

2019 SUSTAINABILITY REPORT

A Global Platform for

Sustainability



Apache

A Global Platform for Sustainability

At Apache, we seek to use our global platform to help drive sustainability and human progress – not just profits. We use our global reach to deliver shared value to all of our stakeholders around the world. We strive to deliver long-term, profitable growth to our shareholders, while helping to fulfill global energy needs and developing innovative, more sustainable ways to operate. We aim to be a community partner in our areas of operation, focused on protecting the safety and health of our employees, local populations and the environment.



Welcome to Apache's 2019 sustainability report. This report includes an overview of our approach and progress on sustainability initiatives. Data included in this report cover the 2018 calendar year unless otherwise noted.

Our Vision

To be the premier exploration and production company, contributing to global progress by helping meet the world's energy needs.

Our Mission

To grow in an innovative, safe, environmentally responsible and profitable manner for the long-term benefit of our stakeholders.

Our Core Values

- Safety is not negotiable and will not be compromised
- Expect top performance and innovation
- Seek relentless improvement in all facets
- Drive to succeed with a sense of urgency
- Invest in our greatest asset: our people
- Foster a contrarian spirit
- Treat our stakeholders with respect and dignity
- We derive benefit from the Earth and take our environmental responsibility seriously
- Conduct our business with honesty and integrity

2018 Highlights

27%

decrease in Total Recordable Incident Rate for employees and contractors since 2014

34%

decrease in Days Away, Restricted or Transferred Rate for employees and contractors since 2014

4.6 million+

trees donated since beginning the tree grant program in 2005

10,000+

girls educated in Apache-supported schools in Egypt since 2004, most of whom would otherwise not have had access to education

95%

of Apache's total water consumption in 2018 was nonfresh water

40%

decrease in global methane intensity since 2014

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2019 Sustainability Report

To view the report online, please visit the Apache website at apachecorp.com/sustainability.

Apache Website
apachecorp.com

Media or Other Stakeholder Inquiries

Members of the media and other external stakeholders are welcome to contact Apache's Communications & Public Affairs office with inquiries or for information about the company. These requests may be directed to media@apachecorp.com.

Letter from the CEO

As the CEO and president of a publicly traded company, I take my responsibility to shareholders extremely seriously. Every day, the Apache team and I work hard to deliver premier financial and operational results, but our vision for Apache's role in the world goes beyond profits.

We seek to use our global platform to support sustainable development and contribute to global progress by delivering the energy people need to thrive – all while creating value for our stakeholders. In fact, we view the ongoing success of our company as dependent on delivering positive social and environmental as well as financial returns.

The energy we produce is fundamental to human progress – something easily forgotten in the developed world. We take for granted the reliable sources of energy that enable most of our daily activities. Access to affordable energy is directly linked to health, education, prosperity and opportunity. The energy we produce and the responsible way in which we operate has an important role to play in human thriving while also supporting more sustainable development globally and a

cleaner energy future. I hope you will read more about our view of the positive role our industry, products and company play in improving the lives of people around the world (see the Global Progress feature on p. 8).

We are committed to producing energy responsibly, in order to maximize the benefits generated by our operations and products while minimizing any negative impacts. We work every day to reduce our environmental footprint, ensure the safety of our operations and increase the benefits we provide to the communities where we live and work. A key part of our corporate vision is to be premier, which means to be the best, and that extends beyond financial results. It begins and ends with having the best safety and environmental record.



John J. Christmann IV, Chief Executive Officer and President

For example, we are leading the way in **protecting water resources**. We have dramatically reduced freshwater use in our operations; in 2018, just 5 percent of the total water Apache consumed was fresh water. We have accomplished this in large part by recycling the produced water generated from oil and gas formations, which also eliminates the need to dispose of this byproduct.

We are also **reducing emissions** from our operations. We have a rigorous program for preventing, identifying and eliminating leaks of methane. We reduced our global methane emissions intensity by 40 percent from 2014 to 2018 and reduced our global greenhouse gas (GHG) emissions intensity by 4 percent in that timeframe.

To further reduce our GHG emissions, in 2018 we began implementing automated well closure systems to reduce flaring. We are also using natural gas and electricity instead of diesel to power our field operations where practical, which reduces fuel consumption and on-site GHG emissions.

Protecting the safety of our workforce is one of our Core Values. Although our health and safety metrics have been improving over time, we did see an uptick in incidents in 2018. In response, we immediately investigated causes and focused in particular on two areas we identified for improvement: road safety and contractor safety. In 2018, we implemented a range of programs to support progress in both areas.



“A key part of our corporate vision is to be premier, which means to be the best, and that extends beyond financial results. It begins and ends with having the best safety and environmental record.”

Through June 2019, we have seen improvement in our key safety metrics, with our combined employee and contractor Total Recordable Incident Rate down by 37 percent; Days Away, Restricted or Transferred rate down by 48 percent; and Vehicle Incident Rate down by 43 percent compared with year-end 2018.

We have also made positive strides on another important workforce focus: **expanding employee diversity**. During my time as CEO and president, the percentage of individuals on our U.S. payroll who self-identify as belonging to an ethnic minority group has increased by more than 27 percent. In addition, 40 percent of our Board of Directors are diverse based on gender or ethnicity.

We judge our success based on the **shared value we create for all of our stakeholders and our contributions to the sustainable development of the communities where we live and work**. Everywhere we operate, we seek to maximize the long-term benefits of our presence while minimizing any potential negative impacts. To help do this here at home, we recently co-founded the Permian Strategic

Partnership, an unprecedented coalition of 19 companies in the oil and gas industry working to improve the quality of life for Permian Basin residents by fostering superior schools, safer roads, quality health care, affordable housing and a trained workforce.

We are equally focused on creating shared value throughout our global operations. For example, we hire and source locally as much as possible, supporting good-paying jobs in our local communities. In the U.K., 99 percent of employees are local hires. In Egypt, more than 75 percent of employees are local hires, and we have worked hard to develop the local workforce at a professional level through university partnerships. We also continue to expand our support for educating girls in Egypt, where we recently initiated a teacher training program to increase learning opportunities for educators as well as students.

To further our deep cultural commitment to sustainability, we have also built **strong governance and accountability structures**, from the Board of Directors to frontline employees, to support our ongoing focus and

continuous improvement on sustainability issues. Since 2016, we have expanded environment- and social-focused compensation incentives. These include goals for safety, methane emissions, freshwater usage reduction and workforce diversity. Looking ahead, we intend to **dedicate a portion of our annual capital budget to sustainability initiatives**.

One of the things that makes me most proud of Apache is that we seek to do more than just deliver profits. While our fiduciary responsibility to shareholders is always top of mind, we have a much broader vision and purpose. In 2018, we made great progress in our efforts to continuously improve our operations and support more sustainable development, by delivering shared value to all of our stakeholders and helping meet the world's energy needs.



John J. Christmann IV
Chief Executive Officer and President

A Powerful Vision:

Delivering Responsibly Produced Energy to Power Global Progress

We believe Apache's vision statement should inspire our workforce and capture the benefits we provide to the world, so in 2018 we took a fresh look.

Our Vision: To be the premier exploration and production company, contributing to global progress by helping meet the world's energy needs.

The spirit of Apache and its people has always been about more than just delivering profits. Certainly, we produce energy. But, by responsibly producing affordable natural gas and oil, we are contributing to global progress by helping to meet the world's energy needs. And, we are improving sustainability by minimizing impacts and providing tangible benefits to our stakeholders and the communities where we live and work. We know some don't see our industry this way. From claims that oil and gas assets may be "stranded" as the world moves to a low-carbon economy, to suggestions that younger generations aren't interested in oil and gas jobs, our industry is sometimes portrayed as having a limited future and lacking in positive purpose. Respectfully, we disagree. We believe the energy our industry produces and the responsible way Apache operates are making an important contribution now and into the future by powering human progress, driving prosperity, enabling a cleaner energy future and supporting more sustainable development.

Powering Human Progress

We believe that energy is essential to advancing human progress and elevating quality of life around the globe. Energy underpins the ability of

individuals, and society as a whole, to reach their full potential by enabling education, supporting job creation, advancing human health, powering industries and driving prosperity.

Natural gas and oil support thousands of systems and products we rely on every day, from the obvious – like electricity, heat and transportation – to the less obvious, such as powering food production and providing raw materials for products ranging from medicines and medical devices to cell phones and computers.

Helping to Address Energy Poverty

The ability of our industry to advance human progress is even clearer when we consider the nearly 3 billion people who live in energy poverty, lacking access to modern energy services. International experts estimate that nearly 860 million people around the world do not have access to electricity and about 2.6 billion lack access to clean cooking fuels, relying instead on wood, dung and other fuels that have high emissions and negative health impacts.¹ Women and children usually benefit the most from access to modern energy, as it reduces their disproportionate subsistence-related workloads and health risks while freeing up time for, and

¹ International Energy Agency, *Energy Access*, <https://www.iea.org/energyaccess/>.

increasing their access to, education and other opportunities.²

With our nation's abundant resources, American natural gas and oil could help significantly reduce the number of people living in energy poverty. Apache and others in our industry are working to expand exports of abundant natural gas and oil to provide cleaner, more reliable and more affordable energy to reduce energy poverty and elevate people's lives all over the world.

Driving Prosperity and Opportunity Here at Home

The natural gas and oil industry continues to drive economic prosperity in the U.S. Our industry is not just creating numerous jobs – nearly 2 million direct and indirect jobs – we are also contributing to economic advancement and helping to address income inequality.³

Furthermore, as we continue to focus on the diversity of our workforce, the natural gas, oil and petrochemical industries are expected to hire more than 700,000 African American and Hispanic workers and nearly 300,000 women over the next 15 years.³ At Apache, we are already working to diversify our workforce. In the past

three years, we have increased our number of female employees in U.S.-based engineering and geoscience jobs by 20 percent and increased the percentage of U.S. employees identifying as ethnic minorities by 27 percent.

Enabling a Cleaner Energy Future

Apache's products are also helping to lead the transition to a cleaner energy future. We recognize the climate is changing, and we are a part of the solution to tackle climate challenges. Increased use of clean, abundant, domestic natural gas has been the primary factor in reducing U.S. carbon dioxide emissions from electricity generation to near 25-year lows. Furthermore, innovations from the natural gas and oil industry have helped make the country's air quality 70 percent cleaner.⁴

Exporting natural gas to other countries will further expand these benefits globally while bringing economic benefits here at home. For example, depending on natural gas prices, exporting to other countries could contribute between 220,000 and 452,000 American jobs from 2016 to 2035 and add up to \$73 billion annually to the U.S. economy.⁵

Apache's products are helping to lead the transition to a cleaner energy future. Increased use of clean, abundant, domestic natural gas has been the primary factor in reducing U.S. carbon dioxide emissions from electricity generation to near 25-year lows.

² International Institute for Applied Systems Analysis, *Access to Modern Energy: Assessment and Outlook for Developing and Emerging Regions*, https://www.iiasa.ac.at/web/home/research/researchPrograms/Energy/IIASA-GEF-UNIDO_Access-to-Modern-Energy_2013-05-27.pdf.

³ IHS, *Minority and Female Employment in the Oil & Natural Gas and Petrochemical Industries, 2015-2035*, <https://www.api.org/~media/Files/Policy/Jobs/16-March-Women-Minorities-Jobs/Minority-and-Female-Employment-2015-2035.pdf>.

⁴ U.S. Environmental Protection Agency, *Our Nation's Air: Status and Trends Through 2018*, <https://gispub.epa.gov/air/trendsreport/2019/#growth>.

⁵ ICF, *Impact of LNG Exports on the U.S. Economy: A Brief Update*, <https://www.api.org/~media/Files/Policy/LNG-Exports/API-LNG-Update-Report-20171003.pdf>.



In addition to providing cleaner energy, natural gas plays a central role in enabling the wider use of renewables by providing flexible backup energy when sun, wind or other renewable sources are not active or can't meet peak demand.

We are reducing our own emissions to further improve the lifecycle GHG footprint of our products. As members of ONE Future, a coalition of companies in our industry, we have illustrated that it's possible to achieve the aggressive, science-based goal of reducing methane leaks/losses to less than 1 percent of production across the natural gas value chain. In fact, in 2017 ONE Future member companies collectively achieved a methane leak/loss rate of just 0.552 percent across the entire value chain – seven years ahead of schedule. Since 2014, we have reduced our own

global methane leak/loss rate by 40 percent and our global GHG intensity by 4 percent.

Using Our Global Platform to Deliver on a Powerful Vision

At Apache, we understand that the future success of our company hinges upon our ability to produce lasting benefits for all stakeholders. By delivering responsibly produced, affordable and reliable energy, we seek to use our global platform to support sustainability and contribute to human progress. We believe natural gas and oil can and will play a central role in continuing to advance more sustainable progress around the globe. We are proud to help meet the world's energy needs in ways that are innovative, safe, environmentally responsible and profitable – for the long-term benefit of all our stakeholders.

U.S. Energy by the Numbers

70%

improvement in air quality, in part from innovations in the natural gas and oil industry

14%

decrease in U.S. carbon dioxide emissions from 2005 to 2017⁶

\$73 billion

expected annual contribution to the U.S. economy as a result of natural gas exports, between 2016 and 2035

⁶ U.S. Environmental Protection Agency, *Inventory of Greenhouse Gas Emissions: 1990-2017*, <https://www.epa.gov/sites/production/files/2019-04/documents/us-ghg-inventory-2019-main-text.pdf>.

Supporting Sustainable Development

At Apache, one way we organize our efforts to advance global progress and support sustainable development – and assess the effectiveness of our efforts – is by considering how our work supports the United Nations Sustainable Development Goals (U.N. SDGs), a set of 17 goals and detailed targets that provide a roadmap for how to achieve a more sustainable future for all. In addition to the examples below, we have added an SDG index to the report content in the appendix (see p. 178). Some examples of the goals we support include:

- **Quality Education** (Goal 4) and **Gender Equality** (Goal 5), through our Egypt schools program and other initiatives. We currently support more than 200 schools for girls in rural Egypt – schools in which more than 10,000 girls have received an education they would not otherwise have been able to access. In addition, within Apache's U.S. operations, we have increased the number of female employees in the engineering and geoscience disciplines by 20 percent since 2015.
- **Clean Water and Sanitation** (Goal 6), through our efforts to protect water resources. Apache has a long track record of minimizing our use of fresh water – especially in water-scarce areas – and protecting water quality everywhere we operate. In 2018, 95 percent of the water we used for our operations was nonfresh water. Other ways we support the specific targets of SDG 6 include increasing water recycling and reuse, minimizing the use of potentially hazardous chemicals in our fracturing fluids and reducing the possibility for spills.
- **Affordable and Clean Energy** (Goal 7), by working to expand access to clean natural gas and continually reducing the overall footprint of our operations. The use of natural gas, one of our primary products, has resulted in significant decreases in GHG emissions.
- **Decent Work and Economic Growth** (Goal 8), by hiring locally with good-paying jobs and maximizing the local economic benefits we provide everywhere we operate. For example, in 2018 we spent \$1.4 billion with local suppliers.
- **Life on Land** (Goal 15), by protecting biodiversity on the lands where we operate. Perhaps our most well-known philanthropic effort to preserve and enhance life on land is the Apache Tree Grant Program, through which we have donated more than 4.6 million trees in 17 states since beginning the program in 2005. Read more about the Apache Tree Grant Program in the Community section (p. 138) and about our overall efforts to protect biodiversity in the Environment section (p. 70).



About Apache

Apache Corporation is a Houston-based oil and gas exploration and production company with operations in the U.S., Egypt and the U.K. Apache also has exploration interests in Suriname that may, over time, result in a reportable discovery and development opportunity. Since our founding in 1954, Apache has grown to become one of the world's top independent oil and gas exploration and production companies.

Our Approach

Apache has built a team unified by our Core Values, our commitment to furthering global progress for all of our stakeholders, and our culture – which empowers every employee to make decisions and contribute to company goals. Our international team is brought together by a sense of ownership of both individual and collective targets, actions and performance.

Apache has established a global platform for discovery based on the collective talents of our team and our deep inventory of development locations. Our approach to discovery and exploration has positioned Apache for success in 2019 and will propel financial returns for years to come.

We are focused on more than just value for shareholders. We also seek to use our

global platform to drive sustainable development and human progress as we provide energy to communities around the world. As this report shows, we seek to find, prioritize and implement innovative operational approaches that deliver environmental, social and financial returns. Our daily actions and decisions are guided by our vision to contribute to global progress and by our Core Values, including investing in our workforce; committing to uphold the health and safety of our employees, stakeholders and communities; ensuring environmental responsibility; and acting with ethics and integrity.

Our Operations

Apache's asset portfolio includes conventional and unconventional, onshore and offshore, exploration and production interests in the U.S., Egypt's

Western Desert, the U.K.'s North Sea, and Suriname. Our operating areas are generally grouped by geographical region.

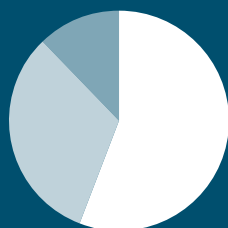
In the U.S., our operations are primarily focused in the Permian Basin, which includes the Permian sub-basins of the Midland Basin, the Central Basin Platform/Northwest Shelf and the Delaware Basin. Examples of shale plays within this region include the Woodford, Barnett, Pennsylvanian, Spraberry, Cline, Wolfcamp and Bone Spring. We also have operations in the Eagle Ford shale in East Texas and the Gulf of Mexico/Gulf Coast.⁷

Internationally, we have onshore conventional assets in Egypt's Western Desert and offshore assets on the U.K.'s continental shelf. We also have an offshore exploration program in Suriname.

⁷ During 2019, Apache sold our assets in the Granite Wash, Tonkawa, Marmaton, Cleveland and other formations of the western Anadarko Basin, the Canyon Lime formation in the Texas panhandle, and the Woodford-SCOOP and STACK plays located in central Oklahoma. For the purposes of this report, annualized 2018 data include the impact of these operations.

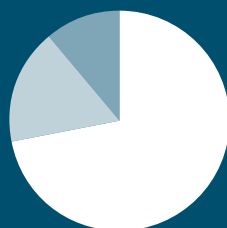
2018 Operational Overview

Production



■ United States	56%
■ Egypt	32%
■ United Kingdom	12%

Total Estimated Proved Reserves



■ United States	72%
■ Egypt	17%
■ United Kingdom	11%

305 Mbb/d
Oil and NGL
Production

966 MMcf/d
Natural Gas
Production

1.2 Billion Boe
Proved
Reserves

	Oil & NGL Production (Bbls/day)	Natural Gas Production (Mcf/day)	Proved Reserves (Mboe)	Gross Acreage* (in Thousands)
United States	162,251	593,254	892,618	6,484
Egypt	94,579	326,811	204,916	6,166
United Kingdom	48,142	45,466	136,863	431
Other International	0	0	0	2,308

* Developed and undeveloped

Key

NGL = natural gas liquids

Mbb/d = thousand barrels per day

Mboe = thousand barrels of oil equivalent

MMcf/d = million cubic feet per day

Boe = barrels of oil equivalent

Mcf = thousand cubic feet

Bbls = barrels



Introduction

Introducing Altus Midstream

In November 2018, Apache announced the formation of Altus Midstream Company (NASDAQ: ALTM) a pure-play, Permian-to-Gulf Coast midstream C-corporation.

Altus owns substantially all of the gas gathering, processing and transportation assets servicing Apache Corporation's production in the Alpine High play in the Delaware Basin and owns, or has the option to own, joint venture equity interests in five Permian Basin pipelines, four of which go to various points along the Texas Gulf Coast, providing the company with additional access to fully integrated, wellhead-to-water connectivity.

Apache owns approximately 79 percent of Altus and oversees management of the company. In managing Altus, we are just as committed to protecting the health and safety of our workers, communities and the environment as we are at Apache, and we follow the same health, safety, security and environmental (HSSE) management systems and best practices. At Altus, just as at Apache, we strive to go above and beyond by being good stewards of the land and partnering with local communities in the areas where we operate.

For example, to maintain safe, reliable operations of Altus pipelines and facilities, we invest significant time and capital in integrity management and procedures, such as:

- Preventive maintenance programs
- 24-hour pipeline monitoring
- Ground surveys
- Aerial surveillance
- Cathodic protection to inhibit corrosion
- Inline inspections to ensure the integrity of pipelines

Read more on the Altus Midstream website at altusmidstream.com.





About This Report

This 2019 sustainability report covers Apache's performance in the areas of governance, environmental stewardship, health and safety, workplace and employee issues, and community involvement.

The report was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (2016) at the core level. We also consulted the *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (2015) developed by IPIECA (the global oil and gas industry association for environmental and social issues), the American Petroleum Institute and the International Association of Oil & Gas Producers; the Sustainability Accounting Standards Board's *Oil and Gas Exploration and Production Sustainability Accounting Standard* (October 2018); as well as the recommendations of the Task Force on Climate-related Financial Disclosures (2017).

In addition, we referred to *Disclosing the Facts 2019* published by As You Sow, Boston Common Asset Management and the Investor Environmental Health Network. *Disclosing the Facts* is an annual investor scorecard ranking the 30 largest oil and gas companies engaged in hydraulic fracturing. (See the Reporting

Standards and Scorecards section starting on p. 166 for an index of indicators from these frameworks discussed in this report.)

Data included in this report cover the 2018 calendar year unless otherwise noted.

Increasing Transparency

We believe that transparency is critical to our relationships with stakeholders, and we strive to continuously improve the breadth and quality of data publicly disclosed. In this report, for example, we have increased our reporting on:

- Internal governance processes and Board-level management of environmental, social and governance (ESG) issues
- Climate change-related risk management, including additional reporting in alignment with the Task Force on Climate-related Financial Disclosures' recommendations
- Efforts to address the climate change-related risk of increased water scarcity

- Our approach to well plugging and abandonment
- Our use of third-party HSSE reviews and certifications
- Road safety programs
- Contractor safety and management
- Our enhanced approach to workforce development and engagement

Assuring Report Content

At Apache, we hold ourselves to a high standard of accuracy and excellence in all of our activities, including the content of this sustainability report. This report was drafted with the help of employees throughout the company and reviewed by select members of our executive team, as well as by our Internal Audit function (described on p. 28). The rigorous internal review included verifying or corroborating data points and facts, providing accountability for the accuracy of this report.

Identifying Our Most Material Issues

We conducted a materiality analysis to understand internal and external stakeholders' perspectives on the most important sustainability issues associated with our operations. The results of this analysis helped guide the content of this report.

We determined our most material issues through a four-step process:

1. **Identify issues:** We identified our sustainability-related issues, impacts, benefits, risks and opportunities by interviewing a range of internal and external stakeholders, reviewing documents representing a wide variety of stakeholder views and interests, and reviewing peer companies' material issues. For our internal stakeholders, we considered the perspectives of employees from across our organization. Our external stakeholders included mainstream investors, ESG-focused investors, ESG-focused nonprofit organizations, community members and leaders in the areas where we operate, and regulators. Based on these interviews and documents, we developed a comprehensive list of potentially important issues across an extensive suite of topics, including governance, environment, local community impacts and benefits, employees and contractors, and financial performance.
2. **Prioritize issues:** We prioritized and revised the list of potential material issues based on the level of importance our internal and external stakeholders placed on those issues and the frequency with which they raised the issues. Issues were also prioritized based on their overall

potential to impact the environment and society, their likelihood to influence stakeholders' decision-making and assessments of the company, and their impact on Apache's financial performance.

3. **Review and revise:** We reviewed the initial prioritization with a range of internal stakeholders to confirm the accuracy of the material issue ratings, and revised as needed.
4. **Determine report content:** We used the final material issues list to evaluate whether we were adequately reporting on the issues that are most important to our internal and external stakeholders. Our analysis confirmed that the issues on which we have consistently reported are in fact the top issues of greatest concern to our stakeholders. We will continue to maintain or

increase our reporting on these topics. In this year's report, for example, we have increased our level of disclosure on many topics found to be most important to our stakeholders, including water use and management, greenhouse gas emissions and management of health and safety, environmental and social issues. We are also reporting on a range of issues that are important to Apache and our stakeholders but were not ranked at the highest level of importance by all groups. For example, we discuss how Apache is addressing the potential risks to our business associated with climate change.

Moving forward, we plan to review and update this analysis regularly, and we will continue to revise our report content based on these analyses.

Apache's Material Issues

Based on our materiality analysis, we found that the following issues were of highest importance to internal and external stakeholders:

- Employee and contractor health and safety
- Greenhouse gas/methane emissions and energy use
- Impacts on community infrastructure
- Local economic impacts
- Proactive community engagement
- Regulation and compliance
- Reputation/social license to operate
- Risk management
- Sustainability, HSE (health, safety and environment), and social issue management
- Water use and sourcing, water quality and wastewater management

Governance

At Apache, we believe that maintaining strong corporate governance and operating responsibly are essential for our business – protecting our reputation, delivering value and helping us better understand and respond to the varied needs of our stakeholders. We consider corporate governance to be more than a set of written principles and practices. It is embedded in our culture of honesty and integrity and demonstrated daily in our actions and engagements.





Recent Improvements in Corporate Governance and Compensation Practices

We regularly review and update our corporate governance policies and practices. We also continually seek feedback from our many constituencies to ensure that our governance structure keeps pace with the ever-changing world in which we operate and the evolving needs of our stakeholders.

Apache has steadily improved our governance and compensation practices to further strengthen our culture of integrity, accountability and transparency. Many of these improvements, including the following from 2018, are based on feedback from our shareholders.

- Increased Board diversity, such that now 33 percent of nonemployee Directors are women and 40 percent are diverse in terms of gender or ethnicity, up from 22 percent and 33 percent, respectively, last year
- Increased the weighting of long-term performance awards for all executives, from 50 percent to 55 percent, so that our performance-based plan now constitutes a majority of the long-term incentive compensation program
- Expanded our health, safety, security and environmental (HSSE) performance-related compensation incentives to include methane emission and freshwater usage reduction goals; this builds on our previous increase in HSSE metrics from 5 percent to 10 percent of the portion of management's annual

cash incentive bonus payments that is based on meeting corporate objectives, and the expansion and improvement of our health, safety and environmental goals by including a comprehensive qualitative assessment of leading and lagging measures to drive excellence in facets of HSSE beyond safety

- Added a strategic goal on employee diversity and inclusion to our 2019 annual cash incentive bonus plan
- Expanded and improved the explanation in our annual proxy statement of our pay practices and their alignment with strategic goals, including on environmental, social and governance topics
- Added a new Board member through direct shareholder election, rather than the common practice of nomination for the first year of service, followed by a shareholder vote
- Achieved 95 percent shareholder approval in our annual "Say on Pay" vote at the 2019 Annual Meeting

Other corporate governance best practices we have enacted in recent years include the following:⁸

- Maintaining separate chairman and chief executive officer (CEO) positions
- Selecting an independent, nonexecutive chairman
- Revising and expanding our Code of Business Conduct and Ethics
- Replacing our prior, internally hosted fraud line with the Apache Hotline, a premier externally hosted resource through which any person may report, anonymously if they so choose, suspected violations of law or Apache policies
- Adopting a set of Human Rights Principles and a Statement on Indigenous Peoples
- Further expanding our regular disclosure of political expenditures
- Undertaking extensive shareholder engagement practices
- Aligning the CEO's target compensation with the median of our peers

⁸ For additional Apache corporate governance best practices, see pp. 10–15 of Apache's [2019 Proxy Statement](#).

Governance by the Numbers

33%

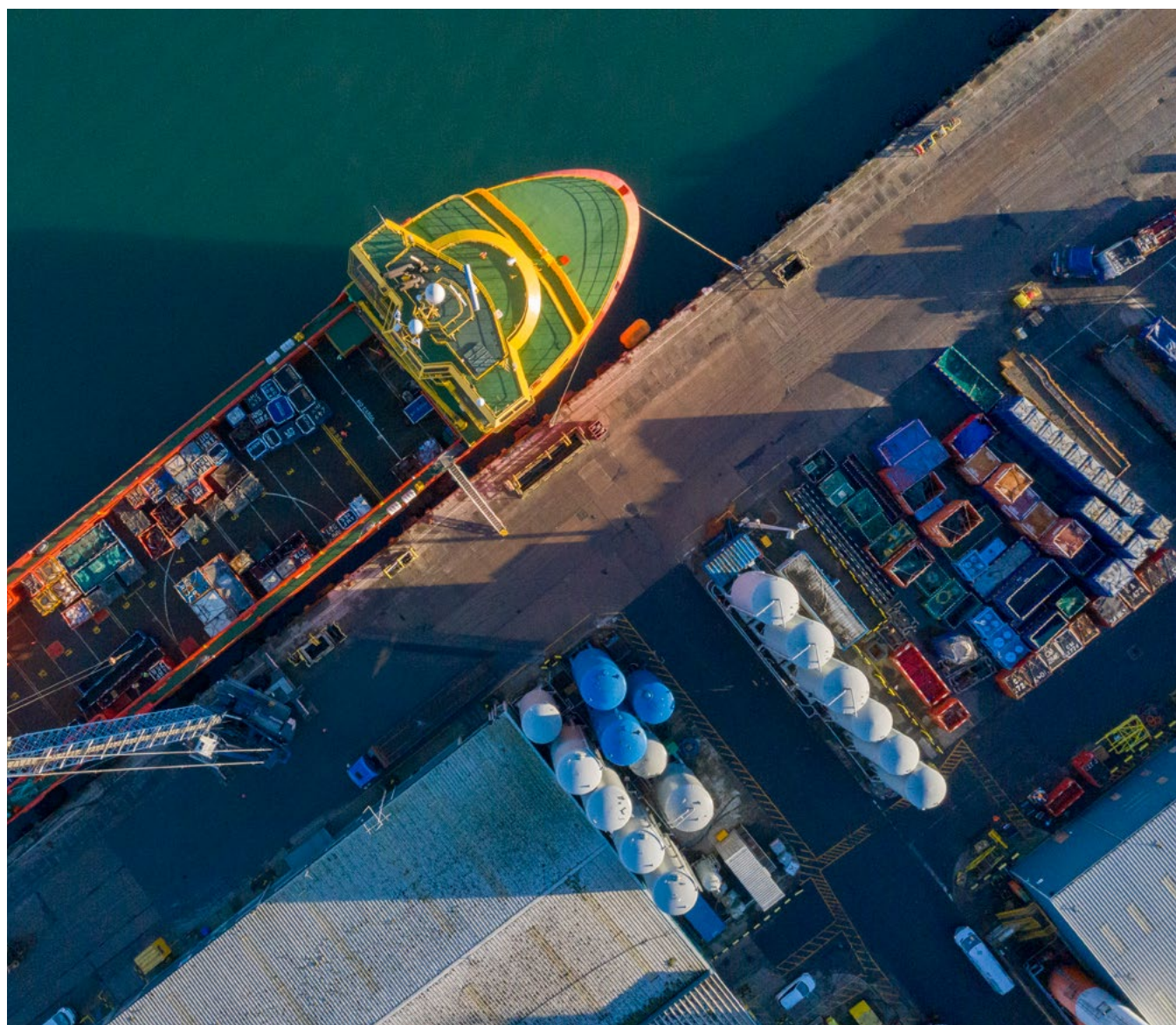
of nonemployee Directors
are women

55%

weighting of long-term
performance awards for
all executives

95%

shareholder approval in
Apache's annual "Say on
Pay" vote



Corporate Governance

Apache's CEO and president directly oversees the company's business. The Board of Directors, which is elected by the company's shareholders, oversees management and assures that the long-term interests of shareholders are being served. Both the Board of Directors and senior management recognize that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, government officials and the public at large.

Board of Directors

Apache's Board plays a vital role in the design, implementation and monitoring of our corporate governance practices. All of Apache's nonemployee Directors, including the Board chair, are independent under each of the three relevant standards: those of the New York Stock Exchange, the NASDAQ National Market and the Securities and Exchange Commission.

Board members are selected based on a wide range of criteria, including relevant expertise; dedication to the highest ethical, health, safety and environmental standards; and a willingness to question and challenge management. The Board conducts a comprehensive Board evaluation process every year for every Director that includes in-depth conversations and personalized feedback. In 2019, the Board also engaged the

National Association of Corporate Directors (NACD), which administered an independent Board evaluation through individual interviews with each Director and an online survey completed by each Director. After discussion with the independent nonexecutive chairman and the chairwoman of our Corporate Governance and Nominating (CG&N) Committee, the NACD facilitated a discussion of the results with the full Board.

The Board's diversity encompasses – among other elements – race, gender, age and experience. Forty percent of Apache's Board members are female or ethnic minorities. These Directors play critical roles on our Board, including chairing the CG&N Committee and the Audit Committee, and take a leading role in our shareholder engagement activities. In addition to expanding the diversity of

our own Board, since 2012 Apache has been working to promote more women on public boards by coordinating the annual Women in Governance Lunch and Roundtable held during Governance Week, which facilitates networking among professional women and helps to disseminate best practices on environmental, social and governance (ESG) issues.

In recent years, we have taken a number of steps to improve Board composition and succession to ensure we have ongoing exposure to fresh expertise and experience. We reduced the Board's average term length to four-and-a-half years as of May 2019, compared with 17 years in 2013. Seven of the Board's 10 members were appointed since 2014, and all Board members are subject to a mandatory retirement age of 75.

The Board's diversity encompasses – among other elements – race, gender, age and experience. Forty percent of Apache's Board members are female or ethnic minorities.



Board of Directors | Experience, Diversity and Tenure

	Annell Bay	John Christmann	Juliet Ellis	Chansoo Joung	Rene Joyce	John Lowe	William Montgomery	Amy Nelson	Daniel Rabun	Peter Ragauss
Knowledge, Skills and Experience										
Public Company CEO Experience		○			○				○	
Public Company CFO Experience										○
Executive Experience	○	○	○		○	○			○	○
Financial Reporting		○	○	○	○	○	○	○	○	○
Risk Management	○	○	○	○	○	○	○	○	○	○
Accounting			○			○			○	○
Corporate Governance/Ethics	○	○	○			○	○	○	○	○
Environmental/Regulatory	○	○			○	○		○	○	
Legal					○				○	
Global Experience	○	○		○		○	○		○	○
Operations	○	○				○		○		○
Strategic Planning/Oversight		○	○		○	○	○	○	○	○
Mergers and Acquisitions		○		○	○	○	○	○	○	○
Upstream Experience	○	○		○		○	○	○	○	○
Midstream Experience		○		○	○	○	○		○	○
Demographic Background										
Ethnic Minority				○						
Age in Years (as of April 7, 2019)	63	52	60	58	71	60	57	50	64	61
Gender (male/female)	F	M	F	M	M	M	M	F	M	M
Board Tenure (year joined)	2014	2015	2019	2011	2017	2013	2011	2014	2015	2014
Number of Public Company Boards including Apache	3	1	2	2	2	3	2	3	3	2

Governance

In 2018, Apache Director Peter Ragauss was named to the **Directorship 100 List** by the National Association of Corporate Directors.

This annual award honors company directors and corporate governance professionals who distinguish themselves by demonstrating integrity, mature confidence, informed judgment and the highest standards in their board work.



Apache Director Peter Ragauss (left) with Apache Director Bill Montgomery (right)

Committees of the Board

Our Board has three standing committees, each devoted to a separate aspect of risk oversight:

- The Audit Committee oversees the integrity of the company's financial statements, compliance with legal and regulatory requirements, Internal Audit function and independent auditors, and accounting and financial reporting, among other duties.
- The Management Development and Compensation Committee oversees compensation of the company's executives and employees and reviews human capital matters, among other duties. In recent years this committee has overseen a major overhaul of our compensation practices, as well as substantial management changes, which include our new CEO, chief financial officer and other key officers.
- The Corporate Governance and Nominating Committee oversees the nomination of Directors, the annual Board evaluation processes, ESG issues and corporate governance issues.⁹

⁹ For more information on this last bullet, see p. 14 of Apache's [2019 Proxy Statement](#).

Board Engagement on ESG Issues

Apache's Board is highly engaged in the oversight of environmental and social issues. The CG&N Committee and the full Board receive regular reports on ESG topics, including the company's management of and performance on a range of environmental, safety, community and governance issues. (See the table below for some examples.)

Sixty percent of current Directors have experience with environmental and regulatory issues. For example, Amy Nelson has substantial water-related expertise and has been sought after by her clients in the energy services and equipment industry for this specific experience. Other Directors have acquired such experience through their service as executives in areas that require extensive interaction with regulatory and environmental agencies. The matrix on p. 23 provides additional details on the Board of Directors' experience and demographics.

To foster ongoing engagement with and education on ESG issues, our Board of Directors receives regular reports and presentations on a range of sustainability issues, including but not limited to health, safety, security and environmental performance; greenhouse gas emissions and water usage; cybersecurity; and our alignment with our Human Rights Principles. The Board actively seeks out external experts on ESG issues to provide ongoing education and fresh insights. Recent topics have included technological impacts on the future of the oil industry, cybersecurity and climate change.

The CG&N Committee serves as a conduit for information on these topics to the rest of the Board. The CG&N Committee's annual calendar includes times at designated meetings for more in-depth discussion on a wide range of ESG topics. Our Board members, including our CEO, also engage directly with ESG-focused shareholders to gain external perspectives on key ESG issues.

60%

of current Directors have
environmental/regulatory experience

Examples of ESG Topics Reviewed and Discussed by the Board

The CG&N Committee, Audit Committee and/or full Board receive reports on and discuss ESG issues including but not limited to the following:

ESG Topic	Frequency of Board Review
Compliance update	At least annually
Cybersecurity	At least annually
Health, safety and environmental metrics	Every meeting
Monitoring of human rights policy	At least annually

Enterprise Risk Management

Employees at all levels of the organization regularly work to identify and manage risk. To support these efforts, we have a Corporate Risk Management Committee, made up of senior management, which ensures that procedures are in place for the corporatewide identification of nonoperational and operational risks. The committee also provides oversight of ongoing, companywide monitoring and management of risks. Committee members report to the Board of Directors' Audit Committee on aspects of risk management. The committee's chair also provides the Audit Committee with an

annual update on the overall risk management process. The Corporate Risk Management Committee is supported by a centralized risk assessment function to ensure the regular and thorough review of nonoperational risks.

Apache also has a separate risk management function focused specifically on operational risks, with an emphasis on health, safety, security and environmental risks, each of which is a critical risk category. These risk management teams work together with all Apache employees to understand and mitigate risks across our operations.



Taking Risk Management to a New High

In addition to our rigorous approach to enterprisewide risk management, we implemented new best practices to identify and manage risks as part of our planning and development process in the Alpine High shale play in Texas. There, we have taken risk assessment and mitigation to a new level by undertaking a wide range of proactive and voluntary measures to help ensure responsible development.

Before beginning any operations in Alpine High, we undertook intense predevelopment research and risk assessments to understand and identify potential risks across more than 20 areas, including but not limited to surface water and groundwater protection; produced water disposal; emissions compliance; potential safety and nuisance impacts such as road conditions, operational noise, equipment movement and road safety; dark skies compliance; biodiversity; locations of cultural resources; and infrastructure construction.

As part of this process, we proactively did our own thorough evaluations of baseline environmental and cultural resources, and we hired world-leading impact assessment firms and an independent laboratory accredited through the National Environmental Laboratory Accreditation system to support our internal process. We are also funding research at regional academic institutions to thoroughly understand the area's unique natural and cultural features, including the local cave and spring systems, and to help us avoid impacts in sensitive areas. We have also undertaken in-depth community impact assessments and engaged proactively and regularly with local residents to maximize our positive contributions to local communities. (For more information, see the Environment section (p. 49) and the Community section (pp. 120 and 144).)

Based on these evaluations, we implemented rigorous plans and policies for our operations designed to protect the unique attributes of the area while incorporating best management practices and lessons learned from other developments across the country. Examples of the best management practices we're applying include ongoing water resource sampling, the use of closed-loop drilling systems in certain parts of the play, and dark skies-compliant lighting given the field's proximity to the McDonald Observatory.

We have implemented strict compliance and control systems and are maintaining comprehensive community engagement and ongoing environmental and cultural assessments to help ensure we continue to follow best practices in risk mitigation as we move from planning and exploration to development. Moving forward, we will continually monitor and reassess each potential risk area and adjust our mitigation strategies as needed.

We are also continually improving our risk management processes in other areas of operation. For example, in our North Sea operating area, in addition to our regular, ongoing risk management process, we commenced a process to identify the most critical tasks and assess where human error could occur in these tasks. As part of this extensive project, we are performing in-depth reviews of actual work processes in the field to identify opportunities for errors. Through this effort, we are seeking to develop and implement enhanced control processes to mitigate high-level risks. These controls may include improved training, equipment redesign, better labeling, enhanced procedural design and, where possible, elimination of certain tasks entirely.



100+

departments and processes across the company are assessed by our Internal Audit department through periodic reviews

Internal Audit

Apache's Internal Audit group is an independent, objective assurance and consulting function designed to add value by assessing and improving the company's operations. The group applies a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls, governance and business processes. Based on audit results, the Internal Audit group develops specific recommendations for continuous improvement.

The group reports to the Board of Directors' Audit Committee, providing an independent assessment mechanism for the Board concerning the company's business practices and performance.

Internal auditors assess more than 100 different departments and processes across the company. Audit targets are chosen based on a detailed risk assessment process and to ensure that every group or process is reviewed at least once every four years, with most reviewed more frequently. Examples of audits conducted include: Apache's enterprise risk management processes; corporate and operating area supply chains; various operational and financial functions; information technology systems and processes; and governance practices.

Our Internal Audit group also verifies all of the content and data in this sustainability report (see About This Report, p. 16).

Ensuring Performance Excellence Through Third-Party Reviews

In addition to conducting our own rigorous internal audits, we participate in a range of third-party reviews that provide an external assessment of and insight into the effectiveness of our processes and performance. For example:

- Apache's North Sea operations successfully passed the U.K.'s Secretary of State's Representative (SOSREP) for Maritime Salvage and Intervention emergency response test, something all North Sea operators must do every three years. In 2018, the test exercise was based on a hypothetical well failure that required developing short-, medium- and long-term solutions to mitigate a potentially ongoing pollution event. In previous years, Apache North Sea successfully completed SOSREP exercises with scenarios including catastrophic failures of export pipelines and well blowouts.
- In Egypt, Apache's operations (and those of our local joint ventures) were audited by the Overseas Private Insurance Corporation (OPIC) in 2018 in connection with our ongoing foreign operations insurance. The audits, which are performed every three years, focus on our management of and performance on environmental and social issues. The results showed that Apache has strong HSSE management and performance systems, as well as solid stakeholder engagement and social benefits. OPIC auditors found no high-priority deficiencies in our management or performance, and they noted many areas of strong and significantly improved performance compared to their previous audit in 2015. We scored particularly well on community health and safety, land acquisition and involuntary resettlement, working with indigenous people, protecting cultural heritage, community investment and biodiversity conservation, and we showed strong improvement on HSSE management and performance.

Moving forward, we will continue to use external reviews, as well as our own internal audit process, to identify and address opportunities to improve safety, environmental and social performance. For example, in Egypt, Apache's HSSE Operational Excellence Team has put together dedicated subcommittees to address specific HSSE items identified by previous internal and external audits.



We continually reinforce key company policies to our employees through regular “compliance bulletins” in response to major national issues or internal investigations.

Compliance

Apache maintains a Compliance and Ethics program, overseen by the director of compliance, that provides guidance, training, oversight, enforcement and reporting to support Apache's unwavering commitment to the highest ethical standards. Our Compliance group's goal is to support value creation in Apache's business by promoting responsible conduct in accordance with applicable laws, rules, regulations and government requirements.

The director of compliance ensures that Apache has well-defined and articulated standards and procedures designed to prevent and detect misconduct. These standards, and specifically our Code of Business Conduct and Ethics, are illustrated through a wide range of examples to distill our overarching policies and standards down to real-world, on-the-job scenarios.

All Apache employees are required to participate in compliance and ethics training relevant to their work. To increase the retention and effectiveness of this training, we strive to make sure that employees have the information they need at the time it is most necessary and relevant to their work. For example, to reinforce the company's anti-corruption policies and procedures, we now provide

easily digestible, mobile-accessible information in advance of any employee's international travel for Apache business.

We also continually reinforce key company policies through regular “compliance bulletins” that provide relatable examples and explanations of relevant internal policies and requirements in response to major national issues or internal investigations. For example, in response to the growing #MeToo movement, we reiterated our requirements for workplace respect, providing employees with detailed guidance on inappropriate workplace conduct and how to report any behavior that appears to be inappropriate. We also report on internal investigations that include issues of broad applicability, to ensure employees understand their obligations and requirements under applicable Apache policies; our aim is to provide visibility into our investigation and compliance processes and to underscore our company's commitment to operating with the highest ethical standards.

Our compliance training reinforces that all employees have a responsibility to report any suspected misconduct or unethical or illegal activity. To facilitate this reporting, we maintain the Apache Hotline, a 24/7/365 resource, externally hosted and managed by a third party, through which

employees and external stakeholders may anonymously report any alleged violations of law or Apache's policies and standards of conduct. All concerns reporting potential misconduct involving any Apache representative – whether received through the Apache Hotline or otherwise – are tracked and investigated by Compliance, with assistance as necessary from other functions throughout the organization. In addition to the Apache Hotline, the [procedure](#) to submit a complaint or concern regarding accounting, internal accounting controls, or auditing matters is available on our website.

Voice Your Concern

Apache is committed to preserving, protecting and fostering the culture of trust and integrity that has long defined Apache as a company. Doing this requires that every Apache Director, officer, employee and contractor voice their concern if they observe or suspect a violation of law or Apache policies.



Apache Hotline
1-866-756-2599



The director of compliance is also primarily responsible for overseeing internal investigations and – where warranted – providing input concerning the enforcement of compliance issues. All reported concerns about potential misconduct by an Apache representative are investigated by the director of compliance and/or relevant personnel from Human Resources, Accounting, Forensic and Shared Audit Services, Legal and other departments. Concerns that

may involve substantial risk to human health or safety; the potential for criminal liability or fines against Apache; or potential anti-trust, bribery or corruption violations; or are otherwise found to be of serious concern, are escalated for reporting to the CEO, general counsel and senior vice president of human resources for management review, and then promptly reported to a designated member of Apache's Board of Directors.

Improving Cybersecurity

Apache's Information Technology Security team is on the front line every day identifying, preventing and responding to potential cyberattacks that threaten our operations. Cyberattacks use increasingly sophisticated methods and could pose a serious risk to our company's revenue, reputation, data and ability to operate in a safe and environmentally responsible way. In 2018, we introduced several initiatives that will reduce the risk of Apache becoming a victim of a cyberattack by improving our processes and providing additional protections where needed. For example, we implemented multifactor authentication to internet-facing services such as Webmail, Citrix and VPN. We limited portable data devices, such as USBs, and now require encryption on all remaining devices. We expanded our email security systems, including tagging all external emails and providing additional training for employees on email security and phishing. And we're implementing new tools and policies to increase the security of data on mobile devices. To help ensure the ongoing strength and effectiveness of our efforts, cybersecurity is overseen at the Board level.

Ethics and Anti-Corruption

Apache's policy is to conduct business fairly, ethically and in compliance with applicable laws, regulations and other government requirements. Our Code of Business Conduct and Ethics requires not only the avoidance of misconduct, but also the avoidance of acts or omissions that give the appearance of misconduct.

Our Code explains the primary policies governing the high standards of conduct applicable to every Apache employee, including but not limited to equal employment opportunity, anti-harassment, social media guidelines, conflicts of interest, handling of confidential information, data privacy and recordkeeping, anti-corruption and anti-bribery, political contributions and lobbying, and insider trading. In addition, the Code and supplementary policies, such as Apache's Voice Your Concern Policy, emphasize every employee's duty to report any suspected violation of law or Apache's policies, provide guidance on how to submit a report, highlight and reinforce our anti-retaliation policy, and outline our investigation and enforcement process.

All employees, as well as Apache's Board of Directors, receive training on the Code

as part of the hiring and onboarding process and are then required to certify annually that they have read the Code and fulfilled the requirements and expectations set forth in that document. Our Board of Directors periodically reviews the Code and makes updates or revisions as necessary or appropriate.

In 2018, we introduced a dating and relationship policy to help ensure appropriate boundaries between business and personal relationships, as part of our efforts to maintain a work environment that eliminates the potential for conflicts of interest, allegations of perceived or actual favoritism, or other improper personal distractions. This policy prohibits romantic relationships between employees and anyone within their chain of command and requires disclosure if any such relationship occurs.

Apache Directors, officers and employees are responsible for promptly reporting any actual, attempted or apparent violations of applicable laws, rules, regulations or our Code.

As a U.S. entity doing business abroad, Apache is also subject to the Foreign Corrupt Practices Act (FCPA) and similar anti-bribery and anti-corruption laws of other nations, which may apply to our

interactions with foreign government agencies and/or officials. Apache employees are required to follow our company-specific FCPA Compliance Guide, and all employees who engage directly with foreign governments or officials or otherwise may deal with issues implicated by the FCPA or other anti-corruption laws receive annual in-person training on the FCPA and its relevance to their work. We use a case study method as part of these trainings focusing on recent U.S. Department of Justice and Securities and Exchange Commission investigations and/or enforcement actions in order to apply the lessons learned to Apache's operations. All other employees are required to read and understand our policies and procedures with respect to matters that may pertain to the FCPA or similar laws.

Apache's director of compliance, in partnership with our Legal department, serves as an ongoing resource for any Apache employee with questions on the FCPA or other applicable anti-corruption laws.

Public Policy and Political Disclosures

Apache participates in the political and public policy process in a responsible and ethical way that serves the best interests of our shareholders and the safety and wellbeing of our workforce and other stakeholders. We operate in the highly regulated natural gas and oil industry, and our operations are affected by actions at many levels of government. Our public policy activities include education and advocacy efforts at the federal, state and local government levels.

Every Apache employee and Director is required to receive training on our Code of Business Conduct and Ethics at regular intervals and must recertify compliance every year.

Apache is committed to complying with all applicable state and federal rules pertaining to lobbying and disclosures. Relevant reports regarding our activities are publicly available via the appropriate state websites; the Office of the Clerk, U.S. House of Representatives; the Secretary of the Senate, U.S. Senate; and the various state ethics commissions.

In addition to following external regulations, we developed our own policy on political contributions and lobbying expenditures and Board oversight thereof. Our Government Affairs function manages and coordinates the company's political and public policy activities.

Political Action Committee

On occasion, and where allowable by law, Apache may consider corporate contributions for direct expenditures and/or independent expenditures in support of candidates, ballot measures, inaugurations, political party conventions and/or causes that align with the company's business objectives. Contributions using corporate funds are reviewed and approved by the CG&N Committee of Apache's Board of Directors. Employees can support candidates for office through the Apache employees' Political Action Committee (ApachePAC), which is funded exclusively through voluntary contributions from eligible employees. Employee contributions to the ApachePAC are not reimbursed, directly or indirectly, matched, or tax deductible.

ApachePAC contributes to federal and state political candidates who support responsible natural gas and oil activities and other business issues of interest to the company. Disbursements by



In April 2019, Apache Corporate Communications and Public Affairs vice president Castlen Kennedy presented at the ApachePAC Launch Luncheon in Houston.

ApachePAC are made solely based upon the best interests of the company and its shareholders, not on the personal agendas of individual Directors, officers or employees. Distributions are approved by the ApachePAC board, per the ApachePAC policy. All ApachePAC contributions are fully disclosed in reports filed with the Federal Election Commission (FEC) and the various state ethics commissions, and can be accessed on the FEC's website at fec.gov and on the appropriate state websites.

Trade Associations

Apache participates in trade and industry associations and engages directly in advocacy and grassroots industry communications and education efforts. The company joins trade associations to share technical and standards expertise and to be part of important public education efforts regarding major issues of common concern to our industry. Our participation in trade and industry associations is subject to management oversight by our Government Affairs

function, which approves our memberships and serves as the principal representative in such associations.

Apache pays regular membership dues to several trade associations. Some utilize a portion of those dues for nondeductible state and federal lobbying and political expenditures. Per the requirements of Section 162(e)(1) of the Internal Revenue Code, such trade associations must provide us with the percentage of our annual dues that are attributable to lobbying expenses. We disclose these contributions at apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2018.pdf.

Lobbying

Apache lawfully engages in the legislative process to communicate our views on legislative and regulatory matters affecting our business at the federal, state and local levels. This activity is subject to various federal and state rules and regulations, and Apache is committed to complying with all of those requirements.

Engagement

Apache regularly engages with a wide range of stakeholders to gain insights into and input on issues, trends, best practices and specific stakeholder interests and concerns. The table below summarizes how we engage with key stakeholder groups.

Stakeholder Engagement Overview

Stakeholder Group	Engagement Methods	Read More in This Report
Shareholders	Annual shareholder meeting Investor days and conferences ESG-focused investor meetings Governance conferences Ongoing one-on-one investor discussions	Shareholder Engagement, p. 35
Employees	Quarterly employee town halls Ongoing employee trainings Employee satisfaction surveys Regular leadership communications	Learning and Development, p. 102 Employee Engagement, p. 114
Landowners and mineral owners	Ongoing engagement via our landmen Community grievance line and resolution process	Understanding and Addressing Community Concerns, p. 144
Local communities	Local community outreach and philanthropy Community grievance line and resolution process Community open houses Local job fairs and other recruitment efforts	Philanthropy and Volunteering, p. 128 Understanding and Addressing Community Concerns, p. 144
Suppliers and contractors	Contractor vetting process Contractor assessments Contractor engagement meetings	Contractor Management, p. 88
Regulators and government entities	Supporting regulatory development as relevant	Public Policy and Political Disclosures, p. 32
NGOs and academics	ESG investor engagement Research support and funding	Shareholder Engagement, p. 35 Environment, p. 49
Local media	Regular contact with and response to local television stations, newspapers and radio stations	

Shareholder Engagement

Apache places significant importance on engagement with our investors. We regularly engage with shareholders and welcome feedback on topics such as corporate governance, business strategy, compensation and ESG issues.

Apache's shareholder engagement starts at the top. The Board values our shareholders' perspectives, and feedback from shareholders on our business, corporate governance, executive compensation and sustainability practices is an important consideration for Board discussions throughout the year. Our independent Board chair and other Board members are accessible to shareholders at a variety of events, including our annual meeting, our investor days, some of our ESG-focused meetings and a number of governance conferences. In addition, Board members engage with shareholders individually throughout the year. Board members can also be contacted through our corporate secretary, who relays communications to them as appropriate.

Apache's CEO and other members of the executive team maintain an active schedule of meetings and communications with shareholders. In addition to numerous investor conferences, the executive team regularly visits shareholders in their offices, hosts meetings in Apache's corporate office in Houston and hosts site visits for more focused discussions on Apache operations. For example, we have given direct access to our operations and

personnel through field visits to water recycling facilities, well completion operations and data analytics centers.

Engaging on ESG Issues

We recognize that gaining outside perspectives on key environmental, social and governance issues helps us better understand and address these topics. That's why we engage regularly and frequently with shareholders, government agencies and regulators, and NGOs on ESG issues.

Our CEO holds an annual one-on-one meeting with our "lead active shareholder," who is designated by a group of our more involved shareholders to discuss ESG issues and progress on previously set targets and goals for the coming year. That meeting is followed by a larger meeting of active shareholders who can pose questions on any subject and get answers directly from the CEO.

In 2018, Apache management and the Board offered to meet with shareholders representing 78 percent of Apache's shares outstanding to gather feedback on our business strategy, corporate governance, executive compensation program and sustainability oversight. Ultimately we met with shareholders representing 53 percent of outstanding shares; the others felt it was not necessary to provide feedback in a one-on-one meeting. We also hosted or attended numerous additional meetings focused on specific environmental or social issues, including carbon asset risk and greenhouse gas emissions reporting.

Based on feedback from these discussions, we have continued to increase disclosure in this sustainability report and modified our compensation program, among other improvements.

Apache's technical experts meet throughout the year with shareholders to discuss a wide variety of issues, including the alignment of financial and ESG goals; emissions, chemical and water issues related to exploration and production operations; stranded assets; and climate change-related concerns. In addition, our Board members have attended and spoken at major ESG conferences, enabling further in-person discussion of ESG issues.

ESG Engagement

The following are some of the key organizations with which we engage on ESG issues:

- As You Sow
- Ceres
- Environmental Defense Fund
- Interfaith Center on Corporate Responsibility
- Investor Environmental Health Network
- National Fish and Wildlife Foundation
- ONE Future Coalition
- Sustainability Accounting Standards Board
- The Nature Conservancy
- Truckers Against Trafficking

Health, Safety, Security and Environmental Governance

Health, safety, security and environmental management at Apache is led by our vice president of HSSE. The HSSE vice president is supported by personnel who develop and oversee implementation of the company's HSSE policies, standards and work rules, which define workforce expectations and requirements that foster a culture of accountability for safe and environmentally responsible operations.

We have a suite of HSSE standards and guidelines to ensure responsible operations appropriate to local operating conditions and regulations. We employ procedures typical of our industry that are proportionate to the hazards involved.

To drive performance and continuous improvement, we establish companywide and operating area-specific HSSE performance goals, which are a component of incentive compensation plans for all employees, including senior management. At every Board meeting, progress against these goals is assessed.

For years, management compensation has been tied to key safety metrics. In

2018, to drive excellence in facets of HSSE beyond safety, we expanded the HSSE goals component of our management's annual cash incentive bonus to include methane emissions and freshwater use goals, building on the addition in 2017 of a comprehensive qualitative assessment of leading and lagging measures. The HSSE goals comprise 10 percent of the annual incentive plan.

Apache has a sophisticated, companywide system for HSSE incident reporting and response. Incidents are recorded and tracked in an incident reporting and management software system. Incidents are rated using a variety

of criteria, including severity and event type and, as appropriate, are reported through a round-the-clock-staffed incident management center. Incident information is shared with relevant personnel, including, when appropriate, the Board of Directors. Each incident is actively managed through resolution of the event, to assess and mitigate impacts, determine causal factors and report externally, if appropriate. Lessons learned from each event are also shared throughout the organization through a software system.

In 2018, to drive excellence in facets of HSSE beyond safety, we expanded the HSSE goals component of our management's annual cash incentive bonus to include methane emissions and freshwater use goals.

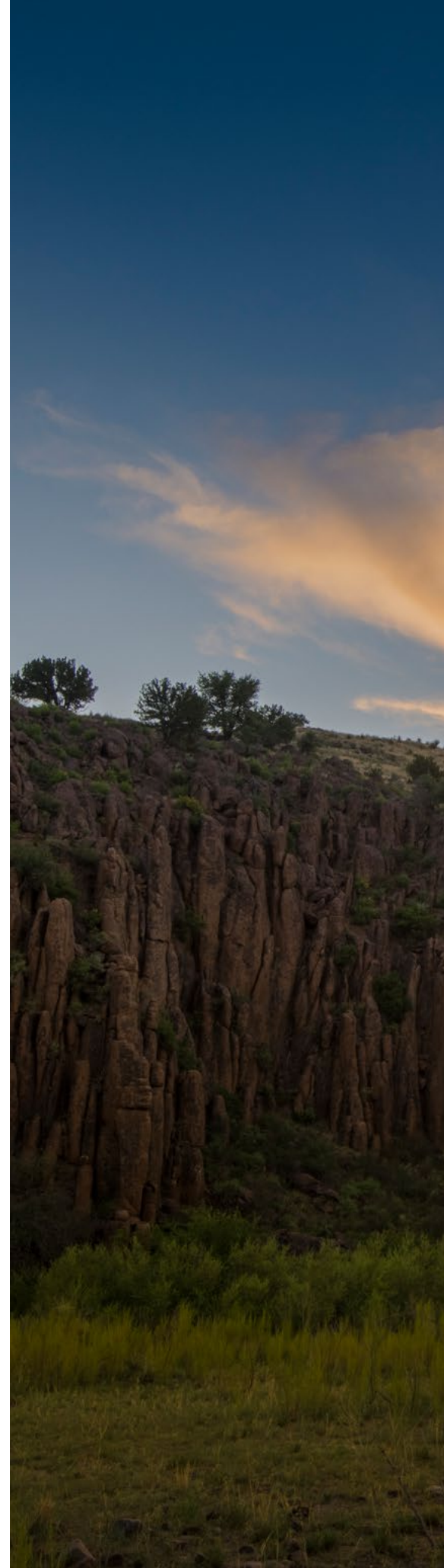
Governance Downloads

For more information on our governance practices and policies, see the following website links:

- Apache's Corporate Governance Principles
www.apachecorp.com/resources/upload/file/governance/apache_corporate_governance_principles.pdf
- Apache's Directors' and Officers' Stock Ownership Requirements
www.apachecorp.com/resources/upload/file/governance/apache_directors_officers_stock_ownership_requirements.pdf
- Apache's Policy Regarding Margin Loans and Pledges by Directors and Officers
www.apachecorp.com/resources/upload/file/governance/apache_no_margin_accounts_or_pledges.pdf
- Apache's Policy Prohibiting Hedging Securities by Directors and Officers
www.apachecorp.com/resources/upload/file/governance/apache_hedging_policy.pdf
- Apache's Executive Compensation Clawback Policy
www.apachecorp.com/resources/upload/file/governance/apache_executive_compensation_clawback_policy.pdf
- Apache's Policy on Parachute Payments for Executives and Accelerated Vesting of Equity upon Change in Control
www.apachecorp.com/resources/upload/file/governance/apache_parachute_payments.pdf
- Apache's Policy on Political Contributions and Lobbying Expenditures
www.apachecorp.com/resources/upload/file/governance/apaches_policy_on_political_contributions_and_lobbying_disclosures.pdf
- Apache's Code of Business Conduct and Ethics
www.apachecorp.com/resources/upload/file/governance/apache_code_of_business_conduct_and_ethics.pdf
- Procedures for the Submission of Complaints and Concerns Regarding Accounting, Internal Accounting Controls, or Auditing Matters
www.apachecorp.com/resources/upload/file/governance/apache_procedures_for_the_submission_of_complaints.pdf
- Apache's Disclosure of Political Contributions and Lobbying Expenditures
 - 2018
www.apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2018.pdf
 - 2017
www.apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2017.pdf
 - 2016
www.apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2016.pdf
 - 2015
www.apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2015.pdf
 - 2014
www.apachecorp.com/resources/upload/file/governance/apache_political_contributions_and_lobbying_disclosures_2014.pdf
- Apache's Human Rights Principles
www.apachecorp.com/resources/upload/file/governance/apache_human_rights_principles.pdf
- Apache's Statement on Monitoring of Human Rights Principles
www.apachecorp.com/resources/upload/file/governance/apache_statement_on_monitoring_human_rights_principles.pdf
- Apache's Statement on Indigenous Peoples
www.apachecorp.com/resources/upload/file/governance/apache_statement_on_indigenous_peoples.pdf

Environment

Protecting the environment is a key part of our mission to be the premier exploration and production company and is a core focus of our efforts. It is our policy to – at a minimum – comply with all applicable rules and regulations, and we seek to go above and beyond regulations when appropriate, putting into action our value to take environmental responsibility seriously. We continue to reduce environmental impacts at all stages of our operations through the thoughtful evaluation and implementation of new technologies, practices and procedures that not only reduce impacts but often reduce operating costs as well.





Environmental Protection: A Core Value

At Apache, protecting the environment is part of the mission and Core Values that guide our daily work.

We seek to be premier in our approach to environmental management and protection by developing and implementing industry-leading methods for conserving water, reducing emissions and protecting land. All employees and contractors are expected to uphold this commitment, which is supported by a comprehensive team of over 75 health, safety, security and environmental (HSSE) professionals throughout the organization.

All Apache operating areas are required to follow our worldwide HSSE standards, which provide an overarching framework for conducting business safely and in a way that protects our workforce,

communities and the environment. (For more on our HSSE governance systems, see p. 36.) In addition, our North Sea operations are certified to the voluntary ISO 14001 (environmental management system) and ISO 50001 (energy management system) standards; our Qarun joint venture operations in Egypt are also ISO 14001 certified.

As shown in the Key Performance Data section (p. 166), our efforts to reduce environmental impacts are paying off. We have consistently improved in our major environmental performance metrics since 2014.





Environment by the Numbers

95%

of the water we consumed for our operations in 2018 was nonfresh water

177%

increase in our use of recycled produced water for hydraulic fracturing since 2014

5%

reduction in global methane emissions intensity from 2017 to 2018

On track

to meet our goal of reducing global methane emissions intensity to 0.37 percent or less of gross methane production by 2025

Water Management

At Apache, we recognize that fresh water is a precious and limited resource, and we minimize our use of it by seeking innovative ways to use nonfresh water and by reducing the overall amount of water required for our operations.

We also follow comprehensive procedures for safeguarding water quality and for handling produced water responsibly. These efforts are especially important in areas of the U.S. and Egypt that could be considered "water scarce." We consider location, pricing and regulations in assessing water scarcity. When appropriate, we utilize various data sources such as the U.S. Drought Monitor and the World Resources Institute's Aqueduct tool to confirm our assessment of water-scarce areas within our operations.

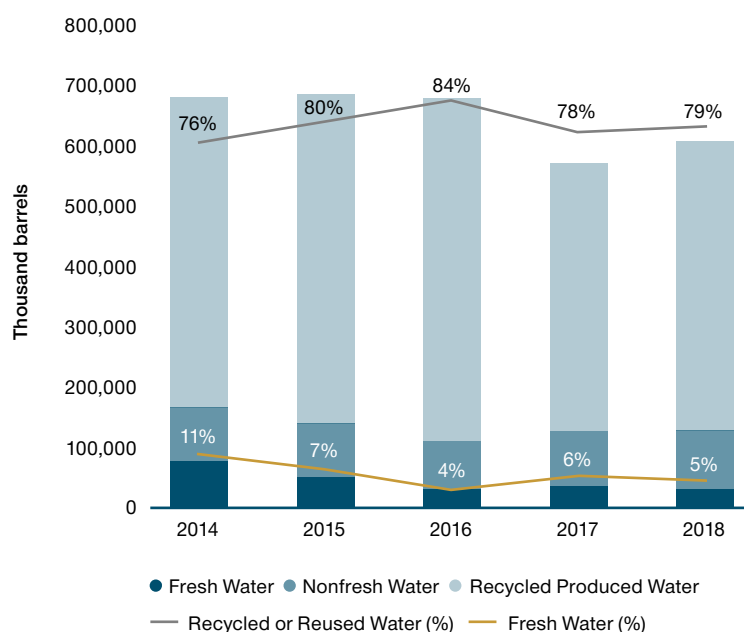
Drilling, completions and production operations are our primary uses of water, which we source from groundwater aquifers, surface waters, municipal water and produced formation water. As much as possible, we seek to use nonfreshwater sources for our operations. As shown in the chart at right, we have decreased our freshwater consumption over the past five years, largely by increasing our reuse of produced water, which includes produced water from secondary recovery and hydraulic fracturing operations.

Since 2014, on average, 79 percent of the water we have consumed for operations has been recycled or reused water. Recycling water provides both economic and environmental benefits. It helps reduce the operating costs associated with purchasing, transporting and disposing of water. In addition, it reduces

the potential that our activities will compete with existing uses of freshwater resources, such as municipal water systems and agriculture, and helps to avoid impacts that may be caused by using permitted injection wells for produced water disposal. (For more on how we are using nonfreshwater sources in hydraulic fracturing, see pp. 44-45. Also, see the water use data table on p. 164 for detail on Apache's water consumption by operating area.)

Throughout the lifecycle of our operations, there is water that cannot be reused or recycled. We continue to pursue alternatives to the disposal of this excess water in permitted injection wells, including options to discharge the water in accordance with applicable regulations and industry best management practices as well as evaporation and treatment of the produced water for alternative uses.

Total Water Consumption





Using Alternative Water Sources for Hydraulic Fracturing

We continue to be an industry leader in using nonfreshwater sources, including recycled produced water and brackish groundwater, for completion operations.

Some years ago, recycling produced water presented real challenges for reuse in completion operations due to high concentrations of dissolved salts, some specific ions (including iron), residual byproducts of completion chemicals, and organic compounds (including residual hydrocarbons), all of which challenged the efficiency of the subsequent hydraulic fracturing. Apache recognized that combining advanced water treatment techniques with better and safer chemical formulations for fracturing would make it possible to minimize freshwater usage. We continue to improve these processes and to develop and implement methods for treating, storing and reusing produced water. We ensure that this water is handled in a manner that reduces the risk of impacts to soil, groundwater and surface water quality.

Once treated, recycled water is stored in engineered, double-lined impoundments that have leak detection technology or in

tanks that are routinely inspected and continually monitored. Loss of primary containment in impoundments is rare, but should it occur, these systems have secondary containment and detailed, location-specific spill prevention, countermeasure and control plans.

We reduce the potential for greenhouse gas emissions from produced water by recovering dissolved hydrocarbons prior to storing any recycled water in open impoundments. Also, wildlife deterrent systems are included as part of the construction of impoundments, to reduce potential hazards to wildlife and the potential for wildlife to damage the containment.

Over the past few years, we have dramatically increased our water storage capacity and improved our ongoing treatment of stored water to ensure it remains ready for reuse. We have applied a range of innovative technologies and processes to allow us to store larger volumes of treated produced water for longer times, including using multiple smaller impoundments and applying advanced chemistry. This enables us to better match the availability of recycled water to our operation schedules and

increase the proportion of recycled water used in our operations.

In 2018, in the Permian Basin in Texas and New Mexico, we added more than 1 million barrels of water storage capacity, allowing us to treat and store nearly 16 million barrels of produced water in 11 water treatment and storage facilities.

We have also expanded our water-related infrastructure, allowing us to move water within our operations without trucks, which reduces trucking-related emissions, minimizes the potential for spills and lessens impacts on local roads. In 2018 in the Permian Basin, all water used for hydraulic fracturing was transported by temporary pipeline.

Currently, recycled produced water and brackish groundwater are the primary nonfreshwater sources we use. In the past, we have also used treated municipal wastewater effluent for hydraulic fracturing. We continue to evaluate the potential to use alternative water sources in all of our areas of operation based on a range of criteria, including transportation, infrastructure, treatment methods and cost.

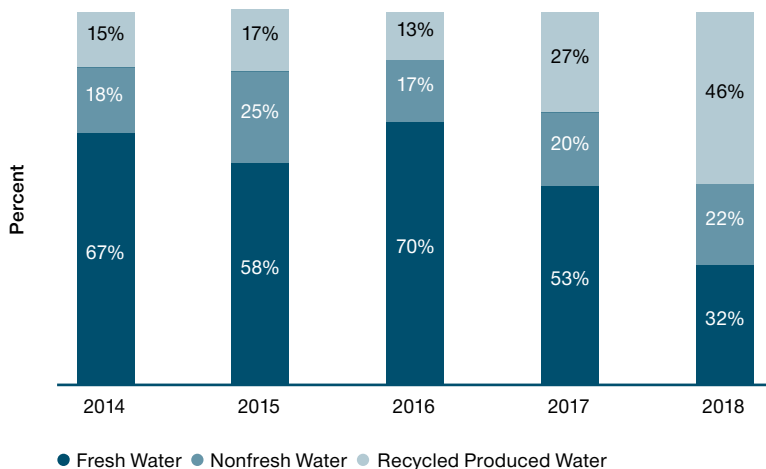


Advancing Technologies to Responsibly Increase Water Recycling

Apache has made major efforts to advance water treatment technologies since 2012. We continuously improve our produced water treatment techniques to best match circumstances and needs, which vary considerably by location. In 2018, we implemented improved water storage and treatment technology in Alpine High that uses weirs, or physical barriers, and aeration in the initial receiving impoundments to enhance solid settling efficiencies, which reduces the need for more costly treatment. We are also working with the American Petroleum Institute to develop advanced industry specifications for the lay-flat hosing that is commonly used to transport produced water to and from well locations. The specifications include parameters to ensure the quality and performance of this piping across our industry.

Increasing Nonfreshwater Use in Hydraulic Fracturing in the U.S.

We have consistently reduced our use of fresh water in our U.S. hydraulic fracturing operations over the past five years by increasing the use of nonfresh water. Hydraulic fracturing water use is a subset of total water consumption (see p. 42).

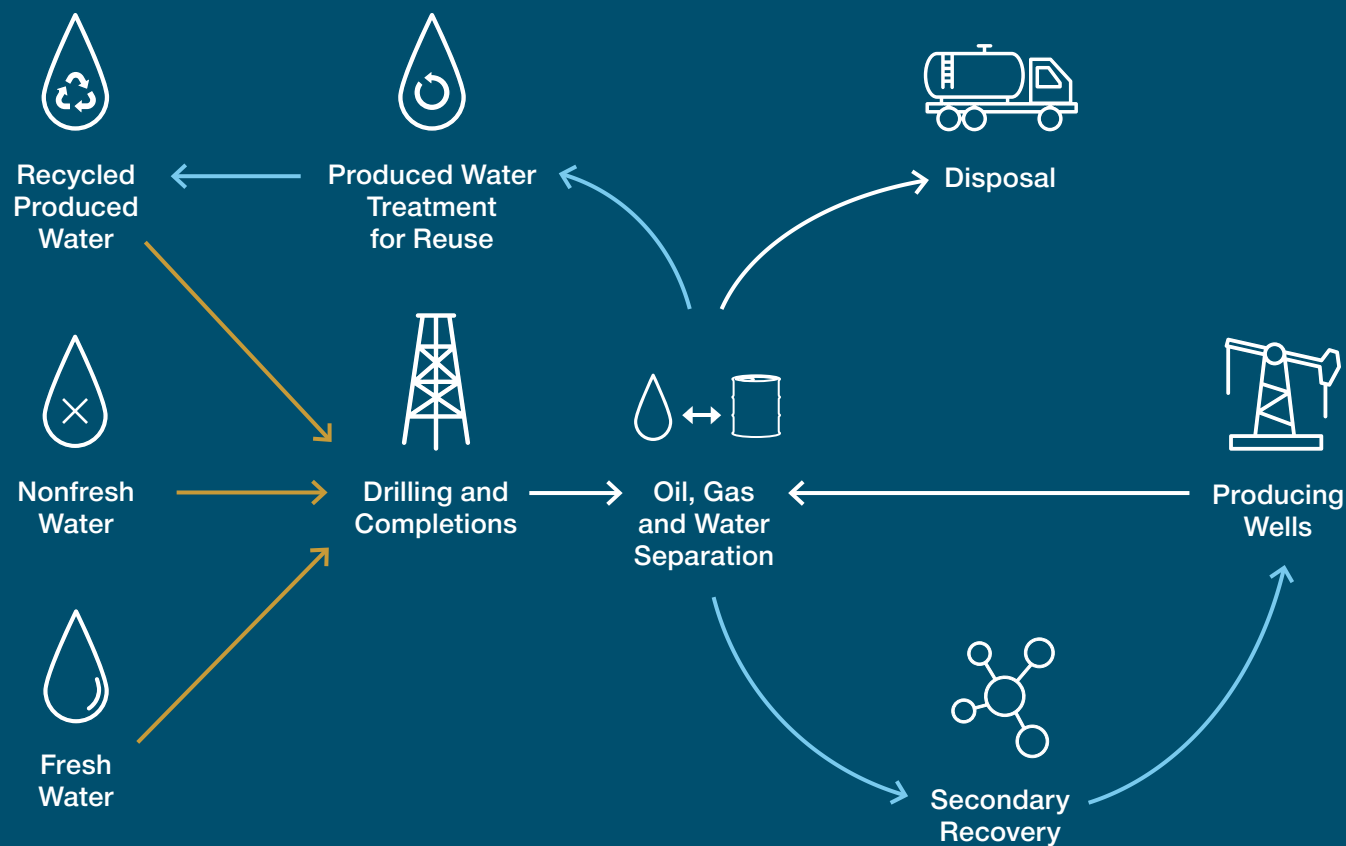


68%

of the water we used in our U.S. hydraulic fracturing operations was nonfresh or recycled produced water in 2018

Water Use and Withdrawals

At Apache, we minimize our use of fresh water by seeking innovative ways to use nonfresh water and reduce the overall amount of water required for our operations. We have developed technologies and processes to use alternative water sources in our completion operations, including using recycled produced water and nonfresh groundwater.



Key

- Produced water flow
- Recycled water flow for certain operations
- Source water flow

Key Water Definitions

Fresh Water

Water sources with a total dissolved solids concentration of up to 2,000 milligrams per liter.¹⁰ These sources can include drinking water, potable water and water used in agriculture. The definition can vary in accordance with local statutes and regulations and is defined within this document for reporting purposes.

Nonfresh Water

Water sources not meeting the definition of fresh water. These sources could include produced water and brackish groundwater.

Water Withdrawals

Water volumes drawn from surface water, groundwater, seawater, municipal sources and producing formations.

Water Consumption

Water volumes used in Apache's operations that are sourced from water withdrawals, including recycled produced water used in secondary recovery and hydraulic fracturing operations. Water uses include drilling, completions and secondary recovery.

Produced Water

Nonfresh water found in hydrocarbon formations that is brought to the surface during the oil and gas production process.

Recycled Water

Produced water that has been treated for reuse in subsequent operations, including for well completions or secondary recovery.

Secondary Recovery

A process that involves injecting water or gas into producing formations to improve oil and gas recovery.

¹⁰ Based on IPIECA's *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting* (2015).

Environment

Safeguarding Water Quality

We test and obtain baseline water-quality data prior to beginning operations in a new area. We also conduct post-drilling water-quality monitoring as needed based on the location's risk profile. Water-quality tests include, but are not limited to, pH, salinity and total petroleum hydrocarbons.

In our Alpine High operations, we undertake even more extensive water-quality testing that goes well beyond regulatory requirements. In addition to an extensive baseline water assessment, we are conducting ongoing water-quality and -quantity research throughout our operations in this area. We are also continually expanding and improving the systems we have developed to monitor aquifer levels and water quality in existing water wells (see case study on p. 59).

Protecting aquifers by ensuring the integrity of our wells is another way Apache safeguards water quality. We take great care when planning and performing

operations to minimize the chances of a well failure that could result in impacts to local water resources. Our engineers, geologists and geophysicists design our well drilling plans and completion programs through a detailed and extensive review of local geologic knowledge and previous operational conditions for the entire depth to which each well will be drilled. In addition, we consider the potential for impact to adjacent wells or faults and include mitigations to prevent adverse impacts. Depending on well spacing and fracture direction, well completion treatment volumes and pumping pressures are adjusted, and nearby wells are remotely monitored using appropriate surveillance technologies.

For example, in Alpine High we are using our extensive knowledge of underground formations in the area to avoid siting wells in places with challenging subsurface geologic configurations, including karst

characteristics (such as caves and caverns), salt beds, corrosive brine zones and potential subsidence zones.

We carefully design the surface casings for our wells to protect usable groundwater intervals and ensure that the construction of the wells follows industry best practices. This includes verifying casing and cement integrity with pressure tests and physical inspections. We monitor and record essential data from cement jobs and performance evaluations to ensure adequate isolation of producing intervals, including zonal isolation from protected water resources. We use industry best practices for our cement testing methods, including cement bond logs, ultrasonic testing and temperature logging, to ensure the cement has bonded properly to the protective casing and the formation. We perform pressure tests on every surface casing string. We also conduct pressure testing and monitoring of all hydraulic fracturing operations.





Supporting Academic Research to Better Protect Alpine High Water Systems

A special feature of the Alpine High area is its unique underground cave and spring systems, which include natural treasures such as Phantom Lake Cave – the deepest mapped, water-filled cave in the U.S. – the Balmorhea State Park pool, and numerous springs, including Solomon Springs, which feeds the Balmorhea pool. These karst systems are home to more than a dozen spring-dependent species, according to U.S. Fish and Wildlife Service assessments.

To support our own extensive research aimed at protecting and avoiding impact on these unique features, we are partnering with regional academic institutions to better understand the vulnerability of the regional aquifer systems and to identify ways to protect the water systems near our operations. In addition, we have partnered with a water-quality research organization to obtain third-party validation of our water-quality testing and monitoring program. Our key research partnerships include the following:

- The Collaborative Laboratories for Environmental Analysis and Remediation (CLEAR) at the University of Texas at Arlington: Researchers at CLEAR study groundwater and surface water quality and investigate industrial impacts to these resources. In 2018, we extended for another year our sponsorship of a study in which CLEAR provides a third-party supplement to Apache's ongoing water-quality monitoring, by independently collecting and analyzing samples of surface water and groundwater in the Alpine High area on a quarterly basis.
- The National Cave and Karst Research Institute: This nonprofit, government-supported research institute has undertaken detailed studies to identify vulnerabilities to the karst aquifer system in the Alpine High area. These worldwide experts in underground cave and spring systems are headquartered at the New Mexico Institute of Mining and Technology in Socorro, New Mexico.
- The University of Texas at Austin's Bureau of Economic Geology: The Bureau is the state of Texas' geologic survey division, which has been performing research into the local and regional groundwater flow system in the Alpine High area. Apache has sponsored the Bureau to conduct a multiyear project that is addressing knowledge gaps related to the regional groundwater system. Their work includes assessments of local and regional groundwater elevation and chemistry, groundwater flow and movement, and how precipitation affects aquifer recharge and the discharge of regional springs.



Industry-Leading Approach to End-of-Life Well Management in the Permian Basin

Ensuring well integrity is just as important at the end of a well's life as at the beginning, and Apache has been an industry leader in our approach to plugging and abandoning wells once they reach the end of their productive lives.

We use a range of best practices. For example, we have a team dedicated solely to the well closure process, helping to ensure that we bring the best knowledge and skills – as well as uninterrupted focus – to the task. The staff on this team takes a site-specific approach to each well closure, in most cases going well beyond regulatory requirements to make sure that each well is safely and effectively plugged.

We also undertake regular risk assessments of all of our active wells to identify those that are in potentially sensitive areas and should be closed. In 2018, we identified a well site in Eunice, New Mexico, where the city had expanded in the vicinity right around our wells. As with all of our well closures in sensitive areas, we undertook an in-depth risk analysis and stakeholder outreach process to ensure that we understood and mitigated the potential risks associated with the closure process in a residential neighborhood. We met with nearby property owners to explain our process and adjust the timing of our operations, taking into account their quality of life and potential safety concerns, such as interference with school bus schedules and commute times. We also held extensive planning and daily pre-work safety meetings with all contractors and Apache personnel to ensure our careful closure process would be implemented as planned, and to update the plans as needed based on changing local conditions such as weather and wind direction.

Greener Chemicals for Hydraulic Fracturing

Hydraulic fracturing fluid is typically composed of water, sand and a small amount of chemical additives, which are used to facilitate the fracturing process and protect the well from damage. We are taking many steps to use “greener” chemicals in our operations.

The additives in our hydraulic fracturing fluids serve five primary functions:

- Friction reducers minimize friction and pressure in the well tubulars. They allow the fluid to be pumped at a higher rate, making the fractures wider and more conductive in order to produce oil and gas. Friction reducers also reduce the horsepower required to fracture the well, which lowers emissions from pressure pumping engines.
- Gel systems thicken water to allow it to carry more sand into the fractures.
- Scale inhibitors prevent scale from forming in the well casing. Scale can slow the flow of oil and gas to the surface.
- Surfactants are detergents that help improve initial production, yielding more oil and gas.
- Biocides reduce bacterial growth in the well fluids, reducing well souring and corrosion.

In short, friction reducers, gel systems and surfactants are used during hydraulic fracturing to maximize the release of hydrocarbons into the wellbore.

Surfactants, biocides and scale inhibitors are used during and after hydraulic fracturing to ensure the hydrocarbons flow and to protect asset integrity.

Disclosing Chemical Data

Apache has been an industry leader in transparency about our use of hydraulic fracturing additives. We report 100 percent of our U.S. hydraulic fracturing activity to the [FracFocus.org](https://fracfocus.org) website. We also follow Texas’ more stringent disclosure regulations in all of our U.S. operating locations.

We have actively promoted industry participation in the FracFocus chemical registry. This web-based system publishes detailed information about chemicals used in hydraulic fracturing on a well-by-well basis and links to a geographical coordinate system within Google Maps. The public disclosure of information on FracFocus.org provides a readily available data source that facilitates external analysis of the chemicals used in specific wells or areas.

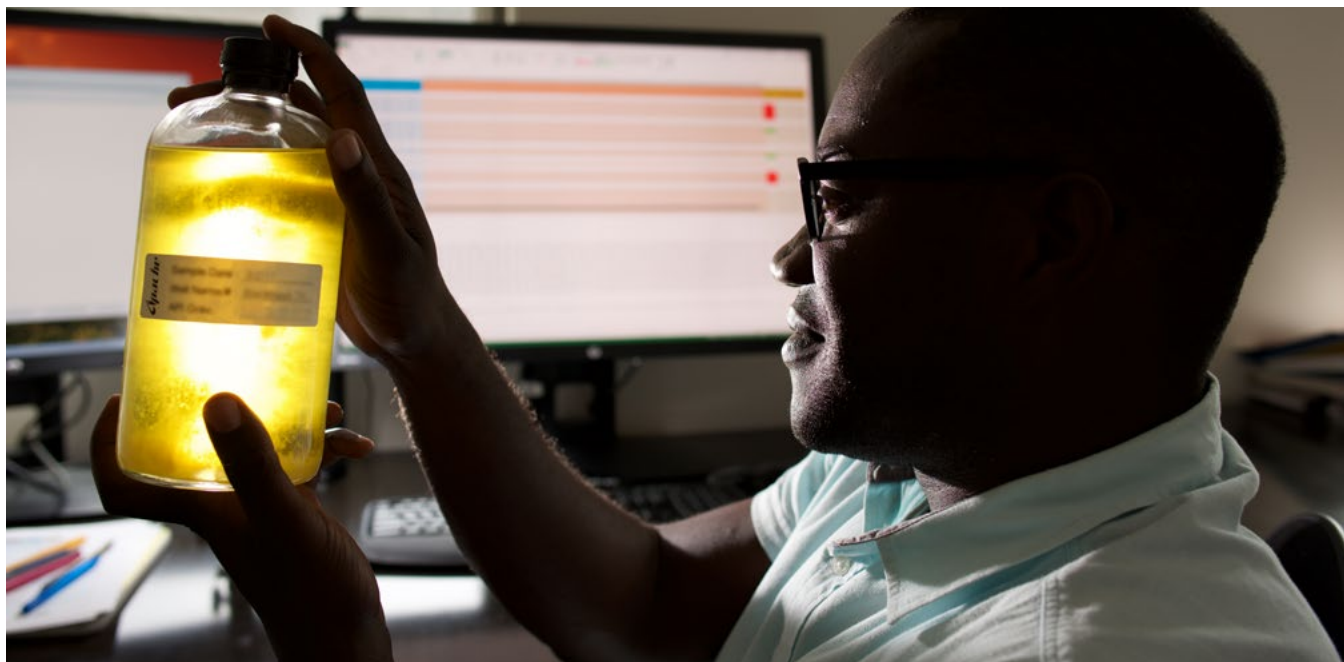
Some vendors and chemical suppliers refuse to fully detail the composition of their proprietary additives, citing the protection of their intellectual property. Working with our vendors, we have developed and use self-sourced fracturing chemicals, not only to lower environmental risk, but also to reduce the use of unknown chemicals that cannot be disclosed because of their protection as

confidential business information. We also help our vendors develop procedures to ensure that data from well completions is submitted to the FracFocus website.

Chemical Risk Reduction Strategies

We have developed our own risk assessment framework through which we evaluate all chemicals before they are used in Apache’s hydraulic fracturing operations. This assessment framework focuses on screening out and/or reducing the use of chemicals with potential environmental hazards – for example, screening out additives that have risks of bioaccumulation and preferentially using those that are more biodegradable. We are also working to reformulate the chemicals we use in fracturing through advanced research and collaboration with service companies to identify chemical and technological alternatives that lower potential environmental impacts. We are also implementing an enhanced chemical management system to better standardize and control the chemical additives used in our operations.

We do not use BTEX (benzene, toluene, ethylbenzene, xylene) as a standalone chemical additive to hydraulic fracturing fluids, but trace amounts can be present in the fracturing additives we do use. Our



use of added BTEX, as reported to FracFocus, decreased from 30 treatments in 2015 to eight treatments in 2016 and eventually to zero in both 2017 and 2018. Of those historical treatments that did contain added BTEX constituents, 84 percent used xylene, with the remaining 8 percent each using toluene and ethylbenzene. We work with our chemical vendors in a continuous improvement process to provide additives that minimize even the trace amounts of added BTEX that may be present in the select few hydrocarbon-based additives.

We conduct periodic reviews of FracFocus information and meet with vendors and subject matter experts to discuss using more sustainable chemical alternatives. We also encourage service companies to provide environmentally responsible chemical additives at economically acceptable prices.

We are working with the American Chemical Society's Green Chemistry Institute to develop a totally new approach to address the problem of biomass accumulation in hydraulically fractured wells using specialized, bio-catalytic enzymes to attack bacteria. Specialized enzymes would be safer, greener, more effective and less costly than the biocides used for this purpose today. Unlike biocides, which are synthetic chemicals, bio-catalytic enzymes are naturally occurring and nontoxic. They are also very specialized, targeting only the bacteria they are designed to attack.

We have also developed specialized fracturing additives, such as friction reducers, that work effectively in highly saline water, to facilitate further increasing our use of nonfresh, brackish water sources.

97%

of chemicals used in our North Sea operating area were from the U.K.'s "gold" or lowest production hazard group, up from 91% in 2017, as part of our effort to proactively reduce the use of potentially harmful chemicals

30%

reduction in the volume of potentially hazardous chemicals per hydraulically fractured well in Apache's U.S. operations, from 2017 to 2018

Seismicity and Oil and Gas Operations

The potential for “induced seismicity” resulting from oil- and gas-related activities has been of interest to academics, regulators and operators who have gained meaningful insight into causation mechanisms, how to identify areas of elevated risk and how to manage and reduce unwanted outcomes.

Two sources of seismicity may have a potential impact on Apache’s operations in the U.S.: events that may be associated with large-scale saltwater disposal, and events that may be associated with hydraulic fracturing.

We carefully review the potential for induced seismicity in our operating areas based on an analysis of available geologic data, including known fault characteristics, states of stress and other parameters. Our subject matter experts follow the most current research in the field, and we actively engage with leading experts to test ideas and interpretations. While state-of-the-art analysis notionally suggests where induced earthquakes might be more likely to occur, or where they appear less likely or even very unlikely to occur, it remains impossible to predict such events with any confidence. Current tools are merely guides to better practices, and Apache uses them appropriately to mitigate risk.

Our primary strategy for mitigating the potential for induced seismicity from

saltwater disposal is by reducing the amount of water we need to dispose – in particular by recycling and reusing water in our own operations (see pp. 42-45). We have made exceptional progress in this area. In addition, we are exploring ways to recover and reuse water that has already been disposed in injection wells, which could reduce water pressure in those existing disposal reservoirs.

When disposing of water in Apache-operated disposal wells, we ensure compliance with applicable federal and state regulations regarding underground injection control. The requirements include pressure testing, mechanical integrity testing and monitoring of injection rates and pressures. When utilizing commercial disposal wells, we assess their operating processes to ensure compliance with best practices and relevant regulations. The auditing process includes assessing third-party disposal contractors’ operating procedures; investigating any potential violations, fines, inspection deficiencies or

lawsuits filed by regulatory agencies; reviewing compliance with applicable regulations, permits, orders and facility-specific requirements; and conducting our own site visits.

Of Apache’s current and recent operating areas, two are considered by state authorities to have a meaningful risk for induced seismicity. We’ve taken additional precautions in these areas, as described below.

In the SCOOP/STACK play in Oklahoma, regulators have imposed limits on injection wells and, more recently, began requiring monitoring of wells during hydraulic fracturing to comply with a “stop-light” response protocol for activity based on the magnitude of directly generated seismic events. Apache has had limited operations in the SCOOP/STACK play, and we sold these assets in May 2019. Prior to that sale, we routinely went beyond regulatory requirements for monitoring by a wide margin and employed extensive microseismic arrays and downhole monitors. We also

contracted with independent service vendors to provide "off-lease" surface seismic detection arrays and near-real-time seismic event characterization when we conducted hydraulic fracturing operations. When any of our monitoring systems suggested that event sizes were increasing, we activated contingency plans and techniques to modify our operations in order to prevent events above specific magnitudes. While owning this asset, we successfully applied these techniques and were able to avoid seismic events that would have required us to suspend or cease operations.

The Delaware Basin, part of the West Texas Permian Basin, is naturally the most seismically active part of Texas, and it has witnessed the most significant increase in mapped and located seismic events. The vast majority of these events are small, with magnitudes less than 2.5. The timing of the increase in these events corresponds with an increase in oil and gas industry activity in the region, including an increase in the underground

injection of produced water for disposal into the Delaware Mountain Group formation area of the Delaware Basin. Apache's Alpine High play is adjacent to areas with elevated small-magnitude event counts, as shown on maps found on the state of Texas' TexNet website. Many presume that those events are related to the water disposal activities of operators in the area. To mitigate such risks, we have actively engaged with commercial disposal well companies, offset oil and gas operators and the Railroad Commission of Texas (RRC), which regulates oil and gas activities in the state, to reduce the potential for disposal well permits to be issued in specific geologically complex areas. Currently the RRC does not have any requirements limiting or monitoring hydraulic-fracturing-related (as opposed to water-disposal-induced) seismicity in this area. However, all parties are concerned about the causes of increased seismicity in the area and are actively encouraging collaboration among industry, state and

academic research groups to better resolve the situation.

In the Midland Basin, another part of the West Texas Permian Basin, the risk for induced seismicity is considered minimal. However, we do recognize that potential issues exist, depending on how the saltwater disposal business grows in the future.

In an effort to be on the cutting edge of seismicity issues, we collaborate with leading universities, including Stanford University, the California Institute of Technology and the University of Texas at Austin, and fund research to better understand and model the fundamentals of induced seismic activity. For example, we support and engage with the Center for Integrated Seismic Research at the University of Texas' Bureau of Economic Geology, as well as the TexNet project, a seismic monitoring effort.

Air Emissions

Greenhouse gases (GHGs) are emitted during the production, processing and transportation of natural gas and oil. We are working to reduce these emissions across our operations.

Reducing Methane Emissions

Small quantities of methane – the primary component of natural gas – can be released to the atmosphere during production, raising the lifecycle carbon intensity of natural gas and reducing the total amount of product we are able to sell. Reducing these methane emissions is an important social, environmental, safety and economic issue for natural gas producers.

We work hard to reduce methane emissions in our own operations and collaborate with others in the industry to develop better approaches to leak detection and emission reduction. We use a range of methods to minimize methane leaks, such as careful design and engineering of new facilities and preventive maintenance programs. We adhere to applicable design standards, follow recognized best engineering practices, and use equipment specifically designed to perform in severe service conditions, in which the materials produced are high temperature, abrasive or corrosive. Our preventive maintenance programs can help to minimize methane leaks from equipment and preemptively

identifying maintenance issues or improperly functioning equipment by utilizing historical operational data to facilitate proactive upkeep, repair and replacement schedules.

Leak detection and inspections for compliance with associated rules and regulations are an ongoing and regular part of Apache employees' on-site activities. New and existing facilities are inspected during regular operations. We strive to repair leaks at the time they are detected; when this is not possible, the leak is repaired when the required resources become available and safe operating conditions can be assured.

Field employees are trained to perform olfactory, visual and audio (OVA) inspections for possible leaks as a part of their overall competency training. New employees must demonstrate competency in safety and operating requirements such as OVA inspections before conducting field work without the supervision of more experienced employees. The illustration at right describes the components of an OVA inspection.

As a part of our leak detection and repair (LDAR) program, we use optical gas imaging (OGI) cameras to examine all newly constructed facilities before they come online, to verify that our design and construction plans do indeed prevent leaks as expected. OGI cameras distinguish temperature differences relative to ambient air to detect escaping gas; they cannot identify the size of a leak or its constituents. All employees and contractors using OGI cameras are appropriately trained to interpret survey results and initiate next steps to determine the nature and source of an identified leak.

OGI inspections focus on all components of a facility that have the potential for methane leakage, including actuators, flanges, manifolds, pressure vessels, tanks and valves. These facilities are reexamined at least twice per year with an OGI camera. We also use OGI cameras to assess equipment as a part of risk-based mechanical integrity programs and to inspect wellheads, compressor stations and buried pipeline routes near residential communities and public facilities.



Olfactory, Visual and Audio Inspection



Identify abnormal odors, which could indicate the presence of leaking natural gas, some components of which have a strong odor



Observe site conditions and note changes in equipment and the site, which could be related to or result in leaking equipment



Listen for auditory cues that equipment is not operating correctly and may be leaking

Helping Industrywide Initiatives Achieve Emission Reduction Goals

Apache is participating in efforts to reduce methane emissions through industry partnerships that are setting and meeting voluntary goals and commitments to drive performance improvements.

We are a charter member of the **ONE Future Coalition**, for instance – a group of 21 companies from across the natural gas value chain that is working to reduce methane losses to less than 1 percent of total methane production across the value chain by 2025. The natural gas value chain is defined as operations in the production, gathering and boosting, transmission and storage, gas processing and distribution segments. In 2018, ONE Future companies collectively surpassed the 1 percent goal seven years early, achieving a combined member leak/loss rate of 0.552 percent across the entire value chain. For more information on Apache's methane emissions performance, see pp. 60-63.

We are also a member of the American Petroleum Institute's **The Environmental Partnership**, a group of more than 60 U.S. oil and gas companies working together to address environmental challenges and improve environmental performance in our industry. As a member of the partnership, Apache has made and is implementing three commitments to help reduce emissions:

- Implement a leak detection program, including ongoing monitoring and timely repair of fugitive emissions utilizing detection methods and technologies such as OGI cameras at all relevant sites within the next five years. As part of this program, we commit that repairs of any identified leaks will be completed within 60 days unless a delay of repair is required until the next scheduled shutdown or pending the availability of parts necessary for the repair. As of year-end 2018, 100 percent of our relevant U.S. sites had LDAR monitoring in place, and 100 percent of detected leaks were fixed within the set timeframe.
- Replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices within the next five years using alternative technologies such as continuous-low-bleed controllers, intermittent-vent controllers, electrically operated controllers and valve actuator or mechanical controllers, or compressed air to replace natural gas as the motive gas. From 2017 to 2018, we reduced the number of high-bleed pneumatic controllers in our onshore U.S. operations by 7 percent, replacing them with lower-emission alternatives.
- Implement a monitoring program to minimize emissions associated with the unloading of liquids that can build up and restrict natural gas flow, particularly as a well ages. In 2018, we reported no unmanned manual liquids unloading processes in our onshore U.S. operations, which reduced emissions.

Decreasing Operational Process-Related GHG Emissions and Energy Use

We are working to decrease operational process-related GHG emissions and energy use by optimizing the efficiency of our operations. To foster a culture of emission reductions, annual compensation incentives for Apache executives are tied to methane emissions performance.

We seek to minimize emissions by reducing the venting and flaring of gas. We avoid directly venting natural gas wherever practicable. We conduct reduced-emission completions, a process that captures gas produced during well completions and workovers so it can be processed for sale rather than flared. In 2018, we performed reduced-emissions completions for 100 percent of the natural gas wells completed using hydraulic fracturing.

Also in 2018, we completed projects that increased our operational efficiency and reduced emissions. These projects – which included electrification, power efficiency and operational changes – will also benefit our bottom line by reducing operating costs. For example:

- In the Alpine High operating area, we implemented an automated choke system to decrease production or shut-in wells to reduce flaring as needed due to downstream facility or capacity issues. In the third quarter of 2018, we installed remotely controlled wellhead chokes, and moving forward, new wellheads will be equipped with these automated chokes. With this technology, we reduced emissions by more than 11,000 tonnes of carbon dioxide equivalent (tCO₂e) in 2018 and reduced flaring to only 1–2 percent of total gas sales in the last few

months of the year. The total volume of gas saved from flaring will continue to increase throughout the operating life of wells equipped with this technology.

- In the North Sea, we completed a project on our Forties Alpha platform to increase power generation from natural gas. The availability of gas from the Aviat gas reservoir enabled a significant reduction in diesel use and associated gas flaring. During 2019, we are investigating additional opportunities to optimize power generation and reduce flaring and diesel consumption.
- Where we have access to the electrical grid at well sites and facilities, we prefer to power operations using electricity rather than internal combustion engines, thereby reducing fuel consumption and on-site GHG emissions.

In Egypt, we are working to eliminate associated gas flaring to support the Egyptian government's endorsement of the World Bank's Zero Routine Flaring by 2030 Initiative.

Air Emissions Performance

We focus on emission intensity metrics, rather than on gross tonnage of emissions, to gauge our performance in controlling emissions and improving operational efficiency. We do not develop targets based on gross GHG emission reductions because they are skewed by numerous variables, including the divestiture or acquisition of facilities, commencement of new facilities, declining gas and oil production at old facilities, and changes in equipment, regulations and/or transport availability. Emission intensity is a better metric, as it accounts for and normalizes these kinds of operational changes over time.

Apache tracks carbon dioxide, methane and nitrous oxide emissions from our drilling, completion and production operations. We monitor a range of emission sources, including combustion, storage, loading and transport, flash gas, flaring, dehydration, venting, fugitive emissions and gas processing, to determine our overall GHG inventory.





Methane Intensity Goals and Progress

In 2018, we updated our global methane intensity goal to be in alignment with the ONE Future Coalition's revised segment targets.¹¹ ONE Future's overall goal remains the same: to reduce emissions of methane to less than 1 percent of total methane production across the natural gas value chain. But to better align with the U.S. Environmental Protection Agency's Subpart W reporting segments, ONE Future revised the segment targets that make up that overall 1 percent.

Our Methane Goal

0.37%

Our goal is to reduce global methane emissions from our natural gas and oil operations to 0.37 percent or less of gross methane production by 2025

40%

reduction in global methane intensity since 2014

On track

to reach our global methane intensity goal by 2025

¹¹We track methane emissions from natural gas and oil operations and include these emissions in our calculation of global methane intensity. This differs from the ONE Future intensity goal and segment targets, which only include methane emissions from natural gas operations.

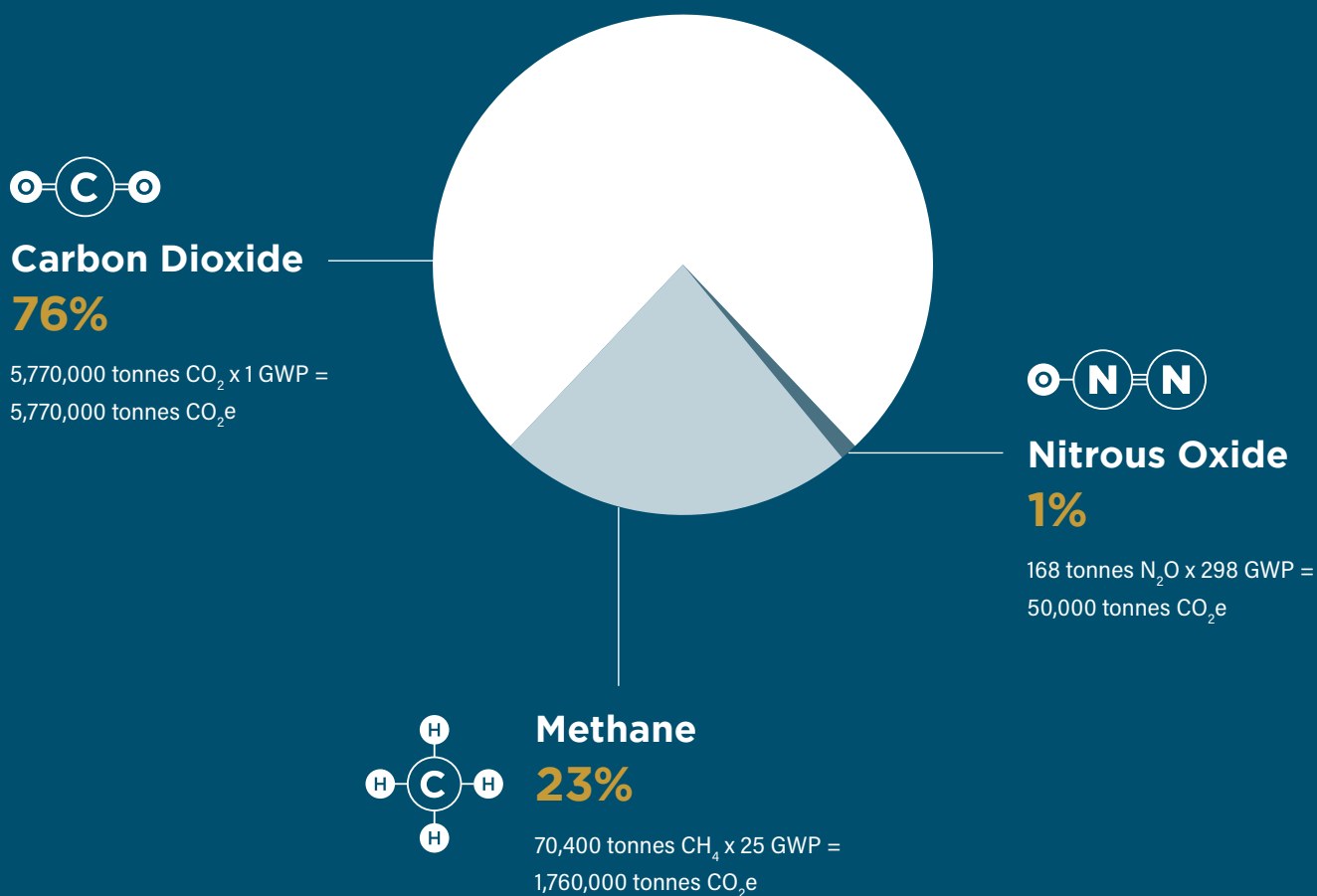
Apache's Greenhouse Gas Emissions

The main greenhouse gases (GHGs) emitted from operations in the upstream oil and gas industry and included in our GHG inventory calculations are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Each of the GHG components has a global warming potential (GWP) assigned to it by the U.S. Environmental Protection Agency for use in its GHG reporting programs. The volume of each component gas – multiplied by its GWP – results in a calculated value of carbon dioxide equivalents (CO₂e) for that component.

We monitor a range of emission sources, including combustion, storage, loading and transport, flash gas, flaring, dehydration, venting, fugitive emissions and gas processing, to determine our overall GHG inventory.

We measure our progress in reducing GHG and methane emissions based on intensity metrics (emissions per unit of production) rather than gross emissions, because intensity metrics provide a more comparable year-over-year measure of our performance that is not skewed by changes in activity levels, acquisitions and divestitures, and other factors.

Apache 2018 GHG Emissions = 7,580,000 tonnes CO₂e

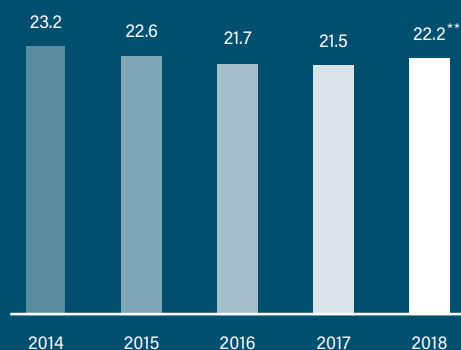


Apache Emissions Performance

4% decrease in global GHG emissions intensity since 2014

40% decrease in global methane emissions intensity since 2014

Global GHG Emissions Intensity
tonnes of CO₂e/Mboe*



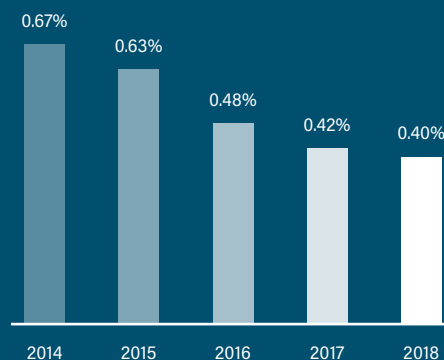
GHG emissions intensity =

$$\frac{\text{Gross emissions in tonnes of CO}_2\text{e}}{\text{Gross production in Mboe}}$$

* Mboe stands for thousand barrels of oil

** The increase in global GHG intensity from 2017 to 2018 is due to an increase in CO₂ emissions from diesel fuel combustion used to power remote operations within the two Egypt joint venture entities, Khalda and Qarun Petroleum Companies.

Global Methane Emissions Intensity
percentage rate



Methane emissions intensity =

$$\frac{\text{Gross tonnes of methane emitted}}{\text{Gross tonnes of methane produced}}$$

Our Approach

to Climate Change-Related Risks

We identify and manage potential risks and opportunities related to climate change as part of our ongoing enterprise risk management and business planning processes, which are overseen by senior management and our Board of Directors.

There is growing interest in how oil and gas companies may be affected by increased carbon regulation, as well as how companies are assessing and managing climate change-related risks, such as the risk of carbon assets becoming stranded. Some have expressed concern about the potential financial risks companies may face due to increased carbon regulations, changes in energy demand and/or competition from lower-carbon energy sources as nations reduce fossil fuel use.

We are paying close attention and giving careful thought to the issue of climate change and its potential implications for Apache and our stakeholders. We recognize that investors are increasingly interested in how companies are assessing and managing climate change-related risks, especially those that may have financial implications. This growing interest is reflected in part in the development of the Task Force on Climate-related Financial Disclosures (TCFD) and the increasing support for and use of its disclosure recommendations by the investment community and public corporations.

Over time, we have been increasing our disclosures regarding how we identify and address climate change-related risks. In this year's

sustainability report, including in this section, we have further expanded our reporting and aligned it to the TCFD's recommendations to disclose information on climate change-related governance, strategy, risk management, and metrics and targets. (See p. 177 for an index of TCFD-related disclosures throughout the report.)

Governance

Apache's Board of Directors and senior management are directly engaged in assessing and managing climate change-related risks and opportunities. The Board's Audit Committee oversees our risk management process (described in more detail below and on p. 24), which includes management of climate change-related risks. The Corporate Governance and Nominating Committee oversees the company's management of and performance on environmental issues. In addition to the work of these committees, the full Board receives regular updates on climate change-related issues, including risk management and GHG emission management and performance. (See more on our Board structure and its management of environmental issues on pp. 20-25.)

Apache's senior management considers climate change-related issues as part of its regular,

ongoing efforts to manage environmental risk. We also expanded the HSSE performance-related compensation incentives for senior managers to include methane emission and freshwater usage reduction goals. This builds on our previous move to increase HSSE goals from 5 to 10 percent of the portion of management's annual cash incentive bonus payments that is based on meeting corporate objectives. (See the HSSE Governance section (p. 36) for more on how we manage environmental issues.)

Strategy

We have identified a range of potential risks and opportunities related to climate change that could impact our business, and we have integrated these risks and opportunities into our business planning process.

These include but are not limited to the following:

Risks

- Changes in regulatory frameworks that could impact the cost of our operations and/or products
- Changes in consumer demand and preferences
- Changes in investor assessments and requirements

- Competition from other energy sources
- Physical risks such as from changing weather patterns

Opportunities

- Cost savings and/or revenue enhancements associated with new technologies that can make our operations more resource-efficient
- Financial and reputational benefits associated with managing climate-related risks
- Increased investor demand, and increased access to and reduced cost of capital
- Improved regulatory relationships associated with proactive, constructive engagement on regulatory issues and voluntary performance improvements
- Improved employee attraction and retention based on our track record as a responsible operator



Apache's Scenario Planning Framework

As part of our regular, ongoing business and planning risk management processes, we use a scenario planning framework to assess potential climate-related risks and opportunities, including forecasts of future demand and pricing in energy markets and changes in government regulations and policy. We consider a range of pricing scenarios when forming our long-term investment and development plans, including scenarios in a carbon-constrained world. We cast a wide net and include the input of experts from a number of internal functional areas to ensure rigorous scenario planning in an uncertain world.

We continuously manage our asset mix to further limit our exposure to carbon risk. Given the dynamic nature of our business, scenario analyses are much better conducted over five-year, rather

than ten-year, timeframes. While we do our best to look ahead, we also believe that being conservative, thoughtful, open and nimble are the best ways to run a responsible exploration and production company in light of today's important environmental policy issues.

Our best protection – from an investment and a policy point of view – is managing the life expectancy of our proved resource base. A long-duration production cycle would not only sacrifice financial value, it would expose the capital invested to a greater risk of fluctuations in long-term hydrocarbon demand trends. Proactively managing our portfolio, coupled with our relentless focus on being one of the lowest-cost and most resource-efficient operators in our industry, maximizes our potential as a premier corporate citizen.

Our portfolio approach also enables us to shift capital investment away from certain assets in response to changes in regulations, energy demand or other factors, in order to limit our financial risks. This strategy is supported by IHS Energy's *Deflating the "Carbon Bubble"* report, which concludes that integrated oil and gas company investments face limited near-term carbon-related financial risk because "the intrinsic value of most publicly traded oil and gas companies is based primarily on the valuation of proved reserves, 90 percent of which are expected to be monetized in the next 10–15 years."¹²

Recent studies by the International Energy Agency (IEA) suggest that, even in a carbon-constrained future scenario, where carbon dioxide in the atmosphere is kept to 450 parts per million, demand for natural gas will continue to grow for the next 20 years, and natural gas and oil will continue to make up approximately half of the

Our Scenario Planning Framework



¹² N. Meyer and L. Brinker, *Deflating the "Carbon Bubble": The Reality of Oil and Gas Company Valuation*, IHS, 2014, <https://ihsmarkit.com/research-analysis/q22-deflating-the-carbon-bubble.html>.

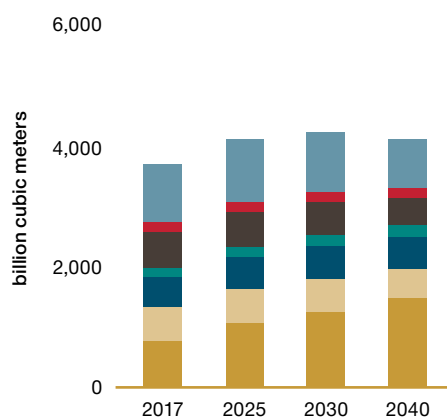
overall energy mix. This study suggests that natural gas and oil will continue to play an important role for decades, even in a lower-carbon energy future.

We also believe that natural gas – an important part of our product portfolio – has a key role to play in helping to reduce global GHG emissions. According to the IEA, global energy-related carbon dioxide emissions were flat from 2014 to 2016 even as the global economy grew. The IEA notes that this decoupling of economic growth from carbon dioxide emissions is due in part to the increased use of natural gas in electricity generation. Though global emissions did grow in 2017 and 2018, they grew by considerably less than they would have

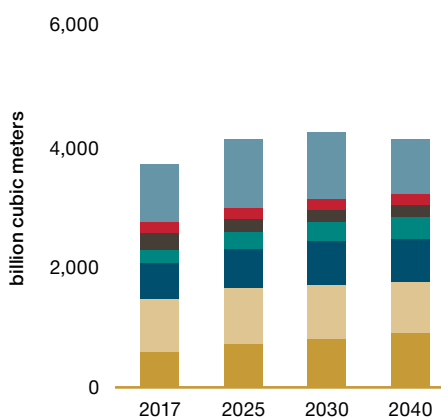
otherwise thanks to this increased use of natural gas instead of coal in electricity generation. This trend was especially true in the U.S., where more natural gas has been used in electricity generation than coal since 2016. The most recent report by the U.S. Environmental Protection Agency (EPA) on GHG emissions also supports this point. According to this report, net GHG emissions in the U.S. decreased by 11 percent overall from 2005 to 2016, and GHG emissions from fossil fuel combustion in the electric power sector decreased by 25 percent during that same timeframe, in large part due to the increased use of natural gas in electric power generation.¹³

Projected Demand for and Production of Natural Gas Under the IEA's Sustainable Development Scenario¹⁴

Natural Gas Demand 2017-40



Natural Gas Production 2017-40



● North America ● Central and South America ● Europe ● Africa ● Middle East ● Eurasia ● Asia Pacific

¹³ U.S. EPA, *Inventory of U.S. GHG Emissions and Sinks 1990–2016*, March 2018.

¹⁴ IEA, *World Energy Outlook 2018*, <https://www.iea.org/weo2018/fuels/>.

Risk Management

The results of our comprehensive scenario analyses are integrated into our overall risk management process, which includes senior managers and executives on the Corporate Risk Management Committee. This committee is overseen by our Board of Directors and the Board's Audit Committee (see more on p. 26). Apache also has a separate risk management function focused specifically on health, safety, environmental and security risks – including climate change-related risks. These formal risk management teams work together with all Apache employees to understand and mitigate risks across our operations. People at all levels of the company and in a wide range of departments – such as Planning, Operations, Facilities, HSSE, Marketing, Tax, Risk Management, Treasury, Public Affairs, Government Affairs and others – participate in carefully analyzing the potential impacts of climate change-related risks on our business to ensure rigorous and comprehensive risk management.

Managing Climate Change-Related Risks and Opportunities

We are developing innovative approaches to operational processes that lower our costs, reduce our environmental footprint and maximize capitalization of natural gas in a lower-carbon energy future. For example, we are working to reduce fugitive methane emissions (see p. 56). We employ an LDAR program using the latest equipment and technologies to reduce methane losses. We are also addressing GHG emissions from our operations by reducing flaring and using natural gas and electricity to power our equipment rather than higher-emission diesel engines (see p. 59).

We also take very seriously and are working to address the potential physical impacts to our operations posed by climate change. For example,

to mitigate the risk of reduced water supplies critical to our operations, we are continuing our efforts to maximize water recycling, especially in water-scarce areas (see pp. 42-45, 156-157).

We are also collaborating with industry, government and nongovernmental partners to encourage others in our industry to reduce emissions and to develop more effective technologies to do so. Apache is a charter member of the ONE Future Coalition, a group of 21 companies from across the natural gas value chain that is focused on reducing methane losses to less than 1 percent of total methane production from the wellhead through to the point of use by 2025 – a science-based goal developed to support the ongoing climate benefits of natural gas. We have also joined the American Petroleum Institute's (API's) The Environmental Partnership, a group of U.S. oil and gas companies working together to address environmental challenges and further improve environmental performance in our industry. (See p. 58 for more information on these partnerships.)

Metrics and Targets

We use a range of metrics and targets to assess and drive our performance in managing climate change-related risks, in particular our ability to reduce operational GHG emissions. We measure our progress in reducing GHG and methane emissions based on intensity metrics (emissions per unit of production) rather than gross emissions, because intensity metrics provide a more comparable year-over-year measure of our performance that is not skewed by changes in activity levels, acquisitions and divestitures, and other factors. We measure and report our GHG emissions as total carbon dioxide equivalents and by primary gas type, including carbon dioxide, methane and nitrous oxide. (See pp. 62-63 and 162 for methane and GHG emissions performance data.)



To help drive performance improvements, we have adopted a global methane emissions intensity target to emit 0.37 percent or less of gross methane production by 2025, and we are on track to meet this target. Through the API's The Environmental Partnership, we have made three commitments toward reducing our methane emissions: implementing a leak detection program at all relevant sites within the next five years; replacing high-bleed pneumatic controllers

with low- or zero-emitting devices within the next five years; and implementing a monitoring and emission reduction program for liquids unloadings within the next 18 months. We are making progress on all of these commitments (see p. 58). As mentioned previously, we also include methane emission and freshwater usage reduction goals as part of our senior management compensation incentives.

Biodiversity

At Apache, protecting species and habitats from the potential effects of our operations is an important priority.

We always consider threatened and endangered species and habitats in the areas where we operate, and in some operating areas we conduct biodiversity assessments as part of our pre-development planning processes. We then compose our development plans accordingly to protect threatened and endangered species and habitats. We also participate in collaborative efforts to conserve biodiversity in our areas of operation.

Protecting Sensitive Species Across Our Operations

In Alpine High, Apache's newest operating area, we conducted a comprehensive biodiversity assessment before beginning exploration. We identified a small area of critical habitat for the black-capped vireo, a formerly federally listed endangered bird that uses the region in its annual migration. This species was delisted in the spring of 2018 thanks to conservation efforts that enhanced its habitat and supported population recovery. We still regularly screen the species' designated habitat for the presence of nesting birds, and we will not operate in those areas if nesting birds are present.

Apache has also participated in a collaborative conservation effort to protect the population and habitat of the lesser prairie chicken (LEPC), a species of prairie grouse endemic to the southern high plains of the U.S. As part of this effort,

which was initiated to help prevent the species from having to be listed as threatened or endangered, Apache enrolled nearly 1 million acres in conservation plans and paid fees to help landowners conduct conservation efforts on their own properties. Through a combined effort by a number of companies, including 105 oil and gas operators, 7 million acres have been conserved and more than \$66.1 million in funding for conservation programs has been collected from private industry. The conservation efforts focus on protecting, improving and restoring native habitat to help LEPC populations recover and thrive. Thanks in part to the success of the conservation plans, the LEPC population has flourished.

We undertook a similar process in New Mexico and West Texas regarding the dunes sagebrush lizard. As with the LEPC, this species was removed from consideration for listing under the federal Endangered Species Act due in part to

voluntary conservation activities carried out by companies in the oil and gas industry, including Apache.

In the marine environments where we operate, we are using careful location-specific management programs that incorporate the latest technology and tools to assess, mitigate and minimize the potential impacts of seismic operations on marine ecosystems. In Suriname, where we will be drilling our third exploratory well in 2019, every drilling ship will have on board a certified protected species officer (PSO) with the dedicated responsibility of looking out for whales, turtles and other sensitive marine species in the drilling area when seismic activities are occurring. These PSOs can stop any seismic activity if they see a protected species in the drilling area. So far, more than 10,000 square kilometers of exploratory marine seismic survey has been conducted in our offshore Suriname exploration activities with no observed impact to marine wildlife.





Protecting Dark Skies in Alpine High

The Alpine High area is known for its dark skies. Increased light pollution can have significant impacts on wildlife populations, including disruptions to migratory bird behavior and nocturnal animals' biorhythms.

Apache has worked proactively with the nearby McDonald Observatory, which is located in the area precisely because of the uniquely dark skies, to develop light pollution reduction measures for our facilities and our industry. In our own operations, we have implemented a number of important modifications, including installing shielding on certain lights, experimenting with different fixtures and adjusting our lighting so it points downward rather than up toward the night sky. Every week, field personnel check each of the 2,400 lights we have installed to ensure we stay in compliance with dark skies measures. We also discuss dark skies compliance regularly at HSSE meetings to keep the issue top of mind for our employees and contractors.

We are now working with the Observatory to help educate others in our industry and in the community about the importance of dark skies and how to maintain them. Over the next two years, we are contributing more than \$257,000 to support the Observatory in developing industry and community educational tools and increasing staffing to provide education and assessment of local industry performance on dark skies lighting.

This new program builds on our previous support of the Observatory in developing dark skies recommendations and a training video for the oil and gas industry. Our work with the Observatory is overseen at the highest levels of the company. In September 2018, the full Boards of Directors of Apache and the Altus Midstream Company, as well as some senior executives, visited the McDonald Observatory to observe our efforts there.

Environment

Managing Lands with a Conservation Focus

While we work to protect species and habitats on all of the lands where we produce oil and gas, we have a special focus on conserving threatened ecosystems on some of our lands, including on the Ucross Ranch in Wyoming and our land holdings in Louisiana.

Ucross Ranch: A Model of Sustainable Rangeland Management

The Ucross Ranch, located near the base of the Big Horn Mountains in Wyoming, is partially owned by Apache and managed by the Apache Foundation, a nonprofit subsidiary of Apache Corporation. Since 2005, the Foundation has managed the 20,000-acre ranch as a model for profitable and sustainable land-use management practices, protecting increasingly threatened grassland ecosystems. Rather than using mechanical and chemical treatments, we use cattle as a tool to improve grasslands and reduce noxious weeds at the Ucross Ranch.

Utilizing a short-duration rotation grazing strategy for cattle has reduced bare ground on the Ranch's rangelands from approximately 50 percent to less than 2 percent and significantly improved streambank stability, all while tripling the sustainable stocking rate for cattle. In large part due to these practices, the Ranch provides excellent habitat for mule deer, white-tailed deer, pronghorn, sage grouse, sharp-tailed grouse, turkey, grey partridge and many species of waterfowl. The Apache Foundation also works with the Wyoming Game and Fish Department to open public access routes across the

Ranch to provide improved hunting opportunities for deer, pronghorn and game birds on adjacent Wyoming State Trust lands.

We regularly partner with academic researchers as well as state and national natural resource management agencies to support research and conservation projects on the Ranch. For example, we participate in the longest-running rangeland erosion study in the nation's history, conducted by Kansas State University and started by Luna Leopold, son of the famous naturalist Aldo Leopold. Apache began supporting the study in 2012 and has contributed \$20,000 each year since, in addition to providing access to study sites on the Ranch. Ucross provides a unique opportunity to assess how more traditional year-round grazing practices, originally used in this area, compare to the Ranch's current short-duration approach in terms of erosion impacts on uplands and stream areas.

In 2017, we discovered a sharp-tailed grouse lek on the Ranch, and we are working with the Wyoming Game and Fish Department to better understand how cattle grazing and other human disturbances impact sage grouse and sharp-tailed grouse breeding behavior. We are also working with the state wildlife agency to develop a project to study deer and antelope migrations. In 2018, we allowed public access to Ranch lands to help harvest white-tailed does, as part of a larger effort to address chronic wasting disease impacting local deer populations.

Protecting and Restoring Gulf Coast Wetlands

In Louisiana, Apache manages 270,000 acres of our land primarily to protect

swamps and marshes in the Gulf Coast region and the species that call these areas home. These swamps and marshes are among the nation's most at-risk wetlands. Louisiana alone has lost about 20 square miles of wetlands per year for several decades, due to the natural processes of subsidence, saltwater intrusion and shoreline erosion, as well as human activities such as levee construction along the Mississippi River and the dredging of navigation canals.

Wetlands serve as breeding grounds for thousands of species of aquatic life, land animals and birds and provide habitat for more than 5 million migratory waterfowl each year. Wetlands act as a storm surge buffer during hurricanes and provide flood control by holding excess water during heavy rainfalls. Furthermore, they replenish aquifers and purify water by filtering out pollutants and absorbing nutrients. On the Gulf Coast, wetlands also provide billions of dollars in revenue and thousands of jobs in oil and gas development, shipping, fisheries, ecotourism, recreation and other industries.

We spend more than \$450,000 per year on average to restore and protect the wetlands and marshes we own in Louisiana. Our local employees work year-round to manage and protect the land, including through vegetative plantings, operating water-control structures and rebuilding shorelines to keep out saltier waters, which kill marsh grasses. In addition to restoring and protecting wetlands and marshes on our own lands, we work with local, state and federal government agencies, conservation organizations and other oil

and gas companies on wetland projects. For example, in 2018 we worked with the Louisiana Department of Wildlife and Fisheries and the nonprofit Ducks Unlimited to help improve habitat in the Pointe-aux-Chenes Wildlife Management Area, including contributing \$50,000 and donating more than 1,150 acres to the preserve.

We also partnered with the Barataria-Terrebonne National Estuary Program (BTNEP) to build osprey nesting platforms

on our property in Louisiana, donating money, employee time and equipment to help build 10 nesting platforms on Apache land and taking BTNEP ornithologists out to the nesting platforms to monitor the ospreys' activity.

We also continue our efforts to help alligators thrive in the coastal marshes of Louisiana by supporting a sustainable harvesting and ranching operation that has helped bring the reptiles back from the brink of extinction.

Partnering to Protect the Pecos River Watershed Ecosystem

In 2019, Apache joined the Pecos Watershed Conservation Initiative, a collaborative effort of eight oil and gas companies, the National Fish and Wildlife Foundation and the U.S. Department of Agriculture's Natural Resources Conservation Service, to help protect the Pecos River watershed, which is home to many rare and endemic species. The Initiative seeks to strengthen the health of existing habitat, improve native grasslands, address water quality and scarcity for wildlife and agriculture and re-establish extirpated species by providing grants to fund conservation projects. The oil and gas companies involved have committed \$4.6 million over four years to support these projects. In 2019, the Initiative funded 11 science-based and cost-effective projects that will immediately benefit wildlife species and habitats while supporting long-term conservation and restoration goals.



Spills

We work hard to reduce spills throughout the lifecycle of our operations. We begin by planning and designing our operations to minimize the risk of spills and reduce their impact if they do occur.



During construction, we follow strict well and pipeline integrity standards, and we routinely assess the integrity of our operating equipment in accordance with recognized industry practices.

We use primary and secondary containment systems, including impermeable membranes under relevant equipment when installing new facilities in our onshore U.S. operations. We prioritize transporting produced water in

pipelines rather than trucks where feasible, to reduce the potential for spills.

We also train employees to identify and mitigate risks as part of their regular job duties, and we select contractors who do the same. During drilling and completion activities, personnel actively monitor the operations to detect spills and stand ready to respond as quickly as possible if one should occur. Some production operations are also monitored continuously

through automated on-site systems and round-the-clock manned remote monitoring centers.

In the event a spill does occur, field personnel respond promptly and follow a planned spill response protocol to determine the spill source and location and then act to minimize the potential for adverse impacts. We are also committed to following all local and national cleanup and reporting requirements. (Read more

about our crisis and emergency management process, which includes spill response, on p. 94.)

Responding to Offshore Spills

Apache has maintained memberships in multiple subsea intervention organizations that provide global access to a comprehensive package of subsea emergency response services for the industry. As described in the Health and Safety section (p. 95), we have memberships with Wild Well Control and Oil Spill Response Limited, which provide Apache with global access to several capping stacks and the ability to mobilize two in the event of an incident. The capping stacks are stored in five international locations – the U.K., Brazil, Norway, Singapore and South Africa – and are ready for immediate use and onward transportation by sea and/or air in the event of an incident.

In Suriname, Apache maintains our proactive approach toward oil spill

prevention through preparation, planning and training with key stakeholders. We have assisted the local government in the development of a National Oil Spill Contingency Plan and, along with our industry partners, provided subject matter experts to train and educate local government agencies. We evaluate oil spill response equipment providers and contract with them for specific spill response equipment based on our operations. Apache pre-stages equipment in multiple locations for rapid response in the event of a spill. Pre-staging locations include the Apache Shore Base in Chaguaramas, Trinidad, aboard contracted offshore supply vessels and a contracted drill ship, and in the Port of Paramaribo, Suriname. Though our operations are entirely located in Suriname, we have also proactively coordinated with local and state agencies in neighboring Guyana, which could potentially be impacted by any spill from our operations. We invite Guyanese

officials to participate in our spill response training exercises to establish a cross-border communication protocol, and we communicate regularly with them about spill response operations.

In addition, Apache has engaged with local exploration and production companies to work together toward the creation of an Oil Spill Response Resources Mutual Aid agreement that could be put in place in the Guyana Basin. This agreement would make available to participants the industry's collective expertise and technology in oil spill preparedness and response. While prevention is always Apache's ultimate goal, we give high priority to further expanding our capability to respond to spills.

Apache maintains a proactive approach toward oil spill prevention through preparation, planning and training with key stakeholders.

Waste

Apache's primary solid waste streams are drilling residuals and waste from our office buildings. We also are prepared to address the presence of naturally occurring radioactive material.

In 2018, we implemented formal standardized guidelines and procedures for Apache audits of third-party waste disposal facilities that serve our production operations. All waste disposal facilities will be audited against this standard regularly and will be required to meet the standards to be on our approved service provider list.

Disposal of Drilling Residuals

Drilling residuals are the mixture of mud, cuttings and drilling fluid residues that come out of a well during the drilling and completion process. We capture drilling residuals on-site and dispose of them based on composition and in accordance with applicable regulations in all of our operating areas. Disposal of residual drilling waste is tightly regulated by the individual states in which we operate. Although regulatory disposal requirements may differ slightly by state, they are fairly uniform overall and include requirements for the classification of hazardous and nonhazardous waste, manifesting, transportation and disposal methods.

In 2018, our North Sea operating area began using rig-based drill cutting

treatment and processing facilities to reduce the need to return materials to shore for treatment and disposal. This process reduces environmental impacts as well as the potential for safety incidents associated with transport.

Managing Naturally Occurring Radioactive Material (NORM)

Trace amounts of NORM that exist in subsurface rock formations may sometimes be transported to the surface as water-soluble ions in produced water. In most cases, the trace amounts of radioactive ions pass through water handling systems in concentrations below detectable limits, and only when aggregated or highly condensed do they present measurable radioactivity above natural background levels. Although these detectable radioactivity levels are typically very low and only pose a concern to workers if the material comes into prolonged direct contact or is ingested or inhaled, Apache approaches such risks with due caution and carefully adheres to applicable regulations in the handling and disposal of NORM.

When Apache's operations generate produced water that may contain NORM,

we carefully monitor water handling operations to reduce precipitation or deposits that can concentrate NORM. We routinely survey production equipment for the presence of NORM and take appropriate measures to prevent human exposure if it is detected. Relevant field employees are trained on the potential hazards of NORM and how to minimize them.

If NORM is identified, equipment with radioactivity levels above regulatory thresholds will be labeled to advise workers of the presence of NORM and to prevent disturbance of the scale material. Equipment containing NORM will be decontaminated by state-licensed service companies specializing in the management of NORM whose workers are trained to manage the material in a manner that prevents exposure. The removed NORM will be disposed of in accordance with applicable regulatory requirements to isolate the material from any future exposure. NORM disposal facilities will also be audited against our enhanced standards and procedures requirements.



4.5 million

pounds of scrap metal and wire were recycled in our Permian operating area in 2018

Aiming for Zero Waste in the Office and the Field

In 2015, we developed the AIM for ZERO WASTE recycling program to align our day-to-day office behavior with the company's mission and Core Values by encouraging employees to reduce the volume of waste sent to landfill. We reinforce our commitment to waste reduction and recycling throughout the year, including by leveraging the help of employee volunteers in our offices who work to identify and implement waste reduction opportunities and encourage recycling.

A main focus of this effort is expanding and improving waste reduction and recycling programs at each of our office locations, where local services are available. As part of this program, Apache made it a policy to stop purchasing nonrecyclable polystyrene (i.e., Styrofoam) cups where feasible and instead provide reusable beverage containers. We also offer reusable containers in our dining facilities in Houston and Midland, Texas, to further reduce the polystyrene that ends up in landfills.

In 2019, as part of our Earth Day celebration, we expanded the reusable

container program available in our corporate dining facility, switched all remaining disposal containers to be eco-friendly and eliminated plastic bags.

We also continue our commitment to recycling electronic waste; we recycled approximately 20 tons of this type of waste companywide in 2018. As part of our 2018 Earth Day celebration, Houston-based employees brought in nearly 1,000 pounds of electronic waste to be recycled.

We work to reduce impacts associated with printing and paper waste as well. For example, our Midland, Texas, office switched to an eco-friendly paper supplier that provides paper from fast-growing, sustainably produced trees grown in unused areas of rice fields. The paper has a better carbon footprint and overall environmental profile than traditional recycled stock paper.

We are also working to reduce waste in our field operations. For example, we regularly recycle scrap metal from our operations support yards. In 2018, we recycled almost 4.5 million pounds of scrap metal and wire from the 30 support yards in our Permian operating area.



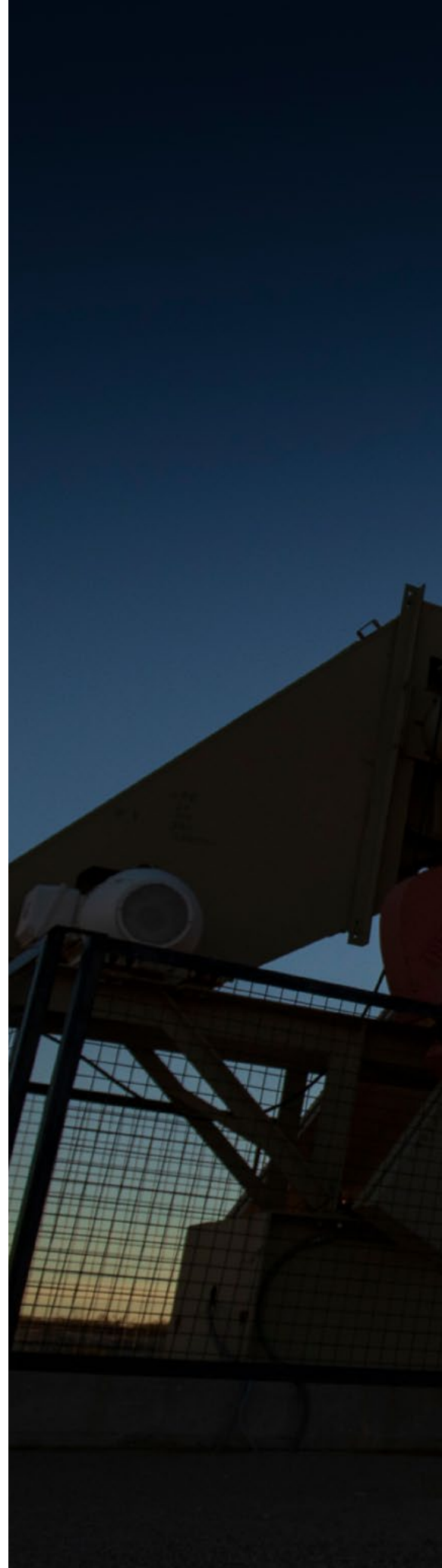
Apache employees show the National Award for Environmental Excellence® that our North Sea operating area received from Keep Scotland Beautiful.

Apache's North Sea Operations Recognized for Environmental Excellence

In recognition of our comprehensive efforts to advance sustainability, Apache's North Sea operations in August 2019 received a gold level score from the Keep Scotland Beautiful National Award for Environmental Excellence®. To earn this award, our North Sea headquarters offices – called the Caledonia House – and our overall North Sea operations were evaluated on a wide range of environmental and social criteria, including management systems and training to support sustainable operations, transparency, health and safety, waste and energy use reduction, accessibility, and community participation and support. “We’re really proud to receive this gold level score,” says Joanna Pirie, communications specialist. “It reflects the strong commitment our employees and our company have to operating sustainably and being a force for good in our communities.”

Health and Safety

The safety of our employees, contractors and communities is not negotiable and will not be compromised. Safety underpins our Core Values and is at the forefront of decision-making at every level of the Apache organization.





Building a Safe Workplace

We are focused on building and maintaining a safe workplace for all employees and contractors. A strong safety culture is essential to Apache's success, and we emphasize the important role that all personnel play in creating a safe environment.

Safety by the Numbers

27%

reduction in Workforce* Total Recordable Incident Rate since 2014

34%

reduction in Workforce* Days Away, Restricted or Transferred Rate since 2014

9%

reduction in Apache employees' Vehicle Incident Rate since 2014

* Workforce includes employees and contractors.

The oil and gas industry has a number of inherent risks. Our daily operations involve large and powerful machinery, flammable materials and chemicals. Workers are often outdoors, in all seasons and all types of weather. And our people drive tens of millions of miles each year, putting them at risk for driving incidents.

Our work teams strive to identify, assess and mitigate risks associated with our operations. Primary responsibility for safety rests with operational personnel, including individuals involved in drilling and well service, who are the ones undertaking the actual tasks. Whether during pre-job planning, on-site

observations or post-incident investigations, employees and contractors have a responsibility to manage risks to help ensure that all workers arrive home safely at the end of their work days.

Employee compensation, including senior management compensation, is tied to key workforce safety metrics. (Learn more in the Governance section on p. 20.)

In 2018 and 2019, we have been focusing on two areas in which we believe there are significant opportunities for improvement: road safety and contractor safety.

A New HSSE Management System

In 2019, we implemented a new health, safety, security and environmental (HSSE) performance management system called Insite, which allows us to better track incidents, facilitate management of change approval workflows, develop electronic checklists so that audits and inspections can be performed in the field, and improve stakeholder communications. The new performance management system will also allow us to improve our AIM for ZERO system. (Read more about AIM for ZERO on p. 90). The new software aligns all of our operating areas, allowing us to communicate pertinent health and safety data across the entire workforce in an effective, efficient and timely manner.



Health and Safety

A Focus on Road Safety

Our workforce spends a lot of time on the road, driving more than 43 million miles in 2018. Operating a motor vehicle ranks among the riskiest activities our people perform on a daily basis, and driving is the main source of industrywide safety incidents. Increased vehicle traffic related to the oil and gas industry is also one of the key concerns raised by those who live in the communities where we operate.

Road safety is a particular concern in the Permian Basin, where traffic has increased significantly as a result of oil production growth in the area. More vehicles on the road have unfortunately led to a corresponding rise in accidents. In response, Apache helped to establish the Permian Road Safety Coalition.

Originally launched in 2015 as an ad hoc group of concerned stakeholders, the Coalition acquired nonprofit status in April 2019 and is now dedicated full time to improving road safety and reducing the number of traffic-related injuries and deaths in the Permian Basin. The Coalition is a collaborative effort among oil and natural gas operators, oil field service and transportation companies, nongovernmental organizations and government agencies. Fifteen companies stepped up as founding sponsors, including Apache, which participates at the director level.

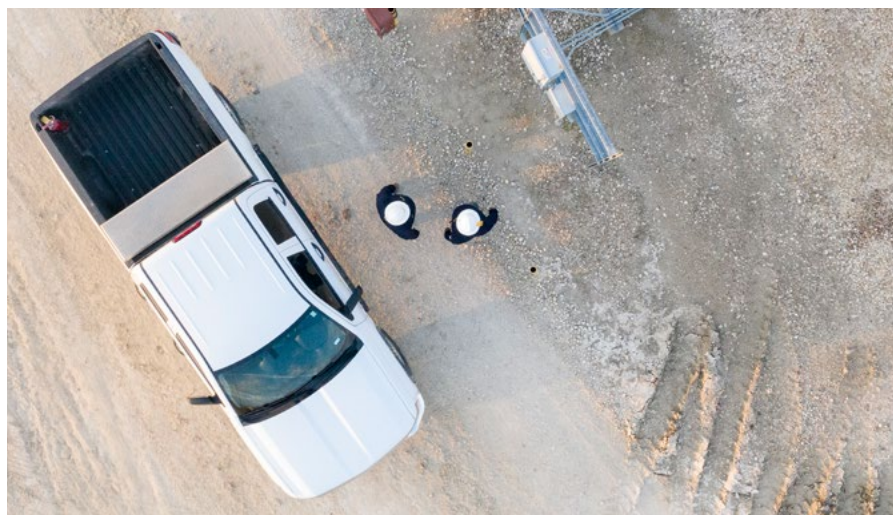
Apache has taken a multifaceted approach to helping ensure the safety of our workers and making the roads in our communities safer. This approach includes top management support, a comprehensive GPS-based vehicle monitoring system, driver feedback

and a host of training programs and policies, educational campaigns and outreach activities.

Apache's management teams support driver safety performance by analyzing and acting on key driver trends, communicating expectations and enforcing vehicle policies. Employees are reminded of our driving policies and rules as needed through companywide communications, via our online education programs and during safety meetings. We implement regular driver training – including classroom, on-road and e-learning training – across our global operations. Lessons learned from vehicle incident investigations are also shared to prevent similar incidents from recurring and to raise awareness.

Our efforts to improve driving performance have helped to lower our Vehicle Incident Rate over time, with a reduction of 9 percent between 2014 and 2018. However, the rate increased by 4 percent in 2018, and we know we can do even more to improve driver safety.

During 2018, we decided to see what we could learn from an industry known for its rigorous approach to safety: aviation. We worked with Apache's own aviation team to identify lessons we might adapt from flight safety. We zeroed in on the concept of a "sterile cockpit" – an aviation industry set of regulations prohibiting pilots from performing any nonessential duties or activities when the aircraft is taxiing, taking off, landing or flying below 10,000 feet. We analyzed vehicular incidents in the Alpine High area and found that 86 percent of accidents and episodes in the last two years occurred when the driver was entering or exiting a location or when parking or backing up – in other words, at the beginning or end of a journey. Under our new "sterile cabin" approach, employees driving on Apache business are discouraged from engaging in potentially distracting activities such as drinking, eating, smoking, talking, adjusting temperature controls or changing the radio station during critical phases of vehicle operation, including parking and reversing.





For many years we have worked with Smith System, a leader in crash-avoidance driver safety training, to help our drivers improve their skills and avoid crashes and thereby reduce injuries.

Throughout our U.S. operations, our fleets use GPS monitoring devices to track and record vehicle locations and driving behaviors (e.g., speeding, harsh braking, rapid acceleration and seat belt usage). In Egypt, our joint venture partner, the Khalda Petroleum Company (KPC), installed GPS monitors in nearly all of its vehicles in 2018, resulting in an impressive 85 percent reduction in average daily

speeding violations between mid-2018 and March 2019. Vehicle incidents also dropped by 60 percent. KPC field employees drive more than 26,000 miles collectively per day.

Coaching and training are provided when positive or negative driving behaviors are observed in the GPS monitoring data, to further improve performance and demonstrate our commitment to driving safety. The GPS monitoring system is also helping Apache increase operational efficiency and reduce our carbon footprint by identifying opportunities to decrease excessive idling.

Sterile Cabin

Refrain from nonessential activities during critical phases of vehicle operation. This includes:



Eating, drinking or smoking



Talking



Cell phones



Changing the radio station or adjusting temperature controls

Our driving-related incident rate has declined over time, with a reduction of 9 percent between 2014 and 2018.



A Focus on Contractor Safety

Like the majority of oil and gas companies, Apache relies on contractors to support nearly every aspect of our operations – from exploration and production to well closure and remediation. Contractors typically account for about two-thirds of our total workforce hours each year. We are as committed to the safety of our contractor workforce as we are to the safety of our own employees.

We ask our contractors to instill Apache's Core Values of safety and environmental responsibility in their own organizations, and we require contractors to demonstrate that they have effective safety management systems in place. The safety performance of our contractors has improved significantly over time, due in large part to our enhanced focus on verifying safety management systems and engaging with contractors.

In all of our operating areas, we actively engage with our contractors to promote effective, two-way communication. Every year, our U.S. operating areas facilitate town-hall-style meetings with both contractors and employees. The primary focus of these meetings is to review key health and safety information as well as communicate new policies and procedures. Many of these are one-on-one sessions between Apache and individual contractor companies,

highlighting specific issues or areas of concern. We include contractors in extensive job- and site-specific orientation and onboarding before they begin work on our sites. We also include them in job site safety assessments.

In our North Sea operating area, we hold quarterly performance reviews with our main contractors. These reviews provide an opportunity to discuss performance over the prior quarter against key performance indicators as well as opportunities for improvement to be adopted going forward. Each review covers HSSE performance and is augmented by enhancements to the contractor management process that we implemented in 2018.

In Egypt in 2018, we held a contractor town hall meeting with more than 100 participants representing 27 contracting companies. We spent the day-long meeting defining problem areas and outlining opportunities to address them.

Despite improvements in contractor safety overall, one area of operation in particular has experienced a recent increase in injury rates: the Permian Basin, where oil and gas companies are seeking to drive performance improvements against the backdrop of a less-experienced workforce. The boom in oil and gas production in this part of Texas has resulted in a huge influx of short-service workers – contractors with less than a

year of on-the-job experience.

Approximately 50 percent of Apache workforce injuries in the Permian Basin in 2018 were attributable to inexperienced contractor personnel, which is one of the reasons we are focused on contractor safety.

In 2018, we launched a new contractor accountability program as part of an effort to reduce the number of contractor injuries in the Permian Basin. The Partners in Premier program aims to improve operational, HSSE and business performance by creating a common culture of safety and operational excellence. We started off by selecting 13 core contractors in high-risk, critical operational areas such as construction, drilling, completion and fracturing, maintenance and transportation.

Each contractor was assigned an Apache contractor accountable manager to help establish goals and communicate Apache's expectations around safety. The ultimate goal is to keep contractors safe through adherence to stringent HSSE expectations, which, in turn, drives improvements in overall HSSE performance metrics.

Apache is also in discussions with our peers in the Permian to develop standardized safety trainings for contractors that frequently provide services to multiple oil and gas companies.

Health and Safety

Contractor Management

Apache uses various third-party databases and company protocols across the organization to evaluate potential contractors before hiring. Our comprehensive vendor selection and onboarding process assesses environmental, health and safety requirements based on regulatory, company and industry best practices, as well as technical capabilities, product quality, service quality, financial qualifications and cost. Apache's contracts for goods and services include requirements for supplier compliance with all applicable laws and regulations, as well as requirements based on Apache's own standards and expectations for the management of and performance on key issues, including safety, environment and ethics.

Over the years, we have refined our standardized contract auditing processes, which address selection, evaluation, monitoring and post-contract review. In 2018, we updated the master service agreement that we use for contractors providing U.S.-based services to the company to more clearly outline our expectations of them. All contractors working for Apache are required to have written safety and environmental programs and procedures in place. Under the revised master service agreement, our contractors also must have a Code of Conduct or Code of Ethics and a way to ensure that employees are aware of and adhering to that code. (Read about our work with contractors to raise awareness of human trafficking on p. 149.)

Depending on the type of service or work, contractors are required to develop specific safe work practices and to demonstrate that their personnel understand how to perform their job functions safely. Contractors must comply with all of Apache's health and safety requirements as well as any operations-specific programs. The companies must have robust safety policies, including a comprehensive training program, hazard identification and job safety analysis processes, stop-work authority, an incident reporting system, and drug and alcohol testing.

We assess and monitor contractors using leading third-party supply chain management tools that provide evaluations of suppliers on a range of criteria, including performance and management of safety, anti-corruption and other legal and business issues. Key contractors are regularly monitored to identify any changes in status that may affect their ability to work at one of our locations.

In addition to third-party verifications, we conduct our own periodic contractor safety audits, both on job sites and in contractor field offices. The frequency of the audits and spot checks varies by area of operation. Contractor audits assess a range of issues, including safe work practices and safety programs, and help determine that written safety programs have been effectively implemented where work is performed.





North Sea: A Focus on Contractor Performance

In our North Sea operating area, contractors perform the majority of Apache's work in the harsh offshore environment. An effective working relationship between Apache and our contractors is therefore essential to ensuring safe, environmentally responsible and efficient operations. During 2018, we updated our approach to contractor management in order to better manage risks and ensure that the companies with which we do business are making safety their highest priority.

Building on an existing high level of oversight, our North Sea operations have formalized the approach by which contractor companies are assessed. This has included development of a criticality assessment tool to determine the level of oversight required both prior to and after the contract award. This process includes a number of prerequisites, depending on the criticality of the scope provided by the contract company, such as pre-award audit, inspection, and verification of personnel competency management processes. Where contractors satisfy these pre-award requirements, specific key performance indicators are established based on the scope of work being undertaken, to ensure appropriate oversight of performance.

Regular updates, overseen by a contract accountable manager and a technical and HSSE support team, are undertaken to ensure ongoing monitoring and identification of improvement opportunities. Throughout 2019 and beyond, existing contract companies will also be assessed under this enhanced methodology to ensure all incumbents have a similarly focused approach to safety and environmentally conscious operations alongside service delivery.

This overall process provides a holistic overview of all contract companies employed by the operating area, with the tiered approach enabling greater attention to those whose work scopes present the greatest potential risk. Once fully implemented, the approach will enable company comparisons in terms of performance, as well as opportunities to better share best practices.



Apache Improvement Methods

for

Zero incidents

Empowered employees
and contractors

Responsibility for
yourself and others

Operational excellence

AIM for ZERO

We are constantly focused on working safer and working smarter. Through our AIM for ZERO ethos, we seek to establish and maintain a safe and environmentally responsible workforce. AIM for ZERO is a state of mind and an empowerment tool for employees to do what they need to do to protect their safety, the safety of others and the safety of the environment. We know zero is an aggressive target – zero incidents, zero near misses, zero preventable occurrences and zero fatalities. But we believe it's the mindset we need to deliver true operational excellence.

Formally rolled out in 2013, AIM for ZERO provides tools and resources that empower our people to identify and report potential hazards, share their ideas for improvement, and stop work whenever necessary – supporting our safety culture by putting action into the motto

of “See Something, Say Something, Do Something.” We continually emphasize AIM for ZERO to our people to make sure it is fully embedded within our company culture.

Employees and contractors can make their voices heard by:

- filling out an online form;
- filling out hard copies of forms at our various locations of operation; or
- calling 1-855-296-6400.

All submissions trigger actions as well as preventative measures and/or process improvements to be implemented through the development of mitigation plans. Perhaps even more important, we make it clear that employees will never be reprimanded for reporting a safety concern or incident or for stopping work they deem unsafe.

Health and Safety Training and Education

We offer a wide range of training programs for employees and contractors to promote their full understanding of, and compliance with, our health and safety policies and programs and to help build the skills needed to work safely. In addition to providing specific skills, these trainings encourage personal responsibility for safe operating conditions and help build a culture of individual accountability for conducting job tasks in a safe and responsible manner.

Our online training platform, which is incorporated into Apache Academy, gives employees easy access to safety-related information. We have hundreds of training courses available to keep field employees and managers informed about evolving issues and best practices. (Learn more about Apache Academy on p. 102.)

We also expect our contractors to have high-quality training programs for their employees. Although our contractors bear responsibility for training their employees, we evaluate the effectiveness of their training programs when making decisions about which contractors will work for us.

Industry Life-Saving Rules

The International Association of Oil & Gas Producers (IOGP) recently released a sobering statistic: Between 2008 and 2017, 376 people lost their lives in industry work-related incidents that could have been prevented had the IOGP's safety rules been followed.

In 2018, the IOGP updated its set of Life-Saving Rules at iogp.org/life-savingrules/ as part of an effort to simplify, standardize and improve them – and to save lives as a result. The rules are meant to supplement and support a company's own health and safety management system.

Both our North Sea and Egypt operations have been working to embed the new Life-Saving Rules within their day-to-day safety operations. In Egypt, Apache sponsored the Ministry of Petroleum's Annual Safety Day 2018, which included presentations from the IOGP safety director and the American Society of Safety Professionals president on the latest safety updates. In the U.K., Apache has been liaising with other key operators and service companies to identify how they have embedded the Life-Saving Rules within their day-to-day operational practices, with a view toward ensuring increased visibility of, and compliance with, these rules at all stages of the work cycle.





Health and Safety Performance

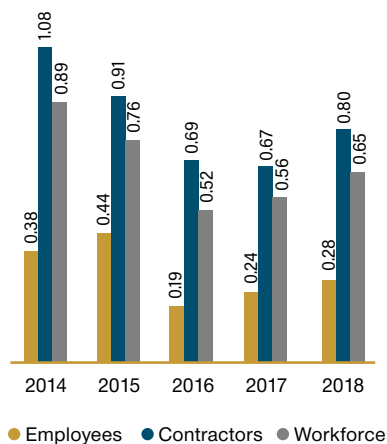
In 2018, the Total Recordable Incident Rate (TRIR) for our overall workforce increased, from 0.56 in 2017 to 0.65, while the Days Away, Restricted or Transferred (DART) rate increased from 0.23 in 2017 to 0.33. Despite the upward trend last year, which was largely due to incidents involving short-service contract workers, these figures are 27 percent and

34 percent lower, respectively, than they were in 2014. The 2018 Vehicle Incident Rate (VIR), meanwhile, rose 4 percent from the prior year, but was 9 percent lower than in 2014.

Regrettably, there was one contractor fatality related to driving in 2018. We identify and communicate root causes

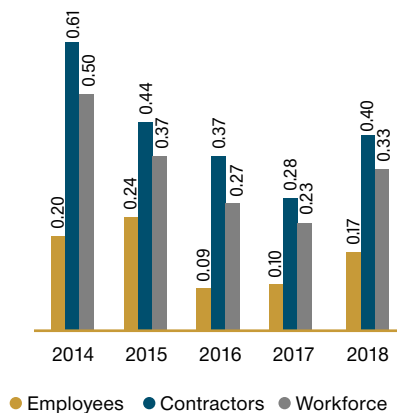
and incorporate lessons learned from such incidents so that, to the best of our ability, we can eliminate across our operations the conditions that resulted in them. Our 'A' Game training tool provides a more unified and consistent means to communicate lessons learned and general safety alerts. (Learn more about 'A' Game on p. 102.)

Total Recordable Incident Rate



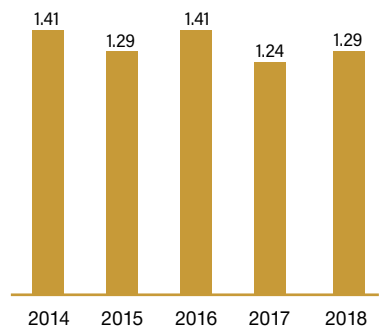
The TRIR is calculated by multiplying the total number of recordable injuries by 200,000 hours, then dividing by the total hours worked.¹⁵ The TRIR measures the rate of work-related injuries and illnesses that result in medical treatment beyond first aid. Medical treatment includes, among other things, the use of prescription medication to relieve inflammation or ease discomfort.

Days Away, Restricted or Transferred Rate



The DART rate is calculated by multiplying the total number of DART injuries by 200,000 hours, then dividing by the total hours worked.¹⁵ DART cases considered in this rate are those work-related injuries and illnesses that lead to an employee missing work, requiring restrictions in work duties or requiring a transfer from regular work duties.

Vehicle Incident Rate



The VIR is calculated by multiplying the total number of recordable vehicle incidents by 1 million miles, then dividing by the total miles driven.¹⁶

¹⁵ Apache employees and contractors worked more than 54 million hours in 2018.

¹⁶ Includes miles driven by Apache employees.

Crisis and Emergency Management

Apache's approach to crisis and emergency management follows a four-part process: plan, prepare, respond and recover. Apache has diverse operations in multiple countries with varying operational risks and local, regional and national crisis management regulations and requirements.

Crisis Management Approach



In response, we have developed a corporate Crisis Management Plan that establishes our Corporate Preparedness Framework. This framework outlines our planning process and personnel response training, so that we are prepared should an emergency incident occur. All of our operating areas are required to meet our corporate standard for emergency response preparedness. This includes, but is not limited to, developing location-specific all-hazard response plans, training response personnel, performing drills and exercises, and drafting response plans for each asset, in accordance with applicable regulations.

Our Corporate Preparedness Framework is designed to:

- secure and protect our people, contractors, neighboring communities, facilities, information, operations and the environment in a manner consistent with applicable laws and policies, as well as with our corporate Core Values;
- quickly and effectively identify, respond to, manage and recover from crises;
- minimize the impact of incidents on Apache's people, facilities, operations and stakeholders; and

- maintain response capabilities through ongoing planning, training and quality assurance activities.

Our Corporate Preparedness Framework also establishes an iterative and ongoing process for identifying risks, preparing and training for incidents, managing crises, and incorporating lessons learned from events for continuous improvement.

Apache's corporate office and each of our operating areas develop and maintain their own business continuity plans identifying the critical processes, personnel and resources needed to resume operations as quickly as possible should a business interruption occur. Mitigation strategies for a business continuity response are based on thorough risk and business impact analyses. These are not cookie-cutter plans, as the potential for business disruptions varies significantly from one operating area to another.

Apache Global Response Team

To support our crisis response capabilities, Apache has a Global Response Team of more than 100 employees who train together to support and augment specific incident management teams. The Apache Global Response Team receives advanced

incident command system training. Having this team in place ensures that we are prepared to respond quickly to emergency incidents and maintain comprehensive internal management of both short- and longer-term crisis events. As a result, nearly any potential crisis can be managed by our employees with an understanding of, and commitment to, Apache's Core Values and long-term success.

The Corporate Business Continuity Plan was activated in response to Hurricane Harvey in 2017, demonstrating its effectiveness in helping the company and our employees through a prolonged crisis.

Crisis Management Trainings

All Apache employees who have been identified as having a role in crisis management are offered annual training on crisis management, crisis communication and business continuity plans. For example, Apache's executive leadership participates in quarterly training on crisis management topics, including reviewing crises experienced by other companies, Critical Incident Stress Management, crisis communication

and specific Apache crisis and incident management plans. Senior management also participates in an annual, all-day crisis drill, based upon hypothetical scenarios involving Apache assets and operations.

Industry Collaborations and Partnerships

We participate in several industry collaborations to improve our emergency response capabilities. Apache is a member of Oil Spill Response Limited, which provides well control and spill response support globally to Apache's offshore areas of operation. We maintain additional memberships with Clean Gulf Associates and National Response Corporation for spill response in the Gulf of Mexico. We also have a contract with Wild Well Control for any well control, capping stack or subsea debris cleaning and dispersant applications that may be required for an incident in any other area of operation.

In the U.K., the Secretary of State's Representative (SOSREP) for Maritime Salvage and Intervention oversees the response to actual or potential

pollution events at sea. Each oil and gas operator must undertake an exercise involving the SOSREP every three years, with successful completion a key requirement of maintaining a license to operate. The SOSREP exercise is based on a major oil spill scenario and seeks to test response arrangements to significant oil spill incidents and interactions with government and other external stakeholders.

In 2018, Apache North Sea successfully completed its SOSREP exercise, which was based on a scenario that involved anchor damage to a subsea well, necessitating the development of short-, medium- and long-term solutions to mitigate an ongoing pollution event. As part of the exercise, Apache mobilized various Incident Response Teams and external support, including Oil Spill Response Limited, the industry pollution response contractor. Previous SOSREP exercises undertaken by Apache North Sea have tested scenarios such as catastrophic failures of export pipelines and well blowouts.

What Is a Crisis?

When we think about crisis management, we're not just talking about oil spills, fires or catastrophic storms. We also make contingency plans to deal with business interruptions at both the corporate and operational levels. Such risks include acts of terrorism, operational incidents and significant commodity price fluctuations, to name just a few.

Hurricane Preparedness

The historic Hurricane Harvey of 2017 impacted most of our employees in Houston in one way or another; it also proved to be a powerful reminder of nature's destructive potential.

In 2018 and 2019, Apache released a series of materials designed to help our employees and contractors better prepare themselves and their family members in the event of another natural disaster or crisis. We held hurricane preparedness training sessions, which were attended by more than 200 people, and provided tools and links to help employees develop their own communications plans and “go kits” – the necessities needed for a quick evacuation from one's home.

Our initiative included a concept called “Do One Thing,” which encourages employees to tackle small pieces of emergency preparation in manageable chunks, such as updating family financial preparedness plans, mapping out evacuation travel routes or organizing copies of home and medical insurance policies that can be easily located if needed in a crisis.

We also educated employees about flood insurance, providing explanations of what it entails and how to buy it. Many residents of Houston and surrounding areas who suffered damage to their homes during Harvey did not have the flood insurance policies that can be purchased through the federal government's National Flood Insurance Program.





Global Wellness

The health and safety of our workforce depends on much more than on-the-job safety. We are committed to fostering an environment that champions a healthy lifestyle through our wellness programs.



Most of our major office locations have on-site cafeterias and fitness facilities. Cafeterias offer subsidized dining options that include healthy choices and easy access to nutrition information. Where available, on-site fitness facilities are open at no charge to employees and offer a wide variety of exercise equipment, fitness and training classes and programming to encourage employees' overall physical health. In field offices, we shape our fitness and wellness programs to fit the employee base and take into consideration the needs of those employees. In 2018, we introduced new sit-to-stand desks in our Houston offices to provide an ergonomic workplace that aims to maximize comfort and increase productivity in the office.

Apache hosts annual voluntary biometric screenings for employees to measure key health indicators, such as body mass index and cholesterol levels. After the assessment, each employee receives a personalized and confidential report with their results and recommendations for improving health. Employees can access their health information online through a workplace wellness program that includes additional resources such as tips for healthy living, webinars and peer challenges. They can also log their activities on fitness apps. In the U.S., we offer health insurance premium incentives for participating in biometric health screenings or other health assessments.



Wellness in the North Sea

Apache's North Sea operating area has made employee wellness a particular focus in recent years. Management supports wellness efforts from the top down. A dedicated wellness coordinator helps develop initiatives and ensure that resources are available for those employees who want to take their personal health to the next level.

Promoting good mental health has always been an integral part of the wellness strategy. In 2018, the office hosted dogs from Therapets, an organization that brings stress-relieving dogs into workplaces, hospitals and other environments where individuals could benefit from some downtime spent with animals. The Therapets visit at Apache's North Sea office location was the culmination of Mental Health Awareness Week in May.

Also in 2018, Apache North Sea joined a number of our regional industry peers to compete in the annual RigRun, a health and fitness initiative designed specifically to meet the needs of the offshore workforce. This was Apache's fourth time participating in the event.

RigRun's six-week program is organized by a team of health professionals, including sports scientists, dietitians, nutritionists, personal trainers and psychologists. Apache personnel participated in activities such as walking, running, rowing or weight training to score points and log miles against their peers. The goal is to combine health and fitness with an element of competitive fun.

In 2018, Apache North Sea had 484 offshore employees take part, recording a total of 31,379 miles of exercise. On average, participants exercised for 181 minutes each per week, which is significantly above the recommended level of 150 minutes for good cardiovascular health.

Workforce

Our employees are what make Apache a special place to work. We hire the best people in the industry and empower them to take control of their careers and seize new opportunities.





Human Resources as a Strategic Partner

Over the last few years, we have been transforming our Human Resources department into a strategic partner for our people – a partner that attracts the best and brightest and gives them the resources they need to be premier.



Apache Academy by the Numbers

in 2018

596

unique courses offered

~25,000

hours of training

45,500+

courses completed

Our employees are our greatest asset for good reason. They embody our company's passion for excellence and our collective focus on relentless improvement.

At Apache, we recognize that in order to maintain a premier workforce, we need to focus on several key areas of human capital: learning, development, succession planning, recruitment and employee benefits. Numerous studies show that companies perform better when employees set goals, give and receive real-time feedback, take part in learning opportunities and are held accountable for individual and team performance.

Learning and Development

Our transformational push began in late 2016, when the results of Apache's annual employee survey indicated that our people were hungry for more learning opportunities. In response, we conceived, developed and launched Apache Academy, our multi-tiered online platform that provides an innovative, robust learning environment for personal and professional development.

Apache Academy gives employees access to thousands of interactive and customized courses, webcasts, micro-

learnings, books, abstracts, videos, white papers and other learning opportunities, all of which are available from employees' desktops and mobile devices. Designed with the look and feel of a college campus, the Academy also links to our innovative 'A' Game Resources, which provides employees with the tools they need to excel in their careers through goal management, continuous improvement, compensation planning and leadership development.

To create the Academy, develop its content and provide ongoing oversight, we convened a global, 25-member Board of Advisors composed of Apache employees from all levels. We felt it was critical to invest in leading-edge learning and technology tools; after all, the best way to grow stronger as a company is by growing the skills of our people.

Launching Apache Academy was only the beginning. Like any college campus, the Academy is always a work in progress. We keep the Academy fresh and current by building new modules and programs that support the needs of our workforce so they can own their careers and chart their future paths. In 2018, for example, we

“Apache grows stronger by growing our own people. Their development is critical for our company’s success.”

– **Emily McClung**, Vice President of Community Partnerships and Employee Engagement

developed the Apache Management Fundamentals Program, a “soup-to-nuts” training course designed for directors, managers and supervisors. In early 2019, we launched the Transitions to Management training module for those who are just moving into supervisory roles at the company. This training series, which new managers are expected to complete within six months of their appointment, consists of micro-courses about 10 to 15 minutes each in length.

We also created a series of “in-time” and “on-demand” targeted programs that provide focused, relevant learning opportunities. For example, our “in-time” content features safety lessons and compliance-related resources that are scheduled to coincide with specific work events such as international travel.

We recently added a series of 80 learning paths, in partnership with LinkedIn Learning, which include training modules specific to career advancement. For example, a learning path on Becoming a High Performer covers topics such as leading with authority, developing business acumen, learning to be agile and negotiating leadership success. LinkedIn

Learning offers thousands of professional leadership and skills trainings, most of them designed to be digested in bite-sized chunks. We also added getAbstract, an online content provider that offers curated, 10-minute summaries of important business and other nonfiction works.

When our employees said in 2016 that they were hungry for learning opportunities, they were not kidding. In 2018, employees completed more than 45,500 learning courses.

Succession Planning: Identifying and Preparing Future Leaders

Research shows that employees are significantly more engaged working for a company that has a clear and defined succession planning process, and companies with high rates of engaged employees outperform their peers.

‘A’ Game includes succession planning resources, enabling leaders to build talent pools by discipline across the organization and to identify future leaders. Managers have the ability to create succession plans for the roles held by their direct reports and those below their direct reports within their line of authority.

In 2017, our overall corporate succession planning process covered 11 executive officers and some technical roles. One year later, thanks to ‘A Game’ Resources, the succession planning process was expanded to cover all company officers, directors, managers and supervisors – from line-level leaders in the field to executives in the corporate office – for a total of more than 400 roles. With ‘A’ Game Resources, succession planning is a dynamic, year-round exercise. A future leader’s readiness can be recorded contemporaneously with his or her achievements. The planning tool is available on the Apache network and through a secure app on any mobile device.

A clear succession plan allows Apache to prepare our future leaders by connecting them with the development and learning opportunities available in Apache Academy.

We also prepare future leaders through noted business school programs, including Arizona State University’s Thunderbird School of Global Management, Southern Methodist University’s (SMU’s) Cox School of

Workforce

Business, the University of Chicago's Booth School of Business, the University of Pennsylvania's Wharton School and, new in 2019, Dartmouth College's Tuck School of Business. These programs round out a career journey for our emerging leaders. During the last three years, 58 percent of Apache employees selected to attend Thunderbird and 55 percent of those selected to attend SMU were female and/or part of a traditionally underrepresented group.

Accountability Through Compensation Planning

Our 'A' Game Resources includes a streamlined compensation planning tool that provides each planning manager with greater visibility into an employee's goals and achievements, for the purpose of equity, bonus and market planning. During planning, managers have ready access to each employee's business goals, development goals, activities, achievements, team impact and learning programs. Within the planning tool, they can also access each employee's 'A' Game Profile, which summarizes his or her work experience, major projects, education, language skills, mobility and career objectives.





Global Learning Summit

In September 2018, we held our inaugural Apache Global Learning Summit – a global event designed to showcase the many learning, training and development opportunities available at Apache, including those offered through ‘A’ Game Resources and Apache Academy.

The summit featured a global video simulcast with top company managers, a learning fair in Apache’s primary U.S., U.K. and Egypt office locations, and presentations covering a diverse mix of technical and nontechnical topics by both internal and external presenters.

The summit also shared examples of “career stories” presenting achievements, obstacles, projects and key takeaways from about 50 Apache employees at all levels of the organization. The career stories highlighted the variety of career paths available at the company – and the different paths individuals have taken to reach their goals and achieve their current positions.

The Learning Summit by the Numbers

2,480+

employee session registrations

500+

in attendance at the global simulcast

76

presentations worldwide

44

presenters worldwide

Diversity and Inclusion

As a global leader operating across many cultures, Apache recognizes that diversity and inclusion are vital to our long-term sustainability. Exceptional performance is achieved through our greatest asset – our people – who reflect the communities where we live and work. We believe in a culture that encourages all employees to bring their unique perspectives and backgrounds to work every day and to know that their voices are valued and respected.

Since our CEO and president stepped into the role in 2015, we have experienced a 20 percent increase in the number of female employees as a share of Apache's U.S.-based engineering and geoscience jobs. Because Apache recognizes the value of a diverse and inclusive work environment, we added as a goal to our annual incentive compensation program that we will strategically build on the progress made in the diversity of our science, technology, engineering and math (STEM) disciplines. (Learn more about our compensation-related goals in the Governance section on p. 20.)

Apache enjoys a diverse group of STEM leaders across our global operations. In early 2019, our leadership team welcomed three new female vice presidents – all in

STEM fields. Employees from traditionally underrepresented groups also hold senior STEM leadership roles in Tax, Accounting, Treasury, Land, Planning, Marketing, Engineering Technology and Technical Services, and Information Technology.

At Apache, we view our workforce as a global community – one that spans many regions around the world, encompassing the unique characteristics of the many different people who live in these areas. Apache employees speak 49 languages. As of year-end 2018, nearly 30 percent of employees on Apache's U.S. payroll self-identified as a member of an ethnic minority group, up from about 19 percent at the end of 2014.

We provide a suite of learning and training programs that encourage more inclusive

behaviors. For example, as part of our Global Learning Summit in 2018 and as a core course in the Apache Academy Management Fundamentals Program, employees learn about unconscious bias, which can get in the way of good intentions and limit the success of individuals and teams. Employees also learn about creating an inclusive environment and leveraging diversity.

In 2019, we launched the Apache Global Community campaign. As part of this effort, we are identifying all processes that impact our global community – including recruiting, career management, training and education – and cataloging best practices. We strive for all of our processes to have, and to maintain, the Apache Global Community seal of approval. We believe these efforts will help us continue to attract, retain and engage the best employees, empower creativity and innovation, promote teamwork and collaboration as One Apache, and continuously improve productivity.

Apache is an equal opportunity employer. Our Code of Business Conduct and Ethics requires that we conduct business, including employment practices, in accordance with all applicable laws, rules,

Since our CEO and president stepped into the role in 2015, we have experienced a 20 percent increase in the number of female employees as a share of Apache's U.S.-based engineering and geoscience jobs.

regulations and government requirements. All employment decisions are made without regard to race, color, religion, sex, familial status, marital status, sexual orientation, genetic information, gender identity, national origin, age, veteran status, disability or any other status protected by applicable federal, state or local law. These standards support our

commitment to equal employment opportunities, prohibit harassment and discrimination in the workplace and meet or exceed the requirements of applicable laws and regulations in the countries where we operate. Any form of discrimination by or toward employees, contractors, suppliers or customers in any Apache workplace is strictly prohibited.

Employee Demographics

Group	% Change in Share of Employees on Apache U.S. Payroll*
Asian	+35%
Black or African American	+11%
Hispanic/Latino	+30%
Overall	+27%

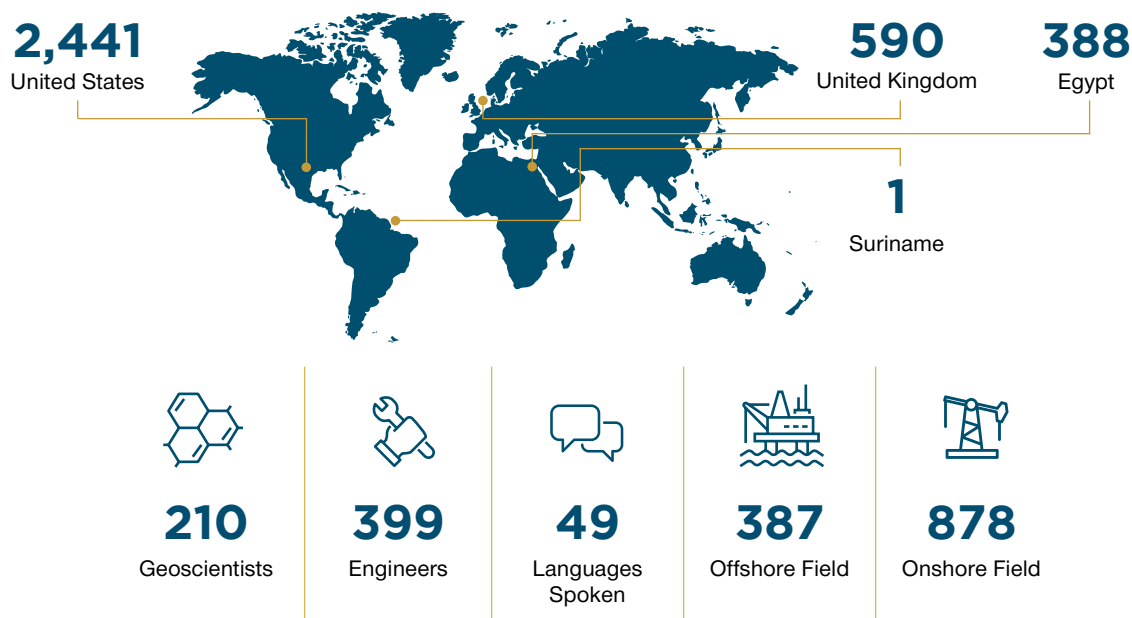
* Data represent the percentage change from January 1, 2015, to December 31, 2018. As of year-end 2018, 748 employees on Apache's U.S. payroll self-identified as belonging to an ethnic minority group.

Appropriate Workplace Conduct

The high-profile #MeToo movement in 2018 demonstrated that sexual harassment in the workplace remains a serious problem. Sexual harassment has no place at Apache and goes against one of our Core Values: to treat every individual with respect, dignity, honesty and integrity. To protect our employees and ensure that our workplace is a respectful one, we have policies in place that clearly define expected behaviors and highlight how to report any breach of those behaviors.

Workforce

Our Employees by the Numbers*



* Apache had 3,420 full-time employees worldwide as of December 31, 2018.

Hiring Locally

Apache places a high priority on investing in the regions where we operate. The practice of hiring locally is just one of the ways Apache becomes more diverse as a global organization. Local hiring also allows us to make meaningful economic contributions to the communities where we operate, especially in areas where professional jobs can be otherwise scarce.

When Apache operates outside the U.S., we typically draw the majority of our workforce from the local host country. In our North Sea area of operation this has not been difficult, as many of our employees and potential employees already have deep expertise in the oil and gas industry. But in other locations, such

as Egypt and Suriname, we must take additional steps, as adequate numbers of professionals with the technical skills and talent we need aren't always immediately available among the local workforce.

We first began operating in Egypt more than 20 years ago through a joint venture with the Egyptian General Petroleum Company (EGPC). Our joint venture agreement specified that we hire nine nationals for every expatriate employee. Initially, we hired oil and gas experts from abroad and tapped the local market as much as possible for technical resources. At that time, however, local candidates for petroleum engineering and geological roles were limited. Therefore we primarily hired for administrative positions, offering full-time jobs with competitive benefits to

Egyptians during a time when comparable employment was otherwise scarce.

Over the past several years, Egyptian universities have partnered with oil and gas companies, including Apache, to strengthen their technical programs and provide skill-ready petroleum engineers and geologists. Additionally, petroleum engineers and geologists have sought out work opportunities across the Middle East and North Africa region to broaden their technical knowledge base. As a result, the pool of experienced oil and gas technical professionals has improved, providing fertile ground for Apache's national recruiting efforts.

We support geological programs in Egyptian universities by providing a



geological summer training program in which students spend four weeks in training classes at Apache. Through the program, students apply what they have learned in university to practical, work-related challenges. In addition, leaders from Apache have served on the advisory board for the petroleum and energy engineering program at the American University in Cairo. In this role, our experienced petroleum engineers have the opportunity to advise the university on degree requirements that ensure the petroleum and energy engineering courses remain industry-relevant and prepare students for careers in the oil and gas industry.

In 2018, 77 percent of our new hires in Egypt were Egyptian nationals, and

90 percent of those were in technical and professional positions. At the end of 2018, Apache Egypt Company directly employed 298 Egyptian nationals. Through our joint ventures with the national oil company, EGPC, an additional 3,700 Egyptian nationals were employed, and nearly 3,400 more worked as contractors for Apache or our joint venture partners.

In Suriname, where we are now in the early stages of offshore exploration, we are looking at ways to build local capacity. In 2018, we participated in an industry-funded study to identify the skills and capabilities of the local workforce, which will ultimately help fill gaps and train residents for future jobs at Apache Suriname or within our industry. (Learn more on p. 146.)

77%

overall local hires in Egypt



99%

overall local hires in the United Kingdom



Campus Recruitment

Our internship program helps us build a pipeline of exceptional talent for our company. We offer internships in a variety of technical and professional disciplines that provide a broad introduction to the company and to the oil and gas industry. Interns work on real projects, both in the office and in the field, and interact directly with top leaders in the company. In recent years, we have focused especially on recruiting women and diverse students from campuses that haven't historically seen many graduates choose careers in the oil and gas industry. By expanding our reach to more colleges and universities, we hope to tap into a more diverse, qualified pool of candidates.

Our career exploration day in July 2019 offered qualified undergraduate and graduate students the chance to win an expense-paid weekend visit to Apache headquarters, where they had the opportunity to meet Apache team members and connect one-on-one with Apache employees from the student's chosen discipline. Apache saw the event as an opportunity to educate candidates about the many benefits that our industry provides to the world. The event, which attracted 300 qualified applicants from across the U.S., ultimately brought 35 students to our Texas offices. Of this nearly 100 percent STEM group, 46 percent were women.

We recruit top-tier talent for summer internships that feed directly into career development programs. Recent graduates receive structured training and

development, providing valuable opportunities for advancement. These

programs bring qualified applicants into the technical and professional arena and assist in promoting these employees into senior technical and managerial roles.

Apache's internship and development programs, which we call the Premier Apache Development Program, specialize in petroleum engineering, the geosciences and land disciplines. The engineering development programs include subspecialties such as production, completions, drilling and field operations. These programs involve extensive educational and on-the-job training with cross-functional and professional rotations.

In Egypt, we recently rolled out a petroleum engineering internship program based on the Premier Apache framework. Industry intern programs in Egypt historically follow an awareness approach in which participants are provided a one- to two-week informational program across multiple companies. By contrast, Apache's petroleum engineering internship program lasts up to 12 weeks, with petroleum engineering participants actively learning and performing engineering skills on the job. The focus of the intern program is skill building and practical engineering application in specialties such as production, completions and drilling.

We also use an internship model to promote skill building and development for existing employees. Our development rotational programs are designed to help employees expand their networks across geographical regions and provide them with practical experience in a range of

environments, as well as the chance to accomplish challenging projects and assignments that contribute to the company's success.

To date, we have graduated more than 200 individuals from our three-year development rotational program, and nearly 18 percent of those are currently in managerial and senior leadership roles. Graduates who stay on at Apache ultimately serve as mentors to interns and new hires – building and strengthening our teams.

The success of these programs is critical to Apache's future, as the ability to hire and retain top-tier diverse talent ensures that Apache maintains a quality pipeline of future leaders.

Hiring Veterans

Apache is honored to employ veterans from all branches of the military. Among our Core Values are respect, honesty, integrity, a sense of urgency and top performance. Military veterans have demonstrated these same values through their service, and they translate well to the Apache workforce.

We partner with veterans' recruiting organizations as part of our efforts to increase the number of veterans we hire. Apache annually honors our employees and their family members who are veterans with a ceremony and the presentation of a commemorative coin. (Read about our new partnership with the United Service Organizations on p. 137.)





Promoting Networking and Fostering Camaraderie

Networking, professional development and camaraderie are just some of the many benefits of our two employee resource groups: the Apache Young Professionals' Network (AYPN) and the Apache Women's Network (AWN).

AYPN started about a decade ago. Although open to all Apache employees, the majority of its members are in their 20s and 30s. Run by a board of eight employees, AYPN hosts several types of events, including lunchtime learning sessions, intramural sports and social meetups after hours. Lunch-and-learn sessions typically attract 60 to 80 people; more intimate executive luncheons offer the chance for about 30 members at a time to meet with C-suite leaders.

One of the main goals of AYPN is to “create relationships within the organization that are outside an employee's typical areas – both in terms of expertise and geography,” said Matthew White, AYPN's co-chair. “You can get stuck in your own bubble, but engaging with others across the organization through AYPN can be eye-opening.”

AWN is also open to all Apache employees, though the majority of members are female. Similar to AYPN, it focuses on learning programs and networking. In addition to lunch-and-learn sessions, AWN offers “master classes” with Apache subject matter experts, along with social and networking activities such as a book club, happy hour events, and networking receptions with Apache executives.

In partnership with our Human Resources (HR) department, AWN also sponsors a successful mentorship program that pairs mentors with mentees for six-month periods (although some continue their relationships well beyond that). The program grew from 24 participants in 2016 to 42 in 2018. In 2018, AWN also sponsored a group program with one mentor and three mentees on one team, for those who preferred a group approach.

AWN Mentorship Program



"Serving as a group mentor was such an enriching experience. Mentorship is a two-way journey of learning and growth, so having multiple perspectives in our group encouraged purposeful questions, enjoyable conversations and insightful development each time we met. I was proud to serve as a mentor and befriend three women who have incredible futures ahead, and I think this mentor program sponsored by AWN is a valuable resource for Apache!"

Andrew Wiser, HR Supervisor, Corporate Learning and Group Mentor



"I am truly thankful and grateful for the mentorship program, especially after recently starting with Apache. The program provided valuable time to learn from the experiences of others and great insights to successfully navigating Apache. My mentor, Andrew Wiser, was always well-prepared with meaningful advice and tools to help us grow as individuals. It was a great experience and I would definitely recommend it to all Apaches!"

Anabel Pasillas, Senior Financial Accountant and Mentee



"I thoroughly enjoyed the mentorship program. I joined the program shortly after I started with Apache. My mentor, Andrew Wiser, provided thoughtful advice and tips on navigating Apache, communicating for success and exhibiting leadership characteristics in the workplace. Moreover, Andrew's doors were always open; I could come by at any time for a quick chat. I certainly lucked out with a mentor whose office was on the same floor as mine! Overall, I highly recommend every Apache take advantage of this great program."

Amy Schreve, HR Information Systems Analyst and Mentee



"I truly enjoyed the mentoring program. Being a part of a group mentoring team allowed me to learn from the experiences of others, develop my communication skills, and gain insight into the next stage of my career. The program has allowed me to make invaluable relationships with members of the leadership team and fellow Apaches."

Brittany Mills, Accountant and Mentee

Employee Engagement

Engaging employees in our corporate mission and values is critical to enhancing safety, boosting morale, improving job satisfaction and elevating performance.

We are focused on skills training, leadership development, succession planning and goal setting to help us build a more engaged workforce.

We recently created a new Apache Communications Leadership Council – an in-house group of engaged employees whose aim is to help facilitate the flow of strategic communications throughout our organization. Our Communications and Public Affairs team hopes to improve the reach and impact of its communications efforts by harnessing the power of Apache's people. Research has shown that formal internal networks can extend the reach of information and knowledge within an organization. Furthermore, communicating valuable business updates across departments, job functions and locations in a timely and transparent manner can have a major impact on our employees' job satisfaction.

In addition, we recently shifted our internal department structure so that Community Partnerships now falls within Human Resources. This is allowing us to put even greater emphasis on employee volunteerism, which is a terrific way to connect our premier people with our premier community partners where we live and work. (Learn more on p. 126.)

Employee Survey

A corporate culture that fosters a diverse range of voices and opinions leads to relentless improvement and innovation. Our annual employee survey is a great way for employees to express their support for the things Apache does well – and to offer constructive feedback in areas that may require change.

This survey, conducted by Energage, a third-party survey company, allows anonymous employee feedback on topics such as working conditions, career opportunities, compensation, managers and company direction. This feedback provides valuable data to Apache managers to inform decisions and opportunities that enhance the employee experience.

Our 2018 survey had an 82 percent participation rate, which is high for this type of survey. We received more than 6,000 comments, which is illustrative of Apache's "speak up" culture.

The survey gives the company's executive team an opportunity to spot trends and implement change where needed. As mentioned earlier in this section, employees who responded to our 2016 survey had expressed a strong desire for more learning opportunities, which led to





the creation of Apache Academy. There are strong indications from employees that Apache Academy has hit the mark. In the 2018 employee survey, all comments about Apache Academy and 'A' Game Resources were extremely positive.

Similarly, in other surveys, employees asked for more visibility into the company's strategy so they could better align their own efforts with Apache's corporate goals. This feedback led to a number of solutions, starting with employees setting aligned business goals in 'A' Game Resources and our CEO hosting quarterly town hall meetings. In these meetings, John Christmann addresses how well Apache is progressing relative to the company's business goals and answers questions raised by employees from around the globe.

Also in response to employee requests for more information about the company, we host regular "tickerTALKS" for employees to hear directly from our vice president of Investor Relations. These meetings, which focus on financial markets, Apache's stock performance and the market performance of our industry peers, also give employees a chance to ask questions about our business.

Top Place to Work

In 2019, for the fourth year in a row, Apache was selected as a top workplace by the *Houston Chronicle*, based on the third-party administered survey of our employees. We also were named a top workplace in 2019, 2018 and 2017 by the *San Antonio Express-News*.

Employee Benefits

Our robust benefits platform ranks among the best in our industry peer group. We recently have been making significant enhancements to cultivate a family-friendly work environment.

100%

of Apache employees on the U.S. and U.K. payrolls receive annual equity awards

In the U.S., we extended paid leave for birth mothers from eight weeks to 12, began offering two weeks of paid parental leave, and added four weeks of paid leave for all adoptive and surrogate parents. From August 1, 2018, to June 12, 2019, 104 of our employees recorded paid parental leave.

Our revised Apache Family Leave Policies also now include a week of paid elder care in the U.S., providing our people with the time and support they need to help care for aging parents or other family members. The number of U.S. workers with elder care responsibilities is on the rise, but elder benefits remain a gap in most U.S. companies. According to AARP, 69 percent of caregivers report making work accommodations because of their caregiving duties. Very often, employees use their vacation time to do so. Studies also show that elder care tends to disproportionately affect women in the

workforce. From August 1, 2018, to June 12, 2019, 92 of our employees recorded paid leave for elder care, showing the need is there.

We also updated our policies to provide two new personal floating holidays, expanded sick leave, and enhanced our bereavement policy. Taken in total, these changes mean that our employees' vacation days can be used as intended – to create happy memories. Indeed, we want our people to take their vacation time so they return to work reinvigorated, happy and engaged – and ready for the next challenge.

To maintain stakeholder alignment, and as part of our premier total rewards compensation and benefits programs, all of our employees on the U.S. and U.K. payrolls, from entry level to the CEO, receive annual equity awards.

“We want Apaches to have a rewarding and challenging work experience, but we also want them to have time for themselves and their families to take care of important life events.”

– **Nick Ricotta**, Senior Vice President of Human Resources





Technical Learning for Nontechnical Staff

Apache recently launched a series of seminars on technical topics geared toward nontechnical staff, who make up 66 percent of our employee base. Technical learning opportunities can facilitate a better understanding of the upstream oil and gas industry for our nontechnical staff, which, in turn helps them to be better at their jobs. Such training also provides nontechnical staff with the knowledge and facts that can counter common misconceptions about our industry. Our employees live in our communities of operation and can serve as informational ambassadors for the socioeconomic benefits of our business. (Learn more about how we're training Apache Ambassadors to be advocates for our company on p. 144.)



Path to Premier

Our workforce is spread across eight time zones around the world, from the Western Desert of Egypt to the West Texas plains. A shared vision and passion for excellence unites this workforce, despite vast geographic and cultural differences. In 2018, we updated Apache's vision to better reflect who we are and what we do: To be the premier exploration and production company, contributing to global progress by helping meet the world's energy needs.

Employees who believe in a company's vision and understand the strategies to achieve it are more likely to have a deep sense of ownership in their work and feel empowered to initiate and contribute in the workplace. Therefore, we embarked on an educational campaign to communicate to our entire workforce our new vision and its implications for how we work and Apache's role in the global economy. One aspect of this campaign is a new employee engagement video we created, called Path to Premier, which captures the spirit of our people and brings the aspirational element of our company's vision to life. This movie-style feature shows the breadth and depth of who we are and where we are going.

"It's important that employees know who we are, see where we are going, believe in what we do and understand why," said Castlen Kennedy, vice president of Communications and Public Affairs.

To make the film, we visited more than a dozen field and office locations and interviewed 97 employees about their views on what it means to be premier.



Enhancing Quality of Life in the Permian Basin

Apache is proud to be a founding member of a coalition of 19 energy companies partnering with local leaders in the Permian Basin to improve residents' quality of life by addressing growing challenges like affordable housing, road safety and access to quality health care and education.

Our vision to advance global progress includes a strong commitment to deliver shared value and opportunity to all of our stakeholders. Apache seeks to improve quality of life for our own employees and for communities everywhere we live and work. Our approach in the Permian Basin – a longtime oil and gas region that is seeing a major rebirth – is no exception.

An Older Play Revitalized

The Permian Basin has a long history of oil and gas development, but the advent of new technologies such as horizontal drilling and hydraulic fracturing have unlocked vast new resources in the region. As a result, the Permian is now the No. 1 onshore oil production area in the U.S. Exploration and production companies generated \$65 billion in production revenue from

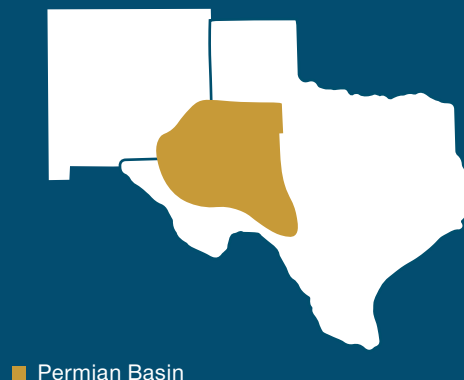
the region in 2018 – double what was generated there just four years ago. And, total yearly revenue from production could jump to more than \$200 billion by 2025. Should that happen, the Permian would account for 40 percent of U.S. oil production.

The renewed Permian Basin is transforming the global energy equation and helping the U.S. become one of the largest energy producers in the world.

This development is bringing enormous economic opportunity to the area. The Permian's oil and gas production could represent 30 percent of New Mexico's annual GDP and 10 percent of Texas' by 2025 and is already providing significant employment opportunities and large inflows to local and state coffers. An estimated 15,000 new workers are needed right now, and thousands more will be needed in future years. But this increase in development – and population – does bring with it significant challenges.

Permian Strategic Partnership: Unprecedented Industry and Community Cooperation

In late 2017, 10 energy companies working in the Permian Basin – including Apache – recognized that the unprecedented level of oil and gas development required operators to develop an



■ Permian Basin

unprecedented approach to engaging with and supporting local communities. They formed the Permian Strategic Partnership, now a coalition of 19 companies with a Permian presence, to help address some of the major challenges the region currently faces – and will continue to face – as energy development continues over the next several decades. The primary goal of the Partnership is to improve the quality of life for Permian Basin residents by partnering with local leaders to develop plans and projects that foster superior schools, safer roads, quality health care, affordable housing and a trained workforce.

The Partnership seeks to be a catalyst for advancing these goals by bringing stakeholders together; advocating for local communities with federal, state and local officials; and contributing people, expertise and resources to help plan for and meet local needs. To support this effort, the Partnership has committed to provide more than \$100 million as seed money to spur additional public- and private-sector investments and support projects that will help improve quality of life and livelihoods in the region.

While the challenges the region faces are not unique, the Partnership's approach to addressing them is new. The companies involved started with stakeholder engagement to get local input on issues and potential solutions. Member companies first surveyed their own employees who live and work in the region to get their firsthand perspective on local needs and challenges, and then engaged with a broader group of community members. Phil West, Apache's manager of Media and Public Relations, explains: "Partnership and collaboration are our guiding principles. Our first and foundational step is building relationships within our communities. We are also helping to build connections with relevant external experts from universities, NGOs and other organizations that can help improve the quality of life in the Basin."

Community-Based Focus Areas

The Partnership is focused on improving local quality of life in five key areas:

Housing Availability

addressing short supply and improving affordability

Road Conditions and Safety

finding funding sources and other solutions for roads that were not originally designed to support the current level of traffic

Workforce Development

helping to attract, develop and retain a high-quality workforce across the Permian Basin, including by expanding the competency level of job candidates and improving the availability of key services on which a quality workforce depends

Health Access and Quality

addressing high patient-to-physician ratios and improving access to health care services

Public Education

helping to transform and expand local schools from some of the poorest performing to some of the best

Before doing anything else, we are building trust. We want local residents to know that the Permian's oil and gas development won't be like previous boom-and-bust cycles that left many residents feeling that the costs of energy development outweighed the benefits. Tim Custer, Apache's senior vice president of Land, Business Development and Real Estate, notes, "This time, thanks to new drilling technologies, development will be for the long term, and we are redoubling our commitment to this region."

The Permian Strategic Partnership is chaired by Don Evans, a longtime local resident, former oil and gas industry leader and former U.S. Secretary of Commerce. Some member company CEOs serve on the Partnership's board of directors, and representatives of member companies lead committees for each of our five focus areas, helping to build relationships, identify great ideas and bring together needed resources and expertise. Each member company has also made a substantial, five-year financial commitment to support needs assessments and implementation of community-based solutions.

Early Actions

Initial efforts of the Partnership have focused on listening to local stakeholders to understand their needs and ideas. We want to be

collaborative and ensure we are both working on solutions local residents want and adding value to – not duplicating – the important work already being done by local governments, school districts, business organizations, nonprofits and foundations.

The Partnership also completed an intensive needs and risk assessment based on direct insights from local residents and third-party experts. Member companies are now using this assessment and ongoing conversations with local leaders in the Permian Basin to identify solutions. We are then supporting the implementation of these solutions by bringing together community partners with relevant expertise and resources and providing supplemental funding to move projects forward.

For example, the Partnership is working with local school districts and educational organizations to formulate and support a series of projects focused on expanding schools and educator training. Partnership members are also supporting the enhancement of local road infrastructure, working with state and local governments to bring future transportation infrastructure funding to the region, including by advocating to secure a \$50 million Texas Department of Transportation grant.

Apache's Role

Apache is taking an active role in the Partnership. Apache employees serve as chair of the government relations subcommittee and co-leader of the health care subcommittee. Many other employees work on other teams within the organization. Moving forward, we will continue to work collaboratively with our industry peers and neighbors to help enhance quality of life and the long-term sustainability of the greater Permian community.



\$65 billion

in production revenue generated from exploration and production companies in the Permian Basin in 2018

\$100 million

committed by the Permian Strategic Partnership to help improve quality of life and livelihoods in the region

Community

Apache actively engages with stakeholders in our communities to understand their concerns and needs, maximize our positive contributions and minimize any potential negative impacts of our business. We recently realigned our philanthropic approach to become more formalized and structured around giving in our local communities.





Community Partnerships

Apache believes in giving where we live and work and in making a meaningful impact in areas that align with our values and that are important to our employees.

Over the years, we have demonstrated our steadfast support of the arts, education, the environment, health and much more. Giving is embedded in who we are as a company, and we continue to elevate our culture of individual and corporate philanthropy.

In 2018, we fine-tuned our approach to community giving to become more strategic, with a primary focus on fostering meaningful connections between Apache's employees and our community partners.

We branded our corporate outreach department as Community Partnerships and Employee Engagement, and we changed the reporting structure so that the group is a facet of Human Resources. Community Partnerships and Employee Engagement also developed a new charter, vision and mission. One of our goals is to improve Apache's charitable reporting and accountability in order to create more formalized processes and systems to fund, track and measure community giving across Apache. Incorporating the group within Human Resources will better position it to spur

an increase in employee engagement and volunteerism and greater involvement in charitable activities across our workforce.

We also expanded our philanthropic focus to include seven areas of giving for company and employee charitable donations: the arts, education, the environment, health, military appreciation, employee giving and neighborhood resources.

In addition, we announced new, multiyear, strategic partnerships with three charitable organizations, for which we will provide sponsorships and organize employee-focused volunteering events: the United Service Organizations (USO), the McDonald Observatory at the University of Texas, and the Astros Foundation, the charitable arm of the Houston Astros Major League Baseball team. The Astros Foundation supports Houston-area communities through initiatives such as youth baseball and softball training, recreational activities, youth academic programs and playing fields designed for children and adults with special needs.



Our Vision

To give where we live and work.

Our Mission

To contribute thoughtfully and beneficially to communities where we live and work by positively influencing the areas of the arts, education, the environment, health, military appreciation, employee giving and neighborhood resources through our charitable programs, strong community partnerships and employee engagement.



EDUCATION



EMPLOYEE GIVING



ENVIRONMENT



HEALTH



MILITARY APPRECIATION



NEIGHBORHOOD RESOURCES



THE ARTS

Philanthropy and Volunteering

Our philanthropy program is employee-driven, empowering our people to decide where to volunteer and providing them with the means to give back within our local communities to the causes about which they are most passionate.

Our Community Partnerships Review Council, which is established and maintained by the Community Partnerships and Employee Engagement department, governs and oversees our community investments.

In addition to employee volunteering, we support a variety of causes and nonprofit organizations through direct corporate giving and employee matching gifts. Among the many charities supported by Apache employees are the American Heart Association, the National Multiple Sclerosis Society, the Muscular Dystrophy Association, Star of Hope, the West Texas Food Bank, St. Jude Children's Research Hospital, the Children's Cancer Hospital Foundation in Egypt and, in Aberdeen,

Scotland, Maggie's Centre (for cancer care) and the University of Aberdeen's dementia research project.

Recent improvements to our matching gift program have made it easier for employees to donate money to the charities of their choice. Every dollar contributed via an updated website goes directly to the nonprofit organization. Apache makes a dollar-for-dollar match, up to \$10,000 per employee, with a total corporate cap on matching gifts of \$500,000 per year.

A sampling of our philanthropic and volunteer efforts is described in this section.

Giving by the Numbers

73%

increase in volunteer participation from 2017 to 2018

44%

increase in employee engagement year-over-year



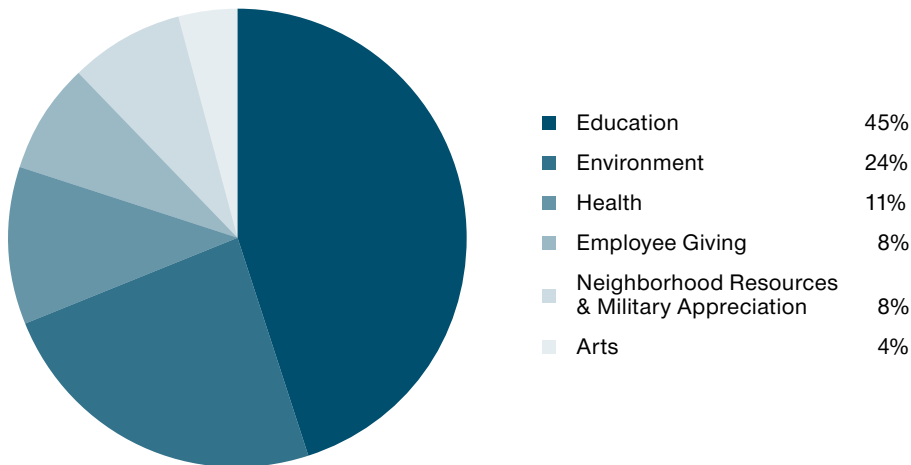
Community Giving in the North Sea

In our North Sea operating area, two separate employee committees determine where Apache will donate charitable funds each year: a Philanthropy Committee and a Bond Committee. The Bond Committee is especially unique. On our offshore platforms, employees and contractors shop at commissaries for incidentals such as toiletries, stationery and snacks. These purchases take place offshore and therefore are not subject to sales tax.

However, in a demonstration of our culture of giving back, our offshore workforce chose to pay the U.K. tax rate on the items, putting the money toward a charity fund. The amounts collected add up fast, totaling £321,085 in 2018 and £2,076,341 since we began the program in 2010. The eight-member Bond Committee decides where to donate the funds, taking into consideration requests submitted by offshore workers. This past year's gifts included the following:

- A contribution of about £50,000 to a U.K. Oil & Gas Hardship Fund, which provides financial support to past and present workers in the industry who are struggling with work-related injuries and illnesses
- A similarly sized contribution to support Maggie's Centre in Aberdeen
- A donation of approximately £35,000 to purchase a new van for a Scottish charity that provides food, clothing and furniture to individuals in need

2018 Global Community Investments



Remembering the Legacy of Raymond Plank

Raymond Plank, Apache's founder, passed away on Nov. 8, 2018, at the age of 96. Known for his generosity, he believed in the power of philanthropy and left a long legacy of giving back at Apache.

During his tenure as chairman and CEO of Apache, Plank founded several charitable organizations that have enriched the lives of millions. Believing that artists need creative space to focus their energies, he established the Ucross Foundation in 1981, an internationally recognized artist-in-residence program on a 20,000-acre Wyoming ranch. More than 2,000 artists, writers and composers from around the world have been awarded residencies and experienced the gift of uninterrupted time and space, surrounded by the austere beauty of the Wyoming grasslands.

Plank's love for Wyoming led to a lifelong dedication to conservation efforts, which included the 1999 establishment of a conservation easement on the Ucross Ranch for the benefit of The Nature Conservancy. His vision for Ucross as a multi-use resource center included the restoration of a 19th century barn and ranch house, known as Big Red, which is now listed on the National Registry of Historic Places.

Plank was a fearless learner and held a deep respect for teachers as the architects of civil society. In 2001, he created Fund for Teachers, a national organization that empowers teachers to push the boundaries of their own education to spark creativity and lifelong learning in their students. He understood that an investment in a great teacher has a ripple effect, ultimately touching the lives of thousands of students. Another educational initiative by Plank, Springboard – Educating the Future, was established in 2004 in Egypt and has since built and operates 201 one-room schools for girls, providing educational opportunities to this underserved population. (Learn more on pp. 132-133.)

He endowed the Raymond Plank Professorship of Global Energy Policy at Harvard's John F. Kennedy School of Government and the Raymond Plank Chair in Incentive Economics at Carleton College in Minnesota, and he was generous in support of his alma mater, Yale University. In 2013, in a unique partnership with the Yale School of Forestry and Environmental Studies, Plank established the Ucross High Plains Stewardship Initiative focused on land management in the American West. The initiative provides students with opportunities to connect with land management practitioners in Wyoming and beyond, while also pursuing cutting-edge research aimed at enhancing the ability of landowners to make financially and ecologically sustainable decisions. More recently, he established the Plank Stewardship Initiative to further promote conservation practices within production agriculture.

As a corporate leader, Plank spearheaded Apache's charitable activities. He and Apache Corporation funded programs that have, among other things, planted more than 4.6 million trees across the U.S. and still growing.





Creating Educational Opportunities for Girls in Egypt

The year 2019 marks the 15th anniversary of our ambitious community project to help educate girls in remote areas in Egypt. In many rural villages, lack of local access to education and safety concerns regarding long-distance travel for young girls have resulted in limited educational opportunities.

For these reasons, our founder, Raymond Plank, launched Springboard – Educating the Future in 2004 as part of his larger commitment to educating underserved populations. Today, Apache remains one of the primary funding sources of the organization. Springboard also works with governmental and nongovernmental organizations, as well as individuals and other corporations, in support of the Egyptian government's Girls' Education Initiative.

Over the years, Apache has supported the construction of 201 mostly one-room girls' schools in Egypt, which together have taught more than 10,000 girls how to read and write. Approximately 85 percent of the girls who start at a Springboard school graduate. Some of these students go on to middle schools and eventually pursue advanced degrees. (Apache has also supported the construction of nine coeducational schools, which serve about 350 Bedouin students in areas near our drilling and production operations in the Western Desert of Egypt.)

As we approached our milestone 15th anniversary, we wanted to expand upon our efforts of constructing and renovating school buildings and further advance educational opportunity and quality. Based on careful consultation with local leaders and teachers, we landed on an idea: to expand our efforts to bolster the skills of the teachers themselves.





In 2018, we established a program with the American University in Cairo to provide training and development courses for 402 teachers and 201 supervisors who work in these schools. The educators will be trained over three phases through the end of 2020.

“For the last 15 years, our efforts have been heavily focused on the buildings and structures themselves,” said Mark Avery, senior manager of international human resources and leadership planning in Apache’s Cairo office. “We started to think about what else we could do to help advance the education experience for girls in the schools, and developing teachers to make them more effective seemed an obvious choice.”

The 90-hour Teacher Development Program, conducted in Arabic, aims to enrich teachers’ human, social and psychological skills, empowering them to help create active and well-rounded citizens. Sessions focus on professionalism, learning theories, assessment methods, classroom management and active citizenship. The teachers are also introduced to concepts such as resiliency, autonomy, innovation, lifelong learning, multi-grade teaching and the different stages of human development. The 90-hour Supervisor Development Program, which is also conducted in Arabic, strives to improve the supervisors’ professional roles in effecting positive change within their schools. In total, Apache is contributing \$340,000 to fund all three phases of these two teacher training programs.

Irinie Naguib, a teacher at the Oseya School in Giza, was one of the first participants in the training program. “I’m very happy with the training because it is technology-oriented, the instructors are very professional, and the assignments are very helpful,” she said.

Marwa Salah, a teacher at Al Mosaakar School in Giza, concurred. “The training is very useful and practical – not just theoretical lectures,” Salah said. “I apply it in my class and it reflects on the girls.”

Girls’ Schools by the Numbers

201
schools built

10,000+
girls educated

600+
teachers and
supervisors trained

Community

Education

Apache promotes educational opportunities for teachers and students across the globe.

In addition to the work we do in Egypt through Springboard (see pp. 132-133), Apache makes frequent donations directly to schools and school districts within our areas of operation. For example, we have supported several projects in the Balmorhea Independent School District in Texas near our Alpine High operations, including a \$150,000 donation in 2018 for information technology infrastructure and capital improvements. The donation enabled the school to install two new computer labs and a new server, as well as to make upgrades to server facilities. The donation also allowed the school district to double the number of computers available to students and improve the overall quality of the equipment.

We also support higher education, such as our \$2 million pledge over three years through 2018 to the Colorado School of Mines, one of the universities from which we recruit graduating students. Half of the donation went toward upgrading the Petroleum Engineering Department's drilling laboratory. The grant was also used to purchase a micro drilling rig that the school uses to research and test potential improvements to current drilling practices. The remaining funds were designated for the creation and maintenance of a graduate fellows

program and to support several academic departments.

Apache's North Sea operating area has supported TechFest in Aberdeen since 2013. The TechFest Science Festival is an annual science, technology, engineering and mathematics (STEM) event that aims to promote STEM subjects to young people and the wider community by providing an accessible, diverse and entertaining program. Separately, they funded the development of kits for constructing and operating a 3D printer. The kits were designed, tested and produced by students at a local school, with five printers being supplied to other schools in Scotland.

Health

Around the globe, Apache donates funds to a wide variety of organizations and programs aimed at improving individual and public health and social conditions.

Over the years, hundreds of Apache employees have participated in two separate 150-mile bike rides in Texas: the Houston MS150 and the Cactus & Crude Ride in Midland, for which Apache was the lead sponsor in 2018. Both rides raise funds for the National Multiple Sclerosis (MS) Society, which is dedicated to finding a cure for this debilitating disease. Through these fundraising efforts, Apache employees have raised more than \$1.3 million to combat MS.

Apache has also been the title sponsor of the Mayor's Wellness Weekend in





Houston since it began in 2015. The weekend features the Tour de Houston Bike Ride through the city and the Bayou City Classic Fun Run around the downtown area. The purpose of Wellness Weekend is to promote exercise and healthy outdoor activity. Both the ride and the run raise money for the Houston Parks and Recreation Department for restoration and tree planting projects.

In addition, Apache has supported the University of Texas MD Anderson Cancer Center through a \$2.5 million grant over five years. This included support of the hospital's Moon Shots program, which is designed to accelerate the conversion of scientific discoveries into clinical advances and significantly reduce cancer mortality rates. It has improved surgical outcomes for ovarian cancer, expanded the potential impact of new drugs and developed a novel family outreach program to head off cancers fueled by known genetic risk mutations.

Also in Houston, Apache employees have raised and donated enough money to have a room named after the company in the Houston Ronald McDonald House, which provides a home-like temporary residence for families of children hospitalized while undergoing medical treatment. Once a month, Apache employees provide and serve dinner to the children and families in residence at the House.



In Scotland, Apache continues to cover administrative costs and support services for Maggie's Centre in Aberdeen – five years after initially partnering with the charity to support the building of the first cancer care center of its kind. In addition, Apache has provided assistance for various building modifications to a specialist neurological care center based in Aberdeen to ensure that the center continues to provide state-of-the-art care and facilities to its residents. The North Sea operating area also recently supported Friends of ANCHOR, which serves oncology and hematology patients throughout northeastern Scotland.

Also in Scotland, Apache donated \$14,000 to North East Rider Volunteers (NERV), an

organization that uses motorbikes to transport urgent medical supplies and equipment between hospitals, health care sites and labs in the northeastern part of the country. The donation allowed NERV to purchase a new "blood bike" (a Triumph Tiger named "Beryl" after the oil field in the North Sea) to add to its existing fleet.

In Egypt, Apache supports more than 60 orphanages, providing blankets, clothes, stationery and medical aid, especially for youths with disabilities. We also pay tuition and fees for more than 350 orphans enrolled in primary, middle and high schools. Over the last three years we have also donated medical equipment, including an infant incubator, intensive care monitors, X-ray machines and

dialysis equipment, to several hospitals and clinics near our areas of operation. (Read more about our work with schools in Egypt on pp. 132-133.)

Emergency and Disaster Relief

We all rely on first responders in our communities, and at Apache, we believe it's important to give back to the emergency crews who work so hard to protect us. Every year, we make donations to local law enforcement agencies and dozens of volunteer fire departments in our U.S. areas of operation, helping to fund a variety of equipment and supply needs. We also have a long legacy of providing aid in response to disasters. In Texas since 2011, we have provided both grants and matching donations to the

Missions on Wheels organization, which maintains mobile emergency support equipment that can respond quickly to disasters in the region.

The Apache Employee Relief Fund (AERF) provides bridge funding to help employees recover from catastrophic events such as hurricanes, tornadoes, flooding, fires and medical emergencies. The goal is to ensure that employees and their families quickly receive assistance following devastation or loss. Funded through employee donations, the AERF has distributed approximately \$900,000 to employees from its inception to the end of 2018. The AERF proved to be especially important for employees following Hurricane Harvey in 2017.

Military Appreciation

During the month of May, Apache employees honor veterans by holding collection drives for snacks, toiletries and other goods to send to service members

deployed overseas. The program began in 2013 in celebration of Military Appreciation Month. In May 2019, as part of our new partnership with the USO, more than 70 Apache volunteers in our Houston office packed 3,500 toiletry care packages in support of the USO's Force Behind the Forces® campaign, which brought our care package donation total to over 13,500 to date. In the Midland office, employees have volunteered to "adopt" soldiers, purchasing care packages for individual service members with items such as snacks and toiletries. Each employee includes a note in each care package before it gets sent off to a deployed soldier.

Also during Military Appreciation Month, several of our U.S. offices honor employees who have served in the military as well as those employees with military loved ones. We have recognized more than 200 veterans since 2014.

Military Appreciation by the Numbers

70

Apache volunteers at the USO's Force Behind the Forces® campaign held at the Houston office in May 2019

13,500+

care packages donated to deployed U.S. soldiers to date

200+

veterans recognized by Apache since 2014

Employee Testimonials



"Sometimes the USO was the only connection I would have to home. The care packages and entertainment truly were an anchor for me during my service. I'd like to thank the USO for all they did for me."

Adam Schopper, Apache Production Engineer and veteran of the U.S. Air Force



"I remember receiving USO care packages during my various deployments. It was always a huge morale boost to members of my unit, because it made us feel supported and appreciated by folks back home."

Omon Aburime, Apache Manager of Forecasting and Operations and veteran of the U.S. Army

Trees by the Numbers

4.6 million+

trees donated since 2005

130+

trees planted since 2013 to celebrate the birth or adoption of a child in an Apache employee's family

Environment

Apache's environmental efforts, which aim to support conservation initiatives and preserve and enhance wild spaces, include our award-winning Tree Grant Program, our involvement in conservation initiatives and our partnerships with public parks.

Apache's Tree Grant Program

For more than a decade, we have been donating trees to a wide variety of nonprofit and governmental organizations in the U.S., including cities, counties, schools, parks, universities, youth associations, wildlife refuges and community groups. Launched in 2005, the Apache Tree Grant Program has donated more than 4.6 million trees across 17 states.

In November 2018, we announced the donation of 50,000 trees through partnerships with 59 nonprofit organizations across Texas, Louisiana, Oklahoma and New Mexico. In and around Houston, for example, Harris County Precinct 3 received 6,000

Apache-donated trees for planting in public parks, along trails and in roadway esplanades. The city of Houston and Trees for Houston received nearly 2,700 trees to beautify public spaces. And the Galveston Island Tree Conservancy distributed 600 trees to island residents to plant at their homes, promoting volunteerism and community involvement.

In addition to using trees to beautify neighborhoods and preserve wildlife habitat, groups often request trees to support a range of other conservation efforts such as reforestation in areas affected by natural disasters.

Through our Trees for Tots program, employees have planted trees to celebrate the birth or adoption of a child to an Apache employee's family. More than 130 trees have been planted since we began this initiative in 2013 in Houston. In 2018, the Trees for Tots program was expanded to include the employees in our Midland office. We hope to continue this tradition every year, planting more trees for our communities to enjoy.



Community

Conservation Initiatives

Apache supports conservation efforts such as the Ucross Ranch in Wyoming and, most recently, the Pecos River Watershed Conservation Initiative in West Texas and New Mexico.

The Ucross Ranch in Wyoming, established by Apache founder Raymond Plank in 1981, is a 20,000-acre working cattle ranch where artists, writers and composers are provided free residency and space to work. Part of the attraction for these visitors are the birds that fill the landscape, such as bald eagles, great blue herons, bobolinks, owls, greater sage grouse and Swainson's hawks. The ranch is designated an Important Bird Area by the National Audubon Society.

In recent years, the Apache Foundation has worked hard to improve the quality and condition of the Clear and Piney Creeks, which flow through the Ucross Ranch, including removing dams to allow fish to access more of the river system. As part of this effort, the Foundation invited children from the local school to help tag and track fish and their migration.

Apache's most recent collaboration involves working closely with eight oil and gas companies, the National Fish and Wildlife Foundation and the U.S. Department of Agriculture's Natural Resources Conservation Service to help protect the Pecos River watershed, home to many rare and endemic species. (Learn more about these and other conservation programs on pp. 72-73.)

Partnering with Public Parks

Apache has a long history of collaborating with public parks. We have supported improvement and repair projects in the communities where we operate and have worked closely with the state park departments in Texas and Louisiana to identify areas where we can make a positive impact. For example, Apache's Tree Grant Program donated 600,000 pine tree seedlings to help restore and reforest the 3,700-acre Bastrop State Park in Bastrop, Texas, which had been decimated by wildfires. More recently, we have worked closely with the Texas Parks and Wildlife Foundation to restore and improve Balmorhea State Park.





Restoring a Beloved Desert Oasis

The Balmorhea State Park pool is a beloved and sparkling jewel – a 1.3-acre oasis in the desert of West Texas. Built in the mid-1930s, the spring-fed pool is up to 25 feet deep, holds 3.5 million gallons of water and maintains water temperatures that hover between 72 and 76 degrees year-round.

In May 2018, just as the peak summer swimming season was to begin, the pool was forced to close when a routine cleaning revealed damage to the concrete apron beneath the pool's diving board.

Repairing the iconic spring-fed swimming pool – one of the largest in the world – would require a hefty sum: \$2 million. The structural failure was due to years of previously undiscovered and undermining erosion caused by the flow of water from the springs.

Understanding how important the pool was to the community and the local economy, Apache stepped up to announce a challenge grant. We would match every dollar raised for the project – up to \$1 million in total. Donations began pouring in, eclipsing the \$1 million target by the start of 2019.

In January, we donated the \$1 million matching grant we had pledged – and simultaneously announced another \$1 million donation to establish an endowment for ongoing, future pool maintenance. The pool reopened to swimmers in March.

The private fundraising campaign meant that the Texas Parks and Wildlife Commission was able to use state monies for other critical repairs across state parks, many of which were hit hard by Hurricane Harvey in 2017.

“We are beyond grateful to Apache for stepping forward to help with our restoration efforts at Balmorhea State Park,” said Texas Parks and Wildlife Department executive director Carter Smith. “Their leadership and generosity, coupled with the support of many other organizations and individuals who met their challenge to help save this West Texas oasis, has allowed the department to make critical repairs to the pool without having to sacrifice other much-needed park projects around the state.”

Also in 2018, Apache supported the construction of a new parking area at the nearby Balmorhea Lake to serve tourists who visit the lake for fishing and relaxation. And, we constructed a shade structure over the local playground to make it more enjoyable during hot summer days.





The Ucross Foundation in Wyoming was established by Raymond Plank, Apache's founder, in 1981. Photo by Bill Megalos.

\$26 million

donated to arts groups globally
over the last 20 years

The Arts

Apache has been a strong supporter of the arts since the founding of the company more than 60 years ago. Over the last 20 years, we have donated approximately \$26 million to arts groups in the U.S. and around the world through grants, employee matching gifts and in-kind donations.

As discussed previously in this section, the highly regarded Ucross Foundation in Wyoming hosts an artists-in-residence program open to all forms of artistic expression. The Foundation provides room, board and facilities for artists to find their muse – and the opportunity to do some of their best work without outside distractions.

In Houston, Apache has supported the Tony Award-winning Alley Theatre for nearly 15 years. The Alley is one of the country's largest theater companies

outside of New York City and provides audiences with a variety of top-quality work, including new plays and classics, the rediscovered and the rarely performed. Also in Houston, we provided capital funding for the Houston Museum of Natural Science's development of a 10,000-square-foot hall dedicated to Egyptian antiquities.

Apache also has an active program to encourage our employees to enjoy the arts. At Apache's annual Family Night at Theatre Under the Stars in Houston, for example, more than 1,000 employees and their families and friends attend several exclusive-to-Apache performances of major theater productions.

We provide similar opportunities through Family Night at the Houston Museum of Natural Science, during which employees and their families enjoy exclusive access to museum halls and exhibits; and the

exclusive Apache Family Night at the Houston Ballet, where employees and their families launch the holiday season at the final dress rehearsal performance of "The Nutcracker."

We help to support local community theater in Midland, Texas, through the Arts Council of Midland as well as SeptemberFest at the Museum of the Southwest. In Scotland, we have helped to support the International Youth Festival as well as Aberdeen Music Hall, Scotland's oldest and most historic hall that is considered the heart and soul of the Aberdeen community. Apache's donation to the Music Hall enabled the installation of a state-of-the-art assisted hearing system, which has significantly improved the experience for hearing-impaired audience members.

Understanding and Addressing Community Concerns

Being a good neighbor means taking the time to listen. Apache operates in numerous communities around the world, each with its own characteristics and needs.

We focus on developing positive relationships by treating those who live and work in these communities with dignity and respect – and by listening to their concerns and doing all that we reasonably can to address them.

We follow the same high standards of community engagement and responsiveness everywhere we operate while tailoring our approach to the unique circumstances of each community. We develop relationships within our communities through a broad and inclusive process that spans from project initiation to well closure. We maintain regular and open communication with local officials and community leaders to promote friendly and proactive dialogue, and we encourage community members to reach out if they have any issues to discuss. Building these partnerships provides a foundation for positive socioeconomic outcomes for both our communities and our company.

In southern Reeves County, Texas, for example, home of the Alpine High play, we continued our engagement with the Community Advisory Committee, composed of local community members including school superintendents, landowners and small business owners, to discuss the needs of local residents. In 2018, we took members of the committee

and other community members on a drilling rig tour to help educate them about Apache's operations. We explained the basics of our operations and oil and gas production while sharing Apache's philosophy and approach to responsible development.

We obtain regular formal and informal feedback from local stakeholders to understand community concerns and mitigate them, often as swiftly as they arise. We consider stakeholder input in our decision-making processes, both in the planning phases and after we begin operations.

In each of our operating areas, Apache maintains proactive, responsive and ongoing communication channels with local communities. Our landmen are often the first employees to develop working relationships with surface and mineral owners in a new operating area and maintain these relationships throughout the life of the leases. They meet with mineral owners to negotiate leases and rights of use and work with surface owners to discuss and mitigate their concerns and to assure them that Apache is available for assistance should any problems arise.

Our Public Affairs and Government Affairs teams conduct regular stakeholder outreach and engagement through

meetings, informal conversations and ongoing dialogue. We regularly meet with local emergency responders to make sure they know to call our 24-hour emergency number immediately if they suspect there's a problem at one of our locations. We also work to coordinate assistance in the rare event of an incident.

We are continuing to develop our Apache Ambassador Program, which was created to give our workforce the knowledge and confidence necessary to be an advocate for both our company and our industry within their communities. Employees are trained to actively listen and be open and responsive to community members' concerns. So far, we have trained 350 ambassadors in Texas.

Minimizing Community Impacts

While most of the high-activity elements of our operations are short-lived, we know that they can create some concentrated, though temporary, inconveniences. Our guiding principle is always to minimize these impacts as much as possible from the outset. On issues ranging from the size of our well pads to our trucking routes, we thoughtfully work out logistics to avoid or minimize issues such as traffic congestion, road safety, dust, noise and odors.

During the pad siting process, we take multiple factors into consideration, including accessibility and road



conditions. We often drive the roads in the region to get a ground-level view of the situation and preemptively address potential concerns, such as vulnerable roads, residential density and other factors.

Once we commit to a pad location, we develop approved routes for heavy trucking to reduce the potential for widespread disturbance and traffic congestion. We then require all heavy trucks servicing the location to use the approved routes, which minimizes impacts on other road users. We also implement dust suppression measures to reduce impacts on nearby residents and for the safety of vehicles traveling the road.

We contribute to repairing roads as needed. In 2018, for example, Apache voluntarily contributed approximately

\$3.4 million to pay for repairs on nearly 28 miles of roadway in Reeves County, near our Alpine High play.

We also work to reduce our impacts on local roads and communities by fostering safe driving practices among our employees and contractors (see p. 84). We use vehicle monitoring devices to help ensure employees operate vehicles safely on public roadways. In addition, we reduce truck traffic and impacts on roads by using pipelines instead of vehicles to transport water and oil whenever possible. Our water pipelines in Alpine High alone eliminate more than 1,000 truck trips per day.

Noise, light and odor are other common community concerns. We install sound barriers as needed, such as trees planted for noise and visual screening, and we use

specialized lighting to reduce impacts on nearby residents. Odor from our operations can occur when a formation contains hydrogen sulfide. If hydrogen sulfide emissions cannot be addressed through the well siting process, we install emission controls to mitigate odors and emissions during the production stage.

(Learn more about our efforts to minimize our impacts through the Permian Strategic Partnership on p. 120 and about our work to maintain dark skies around the McDonald Observatory on p. 71.)



Engaging with the Surinamese Community

In Suriname, where we are still in the early stages of oil and gas exploration, we look for ways to make a meaningful impact on a variety of social causes. Between the time we signed our first production-sharing contract in Suriname in 2012 through the end of 2020, we anticipate Apache will have invested approximately \$1.3 million in Surinamese community projects. Investments have been made in arenas such as local capacity building and health and welfare.

Local employment capacity building has been a continued area of focus as we aim to one day develop production facilities offshore. Once a commercial discovery is made, our community focus will pivot toward building local capacity. Apache was a key funder of a 2017 baseline survey to help understand the present-day labor capacity of the industrial service sector in Suriname. The survey found that there are indeed significant gaps in the labor pool required to meet the needs of the offshore industry, which lacks a deep-water industrial shore base. Initially, local labor contribution to a deep-water offshore project will be limited, which is something that Apache and other industry peers recognize. Ultimately, we want to be able to fill jobs with local members of the Surinamese population to support our future oil production in the country.

At present, our community social projects in Suriname typically focus on health and welfare, particularly for disadvantaged communities. In 2019, Apache continued to support the Diabetic Center for Suriname, for example, training and educating nurses who work with patients with diabetes.

Also in 2019, we were excited to sponsor a Suriname-bound shipping container of much-needed medical supplies, courtesy of Project C.U.R.E. (Commission on Urgent Relief and Equipment). Project C.U.R.E. was founded in 1987 as a way to allow organizations in the U.S. to donate high-quality medical supplies and equipment to resource-limited communities around the globe. Many of our employees in Texas regularly volunteer with Project C.U.R.E., helping to sort through medical donations and pack them for the shipping containers.

Project C.U.R.E. worked with the Medical Mission of Suriname to identify the most pressing needs of local clinics. A container was packed in the U.S. with approximately \$400,000 worth of medical equipment. Apache Suriname funded the transport and logistical costs and will ultimately ensure the supplies arrive at the intended clinic destinations.

Addressing Community Complaints

While we work hard to anticipate community concerns up front through our robust stakeholder engagement process, it's critical that we have a formal process for community members to share concerns with us and for us to be able to document, address and resolve those concerns. Moreover, we strive for continuous improvement, making sure we learn from every complaint and try to avoid any related issues across our operations.

As part of an effort to be responsive to community needs, we operate a formal grievance line, the Apache Good Neighbor Line. The Apache Good Neighbor Line is routed to our Apache Incident Management (AIM) call center, ensuring that someone is there to answer calls and address community concerns anytime, day or night. The AIM call center is staffed 24 hours a day by employees in Houston, where they monitor security cameras on Apache properties worldwide and catalog any concerns that are flagged. Apache is one of only a few independent oil and gas companies with a 24-hour call center operated by employees rather than a third party.

We have also established a tracking and ticketing system and a matrix for cataloging types of concerns raised. Each

grievance is consolidated and maintained in a central system, and issues are routed to the appropriate contact for further action. All inquiries receive a thorough, individualized investigation to determine the underlying details and develop appropriate resolutions. Company representatives work to address each situation and provide a timely response to the inquiry. Most issues are resolved within 72 hours.

In 2018, the AIM call center received a total of 16 complaints through the Apache Good Neighbor Line. These complaints covered issues such as safety concerns, potential conflicts of interest, environmental and archeological concerns, and other matters. All of the complaints were addressed.



**The Apache Good
Neighbor Line**
1-866-705-2400

We have grievance mechanisms for public feedback, concerns and comments, including in-person at our offices and via email, phone and social media. Community grievances can also be made to the company via the toll-free Apache Good Neighbor Line: 1-866-705-2400.

Human Rights

Respect for human rights is at the core of Apache's values and operations. We worked together with our long-term shareholders in a multiyear process to develop the foundation of the company's Human Rights Principles, which our Board of Directors formally adopted in 2013.

The principles are consistent with the framework laid out by John Ruggie, the United Nations' special representative on business and human rights. Aimed at the honest, fair and dignified treatment of all human beings for whom our operations create opportunities, our Human Rights Principles formalize practices already in place. In accordance with the principles, the company's monitoring results are thoroughly assessed and reported annually to the Corporate Governance and Nominating Committee of our Board.

Three of Apache Corporation's subsidiaries based in the U.K. – Apache North Sea Limited, Apache Beryl I Limited and Apache North Sea Production Limited – published a [statement](#) pursuant to the U.K. Modern Slavery Act. This law requires certain companies doing business in the U.K. to post a statement regarding the steps the company has taken to ensure, as much as reasonably possible, that modern slavery or human trafficking is not taking

place within the organization or its supply chain.

Through our master services agreements, we require our contractors to have a Code of Conduct or Ethics and to conduct business with respect for and adherence to human rights issues, including the prevention of human trafficking.

Respecting Indigenous People

An integral part of Apache's business is building enduring relationships with the communities in which we operate. This commitment includes recognition of and respect for indigenous people who live and work in these communities and have a strong connection to the land. At shareholders' request, we adopted a [statement](#) concerning indigenous peoples as part of our Human Rights Principles.

Apache has endeavored to incorporate indigenous perspectives into project planning, design and execution, and operational planning. In Alpine High,

for example, we assessed the area for potential Native American cultural sites and have a program in place to address any previously unidentified cultural sites that may be uncovered in the course of operations. During the exploration and development phase of a project, Apache promotes open communications by conducting community meetings and working directly with indigenous groups and local nongovernmental organizations.

Whether through education, training, employment or benefit agreements, Apache also strives to ensure that our projects have direct and long-lasting benefits for national peoples and their local communities.

Because our global operations have evolved over the years, we now have few remaining locations with indigenous populations.

Raising Money for Human Trafficking Awareness

In January 2019, Apache supported the E.S.S.I. (Empower. Stand. Serve. Impact.) anti-trafficking gala in Houston to raise money to benefit United Against Human Trafficking. The event, which sold out at 190 guests, raised more than \$58,500 for the organization and its fight against human trafficking. The gala featured two survivors of sex trafficking – one female and one male.

Addressing Human Trafficking

Human trafficking is one of the fastest-growing organized crime activities around the world. In the U.S., the National Human Trafficking Hotline reported more than 8,500 cases in 2017 (the most recent full-year statistic available). More than 45,000 total cases of human trafficking – including sex and labor trafficking – have been reported to that hotline over the last decade. Globally, the International Labour Organization estimates there are 40.3 million victims of human trafficking, with 81 percent of them trapped in forced labor.

These sorts of crimes against humanity, unfortunately, are increasingly common in areas with new and rapidly expanding economic activity. To do our part to fight these crimes, Apache has taken a leadership role in our industry to address human trafficking.

We are an active member of the Oil and Gas Trafficking Advocacy Group, which is working to prevent sex and labor trafficking at home and abroad. The group, composed of numerous oil and gas companies, meets regularly to discuss prevention and awareness topics and to help identify the role the industry can play in ending trafficking for the safety and security of the communities in which we live and work.

We proactively inform employees, contractors and suppliers of the resources available that describe trafficking behaviors to watch for and provide the national human trafficking hotline number to report these behaviors, if observed.

We also host town halls and presentations with our contracting firms to alert them to the dangers of human trafficking and to highlight ways they can try to prevent it. Those who suspect a trafficking crime might be taking place are encouraged to phone a hotline number or call their local law enforcement agencies.

Apache's own Code of Business Conduct and Ethics prohibits employees from engaging in any illegal activities, such as soliciting prostitution, that could support human trafficking.

In 2018, Apache partnered with **Truckers Against Trafficking** to support a Human Trafficking Coalition Build in the Permian Basin. Operators, government officials and law enforcement agencies were invited to attend to increase awareness and cross-train on strategies that can help mitigate human and sex trafficking activities. Attendees heard from the Texas Assistant Attorney General about how Texas law is changing to combat human trafficking. We also hosted the Freedom Drivers Project, a mobile museum on modern-day slavery, at four of our Texas office locations to educate employees on human trafficking and ways we can all be vigilant in efforts to help end the practice. In 2019, we helped sponsor the production of a first-of-its-kind training video, created by Truckers Against Trafficking, aimed at helping the oil and gas industry understand the realities of human trafficking and how the industry as a whole can work to combat these crimes.





Local Economic Impacts

Apache's operations bring benefits to communities in the form of local hiring and spending. The practice of hiring locally is one way Apache can make meaningful economic contributions to the communities where we operate.

We offer competitive wages and benefits and actively recruit qualified candidates with demonstrated skills and experience specific to the particular requirements for each job. We regularly participate in region-specific salary surveys to ensure we provide competitive wages to attract and retain top talent. In all locations, we make compensation enhancements based upon salary survey results when needed. (Learn more about local hiring on p. 108 in the Workforce section.)

Local Spending

Like hiring locally, sourcing supplies and services locally makes economic sense and engenders goodwill in the communities in which we operate. Apache makes a point to develop

strong relationships with local suppliers and contractors.

Many products and services for the oil and gas industry are commonly provided by large multinational suppliers – including products such as offshore rigs, turbines, wellhead equipment and steel pipe. Apache seeks to purchase what we can from local businesses. Welding services, water hauling, roustabout crews, construction crews and civil project installation crews are a few of the categories in which we procure goods and services from local suppliers. Having supply chain personnel embedded throughout the company furthers our efforts to involve the local community and suppliers in our business. Our operating

areas spend, on average, 30 percent of their budgets with suppliers and vendors who are geographically local.

We also contribute to local economies through a variety of taxes and fees. For example, in Texas in 2018, Apache paid approximately \$49 million in local property taxes assessed upon reserves in place. Texas is one of only two states that allows local governments to tax oil and gas reserves. In some cases, those tax payments make up a very large percentage of the total revenue collected by school districts, cities, counties, hospital districts, community colleges and other such entities.

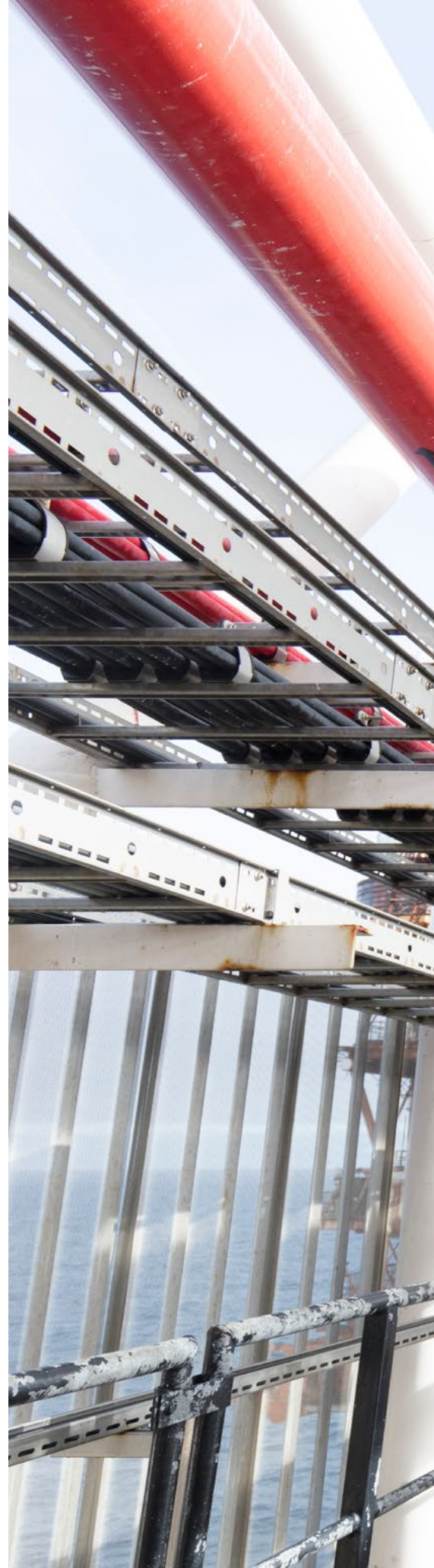
2018 Local Spending¹⁷

	Local Spend	Total Spend	Local Spend Percentage
Corporate	\$66,108,726	\$216,165,708	31%
Egypt	\$396,123,861	\$825,975,155	48%
Midcontinent/Gulf Coast	\$38,180,675	\$164,094,414	23%
North Sea	\$345,439,006	\$709,051,812	49%
Permian ¹⁸	\$597,500,874	\$2,699,648,503	22%
Total	\$1,443,353,142	\$4,614,935,592	31%

¹⁷ As of December 31, 2018.

¹⁸ Includes Altus Midstream.

— Appendix





— Ask Apache

We seek to understand and respond to the issues that are most important to our stakeholders. Our Ask Apache feature identifies the issues most frequently raised by stakeholders, provides concise but thorough answers describing how we are addressing these topics, and points to more detailed, related content throughout this report.

Q&A



The potential impacts of a changing climate on water resources are complex and likely to be variable across the globe. There are indications that fresh water may become increasingly scarce in some of the areas where Apache operates.



How is Apache planning for the possibility of increased water scarcity and reduced freshwater availability for your operations?

We recognize that fresh water is a precious and limited resource that could become more scarce in the future.

To avoid competing with other freshwater users, and to minimize our water scarcity-related risks, we have a longstanding commitment to – and track record of – using alternatives to fresh water and working to reduce the overall amount of water required for our operations. We also follow stringent protocols and invest considerable resources to protect fresh water – including significant watershed conservation efforts in many of our operating areas.

We are proactive in seeking out alternative water sources in all of our operations, especially in areas of the U.S. and Egypt that could be considered “water scarce.” For example, Apache was one of the first operators in Texas to implement innovative approaches for using nonfresh water, including brackish water and produced water recycled from our own operations.

For years we have been developing and refining methods for treating, storing and reusing nonfresh water in order to handle it responsibly and make it useable for our operations. In 2018, in the Permian Basin in Texas and New Mexico, we added more than 1 million barrels of water storage capacity, bringing our total capacity for the treatment and recycling of produced water to nearly 16 million barrels in 11 water treatment and storage facilities. We have implemented rigorous controls for the storage and transport of produced water to avoid impacting the quality of soil, groundwater and surface water.

In 2018 in our Permian Basin operations, 69 percent of the water used in hydraulic fracturing was recycled or nonfresh water – up from 49 percent in 2017.

To further safeguard freshwater resources, we follow proven well integrity procedures throughout the lifecycle of our wells (see p. 48). To help

ensure we do not impact water resources, we test water quality prior to beginning operations in a new area to obtain baseline water quality data; we also require post-drilling water-quality monitoring as needed based on the location's risk profile. In the Alpine High play in Texas, out of an abundance of caution to protect the local spring systems, we undertake extensive water-quality testing that goes well beyond regulatory requirements. In addition to completing comprehensive baseline water assessments, we conduct ongoing testing of water quality and quantity throughout our operations in this area. We also continually expand and improve the systems we have developed to monitor aquifer levels and water quality in existing water wells.

Beyond efforts to reduce freshwater use and protect water quality in our production operations, we dedicate considerable resources to protecting and enhancing water quality and water ecosystems outside of our operations. For example, Apache manages 270,000 acres of our land in Louisiana to protect swamps and marshes, as the Gulf Coast region has some of the nation's most at-risk wetlands.

We spend over \$450,000 per year, on average, and our employees donate thousands of hours of their time, to restore and protect the wetlands and marshes we own. Wetlands are critical to natural ecosystems, serving as storm surge buffers during hurricanes, promoting flood control by holding excess water during heavy rainfall, replenishing aquifers and purifying water by filtering out pollutants and absorbing nutrients.

Apache is also a member of the Pecos River Watershed Conservation Initiative, a collaborative effort of eight oil and gas companies, the National Fish and Wildlife Foundation and the U.S. Department of Agriculture's Natural Resources Conservation Service, that works to protect the Pecos River watershed by funding projects that strengthen the health of existing habitats, address water quality and scarcity and support other conservation goals.

See the Environment section for more about our efforts to protect freshwater resources by using alternative water sources (p. 44), safeguarding water quality (p. 48) and enhancing water ecosystems (pp. 72-73).

16 million

barrels of total water capacity for the treatment and recycling of produced water in 11 Permian Basin facilities

69%

of the water we used in the Permian Basin's hydraulic fracturing was recycled or nonfresh water in 2018

\$450,000

spent per year, on average, to restore and protect Apache-owned land in the Gulf Coast

There is an old adage that what gets measured and rewarded gets done. Investors and other stakeholders are increasingly interested in how companies are driving focus and performance improvements on environmental, social and governance (ESG) issues.



How does Apache encourage and incentivize an ongoing commitment to – and continuous improvement on – key ESG issues?

Delivering premier performance on ESG issues is central to Apache's corporate vision and mission. Our company's culture and Core Values speak directly to ESG issues: taking our environmental responsibility seriously, never compromising on safety, treating all of our stakeholders with respect and conducting our business with honesty and integrity.

We know that culture – and performance – start from the top, so our Board of Directors is actively involved in ESG issues. The full Board receives regular reports and presentations on a range of sustainability issues, including but not limited to health, safety, security and environmental performance; greenhouse gas emissions and water usage; cybersecurity; and alignment with our Human Rights Principles. Sixty percent of current Directors have experience in environmental and regulatory issues, and they actively seek external experts on ESG issues to provide ongoing education and fresh insights. Recent topics of presentation have included cybersecurity, climate change and the impacts of technology on the future of the oil industry. The Corporate Governance and

Nominating Committee, which serves as a conduit for information on these topics to the rest of the Board, includes time at designated meetings for more in-depth discussion on a wide range of ESG subjects.

Our rigorous management systems, internal goals and compensation metrics further support an urgent focus and relentless improvement on ESG issues. Our management approach begins with a comprehensive and recurring process for identifying and mitigating ESG risks in order to stay on top of important issues and to have systems in place to avoid risks and maximize positive impacts. We have comprehensive policies, standards and practices, and work rules that define workforce expectations and behaviors to help ensure our people deliver premier performance on safety, environmental responsibility and ethical conduct. We back all of this up with an intensive internal audit process and third-party audits of health, safety and environmental management to ensure our management systems and performance meet our expectations and to identify and fill any gaps as needed.

To drive continuous improvement, we establish yearly corporatewide health, safety and environmental performance goals as a component of incentive compensation plans for all employees, from the field to the executive suite. Since 2016, we have expanded environmental- and social-focused compensation incentives. These now make up 10 percent of management's annual incentive bonus and include goals for safety, methane emissions and freshwater usage reduction. We also added a workforce diversity goal to our compensation metrics. Read more in the Governance section (p. 36) about how we encourage a focus and incentivize performance on ESG issues.

In 2019, each operating area developed specific sustainability-related goals and associated action plans. Looking forward, we will further integrate a focus on ESG performance and innovation by allocating funding to implement projects that will advance the sustainability of our operations.



Some oil and gas companies have faced criticism and questions about the impacts of their operations on local communities.



What is Apache doing to help ensure it provides benefits to the communities where it operates?

At Apache, we measure success based on the value we add for all of our stakeholders, including residents of the communities where we live and work. Apache's operations bring significant economic benefits to local communities, including direct jobs for local residents, indirect jobs and economic expansion in supporting industries, and direct local investment by our company. We seek to maximize these benefits in all the areas where we operate.

We focus on hiring qualified individuals who reside in our locations of operation, including the U.S., Egypt, the U.K. and Suriname, and we prioritize local sourcing of supplies and services whenever possible and ask our vendors to do the same. Welding services, water hauling, roustabout crews, construction crews and civil project installation crews are just some of the categories in which we procure goods and services from local suppliers. We have supply chain personnel embedded in each area of operation, which furthers our efforts to involve the local community and suppliers

in our business. Even in an industry dominated by multinational providers, our operating areas spend, on average, 30 percent of their budgets with suppliers and vendors who are geographically local.

We are working to maximize the local benefits of our operations in the Permian Basin. This longtime oil and gas region is seeing a major rebirth, which brings enormous economic opportunity to the area, but also challenges. To help make sure local communities benefit from new and longer-term oil and gas developments, we recently co-founded the Permian Strategic Partnership, an unprecedented coalition of 19 oil and gas industry companies working to improve the quality of life for Permian Basin residents through projects that foster superior schools, safer roads, quality health care, affordable housing and a trained workforce (see p. 120).

Our "give where we live and work" approach to philanthropy allows us to zero in on the specific needs of the areas where we operate. We seek to contribute thoughtfully and beneficially to local

communities by positively influencing the areas of the arts, education, the environment, health, military appreciation, employee giving and neighborhood resources through our charitable programs, strong community partnerships and employee engagement.

We also contribute to local economies through a variety of taxes and fees. For example, in 2018 Apache paid approximately \$49 million in local property taxes in Texas alone; these taxes help to fund school districts, cities, counties, hospital districts, community colleges and other local needs.

While our operations offer a myriad of benefits to communities, we do recognize that some of the high-activity elements of our production work can create concentrated, if temporary, inconveniences. We believe that being a good neighbor means taking the time to listen, and then doing all we can to respond to community needs and concerns.

Our guiding principle is always to minimize or eliminate these impacts on local residents as much as possible from the outset, so we seek to understand and mitigate any potential impacts of our

We seek to maximize local economic benefits in all the areas where we operate.



operations before they become a concern for residents. On issues ranging from the size of our well pads to our trucking routes, we thoughtfully work out logistics to avoid or minimize issues such as traffic congestion, road safety, dust, noise and odors.

We also want to make it easy for community members to share concerns with us and for us to be able to address and resolve those concerns. Moreover, we learn from every complaint and try to avoid any related issues across our operations.

We obtain regular formal and informal feedback from local stakeholders to understand and address community concerns. As part of our efforts to be responsive to community needs, we established a formal grievance line that is operated 24 hours a day by staff members in Houston, where they monitor security cameras on Apache properties worldwide and catalog any concerns that are flagged. Apache is one of only a few independent oil and gas companies with a 24-hour call center operated by employees rather than a third party.

Learn more about Apache's local economic benefits and commitment to minimizing impacts on communities in the Community section (p. 144).

Community members may contact Apache with a grievance by calling our toll-free number, the Apache Good Neighbor Line, at **1-866-705-2400**.

Key Performance Data

Global Water Use By Source ¹⁹		Units	2018	2017	2016	2015	2014
Water consumption	Mbbls		604,100	566,500	676,200	681,400	675,300
Fresh water	Mbbls		28,100	32,900	29,900	49,000	75,400
Groundwater	Mbbls		23,900	27,000	23,600	34,800	51,300
Surface water	Mbbls		2,400	2,500	3,300	10,000	14,900
Municipal water	Mbbls		1,800	3,400	3,000	4,200	9,200
Nonfresh water	Mbbls		576,000	533,600	646,300	632,400	599,900
Groundwater	Mbbls		97,400	90,500	80,100	84,300	82,200
Surface water	Mbbls		—	800	—	4,100	5,500
Produced water (recycled)	Mbbls		478,600	442,300	566,200	544,000	512,200
Water withdrawals	Mbbls		994,600	968,700	1,150,700	1,218,000	1,233,900
Produced water (total)	Mbbls		869,200	844,500	1,040,700	1,080,600	1,070,800
Global Water Metrics							
Nonfreshwater consumption	%		95	94	96	93	89
Total consumption recycled/reused	%		79	78	84	80	76
Nonfreshwater withdrawals	%		97	97	97	96	94
Total withdrawals recycled/reused	%		48	46	49	45	42
Water consumption intensity	bbbls/boe		1.8	1.7	1.8	2.0	1.8
Hydraulic Fracturing Water Use (U.S. only)							
Nonpotable water	%		22	20	17	25	18
Midcontinent/Gulf Coast	%		21	—	—	37	1
Permian	%		22	21	19	20	25
Produced water captured for reuse	%		46	27	13	17	15
Midcontinent/Gulf Coast	%		—	—	—	—	4
Permian	%		48	28	14	24	19
Total nonpotable water (including produced water)	%		68	47	30	41	33
Midcontinent/Gulf Coast	%		21	—	—	37	5
Permian	%		69	49	33	44	44
Global Greenhouse Gas Emissions ²⁰							
Operated emissions (Scope 1) ²¹	Thousand tonnes CO ₂ e		3,410	2,570	3,370	3,070	4,210
Carbon dioxide	Thousand tonnes CO ₂ e		2,860	2,100	2,400	2,030	2,780
Methane	Thousand tonnes CO ₂ e		530	450	940	1,010	1,400
Nitrous oxide	Thousand tonnes CO ₂ e		20	20	30	30	30
Operated emissions by source							
Flaring	Thousand tonnes CO ₂ e		800	700	760	410	530
Venting	Thousand tonnes CO ₂ e		460	330	410	480	870
Fuel combustion	Thousand tonnes CO ₂ e		2,050	1,440	1,800	1,740	2,340
Fugitives	Thousand tonnes CO ₂ e		100	100	400	440	470
Electricity (Scope 2)	Thousand tonnes CO ₂ e		800	850	1,100	1,270	1,410
Egypt joint venture emissions	Thousand tonnes CO ₂ e		4,170	4,380	4,110	3,830	4,050
Global Emissions Intensities ²²							
Global GHG emissions intensity	tCO ₂ e/Mboe		22.2	21.5	21.7	22.6	23.2
Global methane emissions intensity	%		0.40	0.42	0.48	0.63	0.67
Operated Methane Emissions Intensity ²³							
Production segment	%		0.48	0.69	0.86	0.96	0.95
Gathering and boosting segment	%		0.08	0.34	0.83	0.00	0.00
Gas processing segment	%		0.02	0.01	0.01	0.01	0.15
Transmission segment	%		0.07	0.01	0.00	0.00	0.00
Operated Energy Use							
Energy use	Thousand MWh		3,353	2,759	3,424	3,634	4,209
Combustion energy	Thousand MWh		2,150	1,483	1,870	1,831	2,462
Electricity	Thousand MWh		1,202	1,276	1,554	1,803	1,747

Spills	Units	2018	2017	2016	2015	2014
Hydrocarbon spills	No. >1 barrel in size	341	302	299	417	432
Health and Safety						
Hours worked – workforce	Million hours	54	53	44	53	83
Employee Total Recordable Incident Rate	Per 200,000 hours worked	0.28	0.24	0.19	0.44	0.38
Contractor Total Recordable Incident Rate	Per 200,000 hours worked	0.80	0.67	0.69	0.91	1.08
Workforce Total Recordable Incident Rate	Per 200,000 hours worked	0.65	0.56	0.52	0.76	0.89
Employee Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.17	0.10	0.09	0.24	0.20
Contractor Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.40	0.28	0.37	0.44	0.61
Workforce Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	0.33	0.23	0.27	0.37	0.50
Vehicle Incident Rate	Per million miles driven	1.29	1.24	1.41	1.29	1.41
Our People						
Full-time employees	#	3,420	3,356	3,727	3,846	4,910
United States ²⁴	#	2,442	2,412	2,222	2,245	2,737
United Kingdom	#	590	560	624	673	697
Egypt	#	388	384	393	407	411
Canada ²⁵	#	—	—	488	521	686
Australia ²⁶	#	—	—	—	—	379
Community Engagement						
Total local vendor spend	\$ Million	1,443	1,090	869	1,709	2,928
Total global vendor spend	\$ Million	4,615	4,071	2,950	6,852	10,924
Local spend percentage	%	31	27	29	25	27
Community Investments						
Education ²⁷	%	45	32	35	37	
Health ²⁸	%	11	15	23	30	
Neighborhood Resources and Military Appreciation ²⁹	%	8	—	—	—	
Arts	%	4	2	3	3	
Environment	%	24	24	18	15	
Employee Giving ³⁰	%	8	27	21	15	
Financial and Production Highlights						
Oil and gas production revenues	\$ Million	7,348	5,887	5,367	6,510	12,795
Natural gas production	MMcf/d	966	958	1,103	1,149	1,371
Oil and natural gas liquids production	Mbbls/d	305	298	338	352	369
Proved reserves	MMboe	1,234	1,175	1,311	1,564	2,396

¹⁹ Global water use includes volumes from all Apache operating areas.

²⁰ Our emissions are determined using engineering calculations and methods outlined by applicable regulations.

²¹ Operated emissions include Scope 1 emissions calculated under applicable regulatory requirements and boundaries in the U.S. and U.K. For operations within the U.S., Scope 1 emissions include emissions reported to the U.S. Environmental Protection Agency under Subpart C and Subpart W.

²² Global intensities were calculated using Scope 1 emissions from production and gathering and boosting operations in Apache's U.S. and North Sea operating areas and Egypt joint venture operations and associated gross production.

²³ Operated methane emissions intensities account for methane emissions from oil and natural gas operations calculated under applicable regulatory requirements and boundaries in the U.S. and U.K. and associated gross methane production.

²⁴ Suriname is included in United States.

²⁵ Canada assets were sold in August 2017.

²⁶ Australia assets were sold in June 2015.

²⁷ Education includes in-kind contributions for Fund for Teachers and Springboard.

²⁸ This category was formerly called Health and Social.

²⁹ Newly created in 2018, this category includes contributions to community, military and social organizations. Prior to 2018, amounts were categorized as Health and Social contributions.

³⁰ Employee Giving reflects company matching on employee charitable donations. This category was formerly called Matching Contributions.

Key to Abbreviations

Mbbls = thousands of barrels
 Bbls/boe = barrels of water per barrels of oil equivalent
 tCO₂e/Mboe = tonnes of carbon dioxide equivalent per thousands of barrels of oil equivalent
 MWh = megawatt hour
 MMcf/d = millions of cubic feet of natural gas per day
 Mbbls/d = thousands of barrels of oil or NGL per day
 MMboe = millions of barrels of oil equivalent

2018 Water Consumption by Operating Area

Operating Area	Fresh Groundwater (Mbbbls)	Fresh Surface Water (Mbbbls)	Municipal Water (Mbbbls)	Nonfresh Groundwater (Mbbbls)	Nonfresh Surface Water (Mbbbls)	Recycled Produced Water (Mbbbls)	Water Intensity (bbls/boe)
Egypt	—	—	1,100	64,900	—	103,300	0.8
North Sea	—	400	—	—	—	56,500	2.3
United States	23,900	2,000	700	32,500	—	318,800	3.7
Midcontinent/Gulf Coast	300	1,900	—	600	—	1,400	0.2
Permian	23,600	100	700	31,900	—	317,400	4.4
Global Total	23,900	2,400	1,800	97,400	—	478,600	1.8

Awards and Recognitions

Apache is proud to be frequently recognized by third parties for our sustainability efforts, from our work to mitigate our impacts on the environment to the social causes we support. Recent awards include the following:

2019

- Top Workplace in Houston – *The Houston Chronicle*
- Top Workplace in San Antonio – *San Antonio Express-News*
- Texan by Nature 20 – Texan by Nature
- America's Most JUST Companies 2020 – *Forbes*
- Trendsetter in Political Disclosure and Accountability – CPA-Zicklin Index of Corporate Political Disclosure and Accountability
- Bruno Hanson Environmental Excellence Award – Midland College
- E&P Company of the Year – Oil & Gas Awards
- Ranked second among the 30 largest publicly traded producers of oil and gas in North America – *Disclosing the Facts 2019: Transparency and Risk in Water & Chemicals Management for Hydraulic Fracturing Operations*
- America's Best Midsize Employers 2019 – *Forbes*
- DEG Corporate Award for Excellence in Environmental Stewardship – American Association of Petroleum Geologists' Division of Environmental Geosciences
- 2019 Breakfast of Corporate Champions (for having 30% or more women on our Board of Directors) – Women's Forum of New York

2018

- Top Workplace in Houston – *The Houston Chronicle*
- Top Workplace in San Antonio – *San Antonio Express-News*
- Trendsetter in Political Disclosure and Accountability – CPA-Zicklin Index of Corporate Political Disclosure and Accountability
- Muscular Dystrophy Association's Lifetime Achievement Award
- All-America Executive Team – *Institutional Investor*
- World's Most Admired Companies – *FORTUNE*

Reporting Standards and Scorecards

This report was prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards and is in accordance with the GRI Standards at the core level. We also include indicators from *Disclosing the Facts 2019*, IPIECA's *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, the Sustainability Accounting Standards Board's *Oil and Gas Exploration and Production Sustainability Accounting Standard*, recommendations of the Task Force on Climate-related Financial Disclosures, and the United Nations' Sustainable Development Goals.

Global Reporting Initiative Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 102: General Disclosures (2016)		
102-1	Name of the organization	p. 12
102-2	Activities, brands, products and services	p. 12 2018 Form 10-K , pp. 11-12
102-3	Location of headquarters	Apache Corporation is headquartered in Houston, Texas.
102-4	Location of operations	pp. 12-13 2018 Form 10-K , pp. 2-6
102-5	Ownership and legal form	2018 Form 10-K , p. 1
102-6	Markets served	2018 Form 10-K , pp. 2-6
102-7	Scale of the organization	2018 Form 10-K , pp. 2-8, 11-12, 31-33
102-8	Information on employees and other workers	pp. 22-23, 107-109, 163 2018 Form 10-K , p. 12
102-9	Supply chain	pp. 87-89, 151
102-10	Significant changes to the organization and its supply chain	pp. 12-13, 151 2018 Form 10-K , pp. F-18-F-20 Apache sold its assets in the SCOOP/STACK play in Oklahoma in May 2019.
102-11	Precautionary principle or approach	pp. 26-27
102-12	External initiatives	pp. 35, 58
102-13	Membership of associations	pp. 35, 58, 95
102-14	Statement from senior decision-maker	pp. 4-7
102-15	Key impacts, risks and opportunities	pp. 4-11, 16-17 2018 Form 10-K , pp. 14-24
102-16	Values, principles, standards and norms of behavior	pp. 1, 30-32 Code of Business Conduct and Ethics
102-17	Mechanisms for advice and concerns about ethics	pp. 30-32 Code of Business Conduct and Ethics
102-18	Governance structure	pp. 20-26 Corporate Governance Principles

Disc. #	Disclosure Title	Location in Report/Response/Omission
102-19	Delegating authority	pp. 20-26, 36-37
102-20	Executive-level responsibility for economic, environmental and social topics	p. 36 Sustainability issues, including health, safety, security, environment, community affairs and human resources, are overseen by the vice president of HSSE, vice president of Corporate Communications and Public Affairs, and senior vice president of Human Resources.
102-21	Consulting stakeholders on economic, environmental and social topics	pp. 20-26
102-22	Composition of the highest governance body and its committees	pp. 20-26 2019 Proxy Statement , pp. 6-15 Corporate Governance Principles
102-23	Chair of the highest governance body	pp. 20-26 2019 Proxy Statement , pp. 6-15 Corporate Governance Principles
102-24	Nominating and selecting the highest governance body	2019 Proxy Statement , p. 13 Corporate Governance Principles , p. 2
102-25	Conflicts of interest	2019 Proxy Statement , p. 70 Code of Business Conduct and Ethics
102-26	Role of the highest governance body in setting purpose, values and strategy	pp. 20-26 Corporate Governance Principles
102-27	Collective knowledge of the highest governance body	pp. 20-23, 36 Corporate Governance Principles , pp. 4, 6
102-28	Evaluating the highest governance body's performance	Corporate Governance Principles , p. 4
102-29	Identifying and managing economic, environmental and social impacts	pp. 17, 24-26 2019 Proxy Statement , pp. 12-14
102-30	Effectiveness of risk management processes	pp. 26-27 2019 Proxy Statement , pp. 12-14
102-31	Review of economic, environmental and social topics	p. 25 2019 Proxy Statement , pp. 12-14
102-32	Highest governance body's role in sustainability reporting	The Board of Directors' Corporate Governance Committee oversees discussion of the most important sustainability topics covered in this report. The report is reviewed and approved by select members of our executive team, as well as our Internal Audit function (described on p. 28).
102-33	Communicating critical concerns	pp. 30-31 2019 Proxy Statement , p. 12 Code of Business Conduct and Ethics
102-35	Remuneration policies	2019 Proxy Statement , pp. 26-58
102-36	Process for determining remuneration	2019 Proxy Statement , pp. 26-58
102-37	Stakeholders' involvement in remuneration	2019 Proxy Statement , pp. 26-58

Appendix

Disc. #	Disclosure Title	Location in Report/Response/Omission
102-38	Annual total compensation ratio	2019 Proxy Statement , p. 69
102-40	List of stakeholder groups	pp. 34-35
102-41	Collective bargaining agreements	2019 Proxy Statement , p. 31
102-42	Identifying and selecting stakeholders	pp. 34-35
102-43	Approach to stakeholder engagement	pp. 34-35
102-44	Key topics and concerns raised	pp. 17, 34-35, 154-161
102-45	Entities included in the consolidated financial statements	2018 Form 10-K , pp. 1-6, 11-12
102-46	Defining report content and topic boundaries	p. 17 We determined the content for this report based on the issues we understand to be most important to our company and our stakeholders. We conducted an analysis of our most important issues following the Global Reporting Initiative's materiality guidance as laid out in GRI Standard 101: Foundation, 2016. We also followed GRI's principles for stakeholder inclusiveness, understanding sustainability context and completeness. We determined the boundary for each of our material topics based on where the impact occurs, either through the direct actions of our own organization or indirectly through a business partner.
102-47	List of material topics	p. 17
102-48	Restatements of information	Information about any restatements is provided in the footnotes to the relevant data.
102-49	Changes in reporting	None
102-50	Reporting period	Data provided in the report cover the period from January 1 to December 31, 2018. Some additional information on important sustainability-related activities that occurred in 2019 before publication of this report is also included.
102-51	Date of most recent report	November 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Rajesh Sharma, Corporate Secretary, Apache Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4400
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This index
102-56	External assurance	p. 16 Some financial data included in our annual Form 10-K have been externally assured, as noted in the 10-K.

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 201: Economic Performance (2016)		
103-2	The management approach and its components	2018 Form 10-K , pp. 28-48 All management approach disclosures – identified in this index with the Disclosure numbers 103-1, 103-2 and 103-3 – are from GRI Standards 103: Management Approach (2016).
103-3	Evaluation of the management approach	pp. 26-29 2018 Form 10-K , pp. 28-48
201-1	Direct economic value generated and distributed	p. 163 2018 Form 10-K , pp. F-29-F-33, F-48-F-53
201-2	Financial implications and other risks and opportunities due to climate change	pp. 64-69, 156-157 2018 Form 10-K , pp. 15, 21
201-3	Defined benefit plan obligations and other retirement plans	2018 Form 10-K , pp. F-37-F-41
GRI 203: Indirect Economic Impacts (2016)		
103-1	Material topic and boundaries	pp. 8-11, 108-109, 120-123, 126-147, 160-161 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 8-11, 108-109, 121-123, 126-151, 158, 160-161
103-3	Evaluation of the management approach	pp. 26-29, 158
203-1	Infrastructure investments and services supported	pp. 8-11, 108-109, 121-123, 126-151, 160-161
203-2	Significant indirect economic impacts	pp. 8-11, 17, 108-109, 121-123, 126-151, 160-161
GRI 204: Procurement Practices (2016)		
103-1	Material topic and boundaries	pp. 17, 108-109 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 108-109, 158
103-3	Evaluation of the management approach	pp. 26-29, 158
204-1	Proportion of spending on local suppliers	pp. 108-109, 151
GRI 205: Anti-Corruption (2016)		
103-2	The management approach and its components	pp. 20-32, 158 Code of Business Conduct and Ethics
103-3	Evaluation of the management approach	pp. 20-32, 158
205-2	Communication and training about anti-corruption policies and procedures	p. 32 Code of Business Conduct and Ethics
GRI 302: Energy (2016)		
103-1	Material topic and boundaries	pp. 17, 56-69 Issue boundary - inside and outside the organization

Appendix

Disc. #	Disclosure Title	Location in Report/Response/Omission
103-2	The management approach and its components	pp. 20-32, 36, 40, 56-69, 158
103-3	Evaluation of the management approach	pp. 26-29, 158
302-1	Energy consumption within the organization	pp. 59, 62-63, 162
GRI 303: Water (2016)		
103-1	Material topic and boundaries	pp. 17, 156-157 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 36, 40-53, 158
103-3	Evaluation of the management approach	pp. 26-29, 158
303-1	Water withdrawal by source	pp. 162, 164
303-3	Water recycled and reused	pp. 42-47, 162, 164
GRI 304: Biodiversity (2016)		
103-2	The management approach and its components	pp. 20-32, 36, 40, 70-73, 158
103-3	Evaluation of the management approach	pp. 26-29
304-2	Significant impacts of activities, products and services on biodiversity	pp. 70-73
304-3	Habitats protected or restored	pp. 70-73
GRI 305: Emissions (2016)		
103-1	Material topic and boundaries	pp. 17, 56-69, 156-157 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 36, 40, 56-69, 158
103-3	Evaluation of the management approach	pp. 26-29, 120-123, 158
305-1	Direct (Scope 1) GHG emissions	p. 162
305-2	Indirect (Scope 2) GHG emissions	p. 162
305-4	GHG emissions intensity	pp. 60-63, 162
305-5	Reduction of GHG emissions	pp. 56-59, 162
GRI 306: Effluents and Waste (2016)		
103-1	Material topic and boundaries	pp. 17, 42, 48, 74-79 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 36, 40, 42, 48, 74-79, 158
103-3	Evaluation of the management approach	pp. 26-29, 158
306-2	Waste by type and disposal method	pp. 76-79
306-3	Significant spills	p. 163

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 307: Environmental Compliance (2016)		
103-1	Material topic and boundaries	pp. 17, 40-79 Issue boundary - inside the organization
103-2	The management approach and its components	pp. 20-32, 36, 40-79, 158
103-3	Evaluation of the management approach	pp. 26-29, 158
307-1	Noncompliance with environmental laws and regulations	2018 Form 10-K , pp. F-34-F-35 We report all material legal matters and fines in our annual Form 10-K.
GRI 308: Supplier Environmental Assessment (2016)		
103-2	The management approach and its components	pp. 20-32, 88
103-3	Evaluation of the management approach	pp. 26-29, 88
308-1	New suppliers that were screened using environmental criteria	p. 88 All field-based contractors are screened on environmental criteria.
GRI 403: Occupational Health and Safety (2016)		
103-1	Material topic and boundaries	pp. 17, 80-99 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 36, 80-95, 158
103-3	Evaluation of the management approach	pp. 20-29, 80-95
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	pp. 93, 163
GRI 404: Training and Education (2016)		
103-2	The management approach and its components	pp. 20-32, 102-105
103-3	Evaluation of management approach	pp. 26-29, 102-105
404-1	Hours of training	p. 102
GRI 405: Diversity and Inclusion (2016)		
103-2	The management approach and its components	pp. 20-32, 106-107
103-3	Evaluation of management approach	pp. 20-32, 26-29, 106-107
405-1	Diversity of governance bodies and employees	pp. 20, 107
GRI 411: Rights of Indigenous Peoples (2016)		
103-2	The management approach and its components	pp. 20-32, 148 Statement on Indigenous Peoples
103-3	Evaluation of the management approach	pp. 20, 26-29, 148

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Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 412: Human Rights Assessment (2016)		
103-2	The management approach and its components	pp. 20-32, 148 Statement on Indigenous Peoples Human Rights Principles
103-3	Evaluation of the management approach	pp. 20, 26-29, 148
GRI 413: Local Communities (2016)		
103-1	Material topic and boundaries	pp. 8-11, 17, 126-151 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-32, 120-123, 126-147, 158
103-3	Evaluation of the management approach	pp. 26-29, 120-123, 126-147
413-1	Operations with local community engagement, impact assessments and development programs	pp. 120-123, 126-147
413-2	Operations with significant actual and potential negative impacts on local communities	pp. 120-123, 126-147
GRI 414: Supplier Social Assessment (2016)		
103-2	The management approach and its components	pp. 20-32, 87-89, 158
103-3	Evaluation of the management approach	pp. 26-29, 87-89
414-1	New suppliers that were screened using social criteria	pp. 87-88 All field-based contractors are screened on health, safety and environmental criteria.
GRI 415: Public Policy (2016)		
103-1	Material topic and boundaries	pp. 17, 32-33 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 20-33 Policy on Political Contributions and Lobbying
103-3	Evaluation of management approach and its components	pp. 26-29, 32-33
415-1	Political contributions	pp. 32-33 2018 Political Contributions

Disclosing the Facts 2019

Disc. #	Disclosure Title	Location in Report/Response
Water and Waste Management		
DTF-1	Assessment of well integrity	pp. 48-51
DTF-3	Tracking of near misses	pp. 82-90
DTF-4	Minimizing risks from nearby wells	p. 48
DTF-5	Avoiding seismic activity	pp. 54-55
DTF-6	Pre-drilling groundwater assessment	pp. 48-49
DTF-7	Post-drilling groundwater assessment	pp. 48-51
DTF-8	Operating in water-scarce areas	pp. 40-43
DTF-9	Water used for operations	pp. 40-45, 162-164
DTF-10	Percentage water sourced from fresh water and nonfresh water	pp. 40-45, 162-164
DTF-11	Water sources by type	pp. 40-45, 162-164
DTF-12	Percentage of produced water reused	pp. 40-45, 162-164
DTF-13	Practices for reducing use of fresh water	pp. 40-45
DTF-14	Volume of wastewater generated	pp. 162-164
DTF-15	Produced water storage	pp. 40-45
DTF-16	Reducing potential for spills, leaks, emissions and wildlife hazards associated stored produced water	pp. 40-45, 74-75
DTF-17	Use of closed-loop systems for drilling residuals	p. 76
DTF-18	Managing NORMs	p. 76 Handling of NORM waste by Apache or its contractors requires state licensing. NORM waste handling, transport and disposal is covered by state and/or federal regulations regarding waste tracking, worker exposure and method of disposal. All NORM waste is tracked by shipping manifest from generation point to transportation to disposal in government-approved facilities.
DTF-19	Practices for managing inactive wells	p. 51 We follow state regulations when closing wells. Apache must get a well abandonment plan approved by state regulators prior to beginning work on a new well. We submit a final well abandonment report to state regulators after completing well closure as part of our compliance with these plans. The abandonment method used for each well depends on well characteristics.

Appendix

Disc. #	Disclosure Title	Location in Report/Response
DTF-20	Use of wastewater	pp. 40-45 We do not reuse produced water or waste products (including solids) for any purposes other than secondary recovery or hydraulic fracturing.
Toxic Chemicals		
DTF-21	Quantitative reduction in toxic chemical use	pp. 52-53
DTF-22	Use of dry fracturing chemicals	pp. 52-53
DTF-23	Practice of not using BTEX in fracturing fluids	pp. 52-53
DTF-24	Notice of potential confidential business information (CBI)	pp. 52-53
DTF-25	Reducing CBI claims	pp. 52-53

2019 DTF Scorecard

Our efforts to increase transparency are supported by our performance in the *Disclosing the Facts* (DTF) rankings. In 2019, we received the second highest score, after ranking first in 2017 and third in 2016. (Note, DTF did not release a ranking in 2018.)

Rank	Company	Points	Rank	Company	Points
1	Southwestern Energy	23	12	Chevron	5
2	Apache	22	12	Cimarex Energy	5
3	Anadarko Petroleum	20	12	Marathon Oil	5
3	Range Resources	20	13	Cabot Oil and Gas	4
4	Occidental Petroleum	19	13	Encana	4
5	Antero Resources	17	13	Equinor	4
5	Royal Dutch Shell	17	13	Exxon Mobil	4
6	ConocoPhillips	16	14	Ultra Petroleum	3
7	Hess	15	15	CNX Resources	2
8	Devon Energy	12	15	Concho Resources	2
9	Chesapeake Energy	11	15	Pioneer Natural Resources	2
9	Newfield Exploration	11	16	EOG Resources	1
10	EQT	8	16	Total	1
11	Noble Energy	6	17	Continental Resources	0
12	BP	5	17	Gulfport Energy	0

**IPIECA's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting,
3rd Edition (Revised 2016)**

Disc. #	Disclosure Title	Location in Report/Response
Environmental Issues		
IPIECA E1	GHG emissions	pp. 56-69, 162
IPIECA E5	Biodiversity and ecosystem services	pp. 70-73
IPIECA E6	Fresh water	pp. 40-45, 162-163
IPIECA E9	Spills to the environment	pp. 74-75, 163
Health and Safety Issues		
IPIECA HS1	Workforce participation	pp. 82-93
IPIECA HS3	Occupational injury and illness	pp. 93, 163
Social and Economic Issues		
IPIECA SE1	Local community impacts and engagement	pp. 120-123, 128-151, 162
IPIECA SE2	Indigenous peoples	pp. 20, 148-149 Statement on Indigenous Peoples Human Rights Principles
IPIECA SE4	Social investment	pp. 128-143, 163
IPIECA SE5	Local content practices	p. 151
IPIECA SE6	Local hiring practices	pp. 108-109
IPIECA SE8	Human rights due diligence	pp. 148-149 Human Rights Principles
IPIECA SE11	Preventing corruption	pp. 30-32 Code of Business Conduct and Ethics
IPIECA SE14	Public policy and lobbying	pp. 32-33 Policy on Political Contributions and Lobbying
IPIECA SE16	Workforce engagement	pp. 114-115
IPIECA SE17	Workforce training and development	pp. 102-105
IPIECA SE18	Nonretaliation and grievances	pp. 31, 147, 149 Code of Business Conduct and Ethics

Appendix

Sustainability Accounting Standards Board's *Oil and Gas Exploration and Production Sustainability Accounting Standard*

Disc. #	Disclosure Title	Location in Report/Response
Activity Metrics		
EM-EP-000.A	Wellhead production	2018 Form 10-K, pp. 2, 6-7
EM-EP-000.B	Number of offshore sites	2018 Form 10-K, pp. 2, 6-7
EM-EP-000.C	Number of terrestrial sites	2018 Form 10-K, pp. 2, 6-7
Greenhouse Gas Emissions		
EM-EP-110a.1	Gross global Scope 1 emissions	p. 162
EM-EP-110a.2	Gross global Scope 1 emissions by source	p. 162
EM-EP-110a.3	Emissions reduction plans, targets and performance	pp. 56-63
Water Management		
EM-EP-140a.1	Freshwater withdrawal and consumption, including in regions of high baseline water stress	pp. 40-45
EM-EP-140a.2	Volume of produced water and flowback generated, discharged, injected, recycled	pp. 40-45, 162-164
EM-EP-140a.3	Percentage of wells with disclosure of fracturing chemicals	p. 52
Biodiversity Impacts		
EM-EP-160a.1	Environmental management practices for active sites	pp. 36, 70-73
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills	p. 163
Security, Human Rights and Rights of Indigenous Peoples		
IEP-EP-210a.3	Engagement and due diligence practices on human and indigenous rights	pp. 148-149
Community Relations		
EM-EP-210b.1	Process to manage risks and opportunities associated with community rights and interests	pp. 34-35, 120-123, 144-147
Workforce Health and Safety		
EM-EP-320a.1	Safety performance and training	pp. 82-93, 163
EM-EP-320a.2	Management systems used to integrate a culture of safety	pp. 82-93
Business Ethics and Transparency		
EM-EP-510a.2	Prevention of corruption and bribery throughout the value chain	pp. 30-32
Critical Incident Risk Management		
EM-EP-540a.1	Tier 1 loss of primary containment events	p. 163

Task Force for Climate-related Disclosures

Disclosure Title	Location in Report/Response
Governance	
Board's oversight of climate-related risks and opportunities	pp. 22-37, 64-69, 158
Management's role in assessing and managing climate-related risks and opportunities	pp. 22-37, 64-69, 158
Strategy	
Climate-related risks identified	pp. 64-69
Impact of climate-related risks and opportunities on strategy	pp. 64-69
Resilience of strategy under different climate-related scenarios	pp. 64-69
Risk Management	
Organization's processes for identifying and assessing climate-related risks	pp. 22-27, 64-69
Organization's processes for managing climate-related risks	pp. 22-27, 64-69, 156-158 2018 Form 10-K , pp. 15, 21
Processes for identifying, assessing and managing climate-related risks in overall risk management processes	pp. 22-27, 64-69, 156-158
Metrics and Targets	
Metrics used to assess climate-related risks and opportunities	pp. 56-63, 64-69, 156-158, 162
Scope 1 and 2 GHG emissions	pp. 56-63, 64-69, 162
Targets used to manage climate-related risks and opportunities and performance	pp. 56-63, 64-69, 158

Appendix

United Nations' Sustainable Development Goals

The table below provides locations in this report that describe how Apache's work is helping to drive progress toward the U.N. Sustainable Development Goals. While we support the overall effort to encourage sustainable development across the 17 major categories covered by the goals, we have highlighted in bold the SDGs we believe are most applicable to Apache's operations.

U.N. Sustainable Development Goal	Location in Report
Goal 1: End poverty in all its forms everywhere	pp. 4-11, 108-109, 120-123, 126-143, 151, 160-161
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	pp. 72, 126-143
Goal 3: Ensure healthy lives and promote well-being for all at all ages	pp. 4-11, 40-62, 56-63, 74-75, 80-99, 116, 120-123, 124-137, 148-149
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	pp. 4-11, 102-105, 120-123, 132-134
Goal 5: Achieve gender equality and empower all women and girls	pp. 4-11, 22-23, 106-113, 132-134
Goal 6: Ensure availability and sustainable management of water and sanitation for all	pp. 4-11, 40-51, 156-157
Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	pp. 4-11, 56-69
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	pp. 108-109, 120-123, 132-134, 146, 151
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	pp. 4-11, 120-123, 132-134
Goal 10: Reduce inequality within and among countries	pp. 4-11, 108-109, 132-134, 144-147, 151
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	pp. 120-123, 148-149
Goal 12: Responsible consumption and production – ensure sustainable consumption and production patterns	pp. 4-11, 40-99
Goal 13: Take urgent action to combat climate change and its impacts	pp. 56-69, 156-157
Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	pp. 70-73, 75, 138-141
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	pp. 42-51, 70-73, 138-141
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	pp. 30-32, 144-149
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	pp. 58, 73, 120-123

Forward-Looking Statements and Risk






This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts, including information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives, are forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are included in the company's annual and quarterly reports filed with the Securities and Exchange Commission.

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