

Welcome to your CDP Climate Change Questionnaire 2022

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Hess Corporation (HES) (and its affiliates) is a leading global independent energy company engaged in the exploration and production of crude oil and natural gas. Since 2014, Hess has been a pure play exploration and production (E&P) company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2021	December 31, 2021	No

C0.3

(C0.3) Select the countries/areas in which you operate.

- Denmark
- Malaysia
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream

Midstream

Other divisions

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US42809H1077

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
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Chief Executive Officer (CEO)	<p>Hess Corporation has established an Environment, Health and Safety (EHS) Committee of the Board, which is tasked with assisting the Board in identifying, evaluating and monitoring EHS risks and strategies (including climate change) that have the potential to affect the people, environment or communities where we operate, or our company's business activities, performance or reputation. Our Chief Executive Officer (also a Board member) participates in these meetings, along with six outside Directors who are also members of the Board.</p> <p>Our CEO has oversight of climate-related issues including reviewing and guiding both strategy and implementation. As an example, during the past year, our CEO participated in the development, review and approval of Hess' short, medium and long term climate-related targets. Our medium-term targets include a target to reduce GHG emissions intensity of our operated assets by 50% to 17 kilograms (kg) carbon dioxide equivalent (CO₂e) per BOE by 2025 versus a 2017 baseline of 34 kg CO₂e per BOE, a reduction in methane emissions intensity to 0.19% by 2025, which equates to a 53% reduction in methane emissions intensity versus our 2017 baseline of 0.40% and a target to implement zero routine flaring at all Hess operated assets by 2025.</p> <p>In support of these medium-term targets, we have a set short-term targets for 2022 to reduce our Bakken operations routine flaring rate to 5%, along with a commitment to purchase renewable energy certificates to offset 100% of Scope 2 emissions generated from purchased electricity. Our long-term targets will be established by an executive led task force that is developing a plan to achieve net zero Scope 1 and 2 emissions.</p> <p>Our CEO and the EHS Board Committee review progress against these targets when they receive quarterly EHS briefings. This oversight helps the company stay aligned and focused on its overarching climate objectives.</p> <p>The EHS Board Committee also reviews climate-related issues that are deemed high priority within the company and by external stakeholders. Formal Board level oversight allows these high priority issues to be reviewed with the EHS Board Committee and for senior management to receive EHS Board Committee feedback and input in determining strategy for handling these matters.</p>
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C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

<p>Scheduled – some meetings</p>	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding annual budgets</p> <p>Reviewing and guiding business plans</p> <p>Setting performance objectives</p> <p>Monitoring implementation and performance of objectives</p> <p>Overseeing major capital expenditures, acquisitions and divestitures</p> <p>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</p>	<p>Hess' climate change strategy is aligned with the Task Force on Climate-Related Disclosures (TCFD) recommendations: Governance; Strategy; Risk Management; and Metrics & Targets. In late 2021, TCFD updated its guidance and Hess will be integrating several of the recommended enhancements from this new guidance in the near future as we gather and collect the necessary data and metrics requested by TCFD.</p> <p>Climate related issues are fully integrated into Hess' EHS & SR strategy and our Enterprise Risk Management Process.</p> <p>In late 2020, Hess established a task force to lead our climate change strategy implementation and to evaluate the medium and long term aspects of our strategy. The task force is comprised of nine senior executives from multiple functions throughout the company, with oversight provided by our Chief Operations Officer and members of the COO operating committee. The task force was instrumental in Hess' endorsement of the World Bank's Zero Routine Flaring by 2030 Initiative, and our commitment to achieve zero routine flaring by the end of 2025. The task force is also charged with developing our plan to achieve net zero Scope 1 and 2 emissions. The task force will continue to monitor, enhance and evaluate Hess' progress towards these objectives, as well as assess emerging technologies with emissions reduction potential.</p> <p>The EHS Board Committee is updated on a regular basis, as the EHS Board Committee has oversight of climate-related issues including reviewing and guiding both the strategy and implementation. This oversight improves alignment and focus with our overarching climate objectives.</p> <p>By overseeing progress against climate-related goals and targets, the EHS Board Committee can monitor our climate-related actions for consistency with our climate change strategy.</p>
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C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues
Row 1	Yes	<p>We view climate-related competence as including the following skill set:</p> <ul style="list-style-type: none"> -An individual who has environmental and climate related experience -An individual who has a long-term perspective for strategic planning -An individual who understands efforts to stress test the company's business plans against the goal, as envisaged by the Paris Agreement, to keep the global temperature rise well below 2 degrees C -An individual who understands climate impacts on the global supply chain -An individual who arranges for the full Board to be briefed by external experts and by our VP EHS on climate-related risks, opportunities, strategies, and policies -An individual who recommends that executive compensation be linked to climate-related targets -Having one or more individuals on the Board with this skill set ensures that climate-related risks and opportunities are properly quantified, considered in the development of the company's strategies and policies and provides perspective to the Board as to how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy <p>In addition, Hess has assigned a full Board Committee, the EHS Board Committee, formal responsibility to oversee climate change matters.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

i. Where in the organizational structure this position lies: Our Enterprise Risk Management (ERM) framework reviews and assesses a broad category of risks. Various departments, such as Operations, Government Relations and Environmental, Health and Safety (EHS) work together to bring forward risks in their relevant disciplines. On an asset-level, the EHS team brings forward any relevant climate change-related risks. Our CEO, who reports to the Chairman of the Board, oversees and reviews Hess' ERM framework. In addition, senior management provides EHS reports to the CEO and EHS Board Committee at least quarterly and more frequently if important EHS matters arise. The EHS Board Committee is responsible for overseeing and advising on EHS matters, including climate change.

ii. Rationale of why climate change responsibilities have been assigned: The CEO, has oversight of climate-related issues because EHS issues, including climate change, are deemed high priority issues within the company and by external stakeholders. Formal oversight by the CEO serves as a critical link between the Board and senior management. This link allows these important issues to be reviewed with the EHS Board Committee and for senior management to receive EHS Board Committee feedback and input in determining strategy for handling these matters.

iii. Specific responsibilities of every position with regard to climate change: Our CEO reviews and provides input and feedback on all climate-related issues (i.e., strategy, emissions inventories, target setting and identification of mitigation opportunities) brought to his attention by the EHS and Enterprise Risk Management groups. In addition, he provides guidance on the internal cost of carbon that Hess uses to evaluate all significant new investment opportunities. He also brings appropriate climate-related issues to the attention of the EHS Board Committee and the full Board (as necessary). Our CEO also arranges for external experts to brief the Board on climate related issues, risks, and opportunities so that the Board gets additional perspective on these important issues. Additionally, our CEO receives updates and monitors progress on climate related issues when they are presented by the EHS department on a quarterly basis at EHS Board Committee meetings, which our CEO regularly attends. As an example, our CEO participated in the development, review, and final approval of Hess' short-term, medium-term and long-term climate-related emissions reduction targets. Our short-term (0-3 years) targets for 2022 include a target to reduce Bakken operations routine flaring to 5%

and a target to offset 100% of our Scope 2 emissions from operations through the purchase of renewable energy certificates. Our medium-term targets (4-10 years) include a target to reduce GHG emissions intensity to 17 kilograms of CO₂e per BOE by 2025 versus a 2017 baseline of 34 kg CO₂e per BOE, which equates to a 50% GHG intensity reduction, a target to reduce methane intensity to 0.19% by 2025, which equates to a 53% reduction in methane emissions intensity versus our 2017 baseline and a target to achieve zero routine flaring at our operated assets by 2025. Our long-term targets (>10 years) will be established by an executive led task force that is developing a plan to achieve net zero Scope 1 and Scope 2 GHG emissions.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Provide incentives for the management of climate-related issues		Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	As an added measure to incentivize Hess employees and executives to continue to build on our industry leading performance in sustainability, we link employee compensation to EHS and climate initiatives. There are several targets that make up a portion of all employee's cash bonuses along with an individual performance component. In 2021, the Board's Compensation and Management Development Committee elected to link employee compensation to flare reduction initiatives. Hess set a target of 7% gross flaring rate from wells and pads in the Bakken region of North Dakota versus a North Dakota Industrial Commission required rate of 9%. In 2021, we actually achieved a gross flaring rate in the Bakken region of 3.9%, a significantly lower flaring rate than the 7% target for 2021.
All employees	Monetary reward	Emissions reduction target	As an added measure to incentivize Hess employees and executives to continue to build on our industry leading performance in sustainability, we link employee compensation to EHS and climate initiatives. There are several targets that make up a portion of all employee's cash bonuses along with an individual performance component. In 2021, the Board's Compensation and

			<p>Management Development Committee elected to link employee compensation to flare reduction initiatives. Hess set a target of 7% gross flaring rate from wells and pads in the Bakken region of North Dakota versus a North Dakota Industrial Commission required rate of 9%. In 2021, we actually achieved a gross flaring rate in the Bakken region of 3.9%, a significantly lower flaring rate than the 7% target for 2021.</p>
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C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Primarily related to near term business decisions required for operational budgetary and planning purposes
Medium-term	4	10	Primarily related to project level changes at our various assets
Long-term	11		Primarily related to shifts in energy demand, energy mix, emergence of new technologies and possible changes by policymakers with respect to GHG emissions that may alter the composition of the company's overall portfolio

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

The Enterprise Risk Management framework starts with some key tools: a common language, our “risk dictionary”- which defines technical and non-technical risk terms- and a risk ranking matrix. The risk tools set Hess’s threshold for substantive financial impacts and are used to identify and prioritize material transition and physical climate risks. A risk is typically considered substantive when the anticipated impact is greater than \$100 million and likelihood of occurrence is “high”.

In addition, when we evaluate new capital projects with a substantive financial impact (greater than \$50 million), 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 (currently \$40/tonne). We recently updated our planning guidance to expand the evaluation for all substantive new investment decisions to include a sensitivity using the IEA's Sustainable Development Scenario carbon pricing which ranges up to \$160/tonne.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

At Hess, we have an Enterprise Risk Management framework (ERM) that is led by the Chief Risk Officer, who reports to the Chief Financial Officer. Hess applies a comprehensive, standardized approach to identifying and managing risks of all types across our Direct operations, including climate change.

Our ERM framework, which includes consideration of EHS & SR risks, delivers a framework that enables Hess' Board of Directors and executive leadership to work together to strengthen the consistency of risk consideration in making business decisions. Our Board of Directors has ultimate oversight over the ERM framework and is charged with understanding the key risks affecting the company's business and how those risks can be managed.

Within our Direct operations, Hess' ERM framework is used to develop a holistic risk profile for each asset and major capital project, drawing input from subject matter experts, performance data, incident investigations, lessons learned and recent audits. In these risk assessments, we identify risks and assess their likelihood and potential impact to people, the environment, our reputation and our business. Our Risk Management Standard helps to align and integrate risk management across the company. The standard establishes a risk framework, accountabilities and expectations

across the organization to provide a consistent and integrated risk management process across our business. Climate risks are considered throughout both enterprise and functional risk assessments from the perspective of potential financial impact, physical, reputational and regulatory impacts.

Corporate Risk oversees day-to-day implementation of the ERM framework, including developing and verifying compliance with relevant policies and standards. On a quarterly basis, each asset reviews their risk profile to assess and reposition, if appropriate, their risks for the short, medium and long term. The EHS Board Committee also reviews a comprehensive Company risk profile on a quarterly basis to evaluate short, medium and long-term EHS risks and the full Board does the same on an annual basis.

In addition, to provide perspective to stakeholders, Hess conducts an annual scenario planning exercise to assess portfolio resilience over the longer term. This scenario-based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the evolution of energy demand and mix, the emergence of new technologies and possible changes by policymakers with respect to GHG emissions. Hess modeled four main scenarios detailed in the IEA's 2021 World Energy Outlook (the STEPS, APS, SDS and NZE2050) against our own internal development plan. The TCFD recommends that organizations use a 2 degree C or lower scenario to test portfolio resilience. Such scenarios usually feature reductions in demand for oil, natural gas and coal, growth in clean technologies, and a reshaping of trade flows, among other assumptions. The SDS and Net Zero 2050 Scenarios, which is part of Hess' modeling, fits within this recommendation. Our strategy includes minimizing our carbon footprint by expanding use of our risk register and the prioritization process to identify opportunities that help grow our business while mitigating risk.

As part of the Hess climate change strategy, we also identify and manage climate-related opportunities. We take cost-effective, appropriate steps to monitor, measure, and reduce emissions through applying innovation and efficiency to reduce energy use, waste and emissions across our operations. (1) Transition/Market risk/Opportunity: (Situation) We used our ERM framework to identify that reducing flaring could be a significant opportunity for the company. As part of this ERM framework, North Dakota asset level subject matter experts identified flaring reduction as an opportunity to reduce GHG emissions. The Company recently set a new medium-term target to achieve zero routine flaring by 2025. Our flare reduction strategy is a key component of our climate-related strategy because it provides us with an opportunity to reduce GHG emissions, increase our supply of natural gas to the marketplace where natural gas can serve as a bridging fuel in a transition to a lower carbon environment and generate additional revenue. (Task) We set a target to eliminate routine flaring at all Hess operated assets by 2025. (Action) To reach this target, we through our midstream affiliate, have invested over \$3.6 billion in infrastructure to reduce flaring. (Result) This is a win-win for Hess because it reduces costs, generates additional revenue and supports efforts to transition to lower carbon emitting products, since natural gas is less carbon intensive than other

fossil fuels. Between 2019 to 2021, we have reduced flaring from 68 MMSCFD to 31 MMSCFD and eliminated 1.2 million tonnes of annual CO₂e emissions. This reduction, along with additional flare reduction initiatives, is expected to position us to achieve zero routine flaring by 2025.

For managing physical risks within our Direct operations, each Hess asset maintains an emergency response plan that details procedures for emergency scenarios, including severe weather events, because increased storm severity could materially affect our operations. When storms such as hurricanes that could affect facility operations develop, Hess monitors the position, conditions, movement, and intensity. Each facility is advised as appropriate to initiate evacuation of personnel and to take steps to protect the environment and operations equipment. (2) Physical Risk/Opportunity: (Situation) Through our ERM framework, our Gulf of Mexico subject matter experts identified that hurricanes pose a significant potential tail risk to the company; a risk that could potentially have a significant impact. In 2021, we experienced two tropical storms, Nicholas and Claudette, which required sheltering in place and one hurricane, Ida, which required the evacuation of our three operated platforms, Baldpate, Stampede and Gulfstar One, the relocation of the Discoverer Inspiration drilling ship and the evacuation of our Fourchon shore base, all in our Gulf of Mexico operations. (Task/Action) The hurricane required Hess to evacuate all of our operated production platforms while executing emergency response plans. Total net deferred production was approximately 1.9 million barrels of oil which equated to a market value of approximately \$135 million, along with additional operating expenses of approximately \$5 million and annual emergency response preparedness expenses of approximately \$2 million. We also sustained some property damage to these production platforms which cost an additional \$ 3 million to repair. (Result) Despite the disruption to our business from the shut-down, there were no known injuries or process safety events and no known environmental impact.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Example: Some examples of a current regulatory risk are cap and trade programs. These programs are risks to Hess because a price on carbon could materially impact our business. The rigor and costs of these types of programs will likely increase as countries seek to align with the pledges that they made to the Paris Agreement. For instance, Hess' Denmark operation, which we operated through August 2021, prior to divesting our interest in that asset, is subject under the European Union Emissions Trading Scheme (EU ETS) to a carbon price. Under Phase III of the EU ETS, Hess and its co-owner, INEOS, made annual purchases of allowances to cover the gap between free

		<p>allowances and verified GHG emissions. In 2021, Hess and its co-owner, INEOS, purchased 174,551 allowances and received 3,455 free allowances.</p> <p>Explanation: Our EHS & Government Affairs groups systematically, reviews current energy and climate related regulations, including cap and trade and, as key participants in the ERM framework, include significant current regulatory risks in the ERM risk register for each Hess asset, project or business unit, if applicable.</p>
<p>Emerging regulation</p>	<p>Relevant, always included</p>	<p>Example: A emerging regulatory risk for Hess is the substantial regulatory uncertainty created by changing political dynamics. For example, the Bureau of Land Management's Methane and Waste Prevention Rule, which has the potential to impact our operations and contribute to compliance costs, was finalized in the Obama Administration in 2016 and became effective in January 2017. The Trump Administration suspended aspects of that rule that were not effective as of December 2017 while it developed a revised rule that was issued in 2018. Both the 2016 and the 2018 rules were vacated in court leaving the industry to adhere to a Notice to Lessees that was issued in 1980. Now, the Biden administration has stated its intent to revisit and revise the Waste Prevention Rule. This revised rule will need to go through a notice and comment rulemaking process that will likely take years to complete. Determining compliance remains a challenge when it is unclear which regulation applies at any given time and companies have to make operational and administrative changes each time a regulation is revised. Additionally, the rigor and costs of emerging regulatory programs will likely increase as countries seek to align with the pledges that they made to the Paris Agreement and regulate GHG emissions. In early 2022, Hess completed its annual scenario planning exercise to test the resilience of our portfolio against various alternative views of the market. This exercise establishes a range of energy supply, demand, oil, natural gas and carbon prices and emissions estimates that are projected to prevail under different publicly available long-term scenarios for environmental policy and market conditions. We tested the robustness of Hess' asset portfolio and intended forward investments under multiple scenarios, including the IEA's Sustainable Development and Net Zero by 2050 scenarios.</p> <p>Explanation: Our EHS & Government Affairs group systematically reviews energy and climate related emerging regulatory risks and, as key participants in the ERM framework, include significant emerging regulatory risks in the ERM risk register for each Hess asset, project, or business unit, if applicable.</p>

Technology	Relevant, always included	<p>Example: A technology risk for Hess is related to methane emissions, which could result in significant compliance costs and liabilities. The rigor and costs of these types of emissions reduction programs will likely increase as countries seek to align with the pledges that they made through the Paris Agreement and seek to regulate GHG emissions. Hess has implemented a leak detection and repair (LDAR) program for Natural Gas and Oil Production sources in North Dakota, which encompass 100% of our on-shore facilities over which we have operational control (excluding joint ventures) This program combines monthly audible, visual and olfactory inspection of our equipment and semi-annual optical gas imaging to detect fugitive emissions.</p> <p>Because methane detection and leak prevention and repair is a critical program for Hess, we work with API, ONE Future and other organizations to acquire, as appropriate, the most up to date technology including sensing solutions, thermal imaging, visual light imaging, video, analytics, and measurement and diagnostic technologies. We also provide the necessary training to the people using this thermal imaging equipment so that they are aware of the latest technological advances in methane leak detection and repair.</p> <p>In 2021, the cost of conducting this program was approximately \$1.7 million, which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of \$42.59 per Mcf.</p> <p>Explanation: Our EHS, Technology and Operations teams systematically review technology related risks, and as key participants in the ERM framework include significant technology risks in the ERM risk register for each Hess asset, project or business unit, if applicable. Technology risks are assessed in relation to process emissions reductions. Where possible, we are integrating technology driven mitigation opportunities into our capital projects budgets and operating plans.</p>
Legal	Relevant, always included	<p>Example: An example of a legal risk for Hess is beginning in 2017, certain states, municipalities and private associations in California, Delaware, Maryland, Rhode Island and South Carolina separately filed lawsuits against oil, gas and coal producers, including Hess, for alleged damages purportedly caused by climate change. These proceedings include claims for monetary damages and injunctive relief. The ultimate impact of the aforementioned proceedings, and of any related proceedings by private parties, on our business or accounts cannot be predicted at this time due to the large number of other potentially responsible parties and the speculative nature of the alleged causation and damages.</p>

		<p>Explanation: Our Legal team systematically reviews energy and climate related legal issues and, as key participants in the ERM framework, include significant legal risks in the ERM risk register for each Hess asset, project or business unit, as applicable.</p>
Market	Relevant, always included	<p>Example: A market risk for Hess is a rapid transition toward natural gas as a bridge fuel to a lower carbon economy. Climate change initiatives may reduce demand for crude oil and other hydrocarbons and may have an adverse effect on our sales volumes, revenues and margins. In response to this risk, Hess, through its midstream affiliate, has invested over \$3.6 billion in infrastructure in the Bakken in North Dakota to reduce flaring and sell more gas to generate additional revenue and lower emissions.</p> <p>Explanation: Our EHS and Economics groups systematically review energy and climate related market related risks, and as key participants in the ERM framework, include significant market risks in the ERM risk register for each Hess asset, project or business unit, as applicable.</p>
Reputation	Relevant, always included	<p>Example: A reputational risk for Hess is related to potential negative public perception of Hess' management of climate-related issues that could theoretically lead to our exclusion from ESG indices, which could increase our cost of capital. Because we cannot predict shareholders' future actions, we are unable to assign a specific monetary value to the potential for future higher cost of capital if we are excluded from ESG indices. However, as of December 31, 2021, all of Hess' top ten institutional investors use sustainability data to evaluate ESG performance. As of the end of 2021, over \$16 billion (approximately 70%) of Hess shares were owned by investors who are signatories to the United Nations Principles for Responsible Investment indicating investor concern with ESG performance.</p> <p>Explanation: Our Government Affairs group systematically reviews energy and climate related reputational risks and, as key participants in the ERM framework, include significant emerging regulatory risks in the ERM risk register for each Hess asset, project, or business unit, as applicable.</p> <p>To help mitigate these risks, part of Hess's strategy is to be a leader in ESG reporting and performance among its peers. As part of our recently updated environment, health, safety and social responsibility strategy, Hess leadership and our Board have set medium-term intensity reduction targets for 2025: (1) reduce operated Scope 1 and 2 GHG emissions intensity by approximately 50% from our 2017 level of 34 kilograms CO₂e per BOE to 17 kilograms of CO₂e per BOE and (2) reduce methane emissions intensity by approximately 53% from our 2017 level to an intensity of 0.19%. In addition, we have set a medium-</p>

		<p>term target to achieve zero routine flaring by 2025. As part of our long-term strategy, we are currently developing a plan to achieve net zero Scope 1 and Scope 2 GHG emissions. From our ESG initiatives, we have been consistently recognized as a leader in the oil and gas industry for our disclosure and transparency by CDP and DJSI. In addition, Hess was the only U.S. oil and gas company to be awarded the highest level rating (level 4- strategic assessment) by the Transition Pathway Initiative (TPI) in 2021. When we benchmark our performance with our peers we are consistently in the top quartile.</p>
Acute physical	Relevant, always included	<p>Example: Acute physical risk for Hess is related to increased storm activity, which could materially affect our operations in the Gulf of Mexico. In 2021, we experienced two tropical storms, Nicholas and Claudette, which required sheltering in place and one hurricane, IDA, which required the evacuation of our three operated platforms, Baldpate, Stampede, and Gulfstar One, the relocation of the Discoverer Inspiration drilling ship and the evacuation of our Fourchon shore base. Total gross deferred production was approximately 1.9 million barrels of oil which equated to a market value of approximately \$135 million, along with additional operating expenses of approximately \$5 million, along with annual emergency response costs of approximately \$2 million. We also sustained approximately \$3 million of property damage related to hurricane Ida. Despite the disruption to our business from these storms, there were no known injuries or process safety events and no known environmental impact. To summarize, our total estimated cost of actions related to these storms was approximately \$145 million.</p> <p>Explanation: Our Operations team systematically reviews energy and climate related acute physical risks, and as key participants in the ERM framework include significant acute physical risks in the ERM risk register for each Hess asset, project, or business unit, as applicable.</p>
Chronic physical	Relevant, always included	<p>Example: Chronic physical risks for Hess is related to potential extreme weather events, change in precipitation patterns, and sea level rise. For example, in areas where we operate, like the Gulf of Mexico and offshore Malaysia, these types of risks could significantly impact the way we design and build new offshore platforms, as well as add substantive cost, which we define through our ERM framework as over \$100 million, to building and managing new offshore platforms.</p> <p>Explanation: Our Operations and project groups systematically review energy and climate related chronic physical risks and as key participants in the ERM framework include significant chronic physical risks in the ERM risk register for each Hess asset, project, or business unit, as applicable.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changing precipitation patterns and types (rain, hail, snow/ice)

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

To the extent that climate change may result in more extreme weather related events, Hess could experience increased costs related to preparedness and recovery of affected operations. For example two tropical storms and one hurricane in 2021 affected Hess' Gulfstar One, Baldpate and Stampede Production Platforms in the Gulf of Mexico, which increased costs and deferred revenues due to business disruption. In addition, the potential for more robust metocean structural standards for offshore platforms to withstand storms of increased severity could increase capital costs for offshore facilities. Although we maintain insurance coverage against property and casualty losses, there can be no assurance that such insurance will adequately protect the Company against liability from all potential consequences and damages. Moreover, some forms of insurance may be unavailable in the future or be available only on terms that are deemed economically unacceptable.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Increased storm activity could materially affect our operations in the Gulf of Mexico. Because we cannot predict the frequency and impact of weather related events associated with our operations, we are unable to assign a specific monetary value to such events. However, as an example, risks are considered substantive (ERM framework) when they have a high likelihood of occurring and have an impact of \$100 million or greater.

Cost of response to risk

145,000,000

Description of response and explanation of cost calculation

Situation: Each Hess asset, including Gulfstar One, Baldpate and Stampede, has an emergency response plan with procedures for emergency scenarios and severe weather events, as increased storm severity could materially affect our operations. Task: When a hurricane might affect facility operations, Hess monitors the position, conditions, forecast of movements and intensity. A facility is advised as appropriate to evacuate personnel and when possible, to protect equipment and environment. Action: As an example, in 2021, in the Gulf of Mexico, we experienced two tropical storms, Nicholas and Claudette which required sheltering in place and one hurricane, Ida, which required the evacuation of our three operated platforms, Baldpate, Stampede and Gulfstar One, the relocation of the Discoverer Inspiration drilling ship and the evacuation of our Fourchon shore base. Total gross deferred production was about 1.9 million barrels of oil with a market value of approximately \$135 million based on an average WTI crude oil price of \$71.65 in September, 2021. In addition, in 2021, Hess experienced increased operating expenses of approximately \$5 million from these storms which included maintaining oil spill response standby vessels, helicopter transport, shore base support and transport, boats and fuel, rental equipment and employee assistance. Result: Following the emergency response risk management during this hurricane reduced the financial impact of the shutdown related to hurricane Ida. There were no known injuries or process safety events and no known environmental impact. We experienced some property damage to these platforms resulting in \$3 million of repairs. Hess also maintains strategic relationships and mutual aid agreements with third party emergency response and crisis management specialists, to supplement and support our response effort and mitigate risk. The cost of programs is approximately \$2 million per year which includes annual subscriptions for oil spill

response(\$1.8 million), emergency preparedness (\$.2 million) and weather forecasting (\$.1 million).

To summarize, our cost of response to this risk can be calculated as follows: lost production = \$135 million; increased operating expenses = \$5 million; platform repairs = \$3 million and emergency response services = \$2 million = total cost of response of \$145 million.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation

Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

To align our strategic sustainability actions with changes in social, political, economic and regulatory landscape and evolving stakeholder expectations, we convened a multidisciplinary project team and steering committee in late 2019 to develop and oversee an update of our EHS & SR strategy, including establishing our next set of climate related goals and targets. In Phase 1, we identified 26 sustainability topics relevant to our company. We then validated and prioritized the topics through a stakeholder engagement process. In Phase 2, we conducted a benchmarking assessment to review practices of our peers, supermajors and national oil companies. The project team and steering committee reviewed the results, carefully considered practices in each area and what was fit for purpose for Hess. In Phase 3, we identified the eight most material sustainability topics for our company and slated those to be the focus of our EHS & SR strategic actions through 2025. These eight topics included: Climate Related Risks and Greenhouse Gas Emissions; Process Safety and Release Prevention; Occupational Health and Safety; Emergency Preparedness and Response; Water Management; Diversity; Equality and Inclusion; Supply Chain and Contractor Management and Community and Stakeholder Engagement.

The company specific risk that we are trying to mitigate through being a leader in ESG transparency, disclosure and performance is a potential fall in our North American ESG rankings (i.e.; Hess consistently achieves leadership status on CDP), which could result in reputational harm potentially impacting our cost and access to future capital. Negative perceptions of Hess' management of climate related issues could theoretically

lead to our exclusion from ESG indices, which could increase our cost of capital. Because we cannot predict shareholders future actions, we are unable to assign a specific monetary value to the potential for future higher cost of capital if we are excluded from ESG indices. However, all of Hess' top ten institutional investors used sustainability data to evaluate ESG performance. At year end 2021, approximately \$16 billion which represents 70% of Hess' outstanding shares were owned by investors who were signatories to the United Nations Principles for Responsible Investment which shows that investors are concerned with ESG performance. As an example, Hess views financial risk of \$100 million or greater with a high potential to occur significant.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Negative perceptions of Hess' management of climate change and related disclosures could theoretically lead to our exclusion from ESG indices, which could increase our cost of capital. Because we cannot predict shareholders' future actions, we are unable to assign a specific monetary value to the potential for future higher cost of capital if we are excluded from ESG indices. However, all of Hess' top institutional investors used sustainability data to evaluate ESG performance. As of the end of 2021, approximately \$16 billion of Hess shares were owned by investors who were signatories to the United Nations Principles for Responsible Investment, which shows that investors are concerned with ESG performance. While it is not possible to determine the potential financial impact of reputational damage related to an unknown event, as an example, risks are considered substantive (ERM framework) when they have a high likelihood of occurring and have an impact of \$100 million or greater.

Cost of response to risk

500,000

Description of response and explanation of cost calculation

Situation: Hess is managing reputational risks through our climate change strategy, closely aligned with the TCFD recommendations around Governance, Strategy, Risk Management and Metrics and Targets. Task: Our strategy includes public disclosure of our strategy, programs and performance; reducing operational flaring, energy efficiency and more renewable energy in our energy spend. Action: In 2021, we purchased 869,928 MWh of RECs, comprised of 869,308 U.S. Green-e-energy certified RECs for wind and 630 Malaysian i-RECs to offset 100% of our Scope 2 purchased electricity emissions with renewable energy. In addition, we accounted for energy efficiency and carbon costs in all major new investments. We are dedicated to transparency through reporting, e.g.; in our annual Sustainability Report with a GRI Index and external assurance. Result: In 2021, Hess earned CDP climate leadership for the 13th consecutive year and was included in the DJSI North America for the 12th consecutive year. In addition, we achieved the highest level rating (Level 4 - strategic assessment) awarded by the Transition Pathway Initiative, a global initiative that assesses companies' preparedness for the transition to a low carbon economy and their efforts to address climate change. We work with others in our industry on energy efficiency, GHG reduction, energy management, flaring reduction, and upstream energy performance methodology. We are proactively reducing GHGs where we operate, including where GHG emissions are not currently regulated.

Costs of our climate strategy implementation, including staff time, are part of the cost of salaries. Hess also spends \$500,000 annually on costs for CDP reporting services, GHG assurance and external consultants. Cost of management of ESG reporting helps us achieve our goal of being in the top quartile performance in our sector for ESG transparency, disclosure and performance.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation

Mandates on and regulation of existing products and services

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

The issue of fugitive emissions of methane during natural gas production has received attention as shale energy production in the United States has increased. Because

methane is emitted by natural sources as well as by human activities, questions related to attribution and measurement have led to uncertainties in estimates of current and projected methane emissions. In 2016, the U.S. Environmental Protection Agency (EPA) and the Bureau of Land Management finalized regulations aimed at controlling fugitive methane emissions. These regulations are currently in a state of flux, as the original Obama administration rule was revised with a 2018 Trump administration rule and the current Biden administration has stated its intent to revise the rule again. Both the 2016 and 2018 rules were vacated in court leaving the industry to adhere to a Notice of Lessees that was issued in 1980. Determining compliance remains a challenge when it is unclear which regulation applies at any given time and companies have to make operational and administrative changes each time a regulation is revised.

As part of our updated EHS & SR strategy and to avoid the risk of potentially lowering Hess' ESG rankings, Hess established a global methane intensity reduction target of 0.19% by 2025, using a 2017 methane baseline of 0.40%; our 2021 methane intensity was 0.18%, surpassing our 2025 target. We attribute this result to a combination of our continued efforts to reduce methane emissions, which include increasing natural gas capture, reducing flaring, continuing our leak detection and repair program and replacing and retrofitting the remaining high bleed pneumatic controllers in our North Dakota operations, along with changes to our calculation methodology. While we aim to maintain this performance, we are in the process of reevaluating the 2025 target to determine if it should be adjusted. In 2021, the cost of conducting our LDAR program was approximately \$1.7 million, which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of \$42.59 per Mcf. If programs like Hess' LDAR program were not implemented and the state decided to further regulate flaring and/or methane emissions, this could result in selective well's being shut-in, which might materially increase Hess' operating costs and reduce revenues due to less gas being supplied to our Tioga Gas Plant for processing and sale.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

If we do not manage methane emissions, Hess, faces a potential reputational risk related to negative public perception of Hess' management of climate-related issues that could theoretically lead to our exclusion from ESG indices, which could increase our cost of capital. Because we cannot predict shareholders' future actions, we are unable to assign a specific monetary value to the potential for future higher cost of capital if we are excluded from ESG indices. While it is not possible to determine the potential financial impact of reputational damage related to unknown events, as an example, risks are considered substantive (ERM framework) when they have a high likelihood of occurring and have an impact of \$100 million or greater. In this example, the \$100 million could be associated with Hess paying a higher interest rate to borrow money which could increase our cost of capital. In this example, the \$100 million could also be associated with the financial impact of halting operations, thereby losing production, as well as increased operating costs and capital expenditures related to materials, labor and repairs to damaged facilities.

Cost of response to risk

1,700,000

Description of response and explanation of cost calculation

Situation: Hess is a founding member of the ONE Future Coalition focused on voluntary reduction of methane emissions to less than 1% of methane production across the value chain by 2025. Hess also participates in several programs under the Environmental Partnership by API. Task: Key to Hess EHS & SR strategy is voluntary reduction in methane emissions. Action: Under the "Leak Program for Natural Gas and Oil Production Sources", Hess conducted 790 semi-annual surveys at 355 sites in 2021. Of the 2.25 million devices and components surveyed, only 0.07% were found to be leaking. The majority(70%) of those components with leaks were repaired immediately and the remaining 30% were repaired within 30 days following the survey. Since our first year of participation in this program in 2019, our leak occurrence rate has reduced by 42%, from 0.113% to 0.07%. Under the program "Replace, Remove or Retrofit High-Bleed Pneumatic Controllers," Hess has completed its phase-out of high bleed pneumatic controllers in our North Dakota operations in 2021. We replaced 60 high bleed controllers and removed seven from service. This phase out program reduced our overall pneumatic controller methane emissions by 80%, from 1,583 tonnes of methane in 2019 to 318 tonnes in 2021. To help meet our ONE Future, Environmental Partnership commitments, and to continue to drive down methane emissions, Hess continues to implement our LDAR program for Natural Gas and Oil Production sources in North Dakota, which encompass 100% of our total operated on-shore U.S. assets. In 2021, LDAR resulted in 39,544 Mscf of recovered gas at an average repair cost of \$42.59 per Mcf.

Result: Currently, conducting Hess' LDAR program in North Dakota increases operating costs by approximately \$1.7 million per year, which is comprised of approximately \$1.3 million for repairing methane leaks, \$.3 million for labor costs and \$.1 million for

transportation costs. Costs might materially increase if Hess is required to modify its operating systems or shut-in production due to future methane regulation.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation
Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

In 2018, we began evaluating the risk of carbon emissions trading policies to our entire business as part of our climate change scenario planning. We discovered these do not pose a material risk of increased operating costs, except to our operations in Denmark which are subject to the European Union Emissions Trading Scheme (EU ETS). In terms of scope, Denmark's production accounted for approximately 1% of Hess' total 2021 production. Our management strategy is to purchase allowances to meet regulatory requirements. In order to comply with Phase III of the EU ETS, Hess' Denmark operation was tasked with the decision to purchase allowances to cover the verified GHG emissions. In 2021, for Hess and its co-owner, INEOS, this resulted in an action to purchase 174,551 allowances. The action for our co-owner, INEOS, was to purchase 102,962 allowances at a cost of 70 euros each and the action for Hess was to purchase 71,589 allowances at a cost of 70 euros each. We received 3,455 free allowances so we needed to purchase 174,551 allowances to offset the 178,006 tonnes (per EUETS emissions methodology) of emissions that the Denmark operation emitted. The result of these actions was that Hess Denmark operation met its regulatory requirement under the EUETS Phase III. Failure to meet this obligation would have resulted in a fine of 100 euros per emissions allowance or \$19 million. In 2021, the cost we paid for carbon credits was 70 euros as compared to approximately 25-26 euros per credit in 2020. Hess operated this Denmark asset, prior to divesting our interest in this asset in August of 2021, so although this operation's new owners will continue with the EUETS program, Hess will no longer have EUETS obligations starting in 2022.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The cost to purchase allowances in 2021 was approximately \$13.3 million. This was based on an EU ETS Allowance Unit (EUA) cost of 70 euros for Hess and 70 euros for its co-owner, INEOS. In 2021, Hess' cost to purchase allowances was approximately \$5.4 million (71,589 allowances x 70 euros x \$1.09 (euro to \$ conversion) = \$ 5.4 million) and our co-owner, INEOS's cost was estimated at \$7.9 million (102,962 allowances x 70 euros x \$1.09 (euro to \$ conversion)= \$7.9 million). While it is difficult to estimate future implications, using the past several years of costs is provided as a proxy.

Cost of response to risk

25,000

Description of response and explanation of cost calculation

Situation: Hess' Denmark asset accounted for approximately 1% of Hess's total 2021 production. Hess' Denmark asset (sold in August, 2021) is subject to the EUETS Emissions Trading System. Task: Under Phase III of the EUETS emissions trading scheme, a company that generates greenhouse gas emissions must offset these emissions through the purchase of allowances in order to achieve compliance with the regulation. Action: In order to achieve compliance with the EUETS Phase III regulations, Hess' strategy is to purchase allowances to mitigate greenhouse gas emissions and to meet regulatory requirements. Result: In 2021, to meet our full obligations, we and our co-owner purchased 174,551 allowances on the spot market at a cost of approximately \$13.3 million to cover our obligations, in addition to the 3,455 free allowances that we received. This is a positive business decision because under the EUETS regulations the fine for non-compliance is 100 euros per tonne of emissions generated which could have resulted in a fine of approximately \$19 million (100 euros x 174,551 tonnes x \$1.09 euro to dollar conversion = \$19 million), if no allowances had been acquired, in addition to potential reputational damage resulting from non-compliance.

The \$25,000 cost to respond to this risk entails the administrative expenses associated

with Hess and its co-owner, INEOS, gathering the necessary information, interacting with the EUETS and annual third party verification of GHG emissions required to purchase the allowances needed to offset 178,006 tonnes of combustion emissions generated by our Denmark operations as calculated using Danish emissions factors.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Ability to diversify business activities

Primary potential financial impact

Other, please specify

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

As part of Hess' climate change strategy, we will continue to take cost-effective, appropriate steps to monitor, measure and reduce emissions through applying innovation and efficiency to reduce energy use, waste and emissions across our operations. Our flare reduction strategy is a key component of this program because it provides us with an opportunity to reduce greenhouse gas emissions, increase our supply of natural gas to the marketplace where natural gas can serve as a bridging fuel in a transition to a lower carbon environment and to generate additional revenue. We have reduced our natural gas flaring in the Bakken region of North Dakota from 68 MMSCFD in 2019 to 31 MMSCFD in 2021 and eliminated over 1.2 million tonnes of GHG emissions, while increasing production over 20%, as a result of, through our

midstream affiliate, investing \$3.6 billion in infrastructure investments to capture and monetize natural gas produced from our operations and minimize flaring. We have recently set a new medium-term target to achieve zero routine flaring at our operated assets by the end of 2025. To help accomplish this objective, we have set a short-term flare reduction target to reduce the routine flaring rate in the Bakken operation to 5% in 2022, which is tied to our Annual Incentive Plan compensation for all employees. In late 2020, Hess established a new task force to lead our climate change strategy implementation and to evaluate medium and longer term aspects of our strategy. The task force is comprised of nine senior executives from multiple functions throughout the company, with oversight provided by our Chief Operations Officer and the company's operating committee, of which our COO is a member. The task force was instrumental in Hess' endorsement of the World Bank's Zero Routine Flaring by 2030 Initiative, and our commitment to achieve zero routine flaring by 2025. The taskforce is also charged with developing our plan to achieve net zero Scope 1 and 2 emissions. The EHS Board Committee is updated on a regular basis, as the EHS Board Committee has oversight of climate-related issues including reviewing and guiding both climate change strategy and implementation. This oversight improves alignment and focus on with our overarching climate objectives. By overseeing progress against climate-related goals and targets, the EHS Board Committee can monitor our climate-related actions for consistency with our climate change strategy.

Time horizon

Medium-term

Likelihood

Virtually certain

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

55,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

We have reduced our natural gas flaring in the Bakken region from 68 MMSCFD in 2019 to 31 MMSCFD in 2021 and eliminated over 1.2 million tonnes of GHG emissions through the \$3.6 billion in infrastructure investments that we have made by our midstream affiliate over the past decade. We have recently set a medium-term target to achieve zero routine flaring by year-end 2025 and have established a short-term target

to reduce Bakken operations routine flaring to 5% in 2022. Based on the average North Dakota natural gas price of \$4.08 per Mcf for 2021 found in Hess' 2021 SEC 10-K, the estimated market value of the amount of wellhead gas and natural gas liquids that was captured instead of flared is approximately \$55 million per year. (68-31=37 MMscfd x 365 days x \$4.08 per MCF = \$55 million).

Cost to realize opportunity

3,600,000,000

Strategy to realize opportunity and explanation of cost calculation

Situation: Part of Hess' climate change strategy is to take cost-effective, appropriate steps to monitor, measure and reduce emissions, energy use, and waste across our operations, through applying innovation and efficiency. Task: Our task is to reduce flaring at our North Dakota operation. Action: For example, Hess, through its midstream affiliate, expanded the Tioga Gas Plant from 115 million cubic feet of natural gas per day (MMSCFD) to 250 MMSCFD and expanded its natural gas liquids processing capacity from 8 thousand barrels per day (MBD) to 60 MBD to provide the Bakken region with more capacity to process liquids-rich associated natural gas and reduce operational flaring. Hess also has ongoing short-term wellhead gas capture projects. Hess is a member of the North Dakota Petroleum Council's Flaring Task Force. Hess has recently established a medium-term target to achieve zero routine flaring at our operated assets by year-end 2025, along with an a short-term target to reduce the Bakken operations routine flaring rate to 5% in 2022. We routinely track the flaring rate, flared volumes, and progress toward our flaring target; results are regularly reported internally.

Result: Hess, through its midstream affiliate, has invested over \$3.6 billion to construct capture, transport, process and fractionation infrastructure at Bakken during the past ten years. This \$3.6 billion investment includes the following actions by our midstream affiliate; expanding the Tioga Gas Plant to significantly increase gas processing capacity; building several new and expanding several existing gas compressor stations; building new and expanding existing gas gathering and processing pipelines throughout the North Dakota region and building a new gas processing plant south of the Missouri river. These expenditures represent one-time capital costs. Costs for staff resources to obtain the necessary licenses and permits and to operate new and expanded infrastructure are considered routine. Between 2018 and 2021, we reduced flaring in North Dakota from 68 MMscfd to 31 MMscfd and eliminated over 1.2 million tonnes of GHG emissions,

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Other, please specify

Emissions reduction initiative and increased gas capture resulting in additional revenue generation

Primary potential financial impact

Increased revenues resulting from increased production capacity

Company-specific description

Hess is also a founding participant in The Environmental Partnership, established in 2017, which focuses on technologically feasible and commercially proven solutions that result in significant emissions reductions. Hess participates in the Leak Program for Natural Gas and Oil Production Sources and the Program to Replace, Remove or Retrofit High Bleed Pneumatic Controllers, along with other programs focused on pipeline blowdowns, compressor station emissions reductions and flare management. Hess implemented a leak detection and repair (LDAR) program for Natural Gas and Oil Production Sources which encompasses 100% of our on-shore U.S. assets in North Dakota. In 2021, we conducted 790 semiannual surveys at 355 sites which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of \$42.59 per Mcf. Of the 2.25 million devices and components surveyed, only 0.07% were found to be leaking. The majority (70%) of those components with leaks were repaired immediately and the remaining 30% were repaired within 30 days following the survey. Since our first year of participation in this program in 2019, our leak occurrence rate has reduced by 42% from 0.113% to 0.07%. In addition, Hess has completed its phase out of high bleed pneumatic controllers in our North Dakota operations in 2021. This phase out program reduced our overall pneumatic controller methane emissions by 80%, from 1,583 tonnes of methane in 2019 to 318 tonnes in 2021.

As part of our EHS & SR strategy update, we also established a 2025 global methane intensity target of 0.19% for 2025, using a 2017 baseline of 0.40%. Our 2021 methane intensity based on this methodology was 0.18%, surpassing this target. We attribute this result to a combination of our continuing efforts to reduce methane emissions, which include increasing natural gas capture, reducing flaring, continuing our leak detection and repair program and replacing and retrofitting the remaining high bleed pneumatic controllers in our North Dakota operations, along with changes to our calculation methodology. While we aim to maintain this performance, we are in the process of reevaluating the 2025 target to determine if it should be adjusted.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

363,078

Potential financial impact figure – maximum (currency)

863,078

Explanation of financial impact figure

Hess utilized the EPA's Natural Gas STAR estimates of economic and environmental benefits of voluntarily replacing non-regulated high-bleed units with low bleed units before end-of-life. Based on this information, we assumed a natural gas price of \$4.08 per thousand cubic foot (per Hess 2021 SEC 10-K, avg. 2021 North Dakota natural gas price) and 260 Mcf natural gas savings for each of the 248 units. The total monetized value realized by this program from reducing emissions is approximately \$263,078 per year (248 units x 260 Mcf x \$4.08 = \$263,078). Potential additional maintenance cost savings range from \$100,000 to \$600,000 per year. (low = \$263,078 + \$100,000 = \$363,078; high = \$263,078 + \$600,000 = \$863,078).

Cost to realize opportunity

458,800

Strategy to realize opportunity and explanation of cost calculation

Situation: Advancement in shale energy technology has resulted in an increased supply of cleaner burning, abundant, low cost natural gas; however, there is considerable debate about fugitive methane leakage along the natural gas value chain. Task: Find technical solutions that yield continuous improvement in the management of methane emissions across the natural gas value chain. Action: Hess has committed to several industry-wide voluntary efforts designed to promote technologically feasible and commercially proven solutions that reduce methane emissions. Results: Hess is a founding member of the ONE Future Coalition which is comprised of companies across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions. Under this voluntary agreement, Hess set the target to reduce methane emissions for the sectors within the natural gas value chain where Hess participates to 0.47% by 2025. In 2021, Hess' onshore U.S. methane intensity was 0.29%, well below the 2025 One Future combined target of 0.47% for the sectors in which we operate.

Another part of Hess' emissions reduction strategy is to apply innovation and efficiency to reduce energy use, waste and emissions reductions. In 2017, Hess joined the Environmental Partnership initiative launched by the American Petroleum Institutes

focused on voluntary reductions in methane emissions. Hess participates in two programs established by the Partnership: 1) Leak Program for Natural Gas and Oil Production Sources and 2) Program to Replace, Remove or Retrofit High-Bleed Pneumatic Controllers within five years. Under the Leak Program, Hess conducted 790 semi-annual surveys at 355 sites in 2021, implementing repair of fugitive emissions at selected sites using detection methods and technology, such as U.S. EPA Method 21 or optical gas imaging cameras. Under the Replace, Remove or Retrofit program Hess identified 248 high-bleed pneumatic controllers in North Dakota in 2019 that required replacement . This program was completed in 2021 with the replacement of all high bleed pneumatic controllers. Using EPA's Natural Gas STAR estimated implementation cost per unit \$1,850 for the 248 controllers, total implementation costs would be approximately \$458,800. This is a one-time cost.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Opportunities for improved efficiency: In support of our GHG emissions and flaring reduction targets, we undertake a variety of emissions reductions initiatives.

In North Dakota we use significant volumes of freshwater in our production activities. Previously this water was trucked to our well sites via diesel trucks. Now all of our water, approximately 15 million barrels, is transported by flexible hose which reduced truck transport emissions by 14,640 tonnes in 2021, eliminated 134,420 truck deliveries and 6.7 million miles driven and reduced the truck traffic on roads. Hess also utilizes gas to liquids conversion units at remote sites. GTUIT units convert natural gas to natural gas liquids rather than flaring. In 2021, Hess operated 4 GTUIT units which allowed us to capture 3.6 million gallons of natural gas liquids which avoided 139 MMscf of gas flared resulting in a reduction of 22,427 tonnes of CO₂e emissions.

In late 2020, Hess established a task force to lead our climate change strategy implementation and to evaluate the medium and longer term aspects of our strategy.

The task force is comprised of nine senior executives from multiple functions throughout the company, with oversight provided by our Chief Operations Officer and the company's operating committee. The task force was instrumental in Hess' endorsement of the World Bank's Zero Routine Flaring by 2030 initiative, and our commitment to achieve zero routine flaring by 2025. The task force is also charged with developing our plan to achieve net zero Scope 1 and 2 emissions. The task force will continue to monitor, enhance and evaluate Hess' progress towards these objectives, as well as assess emerging technologies with emissions reduction potential. The EHS Board Committee is updated on a regular basis, as the EHS Board Committee has oversight of climate-related issues including reviewing and guiding both the strategy and implementation. This oversight improves alignment and focus with our overarching climate objectives. By overseeing progress against climate-related goals and targets, the EHS Board Committee can monitor our climate-related actions for consistency with our climate change strategy.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

71,300,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Each initiative has its own financial implications, but as an example: Hess transported about 15 million barrels of water in 2021 via flexible pipe. Transporting water by use of flexible pipe rather than trucks saved an estimated incremental \$60 million in 2021 based on the cost differential between truck transport and use of flexible pipe. Cost of truck transport is \$4.75 per barrel. Cost of transport with flexible pipe is \$.78 per barrel. Savings by using flexible pipe instead of truck transport is \$3.97 per barrel. (calculation as follows: 15 million barrels in 2021 . Transport of 15 million barrels via truck @ \$4.75/bbl. = \$71.3 million; transport of 15 million barrels via flexible pipe @ \$.78/bbl. = \$11.7 million; net savings = \$59.6 million).

Cost to realize opportunity

11,700,000

Strategy to realize opportunity and explanation of cost calculation

Situation: To manage the opportunities presented by energy efficiency, we are implementing a number of initiatives, including use of flexible pipe to transport freshwater to drill sites. **Task:** In North Dakota, we use significant volumes of freshwater in our production activities. Previously this water was trucked to our well sites via diesel trucks. Now all of our water is transported by flexible hose which significantly reduces truck transport emissions and reduces the truck traffic on roads. **Action:** Once the opportunity to use flexible pipe was identified, a test project was undertaken to determine what type of flexible hose would withstand ambient temperature extremes as well as durability with heavy vehicle operations. Successful testing allowed us to increase flexible hose use each year until it is now exclusively used for freshwater transport. **Result:** In 2021, 100% of the water we used for hydraulic fracturing in North Dakota (approximately 15 million barrels) was transported using flexible hose.

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

To align our strategic sustainability actions with changes in the social, political, economic and regulatory landscape and evolving stakeholder expectations, we convened a multidisciplinary project team and steering committee in late 2019 to develop and oversee an update of our EHS & SR strategy, including establishing our next set of climate related goals and targets. In Phase 1, we identified 26 sustainability topics relevant to our company. We then validated and prioritized the topics through a stakeholder engagement process. In Phase 2, we conducted a benchmarking assessment to review practices from our peers, supermajors and national oil companies. The project team and steering committee reviewed the results, carefully considered practices in each area and what was fit for purpose for Hess. In Phase 3, we identified the eight most material sustainability topics for our company and slated those to be the focus of our EHS & SR strategic actions through 2025. These eight

topics are: Climate Related Risks and Greenhouse Gas Emissions; Process Safety and Release Prevention; Occupational Health and Safety; Emergency Preparedness and Response; Water Management; Diversity, Equity and Inclusion; Supply Chain and Contractor Management and Community and Stakeholder Engagement.

Reputational enhancement: The company specific opportunity that we are trying to realize through being a leader in ESG transparency, disclosure and performance is maintenance and improvement in our North American ESG rankings (i.e., Hess consistently achieves leadership status on CDP), which could result in improved reputation, public awareness and accountability which could impact our cost and access to future capital.

In late 2020, Hess established a task force to lead our climate change strategy implementation and to evaluate medium and longer term aspects of our strategy. This task force is comprised of nine senior executives from multiple functions throughout the company with oversight provided by our Chief Operating Officer and members of the company's operating committee. The task force was instrumental in Hess' commitment to achieve zero routine flaring by 2025 and is also charged with developing our plan to achieve net zero Scope 1 and 2 emissions.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Positive perceptions of Hess' management of climate change and related disclosures have led to our inclusion in ESG indices, which could theoretically decrease our cost of capital. Because we cannot predict shareholders' future actions or the makeup of our top shareholders going forward, at this time we are unable to assign a specific monetary value to the potential for future lower cost of capital resulting from our inclusion on ESG indices. However, all of Hess' top ten institutional investors used sustainability data to evaluate ESG performance and inform shareholding strategy. At year-end 2021,

approximately \$16 billion of Hess shares (70%) were owned by investors who were signatories to the United Nations Principles for Responsible Investment which shows that investors are concerned with ESG performance. As an example, Hess would view a financial opportunity of \$100,000,000 or more related to enhanced reputational ESG performance as significant.

Cost to realize opportunity

500,000

Strategy to realize opportunity and explanation of cost calculation

Situation: The company continuously seeks to enhance its reputation. Task: To be a leader in ESG transparency, disclosure and performance.

Action: Hess is managing these opportunities through implementation of our climate change strategy, which includes public disclosures of our strategy, programs and performance; reducing operational flaring; energy efficiency and more renewable energy in our energy spend; accounting for energy efficiency and carbon costs in all major new investments. Hess continues to meet our goal of top quartile performance in our sector for the quality of our climate change disclosures. Result: In 2021, Hess earned CDP climate leadership for the 13th consecutive year, and was included in the DJSI North America for the 12th consecutive year. In 2021, Hess also achieved the highest level rating (Level 4- strategic assessment) by the Transition Pathway Initiative (TPI), a global initiative that assesses companies' preparedness for the transition to a low carbon economy and their efforts to address climate change. We also work with others in our industry on energy efficiency and GHG emissions reduction, energy management systems, operational flaring reduction, and upstream energy performance methodology. We are proactively reducing GHG emissions intensity in countries where we operate, including those where GHG emissions are not currently regulated.

Costs of implementing our climate change strategy, such as CSR report preparation and responding to CDP, including staff time are not separated from the costs of salaries. In addition to staff time, Hess spends approximately \$500,000 annually on costs that include CDP reporter services, GHG report assurance, and external consultants.

Comment

C3. Business Strategy

C3.1

(C3.1) Does your organization's strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

Yes, we have a transition plan which aligns with a 1.5°C world

Publicly available transition plan

Yes

Mechanism by which feedback is collected from shareholders on your transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Stakeholders can request information and provide feedback on any aspect of our business plans and strategy, including climate-related information, through our website. Senior management also meets regularly with key shareholders/stakeholders to update them on Hess's business plans and strategy, including climate-related issues.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your transition plan (optional)

Please refer to Hess' Low Carbon Transition Framework on page 40-41 of the attached Hess 2021 Sustainability Report.

 hess-2021-sustainability-report.pdf

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios IEA STEPS (previously IEA NPS)	Company-wide		2021 IEA - STEPS To help quantify climate related risks and opportunities- and to provide perspectives to our investors and other key stakeholders on how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy-Hess conducts an annual scenario planning exercise as a methodology to assess portfolio resilience over the longer term. This scenario based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand, energy mix, the

		<p>emergence of new technologies, and possible changes by policymakers with respect to greenhouse gas emissions. Hess modeled the International Energy Agency's (IEA's) 2021 World Energy Outlook (WEO) STEPS (2.6 degree C increase by 2100 scenario) against our own internal base planning case.</p> <p>Our first step in the scenario analysis process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price through 2050, and a \$3.50 per million British thermal units Henry Hub natural gas price through 2050. In addition, in the base case, we applied a carbon price of \$40/tonne for our assets or business units and intended forward investments. Hess' base case was then compared against various oil, natural gas and carbon prices in the IEA's STEPS - running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness. Our conclusion was that under the STEPS, our portfolio continues to generate sufficient cash flow to deliver the Hess' development plan with no stranded assets and no expected changes to the Hess base case. In summary, based on the results of our 2022 scenario planning analysis, we conclude we can continue to monetize the vast majority of our reserves and deliver strong financial performance under a wide range of market conditions.</p>
<p>Transition scenarios IEA APS</p>	<p>Company-wide</p>	<p>2021 IEA - APS</p> <p>To help quantify climate related risks and opportunities- and to provide perspectives to our investors and other key stakeholders on how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy-Hess conducts an annual scenario planning exercise as a methodology to assess portfolio resilience over the longer term. This scenario based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand, energy mix, the emergence of new technologies, and possible changes by policymakers with respect to greenhouse gas emissions. Hess modeled the International</p>

			<p>Energy Agency's (IEA's) 2021 World Energy Outlook (WEO) APS (2.1 degree C increase by 2100 scenario) against our own internal base planning case.</p> <p>Our first step in the scenario analysis process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price through 2050, and a \$3.50 per million British thermal units Henry Hub natural gas price through 2050. In addition, in the base case, we applied a carbon price of \$40/tonne for our assets or business units and intended forward investments. Hess' base case was then compared against various oil, natural gas and carbon prices in the IEA's APS - running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness. Our conclusion was that under the APS our portfolio continues to generate sufficient cash flow to deliver the Hess' development plan with no stranded assets and no expected changes to the Hess base case. In summary, based on the results of our 2022 scenario planning analysis, we conclude we can continue to monetize the vast majority of our reserves and deliver strong financial performance under a wide range of market conditions.</p>
<p>Transition scenarios IEA SDS</p>	<p>Company-wide</p>		<p>2021 IEA - SDS</p> <p>To help quantify climate related risks and opportunities- and to provide perspectives to our investors and other key stakeholders on how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy-Hess conducts an annual scenario planning exercise as a methodology to assess portfolio resilience over the longer term. This scenario based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand, energy mix, the emergence of new technologies, and possible changes by policymakers with respect to greenhouse gas emissions. Hess modeled the International Energy Agency's (IEA's) 2021 World Energy Outlook (WEO) SDS (1.65 degree C increase by 2100 scenario) against our own internal base planning case. The SDS meets the TCFD requirement to model at least one scenario where the global average</p>

			<p>temperature is kept well below 2 degree C.</p> <p>Our first step in the scenario analysis process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price through 2050, and a \$3.50 per million British thermal units Henry Hub natural gas price through 2050. In addition, in the base case, we applied a carbon price of \$40/tonne for our assets or business units and intended forward investments. Hess' base case was then compared against various oil, natural gas and carbon prices in the IEA's SDS - running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness. Our conclusion was that under the SDS our portfolio continues to generate sufficient cash flow to deliver the Hess' development plan with no stranded assets and no expected changes to the Hess base case. In summary, based on the results of our 2022 scenario planning analysis, we conclude we can continue to monetize the vast majority of our reserves and deliver strong financial performance under a wide range of market conditions.</p>
Transition scenarios IEA NZE 2050	Company-wide		<p>2021 IEA NZE</p> <p>To help quantify climate related risks and opportunities- and to provide perspectives to our investors and other key stakeholders on how Hess' oil and gas portfolio might be impacted by a transition to a lower carbon economy-Hess conducts an annual scenario planning exercise as a methodology to assess portfolio resilience over the longer term. This scenario based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand, energy mix, the emergence of new technologies, and possible changes by policymakers with respect to greenhouse gas emissions. Hess modeled the International Energy Agency's (IEA's) 2021 World Energy Outlook (WEO) NZE (1.5 degree C increase by 2100 scenario) against our own internal base planning case. The NZE also meets the TCFD requirement to model at least one scenario where the global average temperature is kept well below 2 degree C.</p>

			<p>Our first step in the scenario analysis process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price through 2050, and a \$3.50 per million British thermal units Henry Hub natural gas price through 2050. In addition, in the base case, we applied a carbon price of \$40/tonne for our assets or business units and intended forward investments. Hess' base case was then compared against various oil, natural gas and carbon prices in the IEA's NZE scenario - running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness. Our conclusion was that under the NZE scenario, the majority of Hess' current reserve base is producible over the next 30 years, with lower operating cash flow relative to the Hess development plan driven by lower commodity prices and the cost of CO2. In summary, based on the results of our 2022 scenario planning analysis, we conclude we can continue to monetize the vast majority of our reserves and deliver strong financial performance under a wide range of market conditions.</p>
<p>Physical climate scenarios RCP 8.5</p>	<p>Company-wide</p>		<p>RCP 8.5 scenario Hess considers the potential physical risks associated with climate change- such as increased severity of storms, droughts and flooding-for both new projects and existing operations through our ERM framework and value assurance process. For example, meteorological and oceanographic studies undertaken for offshore developments include modeling that incorporates assumptions from the latest climate change science. We have looked at the Representative Commitment Pathway (RCP 8.5) scenario which is the status quo with temperature rises projected at a 4.3 degree C increase by 2100. Mitigations to address changing storm magnitude are incorporated into the design of our facilities, where appropriate, and severe weather management and business continuity plans are maintained for severe weather events. We also assess how climate change may impact water availability and water stress in the areas we operate using the World Resources Institute's Aqueduct Tool.</p>

			<p>In 2019, we initiated a phased program of climate related physical risk assessments to inform our wider ERM framework on potential climate impacts. These assessments consider the potential impact to the facilities and infrastructure we operate, as well as how these may be affected by predicted climate change scenarios. The geospatial output from this analysis allows us to overlay climate variables such as extreme heat stress, extreme cold, rainfall, water stress, fire, storm intensity and coastal flooding projections and create heat maps showing the changes from the baseline values for our current and planned operations.</p> <p>We completed the first assessment on our Gulf of Mexico operations in 2020 and the second on our Bakken operations in 2021. We identified potential risks associated with worker heat stress in the Bakken and flooding of coastal logistics infrastructure related to our assets in the Gulf of Mexico. However these risks are not unique to Hess and would also apply broadly to the oil and gas industry and other industrial sectors and would necessitate mitigation at a state and national level. We plan to conduct further evaluations across our portfolio in 2022 and 2023.</p>
<p>Physical climate scenarios RCP 4.5</p>	<p>Company-wide</p>		<p>RCP 4.5 scenario Hess considers the potential physical risks associated with climate change- such as increased severity of storms, droughts and flooding-for both new projects and existing operations through our ERM framework and value assurance process. For example, meteorological and oceanographic studies undertaken for offshore developments include modeling that incorporates assumptions from the latest climate change science. We have looked at the Representative Commitment Pathway (RCP 4.5) scenario, with temperature rises at 2.4 degree C. Mitigations to address changing storm magnitude are incorporated into the design of our facilities, where appropriate, and severe weather management and business continuity plans are maintained for severe weather events. We also assess how climate change may impact water availability and water stress in the areas we operate using the World Resources Institute's Aqueduct Tool.</p>

			<p>In 2019, we initiated a phased program of climate related physical risk assessments to inform our wider ERM framework on potential climate impacts. These assessments consider the potential impact to the facilities and infrastructure we operate, as well as how these may be affected by predicted climate change scenarios. The geospatial output from this analysis allows us to overlay climate variables such as extreme heat stress, extreme cold, rainfall, water stress, fire, storm intensity and coastal flooding projections and create heat maps showing the changes from the baseline values for our current and planned operations.</p> <p>We completed the first assessment on our Gulf of Mexico operations in 2020 and the second on our Bakken operations in 2021. We identified potential risks associated with worker heat stress in the Bakken and flooding of coastal logistics infrastructure related to our assets in the Gulf of Mexico. However these risks are not unique to Hess and would also apply broadly to the oil and gas industry and other industrial sectors and would necessitate mitigation at a state and national level. We plan to conduct further evaluations across our portfolio in 2022 and 2023.</p>
<p>Physical climate scenarios RCP 2.6</p>	<p>Company-wide</p>		<p>RPC 2.6 scenario Hess considers the potential physical risks associated with climate change- such as increased severity of storms, droughts and flooding-for both new projects and existing operations through our ERM framework and value assurance process. For example, meteorological and oceanographic studies undertaken for offshore developments include modeling that incorporates assumptions from the latest climate change science. We have looked at the Representative Commitment Pathway (RCP 2.6) scenario, a very stringent pathway with a projected temperature rise of 1.6 degree C. Mitigations to address changing storm magnitude are incorporated into the design of our facilities, where appropriate, and severe weather management and business continuity plans are maintained for severe weather events. We also assess how climate change may impact water availability and water stress in the areas we operate</p>

		<p>using the World Resources Institute's Aqueduct Tool.</p> <p>In 2019, we initiated a phased program of climate related physical risk assessments to inform our wider ERM framework on potential climate impacts. These assessments consider the potential impact to the facilities and infrastructure we operate, as well as how these may be affected by predicted climate change scenarios. The geospatial output from this analysis allows us to overlay climate variables such as extreme heat stress, extreme cold, rainfall, water stress, fire, storm intensity and coastal flooding projections and create heat maps showing the changes from the baseline values for our current and planned operations.</p> <p>We completed the first assessment on our Gulf of Mexico operations in 2020 and the second on our Bakken operations in 2021. We identified potential risks associated with worker heat stress in the Bakken and flooding of coastal logistics infrastructure related to our assets in the Gulf of Mexico. However these risks are not unique to Hess and would also apply broadly to the oil and gas industry and other industrial sectors and would necessitate mitigation at a state and national level. We plan to conduct further evaluations across our portfolio in 2022 and 2023.</p>
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C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

With a potential transition to a lower carbon economy, how resilient is Hess' current asset portfolio over the next 30 years?

Will Hess have any stranded assets over the next 30 years under the various IEA scenarios?

In the event of a transition to a lower carbon economy, how will potentially lower demand for oil and gas impact Hess' performance?

Results of the climate-related scenario analysis with respect to the focal questions

Our first step in the scenario planning process was to establish a Hess base case, which for 2022 was premised off a \$65 per barrel Brent oil price and a \$3.50 per million British thermal unit Henry Hub natural gas price, both through 2050. In addition, in the base case, we applied either actual carbon pricing (where a regulatory framework exists) or used a carbon price of \$40/tonne through 2050 for other geographies. Hess' base case was then compared against various oil, natural gas and carbon prices in the IEA's four key scenarios - STEPS, APS, SDS and NZE- running our current asset portfolio and intended forward investments through these varying sets of assumptions to assess financial robustness.

Our conclusion with regard to the first focal question of resilience is that under the STEPS, APS and SDS, the Hess portfolio remains resilient with production from our current reserve base economic over the next 30 years and when our portfolio is adjusted for these assumptions, it continues to generate sufficient cash flow to deliver the Hess' development plan. For the NZE scenario, we will experience lower operating cash flow relative to the Hess' development plan driven by lower commodity prices and the cost of CO2. We will continue to monitor signposts that would indicate the world is moving along the NZE pathway. We would expect that these signposts would provide Hess sufficient time to complete a detailed review of our cost structure and adjust our portfolio accordingly.

Our conclusion with regard to the second focal question of stranded assets is that under the STEPS, APS and SDS there are no stranded assets and no expected change to the Hess development plan. In the NZE, the majority of Hess' current reserve base is producible over the next 30 years.

Our conclusion with regard to the third focal question regarding the financial impact from potentially lower oil and gas demand resulting from a transition to a lower carbon economy is that we expect that Guyana's low breakeven costs, along with aggressive cost reduction activities in the Bakken in North Dakota, will contribute substantially to structurally lowering our portfolio breakeven costs to less than \$45 per barrel Brent oil by 2026. Our offshore oil discoveries in Guyana are among the industry's largest discoveries made globally over the last decade with more than 11 billion barrels of oil equivalent recoverable reserves. According to a study by Wood Mackenzie, Guyana is one of the highest margin, lowest carbon intensity oil developments globally. In the Bakken, Hess has over 800 and 1600 locations at \$40 and \$50 per barrel WTI, respectively, that can generate at least a 15% internal rate of return. 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.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>We begin a risk assessment by bringing together functional and asset level subject matter experts to establish a holistic risk profile for a particular asset or business unit. We use the results of asset-level risk assessments to generate a company-wide portfolio view of risk scenarios and impacts in financial terms. Included in our recent 2020 Strategy Refresh was a determination of EHS&SR priority risks and stakeholder expectations. This priority risk register is updated annually to reflect changing business conditions and risk prioritization. Since our products are carbon intensive, we have identified potential future risks of carbon pricing. Managing these costs proactively is expected to make us more economically and environmentally competitive. We expect this to have a high to moderate impact in the long-term horizon as our strategy includes minimizing our carbon footprint as we grow . We use this process to identify opportunities that help us grow our business while mitigating risk.</p> <p>For example, we, through our midstream affiliate, have invested over \$3.6 billion in a substantive business decision to add infrastructure in North Dakota to reduce flaring, which reduces GHG emissions and allows us to increase revenue by capturing and selling gas, as well as using it to run our operations. This effort reduces costs, generates additional revenue and supports efforts to transition to lower carbon emitting products. To help achieve this objective, we have set a new 2025 target to reduce our global methane intensity to 0.19% from a 2017 baseline of 0.40%; in 2021, we achieved a methane intensity reduction rate of 0.18%. We are in the process of reevaluating the 2025 target to determine if it should be adjusted.</p> <p>Our LDAR program in North America helps us mitigate methane emissions and promote the use of natural gas. This program comprises monthly audible, visual and olfactory equipment inspection for the potential of leakage and semi-annual optical gas imaging performed by our certified field assurance personnel to detect fugitive emissions. In 2021, the cost of implementation in ND was</p>

		approximately \$1.7 million, which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of \$42.59 per Mcf. These measures; together with the steps we are taking to reduce flaring in ND, aim to help further reduce our fugitive emissions.
Supply chain and/or value chain	Yes	<p>Situation: When Hess enters into new joint venture (JV) projects, we engage directly to evaluate project economics, promote safety and minimize emissions. For example, at the Stabroek Block (offshore Guyana), in which Hess holds a 30% interest, we worked with the JV parties on initial development of the Lisa field (within the block) to attempt to minimize emissions across the whole value chain as we develop these fields. Task: Since we knew that this project was one of the largest recent offshore developments in the world, we understood the climate-related risks of this project and wanted to minimize GHG emissions. While these types of JV investments are equity investments for Hess, we view these investments as having the potential for reputation risks and opportunities. Our climate change strategy includes continuing to take cost-effective, appropriate steps to monitor, measure and reduce emissions through applying innovation and efficiency to reduce energy use, waste and emissions across our operations. We also believe it can be appropriate to use reasonable efforts to extend that strategy across non-operated joint ventures. Action: The actions that we took, along with certain of our JV parties, to mitigate climate-related risks was a substantive business decision which resulted in investing in a system to reinject the associated gas from oil production for storage to minimize flaring from these oil fields. Result: A gas reinjection program in Guyana has had a significant impact on reducing greenhouse gas emissions by dramatically reducing natural gas flaring associated with oil production and should cover the short, medium and long term as we expect it to extend for the life of these oil fields. When we look at Supply Chain issues, in general, we examine short term (< 3 year), medium term (4 to year to 10 years) and longer term (> 10 years) impacts on our business operations.</p>
Investment in R&D	No	Hess does not invest in fundamental R&D. A company of our size has limited resources and little R&D budget; hence there is minimal risk associated with climate-related R&D risks or opportunities and this does not have a substantive financial impact on our business. Since it does not have a substantive impact, we do not anticipate R&D having an

		<p>impact on our business in the short or medium-term. This is primarily a long-term risk and impact to the business.</p>
Operations	Yes	<p>We begin a risk assessment by bringing together function and asset level subject matter experts to establish a holistic risk profile for a particular asset, project or business unit. We use the results of these risk assessments to generate company-wide portfolio view of risks and impacts on value in financial terms. Included in our 2020 Strategy Refresh was a determination that EHS&SR priority risks and stakeholder expectations. This priority risk register is updated annually to reflect changing business conditions and risk prioritization. We have identified potential future risks of climate change (both transitional and physical) to our operations. Managing these costs proactively means that our cost per barrel is coming down and is expected to make us more economically and environmentally competitive. We expect this to have a high to moderate impact as our strategy includes minimizing our carbon footprint in order to enhance our ESG performance and minimize reputational risk.</p> <p>In North Dakota, our most strategic decision influenced by climate related risks was, through our midstream affiliate, to invest over \$3.6 billion in a substantive business decision to develop infrastructure to reduce flaring. This allows us to increase revenue by capturing and selling gas that was previously flared. This infrastructure investment is expected to result in substantial climate-related benefits associated with flare reduction in the medium and long term. This effort is also expected to reduce costs, generate additional revenue and support efforts to transition to lower carbon emitting products.</p> <p>As part of our updated EHS & SR strategy, Hess established a global methane intensity reduction target of 0.19% by 2025, using a 2017 methane baseline. The continued implementation of our LDAR program is expected to help us minimize methane emissions and mitigate risk. This program comprises monthly audible, visual and olfactory inspection of equipment with the potential to leak; and, semi-annual optical gas imaging which is performed by our field assurance personnel who are certified in the use of infra-red thermal cameras and other monitoring techniques to detect fugitive emissions. In 2021, the cost of implementation in ND was approximately</p>

		\$1.7 million, which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of \$42.59 per Mcf.
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C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Assets	<p>Indirect/Operating Costs Description: In 2016, Hess introduced an internal price of carbon into our new investment decision process with the aim to test a projects financial resilience over the long-term (typical project lifecycle of 20-40 years) in a carbon constrained environment. We conducted a benchmark study and set a \$40/tonne carbon price which was at the high range of what the super majors were using at the time, as well equivalent to the Obama Administration's social cost of carbon. If a carbon regulation was in effect in a particular country where we are doing business, we used that country's cost of carbon. Return on investment was then calculated with and without a sustained \$40 per tonne price on carbon (or the applicable country-specific value). Setting an internal cost of carbon enables management to evaluate project value and review different options and technologies to achieve the most efficient ones, as well as to achieve the company's long-range strategic objectives. Since establishing a price on carbon is a long-term measure, we periodically review this carbon price. In early 2021, we amended our planning guidance to include evaluating new investments using the IEA's SDS carbon pricing as as sensitivity case. (Situation) For example, Hess applied the \$40/tonne price of carbon when evaluating the Stampede project in the Gulf of Mexico and the North Malay Basin project in Malaysia. (Task/Action) Using a sustained \$40/tonne price of carbon in the project economics to evaluate different options and technologies for GHG emissions reductions. (Result) Since the technologies applied to both of these projects resulted in desired production levels over the long term with relatively low levels of GHG emissions, the projects were sanctioned and the \$40/tonne carbon price did not have a substantive impact on these business decisions.</p> <p>As part of our long term financial planning process, to help quantify climate-related risks and opportunities- and to provide perspectives to our investors and to other key stakeholders- Hess now conducts an annual scenario planning exercise as a methodology to assess portfolio</p>

		<p>resilience over the longer term (2050 time frame which is consistent with the Paris Accord). This scenario-based approach allows us to assess and communicate to our shareholders our understanding of future risks and opportunities in relation to the potential evolution of energy demand and mix, the emergence of new technologies and possible changes by policymakers with respect to GHG emissions. Because the TCFD recommends transparency around key parameters, assumptions and analytical choices, Hess has chosen to model the four main scenarios detailed in the IEA's 2021 World Energy Outlook (the Stated Policy Scenario (STEPS), the Announced Pledges Scenario (APS), the Sustainable Development Scenario (SDS) and the Net Zero 2050 (NZE) scenario) against our own internal base planning case. These scenarios include incorporating long-range carbon prices of up to \$250 per tonne into the planning process.</p> <p>Furthermore, the TCFD recommends that organizations use a 2 degree C or lower scenario to test portfolio resilience- in other words, a scenario under which global warming is kept to well below a 2 degree C increase compared to preindustrial levels. Such scenarios usually feature reductions in demand for oil, natural gas and coal; growth in clean technologies; and a reshaping of trade flows, among other assumptions.</p> <p>The SDS and the NZE scenario in the IEA's 2021 WEO which are part of Hess's modeling, fits within this recommendation. The Hess portfolio and our pipeline of forward investments remain resilient in the STEPS, APS and SDS, with production from our current reserve base economic over the next 30 years and no stranded assets and no expected change to the Hess' development plan. Under the NZE scenario, the majority of Hess' current reserve base is producible over the next 30 years, with lower operating cash flow relative to the Hess' development plan driven by lower commodity prices and the cost of CO2. As part of our annual scenario planning exercise, we will continue to monitor for signposts that would indicate the world is moving along the NZE pathway. We expect that these signposts would provide Hess sufficient time to complete a detailed review of our cost structure and adjust our portfolio accordingly.</p> <p>Recalibrating our financial planning process to evaluate potential climate-related impacts on our long-term business decisions through the use of carbon pricing and scenario analysis has resulted in changes in business strategy which help us identify potential cost-effective opportunities to minimize GHG emissions . (Situation) For example, at the Stabroek Block (offshore Guyana), in which Hess holds a 30% interest, we worked with the JV parties on initial development of the Lisa field(within the block) to attempt to minimize emissions across the whole value chain as we develop these fields. (Task/ Action) Since we knew that this project was one of the largest recent offshore developments, we understood the</p>
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		<p>climate-related risks of the project and seek to minimize gas flaring and resulting GHG emissions. We viewed this activity as having a substantive impact on our business (Result) The action that we took, along with our JV parties, to mitigate climate-related risks was to invest in a system to reinject the associated gas from our future oil production for storage so that we could minimize flaring from these oil fields.</p>
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s transition to a 1.5°C world?

Yes

C3.5a

(C3.5a) Quantify the percentage share of your spending/revenue that is aligned with your organization’s transition to a 1.5°C world.

Financial Metric

CAPEX

Percentage share of selected financial metric aligned with a 1.5°C world in the reporting year (%)

59

Percentage share of selected financial metric planned to align with a 1.5°C world in 2025 (%)

59

Percentage share of selected financial metric planned to align with a 1.5°C world in 2030 (%)

59

Describe the methodology used to identify spending/revenue that is aligned with a 1.5°C world

Capital expenditures include \$183 million spent in 2021 by our midstream affiliate on Hess midstream infrastructure investment to monetize natural gas previously flared which we consider a transition fuel to be used as the world moves towards a lower carbon economy. We consider this spending aligned with a 1.5 degree C world because in April, 2021, the Complementary European Union Delegated Act recognized natural gas as a transition fuel in decarbonization through 2030. In addition, we included \$3 million invested in 2021 in the Salk Institutes project to develop plants capable of absorbing and storing potentially billions of tons of carbon dioxide per year of total. Also, in addition, in 2021 we spent an additional \$1 billion in Guyana which is

among the industry's largest oil discoveries made globally over the last decade. According to a study by Wood Mackenzie, Guyana is positioned to be one of the highest margin, lowest carbon intensity oil developments globally. Based on the results of our scenario analysis, in the IEA's Net Zero scenario, the 1.5 degree C scenario, we can monetize all of our reserves in Guyana generating sufficient cash flow under our development plan without incurring any stranded assets. In summary, in 2021 we spent approximately \$1.2 billion of our total capital spend of \$2 billion on low carbon projects (calculation = \$183 million by our midstream affiliate in N.D., \$3 million for Salk and \$1.0 billion in Guyana for total 2021 capital spend of \$1.2 billion on projects aligned with 1.5 degree C scenario/ \$2 billion in total capital spend for 2021 = 59%).

Our long term targets are currently being worked through an executive led task force that is developing a plan to achieve net zero Scope 1 and 2 emissions, so at this time we cannot provide an accurate estimate of capital spend on the transition to a lower carbon economy going forward. For the interim, we are assuming the same percentage as 2021 spend.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Base year

2021

Base year Scope 1 emissions covered by target (metric tons CO2e)

3,518,370

Base year Scope 2 emissions covered by target (metric tons CO2e)

289,825

Base year Scope 3 emissions covered by target (metric tons CO2e)

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3,808,195

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2050

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3,518,370

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

0

Scope 3 emissions in reporting year covered by target (metric tons CO2e)

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

3,518,370

% of target achieved relative to base year [auto-calculated]

7.6105609088

Target status in reporting year

New

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

Hess' net zero GHG emissions target covers all of Hess' Scope 1 & 2 equity based emissions. Since there are no science based targets for the oil & gas industry, we answered the above question that we do not have a science based target. However, our net zero absolute GHG emissions reduction target by 2050 or sooner puts us on the emissions reduction trajectory to meet the aims of the Paris Agreement which is in keeping with concept of science based targets, even though no science based targets have been developed for oil & gas companies.

Plan for achieving target, and progress made to the end of the reporting year

This target is new for 2021. In 2021, we purchased renewable energy certificates to offset all of our Scope 2 emissions from purchased electricity. We have an executive led taskforce which is currently developing a plan to achieve net zero Scope 1 & 2 equity GHG emissions by 2050 or sooner. The taskforce is focusing on examining additional opportunities to address the remainder of our GHG emissions through a combination of operational practices, energy efficiency projects and advanced technologies still in development, along with the purchase of carbon offsets. Further details can be found in Hess' Low Carbon Transition Framework which is attached to question C3.1.

List the emissions reduction initiatives which contributed most to achieving this target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2020

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per unit of production

Base year

2017

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

30.0316

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

3.68365

Intensity figure in base year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

33.71525

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this Scope 3 intensity figure

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

49.58

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

16.99922905

% change anticipated in absolute Scope 1+2 emissions

20

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

17.914

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0

Intensity figure in reporting year for Scope 3 (metric tons CO₂e per unit of activity)

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

17.914

% of target achieved relative to base year [auto-calculated]

94.5275795434

Target status in reporting year

Underway

Is this a science-based target?

No, and we do not anticipate setting one in the next 2 years

Target ambition

Please explain target coverage and identify any exclusions

As part of Hess' updated climate change strategy and in alignment with TCFD's criteria for target setting, in late 2020, we established a new medium-term GHG intensity reduction target for 2025, using 2017 as a baseline. Our target is to reduce the GHG emissions intensity of our operated assets to 17 kg carbon dioxide equivalent (CO₂e) per BOE by 2025 versus a 2017 baseline of 34 kg CO₂e per BOE. We aligned this GHG intensity reduction target with the IEA's WEO 2021 SDS and NZE scenarios. The SDS projects a 21% carbon intensity reduction trajectory between 2017 and 2030 to be consistent with a less than 2 degree C ambition, where the NZE projects a 36% carbon intensity reduction trajectory during that timeframe for a less than 1.5 degree C ambition. These IEA carbon intensity reduction figures are derived using the IEA's SDS and NZE CO₂ emissions divided by their worldwide energy supply estimates in 2030 versus 2017 actuals. Hess' GHG intensity reduction target is based on our operated Scope 1 and 2 market based emissions normalized by production. This Hess target results in a 50% GHG intensity reduction between 2017 and 2025, which is more aggressive than the IEA SDS' 21% and NZE's 36% emissions intensity reduction trajectories for 2030. This target is designed to place us in a leadership position for emissions performance among our peers in the oil and gas industry, based on current publicly available data.

Plan for achieving target, and progress made to the end of the reporting year

Through 2021, we have reduced our GHG emissions intensity to 18 kg CO₂e per BOE or by approximately 47% compared to our 2017 baseline of 34 kg/BOE and we are approaching our 2025 target of 17 kg CO₂e per BOE. Very significant progress towards achieving this target has been made through our focus on reducing flaring and natural gas capture through increased availability and reliability at our compressor stations; aggressive expansion of gas gathering infrastructure, enhanced communication with third party gatherers and improved planning of new wells to prioritize gathering of new natural gas production. We have set a 2025 target to eliminate all routine gas flaring at Hess operations and we continue to focus, through our Midstream affiliate, on the buildout of gas infrastructure in the Bakken and consider additional flare reduction initiatives globally.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

- Target(s) to increase low-carbon energy consumption or production
- Target(s) to reduce methane emissions

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2021

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2021

Consumption or production of selected energy carrier in base year (MWh)

869,928

% share of low-carbon or renewable energy in base year

0

Target year

2021

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

100

% of target achieved relative to base year [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

No, this is a commitment on Hess's part to purchase RECs to offset 100% of annual purchased electricity requirements

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Part of Hess's strategy is to purchase 100 % of our annual electricity consumption from renewable energy sources based on electricity usage each year. Because this is an annual target to purchase 100% renewables based on actual electricity consumption for the year, we are effectively setting a new target each year. As a result, the base year, the start year, and the target year are all the same (2021). In accordance with our target to purchase 100% renewable energy (based on our 2021 electricity use of 869,928 MWh) our goal was to purchase 869,928 RECs (KPI in baseline year), which we accomplished.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

A component of Hess' climate-related strategy, as approved by the Board, is an annual commitment to purchase renewable energy certificates to offset 100% of annual purchased electricity requirements

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2020

Target coverage

Company-wide

Target type: absolute or intensity

Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Methane reduction target

Other, please specify

Operated Methane emitted (MMscf)

Target denominator (intensity targets only)

Other, please specify

Operated Natural Gas Sales (MMscf)

Base year

2017

Figure or percentage in base year

0.404953

Target year

2025

Figure or percentage in target year

0.19

Figure or percentage in reporting year

0.180406

% of target achieved relative to base year [auto-calculated]

104.4633012798

Target status in reporting year

Achieved

Is this target part of an emissions target?

No, although achieving this target helps reduce GHG emissions

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Hess is part of the ONE Future coalition which was established to voluntarily lower methane emissions to less than 1% across the natural gas value chain. To achieve this goal, ONE Future has established methane emissions rate targets for each sector of the natural gas value chain; production (0.28%); gathering and boosting (0.08%); processing (0.11%); transmission and storage (0.30%) and distribution (0.22%), which cumulatively totals 1%. Hess has activities in three sectors, production, gathering and boosting and processing. In 2021, our methane emissions rate for production was 0.20%, our methane emissions rate from gathering and boosting as 0.05%, and our emissions rate from processing was 0.03%. Our combined methane emissions rate from production, gathering, boosting, and processing was 0.29%, which is well below the 2025 One Future combined target of 0.47% for those three sectors. Our relative methane intensity continues to improve, and we attribute this to the continued implementation of our leak detection and repair (LDAR) program for Natural Gas and Oil Production sources in North Dakota and our program that was completed in 2021 to phase out all high bleed controllers.

In addition to this commitment, as part of our EHS & SR strategy update, in 2020 we established a 2025 global methane intensity target. Our target uses natural gas sales as a denominator, where the ONE Future Protocol uses methane production. For our global methane intensity target of 0.19% by 2025, we are using a 2017 baseline intensity of 0.40% or anticipate achieving a 53% reduction in methane intensity versus our baseline. As of year end 2021, we achieved a methane intensity reduction rate of 0.18%, surpassing our 2025 target. While we aim to maintain this performance in support of our year end 2025 target, we are in the process of reevaluating the target to determine if it should be adjusted.

Plan for achieving target, and progress made to the end of the reporting year

List the actions which contributed most to achieving this target

We attribute achieving this methane intensity reduction target ahead of schedule to a combination of our continued efforts to reduce methane emissions, which include increasing natural gas capture, reducing flaring, continuing our leak detection and repair program and replacing and retrofitting the remaining high bleed pneumatic controllers in our North Dakota operations, along with changes to our calculation methodology.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	10	
To be implemented*	0	
Implementation commenced*	0	
Implemented*	4	754,628
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Waste reduction and material circularity
 Other, please specify
 flare reduction

Estimated annual CO2e savings (metric tonnes CO2e)

671,617

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

32,100,000

Investment required (unit currency – as specified in C0.4)

90,000,000

Payback period

>25 years

Estimated lifetime of the initiative

16-20 years

Comment

As part of Hess' climate change strategy, we will continue to take cost-effective appropriate steps to monitor, measure and reduce emissions through applying innovation and efficiency to reduce energy use, waste and emissions across our operations. Our flare reduction strategy is a key component of this program because it provides us with an opportunity to increase our supply of natural gas to the marketplace where natural gas can serve as a bridging fuel in a transition to a lower carbon economy, generate additional revenue and it enables us to reduce greenhouse gas emissions. This is a win win strategy for the company. Through infrastructure investments by our Midstream affiliate, during 2021 we reduced flaring from 51.8 MMscfd in 2020 to 32.7 MMscfd in 2021 or by 19.1 MMscfd. Based on an average 2021 onshore natural gas price of \$4.60 per thousand cubic foot (MCF) found in Hess' 2021 SEC 10-K, the estimated market value of the amount of wellhead gas and natural gas liquids that was captured instead of flared is approximately \$32.1 million (51.8-32.7=19.1 MMscfd x 365 x \$4.60 per MCF = \$32.1 million). This 19.1 MMscfd reduction in flaring reduced GHG emissions by 671,617 tonnes in 2021 vs. 2020.

Initiative category & Initiative type

Low-carbon energy consumption

Wind

Estimated annual CO2e savings (metric tonnes CO2e)

70,875

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

3,499,968

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

Part of Hess' climate-related strategy is to purchase renewable energy certificates (RECs) to offset 100% of the emissions related to purchased electricity. As an outgrowth of our scenario analysis, we established a taskforce comprised of nine senior executives from multiple functions throughout the company to assess and make recommendations with respect to climate change mitigation strategies and emissions reduction technologies and opportunities. Since the teams formation, the results of scenario analysis have been used to directly inform our business objectives and strategy. In the interim, while we pursue longer range opportunities, the committee was tasked with purchasing 100% REC's annually to offset 100% of the company's purchased electricity requirements. In the short-term, we expect this action to help result in enhancing Hess' ESG reputation in the marketplace. In 2021, we purchased 869,928 REC's which offset 100% of our purchased electricity. Last year, we purchased 634,000 REC's, so the net increase of 235,928 incremental REC's in 2021 enabled us to offset 70,875 tonnes of Scope 2 GHG emissions.

Initiative category & Initiative type

Energy efficiency in production processes

Other, please specify

Wellsite natural gas capture of previously flared gas

Estimated annual CO2e savings (metric tonnes CO2e)

8,722

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1,400,000

Investment required (unit currency – as specified in C0.4)

3,800,000

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

We have continued to use technology developed by GTUIT - a designer, manufacturer and operator of wellsite natural gas capture and natural gas liquids (NGL) extraction equipment- to recover high BTU gas from locations in North Dakota that were previously flaring wellhead natural gas. The GTUIT equipment successfully addresses some of the technical challenges associated with capturing natural gas liquids from the Bakken gas. The units are modular and mobile, can operate unmanned and can adapt to the changing flow conditions at the well. In 2021, we operated four GTUIT mobile units, allowing us to capture 3.6 million gallons of natural gas liquids compared to 2.2 million gallons of NGL's in 2020. At an average price for NGL's of \$2.20/gal. this incremental 1.4 million gallons of NGL's captured was worth approximately \$3 million, which went to GTUIT. Hess received a rebate in the form of revenue equivalent to \$30,000 per unit per month ($\$30,000 \times 4 \times 12 = \1.4 million) and a resultant incremental reduction in GHG emissions of 8,722 tonnes. The cost to operate the GTUIT units was \$80,000 per month per unit for an annual cost of \$3.8 million ($\$80,000 \times 4 \times 12 = \3.8 million).

Initiative category & Initiative type

Energy efficiency in production processes
Electrification

Estimated annual CO2e savings (metric tonnes CO2e)

3,414

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

No payback

Estimated lifetime of the initiative

3-5 years

Comment

In 2021, we continued our collaboration with Digital Stream Energy to take natural gas from a wellsite that would otherwise be flared to generate electricity. The electricity generated is used to power computer servers. The natural gas consumed by DSE in 2021 was 87.6 MMscf compared to 24.9 MMscf in 2020, for an incremental increase of 62.7 MMscf. DSE gets the gas from Hess at no cost and turns it into the electricity that is used to power computer servers. Through these efforts, Hess gets the benefit of 3,414 tonnes of CO₂e emissions reductions.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Other return on investment	Capital projects which meet investment hurdles and are approved by key stakeholders that result in energy efficiency and emissions reductions activities.
Internal price on carbon	We use this when we evaluate new projects to ensure that they are financial viability.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify

Natural gas considered as a bridging fuel

Type of product(s) or service(s)

Heat

Other, please specify

Natural gas used as bridging fuel to displace coal

Description of product(s) or service(s)

We consider natural gas, which typically has about half the GHG emissions of coal in electricity generation, as a bridging fuel as customers transition to a lower carbon

economy. The April, 2021, Complementary European Union Delegated Act recognizes natural gas as a transition fuel in decarbonization, stating that it will continue to play an important role in terms of energy consumption and generation until 2030.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Functional unit used

Reference product/service or baseline scenario used

Life cycle stage(s) covered for the reference product/service or baseline scenario

Estimated avoided emissions (metric tons CO₂e per functional unit) compared to reference product/service or baseline scenario

Explain your calculation of avoided emissions, including any assumptions

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

13

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

For the past 25 years, Hess has been a participant in the US EPA's Natural Gas STAR program. This program created a partnership between EPA and industry to identify and share best practices to reduce methane emissions. Since joining the Natural Gas STAR program in 1997, Hess has achieved cumulative methane emissions reductions of 5.9 million tonnes of CO₂e (12,364,413 MCF).

We have calculated that these results have been achieved by employing the following Natural Gas STAR methane reduction technologies and practices:

- a) Installation of vapor recovery units (70.3% of emissions reductions)
- b) Installation of electric compressors (16.3%)

- c) Installation of flash tank separators on glycol dehydrators (about 5%)
- d) Catalytic converter installation (about 5%)
- e) Other (about 3%)

Situation: Hess became one of the founding members of ONE Future, a coalition of companies from across the natural gas industry focused on identifying policy and technical solutions that yield continuous improvement in the management of methane emissions associated with the production, processing, transmission and distribution of natural gas. Task: If adopted widely, ONE Future's system of emissions management could lower total methane emissions to less than 1% of gross production - the point at which the use of natural gas for any purpose provides clear and immediate greenhouse gas reduction benefits compared to any other conventional fossil fuel. Action: To achieve its goal, ONE Future has established 2025 methane emission rate targets for each sector of the natural gas value chain: production (0.28%); gathering and boosting (0.08%); processing (0.11%); transmission and storage (0.30%) and distribution (0.22%), which cumulatively total to the 1% target. Hess has activities in three sectors, production, gathering and boosting and processing. Result: In 2021, Hess' methane emissions rate for production was 0.20%, our emissions rate from gathering and boosting was 0.05% and our emissions rate from processing was 0.03%. Our combined methane emissions rate from the production, gathering, boosting, and processing sectors was 0.29%, which is well below the 2025 combined target of 0.47% for those three sectors.

In a related voluntary effort, in 2017 Hess became an initial participant in the American Petroleum Institute's Environmental Partnership, which has a goal to reduce air emissions, including methane and volatile organic compounds, associated with natural gas and oil production. Hess is implementing several of API's Environmental Partnership programs to reduce methane emissions in our North Dakota operations, two of which are detailed below:

1. Leak Program for Natural Gas and Oil Production Sources: Participants will implement monitoring of fugitive emissions and timely repair of leaking components at selected sites utilizing detection methods and technologies such as U.S. EPA Method 21 or optical gas imaging cameras. Hess conducted 790 semi-annual surveys at 355 sites in 2021. Of the 2.25 million devices and components surveyed, only 0.07% were found to be leaking. The majority (70%) of those components with leaks were repaired immediately and the remaining 30% were repaired within 30 days following the survey.
2. Program to Replace, Remove or Retrofit High-Bleed Pneumatic Controllers: Participants will replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices within five years. Hess identified 226 high-bleed pneumatic controllers in our North Dakota operations. Hess has completed its phaseout of high bleed pneumatic controllers in our North Dakota operation in 2021. This phase out program reduced our overall pneumatic controller methane emissions by 80%, from 1,583 tonnes of methane in 2019 to 318 tonnes in 2021.

In addition, as part of our 2020 EHS & SR strategy update, we established a 2025 global methane intensity reduction target. Our target uses natural gas sales as a denominator, where the ONE Future Protocol uses methane production. For our global methane intensity target of 0.19% by 2025, we are using a 2017 baseline of 0.40% or anticipate achieving a 53% reduction in methane intensity versus our baseline. Our 2021 methane intensity based on this

methodology was 0.18%, surpassing our target. While we aim to maintain this performance in support of our year end 2025 target, we are in the process of reevaluating the target to determine if it should be adjusted.

Since we view natural gas as a bridging fuel to a lower emissions economy, we continuously seek technical solutions that yield continuous improvement in the management of natural gas across our value chain. Our voluntary initiatives to reduce methane emissions as part of the One Future and API Environmental Partnership programs will keep the emphasis on managing methane emissions.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?

Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

In order to meet both our ONE Future and Environmental Partnership commitments, we continued implementation of our leak detection and repair (LDAR) program for Natural Gas and Oil Production sources in North Dakota. Based on our U.S. methane emissions, the scope of this program includes 100% of our total on-shore operated methane assets. The protocol includes: a monthly audible, visual and olfactory inspection of equipment with the potential to leak and semi-annual optical gas imaging, which is performed by our field assurance personnel who are certified in the use of infra-red thermal cameras and other monitoring techniques to detect fugitive emissions. For example, we apply this protocol at our North Dakota production operations where in 2021 we conducted 790 semiannual surveys at 355 sites and surveyed approximately 2.25 million devices and components, where we found only 0.07% to be leaking. The majority (70%) of those components with leaks were immediately repaired and the remaining 30% were repaired within 30 days following the survey. In 2021, the cost of implementing this program across all of our U.S. operations was approximately \$1.7 million, which resulted in 39,544 Mscf of recovered gas for the year at an average repair cost of 42.59 per Mcf. These measures, together with the steps we are taking to reduce flaring in North Dakota, aim to help further reduce our fugitive methane emissions.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

Flare reduction is a key component of Hess's climate related strategy because it provides us with an opportunity to generate additional revenue, increases our supply of natural gas to the marketplace where natural gas can serve as a bridging fuel in a transition to a lower carbon environment and reduces greenhouse gas emissions. Because reducing flaring across our operations is a major component of Hess's emissions reduction strategy, Hess has set a new 2025 target to achieve zero routine flaring across all of our operated facilities. We have reduced our flaring in the Bakken region of North Dakota from 68 MMSCFD in 2019 to 31 MMSCFD in 2021 or by 54% and eliminated over 1.2 million tonnes of GHG emissions in support of our 2025 zero routine flaring target. In further support of this target, we have set a 2022 Annual Incentive Plan target tied to all employees compensation to reduce our Bakken North Dakota operations routine flaring rate to 5%. Hess views this as a substantive business decision. Our primary focus on flaring reduction is related to increased capture of natural gas through increased availability and reliability at our compressor stations; aggressive expansion of gathering and processing infrastructure; enhanced communication with third party gatherers; and improved planning of new wells to prioritize gathering of new natural gas production. 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 significant capital projects to increase natural gas capture rates, which provide economic returns through the sale of the additional natural gas and NGLs captured.

In the summer of 2021 "Hess' midstream affiliate" conducted a successful and safe turnaround of the Tioga Gas Plant. The maintenance activities completed during the turnaround are expected to help maintain a safe and reliable plant. The turnaround, along with an expansion project that was completed in 2020, increased processing capacity from 250 to 400 MMSCFD. These improvements in capacity at the TGP are complemented by the Little Missouri 4 gas plant, operated by Targa Resources, which came online in 2019 and can process 200 MMSCFD of natural gas. We also installed an additional 14 MMSCFD of capacity at the new Blue Buttes Compressor Station in the second quarter of 2021, which has further expanded our ability to bring more natural gas to market. We plan to continue to add a further 85 MMSCFD natural gas compression and gathering capacity in 2022, with the capability to expand up to 130 MMSCFD in the future. These improvements will help us continue to reduce flaring and help us meet our 2025 zero routine flaring target. In addition to infrastructure buildout, we have continued to improve compressor station reliability in 2021. We have reduced compressor trips and routine downtime issues and as a result we have reduced our flaring by an additional 56 thousand tonnes of CO₂e per year. We have also enhanced our relationships and lines of communication with third party gas gatherers to further reduce downtime and bottlenecks. We estimate that these enhancements helped to reduced flaring by 2 MMSCFD , equivalent to a reduction of approximately 63,000 tonnes of CO₂e during 2021.

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, a divestment

Name of organization(s) acquired, divested from, or merged with

Denmark Operation

Details of structural change(s), including completion dates

The Denmark operation was sold in 2021 and operated by Hess through August of 2021. Our GHG emissions of 153,921 tonnes are included in our 2021 actual results. The Denmark operation has been removed from our 2025 GHG and methane emissions reduction targets and accompanying 2017 baseline. Anywhere we calculate intensity reduction numbers we have removed Denmark operations to be consistent with our 2025 target setting methodology.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	We continuously look for opportunities to improve our GHG data collection efforts and calculation methodologies, and have made a number of restatements in the performance data with regard to selective assets; however the overall impact of these historical data changes is not material at the consolidated company level.

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	We continuously look for opportunities to improve our GHG data collection efforts and calculation methodologies, and have made a number of

	<p>restatements in the performance data ,. Through analysis of our historical GHG emissions inventories, we have identified certain emissions sources previously designated as not material to our overall emissions profile which have now been incorporated into our annual inventories for 2017-2020. We have also been working to fine tune the activity data used for our emissions calculations, such as applying adjusted run times for the heater treaters used at our operated well sites. After establishing our new five year GHG reduction target with a 2017 baseline, we engaged our third party sustainability data verifier to conduct an additional verification of our 2017 GHG inventory at a reasonable assurance level. We have made some enhancements to our Scope 3 emissions calculations. For Category 11, we were previously assuming all liquids sold were crude oil. We are now accounting for our two separate liquid products - crude oil and natural gas liquids (NGL) - by using separate emissions factors for each product. For Category 10, where we were applying a single GHG factor over time, we are now using annual factors that take into account the improved efficiency and related emissions reductions at U.S. refineries between 2017 and 2021. This improved methodology has resulted in Hess' Scope 3 emissions totals being lowered by approximately 4 million tonnes of CO2e each year between 2017 and 2020. Another important note is related to the sale of our Denmark asset. As the sale was announced in early 2021, we excluded Denmark when we established the 2017 baseline year data for our new GHG and methane emissions intensity targets (that were also announced last year). However, because Hess operated the asset through August 2021, we have included Denmark in our 2021 absolute GHG emissions data.</p>
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C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

2,410,427

Comment

Scope 2 (location-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

330,707

Comment

Scope 2 (market-based)

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

295,661

Comment

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Purchased goods and services. The Purchased goods and services category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Capital goods. The Capital goods category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Fuel-and-energy-related activities. The Fuel-and-energy-related activities category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Upstream transportation and distribution. The Upstream transportation and distribution category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Waste generated in operations. The Waste generated in operations category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 6: Business travel

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO2e)

4,600

Comment

For Business travel, our Scope 3 emissions baseline year is 2017 and we do not have a Scope 3 Business travel emissions reduction target. The Business travel category does not meet Hess' 5% materiality threshold; however, since a component of our climate-related strategy is to purchase carbon offsets to offset 100% of all employee business travel, we report this category of Scope 3 emissions for the current reporting year.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Employee commuting. The Employee commuting category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Upstream leased assets. The Upstream leased assets category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Downstream transportation and distribution. The Downstream transportation and distribution category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions..

Scope 3 category 10: Processing of sold products

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO₂e)

1,813,028

Comment

For Processing of sold products, our Scope 3 emissions baseline year is 2017 and we do not have an emissions reduction target for Processing of sold products. We report Processing of sold products Scope 3 emissions for the current reporting year.

Scope 3 category 11: Use of sold products

Base year start

January 1, 2017

Base year end

December 31, 2017

Base year emissions (metric tons CO₂e)

41,846,423

Comment

For Use of sold products, our Scope 3 emissions baseline year is 2017 and we do not have a Use of sold products emissions reduction target. We report Use of sold products Scope 3 emissions for the current reporting year.

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for End of life treatment of sold products. The End of life treatment of sold products does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Downstream leased assets. The Downstream leased assets category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Franchises. Hess does not have any Franchises. As a result, we have determined that the Franchise category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Investments. The Investments category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Other (upstream). All Hess Operated Upstream assets that meet the 5% materiality threshold have been included in the Use of Sold Products and Processing of Sold Products categories for the reporting year. As a result, the Other (upstream) category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO₂e)

Comment

We do not have a Scope 3 emissions baseline or emissions reduction target for Other (downstream). Hess does not have any downstream operations. As a result, we have determined that the Other (downstream) category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

- IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

2,470,702

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

388,269

Scope 2, market-based (if applicable)

0

Comment

A component of Hess's climate-related strategy is a target to purchase renewable energy certificates (REC's) to offset 100% of our Scope 2 purchased electricity requirements. In 2021, we purchased 869,928 REC's to meet this target objective.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 " Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years, the

Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Purchased goods and services category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 " Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years, the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil products by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

In 2021, we enhanced the accuracy of our Scope 3 emissions calculations. For

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

The Capital goods category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Fuel and energy related activities category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil products by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Upstream transportation and distribution category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Waste generated in operations category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Business travel

Evaluation status

Not relevant, calculated

Emissions in reporting year (metric tons CO₂e)

407

Emissions calculation methodology

Other, please specify

We calculate the CO₂e emissions in accordance with the US EPA Climate Leaders GHG Inventory Protocol, Table 7 Business Travel Emissions Factors. GPWs used for CO₂, CH₄ and N₂O were 2, 25 and 298, respectively.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The reporting boundary for this Scope 3 category is operational control. We utilize our travel agency's records which include the number of short, medium and long haul flights flown, as well as rental car miles driven. While the GHG emissions associated with business travel are below our 5% materiality threshold, we are reporting these emissions because a component of our climate change strategy is to offset 100% of emissions associated with employee business travel with carbon offsets. In 2021, we purchased 400 carbon credits which offset essentially all of our business travel.

Employee commuting

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide more information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Employee commuting category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Upstream leased assets category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Downstream transportation and distribution category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Processing of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

1,412,567

Emissions calculation methodology

Other, please specify

Hess uses GHG emissions factors multiplied by the quantity of crude oil produced.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million] tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 " Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

In 2021, we enhanced the accuracy of our Scope 3 emissions calculations. For Category 10, where we previously applied a single GHG factor over time, we now use annual factors that take into account the improved efficiency and related emissions reductions at U.S. refineries between 2017 and 2021. This improved methodology has resulted in Hess' Scope 3 emissions totals being lowered by approximately 4 million tonnes of CO₂e each year between 2017 and 2020.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

41,982,417

Emissions calculation methodology

Other, please specify

We report Scope 3 category 11 emissions by calculating combustion emissions for our oil, natural gas and marketed oil products based of specified emissions factors

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

In 2021, we enhanced the accuracy of our Scope 3 emissions calculations. For Category 11, we previously assumed all liquids sold were crude oil. We now account for our two separate liquid products - crude oil and natural gas liquids (NGL)- by using separate emissions factors for each product. This improved methodology has resulted in Hess' Scope 3 emissions totals being lowered by approximately 4 million tonnes of CO₂e each year between 2017 and 2020.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did

not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The End of life treatment of sold products category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant efficiency improvements over the past several years.

In 2021, we enhanced the accuracy of our Scope 3 emissions calculations. For Category 11, we previously assumed all liquids sold were crude oil. We now account for our two separate liquid products - crude oil and natural gas liquids (NGL)- by using

separate emissions factors for each product. For Category 10, where we previously applied a single GHG factor over time, we now use annual factors that take into account the improved efficiency and related emissions reductions at U.S. refineries between 2017 and 2021. This improved methodology has resulted in Hess' Scope 3 emissions totals being lowered by approximately 4 million tonnes of CO₂e each year between 2017 and 2020.

The Downstream leased assets category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not for 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

Hess has no franchises. As a result, the Franchises category does not meet Hess' 5%

materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess completed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

The Investments category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess competed divestment of all downstream (refining, terminals and retail) operations and became an exploration and production company as defined by API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold, we have decided to continue reporting Category 10 to provide additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

All Hess upstream operated assets that meet the 5% materiality threshold have been included in the Use of Sold Products and Processing of Sold Products categories. As a result, the Other (upstream) category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

To estimate our Scope 3 emissions, we follow the methodology established by IPIECA in its 2016 report Estimating Petroleum Industry Value Chain (Scope 3) Greenhouse Gas Emissions. This guidance, which is currently the industry standard, is based on the World Resources Institute's and World Business Council for Sustainable Development's Scope 3 guidance. In 2014, Hess competed divestment of all downstream (refining, terminals and retail) operations and became a pure play exploration and production company as that term is defined by section 1.1.1 of API's Guidance Document for GHG reporting. Hess uses a 5% of Scope 3 emissions as a materiality threshold for

reporting. Therefore, our 2021 materiality threshold is 2.2 million tonnes CO₂e. Per the guidance and the Hess materiality threshold, Hess only has one material Scope 3 category in 2021: Category 11 "Use of Sold Products" where we calculate combustion emissions for our oil, natural gas and marketed oil products. In previous years the Category 10 "Processing of Sold Products" exceeded our materiality threshold but it did not in 2021. Despite the fact that it is less than our materiality threshold in 2021, we have decided to continue reporting Category 10 to provide more additional information about our total Scope 3 emissions. The refining of our crude oil product by others can be an energy intensive process but has made significant energy efficiency improvements over the past several years.

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

As a pure play E&P company, Hess does not have any downstream operations. As a result, the Other (downstream) category does not meet Hess' 5% materiality threshold and is therefore not relevant to calculating Hess' Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00031002

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

2,316,781

Metric denominator

unit total revenue

Metric denominator: Unit total

7,473,000,000

Scope 2 figure used

Market-based

% change from previous year

53

Direction of change

Decreased

Reason for change

Intensity per USD decreased because of significantly higher price for crude oil in 2021, Excludes Denmark operations for 2021.

Intensity figure

0.0179

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2,316,781

Metric denominator

barrel of oil equivalent (BOE)

Metric denominator: Unit total

129,325,000

Scope 2 figure used

Market-based

% change from previous year

15.8

Direction of change

Decreased

Reason for change

Significantly lower GHG emissions in 2021 primarily related to significantly lower natural gas flaring in North Dakota associated with aggressive expansion of natural gas gathering, compression and processing infrastructure. Excludes Denmark operations for 2021.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO₂e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)

Other, please specify

Thousand barrels of oil equivalent

Metric tons CO₂e from hydrocarbon category per unit specified

17.9

% change from previous year

13

Direction of change

Decreased

Reason for change

Significantly lower GHG emissions in 2021 primarily related to significantly lower natural gas flaring in North Dakota associated with aggressive expansion of natural gas gathering, compression and processing infrastructure. Excludes Denmark operation for 2021.

Comment

Over \$3.6 billion has been invested in midstream infrastructure in North Dakota by Hess' midstream affiliate, over the past ten years. Hess has set a 2025 target to achieve zero routine flaring for all operated facilities.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division

Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division

0.18

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division

0.06

Comment

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	2,259,126	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	209,880	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	1,696	IPCC Fourth Assessment Report (AR4 - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category

Flaring

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

941,263

Gross Scope 1 methane emissions (metric tons CH4)

2,019

Total gross Scope 1 emissions (metric tons CO2e)

992,133

Comment

Emissions category

Flaring

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

12,716

Gross Scope 1 methane emissions (metric tons CH4)

72

Total gross Scope 1 emissions (metric tons CO2e)

14,511

Comment

Emissions category

Flaring

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

140,445

Gross Scope 1 methane emissions (metric tons CH4)

504

Total gross Scope 1 emissions (metric tons CO2e)

153,104

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

638,831

Gross Scope 1 methane emissions (metric tons CH4)

303

Total gross Scope 1 emissions (metric tons CO2e)

647,285

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

257,987

Gross Scope 1 methane emissions (metric tons CH4)

6

Total gross Scope 1 emissions (metric tons CO2e)

258,352

Comment

Emissions category

Combustion (excluding flaring)

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

228,629

Gross Scope 1 methane emissions (metric tons CH4)

4

Total gross Scope 1 emissions (metric tons CO2e)

228,865

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Oil

Gross Scope 1 CO2 emissions (metric tons CO2)

58

Gross Scope 1 methane emissions (metric tons CH4)

3,570

Total gross Scope 1 emissions (metric tons CO2e)

89,301

Comment

Emissions category

Fugitives

Value chain

Upstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

0

Gross Scope 1 methane emissions (metric tons CH4)

1,241

Total gross Scope 1 emissions (metric tons CO2e)

31,026

Comment

Emissions category

Fugitives

Value chain

Midstream

Product

Gas

Gross Scope 1 CO2 emissions (metric tons CO2)

39,197

Gross Scope 1 methane emissions (metric tons CH4)

677

Total gross Scope 1 emissions (metric tons CO2e)

56,124

Comment

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	2,012,535
Denmark	153,921
Malaysia	304,246

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
North Malay Basin	303,889	7.013	103.214
South Arne	153,921	56.096	4.221
Baldpate	42,532	27.735	91.895
North Dakota Production	1,217,645	48.286	102.917
Tioga Gas Plant	206,954	48.286	102.917
North Dakota Gathering	231,140	48.286	102.917
TBells	135,710	28.294	88.875
Stampede	163,295	27.3	90.33
Tioga Rail Terminal	15,616	48.286	102.917

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Oil and gas production activities (upstream)	2,016,993	
Oil and gas production activities (midstream)	453,709	
Oil and gas production activities (downstream)	0	

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	387,913	0
Malaysia	356	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
North Dakota Production	135,888	0
Tioga Gas Plant	105,822	0
Tioga Gas Gathering	139,467	0
Tioga Rail Terminal	1,225	0
Corporate - Houston office	5,510	0
NMB Office	356	0

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Oil and gas production activities (upstream)	141,755	0	
Oil and gas production activities (midstream)	246,514	0	
Oil and gas production activities (downstream)	0	0	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	70,875	Decreased	2.2	In 2021, Hess purchased 869,928 RECs to meet our target to source 100% of purchased electricity requirements from renewable sources. In 2020, we purchased 634,000 RECs along with 27% of purchased electricity coming of the grid to meet our target to source 100% of purchased electricity from renewable sources. As a result, our net increase of 235,928 RECs purchased resulted in incremental emissions reductions of 70,875 tonnes. The calculation is as follows: 2020 = 634,000 RECs x .5006227 (2020 electricity CO2e factor in CO2e Tonnes/Mw-hr) = 317,395 tonnes. 2021 = 869,928 RECs x .446323(2021 electricity CO2e factor in CO2e Tonnes/Mw-hr) = 388,269. Incremental CO2e = 388,269-317,395=70,875 tonnes. Emissions value = 2021 renewable energy emissions reduction /2020 Scope 1 & 2 Market based emissions x 100 = (70,875/3,260,801)x100= 2.2%).
Other emissions reduction activities	683,753	Decreased	21	Emissions reductions attributable to Other emissions reduction activities are 683,753 tonnes, which equates to 21% of Scope 1 and 2 emissions based on 2020 market-based emissions of 3,260,801 which includes our former Denmark Operation. The CO2 savings results from three emissions reduction projects. These emissions reductions tie back to the projects outlined in question 4.3(a). The first project related to natural gas flaring. In 2020, we generated 51.8 MMscfd of

				<p>flaring which resulted in 1,831,366 tonnes of CO2 emissions. In 2021, we generated 32.7 MMscfd of flaring which resulted in 1,159,749 tonnes of emissions. The emissions reductions due to flaring were 671,617 tonnes. The second project related to wellsite natural gas capture to recover gas from locations in North Dakota that were previously flaring wellhead natural gas. We operated four GTUIT units throughout 2020 and 2021. In 2020, these four GTUIT units recovered 2.2 million gallons of NGL's, which reduced CO2 emissions by 13,705 tonnes. In 2021, these four GTUIT units recovered 3.6 million gallons of NGL's which reduced CO2 emissions by 22,427 tonnes. The incremental CO2 reduction in 2021 was 8,722 tonnes. The third project resulted from our collaboration with Digital Stream Energy (DSE) to take natural gas from a wellsite that would otherwise be flared to generate electricity. In 2020, we captured 24.9 MMscf of natural gas for electricity generation which resulted in reducing CO2 emissions by 1,356 tonnes. In 2021, we captured 87.6 MMscf of natural gas for electricity generation which resulted in reducing CO2 emissions by 4,770 tonnes. The incremental CO2 emissions reduction in 2021 was 3,414 tonnes of emissions. To summarize the three projects resulted in CO2 emissions of $671,617 + 8,722 + 3,414 = 683,753$. Emissions value = 2021 other emissions reduction activities /2020 Scope 1 & 2 Market based emissions x100 = $(683,753/3,260,801) \times 100 = 21.0\%$.</p>
Divestment				<p>We sold our Denmark asset in August, 2021. GHG emissions numbers for Denmark are included for both 2021 and 2020.</p>
Acquisitions				
Mergers				

Change in output	35,471	Decreased	1	Emissions value = 2021 change in output/ 2020 Scope 1 & 2 Market based emissions x 100 = (35,471/3,260,801) x 100= 1.0%).
Change in methodology				
Change in boundary				
Change in physical operating conditions				
Unidentified				
Other				

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No

Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	5,183,066	5,183,066
Consumption of purchased or acquired electricity		2,248,309	0	2,248,309
Total energy consumption		2,248,309	5,183,066	7,431,375

C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Total fuel MWh consumed by the organization

0

Comment

Other biomass

Heating value

Total fuel MWh consumed by the organization

0

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Total fuel MWh consumed by the organization

0

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

0

Comment

Oil

Heating value

Total fuel MWh consumed by the organization

0

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

4,663,918

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

519,148

Comment

Diesel

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

5,183,066

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Other, please specify

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

United States of America

Tracking instrument used

US-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

869,308

Country/area of origin (generation) of the low-carbon energy or energy attribute

United States of America

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,021

Comment

Hess purchased 869,308 RECs which represent the MWh purchased from utilities. The utilities used 2,246,708 MWh of fuel to provide Hess with 869,308 MWh of electricity. This is primarily due to a loss in efficiency when the utility converts fuel into electricity.

Sourcing method

Unbundled energy attribute certificates (EACs) purchase

Energy carrier

Electricity

Low-carbon technology type

Wind

Country/area of low-carbon energy consumption

Malaysia

Tracking instrument used

I-REC

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

620

Country/area of origin (generation) of the low-carbon energy or energy attribute

Malaysia

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2,021

Comment

Hess purchased 620 IRECs which represent the MWh purchased from utilities. The utilities used 1,601 MWh of fuel to provide Hess with 620 MWh of electricity. This is primarily due to the inefficiency of the utility in converting fuel into electricity.

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

United States of America

Consumption of electricity (MWh)

869,308

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

869,308

Country/area

Malaysia

Consumption of electricity (MWh)

620

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

620

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	60	From 10K
Natural gas liquids, million barrels	19	From 10K
Oil sands, million barrels (includes bitumen and synthetic crude)		
Natural gas, billion cubic feet	216	From 10K

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Proved reserves – In accordance with Securities and Exchange Commission regulations and practices recognized in the publication of the Society of Petroleum Engineers entitled, “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information,” those quantities of crude oil and condensate, NGLs and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

We cannot provide data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1				We cannot provide this data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids				We cannot provide this data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential
Natural gas				We cannot provide this data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential
Oil sands (includes bitumen and synthetic crude)				We cannot provide this data for 2 P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type

Onshore

In-year net production (%)

6

Net proved reserves (1P) (%)

9

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

We cannot provide data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential.

Development type

Shallow-water

In-year net production (%)

21

Net proved reserves (1P) (%)

7

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

We cannot provide data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential.

Development type

Deepwater

In-year net production (%)

24

Net proved reserves (1P) (%)

20

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

We cannot provide data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential.

Development type

Tight/shale

In-year net production (%)

49

Net proved reserves (1P) (%)

64

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment

We cannot provide data for 2P and 3P reserves because this information is highly speculative in nature and might lead to misleading conclusions by investors and the company considers this information confidential.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	<p>As an additional measure beyond our emissions reduction efforts, which are currently focused on our operated Scope 1 and 2 emissions, we are pursuing ways to help mitigate climate change on a global scale. Hess has made a strong financial commitment to help fund the Salk Institute's Harnessing Plants Initiative research and development program.</p> <p>Salk's research is a bold, scalable approach aimed at using plants to mitigate climate change. One track of Salk's research, the Harnessing Plants Initiative, is targeted at developing plants that can store more carbon and keep it in the soil longer. According to Salk, the key is suberin, a plant tissue with an affinity for carbon that is already found in roots. By increasing root mass, depth and suberin content, researchers aim to transform wheat, rice, corn and other crops capable of absorbing and storing significant amounts of carbon from the atmosphere. The fundamental discovery phase of this project is being conducted in a laboratory setting. From there, 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.</p>

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
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Carbon capture and storage/utilisation	Applied research and development	81-100%		Five year total commitment of \$12.5 million or approximately \$3 per year to Salk Institute. Additional commitment of \$3 million in 2021.
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C-OG9.7

(C-OG9.7) Disclose the breakeven price (US\$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Hess_2021 CDP_ERM CVS Assurance Statement_20 JULY 2022.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Hess_2021 CDP_ERM CVS Assurance Statement_20 JULY 2022.pdf

Page/ section reference

Page 1, verification is for both market based and location based Scope 2 emissions.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Processing of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Hess_2021 CDP_ERM CVS Assurance Statement_20 JULY 2022.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Use of sold products

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 Hess_2021 CDP_ERM CVS Assurance Statement_20 JULY 2022.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100



C10.2


(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year emissions intensity figure	ISO14064-3	C6.1, C6.3, C6.5  1, 2
C7. Emissions breakdown	Year on year change in emissions (Scope 1 and 2)	ISO14064-3	C7.1b, C7.2, C7.3b, C7.4, C7.5, C7.6, C7.7, C7.9a  1, 2

 ¹Hess_2021 CDP_ERM CVS Assurance Statement_20 JULY 2022.pdf

 ²hess-2021-sustainability-report.pdf

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

6.2

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1, 2021

Period end date

August 31, 2022

Allowances allocated

3,455

Allowances purchased

174,551

Verified Scope 1 emissions in metric tons CO₂e

178,006

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

Hess operated the South Arne, Denmark production facility through August of 2021, prior to our asset divestment. Under the EUETS, Hess and its co-owner, INEOS, make annual purchases of allowances to cover the gap between free allowances and verified GHG emissions. In 2021, we received 3,455 free allowances so we needed to purchase 174,551, in addition to our 3,455 free allowances to offset the 178,006 tonnes of emissions that the Denmark operation emitted. (Please note that for the EUETS, only combustion sources are included and Danish emissions factors are required, so these emissions differ slightly from the emissions that we report for the Hess inventory because those emissions are calculated using API compendium emissions factors and include non-combustion sources). In 2021, Hess purchased 71,589 allowances to account for its eight months ownership in South Arne and its co-owner, INEOS, purchased 102,962 allowances, both at approximately 70 euros per allowance.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

2021 Summary: Our management strategy is to purchase allowances to meet regulatory requirements. In order to comply with Phase III of the EU ETS, Hess' Denmark operation was tasked with the decision to purchase allowances to cover the verified GHG emissions. In 2021, for Hess and its co-owner, INEOS, this resulted in an action to purchase 174,551 allowances, in addition to the 3,455 free allowances. The action for our equity co-owner,

INEOS was to purchase 102,962 allowances and the action for Hess was to purchase 71,589 allowances. The result of these actions was that Hess' Denmark operation met its regulatory requirement under the EU ETS Phase 111. Hess sold our equity in all Denmark assets in early 2021, with an effective transfer of ownership in August, 2021 and will no longer have EU ETS obligations.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Landfill gas

Project identification

We purchased 400 tonnes of carbon credits from 3 Degrees for a third-party landfill gas recovery project. All of these were retired in 2021 as part of our EHS and SR strategy

Verified to which standard

CAR (The Climate Action Reserve)

Number of credits (metric tonnes CO2e)

400

Number of credits (metric tonnes CO2e): Risk adjusted volume

400

Credits cancelled

Yes

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

- Stakeholder expectations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Stress test investments
- Identify and seize low-carbon opportunities

GHG Scope

- Scope 1
- Scope 2

Application

Cost of carbon effective across all business units

Actual price(s) used (Currency /metric ton)

40

Variance of price(s) used

We use a carbon price of \$40/tonne to evaluate all significant new investments, unless this investment is in a country that currently has carbon regulations. In that instance, we would use whatever price is in effect in that country. For example, Hess applied the \$40/tonne shadow price of carbon when evaluating the Stampede project in the Gulf of Mexico in 2013 and the North Malay Basin project in Malaysia in 2016. The resulting outcome of applying this \$40/tonne shadow price for carbon did not substantially impact the Net Present Value of these projects and both were sanctioned. In early 2021, we amended our planning guidance to also stress test all significant new investments based on the IEA's SDS carbon pricing which currently range up to \$160/tonne.

In addition, in our scenario planning analysis which is now part of our annual business cycle, we use an internal carbon price of \$40/tonne in our Hess base case, as well as the 2021 IEA WEO carbon prices which range up to \$250 /tonne when stress testing IEA's Stated Policy, Announced Pledges, Sustainable Development and Net Zero emissions scenarios against Hess' portfolio of current assets and intended forward investments.

Type of internal carbon price

Shadow price

Impact & implication

A cost of carbon is incorporated in the financial planning of all significant new projects as a sensitivity analysis to financials so that we understand and evaluate the ramifications that potential carbon regulations may have on our business. Starting in 2016, our economic evaluation process for significant new projects (any project requiring an investment of at least \$50 million) was updated to include a carbon price of \$40/tonne, which was equivalent to the U.S. EPA's social cost of carbon at the time. If a carbon regulation is in effect in a particular country where we do business, the cost of carbon is part of the base financial analysis as opposed to being used in a sensitivity analysis. To date, imposing this \$40/tonne shadow price of carbon has not had a substantive impact on the decision to move forward in any new project, including the decision to sanction the Stampede project in the Gulf of Mexico in 2013 and the North Malay Basin project in Malaysia in 2016. In early 2021, our economic evaluation process for significant new projects was amended to stress test potential new investments at the IEA's SDS carbon prices which currently range up to \$160/tonne.

In addition, carbon prices ranging up to \$250/tonne are used in our annual scenario planning exercise to stress test Hess' portfolio of existing assets and business units and intended forward investments against the 2021 IEA WEO's Stated Policy, Announced Pledges, Sustainable Development and Net Zero emissions scenarios.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

- Yes, our suppliers
- Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

0.1

% total procurement spend (direct and indirect)

20

% of supplier-related Scope 3 emissions as reported in C6.5

2

Rationale for the coverage of your engagement

We collect GHG emissions data from our suppliers where emissions are directly attributable to our operational footprint. For example we collect data from vendors engaged in the following activities:

- Electricity Providers (Scope 2)
- Drilling and Completions providers (Scope 1)
- Transport and Logistics Providers (Scope 1 & 3)
- Third party gathering and processing

Impact of engagement, including measures of success

We have been able to collect certain supplier data for activities suppliers perform for Hess. We are able to provide limited assurance on these data.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Directly work with suppliers on exploring corporate renewable energy sourcing mechanisms

% of suppliers by number

0.07

% total procurement spend (direct and indirect)

2

% of supplier-related Scope 3 emissions as reported in C6.5

0.5

Rationale for the coverage of your engagement

We procure Renewable Energy Certificates to offset the indirect GHG emissions associated with the electricity purchased for our operations and facilities. We engage third-party suppliers to provide RECs (3 Degrees and Bonneville Environmental Foundation).

Impact of engagement, including measures of success

In 2021 to offset 869,928 MWh of purchased electricity, we purchased 869,928 RECs, primarily from wind power generation.

Comment

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

0.01

% total procurement spend (direct and indirect)

0.2

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

Hess has made a strong financial commitment to help fund the Salk Institute's Harnessing Plants Initiative research and development program.

Salk's research is a bold, scalable approach aimed at using plants to mitigate climate change. One track of Salk's research, the Harnessing Plants Initiative, is targeted at developing plants that can store more carbon and keep it in the soil longer. According to Salk, the key is suberin, a plant tissue with an affinity for carbon that is already found in roots. By increasing root mass, depth and suberin content, researchers aim to transform wheat, rice, corn and other crops capable of absorbing and storing significant amounts of carbon from the atmosphere. The fundamental discovery phase of this project is being conducted in a laboratory setting. From there, 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.

Impact of engagement, including measures of success

Five year total commitment of \$12.5 million or approximately \$3 per year. Additional commitment of \$3 million in 2021. (\$4.5 Million in 2021). Salk is currently making good progress in the lab with its Harnessing Plants Initiative. Measures of success will be (1) a scale up of worldwide (global) distribution of these genetically enhanced carbon storing plants by 2030 and (2) significant carbon dioxide reductions globally by 2035. The threshold for success would be for these plants to reduce excess CO₂ in the atmosphere by 20% where they are used and the ideal measure of success would be for these plants to reduce excess CO₂ in the atmosphere by up to 46%.

Comment

Type of engagement

Other, please specify

Engage with suppliers on operational emission reduction opportunities

Details of engagement

Other, please specify

% of suppliers by number

0.3

% total procurement spend (direct and indirect)

20

% of supplier-related Scope 3 emissions as reported in C6.5

10

Rationale for the coverage of your engagement

We are engaging with our major suppliers on opportunities for emission reduction at our operations worldwide.

Examples include vendors engaged in the following activities:

Methane detection and mitigation

Flare reduction and vapor recovery

Energy Efficiency

Electrification of Drilling and Completions

Carbon Capture and Storage

Digital

Impact of engagement, including measures of success

Engagements initiated in 2021 have resulted in pilot trials for specific vendors and technologies in 2022.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We engage with parties throughout our value chain.

Method of engagement: When we enter into new joint venture projects, we engage directly to evaluate project economics and identify ways to minimize emissions.

Strategy for prioritizing engagement: Our strategy for prioritizing joint ventures is in line with our overall business strategy. Our mission is to be a trusted energy partner and we are committed to helping meet the world's growing energy needs in a safe, environmentally responsible, socially sensitive and profitable way. Sustainability practices are a fundamental part of our business strategy and operations - they create value for our shareholders and opportunities to

continuously improve business performance. We evaluate all potential relationships with third parties while considering the overall impact on our business and the environment, including project economics and emissions production. Specifically, we prioritize select joint venture parties based on the size of our financial investment. When we make significant financial investments (over \$50 million), we generally endeavor to engage in a higher level of direct involvement in an effort to minimize environmental, social and reputational risk.

Success is based on whether or not the goals of the project have been met, which include measuring actual performance against safety, environmental, social and financial metrics established during the project planning process. In addition, in countries where we have joint ventures which include regulatory related emissions trading schemes, success is based on measuring compliance costs for carbon emissions.

As an example, flare reduction is a key component of Hess's climate change strategy. Since 2012, Hess, through its midstream affiliate, has invested in midstream infrastructure in North Dakota to capture and monetize natural gas produced from our operations and minimize flaring. One such example is a 50/50 joint venture between Hess Midstream Partners LP and Targa Resources Corp., another midstream energy company, to construct a new 200 million standard cubic feet per day gas processing plant called Little Missouri Four at a cost of \$200 million. The new gas plant is located at Targa's existing Little Missouri facility, south of the Missouri River in McKenzie County, North Dakota. The plant became operational in August of 2019 and has helped Hess and Targa process and monetize additional amounts of natural gas and reduce flaring.

When Hess enters into new joint venture (JV) projects, we engage directly to evaluate project economics, promote safety and minimize emissions. For example, at the Stabroek Block (offshore Guyana), in which Hess holds a 30% interest, we worked with the JV parties on initial development of the Lisa field (within the block) to attempt to minimize emissions across the whole value chain as we develop these fields.

Task: Since we knew that this project was one of the largest recent offshore developments in the world, we understood the climate related risks of this project and wanted to minimize GHG emissions. While these types of JV investments are equity investments for Hess, we view these investments as having the potential for reputation risks and opportunities. Our climate change strategy includes continuing to take cost effective, appropriate steps to monitor, measure and reduce emissions through applying innovation and efficiency to reduce energy use, waste and emissions across our operations. We also believe it is appropriate to use reasonable efforts to extend that strategy across non-operated joint ventures.

Action: The actions that we took, along with certain of our JV parties, to mitigate climate-related risks was a substantive business decision which resulted in investing in a system to reinject the associated gas from oil production for storage so that we could minimize flaring from these oil fields.

Result: This gas reinjection program in Guyana has had a significant impact on reducing greenhouse gas emissions by dramatically reducing natural gas flaring associated with oil

production and should cover the short, medium and long term as we expect it to extend for the life of these oil fields. When we look at Supply Chain issues, in general, we examine short term (< 3 year), medium term (4 year - 10 year and) and longer term (> 11 years) impacts on our business operations.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, and we do not plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate


Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Please refer to Hess' Climate Change Position on page 39 of the attached 2021 Sustainability Report

 hess-2021-sustainability-report.pdf

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

Hess is a member of many associations, organizations and collaborative working groups. While many of these associations, organizations and collaborative working groups share Hess' position on climate change, our positions do not always align with all formal positions of these groups, and our membership should not be considered a direct endorsement of the entire range of activities that they undertake. To address concerns related to potential inconsistency on a variety of issues, we publish our own positions on key sustainability topics in our annual sustainability report.

To illustrate our alignment on climate change policies with our national and international memberships and associations, we evaluate major advocacy organizations that have historically received more than \$50,000 from Hess in any given year. Our 2022 evaluation was conducted using publicly available positions and statements, along with

our own assessment of each organization's activities regarding climate change and whether their climate positions are consistent with the following Hess positions: (1) acknowledgement of the science of climate change; (2) support for the Paris Agreement's aim to limit global average temperature rise; (3) acknowledgement of the need to accelerate GHG emissions reductions through technological innovation; (4) support for a carbon price applied to emitters across all sectors; and (5) support for the direct regulation of methane.

In this analysis, we did not include the Independent Petroleum Association of America or the U.S. Chamber of Commerce, as we did not renew these memberships for 2022. Furthermore, although we are an active member in IPIECA on sustainability development issues such as climate change, biodiversity impacts and access to energy-issues that are often too complex for individual companies to tackle alone- we do not include IPIECA in this evaluation. Unlike many of the organizations that we belong to, IPIECA is not a lobbying organization. IPIECA instead represents its members by engaging with stakeholders and governments on climate change and other sustainability topics and by providing a forum for encouraging continuous improvement of industry performance.

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

American Petroleum Institute

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

API position:

API and its members commit to delivering solutions that reduce the risks of climate change while meeting society's growing energy needs. API supports global actions that drive greenhouse gas emissions reductions and economic development. API will lead by providing platforms for industry action to : Reduce greenhouse gas emissions through industry led solutions and actively work on policies that address the risks of climate change while meeting the global need for affordable, reliable and sustainable

energy.

Summary of Alignment with Hess Climate Position:

API has continued to enhance its position on climate change and continues to consider forward leaning climate action that is consistent with the five Hess positions included in our analysis. API enhanced its climate change position by releasing its Climate Action Framework.

How Hess attempts to influence their position:

Hess' Chief Executive Officer serves on the API Board of Directors and Executive Committee. Hess is a member of API's Climate Committee, among others. We have our own established internal process to share information and promote Hess' position on emerging regulatory issues, such as methane leakage.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

We do not publicly disclose trade association figures but we evaluate major advocacy organizations that have historically received more than \$50,000 from Hess in any given year. Hess belongs to a number of trade associations-organized under section 501 (c)(6) of the Internal Revenue Code- that include our industry peers and other companies in related sectors. Trade associations provide forums through which companies across the oil and gas industry can develop unified public policy agendas, exchange technical and industry best practices and approach issues relevant to our business with a common voice. We require all our trade associations to publicly disclose all expenses related to lobbying activities, as outlined by the Lobbying Disclosure Act. Our trade associations' lobbying activities accounted for approximately 22% of our total lobbying spend in 2021.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Trade association

Other, please specify

American Exploration & Production Council (AXPC)

Is your organization's position on climate change consistent with theirs?

Mixed

Has your organization influenced, or is your organization attempting to influence their position?

We are attempting to influence them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

AXPC position:

American oil and gas producers have an irreplaceable role in meeting the challenge of global climate change. AXPC, representing large independent American oil and gas producers, supports innovative, collaborative solutions that lower greenhouse gas emissions while meeting the world's growing need for abundant, low cost, reliable energy. Successful public policy must recognize that oil and gas underpins our standard of living and American oil and gas is critical to our national security and economic prosperity. The following principles will guide AXPC's climate advocacy efforts, including policies that: (1) Facilitate meaningful GHG emissions reductions; (2) Balances economic, environmental and energy security needs; and (3) Promotes innovation. AXPC members meaningfully reduce methane emissions and advocate for natural gas opportunities to reduce greenhouse gas emissions and policies that promote innovation and technology.

Summary of Alignment with Hess Climate Position:

The AXPC maintains climate positions that are partially aligned with the five Hess positions included in our analysis.

How Hess attempts to influence their position:

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. We have had several discussions with AXPC on climate related issues and these discussions are proceeding in a positive direction.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

We do not publicly disclose trade association figures but we evaluate major advocacy organizations that have historically received more than \$50,000 from Hess in any given year. Hess belongs to a number of trade associations-organized under section 501 (c)(6) of the Internal Revenue Code- that include our industry peers and other companies in related sectors. Trade associations provide forums through which companies across the oil and gas industry can develop unified public policy agendas, exchange technical and industry best practices and approach issues relevant to our business with a common voice. We require all our trade associations to publicly disclose all expenses related to lobbying activities, as outlined by the Lobbying Disclosure Act. Our trade associations' lobbying activities accounted for approximately 22% of our total lobbying spend in 2021.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is not aligned

Trade association

Other, please specify

National Ocean Industries Association (NOIA)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We have already influenced them to change their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

NOIA position:

NOIA and its members companies commit to a collaborative approach with all stakeholders in providing solutions that balance environmental, social, economic, energy and national security needs for society. NOIA contributes to the advancement of principles of innovation, conservation, efficiency, resiliency, mitigation, and adaptation that must be part of a systematic approach to addressing climate change. We recognize the risks of climate change and the need for continued action. As innovators, we are committed to contributing solutions and best practices to optimally balance societal and environmental needs. NOIA supports the aims of the Paris Agreement. NOIA supports and encourages the efforts of its members in understanding their emissions impacts, in setting sustainability goals and targets, and in deploying technologies and best practices for emissions reductions. NOIA's ESG Network effectively serves as a learning and collaboration tool for continued improvements in the areas of emissions reductions. NOIA seeks to be a constructive partner in the development of thoughtful and balanced national policy to address climate change.

Summary of Alignment with Hess Climate Position:

NOIA's recently adopted Climate Change Position and Principles are consistent 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 the fifth Hess position considered in this analysis.

How Hess attempts to influence their position:

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.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

50,000

Describe the aim of your organization's funding

We do not publicly disclose trade association figures but we evaluate major advocacy organizations that have historically received more than \$50,000 from Hess in any given year. Hess belongs to a number of trade associations-organized under section 501 (c)(6) of the Internal Revenue Code- that include our industry peers and other companies in related sectors. Trade associations provide forums through which companies across the oil and gas industry can develop unified public policy agendas, exchange technical and industry best practices and approach issues relevant to our business with a common voice. We require all our trade associations to publicly disclose all expenses related to lobbying activities, as outlined by the Lobbying Disclosure Act. Our trade associations' lobbying activities accounted for approximately 22% of our total lobbying spend in 2021.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports, in line with the CDSB framework (as amended to incorporate the TCFD recommendations)

Status

Complete

Attach the document

 HESS 2021 Annual Report.pdf

 hess-2021-sustainability-report.pdf

Page/Section reference

Please refer to pages 9-11 of the Hess 2021 Annual Report, Pages 22-23 and 28 of the Annual Report Form 10-K.

Please refer to Pages 39-57 of Hess 2021 Sustainability Report.

Content elements

Governance

Strategy

Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

 hess-2021-sustainability-report.pdf

Page/Section reference

Please refer to Pages 39-57 of Hess 2021 Sustainability Report.

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity

Row 1	Yes, both board-level oversight and executive management-level responsibility	The Board is actively engaged in overseeing Hess' sustainability practices and works alongside senior management to evaluate sustainability risks and global scenarios in making strategic decisions, including those related to biodiversity. The EHS Board Committee has specific oversight responsibility and makes recommendations to the full board of directors so that sustainability risks and opportunities are taken into account when making strategic decisions. The EHS Board Committee assists the board in identifying, evaluating and monitoring EHS & SR strategies and material risks with the potential to affect the people, environment and communities where we operate as well as our company's business activities, performance and reputation.
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C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Adoption of the mitigation hierarchy approach Commitment to avoidance of negative impacts on threatened and protected species	Other, please specify We participate in Cross-Sector Biodiversity Initiative, a partnership of IPIECA, the International Council on Mining and Metals and the Equator Principles Association.

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?
Row 1	Yes, we assess impacts on biodiversity in our upstream value chain only

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
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Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Species management Education & awareness
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C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	Yes, we use indicators	Response indicators

C15.6

(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Governance Impacts on biodiversity Details on biodiversity indicators Risks and opportunities Biodiversity strategy	Please refer to Pages 63-64 of the Hess 2021 Sustainability Report.  1

 1hess-2021-sustainability-report.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President and COO	President

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms

Independent Assurance Statement to Hess Corporation

ERM Certification and Verification Services (ERM CVS) was engaged by Hess Corporation (Hess) to provide limited assurance on selected Greenhouse Gas (GHG) emissions data and information which Hess has reported in its CDP Climate Change Questionnaire 2022 (the CDP Questionnaire).

Engagement summary	
Scope of our assurance engagement	<p>Whether the consolidated corporate GHG emissions data for Hess' global operations for the period 1st January to 31st December 2021 reported at Sections C6.1, C6.3 and C6.5 of the CDP Questionnaire are fairly presented, in all material respects, in accordance with the reporting criteria. The GHG inventory, reported on an operational control basis and covering emissions of CO₂, N₂O and CH₄, includes:</p> <ul style="list-style-type: none"> • Total absolute Scope 1 Direct GHG emissions from stationary fuel combustion, mobile fuel combustion, flaring, and fugitive sources (metric tonnes CO₂e). • Total absolute Scope 2 Indirect GHG emissions (location-based and market-based) associated with purchased electricity (metric tonnes CO₂e). • Total absolute Scope 3 Other indirect emissions from the following categories (metric tonnes CO₂e): <ul style="list-style-type: none"> • Business travel • Processing of sold products • Use of sold products <p>Whether the information reported at the following sections of the CDP Questionnaire is fairly presented: C4.1, C4.1b*, C4.2, C5.1, C5.2, C6.2, C6.4, C6.10*, C7.1a, C7.1b, C7.2, C7.3b, C7.4, C7.5, C7.6, C7.7, C7.9a and C8.2a</p>
Reporting criteria	The World Resources Institute and the World Business Council for Sustainable Development (WRI/WBCSD) GHG Protocol, IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011, and US EPA Mandatory Greenhouse Gas Reporting Rule
Assurance standard	International Organization for Standardization (ISO) 14064-3:2019: Specification with guidance for the validation and verification of greenhouse gas assertions
Assurance level	Limited assurance.
Respective responsibilities	<p>Hess is responsible for preparing the data and for its correct presentation in the CDP Questionnaire, including disclosure of the reporting criteria and boundary.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the following consolidated corporate 2021 GHG emissions data reported at Sections C6.1, C6.3 and C6.5 of the CDP Questionnaire are not fairly presented, in all material respects, with the reporting criteria:

Scope 1 GHG emissions:	2,470,702 tCO₂e
Scope 2 GHG emissions:	
Location-based	388,269 tCO₂e
Market-based	0 tCO₂e
Scope 3 GHG emissions:	
Business travel	407 tCO₂e
Processing of sold products	1,412,567 tCO₂e
Use of sold products	41,982,417 tCO₂e

In addition, nothing has come to our attention to indicate that the information reported in the sections of the CDP Questionnaire listed under 'Scope of our assurance engagement', above, taking into account the limitations described under 'The limitations of our engagement' below, is not fairly presented.

Our assurance activities

Our objective was to assess whether the emissions data are reported in accordance with the principles of completeness, comparability (across the organisation) and accuracy (including calculations, use of appropriate conversion factors and consolidation). We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A global team of GHG and assurance specialists performed the following activities:

- An analytical review of the 2021 GHG emissions data from all assets and a check on the completeness and accuracy of the data consolidation at the Hess corporate level;
- Virtual site visits to Hess' operations in North Dakota and the North Malay Basin, to verify the source data for the assets' GHG emissions;
- A virtual visit to Hess' head office in Houston, Texas to review the data consolidation process and the results of the internal data validation process, and to conduct interviews with subject matter experts responsible for preparing the GHG inventory and the CDP Questionnaire;
- Evaluation of the data management systems and processes (including data collection and internal review processes) used for collecting and reporting the GHG data;
- A review of the calculations of the GHG emissions from underlying activity data, including the conversion factors and emission factors used, and the accuracy of the consolidation of the GHG data at the corporate level;

- A review of samples of documentary evidence, including internal and external documents, supporting the underlying data on which the GHG emissions data are based; and
- A review of the consistency of the data and information reported in the sections of the CDP Questionnaire listed under 'Scope of our assurance engagement', above, with the consolidated assured data.

limited to confirming consistency with data in Hess's Form 10K for the year ended 31st December 2021.

The limitations of our engagement

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

* For the production figures used in the calculations of progress against intensity targets included in Section C4.1b of the CDP Questionnaire, and the revenue and production figures used in the calculations of the intensity figures included in Section C6.10 of the CDP Questionnaire, we have not independently reviewed or verified the production or revenue figures. Our work in relation to these figures was

Beth C. B. Wyke

Beth Wyke
Partner, Head of Corporate Assurance
20th July 2022

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

