source	Conducting aerial LiDAR surveys across all our facilities in the Bakken as part of our collaborative efforts with The Partnership, semiannually since 2021. Conducted pilot phase aerial surveys at Hess operated Gulf of Mexico facilities in 2022.
Satellite Remote Sensing	Site and Major Source	Partnering with Satefytics, a geospatial analytics software company, to obtain satellite remote sensing data – with the capability of identifying super emitting events (greater than 100 kilograms of methane emissions per hour) – across all of our Bakken facilities. Piloted 2018–2022, initiated monthly service in 2023.
Drone Detection	Source	Piloting technology in the Bakken.
Fixed Fence Line Sensors	Source	Piloting multiple technologies in the Bakken.
Fixed Infrared Camera	Source	Piloting multiple technologies in the Bakken.

Note: Hess utilizes both FLIR (forward looking infrared) and FIR (far infrared) imaging cameras for LDAR.

As we conduct these methane measurement technology and service evaluations, we are considering how they would help us comply with voluntary MRV frameworks and standards and also current and anticipated regulations. OGMP 2.0 and the Oil and Gas Climate Initiative's Aiming for Zero Methane Emissions Initiative provide frameworks for companies to develop their MRV programs. We are currently evaluating MRV protocols published by the OGMP, GTI Veritas and the EEMDL. These frameworks and protocols are not currently complementary. However, we are supporting efforts across the industry to encourage harmonization of these protocols and standards.

 See more detail on our LDAR program in the Environment section (page 69) and at [hess.com/sustainability/environment](https://hess.com/sustainability/environment)



Emissions Monitoring | Onshore Operations

Photo Credit: SeekOps

## GHG PERFORMANCE, continued

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). For 2022, we adopted certain alternative factors from the API Compendium that we feel better represent actual emissions. 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.

 Access our response to the API Template for GHG Reporting at [hess.com/sustainability/sustainability-reports](https://hess.com/sustainability/sustainability-reports)

## Restatements

We continuously look for opportunities to improve our GHG data collection efforts and calculation methodologies, and we have made a number of restatements in the performance data within this report, mainly with respect to our methane inventory, including the following:

- We improved the calculation methodology for our fugitive emissions estimates for our Gulf of Mexico facilities. We are now using equipment specific component count estimates, consistent with our regulatory reporting. This change will be applied to our inventory back to the 2017 baseline.
- We are now using actual leak rate measurements as the basis of our fugitive methane estimates at our North Malay Basin facilities. This change will apply to 2022 data and beyond.
- We are now using LDAR emissions factors for all of our North Dakota facilities, not just those where LDAR was required by regulation. This change will apply to 2022 data and beyond.

- We adopted new methane slip emissions factors (from the 2021 API GHG Compendium) for our gas fired internal combustion sources. This change will be applied to our inventory back to 2017 baseline.
- We have included estimated methane volumes from reported gas releases incidents. We have collated incident related gas releases back to 2017.

Also, for completeness, we have included certain emissions sources previously designated as not material to our overall emissions profile, including electricity use emissions from Hess Midstream’s solar gas cavern in Minnesota. We also continue to fine-tune the activity data used for our emissions calculations.

These restatements have resulted in a higher 2017 baseline for GHG emissions and methane. Hess is fully committed to achieving our original 2025 GHG intensity and methane intensity reduction goals, and therefore no change is planned for those targets.

Another important data consideration is related to the sale of our interests in Denmark (August 2021) and Libya (November 2022). We have not restated historical (2018–2021) operated emissions for Denmark or equity emissions for Denmark or Libya, as the 2017 base year Scope 1 and 2 emissions from these assets were below Hess’ 10% threshold for restatement.

### Operated Emissions (Scope 1 and 2)

In 2022, of the estimated 2.7 million tonnes of gross GHG emissions reported from our operated oil and gas assets, 2.2 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) accounted for 43% and flaring accounted for 36% of our combined Scope 1 and 2 GHG emissions.

In 2022, our absolute GHG emissions decreased by 0.2 million tonnes compared with 2021, due primarily to a significant reduction in natural gas flaring in North Dakota.

### GHG Emissions Intensity

We have committed to reduce the GHG emissions intensity of our operated assets to 17 kilograms (kg) of CO<sub>2</sub>e per BOE by 2025 versus a 2017 baseline of 34 kg CO<sub>2</sub>e per BOE. This GHG reduction target utilizes a market based approach to GHG accounting, which allows the use of RECs to mitigate the environmental impact of Scope 2 GHG emissions.

On a market basis, our cumulative GHG emissions intensity through 2022 was 18.5 kg CO<sub>2</sub>e per BOE, a 45% reduction compared with our 2017 baseline of 33.7 kg CO<sub>2</sub>e per BOE. Although our absolute GHG emissions decreased between 2021 and 2022, our GHG emissions intensity did increase slightly year over year primarily due to weather related curtailment of Bakken production in 2022. Our location based GHG emissions can be found in the Performance Data table on page 71.

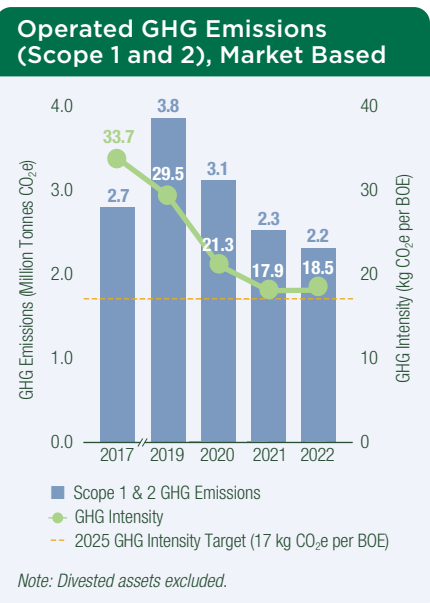
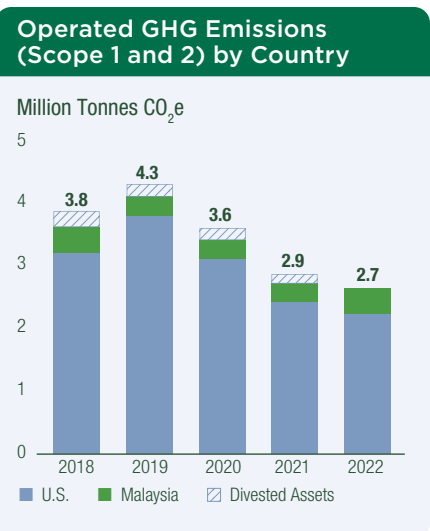
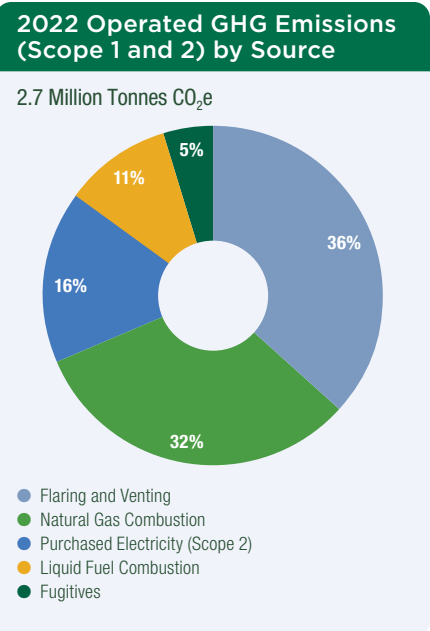
### Methane Emissions

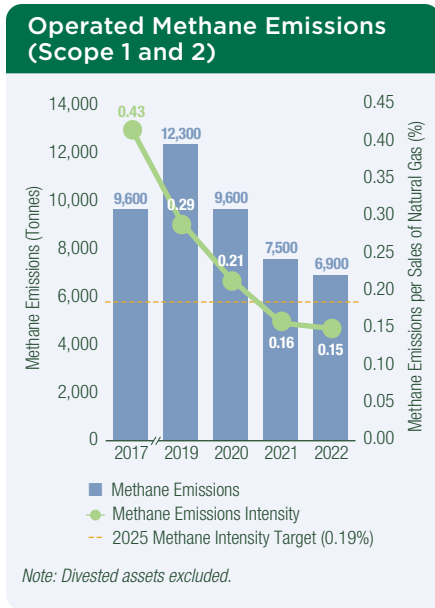
Reducing methane emissions, which represent around 8% of our operated Scope 1 GHG emissions, continues to be an important priority for Hess. Our major sources of methane, based on our regulatory emissions inventory estimates, are fugitive emissions from pneumatic devices, pumps, tanks, compressor seals, pipelines and the residual unburned methane associated with flaring. In 2022, we revised our emissions factors to also include methane slip from natural gas internal combustion engines.

In 2022, our total Scope 1 and 2 methane emissions were around 6,900 tonnes, which equates to approximately 172,500 tonnes of CO<sub>2</sub>e (assuming a Global Warming Potential of 25). This represents an 8% reduction from 2021 and a 28% reduction from 2017.

In support of our short term climate 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 2022 intensity based on this methodology was 0.15%, below our 2025 target (see chart on the next page).

We attribute these results to a combination of our continued efforts to reduce methane emissions, which include





increasing natural gas capture, reducing flaring and continuing our LDAR program in our North Dakota operations.

#### Flaring

Flaring from our operated assets fell to 27.3 million standard cubic feet per day (MMSCFD) in 2022, a decrease of 16% from 2021 and of 47% from 2020. Our 2022 flaring intensity was 79 standard cubic feet per BOE compared with 86 in 2021.

Flare reduction is a primary driver for achieving our 2025 GHG emissions intensity target, our commitment to zero routine flaring by the end of 2025 and our net zero emissions by 2050 commitment.

We use annual targets as a step approach to meeting these objectives. In 2022, we set an AIP compensation target to achieve a 5% routine flaring intensity in our North Dakota production operations, which we achieved. In 2023, we have set a target of 3% routine flaring intensity in our North Dakota production operations to continue driving our progress.

Our commitment to achieve zero routine flaring from our operated assets by the end of 2025 is through our endorsement of the World Bank’s ZRF Initiative, so our reporting on this metric is guided by the World Bank’s Global Gas Flaring Reduction Partnership (GGFR). First, the commitment applies to associated gas flaring from oil production operations. Hess has elected, however, to apply the GGFR definitions across all our operations, including our gas production operations in North Malay Basin and at midstream facilities in North Dakota.

In addition, the 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.” Nonroutine and safety flaring events will still occur past 2025. These can include flaring from initial well flowback, process upsets, unavailability of equipment or natural gas handling infrastructure and malfunctions.

Based on these definitions, in 2022, around 29% of our total flaring was routine, 57% was nonroutine and 14% was safety flaring. All of our routine flaring was limited to our North Dakota operations – no routine flaring occurred at our offshore facilities in the Gulf of Mexico or offshore in North Malay Basin in 2022. Our associated gas flaring from our North Dakota production and Gulf of Mexico operations totaled 22 MMSCFD, of which 35% was classified as routine, 50% nonroutine and 15% safety flaring.

To support the achievement of our flaring related commitments, and in partnership with Hess Midstream, we continue to focus on the buildout of gas infrastructure in the Bakken while at the same time adjusting our operating practices and facility design to reduce flaring.

#### Equity Emissions (Scope 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 page 61 detail our Scope 1, 2 and 3 emissions from 2018 through 2022 on an equity basis. These graphs show that over the past five years our absolute Scope 1 and 2 equity emissions have remained relatively flat at around 4 million tonnes of CO<sub>2</sub>e. During the same period, estimated Scope 3 equity emissions increased by 9 million tonnes to approximately 48 million tonnes of CO<sub>2</sub>e.

#### Scope 1 and 2 Equity Emissions

Our overall equity GHG emissions remained relatively flat compared with 2021 at 3.9 million tonnes. However, net equity production increased, which resulted in a decrease in our equity GHG emissions intensity from 31 kg CO<sub>2</sub>e per BOE in 2021 to 29 in 2022, on a market basis.

Our major source of Scope 1 and 2 emissions from nonoperated oil and gas assets in 2022 was from the A-18 Block in the Malaysia/Thailand Joint Development Area. Our equity emissions from this asset were approximately 1.1 million tonnes, a decrease of 0.1 million tonnes from 2021.

Our U.S. assets, including our onshore North Dakota production and Hess Midstream’s Tioga Gas Plant (TGP) and gathering and boosting operations, as well as those from our offshore Gulf of Mexico production assets, accounted for an estimated 1.6 million tonnes of equity emissions in 2022.

Our other operated and nonoperated assets made up the balance of equity emissions at an estimated 1.2 million tonnes, of which Guyana accounted for approximately 0.7 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 or reported in our Scope 1 and 2 emissions. We disclose our estimated Scope 3 GHG emissions, the vast majority of which are assumed – based on the methodology described on the next page – 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 Ipeica 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 the World Business Council for Sustainable Development's Scope 3 guidance. Per the Ipeica 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 its guidance, Ipeica specifies that for exploration and production companies, "products sold include the total crude and natural gas produced." Hess uses the annual production volumes from our financial reporting for our Scope 3 estimations. (See page 32 of our 2022 U.S. Securities and Exchange Commission Form 10-K for 2022 production volumes.)

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 NGLs – by using separate emissions factors for each product. For category 10, we previously applied a single GHG factor over time, but 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 CO<sub>2</sub>e each year between 2017 and 2020.

In 2022, we sold 570 MMSCFD of natural gas, which, when used by consumers, accounted for an estimated 11.3 million tonnes of GHG emissions. We sold 194,000 barrels per day of crude oil and 55,000 barrels per day of NGLs, which accounted for another estimated 30.6 million and 4.6 million tonnes, respectively, of GHG emissions, for an estimated total of 46.5 million tonnes of


Scope 3 category 11 emissions. This crude oil, when processed by refiners, resulted in an additional estimated 1.7 million tonnes of Scope 3 category 10 emissions, which brings our total Scope 3 emissions to an estimated 48.2 million tonnes.

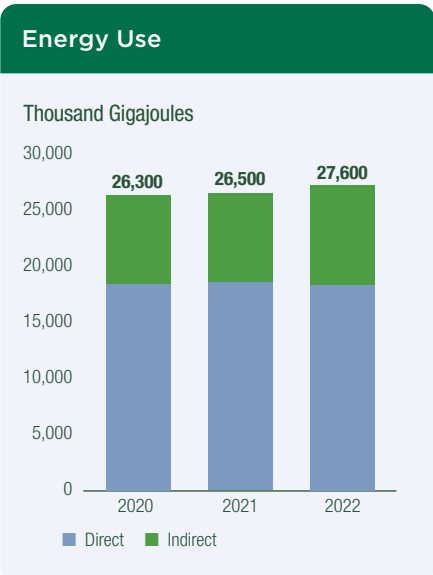
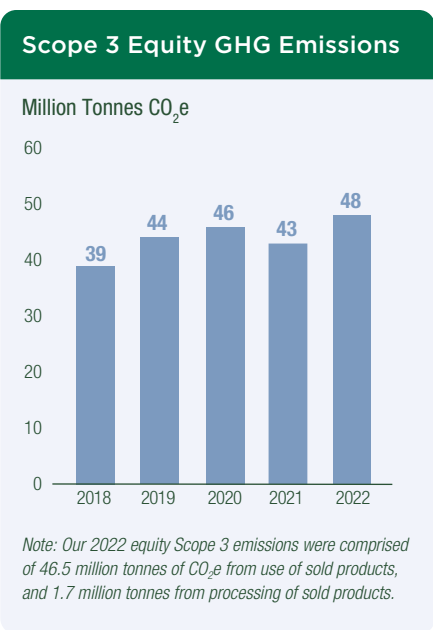
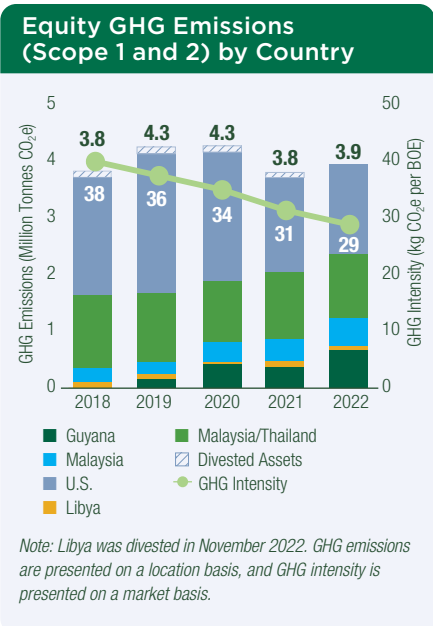
Although not material, we also track, report and offset 100% of the Scope 3 emissions associated with employee business travel. We offset the approximate 1,400 tonnes of CO<sub>2</sub>e emissions associated with our employees' business travel in 2022 with 1,400 REDD+ verified carbon units.

### 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 2022, energy consumption from Hess operated assets was approximately 27.6 million gigajoules, 4% higher than in 2021. Approximately 70% 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 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 2022, our U.S. operations accounted for more than 99% of our purchased electricity of approximately 961,000 megawatt hours, a 10% 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 purchased electricity, we purchased 960,819 RECs, primarily from wind power generation.

 See more detail on our purchased electricity use at [hess.com/sustainability/performance-data/key-sustainability-metrics](https://www.hess.com/sustainability/performance-data/key-sustainability-metrics)







# Environment

Our commitment to safeguarding the environment is central to our company and embedded in the Hess Values. With oversight from our Board of Directors and executive leadership, we strive to continuously address risks across a range of environmental resources and improve our performance. This work is rooted in the Hess Operational Management System (HOMS), which guides our day-to-day efforts, and we dedicate significant staff and resources to help ensure compliance with environmental laws and regulations, international standards and voluntary commitments. At both the enterprise and the asset level, we have developed specific goals and targets to drive and track improvements in our environmental performance – some of which are integrated into our annual incentive plan (AIP).

We collaborate with peers, governments and nongovernmental organizations to help advance environmental performance improvements across our industry. For example, we sponsor and actively participate in the Bakken Production Optimization Program, a research program led by the North Dakota 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. We also voluntarily sponsor the Houston Advanced Research Center, which is working to develop science based solutions to environmental issues associated with oil and gas development. Other examples of our stakeholder engagement on environmental topics are discussed throughout this section.

## WATER MANAGEMENT

Responsible water management is a primary focus of environmental efforts at Hess and continues to be one of our key

sustainability issues. The communities and ecosystems where we operate depend on water to thrive, and we know that our operations have the potential to impact this essential resource. These possible impacts would primarily be through our use of fresh water, but impacts to water quality could also occur due to well integrity issues, spills or discharges. We continue to employ a risk based, lifecycle approach to managing water use through which we carefully assess and work to mitigate any potential impacts on water resources in both our onshore and our offshore operations.

We engage with a variety of nonprofit organizations on water issues. In 2022, Hess continued to support the Gulf of Mexico Alliance’s Gulf Star program, which works to enhance the ecological and economic health of the Gulf region. Through the Gulf Star program, Hess participates in a number of water related initiatives, including conducting water quality sampling projects in partnership with the Galveston Bay Foundation and Pontchartrain Conservancy and working with the Barataria-Terrebonne National Estuary to install water bottle refill stations in schools in Louisiana. In addition, Hess began a new partnership in 2022 with Texan by Nature to help the Texas Water Action Collaborative expand its programming in the Upper Trinity River Basin to the Lower Trinity River Basin.



See more detail on our approach to water management in our shale operations at [hess.com/sustainability/environment/shale-energy](https://hess.com/sustainability/environment/shale-energy)

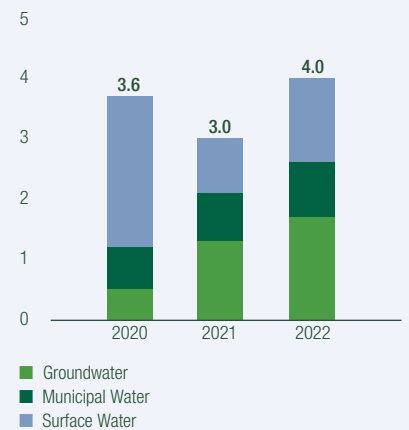
## Freshwater Use

Our freshwater use predominantly occurs in our onshore upstream operations during drilling and completions activities and in 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, though we primarily meet these needs by converting seawater to fresh water through reverse osmosis.

Hess’ total freshwater use in 2022 increased by 33% compared with 2021, which is primarily attributed to a 37%

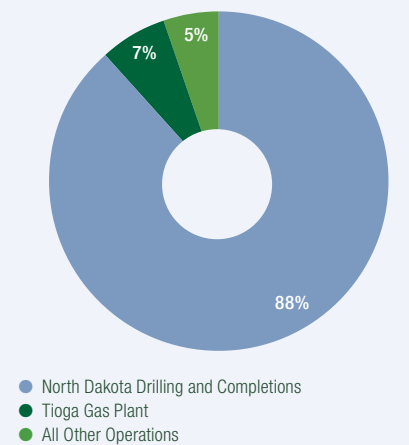
## Freshwater Use

Million Cubic Meters



## 2022 Freshwater Use by Facility/Business Function

4.0 Million Cubic Meters



increase in freshwater use in our onshore drilling and completions operations in the Bakken.

As our operational profile and practices continue to evolve, we remain committed to identifying our potential impacts related to freshwater use and evaluating opportunities to reduce freshwater use in our operations.

As part of this commitment, we updated our water stressed resource analysis in 2022 for the Bakken region – our only onshore operation and the primary region where we use fresh water – using the World Resources Institute’s Aqueduct Water Risk Atlas. 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. We will continue to update this analysis, as this remains an important issue for Hess and our stakeholders.

In addition to assessing the current state of water stress where we operate, we look at the risk exposure of our assets under the Representative Commitment Pathway scenarios from the Intergovernmental Panel on Climate Change to assess how climate change may impact future water availability and water stress in areas where we operate. Our approach to monitoring physical risks related to climate change is described on pages 44–45.

A key component to reducing our freshwater use is the reuse of produced water, nonpotable water that is released from underground formations along with produced oil and natural gas. Our ability to reuse produced water varies based on the geology of the formation, production

levels and changes in hydraulic fracturing technologies, among other factors.

In 2022 in the Bakken, our freshwater reduction strategy primarily focused on the reuse of produced water for production maintenance activities. We also continued to advance our efforts to treat and reuse produced water in our completions activities. In one pilot project, we were able to replace approximately 30% of the fresh water needed for hydraulic fracturing with produced water with no negative impacts to operations or production levels. In another pilot project, we improved the accuracy of our produced water tracking systems, enabling us to more precisely measure the daily volumes of produced water collected, reused and disposed of across our operations.

In 2022, we reused approximately 298,000 cubic meters of produced water to replace fresh water, a 9% increase from 2021.

We engage with a variety of stakeholders as part of our water use strategy. In

North Dakota, we engage with local stakeholders such as the NDIC, the Army Corps of Engineers, the North Dakota Department of Water Resources 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 also 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 continue to participate in the National Alliance for Water Innovation – a research partnership between government, academic and private sector organizations working to support a resilient water supply through applied research on affordable and energy efficient desalination and other advanced water treatment technologies.

### 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 rigorous management practices in place 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 (DEQ) 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.

Release prevention, a central element of our efforts to protect water quality and one of our key sustainability issues, is discussed on pages 65–66.



Offshore Operations | Gulf of Mexico

## 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 2022, our offshore facilities discharged approximately 1,500 tonnes of nonaqueous drilling mud and cuttings to sea, which included 163 tonnes of nonaqueous base fluid. Produced water discharges to sea totaled an estimated 0.85 million cubic meters in 2022, with an average oil content of 13 parts per million volume (PPMV) for a total of 11 tonnes of oil discharged. These discharges were in compliance with applicable regulations.

## SPILL PREVENTION

The prevention of releases is one of Hess' key sustainability issues. We maintain spill preparedness and response plans and conduct emergency response exercises at each of our assets (see pages 32–33). To support a swift and effective response to any loss of primary containment (LOPC) event, 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),

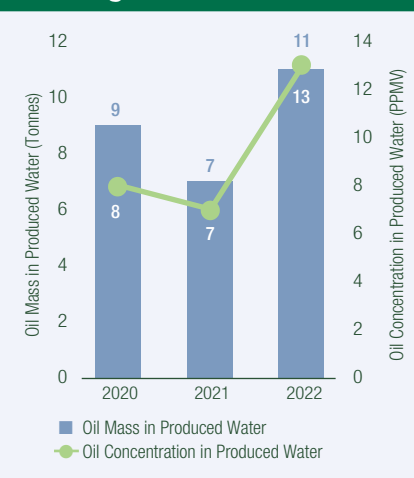
an industry funded cooperative. Our domestic needs for oil spill response are supported by the Marine Spill Response Corporation, Clean Gulf Associates, the Sakakawea Area Spill Response Cooperative, Tri-State Bird Rescue and Research and the Wildlife Center of Texas. Hess representatives serve on the 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 Marine Well Containment Company (MWCC), we serve on its executive committee and in 2022 a senior member of our environment, health and safety team was seconded to serve as the MWCC's Health, Safety and Environment Officer. Both Wild Well Control and MWCC 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 EPA.

We carried out a range of programs focused on spill prevention in 2022. To address spills that result from

## Oil in Produced Water Discharges to Sea



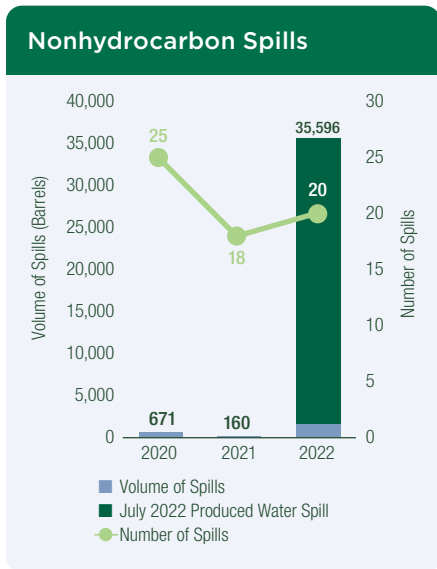
corrosion and integrity issues, we further refined our inspection and surveillance programs. For example, in the Bakken we advanced implementation of enhanced, real time, remote monitoring systems for equipment, including integrity critical equipment, that tracks alignment with applicable operating parameters to help us identify and prioritize maintenance planning and response. We performed in-line inspections; close interval, soil to pipeline gradient cathodic protection surveys; and flyover inspections that go beyond applicable regulations on some pipelines. We also renewed 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) that we use to track performance

## Using Advanced Technology to Enhance Release Detection

As part of our commitment to safeguarding the environment, Hess has been supporting the development of advanced release detection technologies for years. In 2022, we further progressed this work by implementing a near daily remote sensing protocol that significantly enhances our release detection capabilities. This technology, developed by SateLytics and supported by Hess since 2018, uses geospatial analytics, proven algorithms and unique data collection methodology to identify, locate and measure potential releases as well as physical risks in both upstream and midstream infrastructure.

SateLytics' approach uses a mix of satellites, drones, stratospheric balloons, airplanes, fixed cameras and onsite hardware to assess specific equipment,

overall sites and higher level landscapes for signs of potential releases. They analyze the multispectral imagery that is collected through a combination of automated software and proprietary algorithms and provide alerts to operators when potential issues are detected. This process enables near-continuous measurement, early detection and remote investigation of potential issues. Our initial implementation of this technology is focused on detecting liquid releases, such as hydrocarbons and produced water. The technology will ultimately be used to detect land movement and erosion, encroachments on right of ways, vegetation management and coarse resolution methane detection.



internally and to increase internal transparency and reporting.

We are also continuing a multiyear effort through API's Pipeline Safety Management System group to implement API Recommended Practice 1173, a best practice in pipeline safety. In 2022, we continued our quarterly steering committee meetings to drive implementation of identified opportunities and further evolved a series of related KPIs that are used to track progress.

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 AIP.

In 2022, the number and volume of both hydrocarbon and nonhydrocarbon spills we experienced increased compared with 2021. Approximately 65% of the volume of hydrocarbon spills is attributed to an LOPC event that occurred at a Hess site in April 2022. The leak was isolated, and the impacted soil was remediated. Approximately 96% of the volume of nonhydrocarbon spills is attributed to an LOPC event of a Hess Midstream owned underground pipeline carrying produced water that occurred in July 2022. This pipeline was purchased by Hess Midstream as part of an acquisition of a larger collection system after the pipeline's installation, commission and initial operation. In response to this event, Hess' emergency response organization was activated, and, in collaboration with the North Dakota DEQ, a Unified Command was stood up. Hess Midstream isolated the leak, horizontally and vertically investigated to delineate the impacts and developed remediation strategies approved by the DEQ. These strategies included engaging relevant stakeholders, repairing the line, disposing of approximately 33,500 tonnes of soil at a Hess audited landfill and remediating the impacted soils. Additional long term remediation activities and monitoring were implemented or are underway where appropriate. A root cause failure analysis was also performed that identified external damage to the pipeline consistent with line strikes believed to have occurred during pipeline installation. In 2022, we recovered approximately 60% of the hydrocarbons spilled and approximately 3% of the nonhydrocarbons spilled during the initial cleanup, after which

we continued remediation efforts until the relevant regulatory agency deemed that no further action was necessary.

### LIFECYCLE APPROACH TO WELL INTEGRITY

Maintaining well integrity – 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, the health and safety of our workforce and the communities where we operate.

We take a lifecycle approach to integrity for all Hess wells, both offshore and onshore. Before designing or constructing wells, we identify the appropriate barrier systems for maintaining integrity throughout the well lifecycle. 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 has been 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 the installation, verification, maintenance and operating limits of barriers used through the lifecycle of the well.

We continue to advance 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 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**


We design, construct, maintain and monitor well integrity from the initial drilling phase through plugging and abandonment. Our standards require the completion of a detailed well barrier diagram before undertaking any activities in the field. To prevent uncontrolled flow, we use a combination of barriers, including 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 installed 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.

Onshore, annular pressures are routinely monitored as an indicator of well integrity issues. Offshore, barriers critical to well integrity are digitally monitored on a continuous basis.

 See more detail on our approach to well integrity in our shale operations at [hess.com/sustainability/environment/shale-energy](https://hess.com/sustainability/environment/shale-energy)

**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.

As part of the planning process for major investment opportunities (as defined in the Value Assurance subsection on page 13), we conduct environmental and social impact assessments (ESIAs). These ESIAs include biodiversity and cultural heritage baseline and field studies, aiding us in the identification of key biodiversity areas, species, habitats and cultural resources. These ESIAs also determine the potential impacts of the projects on the identified resources. Where appropriate, we adopt management plans that are in accordance with the mitigation hierarchy and also include stakeholder engagement and monitoring and evaluation plans (see the Social Responsibility section, pages 21–23).

**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 underground 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. government's Safety and Environmental Management System regulations, which provide a systematic approach for identifying, managing and mitigating potential hazards.

As part of our ongoing operations, we conduct annual risk assessments to identify our potential impacts on key biodiversity areas, species, habitats and cultural resources, as well as to adopt mitigations. To do this, we utilize third party software programs – such as the Integrated Biodiversity Assessment Tool, which incorporates datasets including the International Union for Conservation of Nature's (IUCN) Red List of Threatened Species, the World Database on Protected Areas and the World Database on Key Biodiversity Areas.

These annual risk assessments enable us to maintain a list of IUCN Red List species with habitats that overlap with or are adjacent to our operations. The table on the next page provides a snapshot of our 2022 list. We validate and cross reference this list with the U.S. Fish and Wildlife Service's national endangered and threatened species lists.

**Well Development Lifecycle**





Offshore Operations | Gulf of Thailand

These annual risk assessments also enable us to identify IUCN protected areas (categories I–VI) that overlap or are adjacent to our operations. In 2022, at our Bakken asset, we found that there were four category I–III areas adjacent to our operations but none that overlapped; and eight category IV, 25 category V and 49 category VI areas that overlapped with our operations. These protected areas represented 1,127 hectares, or 0.4%, of our approximate total 280,000 hectares footprint at the Bakken asset.

IUCN Red List Species with habitats overlapping Hess operations	
Category	Species (Count)
Critically Endangered	27
Endangered	63
Vulnerable	183
Near Threatened	166

In addition to conducting annual risk assessments across our operational footprint, we also conduct risk assessments specific to projects associated with our continuous operations and activities, but not considered major investment opportunities (as defined in the Value Assurance subsection on page 13). Like the risk assessments described above, these risk assessments identify key biodiversity areas, species, habitats and cultural resources in the proposed project area; determine potential impacts; and adopt management measures in accordance with the mitigation hierarchy. In 2022, for example, at our Bakken asset, a total of 109 projects required a risk assessment, which consisted of 91 upstream and 18 midstream projects. Of those 109 projects, we conducted additional field studies for 67 projects – two of which were executed via flight surveys, a first for Hess. Based

on those field studies, 13 projects required mitigations or adjustments to protect species’ habitats, 47 projects necessitated wetland mitigations and eight projects required adjustments to protect cultural heritage resources. Beyond conducting risk assessments and related studies as part of our continuous operations, and as a part of our commitment to conserve biodiversity and habitats, we developed and follow threatened and endangered species field guides to be used by our workers during day to day field activities in order to help ensure the protection of these species. We also have a standard work instruction that provides workers with a list of appropriate steps to take if they encounter threatened and endangered species during day to day field activities. We also consider biodiversity when we are abandoning or retiring an asset. In such instances, we follow closure

plans, which have been developed in consultation with relevant external stakeholders. These plans may include addressing well and subsurface equipment closure and long term integrity, removing above ground equipment and restoring impacted lands. For more information on stakeholder engagement during asset retirement, see page 22.

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 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 – which develops and shares good practices for safeguarding biodiversity and ecosystems.

**WASTE**

We generate a variety of waste streams, including waste specific to drilling and production activities. We manage waste at each Hess asset 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 are developed in accordance with the Hess Waste Management Standard and require the application of our waste minimization principles – Remove, Reduce, Reuse, Recycle, Recover, Treat and Dispose – with disposal being the least preferred option.

In 2022, we generated approximately 59,000 tonnes of solid waste, approximately 99% of which was classified as nonhazardous according to applicable regulations. Our overall waste generation volume increased by 25% in

2022 compared with 2021 primarily due to our remediation efforts associated with the Hess Midstream produced water release.

We also disposed of approximately 60,000 tonnes of drill cuttings from our Bakken asset at licensed disposal sites in 2022. These drill cuttings, as well as the discharges from our offshore facilities (see pages 64–65), 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, that is, removing technologically enhanced naturally occurring radioactive material, or TENORM, and then recycling it. In 2022, we recycled approximately 1,200 tonnes of nonhazardous piping waste in North Dakota due to these efforts.

 See more detail on naturally occurring radioactive material and TENORM at [hess.com/sustainability/environment/shale-energy](https://hess.com/sustainability/environment/shale-energy)

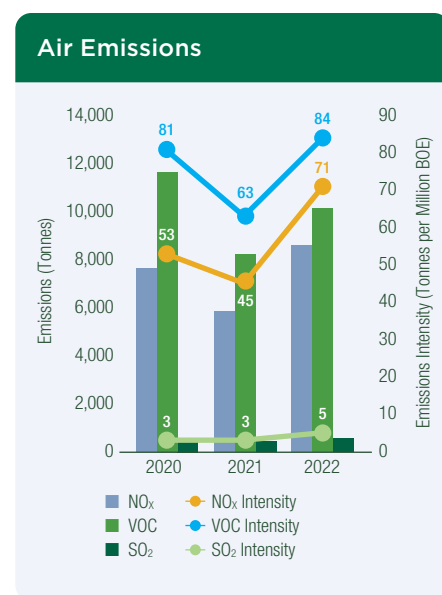
**AIR EMISSIONS**

The normal operation of fuel combustion equipment as well as flaring activities results in air emissions of nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>) and volatile organic compounds (VOCs). Fugitive emissions sources, including those related to product loading and storage, also can contribute to VOC emissions.

We observed an increase in our absolute emissions and emissions intensities in 2022 compared with 2021. Absolute NO<sub>x</sub> and SO<sub>2</sub> emissions increased by 47% and 40%, respectively, mainly as a result of increased drilling activity in the Gulf of Mexico and North Malay Basin. Absolute VOC emissions increased by 23% primarily due to maintenance activity in the North Malay Basin.

**Leak Detection and Repair**

We continued our leak detection and repair (LDAR) program in 2022 across our Bakken operations. LDAR helps us achieve emissions reductions as part of our ONE Future Coalition and The



Environmental Partnership commitments, and it also helps to decrease the turnaround time for repairs identified through inspections. (See pages 42–43 for more information on these commitments.) 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.

 See more detail on our LDAR program at [hess.com/sustainability/environment](https://hess.com/sustainability/environment)

**REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS**

Assuring compliance with external regulations is a key element of HOMS. We also conduct internal assurance reviews to help us 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 51 alleged violations and noncompliances in 2022, which were primarily for various administrative activities. We also paid eight fines totaling \$3,650 for alleged violations for sheen observations offshore that occurred in 2021 and 2022.

# 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](https://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](https://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/how-we-operate/diversity-and-inclusion](https://hess.com/sustainability/how-we-operate/diversity-and-inclusion).

	Units	2022	2021	2020	2019	2018
<b>Business Performance</b>						
Sales and other operating revenue	\$ Million	11,324	7,473	4,667	6,495	6,323
Net income (loss) attributable to Hess Corporation	\$ Million	2,096	559	(3,093)	(408)	(282)
Total assets	\$ Million	21,695	20,515	18,821	21,782	21,433
Total debt (including finance lease obligations)	\$ Million	8,481	8,677	8,534	7,397	6,672
Total equity	\$ Million	8,496	7,026	6,335	9,706	10,888
Debt to capitalization ratio	%	50.0	55.3	57.4	43.2	38.0
<b>Exploration and Production</b>						
Total net equity hydrocarbon production <sup>(1)</sup>	Thousand BOE/day	344	315	331	311	277
Total operated hydrocarbon production (wellhead) <sup>(2)</sup>	Thousand BOE/day	345	379	454	394	323
Total operated hydrocarbon production (sales) <sup>(3)</sup>	Thousand BOE/day	330	354	394	350	285
Proved reserves (total)	Million BOE	1,256	1,309	1,170	1,197	1,192
Liquids (crude oil (light and medium oils), condensate & natural gas liquids)	%	80	80	78	78	75
Gas	%	20	20	22	22	25
Reserve life	Years	10	11	9	10	12
Replaced production (excluding asset sales)	%	144	295	95	104	170
<b>Selected Economic Metrics</b>						
Capital and exploration expenditures	\$ Million	2,953	2,012	2,039	3,159	2,340
Income tax expense/(benefit)	\$ Million	1,099	600	(11)	461	335
Royalties, taxes and other remittances to governments	\$ Million	735	496	388	580	468
Cash dividends paid to shareholders	\$ Million	465	311	309	316	345
Employee wages and benefits (U.S.)	\$ Million	616	539	591	594	598
Interest expense before income taxes	\$ Million	493	481	468	380	399
Operating costs	\$/BOE	13	12	10	12	13
Supplier spend (approximate)	\$ Million	3,190	2,118	2,813	3,744	3,505
Total social investment	\$ Million	20.7	15.7	11.0	7.7	6.9
<b>Our People</b>						
Permanent employees	#	1,623	1,545	1,621	1,775	1,708
U.S.	%	91	91	87	86	86
International	%	9	9	13	14	14
Women (U.S. and international)	%	27	27	26	26	26
People of color (U.S.)	%	25	24	22	22	22
Total turnover (including voluntary, layoffs and other involuntary)	%	6	11	13	6	26
Employee voluntary turnover (including retirements)	%	5	4	3	6	6
Employee layoffs (including reduction in force and asset sales)	%	0	6	9	0	20
<b>Safety Performance<sup>(4)</sup></b>						
Fatalities – workforce (employees + contractors)	#	2	0	0	0	0
Hours worked – workforce	Million hours	14.0	11.4	13.2	16.0	14.9
Workforce total recordable incident rate	Per 200,000 hours worked	0.44	0.32	0.35	0.43	0.32
Employee total recordable incident rate	Per 200,000 hours worked	0.24	0.05	0.32	0.05	0.13
Contractor total recordable incident rate	Per 200,000 hours worked	0.52	0.46	0.36	0.57	0.41
Workforce lost time incident rate	Per 200,000 hours worked	0.10	0.12	0.09	0.18	0.08
Employee lost time incident rate	Per 200,000 hours worked	0.10	0.05	0.09	0.00	0.00
Contractor lost time incident rate	Per 200,000 hours worked	0.10	0.16	0.09	0.24	0.12
Workforce occupational illness rate	Per 200,000 hours worked	0.11	0.02	0.03	0.10	0.05
Employee occupational illness rate	Per 200,000 hours worked	0.00	0.00	0.00	0.05	0.13
Contractor occupational illness rate	Per 200,000 hours worked	0.16	0.03	0.05	0.12	0.02

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

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

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

<sup>(4)</sup> 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. Although not included in our rates, these cases are recorded in Hess' Occupational Safety and Health Administration Injury and Illness logs, where applicable.



	Units	2022	2021	2020	2019	2018
<b>Greenhouse Gas Emissions<sup>(1)</sup></b>						
Volume of flared and vented hydrocarbons	MMSCF	9,976	11,924	18,975	25,864	20,158
Flaring intensity <sup>(2)</sup>	SCF/BOE	79	86	115	201	195
Operated Scope 1 and 2 emissions (location based) – <i>includes Denmark</i>						
Operated direct emissions (Scope 1)	Million tonnes CO <sub>2</sub> e	2.23	2.45	3.13	3.83	3.50
Carbon dioxide	Million tonnes CO <sub>2</sub> e	2.06	2.26	2.88	3.51	3.19
Methane	Thousand tonnes CO <sub>2</sub> e	171	191	247	316	308
Nitrous oxide	Thousand tonnes CO <sub>2</sub> e	1.56	1.70	1.97	2.49	2.64
Operated indirect emissions (Scope 2) (location based)	Thousand tonnes CO <sub>2</sub> e	436	388	428	428	350
Carbon dioxide	Thousand tonnes CO <sub>2</sub> e	433	385	424	425	348
Methane	Thousand tonnes CO <sub>2</sub> e	1.16	1.02	1.14	1.17	0.80
Nitrous oxide	Thousand tonnes CO <sub>2</sub> e	1.93	1.76	1.96	2.05	1.66
Operated indirect emissions (Scope 2) (market based)	Thousand tonnes CO <sub>2</sub> e	0	0	109	122	310
Operated Scope 1 and 2 emissions (market based) – <i>includes Denmark</i>	Million tonnes CO <sub>2</sub> e	2.23	2.47	3.26	3.97	3.75
Operated Scope 1 and 2 emissions (market based) – <i>excludes Denmark</i>	Million tonnes CO <sub>2</sub> e	2.23	2.32	3.07	3.77	3.56
Operated GHG emissions intensity (market based) <sup>(3)</sup> – <i>excludes Denmark</i>	Kilograms CO <sub>2</sub> e/BOE	18.5	17.9	21.3	29.5	34.2
Methane emissions intensity (based on sales of natural gas) – <i>excludes Denmark</i>	%	0.15	0.16	0.21	0.29	0.32
Equity (Scope 1 and 2) GHG emissions	Million tonnes CO <sub>2</sub> e	3.91	3.81	4.28	4.26	3.80
Equity (Scope 1 and 2) GHG emissions intensity (market based)	Kilograms CO <sub>2</sub> e/BOE	29	31	34	36	38
Equity Scope 3 emissions	Million tonnes CO <sub>2</sub> e	48.2	43.4	45.8	43.5	38.7
<b>Energy Use</b>						
Production energy intensity <sup>(3)</sup>	Gigajoules/BOE	0.22	0.19	0.16	0.21	0.28
Operated direct energy use	Thousand gigajoules	18,729	18,511	18,406	20,165	23,048
Operated indirect energy use (gross)	Thousand gigajoules	8,871	8,030	7,882	7,011	5,743
Net purchased electricity	Thousand MWh	961	870	854	760	622
Renewable energy certificates (wind power) <sup>(4)</sup>	Thousand MWh	961	870	634	531	70
<b>Freshwater Use</b>						
Total fresh water	Million cubic meters	4.00	2.98	3.64	4.93	3.84
Groundwater	Million cubic meters	1.70	1.29	0.45	0.97	1.45
Municipal water	Million cubic meters	0.89	0.76	0.72	0.76	0.77
Surface water	Million cubic meters	1.41	0.93	2.47	3.20	1.62
Reused/recycled (estimated) <sup>(5)</sup>	%	7.4	9.2	3.9	3.6	3.3
<b>Solid Waste</b>						
Nonhazardous	Tonnes	58,458	46,915	41,741	106,652	45,418
Hazardous	Tonnes	564	212	982	782	1,714
<b>Liquid Waste<sup>(6)</sup></b>						
Nonhazardous	Cubic meters	13,276	10,293	20,034	54,240	141,014
Hazardous	Cubic meters	0	0	0	0	0
<b>Spills</b>						
Hydrocarbon spills – number	#	14	12	20	30	29
Hydrocarbon spills – volume	Barrels	102	70	48	158	123
Nonhydrocarbon spills – number	#	20	18	25	32	20
Nonhydrocarbon spills – volume	Barrels	35,596	160	671	787	113
<b>Air Emissions (Excludes GHGs)<sup>(3)</sup></b>						
Sulfur dioxide	Tonnes	583	417	500	1,711	1,655
Sulfur dioxide intensity	Tonnes/Million BOE	5	3	3	13	16
Nitrogen oxides	Tonnes	8,582	5,835	7,629	9,909	14,306
Nitrogen oxides intensity	Tonnes/Million BOE	71	45	53	78	138
Volatile organic compounds	Tonnes	10,133	8,207	11,659	13,000	10,303
Volatile organic compounds intensity	Tonnes/Million BOE	84	63	81	102	99
<b>Exploration and Production Discharges</b>						
Oil in produced water to sea	Tonnes	11	7	9	16	13
Oil in produced water to sea <sup>(7)</sup>	PPMV	13	7	8	9	9
Produced water to sea	Million cubic meters	0.85	1.11	1.14	1.86	1.35
<b>Other Environmental Indicators</b>						
Environmental fines and penalties – operated	\$ Thousand	4	352	34	7	75
Environmental expenditures – remediation	\$ Million	23	16	15	20	15
Environmental reserve	\$ Million	55	60	65	70	80

<sup>(1)</sup> GHG performance data for 2018–2022 have been restated, as described on pages 58–59.

<sup>(2)</sup> Normalization factor for intensity is total operated hydrocarbon production (wellhead).

<sup>(3)</sup> Normalization factor for intensity is total operated hydrocarbon production (sales).

<sup>(4)</sup> Hess' purchased electricity is offset using renewable energy certificates (RECs) that are either Green e-certified (U.S.) or I-REC certified (Malaysia).

<sup>(5)</sup> Reused/recycled water represents the percentage of total Bakken produced water that was reused for well maintenance to offset freshwater use.

<sup>(6)</sup> Liquid waste totals include wastewater treatment and deep well disposal. Liquid nonhazardous waste totals for 2019–2021 have been restated to address a discrepancy noted during external verification.

<sup>(7)</sup> Oil concentration in produced water discharged to sea has been restated, as described on page 7.

# Independent Limited Assurance Statement

ERM Certification & Verification Services, Inc. (ERM CVS) was engaged by Hess Corporation (Hess) to provide limited assurance in relation to Hess' 2022 Sustainability Report (the Report) and selected greenhouse gas (GHG) emissions data presented in the Report.

Engagement Summary	
<b>Scope:</b>	<ul style="list-style-type: none"> <li>Whether the Report is fairly presented, in all material respects, in accordance with the reporting criteria.</li> <li>Whether the 2022 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"> <li>Total operated and Total equity Scope 1 GHG emissions (tonnes CO<sub>2</sub>e)</li> <li>Total operated and Total equity Scope 2 (location-based and market-based) GHG emissions (tonnes CO<sub>2</sub>e)</li> <li>Total Scope 3 GHG emissions comprised of the following categories (tonnesCO<sub>2</sub>e)                                     <ul style="list-style-type: none"> <li>Category 6: Business travel (air travel only); Category 10: Processing of sold products; Category 11: Use of sold products</li> </ul> </li> </ul> </li> </ul>
<b>Reporting Period:</b>	January 1 – December 31, 2022
<b>Reporting Criteria:</b>	<ul style="list-style-type: none"> <li><b>Sustainability Report:</b> Global Reporting Initiative (GRI) Standards, including the GRI Sector Standard for Oil and Gas (OG 11)</li> <li><b>GHG emissions:</b> WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard; WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Standard; U.S. EPA Mandatory Greenhouse Gas Reporting Rule; Ipieca's Petroleum industry guidelines for reporting GHG emissions (2nd edition, 2011); Ipieca's Estimating petroleum industry value chain (Scope 3) greenhouse gas emissions (2016); Hess' GHG Inventory Protocol</li> </ul>
<b>Assurance Standard and Level of Assurance:</b>	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
<b>Respective Responsibilities:</b>	<p>Hess is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the Report.</p> <p>ERM CVS' responsibility is to provide conclusions to Hess on the agreed scope based on our engagement terms with Hess, the assurance activities performed and exercising our professional judgement. We accept no responsibility, and deny any liability, to any party other than Hess for the conclusions we have reached.</p>

## Our Conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the Report and the 2022 data for the GHG emissions listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

## Our Assurance Activities

Considering the level of assurance and our assessment of the risk of material misstatement of the Report and the 2022 data for the GHG emissions, a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- 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 2022 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.
- An in-person visit to Hess' operations in North Dakota and a virtual visit to Hess' operations in the Gulf of Mexico, to verify the source data for the operations' sustainability performance indicators for 2022 and to review sustainability management implementation at the operation level.
- An in-person 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 2022 sustainability performance and activities in the Report.
- A review of selected evidence related to the design, information collection, and production of the Report in accordance with GRI requirements.
- A review of the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

## The Limitations of our Engagement

The reliability of the assured 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.

Our assurance activities included a review of the appropriate application by Hess of purchased renewable energy certificates (RECs) to offset its Scope 2 GHG emissions and of purchased carbon credits to offset its Scope 3 GHG emissions associated with employee business travel. We do not provide a conclusion on the quality of these RECs or carbon credits.

## Our Independence, Integrity and Quality Control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of Parts A & B of the IESBA Code relating to assurance engagements.

The team that has undertaken this assurance engagement has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Hess in any respect.

*Beth C. B. Wyke*

Beth Wyke | Head of Corporate Assurance Services | Malvern, PA  
June 29, 2023

**ERM CVS**

ERM Certification & Verification Services, Inc. | [www.ermcvs.com](http://www.ermcvs.com) | [post@ermcvs.com](mailto:post@ermcvs.com)

## AWARDS AND RECOGNITION

### Environmental, Social & Governance

- CDP Climate Change leadership status, 14 consecutive years
- Dow Jones Sustainability World Index; made North America Index, 13 consecutive years
- 3BL Media's 100 Best Corporate Citizens, 15 consecutive years – only U.S. oil and gas company to be included
- MSCI AAA ESG Rating, 2 consecutive years; earned AA ratings 2011–2020
- FTSE4Good U.S. Index, 9 consecutive years
- *Newsweek* magazine's America's Most Responsible Companies – highest ranked oil and gas producer, 3 consecutive years
- Transition Pathway Initiative – Level 4 rating, 3 consecutive years
- Investor's Business Daily's 100 Best ESG Companies

### Diversity, Equity & Inclusion

- Bloomberg Gender-Equality Index, 3 consecutive years
- Human Rights Campaign's Corporate Equality Index, 100% score
- *Minority Engineer* magazine's Top 50 Employers, 5 consecutive years
- *STEM Workforce Diversity* magazine's Top 50 Employers, 14 consecutive years
- *Hispanic Network* magazine's Best of the Best Employers, 7 consecutive years
- *Black EOE Journal*'s Best of the Best Employers, 7 consecutive years
- *Careers and the disABLED* magazine's Top 50 Employers, 12 consecutive years
- *Woman Engineer* magazine's Top 50 Employers, 10 consecutive years
- *Equal Opportunity* magazine's Top 50 Employers, 4 consecutive years

### Management

- *Wall Street Journal*'s Top 250 Best-Managed Companies, 2 consecutive years
- *Institutional Investor*'s All-America Executive Team, No. 1 overall oil and gas exploration company, 2 consecutive years
- *Forbes*' America's Best Midsize Employers, 2 consecutive years

### Health & Wellness

- Springbuk's Healthiest 100 Employers in America and #3 in Texas 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; reduced demand for our products, including due to 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 and 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 and other events, such as accidents, severe weather, geological events, shortages of skilled labor, cyber-attacks, public health measures 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, rising interest rates 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 U.S. 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.



Learn More at [Hess.com/Sustainability](https://www.hess.com/sustainability)

#### **SOCIAL RESPONSIBILITY**

A review of social responsibility as our way of doing business

[hess.com/sustainability/social-responsibility](https://www.hess.com/sustainability/social-responsibility)

#### **CLIMATE CHANGE AND ENERGY**

Our approach to balancing the world's growing energy needs with greenhouse gas emissions reduction

[hess.com/sustainability/climate-change-energy](https://www.hess.com/sustainability/climate-change-energy)

#### **SAFETY AND HEALTH**

How we aim to get everyone, everywhere, every day, home safe

[hess.com/sustainability/safety-health](https://www.hess.com/sustainability/safety-health)

#### **ENVIRONMENT**

Responsible management of our environmental footprint

[hess.com/sustainability/environment](https://www.hess.com/sustainability/environment)

#### **OUR PEOPLE**

How we are creating an inclusive culture and high quality workforce that innovates, leads and learns

[hess.com/careers/life-at-hess](https://www.hess.com/careers/life-at-hess)

#### **GRI CONTENT INDEX**

Performance against GRI Standards indicators

[hess.com/sustainability/sustainability-reports](https://www.hess.com/sustainability/sustainability-reports)



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