Introduction

This report includes a comprehensive view of our approach to, and progress on, sustainability initiatives across the company. The Introduction and ESG Overview sections, on pp. 4-32, summarize the key messages and disclosures for the topics we believe matter most to both the company and our stakeholders. Data included in this report cover the 2022 calendar year unless otherwise noted.

2023 Sustainability Report
To view the report online, please visit the APA website at apacorp.com/sustainability.

Media or Other Stakeholder Inquiries
Members of the media and other external stakeholders are welcome to contact our Communications & Public Affairs Department with inquiries or for information about the company. These requests may be directed to media@apachecorp.com.
Welcome to APA Corporation's 2023 Sustainability Report

RESILIENT
AGILE
DIFFERENTIAL
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OUR PURPOSE

To meet the growing demand for energy and to do so in a cleaner, more sustainable way.

We believe society can accomplish both, and we strive to meet these challenges while creating value for all our stakeholders.

OUR VISION

To contribute to human progress by responsibly helping meet the world’s oil and gas needs.

OUR CORE VALUES

<table>
<thead>
<tr>
<th>Safety</th>
<th>We never compromise on safety.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity</td>
<td>We conduct our business with respect, honesty and dignity.</td>
</tr>
<tr>
<td>People</td>
<td>We recognize people are the foundation that drive our success.</td>
</tr>
<tr>
<td>Stewardship</td>
<td>We have an unwavering commitment to responsible operations.</td>
</tr>
<tr>
<td>Ingenuity</td>
<td>We set aggressive goals, question the status quo and seek top performance through continuous improvement.</td>
</tr>
</tbody>
</table>
About APA Corporation

APA Corporation (APA) owns consolidated subsidiaries that explore for and produce oil and natural gas in the U.S., Egypt and the U.K., and that explore for oil and natural gas offshore Suriname and in the Dominican Republic.

Apache Corporation was founded in 1954. In 2021, the company transitioned to a holding company structure. As a result, APA Corporation was formed and became the parent company publicly traded on the Nasdaq stock exchange.
APA Highlights

We strive to continuously improve the breadth and quality of the data we present. We have provided some of our key highlights here.

Five million trees and counting
Apache Corporation Tree Grant Program achieved milestone of donating more than 5 million trees since 2005.
(Read more on pp. 13, 89-90, 148.)

Introduction of new short- and long-term greenhouse gas (GHG) emissions reductions targets
Reduce Scope 1 GHG intensity by 10%-15% by 2030.
(Read more on pp. 13, 27, 126.)

Formal commitment to the U.N. Environment Programme’s Oil & Gas Methane Partnership 2.0 (OGMP 2.0)
Reducing methane emissions is a fundamental component of our environmental, social and governance (ESG) strategy, and joining OGMP 2.0 is an important next step.
(Read more on p. 37.)

Best-in-class water recycling and reuse program
Received the inaugural Industrial Reuse Champion Award at the 38th Annual WateReuse Symposium.
(Read more on pp. 13, 44, 132.)

Decommissioning activities in the Gulf of Mexico and U.S. onshore operations
APA is pursuing conversion of eligible platforms to permanent artificial reefs.
(Read more on pp. 28-29, 51.)
APA Highlights (Continued)

**Addition of three employee resource groups**

Increased number of employee resource groups (ERGs) with the establishment of Unidos, an ERG focused on Hispanic and Latin cultures, and the relaunch of two ERGs, the Apache Young Professionals Network and TEAM Apache, the employee volunteer organization.

(Read more on pp. 64–65, 111, 149.)

**Global employee survey**

Launched a refreshed employee engagement survey globally with a 76% survey response rate, which is above the industry average.

(Read more on p. 68.)

**Supplier Diversity Program**

Established Supplier Diversity Program and disclosure of Tier 1 spend by category.

(Read more on pp. 26, 95, 99, 111, 123.)

**Safety performance excellence**

Significant improvements in the following areas: Total Recordable Incident Rate (TRIR), Days Away, Restricted and Transfer (DART) Rate, Severe Incident Rate (SIR) and Vehicle Incident Rate (VIR).

(Read more on pp. 73–75, 115.)

**Life-Saving Rules**

Alignment with the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules globally.

(Read more on pp. 13, 72, 74, 76–77.)

**Cybersecurity**

Management of cybersecurity safeguards and programs based on the framework developed by the National Institute of Standards and Technology.

(Read more on pp. 104–105.)

**Political disclosures**

Maintaining top-tier distinction from the CPA-Zicklin Index for six consecutive years.

(Read more on pp. 108–109, 132.)

**Partnering with Clean Cooking Alliance (CCA)**

Multiyear partnership with the CCA, a U.N. Foundation nonprofit organization with the goal of achieving universal access to clean cooking fuels.

(Read more on pp. 13, 20, 91.)
Our Operations

APA maintains a diversified asset portfolio, including conventional and unconventional, onshore and offshore, oil and natural gas exploration and development interests.

In the U.S., our operations are primarily focused in the Permian Basin. We also have operations in East Texas, along the Texas Gulf Coast, and in the Gulf of Mexico, where we are focused primarily on asset retirement activities. Internationally, we have conventional onshore assets in Egypt’s Western Desert, offshore assets in the U.K.’s North Sea, an offshore appraisal and exploration program in Suriname and an offshore exploration block in the Dominican Republic.

2022 Financial and Production Highlights

$9.2 billion
Oil, Gas and Natural Gas Liquids (NGL) Revenue

252 Mbbls/d
Oil and NGL Production

865 MMcf/d
Natural Gas Production

890 MMboe
Proved Reserves
### 2022 Operational Data by Operating Area

<table>
<thead>
<tr>
<th></th>
<th>Proved Reserves (MMboe)</th>
<th>Gross Acreage* (in thousands)</th>
<th>Oil and NGL Production (Mbbls/d)</th>
<th>Natural Gas Production (Mcf/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>607</td>
<td>3,535</td>
<td>133</td>
<td>473</td>
</tr>
<tr>
<td>Egypt</td>
<td>184</td>
<td>5,300</td>
<td>85</td>
<td>357</td>
</tr>
<tr>
<td>U.K.</td>
<td>99</td>
<td>294</td>
<td>34</td>
<td>35</td>
</tr>
<tr>
<td>Other International</td>
<td>–</td>
<td>2,934</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

*Developed and undeveloped

**Key**
- Mcf/d: thousand cubic feet a day
- MMcf/d: million cubic feet a day
- Mbbls/d: thousand barrels a day
- Mboe: thousand barrels of oil equivalent
- MMboe: million barrels of oil equivalent
About This Report

Our 2023 Sustainability Report covers the performance of APA in the areas of environmental stewardship, communities and people, and governance — in particular, air and water, health and safety, and employee and community involvement.

The report was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards at the core level. We also consulted the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting developed by Ipieca (the global oil and gas industry association for environmental and social issues), the American Petroleum Institute, the IOGP; the Sustainability Accounting Standards Board’s Oil and Gas Exploration and Production Sustainability Accounting Standard; as well as the recommendations of the Task Force on Climate-related Financial Disclosures. (See the Reporting Standards and Frameworks section starting on p. 133 for an index of indicators from these frameworks discussed in this report.)

Data included in this report cover the 2022 calendar year unless otherwise noted.

Identifying Our Most Important Issues

Results and feedback from our most recent materiality assessment, completed in 2021, provided insights into internal and external stakeholders’ perspectives on the most important sustainability issues associated with our operations. The results of that analysis have remained relevant and helped to guide the content of this report.

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

01 Identify

We identified our sustainability-related issues, impacts, benefits, risks and opportunities through interviews and document-based research representing the views of internal and external stakeholders, including employees, investors, lenders, nongovernmental organizations, customers, academics, community members and regulators.

02 Prioritize

Issues were prioritized based on the level of importance internal and external stakeholders placed on those issues and the level of risk or opportunity they represent to the company and to external stakeholders. Level of risk or opportunity was developed based on the potential for each issue to positively or negatively impact the environment, local communities, employees, contractors and the company’s financial performance.

03 Review and revise

We reviewed the initial prioritization with internal stakeholders to validate the issue ratings by importance and revised them as needed.

04 Determine report content

We focus our reporting on the issues of greatest concern to our company and stakeholders.

We plan to review and update this analysis regularly and will continue to revise our report content based on the results.
APA Stakeholders’ Most Important Issues
We found that the following issues are of highest importance to our internal and external stakeholders:

- Impacts of climate change on business, along with transition plans and GHG emissions.
- Employee and contractor health and safety.
- ESG integration and accountability (e.g., goals/targets, executive compensation).
- Regulation and compliance.
- Reporting and transparency on ESG issues.
- Diversity and inclusion of our workforce.
- Water availability, water quality and wastewater management.
- Spills, releases and process safety.
- Biodiversity/site impacts.
- Local economic impacts.

Assuring Report Content
At APA, we hold ourselves to a high standard of accuracy and excellence in all our activities, including the content of this Sustainability Report. This report was developed by a cross-functional team of subject-matter experts throughout the company and reviewed by select members of our executive team, as well as our Internal Audit Function (described on pp. 105–106). The rigorous internal review included verifying data points and facts, providing added accountability for the accuracy of this report.

In September 2022, we announced the engagement of GHD, a privately owned global professional services company, to verify the sustainability projects we have identified and implemented to eliminate at least 1 million tonnes of annualized carbon dioxide equivalent (CO₂e) by the end of 2024.

(See p. 151 for a more detailed description of our “forward-looking statements.”)
Dear APA Stakeholders,

The importance of affordable, reliable and accessible oil and natural gas became abundantly clear in 2022, as the world navigated post-COVID-19 demand recovery, a series of geopolitical disruptions and the impacts of ongoing energy policy changes. For our part, APA prepared for a return to a production growth path, while delivering on ambitious ESG goals, with significant focus on emissions reduction. Through the hard work of our talented and dedicated global workforce, we are helping to meet the challenges of increasing energy access, thereby ensuring energy security while decreasing emissions. Energy access and affordability challenges in both developed and developing nations were exacerbated in 2022 by the onset of the war in Ukraine, rising inflation and intensified efforts to rapidly transition away from fossil fuels. The inflationary effect on the cost of energy, and subsequently, the cost of living, reached some of the highest levels in decades, underscoring the need for continued investment in the critical resources that fuel our society.

As the coming decades unfold, and the world’s energy consumption expands, we believe that producers and suppliers of energy will need to increase investment in both traditional and alternative energy sources. As a result, reducing our reliance on fossil fuels will be challenging and is likely to occur only gradually, over a prolonged period. Perhaps a more productive perspective from which to address both climate change and the world’s growing energy needs is by reframing the “fossil fuel problem” as an “emissions challenge.” This will help to actively engage all industries in identifying, implementing and investing in practical and affordable emissions reduction solutions, including energy conservation and efficiency. At APA, we approach ESG goal-setting through a pragmatic lens, focusing on near- and medium-term goals that are actionable today and provide measurable impact, including progression to meeting our longer term goals. To best focus our efforts, we plan our ESG initiatives across three central pillars: Air, Water and Communities+People. These priorities demonstrate our clear commitment to reducing emissions, responsibly stewarding natural resources and supporting the well-being of our workforce and local communities.

As a company, we are intent on reducing GHG emissions and GHG intensity across our operations. In 2022, we announced an inaugural long-term, compensation-linked goal to implement projects capable of eliminating at least 1 million tonnes of annualized CO$_2$e emissions by year-end 2024. To support this endeavor, we identified a broad range of potential initiatives across our global operations that comprise the greatest opportunity for immediate and impactful progress. We then established a short-term goal of reducing upstream routine flaring across our Egypt operations by 40%, which was achieved three months ahead of schedule.

In early 2023, we joined the OGMP 2.0, the only comprehensive measurement-based international methane reporting framework for the oil and gas sector. We set a compensation-linked goal to reduce U.S. onshore methane emissions.
We believe that oil and natural gas are essential to a prosperous world and will continue to play a critical role in the global energy mix for decades to come.”

by converting more than 2,000 pneumatic devices to instrument air or by valve retrofit. Doing so will eliminate the emission of methane from these pneumatic devices, which are the highest source of methane emissions in our U.S. onshore operations. We also introduced a longer-term goal to reduce companywide Scope 1 GHG intensity 10%–15% by 2030, with a near-term compensation-linked milestone to achieve a minimum 5% reduction by 2025.

We also recognize that water is a precious resource and have made a concerted effort to increase the proportion of recycled and produced water used in our global operations. Over the last five years, only 5% of water consumed in our global operations was fresh water. This year we have set a goal to use at least 50% recycled, produced water for completions in our U.S. onshore operations. And, for our water conservation efforts, we were awarded the Industrial Reuse Champions Award from the WateReuse Symposium, an independent organization not affiliated with the oil and gas industry.

Our people serve as the driving force behind our ESG progress, empowering us to reach new heights with integrity and ingenuity. We are deeply committed to the safety of our operations and to ensuring the well-being of employees and contractors. In 2022, we achieved the company’s lowest TRIR in nearly two decades and achieved all our corporate leading and lagging safety targets. In 2023, we adopted the industry-standard IOGP Life-Saving Rules to provide clear and consistent information on risks in the workplace and the proper mitigations to help protect the workforce.

To better support our staff, APA embarked on a Future of Work program in 2022 and, as a part of this effort, identified new office locations for our corporate headquarters in Houston and our office in Cairo. The new offices will improve our workspace and better support our high-impact work culture to prioritize employee connection, collaboration and development.

When looking to partner with local communities, our aim is to foster shared and lasting value for our stakeholders. Our community partnership efforts are focused on three key pillars: community well-being, environmental stewardship and access to energy. In each of these areas, we have a number of long-standing and new initiatives. As examples, we founded the Springboard Girls’ Schools in Egypt in 2004 to provide educational opportunities to underserved populations in rural areas. And, since 2005, our Apache Corporation Tree Grant Program has donated more than 5 million trees to nonprofit organizations and government agencies throughout our U.S. operating areas. Recently, we partnered with the CCA, a nonprofit focused on achieving universal access to cleaner cooking fuels by 2030. With APAs financial support, CCA will facilitate a venture accelerator program to help drive a sustainable market for clean cooking solutions, including clean burning liquefied petroleum gas in developing nations.

As you read through this year’s sustainability report, I hope you come away with a clear picture of an organization with incredibly talented and committed employees, meaningful relationships with our community partners, an unwavering commitment to good governance and a laser focus on reducing GHG emissions. We believe that oil and natural gas are essential to a prosperous world and will continue to play a critical role in the global energy mix for decades to come. APA embodies the resilience, agility and ingenuity that will be necessary to overcome challenges and capitalize on opportunities as we navigate this ever-changing energy landscape.

John J. Christmann IV
Chief Executive Officer and President
We believe our greatest contribution to societal progress and prosperity begins with the fundamental and profound positive impact that energy has on everyday life.

Access to energy is transformational, with the power to dramatically improve health, eradicate poverty, create opportunities for quality education and spur economic growth. Oil and natural gas in particular have played a substantial role in global progress, providing the energy needed to support economic opportunity as well as raw source materials needed for products that underpin modern-day life, including medical equipment, advanced telecommunications technology and transportation.

For the past decade, society has been grappling with the dual challenge of balancing the world’s increasing demand for energy, including hydrocarbons, with the imperative of reducing GHG emissions. This challenge has evolved into an even more complicated “energy trilemma” (see graphic at bottom left), which introduces the critical importance of energy security as a key factor to our energy future and underscores the complex variables and competing demands at play. We believe that human flourishing hinges on abundant, reliable energy, which will require a clear, pragmatic strategy to ensure the availability of affordable and secure energy supplies, not just for developed nations but also for those countries working to raise their standard of living.

In 2022, disruptive geopolitical events, economic uncertainty and reactive public policy initiatives significantly reshaped the energy transition discussion, underscoring the undeniable importance of affordable, reliable and abundant natural gas and oil.
As we collectively consider the future of energy — APA contends that oil and natural gas have a critical role to play in addressing each of the inherent challenges of the “energy trilemma.”

**Energy Trilemma Challenge 1: Meeting global energy demand**
In 2023, demand for oil and gas is expected to reach record levels, surpassing the pre-COVID peak in 2019.³ Further, hydrocarbon demand is now expected to continue growing through at least 2030,⁴ and the International Energy Agency predicts that oil and gas will continue to play a substantial role in the world’s energy mix through 2050.⁵

Consideration of future demand for energy must also account for the challenge of energy poverty. There are 774 million people⁶ around the world who lack access to electricity and more than 2.4 billion living without access to clean cooking fuels.⁷ As the world’s population rises, these numbers are expected to increase.⁸ As developing nations seek to elevate the lives of their people, accessible and abundant natural gas and oil will likely play an important role in helping to meet their energy needs.

To help meet growing demand and expand access to affordable and reliable energy, governments should enact policies that facilitate an adequate supply of oil and natural gas. Despite data and trends suggesting continued growth in demand for hydrocarbons, many governments have already implemented or are contemplating policies that are likely to reduce the supply of, and access to, these critical energy sources.

**Energy Trilemma Challenge 2: Reducing GHG emissions is critical to a sustainable energy future**
While many around the developed world have embraced the idea of a rapid transition away from fossil fuels as the only solution to our emissions challenges, a more comprehensive and pragmatic solution is needed. This includes efficiency improvements throughout the value-chain, expanding alternative energy solutions and progressing emissions reduction technologies and initiatives.

To reduce GHG emissions, the oil and gas industry has developed and implemented innovative technologies and practical solutions that minimize environmental impacts.
while also boosting production capacity through greater efficiencies. For example, in the Permian Basin, the most prolific oil-producing basin in the U.S., methane emissions intensity fell by more than 76% between 2011 and 2021. During the same period, total oil and gas production from the basin increased by more than 345%.⁹

Other carbon-emitting industries, apart from fossil fuel producers, must also bear collective responsibility for reducing emissions, given that oil and gas production represents only 11.5% of all U.S. GHG emissions reported to the U.S. Environmental Protection Agency (EPA) as part of the Greenhouse Gas Reporting Program (GHGRP).¹⁰

In the U.S., natural gas has played a pivotal role in providing both reliable and affordable energy while also helping the country significantly reduce its GHG emissions. According to the U.S. Energy Information Administration (EIA), between 2005 and 2019 the U.S. electric power sector, despite significant overall growth in energy output, reduced its absolute carbon dioxide (CO₂) emissions by 32%.¹¹ This was primarily driven by a shift from coal to natural gas in the electricity generation mix. As a result, U.S. CO₂ emissions from electricity generation are at their lowest levels in decades.¹²

A whole-system approach that analyzes how society consumes energy is necessary to identify areas for increased efficiency and thereby reduced emissions, while also maintaining or improving quality of life globally.

Wealthier nations consume 100 times more electricity per capita than some of the world’s poorest countries,¹³ creating a drastic imbalance in emissions contributions that may eventually require modifications in consumer behavior. For example, the U.S. video game industry alone consumes 34 terawatt hours of electricity annually,¹⁴ more than the total consumed by Nigeria, Africa’s most populous nation.¹⁵ In the U.S., demand-side energy intensity is projected to decrease, based on expectations of significant technological advancements and increased electrification.¹⁶ The European Union has committed to curb energy consumption by 11.7% by 2030.¹⁷

As more efficient vehicles, appliances, devices and technological advancements are adopted in the U.S., the EIA expects energy intensity usage will decrease through 2050.¹⁸ Even so, meeting energy demand in developing nations with growing populations will still require an increase in reliable supplies of oil and natural gas.
The climate is changing, requiring all industries to bear a collective responsibility in mitigating environmental impacts. Over time, oil and gas producers have successfully managed to increase production while substantially reducing emissions.
Energy Trilemma Challenge 3: Increased focus on the security and reliability of energy supplies

In 2022, energy insecurity rose to prominence as perhaps the most acute aspect of the energy trilemma. Many developed nations were left grappling with unanticipated energy shortages that forced them to resort back to fuel sources, like coal, that they had started to phase out. The lack of reliable supply and the fear of future shortages resulted in extreme price volatility and, in some cases, record energy prices. For example, over the last year, electricity prices rose by nearly 30% in Germany¹⁹ after an already steep rise of 18.6% previously witnessed in late 2021,²⁰ due in part to increases in natural gas prices and limited storage capacity. The underlying reasons for the increase in prices lie on both the demand side and supply side. As countries lifted COVID-19 restrictions, a global economic rebound drove a spike in demand, while the conflict between Russia and Ukraine negatively impacted oil and natural gas supply.

In addition to traditional questions of supply and access, countries must also consider the geopolitical strategies of their energy suppliers and the ramifications of doing business with certain trading partners. A new push for energy security that focuses on domestic natural resources or supply from known allies could reduce reliance on unpredictable nations, offering a more secure alternative that supports a stable energy supply.

Concerns over energy security have also been invoked in the context of grid reliability concerns. In the U.K., a climate-driven shift to a power grid that relies heavily on renewable energy is now reframed as a solution to the affordability problem,²¹ yet instability of supply and the need for redundancy present a series of complex cost-related challenges. Unlike natural gas, renewable energy sources such as wind and solar are intermittent and harder to reliably dispatch, as their supply depends on factors that cannot be controlled, like weather and geography. To provide needed electricity when variable renewable energy (VRE) cannot, immediately dispatchable energy is required as a backup, and this most commonly comes in the form of coal or natural gas. This redundancy is necessary — without it, blackouts would be far more frequent. While a renewable-dependent grid is less carbon-intensive, the intermittency of VRE comes at a greater cost, since wind, solar and other renewables comprise a higher percentage of a power grid’s electricity supply. Essentially, the more penetration VRE has in a grid’s energy supply, the higher the cost, due to the greater need for reserve power.²² These highly unpredictable costs are not always captured in the levelized cost of energy (LCOE), which is the minimum fixed price at which electricity must be sold to recover the total cost of producing the energy.

Although significant LCOE parity progress has been made by renewables,²³ transmission costs must also be considered. Many grids across the U.S. and other nations²⁴ are unable to take on additional power without substantial infrastructure changes and enormous financial investment.²⁵ For these reasons, the LCOE, although much more competitive for renewables in recent years, is not a comprehensive measure of the total cost to the consumer.

Building a Secure Energy Future

Cultivating an energy ecosystem capable of supporting global demand growth, emissions reductions, and security of supply requires thoughtful planning and a comprehensive strategy. Solving the energy trilemma involves much more than an energy transition — instead, it requires a pragmatic energy transformation and expansion of supply from multiple sources, including natural gas and oil.

As we move toward this new energy future, APA will continue to seek innovative ways to help meet the global need for oil and natural gas. We are committed to providing this energy as cleanly, efficiently and economically as possible. We seek to reduce our overall environmental footprint, maintain a safe work environment and maximize our positive impact for the communities where we operate.

We are proud to play a role in helping the world address the "energy trilemma."
We are committed to being a leader on environmental, social and governance (ESG) issues most pertinent to and controllable by our company.

We set ambitious, near-term ESG goals tied to all employees’ incentive compensation. Our Board of Directors regularly reviews our performance, providing input on and oversight of our ESG strategy.
ESG Oversight

Board Oversight of ESG
We know that performance and a culture that drives continuous performance improvement start at the top, which is why our Board of Directors is actively involved in ESG issues. The Board regularly reviews company actions and seeks external perspectives on a range of sustainability issues, including environmental, health and safety performance; climate-related risks and opportunities, greenhouse gas (GHG) emissions and water usage; human capital management and succession planning; diversity and inclusion (D&I); and cybersecurity. To foster continuous ESG engagement and education, our Board members routinely pursue opportunities to remain well-informed on recent developments and participate in various in-person or virtual events when practicable.

The Board also invites external experts on ESG issues to provide ongoing education and fresh insights. Board members, including our chief executive officer (CEO) and president, engage directly with ESG-focused shareholders to gain external perspectives on key ESG issues. Directors and executives participate in ESG conferences as further opportunities for in-person discussion with stakeholders and ongoing education on ESG issues.

Board ESG Framework
APA’s Board has three standing committees, each devoted to a separate aspect of risk oversight — the Corporate Responsibility, Governance, and Nominating (CRG&N) Committee; the Audit Committee; and the Management Development and Compensation (MD&C) Committee, all of which, as of May 2022, are chaired by diverse board members. The CRG&N Committee oversees the company’s efforts on ESG issues. This committee’s annual calendar includes designated meetings for in-depth discussions on various ESG topics, including governance trends that impact the company and the energy industry, human rights and this report. The Audit Committee regularly reviews matters related to cybersecurity and other top risks to the company. The MD&C Committee oversees succession planning, executive compensation, D&I, and evaluation and scoring of overall corporate performance metrics.

Third-Party Engagement
The following are some of the key organizations with which we have engaged and those that have informed and helped us evolve our stance on ESG topics:

- As You Sow
- Ceres
- Clean Cooking Alliance
- Environmental Defense Fund
- Interfaith Center on Corporate Responsibility
- McDonald Observatory
- National Fish and Wildlife Foundation
- ONE Future Coalition
- Sustainability Accounting Standards Board
- The Aspen Institute
- The Environmental Partnership
- The Mitchell Foundation
- The Nature Conservancy
- U.N. Environment Programme

Our engagement with the University of Texas at Austin’s McDonald Observatory helps to strengthen the Dark Skies Initiative in West Texas.
Board ESG Framework

External ESG engagement and education

ESG experts invited to speak to the board
- Climate change
- Energy and geopolitics
- Cybersecurity

ESG engagement
- One-on-one shareholder meetings
- Women in Governance Lunch
- Governance Week
- Society for Corporate Governance
- Industry ESG roundtables

APA’s full board

Reported on and/or discussed at every meeting
- Current ESG trends
- Environmental, health and safety metrics
- Executive compensation
- Information technology/cybersecurity

Reported on and/or discussed at least annually
- Compliance update
- Corporate risk management
- D&I
- Ethics Line reports
- Monitoring of human rights
- Political contributions and lobbying expenses
- Shareholder engagement
- Succession planning

CRG&N Committee
Oversees the nomination of directors, the annual Board evaluation process, corporate governance and ESG issues, as well as the Sustainability Report.

Audit Committee
Oversees the integrity of the company’s financial statements, compliance with legal and regulatory requirements, financial risk management, Internal Audit Function and independent auditors, and accounting and financial reporting, among other duties.

MD&C Committee
Oversees compensation, development and succession planning for executives and seeks continuous improvement in the diversity and inclusion practices used in developing and deploying these processes.

APA’s internal ESG resources
ESG Management Committee, asset-level teams and corporate functions
Prioritizing and Managing ESG Initiatives

APA commits considerable time, energy and capital to reducing our environmental impact and managing the evolving opportunities and risks associated with climate change. We engage every level of the organization and all functional areas of the business through a “wellhead-to-boardroom” approach, which aligns our collective interests and incentivizes top performance and accountability. We underpin this alignment by linking 20% of all executives’ and employees’ annual incentive compensation directly to ESG- and safety performance-related goals.

Beginning in 2022, compensation-linked ESG goals include both short- and long-term targets. Our goals have included initiatives to reduce our emissions, increase water recycling, promote employee development and strengthen our relationships with local communities.

ESG Management Committee

We have a dedicated, cross-functional ESG Management Committee that evaluates ESG trends and refines our strategic framework to assist the company in focusing on our most significant ESG processes and outcomes. The committee is led by APA’s chief financial officer (CFO) and the team — which comprises five officers overseeing EHS, corporate communications and public affairs; investor relations; corporate governance; and human resources — focuses on strategic ESG planning and communications, and on driving key initiatives across the organization. Regularly scheduled meetings are held to discuss ESG trends, develop tangible, target-based goals and resource recommendations, review progress and make adjustments where necessary.

ESG Engagement

To better understand external perspectives and concerns, members of APA’s Board, executive team and ESG Management Committee regularly engage with a wide range of stakeholders. They include shareholders, employees, customers, suppliers, government agencies and regulators, nongovernmental organizations and others on a variety of ESG issues, including GHG emissions, climate change-related risks, corporate governance and human capital management. (Read more about our approach to stakeholder and shareholder engagement in the Governance section, starting on p. 110.)
ESG Engagement Cycle

- Annual corporate ESG goals and strategy
- Board-level and executive team outreach
- ESG stakeholder meeting with CEO
- Public disclosures
- Stakeholder feedback
- Periodic materiality assessment
- Internal strategy adjustment

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Appendix
Our ESG Approach

Our greatest contribution to society is providing affordable, reliable and responsibly produced energy.

We believe that hydrocarbon production and consumption will remain a significant component of the global energy landscape for decades to come, and, within that context, APA Corporation (APA) operates with a sense of urgency to support carbon management nearest to the wellhead and the preservation of finite natural resources. We are committed to delivering our products in an environmentally and socially responsible manner, and to operating our company so that we are financially stable and successful in a carbon-constrained future. We believe it is important to thoroughly understand, discuss and address the environmental externalities and risks associated with all forms of energy production and use, and not simply those associated with hydrocarbons. Only through this lens can the world properly assess and address the complex challenges ahead.

The U.N. Sustainable Development Goals (U.N. SDGs)
With employees, assets and operations on four continents, we recognize the importance of being a global steward and community partner. We help meet the world’s energy needs, which enables and empowers global progress and contributes directly and indirectly to many of the U.N. SDGs, including reducing poverty, ensuring access to affordable and clean energy, and promoting sustainable economic growth. Since 2020, we have aligned 100% of our community giving with the U.N. SDGs. An index in the Appendix demonstrates how our business further aligns with the U.N. SDGs (see pp. 145-146).

APA recognizes the importance of adding value for all stakeholders and incorporating their views into the company’s strategy. We undertook an extensive materiality assessment in 2021 to learn from a cross-section of our key stakeholders, as well as leading thinkers in the energy, environmental and social policy spaces. We have used this information to continue to enhance our ESG processes and initiatives (see pp. 10-11).

**Our Three ESG Pillars**

**Air**
We are committed to helping address the challenge of reducing emissions while responsibly producing reliable, secure, affordable energy. (Read more on pp. 34–37.)

**Water**
Water is a key component of our oil and gas operations and we seek to use it responsibly by recognizing and balancing environmental, social and operational water needs. (Read more on pp. 40–47.)

**Communities+People**
We are a community partner focused on protecting the safety and health of our employees, local populations and the environment. (Read more about Communities on pp. 83–100 and Our People on pp. 53–68.)

**ESG Pillars and Performance**
We have three primary pillars on which we seek to focus our attention, concentrate our resources, measure our performance and enhance our positive impact. These pillars — Air, Water and Communities+People — serve as the foundation for our ESG strategy, initiatives and compensation-linked goals. (See 2023 Sustainability Report Quick Summary.)

100% of our 2022 community investment was aligned with the U.N. SDGs.
To ensure that ESG initiatives remain a priority across our organization, the Board and ESG Management Committee take an active role in overseeing our ESG strategy and driving performance with rigorous goals and by linking compensation to their achievement. Our strong foundation of disclosure, accountability and oversight underpins the substantial progress we are making toward our ESG goals in each operating area.

### 2022 ESG Goals

#### Near-term targets

**Emissions Reduction**
Reduce upstream routine flaring in Egypt operations by 40%.

**People**
Develop and implement a Future of Work strategy, inclusive of working model, workplace and technology enhancements.

**Supplier Diversity**
Establish supplier diversity program and externally report Tier 1 spend by category.

#### Safety
Reduce Total Recordable Incident Rate (TRIR), Severe Incident Rate (SIR) and Vehicle Incident Rate (VIR).

- **TRIR**
  - Target ≤ 0.35
  - Achieved = 0.23

- **SIR**
  - Target ≤ 0.030
  - Achieved = 0.011

- **VIR**
  - Target ≤ 0.61
  - Achieved = 0.27

#### Long-term target

**Emissions Reduction**
Implement projects that eliminate at least 1 million tonnes of annualized carbon dioxide equivalent (CO₂e) emissions by year-end 2024. As of December 31, 2022, we have completed $17 million of capital projects that we estimate will eliminate up to 860,000 tonnes of annual CO₂e emissions. We have engaged a third party to verify the total tonnes of emissions reduction associated with projects completed at year-end 2024.
2023 ESG Goals

Near-term targets

Air
Reduce methane emissions in U.S. onshore operations by converting more than 2,000 pneumatic devices to instrument air or by valve retrofit.

Water
Utilize at least 50% recycled, produced water for completions in U.S. onshore operations.

People
- Maintain the momentum of APA’s excellent 2022 safety performance by achieving an SIR at or below 0.028.
- Encourage employees and contractors to proactively identify at-risk conditions and behavior across operations by increasing the safety observation rate and actions by 10%.

Long-term targets

Reduce Scope 1 GHG intensity by 10%-15% by 2030, with a near-term compensation-linked milestone to reduce at least 5% by year-end 2025.

Accelerate the surface reclamation of more than 150 plugged and abandoned sites in U.S. onshore operations by year-end 2025.
Managing the full life-cycle of an asset is essential to the ongoing success of our business and to mitigating potential impacts on the environment and local communities. Decommissioning, which involves the removal, reuse or disposal of nonproducing assets and their associated infrastructure, is a crucial part of this process and requires careful planning and a commitment to safe and efficient execution.

In 2021, APA took over the responsibility for decommissioning certain GOM shelf properties it had owned previously, when the current owner and operator, which had purchased these assets from APA, failed to fulfill its obligations within the time period required by law. As a result, APA was required by the applicable federal agency, the Bureau of Safety and Environmental Enforcement (BSEE), to perform the decommissioning of defaulted properties.

APA is currently conducting a large-scale asset retirement program on the GOM shelf that preserves and strengthens existing ecosystems and demonstrates our commitment to safety and environmental stewardship as a core component of our operational strategy.

Offshore asset retirement is a process comprised of three primary activities: well plugging and abandonment (P&A), pipeline removal and platform decommissioning, with the latter activity including the potential preservation of platforms that have evolved into artificial reefs. In 2022, two platforms were transitioned to reefs, with plans for several additional platforms in 2023. Eligibility for the BSEE rigs-to-reefs program is not automatic. Platforms must meet certain conditions regulated by state agencies, including submergence below the water line, not disturbing existing coral growth and not interfering with ship traffic or potential new infrastructure. If platforms meet these requirements, permits are issued at the federal level by BSEE and the Bureau of Ocean Energy Management.
To plan and lead a comprehensive asset retirement program in the GOM, the company turned to APA veteran Julie Traylor.

“This has been an incredible project to take part in,” said Traylor. “Our team has identified multiple opportunities for platforms to be reefed in place or nearby, thereby reducing retirement costs and preserving the biodiversity that they fostered over the decades these platforms were in service.”

To limit disturbance to the GOM’s ecosystem, we have partnered with the scientific community to conduct surveys that provide input for infrastructure decommissioning procedures. We adjust our plans as appropriate based on these survey results. For example, regulations generally allow for leaving pipelines in place, but third-party studies have shown that certain pipelines located in a sand sediment resource area (SSRA) should be removed. Although removal is the more expensive route, it helps with erosion prevention, coastal restoration and flood prevention, providing key benefits to coastal areas. We worked closely with the regulator to identify pipelines in SSRAs that would be appropriate candidates for removal.

The strategy implemented by Traylor and her team also supports the company’s focus on safety and efficiency, thereby shortening the project’s lifespan and reducing the risk of potential incidents. To ensure the well-being of all contractors working offshore, the company completes necessary repairs on nonproducing platforms prior to the start of well abandonment or well retirement work. The GOM decommissioning team also works closely with BSEE to accelerate the issuance of work permits and ensures compliant project management and execution of all activities in a timely manner.

“Our comprehensive asset retirement strategy has enabled us to quickly build momentum for a project that we expect will span several years,” said Traylor. “During 2022, we effectively increased the pace of decommissioning planning resulting in the P&A of more than 170 wells, removing over 40 pipelines and dismantling over 25 platforms by the end of the year. For the remainder of 2023, we plan to remove more than 100 platforms, along with associated wells and pipelines, demonstrating the scale and importance of executing this project for both APA and the local environment.”
Egypt: A Strategic Partner for Progress

As the largest oil producer and U.S. investor in Egypt, we have an important role to play in fostering the nation’s secure energy future. Access to reliable, affordable energy is critical to Egypt’s substantial and expanding economy, elevating the lives of millions and creating new opportunities for growth. In a time of increased energy demand, Egypt is well positioned to serve as a regional energy hub. For the last 29 years, we have worked closely with the Egyptian government as strategic partners for progress, approaching the energy transformation with pragmatic leadership and enhanced ESG performance.

Egypt has developed into one of the most attractive investment opportunities in APA’s portfolio. In late 2021, we announced the ratification of a modernized production-sharing contract with the Ministry of Petroleum and Mineral Resources and the Egyptian General Petroleum Company. This agreement has updated and strengthened our existing partnership, enabling increased investment in operations and ESG projects. Within this modernized framework, the company is better positioned to execute new emissions reduction projects across our operations in country.

At the start of 2022, the company set an ambitious goal to reduce upstream routine flaring in Egypt by 40%, which we achieved ahead of schedule. To accomplish this, several projects were identified and completed, beginning in the Kalabsha production area. Rather than flare associated gas and rely on diesel-powered generators for electricity, the company transitioned to field-gas-powered generators that eliminated the need for diesel transport trucks and reduced flaring. Because diesel purchases were reduced, fewer supply trucks were on the road, further lowering emissions and the risk of vehicle-related incidents. This project provided 10 megawatts of continuous electrical power in a cleaner and safer way, with no lost-time incidents throughout implementation. Additionally, at remote processing facilities (RPFs) throughout the Western Desert, we...

Rather than flare associated gas and rely on diesel-powered generators for electricity, the company transitioned to field-gas-powered generators that eliminated the need for diesel transport trucks and reduced flaring.”
performed infrastructure updates and installed compressors, which reduced the need for flaring of associated gas and supplied the gas to market, while simultaneously increasing oil production. Looking ahead, our team is working to standardize this type of design across our Egypt operations by both retrofitting older RPFs and building new facilities with the company’s ESG framework in mind.

As part of our work to meet the challenge of rising energy demand in a more sustainable manner, we believe in acting as a meaningful contributor to the local community, with an emphasis on community well-being. In 2004, the company founded Springboard Girls Schools to offer an education to rural Egyptian girls who would likely not otherwise attend school. Since then, we have built and continue to maintain 201 one-room schools where more than 15,000 girls have learned to read and write. In 2021, we began working alongside the Wataneya Society, a Cairo-based nonprofit organization dedicated to providing innovative solutions to orphaned children. More than 100 orphans have directly benefited from the partnership with Wataneya, which includes the construction of five homes for youth and children. Additionally, last year the company partnered with the Ministry of Petroleum and Mineral Resources and other industry leaders in the Aswan Relief Initiative (see p. 89), rebuilding 100 homes that had been destroyed by a devastating flood in the village of Khor Awada. These initiatives closely align with the U.N. SDGs, promoting quality education, gender equality and good health and well-being, among other U.N. SDGs. (See p. 86 in the Community section.)

As we move forward into 2023 and beyond, Egypt stands as a clear partner for progress on multiple fronts, from public-private collaboration to meeting key environmental initiatives. Together, with Egypt’s talented workforce, we will help responsibly maximize the country’s energy resources, partner with key stakeholders to support sustainable communities and modernize our operations to reduce our emissions as we support Egypt’s growth as a regional energy hub.

### Our Egypt Community Well-being Impact

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<td>orphans housed.</td>
<td>homes for youth and children built.</td>
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<td>15,000 girls educated.</td>
<td>100 flooded homes in Khor Awada rebuilt.</td>
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Climate Scenario Analysis

Our Climate Statement
Climate change is an important issue for our company, our stakeholders and our industry. We are committed to reducing our emissions while helping to meet increasing global energy demand in affordable and reliable ways.

Oil and gas products underpin the global economy, elevate billions to higher standards of living and enable innovation and practical expansion of other energy sources.

We work every day to reduce our environmental footprint, ensure the safety of our operations and partner with our communities to create long-lasting value. We are focused on opportunities where we can have a meaningful impact on our key ESG focus areas of Air, Water and Communities+ People. To drive continuous progress, we set compensation-linked targets that will reduce our environmental impact in areas such as routine flaring, emissions reductions and freshwater usage.

Task Force on Climate-related Financial Disclosures (TCFD) Scenario Planning Framework
Scenario and portfolio planning are part of our ongoing business planning and risk management processes. When formulating our long-term investment and development plans, we consider a range of pricing scenarios, including scenarios in a carbon-constrained world that assess the potential climate-related risks and opportunities influencing fossil fuel supply and demand. However, to continue to improve our understanding of the potential risks and opportunities associated with climate change, we updated our TCFD-aligned, climate-focused scenario planning analysis in 2023. This analysis includes forecasts of future demand and pricing in energy markets and changes in government regulations and policy that might occur based on different scenarios.

Specifically, we included the following International Energy Agency scenarios from the 2022 World Energy Outlook report: the Stated Policies Scenario and Announced Pledges Scenario. Under both future pricing scenarios considered, the break-even prices referenced in each of APA’s core areas of operation indicate the long-term potential for generating positive returns. (For more detailed discussion of these scenarios, please read our comprehensive TCFD-aligned analysis on pp. 120–127.)

We work every day to reduce our environmental footprint, ensure the safety of our operations and partner with our communities to create long-lasting value.”
Environment

We are focused on reducing our environmental impact and conducting our operations in a responsible manner.

As part of our approach to continuous improvement, we are committed to utilizing innovative technology, evaluating and implementing industry best practices for reducing emissions, expanding our water conservation efforts and focusing on biodiversity by protecting habitats. For example, in recent years we have eliminated routine flaring in the U.S., reduced upstream routine flaring in Egypt by 40% and increased the volume of produced water that we recycle and reuse across our operations globally.

Our environmental progress results from a cross-functional team effort in which all employees and contractors are expected to uphold our commitment to its protection. This includes a collaborative, shared focus among the professionals in our Environment, Health and Safety (EHS) and Operations groups, who are committed to sustainably meeting our corporate goals. All personnel in APA Corporation’s (APA) operating areas are required to follow our EHS Worldwide Policy, which provides an overarching framework for conducting business in a way that protects our workforce, our communities and the environment.

The lesser prairie-chicken is one of the many species that APA actively protects.
Air

At APA, we are committed to helping address the challenge of reducing emissions while responsibly producing reliable, secure, affordable energy to help meet the world’s growing needs.

These efforts extend beyond just reducing air emissions from our operations to collaborating with others in developing emission reduction and leak detection approaches as key elements of industrywide operations. Greenhouse gases (GHG) and non-GHG air pollutant emissions are important issues for our company, the upstream oil and gas industry and the world at large. We recognize concerns over climate change-related risks and localized air quality impacts as anthropogenic sources of air pollutants shape and affect our business and the communities in which we operate.

Emissions Calculation Transparency

The oil and gas industry is on a journey to better measure, calculate and manage emissions from all sources. Improved emissions management is an important goal and APA, along with the industry, is working toward continuous improvement in emissions data management and reporting.

This year, we have expanded our emissions reduction initiatives to include short-term compensation-linked goals related to the replacement of pneumatic devices that can

Calculating Our Emissions Intensities

In 2022, we modified our intensity calculation methods to better align with the industry and provide increased transparency for external stakeholders. The following describes how APA’s global emissions are aggregated and intensity is calculated. Because our operations vary across our global portfolio, we must be thoughtful in distinguishing between upstream production and throughput volumes and in how we address those volumes of production that flow through our midstream operations when calculating our emissions intensities.

Specifically, in Egypt we manage the hydrocarbons produced by our joint venture further through the value chain than we do in our U.S. onshore and North Sea offshore operated production, where they are sold to third parties higher up in the chain. This means we report greater Scope 1 emissions in Egypt than we would for the same production volumes elsewhere because our Egypt operations include both upstream and midstream operations. These higher emissions are mostly attributed to processing oil and gas for sale and to combustion from the engines used to generate power in the Western Desert. Historically, we have used the throughput volume that flowed through these midstream facilities in the denominator of our GHG intensity, like any pure midstream company. This year, however, we have updated our historic intensities using only the globally operated production volume of hydrocarbons in our GHG and methane intensity denominator. This removes from the denominator any throughput volumes that would be equal to subsequent processing volumes in our midstream facilities. Therefore, we are restating our reported intensities from 2018 forward to provide increased transparency, consistency and understanding of our global GHG and methane intensities.

This same methodology also applies to the approach we use to set corporate targets and compensation linked GHG intensity goals. It is worth noting, however, that the production volumes disclosed in our annual report on Form 10-K may not reflect operated wellhead production volumes.

We continue to evaluate technologies to improve data collection and analysis, which will help drive continuous improvement to support our work to reduce emissions across our global portfolio.
produce methane emissions from our U.S. onshore-operated assets, and long-term compensation-linked goals related to reductions in our GHG intensity. This section includes new details pertaining to our calculation methodology, including how we address the acquisition and divestiture of assets and how we determine restatements of our emissions associated with changes in calculation methodology.

To further our ongoing commitment to continuous improvement, we have been working closely with our joint venture partners in Egypt since 2020 to evaluate and improve emissions data reporting for our Egypt operations. The joint venture has implemented successful operational initiatives for emissions reductions. It is important to highlight that reported emissions for 2020, 2021 and 2022 include calculation methodology and critical data improvements, in addition to operational emissions reduction initiatives. APA will continue to report 100% of our Egypt-operated emissions in our annual sustainability report, rather than our ownership percentage.

**REDUCING GHG EMISSIONS**

We have implemented a range of technologies and operational practices to reduce GHG emissions. For example, we design and engineer new facilities to minimize emissions, have preventive maintenance programs in place for existing infrastructure and work to optimize the efficiency of our operations to minimize emissions. We adhere to applicable design standards, follow recognized engineering best practices and use equipment specially designed to perform in severe service conditions where necessary and appropriate.

**Reducing Flaring and Venting**

Last year, we committed to reducing our upstream routine flaring in Egypt by 40%. This goal was directly linked to the annual incentive compensation plan for all employees and was achieved ahead of schedule. To support our 40% flare reduction goal, technical teams in Egypt identified a series of energy efficiency and methane utilization initiatives. The projects included the implementation of flare-to-power generation processes, which replaced diesel-based power generation by rerouting gas streams previously flared and the installation of new compressors to move gas to sales outlets rather than to flare.

In the U.S., our reduced-emission completions process captures gas produced during well completions and workovers to be processed for sale rather than being flared or vented.

**32%**

reduction in flaring emissions, totaling 650,000 tonnes CO$_2$e since 2019.
Leak Detection and Repair (LDAR)
Leak detection inspections to reduce emissions and to comply with applicable regulations are an ongoing part of field personnel’s on-site activities. Our field personnel proactively engage in asset integrity inspections in accordance with applicable regulations and our worldwide EHS standards. Field personnel are trained to perform audio, visual and olfactory (AVO) inspections for possible leaks as a part of their overall competency. We strive to repair leaks at the time they are detected and once we can verify safe operating conditions. These AVO inspections are one of the primary opportunities in the field to identify and address operational discrepancies.

As a part of our LDAR program in our U.S. onshore operations, we use optical gas imaging (OGI) cameras to examine new and modified facilities to identify and address any leaks within 60 days after the facilities come online. Existing facilities that are a part of the LDAR program are reexamined at least twice per year with an OGI camera. OGI inspections focus on components of a facility that have the potential for leakage, including actuators, flanges, manifolds, pressure vessels, tanks and valves. In 2022, 238 unique facilities were surveyed by OGI cameras as part of our LDAR program. We also enhanced our LDAR program by adding more OGI cameras and introducing other technologies that facilitate the quantification of emissions detected by the OGI cameras.

Electrification
Where we have access to the electrical grid at well-sites and facilities, we power our operations using electricity rather than internal combustion engines. That reduces fuel consumption, noise pollution and Scope 1 GHG emissions, as grid-scale power generation produces less GHG emissions than on-site generation. In our U.S. onshore operations, in some remote production locations where utility electric power is not available, we have installed small, on-site solar panels to supplement or eliminate gas-powered equipment. We will continue to research and identify ways we can electrify our operations. APA proactively engages with stakeholders to evaluate the role of renewable power resources in electrifying our operations to support reducing our Scope 1 (direct) and Scope 2 (indirect) emissions.

OUR EMISSIONS PERFORMANCE
2022 Emissions Reduction Activities
In 2022, we improved our emissions performance by leveraging key technology and infrastructure enhancements in our operations. For example, we:

- Increased the use of electricity from the grid to power well-sites and facilities, replacing diesel or gas-fired engines at 12 of our facilities in our U.S. onshore operations.
- Increased access to U.S. onshore gathering and pipeline infrastructure at three of our facilities, resulting in fewer nonroutine flaring events resulting from third-party downtime.
- Reduced U.S. onshore trucking-related emissions associated with water transportation.
- Utilized additional operational and GHG monitoring technology to identify U.S. onshore operational condition changes that can cause intermittent emission events.
- Evaluated infield equipment usage to identify opportunities across all operational areas to switch to lower-emitting power sources, such as by removing diesel-powered generators and replacing them with gas-powered turbines in Egypt.

(See pp. 38–39 and p. 114 for more details on our emissions performance over the past five years.)
Reducing Methane Emissions Through Industrywide Initiatives

We continue our long-standing participation in industry partnerships focused on reducing methane emissions by setting and meeting goals, cooperating in knowledge sharing between partners and delivering on commitments that drive emissions-reduction performance improvements across the industry.

**ONE Future Coalition**
We are a charter member of the ONE Future Coalition, a group of more than 50 companies seeking to reduce methane losses to less than 1% of total U.S. methane production across the natural gas value chain by 2025.

**The Environmental Partnership**
We are also a member of The Environmental Partnership, a program of the American Petroleum Institute (API) that brings together more than 100 oil and gas companies to address environmental challenges and improve environmental performance in our industry.

**U.N. Environment Programme**
In 2023, we joined the U.N. Environment Programme’s Oil & Gas Methane Partnership 2.0 (OGMP 2.0), the only comprehensive measurement-based international methane reporting framework for the oil and gas sector.

**Strategic Partners for Emissions Reduction: OGMP 2.0**
In March 2023, we announced our joining OGMP 2.0, an international reporting framework that is working to improve disclosure accuracy and transparency around methane emissions in the oil and gas sector. The partnership involves multiple stakeholders working together on shared goals concerning methane emissions monitoring and measurement-based reporting to reduce methane emissions, with reduction targets set for 2025 and 2030.

Reducing methane emissions is a fundamental component of our ESG strategy and joining OGMP 2.0 is an important next step in the company’s holistic approach to methane emissions reduction.
Greenhouse Gas Emissions

Performance and Goals

We calculate emissions from our drilling, completion, production, gathering and boosting, and gas processing operations. We monitor a range of emission sources — including combustion, flaring, venting and fugitive emissions — to determine our overall GHG inventory. APA is a global company and we report under multiple regulatory frameworks. These include the U.S. EPA Subpart W GHG reporting protocol in the U.S., the API compendium of GHG emissions for the Natural Gas and Oil Industry in Egypt and the U.K. Emissions Trading Scheme for our North Sea operations. Since APA does not control the end use of our produced oil and gas, we exclude the calculation of Scope 3 emissions, which are dominated by category 11 use of product sold.

The GHGs included in our GHG inventory calculations are carbon dioxide (CO\textsubscript{2}), methane (CH\textsubscript{4}) and nitrous oxide (N\textsubscript{2}O). Consistent with the Intergovernmental Panel on Climate Change's Fourth Assessment Report, we assign a 100-year global warming potential (GWP) to each of these GHG component gases as part of our GHG inventory calculation. These values are 1 for CO\textsubscript{2}, 25 for CH\textsubscript{4} and 298 for N\textsubscript{2}O. The mass of each component gas multiplied by its GWP results in a calculated value of carbon dioxide equivalents (CO\textsubscript{2}e) for that component.

2022 GHG Emissions

- 86% CO\textsubscript{2} 
  4.70 million tonnes CO\textsubscript{2}e
- 13% CH\textsubscript{4} 
  718,000 tonnes CO\textsubscript{2}e
- 1% N\textsubscript{2}O 
  31,000 tonnes CO\textsubscript{2}e

Our GHG Elimination Goal

As part of our 2022 long-term incentive compensation plan, we set a goal for the implementation of projects capable of eliminating at least 1 million tonnes of annualized CO\textsubscript{2}e emissions by year-end 2024. We have identified a number of projects across our operations that will drive this elimination. We are working with GHD, a third-party vendor, to support our work by verifying project deployment and emissions reduction calculations, providing international operational experience and helping to track these projects to achieve our long-term incentive compensation-related goal.

Transitioning Assets

In line with the way asset’s emissions are reported to the U.S. Environmental Protection Agency (EPA) when APA purchases an asset, the emissions from that asset are reported for the entire year. Similarly, emissions from assets sold were not historically reported for any portion of the reporting year in which they are sold. The selling and purchasing of assets is a complex and vital component of everyday business for oil and gas operators. However, APA recognizes that it is essential to identify our actual emissions reduction achievements — meaning those achieved through emissions reduction projects and improved practices — rather than changes in emissions driven solely by the sale of assets. To increase our transparency, in this year’s report we have begun disclosing the emissions for assets we owned during a portion of the year but that we no longer own as of year-end. Emissions from assets we sold in 2022 accounted for fewer than 600 tonnes of CO\textsubscript{2}e, or less than 1% of our total reported emissions.
Calculating Our GHG and Methane Emissions Intensities

GHG Emissions Intensity = \frac{\text{Scope 1 Emissions (kg CO}_2\text{e)}}{\text{Gross Production (Barrels of Oil Equivalent Produced)}}

Methane Emissions Intensity = \frac{\text{Methane Emissions (kg CH}_4\text{e)}}{\text{Gross Production (Barrels of Oil Equivalent Produced)}}

Base-year Calculation Methodology

Creating long-term GHG emissions reduction targets is part of our approach to continuous improvement; however, major modifications to our portfolio may require that the base-year emissions used to evaluate the success of our goals be adjusted.

The following are circumstances that, if material, may trigger a base-year emissions recalculation:

- Quantification methodology changes or data improvements that result in a material change to emissions calculations.
- Ownership and/or control changes.
- Acquisitions, divestitures or structural changes that result in a material change to overall emissions.
- Discovery of errors in the base-year emissions that result in a material change to total emissions.

Non-GHG Emissions

Non-GHG emissions are criteria pollutants, a group of six air pollutants that are regulated by the EPA due to their harmful effects on human health and the environment. The six criteria pollutants are carbon monoxide, lead, nitrogen oxides, ozone, particulate matter and sulfur dioxide. Lead is not a significant emission from our operations. We manage the other five emissions sources through air permits and registrations administered by state environmental agencies. Our management efforts include the following use of emission technologies, monitoring and modeling:

- Emission technologies are used to control criteria pollutants in catalytic converters, flares and vapor recovery units.
- Monitoring helps us ensure emission control technologies are functioning properly.
- Modeling is used to evaluate the proper emission technology that is required for each site.
Water

Water is a key component of our oil and gas operations and we seek to use it responsibly by recognizing and balancing environmental, social and operational water needs.

We work diligently in our operational activities to avoid competing for freshwater resources that are shared and relied upon by other end users, such as municipal water systems and agriculture. For example, we prioritize the use of nonfresh water across our operations and are committed to increasing our recycling of produced water.

We use industry best practices in our efforts to safeguard water quality, both onshore and offshore. These safeguards include proper management of produced water, monitoring of chemicals used and safe transport of produced and other nonfresh water for recycling or disposal. Responsible water management is a core component of our sustainable operating strategy.

**Operational Water Use**

Our primary operational water use is for waterfloods in legacy oil fields in the Permian Basin. We also use water during the drilling and completion of new wells. The chart to the right shows the volumes and sources of water used in our operations for enhanced oil recovery from existing wells or for the drilling and completion of new wells, including for hydraulic fracturing. As the chart indicates, over the past five years more than 95% of the water we have used has been nonfresh groundwater or recycled produced water. We have maintained this high percentage of nonfreshwater use through strategic planning and investment in our water infrastructure, allowing us to recycle an increasing amount of produced water from our operations. In some instances, we have also used treated municipal wastewater as an alternative to fresh water.

In line with Ipieca’s sustainability reporting recommendations, a leading reporting framework for the oil and gas industry, we define consumptive use of water as limited to fresh water and nonfresh water from surface or shallow groundwater, including treated municipal wastewater, since the industry’s use of water from these sources typically removes the volumes used from the normal surface or groundwater cycle.²⁶ The water consumption calculations in the Key Performance Data Chart (see p. 114) and Performance Data by Country chart (see p. 118) therefore, reflect only the fresh water and nonfresh water from surface or shallow groundwater consumed in our operations.

**PRODUCED WATER MANAGEMENT AND RECYCLING**

Fresh water is a scarce resource in some areas where we operate. We seek to minimize our use of fresh water by finding innovative ways to recycle produced water, source other alternatives to fresh water and reduce the overall amount of water required for our operations. We seek to use nonfresh water sources wherever possible, with a preference for reusing and recycling produced water.

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<tr>
<th>Recycled Produced Water (thousand barrels [Mbbls])</th>
<th>Nonfresh Water (Mbbls)</th>
<th>Fresh Water (Mbbls)</th>
<th>Recycled and Nonfresh Water (%)</th>
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Produced water is nonpotable water released from deep underground formations and brought to the surface during oil and gas drilling and production. Most of our produced water is reused for secondary oil recovery by being reinjected into the field where it was produced. We also recycle produced water for use in hydraulic fracturing fluids. Upstream oil and gas operations continuously generate produced water that must be safely managed. Making use of these volumes by reusing and recycling produced water reduces the likelihood that our activities will compete with other users who rely on freshwater resources. It also helps reduce operating costs associated with water purchases and the need to transport and dispose of produced water from our operations.

We have implemented a variety of technologies and treatment processes to allow us to store larger volumes of treated produced water for longer periods, including by using multiple smaller impoundments and by applying advanced chemistry. Increasing the volume of our storage capacity allows us to hold produced water longer so we can reuse it even when immediate completion needs do not align with volume of produced water generated at any point in time. Together, capacity and treatment enhancements enable us to better match the availability of recycled water to our operation schedules and to increase the proportion of recycled water we are able to use. In the past five years, we have increased our Permian Basin produced water storage capacity to more than 17 million barrels, which is equivalent to nearly 1,100 Olympic-size swimming pools. In 2022, we constructed two new water facilities to continue to efficiently serve our operations and safely manage our produced water volumes.

In our U.S. onshore operations, we take strict measures to store produced water in a manner that reduces the risk of impacts on soil, groundwater and surface water quality. Once treated, recycled produced water is stored in engineered, double-lined impoundments equipped with leak detection technology, or in tanks that are routinely inspected and monitored. Loss of primary containment in impoundments is rare, but should it occur, these recycled water storage systems have secondary containment and detailed, location-specific spill prevention countermeasures and control plans.

"In our U.S. onshore operations, we take strict measures to store produced water in a manner that reduces the risk of impacts on soil, groundwater and surface water quality."
Increasing Produced Water Recycling in Hydraulic Fracturing Operations

Parts of our U.S. onshore operations are in areas considered to be water-scarce. (See water scarcity maps on p. 130.) In these locations, we have prioritized reducing the use of fresh water in our hydraulic fracturing operations by increasing our use of recycled produced water and nonfresh water. For 2023, we adopted a short-term incentive compensation-linked goal that at least 50% of our downhole hydraulic fracturing fluid volumes be sourced from recycled produced water, to further drive our progress.

The chart to the bottom right shows that the amount of recycled produced water we have been able to use in our U.S. hydraulic fracturing operations has been inconsistent over the past five years. Variances in produced water recycling are often influenced by two factors, both of which are reflected in the water data. The first key factor that influences water recycling is the level of operational activity. The lower overall activity levels we experienced in 2020 and 2021 meant fewer opportunities for produced water recycling than in previous years. As such, our recycled produced water usage in U.S. hydraulic fracturing operations dropped from 51% in 2019 to 31% in 2020 and 36% in 2021. The other key factor that can influence produced water recycling is location. In terms of location, the availability of recycling infrastructure in place for produced water storage and reuse is key. Operating in new areas or at some distance from well-established areas limits our ability to recycle water efficiently. In 2022, some of our operations — the area of the Austin Chalk formation in Texas among them — were at locations not conducive to recycling appreciable volumes of produced water due to lack of recycling infrastructure. As a result, the percentage of our recycled produced water usage in U.S. hydraulic fracturing operations dropped back to 31% in 2022, even as our overall activity levels grew.

31%

recycled produced water usage in U.S. hydraulic fracturing operations in 2022, down from 36% in 2021.

Another benefit of the water-related infrastructure we have implemented in our U.S. onshore operations is the ability to move water through pipelines instead of trucks. This reduces trucking-related emissions, minimizes the potential for spills during loading and unloading and lessens the impact of heavy trucks on local roadways. We have worked with the API to develop and publish API guidelines for lay-flat hosing, which is commonly used to transport produced water to and from well locations. This publicly available document includes parameters that address the quality and performance of this piping which mitigates the potential for spills. Since 2020, all of the water used in APA’s hydraulic fracturing operations in the Permian Basin has been transported by either permanent or temporary pipelines.

We continue to work on innovative solutions to improve our produced water management strategy. For example, APA supports the exploration of safe, cost-effective alternatives to produced water disposal via deep well injection. Options we have investigated include evaporating the safe, treated water derived from produced water, or discharging the suitable quality portion of treated water in accordance with applicable regulations and industry best management practices. (See the Operational Water Use and Water Sources diagram on p. 43 for more detail on water use in our operations.)

Hydraulic Fracturing Water Use, U.S. Operations

- Fresh Water
- Nonfresh Water
- Recycled Produced Water
Operational Water Use and Water Sources

Production operations, drilling and completions are our primary uses of water, which we source from groundwater aquifers, surface water, municipal water and produced water.

Key water definitions

**Fresh water** — As used in this report, water sources with a total dissolved solids concentration of up to 1,000 milligrams per liter.¹⁹ Uses of water from these sources can include drinking water, potable water and water used for 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 that do not meet the definition of fresh water. These sources could include produced water and brackish groundwater.

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

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

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

**Water consumption** — Water volumes used in APA's operations that are sourced from water withdrawals.

**Water withdrawals** — Water volumes drawn from surface water, groundwater, seawater, municipal sources and producing formations.
WATER SCARCITY ASSESSMENTS
Responsible water management efforts are especially important in our onshore operating areas in regions considered water-scarce, such as the U.S. Permian Basin and in Egypt. We account for location, pricing and applicable 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 assessments of water-scarce areas within our operations. (The results of these assessments and the maps prepared using these tools can be found on p. 130 of this report.)

SAFEGUARDING WATER QUALITY
We follow strict protocols to protect water quality. We actively work with regulators like the Railroad Commission (RRC) of Texas and industry groups like API and the Energy Water Initiative to review the latest information on water protection.

Before beginning operations in a new area, we test and obtain baseline water quality data. We also conduct post-drilling water quality monitoring as needed, based on the location’s risk profile, which includes consideration of proximity to surface water resources and to residential or agricultural uses and the potential to impact shallow groundwater resources. Water quality tests include, but are not limited to, pH, salinity and total petroleum hydrocarbons.

Protecting aquifers by maintaining the integrity of our wells is another way we protect water quality. We take great care when planning and performing operations, to minimize the chances of a well failure that could impact local water resources. Our engineers, geologists and geophysicists design our well drilling plans and completion programs after a detailed and extensive review, using knowledge of the local geology, drill-log and well-integrity evaluation data, as well as other observed operational conditions.

In addition, we consider potential impacts on adjacent wells or faults and develop mitigation plans to prevent adverse impacts. We adjust well-completion treatment volumes and pumping pressures based on well spacing and formation fracture direction and remotely monitor our nearby wells using surveillance technologies and notify offset operators of our operations.

We design the surface casings of our wells to protect usable groundwater intervals and follow industry best practices in the construction of the wells. This includes verifying casing and cement integrity with pressure tests and physical inspections. We monitor and record essential data from

APA Recognized as Industrial Reuse Champion at Annual WateReuse Symposium

In March 2023, our company received the Industrial Reuse Champion Award at the 38th Annual WateReuse Symposium in Atlanta, Georgia. WateReuse represents a coalition of utilities that recycle water, businesses that support the development of recycled water projects and consumers of recycled water.

The executive director of WateReuse, Patricia L. Sinicropi, recognized our work to conserve fresh water, saying, “[this] demonstrates leadership in incorporating best-in-class water recycling and reuse programs to improve water stewardship and achieve their water management goals.”

We are grateful for this acknowledgment and look forward to building upon our water conservation efforts.

APA Corporation
2023 Sustainability Report

Rowlan Greaves, Senior Staff Sustainability Specialist (left), accepts Industrial Reuse Champion award on behalf of APA.
cement jobs and perform evaluations to ensure adequate isolation of producing intervals, including zonal isolation for protecting usable groundwater intervals. Our cement testing methods include cement bond logs, ultrasonic evaluation and temperature logging, when appropriate, to ensure whether the cement has bonded properly to the protective casing and the formation. We perform pressure tests on every casing string. We also conduct pressure testing and monitoring before and during all hydraulic fracturing operations.

DISCLOSING HYDRAULIC FRACTURING FLUID CHEMICALS
Hydraulic fracturing fluid is typically composed of water, sand and minimal chemical additives. The chemicals are added to facilitate the process of delivering the sand to the formation and generating the fractures, as well as to protect the well from damage during operations. We have taken many steps to ensure we use environmentally suitable chemicals in our fracturing operations.

We have been an industry leader in transparency about our use of hydraulic fracturing additives. We report 100% of our U.S. hydraulic fracturing chemical use to the FracFocus.org website. 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. We conduct periodic reviews of FracFocus information and meet with vendors and subject-matter experts to discuss available options for more sustainable chemical alternatives. We also encourage and direct the service companies we work with to provide suitable responsible chemical additives at economically acceptable prices.
Spill Prevention

We are committed to protecting the environment from spills throughout the life-cycle of our operations.

We begin by planning and designing our operations to minimize the risk of spills and to reduce their impacts if one should occur. During construction, we adhere to well and pipeline integrity standards and assess the operational condition of our equipment according to recognized industry best practices.

We use primary and secondary containment systems, including impermeable membranes of at least 30-millimeter thickness under relevant equipment, when installing new or modified facilities in our U.S. onshore operations.

Our spill risk-mitigation strategy also informs how and when we use recycled produced water in our operations. For example, we prioritize transporting produced water in pipelines rather than trucks to reduce the potential for spills. We also tailor our produced water management and spill avoidance practices to the unique circumstances of each of our operating areas. For example, our operations in the Austin Chalk area are often close to rivers, so we proactively mitigate spill risks by using only water of a quality similar to that of the local watershed. While this limits our use of recycled produced water in these operational settings, it also reduces the potential impact on local surface water in the unlikely event of a spill. (See pp. 41-42 for more on how we prevent produced water spills.)

We also train employees to identify and mitigate spill-related risks as part of their regular job duties and we select contractors who do the same. As outlined in our environmental management system and in our EHS requirements under our Master Service Agreements, available on our contractor website, contractors must complete written training programs addressing proper waste handling, waste disposal and spill response.

During drilling and completion activities personnel actively monitor operations to detect spills and they stand ready to respond if one should occur. Production operations are monitored continuously at over 300 facilities (those with the highest production volumes managed) through automated on-site systems and remote monitoring centers that are staffed 24/7. If a spill occurs, field personnel respond promptly and follow a planned spill response protocol to determine the spilled material, source and location, and...
then act to minimize the potential for adverse impacts. We are also committed to following all applicable cleanup, remediation and reporting requirements.

**Offshore Spill Preparedness**
While prevention is always our ultimate goal, we prioritize our capability to respond to offshore spills if they should occur. We are members of multiple subsea intervention organizations that provide global access to comprehensive emergency response services for the industry.

Our collaborations with Clean Gulf Associates, National Response Corporation, Wild Well Control and Oil Spill Response Limited help to improve our response capabilities. The latter two organizations provide us with global access to capping stacks and the ability to mobilize two of them in the event of an incident. The capping stacks are strategically stored in five international locations — the U.K., Brazil, Norway, Singapore and South Africa — and are ready for immediate use and transportation by sea and/or air in the event of an incident.

In Suriname, we maintain our proactive approach toward oil spill prevention through preparation, planning and training with key stakeholders. We have assisted the Surinamese government in developing a National Oil Spill Contingency Plan and provided our industry partners with access to subject-matter experts to train and educate government agencies.

We evaluate oil spill response equipment providers and contract with them for spill response equipment specific to our operations in Suriname. We also pre-stage equipment in multiple locations for rapid deployment in the event of a spill. Pre-staging locations include the APA Shore Base in Chaguaramas, Trinidad; aboard contracted offshore supply vessels and a contracted drill ship; and in the Port of Paramaribo, Suriname. Although our operations in the area are entirely located within Surinamese waters, we have also proactively coordinated with local and state agencies in neighboring Guyana, which shares a maritime border with Suriname and could potentially be affected by a spill from our operations. We have invited Guyanese officials to participate in our spill response training exercises to establish a cross-border communication protocol, and we communicate regularly with Guyanese officials about spill preparedness.

In addition, we have entered into a Mutual Aid Memorandum of Understanding with exploration and production companies working in Suriname and Guyana, to make the industry’s collective expertise and technology available in oil spill preparedness and response.

**Downhole Water Disposal and Seismicity**
To further the protection of groundwater and the environment for our local communities, APA plays an active role in industry research groups focused on studying “induced seismicity.”

We have collaborated with leading universities and have funded research to better understand and model the fundamentals of induced seismic activity in the areas in which we operate. For example, we support and engage with the Center for Injection and Seismicity Research (CISR) at the University of Texas’ Bureau of Economic Geology, and with the TexNet project, a seismic monitoring program.

We also actively participate in industry working groups, including those associated with the Texas Oil and Gas Association, and maintain close contact with the RRC of Texas in order to be responsive to regulators’ concerns regarding induced seismicity. We carefully review the potential for induced seismicity in our operating areas based on seismic risk analysis of available geologic data, including known fault characteristics, states of stress and other parameters. To mitigate risk, our subject-matter experts follow the most current research in the field and we actively engage with leading experts to test ideas and interpretations. Our mitigation plans cover not only community impacts from seismic events, but also how seismic events in the broader area might impact our operations.

To further protection of groundwater and the environment for our local communities, APA plays an active role in industry research groups focused on ‘induced seismicity.’”
Biodiversity

Protecting species and their habitats in the areas where we operate is an important priority for our company.

We conduct biodiversity assessments as part of our predevelopment planning processes. These assessments include reviewing specialty maps produced by experts who oversee the protection of habitats of endangered or threatened species. We use this information in planning our surface activities and in proactively designing our development plans to avoid disturbances, particularly in areas with the highest biodiversity value, and to mitigate impacts on sensitive species’ habitats.

We also participate in collaborative efforts to preserve and promote biodiversity in our areas of operation. In the Permian Basin, for example, we are actively working with the National Fish and Wildlife Foundation (NFWF) and the Pecos Water Conservation Initiative on conservation projects supporting habitat restoration on land, and species preservation in the Pecos River Watershed.

At the end of their service lives, wells that are no longer productive are plugged following applicable regulations. We strive to return well pads to a natural condition, except where landowners prefer the pads be left in place. To expand on our restoration efforts, we recently announced a 2023 long-term incentive compensation-tied goal to accelerate land reclamation at more than 150 sites that were designated to be plugged across our U.S. onshore operations.

Protecting Sensitive Species Across Our Operations

To help protect the lesser prairie-chicken (LEPC), a species of prairie grouse endemic to the high southern plains of the U.S., we participated in a collaborative conservation effort to safeguard its population and habitat. This conservation work has focused on protecting, improving and restoring native habitats to help LEPC populations recover and thrive.

Additionally, in the marine environments where we operate, we use careful, location-specific wildlife management programs to assess, mitigate and minimize the potential impacts of seismic operations. In Suriname, where we continue our exploratory drilling activities, every drill ship has an onboard certified protected species observer (PSO) dedicated to looking out for whales, turtles and other sensitive marine species. These PSOs are empowered to stop any operational activity if they see a protected species in the area. So far, we have observed no impact on marine wildlife in the more than 8,600 square kilometers of exploratory marine seismic surveying conducted as part of our exploration activities in Suriname.

In 2022, we continued seismic operations offshore the Dominican Republic, similar to those in Suriname. In addition to our use of PSOs, we employ acoustic monitoring and equipment with built-in turtle excluder devices to protect marine species. During our offshore operations in these areas, there were no reported impacts to sensitive species and no mitigation measures were needed.
Managing Lands With a Focus on Conservation

While we are committed to protecting species and habitats in all the places where we explore and produce oil and gas, we also focus on conserving threatened ecosystems in our Gulf Coast landholdings in Louisiana, and on lands we own elsewhere, including the Ucross Ranch in Wyoming. Although we do not conduct oil and gas operations in these areas, we believe in the importance of acting as a responsible steward and landowner, maximizing opportunities and partnerships for sustainable land management.

PROTECTING AND RESTORING GULF COAST WETLANDS

Louisiana swamps and marshes are among the nation’s most at-risk wetlands. For several decades, the state has lost about 20 square miles of wetlands per year, due to natural processes of subsidence, saltwater intrusion and shoreline erosion.

These 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. They also act as a storm surge buffer during hurricanes and provide flood control by holding excess water during heavy rainfall. Furthermore, they filter pollutants and absorb nutrients, replenishing aquifers and purifying water.

On the Gulf Coast, wetlands also support billions of dollars in revenue and thousands of jobs in oil and gas development, shipping, fisheries, ecotourism, recreation and other industries.

Through our wholly owned subsidiary Apache Louisiana Minerals LLC (ALM), APA owns and manages approximately 270,000 acres of predominantly wetlands in Louisiana. We prioritize protecting these Gulf Coast swamps and marshes and the species that call these areas home.

Our local employees work year-round to manage and protect the land and implement projects that benefit the wetlands and the species that inhabit them. Their activities include replanting native vegetation, building and operating water-control structures to restore normal hydrologic patterns, combating invasive flora and fauna, rebuilding shorelines, creating terraces in open water environments and repairing nesting structures for birds. Below are just a few examples:

- ALM partnered with Ducks Unlimited to install several water-control structures on our property in Cameron Parish to maintain optimal water levels for waterfowl during the migratory season and for marsh regeneration during the growing season.

- We partnered with the Terrebonne Parish Consolidated Government to create terraces in open water areas to provide habitat diversity and storm surge protection for the local community.
- We provided access to our property for various types of scientific research, including an ongoing study to monitor marsh health in real time and a coyote research project to determine whether some of these animals may be descendants of the rare red wolf. We also participated in a wetland creation project with the Louisiana Coastal Protection and Restoration Authority and the National Marine Fisheries Service to create approximately 465 acres of new wetlands.

- We are working with local and state levee boards to finalize construction of a section of the Morganza-to-the-Gulf Hurricane Protection System, which crosses a portion of ALM's property. This levee system provides invaluable flood protection to the citizens of South Louisiana, yet it is designed as a "leaky system" to maintain and stabilize the wetlands inside the levees.

- ALM staff worked to restore osprey nesting platforms severely damaged in August 2021 by Hurricane Ida’s Category-4 winds. This project is part of an ongoing partnership with the Barataria-Terrebonne National Estuary Program. Within two weeks after these artificial nest sites were repaired, ospreys were observed actively building nests on some of the platforms.

- We are installing nesting boxes on our property in Cameron Parish intended for use by blackbellied whistling ducks. Our partners at Delta Waterfowl provided the nesting boxes, which surface lessees installed with our assistance.

- ALM successfully completed a Restoration Partnership Project with the Coastal Protection and Restoration Authority to construct additional wetland terraces with vegetative planting on our property in Cameron Parish.

- We continued our ongoing battle against invasive species such as giant salvinia, water hyacinth, nutria and feral hogs.

465 acres

of new wetlands created in partnership with the Louisiana Coastal Protection and Restoration Authority and the National Marine Fisheries Service.

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 APA and is managed by the Apache Foundation, a nonprofit subsidiary of APA. Since 2005, the Foundation has overseen the 20,000-acre ranch as a model for profitable and sustainable land-use management practices, protecting increasingly threatened grassland ecosystems. Ucross provides a unique opportunity to compare erosion impacts on uplands and stream areas from different grazing practices. A high-intensity, short-duration rotation grazing strategy for cattle, as opposed to a more traditional year-round approach, has reduced bare ground on the ranch’s rangelands from approximately 50% to less than 2% and significantly improved streambank stability, all while tripling the sustainable stocking rate for cattle. Due to these practices, the ranch also provides excellent habitat for mule deer, white-tailed deer, pronghorn, sage grouse, sharp-tailed grouse, turkey, gray partridge and many species of waterfowl.

We regularly partner with academic researchers and state and federal natural resource management agencies to support research and conservation projects on the ranch. For example, since 2012, the Apache Foundation has participated in the longest-running rangeland erosion study in the nation’s history, conducted by Kansas State University.
Since 2015, the Ucross Ranch has been recognized as an Important Bird Area by the Audubon Society and the American Bird Conservancy. The Apache Foundation has continued improving the ranch’s ecosystem for bird habitat use by providing 120 acres of bird wetlands and 25 reservoirs fed by runoff water. In 2022, drought conditions persisted throughout Wyoming, and an increasing number of waterfowl created new habitats at Ucross due to our ability to pump and maintain full levels of water in several reservoirs.

In 2022, the Apache Foundation continued its work with local beekeepers and honey producers to introduce additional beehives across the ranch to address recent declines in bee populations. These beehives will help boost honeybee populations and provide access to approximately 900 acres of high-quality alfalfa forage for the bees to use for pollination and to produce honey.

**Gulf of Mexico (GOM) Decommissioning**

In 2013, we sold APA’s GOM Shelf operations and properties. As a result of the purchaser’s reorganization in bankruptcy, the former Apache properties were merged into a separate entity holding only the legacy Apache properties. As a result of this entity’s inability to perform all of the decommissioning on these properties, many of its decommissioning obligations reverted to APA as its immediate predecessor in ownership. In September 2021, APA stood up a team dedicated to safely executing the decommissioning of the properties, which the current owner is unable to perform. We have identified critical processes and strategic partners that will help us keep crews safe and minimize the risk of unintended leaks and spills. Essential first steps in our decommissioning operations include assessing and addressing safety issues on the platforms and removing any remaining hydrocarbons.

Preserving and enhancing the native marine life that has created habitats on and near the platforms is another priority for APA. We do this by participating in the Bureau of Safety and Environmental Enforcement’s Rigs-to-Reefs program. While constraints such as water depth, location, size and complexity make only certain platforms eligible for reefing, APA is pursuing conversion of eligible platforms to permanent artificial reefs. Platforms planned for reefing will continue to provide the habitat, shelter and food necessary to enhance biodiversity in the GOM. *(Read more about our plugging and abandonment [P&A] activities in the GOM pp. 28–29.)*

Partnering to Protect the Pecos River Watershed Ecosystems

Since 2019, APA has been a corporate partner in the Pecos Watershed Conservation Initiative (PWCI), a collaborative effort of six corporate partners and biodiversity experts with the NFWF and the U.S. Bureau of Land Management. The initiative aims to protect the Pecos River watershed, which supports some of the world’s most biodiverse arid and semi-arid ecosystems and is home to rare fish and aquatic species found nowhere else on Earth. Since its inception in the fall of 2017, the PWCI has invested $8 million in 44 projects that address three priority strategies: habitat restoration and management of riparian and grassland systems, species intervention and species information. PWCI projects undertaken in 2022 included cross-jurisdictional habitat restoration, such as restoring more than 1,100 acres of riparian habitat, improving nearly 50 miles of pronghorn-friendly fencing and enhancing the management of nearly 11,500 acres of grasslands.

The Pecos River is home to diverse species and ecosystems that we help protect.
Waste Management

Our environmental and waste management programs are modeled after industry best practices and are specific to the country and operational agreements in place with our joint venture partners.

The environmental management systems for our operations in Egypt and the U.K., which account for 55% of our operations by revenue, are ISO 14001:2015 certified, providing the framework and structure for handling our waste in those operating areas.

These programs aim to reduce waste, protect water resources, minimize hazards to employees and facilitate recycling and circular waste management life-cycles.

Our primary solid waste streams are drilling residuals, solids from produced water and waste from our office buildings.

Management of Drilling Waste

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 according to applicable regulations in our operating areas.

While regulatory disposal requirements differ slightly by state and country, they are fairly uniform overall. They include specifications for classifying and segregating hazardous and nonhazardous waste, manifesting, transportation and disposal.

In the North Sea, we use both reinjection to the reservoir of drill cuttings and rig-based drill-cutting treatment and processing facilities to significantly reduce the volume of materials shipped to shore for treatment and disposal. These systems lower emission impacts and the risk of safety and spill incidents associated with transport.

Recycling Waste Across Our Operations

In the U.S., the company makes available and encourages employees to use reusable beverage containers. Historically, we also offered reusable food containers in our dining facilities in Houston, Texas, to further reduce the volume of waste that ends up in landfills. At the beginning of the COVID-19 pandemic, we curtailed the use of reusable containers and made the decision to switch to disposable in efforts to slow the spread of the virus and protect our employees. As we plan our move to our new Houston headquarters in spring 2024, we have committed to resuming use of reusable dining equipment and to driving down our dining waste to pre-COVID levels.

We are also committed to recycling electronic waste. We host an electronic waste recycling month at the office annually, allowing employees to bring in electronic waste from home to be recycled.

Our office and field locations collect and recycle scrap metals on a regular basis.

In the U.K., office-based personnel use only reusable beverage containers and biodegradable disposable containers. The office waste is either recycled, sent to compost or to waste-to-energy facilities, resulting in zero landfill waste.
Our People

Our commitment to people begins with our employees — the foundation that drives our organization’s success.

By building a diverse and inclusive workplace, supporting employee development and well-being, and providing a comprehensive Total Rewards package, we are investing to help achieve the full potential of our employees and our company. All company employees are employed by APA Corporation’s (APA) subsidiary, Apache Corporation.
Employee Recruitment

We transformed our recruitment function aimed at better aligning our business and hiring teams with candidates seeking opportunities with Apache.

During this transition, we identified a talent acquisition lead and hired a fully dedicated senior recruiter. We also updated our recruiting platform and integrated it into our existing HR systems for a more efficient recruitment and onboarding process. Our applicant-tracking software, search engine optimization and Extensible Markup Language (XML) feeds help our job postings reach more diverse groups. As a result, we have been able to generate a broader pool of candidates interested in applying for our open positions.

We are refreshing our U.S. university relations program, allowing us to directly access sought-after talent and showcase career opportunities offered by the company. We plan to focus our efforts on local colleges and universities and have developed partnerships focused on recruiting diverse candidates (see p. 61).

We believe that referrals from our current employees are one of our best recruiting tools for positions at all levels. By enabling existing employees to participate in the candidate identification process, we can secure candidates who more readily exhibit our core values. For example, 11 roles were filled by candidates referred to our external job portal by current team members in 2022.

In Egypt, the local HR team supported mock interview efforts at the American University in Cairo (AUC) to assist students studying petroleum and preparing for their job search. We have had great success in the past partnering with local Egyptian universities such as AUC and Mansoura University and look forward to continuing those partnerships in the future. As an ever-present guiding principle, we remain committed to our goal of hiring in the locations where we live and work.

Hiring Locally

We place a high priority on investing in the areas where we operate, which includes hiring and developing local talent. Local hiring allows us to make meaningful economic contributions to these communities, especially in areas where professional jobs may otherwise be scarce.
In our operations outside the U.S., we strive to recruit most of our workforce from the host country. In locations with mature oil and natural gas basins, such as the North Sea, we typically find a workforce with deep expertise in the industry. However, in other locations, such as Egypt and Suriname, professionals with advanced technical skills are not always immediately available among the local workforce, and additional investment is required.

In Suriname, where our operations are relatively new, we are focused on building local employment capacity. As operational needs and demand for local hiring increase, we will lean heavily on local resources, such as our deputy country manager, a Suriname native, to help us identify and recruit for open positions. We ultimately want to fill jobs with local members of the Surinamese population.

In Egypt, advancing the local workforce has been a focus of our operations for many years. We first began operating in Egypt more than 20 years ago through a joint venture with the Egypt General Petroleum Corporation. Our agreement included requirements for the hiring of Egyptian nationals. At that time, local candidates for petroleum engineering and geological roles were limited. Initially, we hired oil and gas experts from abroad, but we helped to build local expertise by collaborating with Egyptian universities to develop technical coursework that prepared students to work in the industry.

Today, we are continuing to make progress on our efforts to hire Egyptian nationals who have industry experience. Historically, Egyptian petroleum engineers and geologists have sought work opportunities elsewhere across the Middle East and North Africa to broaden their technical knowledge base. To capitalize on this, we seek to recruit Egyptian nationals working abroad in engineering and geological jobs who would like to return to their home country.

Hydrocarbon exploration and production is the single largest industry in the country, representing approximately 24% of its total gross domestic product. As the industry’s need for technical skills continues to grow, the pool of experienced Egyptian oil and gas technical professionals has grown alongside it, allowing us to expand the number of local Egyptians in our workforce.

See the Community section (pp. 86, 88–89, 92–94) for more on how we are investing in local communities in Suriname and Egypt.

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**Future of Work**

We launched the Future of Work program in 2021 to better understand our workforce and its needs, identify a long-term working model and assess the technology and real estate investments required to support our employees’ engagement, productivity and well-being.

Through our partnership with a workplace consulting firm, we conducted three pilot programs and collected extensive employee feedback. We identified opportunities to improve our workspace and ways of working across our operating areas.

In 2022, we set a goal to offer a fresh and inspiring work environment that promotes accessibility and enhanced wellness. To achieve these objectives, we are focused on three aspects:

**Workspace**

In Houston and Cairo, we are working with architects to design new workspaces, with plans to move offices in early 2024.

**Technology**

Across all locations we are implementing new and standardized technology, with a focus on personal computers and audio/visual equipment to support our hybrid working model seamlessly.

**Ways of working**

Across all locations, we are evaluating and improving our effectiveness as an organization. This includes:

- Leadership and employee development initiatives.
- Incorporating new technology and best available techniques to help build a digital-first, data-driven workplace.
- Encouraging mentorship and team building to improve employee connection.
Employee Benefits and Development

We are committed to finding and retaining the best candidate for every task at hand. Effectively building and supporting our team is central to delivering top performance and continuous improvement.

Total Rewards Compensation and Benefits
Our Total Rewards approach to compensation and benefits is designed to attract, retain and reward top talent. As part of our compensation philosophy, we offer and maintain a robust total compensation package that includes a competitive base salary, industry-leading benefits and performance-driven incentives. We believe that focusing on both short- and long-term incentives provides fair and competitive compensation, while aligning employee and shareholder interests. Our incentive compensation programs also reward company and individual performance by integrating with our operational; financial; environmental, social and governance (ESG); and workforce safety initiatives.

In addition to salary and equity compensation, we provide employee benefits that cultivate a family-friendly work environment and focus on our employees’ overall wellness. Our robust benefits platform ranks among the best in our industry peer group and includes comprehensive health care and retirement benefits, as well as locally relevant well-being benefits.

Below are a few examples of recent enhancements to our benefit offerings for employees. Progyny and Ovia Health are two new programs for 2023:

- **Progyny** is a fertility benefits provider offering a comprehensive and inclusive family-building benefit for every unique path to parenthood. Services include access to a patient care advocate dedicated to assisting with fertility treatments, connecting families with the right fertility specialist, as well as guidance and resources for adoption and surrogacy.

- **Ovia Health** offers a comprehensive maternity and family benefits solution that provides support for some of life's biggest transitions, such as starting a family, navigating a healthy pregnancy and balancing life as a working parent. Services include access to expert content and tips, personalized health insights and on-demand health coaching with registered nurses to support employees along the way.

- **Adoption** and surrogacy reimbursements are now available for U.S. employees going through the process.

- **Mental health benefits** have been expanded and now include all employees and eligible family members worldwide, including 16 free sessions with a mental health therapist or coach each year. These benefits also include:
  - A library of well-being and self-care resources.
  - A learning platform that offers on-demand and interactive courses on mental health topics.
  - Structured group and community sessions to facilitate conversations on a variety of topics related to mental health; current events; and diversity, equity, inclusion and belonging.
  - An integrated alcohol and mental health recovery program.

A global wellness platform encourages and promotes physical, financial, social and emotional well-being. We have a wellness council with global representation to collaborate on ideas and help refine our wellness strategy to meet the current needs of the organization.
Learning and Development
Our approach to learning and development focuses on helping our employees meet their professional goals and aligning individual performance with company objectives. In 2022, we conducted one-on-one performance and career development reviews with a 99% employee completion rate at midyear and a 100% employee completion rate at year-end. Employees and managers were provided toolkits, guidance and training to support all stages associated with overall performance management. We regularly reassess and realign learning and development resources to improve ongoing development opportunities across technical, compliance, business and personal development areas.

We continuously evaluate our training opportunities to offer the best available programs to our employees. In 2022, we provided introductory-level training on our oil and gas industry and offered financial courses to support business acumen competency for employees and senior leadership. In focusing on our global workforce, we offered these courses virtually, as well as in person, to allow employees to join at the times most convenient for them. To date, we have provided a variety of 640 training opportunities for employees, accounting for over 41,000 course completions. In 2022, employees completed a total of 19,824 hours of training.

Leadership Development Program
Since launching our Leadership Development Program in 2021, our focus remains on continued growth for senior managers to vice presidents. To date, more than 120 leaders have completed the first steps of this process, which includes 360° evaluations, one-on-one coaching and workshops focused on core leadership competencies. In these workshops leaders explore their leadership behavior and learn how to utilize their strengths through delegation, managing change in their teams, creating an engaging culture, and giving and receiving feedback. While the program started at the senior leader level, this is a multiyear phased project that will be extended to contributors at other levels of the organization over the next several years.

Succession Planning
Identifying and preparing future leaders is a principal element of employee development and succession planning. Our HR team works with company leadership to identify internal successors for all vice president and higher-level positions. In 2021, we strengthened our succession planning by focusing on our leadership competencies as part of the identification process. We utilized these competencies, along with development plans, to assist leaders in honing their skill sets to continue their leadership growth. In addition, we added coaching sessions for our HR business partners to initiate discussions with leaders about high potential successors and their unique development needs.

Mentorship Program
Formally launched in April 2021, this program provides mentors an opportunity to guide their mentees in developing goals and core leadership skills and accessing networking opportunities. More than 14% of the employee population have participated in the program over the last two years. Mentors and mentees provided positive feedback on the effectiveness of the program. We will continue to seek ways to enhance connections for long-term success.
Juan F. Garcia Vaca

From Mentee to Mentor: An Apache Success Story

INTERNSHIP

Juan F. Garcia Vaca started as an intern in Apache’s former Buenos Aires office in August 2009. From the start, he seized the opportunity to learn from engineering professionals and leaders, rotating through various disciplines across the organization and developing an interest in reservoir engineering. During his time as an intern, he had the opportunity to work in multiple locations and was exposed to oil and gas assets in different parts of the world.

“Getting to propose new wells, and seeing them getting drilled, gave me a different perspective on what I wanted to do going forward,” said Garcia Vaca. “Those early learnings defined how I approach my profession and how I lead my team today.”

I find gratification every time I see my team doing an excellent job and doing something that they didn’t know they were capable of.”

FULL-TIME AT APACHE

Garcia Vaca joined the company full-time in 2010 and now serves as a reservoir engineering manager and functional lead for Apache’s Egypt team. He leads the daily activities of the Reservoir Engineering team at Khalda Petroleum Company, our joint venture partner in Egypt, in identifying the best possible opportunities to deliver on production targets. As a leader, he also focuses on the professional development of engineers on his team to help them along their individual career paths while achieving overall business objectives. He challenges his team to establish goals that advance their skills while adding value to the company.
“Nothing is more exciting than delivering on a very ambitious stretch team goal, especially one that looked impossible when first started,” Garcia Vaca added. “I find gratification every time I see my team doing an excellent job and doing something that they didn’t know they were capable of.”

CAREER DEVELOPMENT

Garcia Vaca attributes his success and growth as a leader to his team, training and employee development throughout the years.

“A lot of the training I received through Southern Methodist University [as part of Apache’s former management and leadership development program] provided me perspective on business fundamentals and offered a great opportunity to interact with colleagues from all our offices,” he added. “I also took external classes and workshops that provided insight on how to better approach project evaluations and how to quantify risk/opportunity.”

MENTORSHIP EXPERIENCE

Apache continues to focus on the professional growth of employees and managers through enhanced and more robust learning and through development opportunities and leadership competencies in order to foster the next generation of leaders. The company also offers a global mentorship program that connects mentors with mentees to assist with goal achievement, core and leadership skills development and guidance through one-on-one coaching.

DIVERSITY & INCLUSION

“I enjoyed participating in the mentorship program and look forward to doing more,” said Garcia Vaca.

Since joining Apache, Garcia Vaca has not only advanced from an individual contributor to leading and influencing the career progression of more than 30 engineers, but he has also witnessed growth in diversity and inclusion (D&I) in the energy industry and at the company. His team alone encompasses 10 different nationalities and backgrounds, and they interact daily with colleagues from multiple disciplines.

“Our diversity and integrated work enhance what we can deliver as a team, providing different perspectives and delivering the best possible solutions,” he explained.

Garcia Vaca is part of a diverse team that seeks opportunities to grow production in Egypt and execute with timeliness and efficiency. This is critical for Apache, since the Khalda joint venture is the biggest oil producer in Egypt. At the same time, the returns generated in Egypt have the potential to help Apache grow the business in other parts of the world, while helping to meet global energy needs.
Diversity and Inclusion

Diversity and inclusion (D&I) are vital to our long-term success. A more diverse workforce and an inclusive environment where all our people can openly voice their thoughts make everyone stronger.

As the energy landscape continues to evolve, we need increased diversity, innovative ideas and nuanced perspectives more than ever. We are committed to cultivating a work environment where all employees are valued and can thrive, with a sense of belonging not only as employees, but as people.

D&I Strategy
As part of developing our evolving D&I strategy, we participated in external surveys to benchmark our D&I programs and gain insight into best practices. With this data, we measured the success of our programs in the areas of recruiting, talent management, learning and development, employee engagement, supply chain and community partnership efforts. We have gained insight from the results and continue to implement changes to advance our workplace diversity.

We know that data drives progress and accountability, and we have developed D&I dashboards as a key part of our approach to help us assess the diversity of our workforce. An internal dashboard utilized by our Human Resources (HR) Department tracks gender and ethnic diversity across management, new hires and promotions, which drives accountability and helps us measure progress as we implement processes to advance D&I. Year-end data for 2022 can be found on our public D&I dashboard, the Workforce Demographics section on pp. 66–67 and in the Key Performance Data chart on p. 116. Our 2021 Equal Employment Opportunity Consolidated Report, or EEO-1 data, can be found on p. 119 in the Appendix.

Affirmative Action Plan
Our Affirmative Action Plan is one of several tools we have implemented as part of our approach to improving D&I in our workforce. To ensure its success, we review the following areas annually:

- Recruiting and applications.
- New hires.
- Terminations.
- Promotions and other personnel actions.
In addition to our proactive D&I efforts, we strongly enforce our Code of Business Conduct and Ethics (Code). The Code requires that we conduct our business, including employment practices, in accordance with all applicable laws, rules, regulations and government requirements. APA is an equal opportunity employer. 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 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 our workplace is strictly prohibited. (See the Community section, p. 95, for information on our Supplier Diversity program.)

Attracting Diverse Candidates
Recruiting talent from historically underrepresented groups is a key component of our D&I efforts. Our hiring managers are guided by our internal standards for identifying and hiring diverse talent. We provide access to a tailored curriculum of courses that provide training and clarity on candidate selection, interviewing and hiring practices. While our recruiting and hiring efforts slowed dramatically during the pandemic, they have begun to recover. In 2022, we continued to make progress in our efforts to attract diverse candidates by partnering with student resource groups like the National Association of Black Accountants and the Bauer Women’s Society at the C.T. Bauer College of Business at the University of Houston. We are also expanding our efforts to reach candidates from Historically Black Colleges and Universities (HBCUs), including expanding our recruiting efforts at Texas Southern University.

Our recruiting approach and performance are regularly reviewed to ensure our process is fair and reflective of a diverse and inclusive workforce. Through our partnership with Meyer Consulting Group, an independent firm that specializes in workforce diversity, our HR team reviews all recruiting and applicant data to ensure alignment with our overall Affirmative Action Plan and pay equity among our new hires.

Expanding Diversity in Education and Careers
Science, technology, engineering and math (STEM) are essential skills for our workforce. Apache employs a diverse group of leaders in STEM positions throughout our global operations.

We are seeking to increase the diversity of ethnicities, genders and perspectives in STEM roles as an important element of our D&I efforts. Expanding the pipeline of diverse candidates in these fields is key to advancing D&I at our company and throughout our industry, and we are working to encourage women and other traditionally underrepresented groups to pursue STEM careers.

Apache’s work with the Posse Foundation, an organization that supports college success and leadership development initiatives for students from underserved groups, is one example of how we are contributing to this fundamental need. (See more on the Posse Foundation on p. 87.)
Monique Reyes

Accounting Skills Add to Career in Human Resources

INTERNSHIP

In 2014, Monique Reyes interned with Apache Corporation while completing her postgraduate studies in accounting at the University of St. Thomas in Houston, Texas. Several years after her accounting internship, Reyes ventured down a different path. She was led back to Apache and accepted a role in HR that allowed her to incorporate her accounting background.

FULL-TIME AT APACHE

Reyes joined Apache as an HR payroll accounting analyst in 2017. Now five years into the role, she has touched on multiple branches, from payroll, benefits and compensation to global mobility. Her analytical accounting background has been instrumental in investigating, evaluating and diagnosing key processes for the purposes of streamlining and efficiency.

"I’m grateful for the opportunities available within HR that challenged my skill set outside of accounting," said Reyes. "This role has helped me in stepping out of my comfort zone, since I am an introvert. I’m proud of the growth I’ve developed both personally and professionally."

After joining Apache, Reyes became a member of the Apache Women’s Network (AWN) and Unidos, two of our employee resource groups (ERGs), which have allowed her to connect with colleagues through networking and career development opportunities. She has also been motivated by the analytical needs of her role, which has expanded from a U.S. focus to include U.K. payroll. In areas of development learning, she has defined and improved her technical and analytical skills to be more effective. She is part of a diverse group of HR professionals who interact with disciplines across the company to provide data for various teams related to planning, budgeting, employee analytics and business practices.

"I’ve achieved so many interpersonal skill milestones and built relationships while being a part of the HR team," Reyes said. "My current role, along with the various components of HR and how it ties to the organization, have been rewarding for me."

Reyes said her internship with the accounting team was vital in helping her establish a strong network, develop effective communication skills and build her experience in the industry. Meanwhile, she now has a deeper understanding of the critical importance to Apache of the payroll data that she works with.
Ensuring Pay Equity
During each annual compensation program planning cycle, we conduct a wage gap analysis to identify differences in pay. Generally, differences are related to seniority, experience, performance or other legitimate business reasons. When pay differences are not clearly tied to such factors, we undertake a deeper review and correct any wage gaps to ensure they do not correlate with gender, ethnic or racial differences.

To ensure equitable pay for substantially similar work, we have a process in place to make pay systems and decisions more transparent and objective, in addition to having pay bands for specific jobs. We use:

- Objective metrics to measure performance, which are directly linked to compensation.

- Compensation guidelines, based on defined pay ranges, performance and positions, to ensure consistency in the company’s approach to compensation.

- Training for all compensation decision-makers on the importance of collecting objective metrics, utilizing compensation systems and focusing on consistent compensation for jobs rather than compensation percentage increases.

D&I Training
In 2022, we continued mandatory companywide D&I training for all our leaders with direct reports and recommended the training for all other employees. The training focused on building trust and inclusion within the organization. In addition to the training, we conducted focus groups in our geographic areas to better understand local issues to address in our global D&I strategy.

To further our commitment to D&I companywide, we have utilized a range of diversity-related information campaigns, including employee spotlights, heritage month celebrations and global holidays. The D&I site on our intranet also provides information on how to join or initiate ERGs (described on p. 65).
Diversity & Inclusion Council

Our workforce is a global community that spans several regions around the world and encompasses the unique characteristics of the people who live in these areas. In 2019, we established the Apache Global Community to support our overall D&I efforts. This diverse group is comprised of members that represent the company’s gender, ethnic, geographical and functional diversity, including employees from different management levels, corporate positions and fields. Renamed in 2020 as the Diversity & Inclusion Council, this team champions our D&I culture by providing employee perspectives, ideas and feedback on our D&I initiatives, companywide policies and HR processes. We will continue to evaluate the Council’s role and impact in helping to support D&I efforts across the organization.

Employee Resource Groups

We support ERGs focused on advancing inclusion, belonging and understanding for employees across our organization. All ERGs have an executive sponsor who provides guidance and advice to the group and employee leadership to support the groups’ missions. Networking, professional development and community outreach are some of the many benefits of our ERGs.

ERGs are open to all employees and help to build connections, support our community outreach programs and encourage career development. We continue to support employees as they form additional ERGs. In 2022, we expanded our ERGs from three to six with the launch of Unidos and the relaunches of TEAM Apache and the Apache Young Professionals Network (AYPN).

Employees engage at the first Unidos meeting, an ERG that focuses on Hispanic and Latin cultural awareness.

ERGs are open to all employees and help to build connections, support our community outreach programs and encourage career development. We continue to support employees as they form additional ERGs.”
Employee Resource Groups

**Black Professionals Network**

The Apache Black Professionals Network (ABPN) is committed to promoting a work environment where Black employees thrive, both professionally and personally, with a sense of purpose, support and community involvement. To achieve this, the employee resource group maintains a focus on cultural awareness, career growth, community engagement and advocacy. In 2022, ABPN led conversations with African American external panelists on career development and partnered with the Women’s Network to co-host roundtable discussions with internal leaders about the company’s ongoing D&I efforts. Members also enjoyed social networking events at Houston Astros games and informal conversations on literature. ABPN is deeply involved in supporting community youth with resources and opportunities. Since 2021, the ERG has awarded scholarships to support talented students at two HBCUs — Texas Southern University and Prairie View A&M University.

**Pride Network**

The Apache Pride Network (APN) focuses on creating a safe space for LGBTQ+ employees and allies, where members can support and learn from each other and provide a sense of belonging. The ERG was launched in June 2021 to coincide with Pride Month. Throughout 2022, APN provided resources to support LGBTQ+ employees and allies, and hosted networking events and community service activities.

**Women’s Network**

The Apache Women’s Network (AWN) focuses on providing members with learning programs, networking and community engagement opportunities to support women in our workforce. In 2022, AWN held local events focused on the impact of women in leadership and led discussions with motivational female speakers concerning mental health care. The group also partnered with the ABPN on career development opportunities and in-person discussions on literature.

**Young Professionals Network**

The AYPN was relaunched in August 2022. The ERG is a group of young professionals who are determined to succeed in the industry. AYPN develops future business leaders through career development opportunities, meaningful connections and philanthropy.

**TEAM Apache**

TEAM Apache, which stands for “Together Everyone Achieves More,” was relaunched in March 2022. This ERG is the volunteer arm of our Community Partnerships Department. TEAM Apache’s mission is to provide meaningful volunteer opportunities for Apache employees that instill a sense of pride, ownership and accomplishment for their efforts in the community.

**Unidos**

Unidos was launched in September 2022 to coincide with National Hispanic Heritage Month. The ERG’s mission is to build a supportive and uplifting environment; creating networking and mentorship opportunities and engaging in professional development. Unidos focuses on promoting Hispanic and Latin cultural awareness and personal development through continuing education and service opportunities.
Workforce Demographics*

Total Employees by Country

Total Employees = 2,273

Global Gender Mix

Global
- 24% Female
- 76% Male

U.S.
- 71% male
- 29% female

U.K.
- 86% male
- 14% female

Egypt
- 83% male
- 17% female

France
- 67% male
- 33% female

U.S. Ethnicity Mix

U.S.
- 65% White
- 21% Hispanic/Latino
- 7% Asian
- 6% Black or African American
- 1% Two or More Races and Other

35% of U.S. employees self-identify as an ethnic minority.

* Our workforce demographics are reported by employees’ work location as of Dec. 31, 2022. They are based on employee self-identification and subject to change based on employee assignment. All APA employees are employed by our subsidiary Apache Corporation. This data is comparable to Equal Employment Opportunity, or EEO-1, reported data. (Our 2022 Equal Employment Opportunity Consolidated Report can be found on p.119 in the Appendix.)
Workforce Demographics (Continued)

Leadership Diversity (leadership defined as supervisor level or equivalent and above)

- U.S. Leadership Breakdown
  - 78.5% White
  - 9% Hispanic/Latino
  - 7% Asian
  - 4% Black or African American
  - 1.5% Two or More Races and Other

- 21% of U.S. leadership self-identifies as an ethnic minority.

- 20% of global leadership self-identifies as female.

Global Field/Office Demographics

- Global
  - 40% Field personnel
  - 60% Office personnel

- Global gender mix of office personnel
  - 63% male
  - 37% female

- Global gender mix of field personnel
  - 96% male
  - 4% female

- Ethnicity mix of U.S. office personnel
  - 65% white
  - 35% racial/ethnic minorities

- Ethnicity mix of U.S. field personnel
  - 63% white
  - 37% racial/ethnic minorities

Global Age Breakdown

- Global
  - 8% Age: 29 and under
  - 61% Age: 30–50
  - 31% Age: 51 and over
Employee Engagement

Engaging employees in our corporate mission and values is critical to enhancing safety and environmental performance, boosting morale, improving job satisfaction and advancing our success as a company.

We foster employee engagement in several ways. These include providing growth, leadership development and community outreach opportunities while creating a fair, inclusive work environment. The foundation of our employee engagement strategy is building a sense of common purpose around our mission, which our leadership supports through frequent, transparent and honest communication. For example, we hold quarterly town hall meetings hosted by the chief executive officer (CEO) and president that address the company’s progress on business goals and answer questions from employees around the globe. We also host regular meetings with our vice president of Investor Relations that provide employees an opportunity to hear about and ask questions regarding financial markets, APA’s stock performance and the market performance of our industry peers. We also invite employees to participate in live presentations broadcast to global offices that feature external speakers discussing topics relevant to the energy industry.

In 2022, we reinstated our in-person employee awards ceremony after two years of holding virtual ceremonies due to COVID-19, and we hosted the event simultaneously across all of our geographic areas. This allowed our global workforce to celebrate together and recognize standout employee performance and achievements. We also host family events such as barbecues and museum nights for employees to gather locally with colleagues and their family members.

Employee Feedback Survey

Understanding employees’ perspectives is central to our outreach efforts. In 2022, we launched a refreshed employee engagement survey globally to measure employee engagement and gauge our progress on building an inclusive workplace. The survey results can be found in the graphic to the left. We are using these survey results to identify focus areas for continuous improvement in our work environment and our overall employee experience.

We also support our employees in their efforts to give back to the communities where we live and work by sponsoring volunteer service opportunities. We look for meaningful volunteer opportunities that instill a sense of pride, ownership and accomplishment for employees in their respective communities.

Employee Feedback Survey Results

76% survey response rate, which is above the industry average.

Our overall scores:

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Inclusion</th>
<th>Employee Well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td>76%</td>
<td>74%</td>
<td>74%</td>
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The company’s highest ratings included the following:

<table>
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<tr>
<th>Respect for Employees</th>
<th>Trust in Managers</th>
<th>Corporate Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>89%</td>
<td>87%</td>
<td>83%</td>
</tr>
</tbody>
</table>

The company’s highest ratings included the following:

In 2023, we introduced a new way to recognize great work across the company. The program, Well Deserved, allows team members to appreciate colleagues whose effort, impact or initiatives surpassed expectations. Employees can nominate or thank their colleagues directly via an online platform.

Well Deserved, Our Employee Recognition Program

In 2023, we introduced a new way to recognize great work across the company. The program, Well Deserved, allows team members to appreciate colleagues whose effort, impact or initiatives surpassed expectations. Employees can nominate or thank their colleagues directly via an online platform.
Categories for our annual employee awards were refreshed in 2022, paving the way for the newly established Sustainability Award. This award recognizes an employee for excellence in addressing ESG issues and who introduces innovative solutions. Robin Shearer, manager of Offshore Facilities Engineering in our U.K. office, was the 2022 award recipient.

“To be recognized for sustainability is a great endorsement of the work I’ve undertaken over the past few years,” Shearer said, after finding out that he was nominated by his colleagues and selected the winner by a committee of representatives from all operating areas.

In 2020, Shearer set a personal goal to help reduce emissions from our North Sea operations. After exploring options, he identified and implemented an asset and process modeling tool to help assess power generation efficiency, fuel and emissions costs and increase visibility into facility performance and emissions in real time in our Forties asset. Among other things, this tool helps identify equipment that is not operating at optimal efficiency, which can increase carbon dioxide (CO₂) emissions. Thanks to the real-time display of operating parameters, Robin was able to identify an error in fuel meter readings. By fixing this, we have reduced emissions and anticipate an annual Emissions Trading System cost savings of more than $450,000 for the company.

After this initial success, Shearer is continuing to expand use of this tool to improve efficiency and reduce costs and emissions in our North Sea Beryl and Forties Asset operations. For example, we are calculating gas turbine thermal efficiency on a real-time basis, allowing us to target underperforming equipment that are using excess fuel and generating higher CO₂ emissions. Tracking this also allows us to optimize our schedules for emissions refurbishment schedules and upgrading of gas turbine generator capacity, which further reduces fuel use and emissions. Gas turbines serve various critical operational purposes including power generation and the mechanical drive of our larger gas compressors, which provide gas lift for oil producing wells and export of produced gas onshore.

With the support of this modeling tool, Shearer has developed emissions reduction pathways for the Forties and Beryl assets that are anticipated to reduce total annual carbon dioxide equivalents (CO₂e) emissions by 50% by 2030 based on a 2018 baseline. This includes targeting an annual emissions reduction of almost 570,465 tonnes of CO₂ per year. The activities and projects that will enable these emissions reductions are defined in our asset Emissions Reduction Action Plans, which will be updated annually to track our progress towards this target.

Educating and Energizing Our Workforce

Our Ambassador Program offers a communications skills course and provides employees access to resources on key energy issues. The program’s benefits are twofold — creating employee development opportunities and offering education on industry best practices. Our employees are trained to actively listen and remain open and responsive to community members’ concerns, helping to build lasting relationships.
Ambassador Program

Our Ambassador Program helps empower our employees to communicate and advocate on behalf of our company and industry with friends, family and external stakeholders. When the program was first set up in the U.S. in 2018, we selected employees in external-facing roles who were most likely to engage with key stakeholders in new areas of exploration. At the time, Ambassador training focused on general education around oil and gas operations and addressing concerns about potential surface impacts of our operations. In the summer of 2022, we relaunched the program, expanding it to include all U.S. employees and restructuring it to incorporate a speaker series, updated training sessions, an informational website and periodic Ambassador updates on issues of relevance to the industry. The program touches on emerging and recurring trends on topics like energy security, energy poverty, our ESG strategy and the role oil and gas will play in the future. The training courses are interactive and limited to a few dozen attendees per session. In 2022, we trained 84 employees. In 2023, the company plans to expand the Ambassador Program to other operating areas, beginning with the U.K.

Global Service Awards Program

To celebrate employees’ professional milestones and anniversaries, we introduced a more personalized experience for service milestones in 2022 that invites managers and colleagues to share congratulatory remarks and photos in a yearbook that will serve as an employee’s memory keepsake.
Health and Safety

We are committed to the health and safety of our employees, contractors and people in the communities where we operate.

We apply our core values, standards and operating practices throughout our global workforce, including contractors, to maintain a strong safety culture. Employees and contractors participate in APA’s safety observations program, AIM for ZERO. This program encourages our teams to proactively share their observations of at-risk conditions and behavior, which are reviewed and acted upon by leadership.

The vice president of Environment, Health and Safety (EHS) seeks feedback through annual safety culture surveys, and we also host joint employee, leadership and contractor meetings. Contractor performance reviews are undertaken to provide cross-functional engagement and alignment between internal function and asset teams.
Our Safety Philosophy

We foster a safety culture that empowers our workforce to stop any task if they observe conditions or behavior they consider unsafe.

This means all team members in the office or on location have stop-work authority, allowing them to halt activity, reevaluate working conditions and review safety procedures before proceeding.

In 2023, we published an updated EHS Worldwide Policy, affirming our values and commitment to protecting health, safety and the environment. Among other things, the updated policy underscores leadership commitment to supporting continuous improvement through visible engagement and provision of necessary resources and training.

We strive to be incident-free across our global operations every day, a sentiment supported by visible and engaged leadership. Senior operations leadership make regular, personal visits to the field across our global operations to reinforce our safety messaging.

In 2023, APA Corporation (APA) adopted the International Association of Oil & Gas Producers (IOGP) Life-Saving Rules. Transitioning from internally developed rules to an industry standard set of rules, helps simplify and standardize our approach and align better with our industry partners. We believe these changes, along with continued emphasis on communication and participation among employees and contractors, are vital to the continual improvement of our health and safety program.

To drive continuous improvement in safety, we are focusing on leading indicators, such as control-of-work inspections and high potential incident data, as well as lagging indicators of safety incidents. Using leading indicators to stay informed about our current performance allows us to make course corrections throughout the year should our performance fall out of alignment with our program goals. In 2022, this helped us continue to improve our Severe Incident Rate (SIR), even with increased work hours. We are formalizing country-specific safety programs and introducing process-safety best practices already implemented in our highly regulated offshore operations, to apply them more uniformly across all our assets. Also in 2022, we increased safety training for the local workforce in Egypt.

We believe that inviting input from our workforce and encouraging all personnel to be active participants in our safety-focused efforts is foundational for performance improvement. We conduct an annual safety culture survey, which was completed by 94% of our workforce in 2022. To further integrate contractors into our EHS programs, in 2022 we launched a contractor EHS survey for U.S. contractors; over 235 contract companies participated. In the North Sea, we also host semiannual leadership and employee safety meetings.

Our behavior-based safety program, AIM for ZERO, gives workers direct access to submit ideas, suggestions or observations for improvement and to identify potential hazards to prevent safety incidents. In 2022, more than 14,000 AIM for ZERO submissions were logged across our global operations. Based on these submissions, we evaluated potential safety improvements and implemented them as appropriate.

We also ask our employees and contractors to share their safety observations with us. In 2022, more than 198,000 submissions — up from over 130,000 in 2021 — were logged by several core contract companies throughout our global operations. We view this overall increase in observations as positive for our operations, as it shows that workers are focused on hazard identification. This enables us to better monitor key trends and identify areas of concern, allowing us to focus on potential improvements to address safety hazards and to prevent injuries and other incidents.
2022 Key Safety Metrics and Achievements

In 2022, we improved safety performance and achieved our safety objectives for the year, including safety goals tied to our annual incentive compensation program.

These improvements were largely a result of a back-to-basics focus across our assets, allowing our employees and contractors to assess risks effectively and employ appropriate controls to mitigate them.

Operationally, activity in 2022 returned to pre-pandemic levels. In Egypt, activity nearly doubled over the prior year, with 17 rigs running compared to 11 in 2021. EHS performance in Egypt improved in 2022, as our leadership prioritized standardization of processes and enhanced our focus on safety to align with the increased activity.

We achieved incident rates nearly 20% below targets in Total Recordable Incident Rate (TRIR) and Days Away, Restricted or Transferred (DART) Rate, while we beat our Lost Time Incident Rate (LTIR), SIR and Vehicle Incident Rate (VIR) goals by 50%–70% compared to targets. We achieved an approximate 11% reduction in TRIR year over year and a 31% reduction in our SIR. We significantly reduced severe injuries, and driving-related incidents were at their lowest in 10 years. The graph below demonstrates a distinct trend in safety improvement over the past decade.

66% reduction in recordable injury rate compared to 10-year average.
Apache employees and contractors worked more than 76 million hours in 2022.

Since 2019, we have separately tracked an SIR metric to increase corporate visibility and awareness of incidents resulting in fatal or life-altering injuries or illnesses.

The graph on the top right shows our workforce’s historical five-year SIR. In 2022, we achieved a total workforce SIR of 0.011, a 31% reduction compared to 2021. In addition to the overall reduction in SIR incidents, our global workforce, including contractors, did not incur a fatality in 2022. These performance achievements reflect a renewed focus on health and safety from the ground up, as operational activity ramped up in 2022 coming out of the COVID-19 pandemic. As part of our efforts to continue this improvement trend, we adopted the IOGP Life-Saving Rules in 2023 (see p. 72).

APA uses health and safety performance metrics to identify opportunities for improvement. We are therefore also providing our LTIR data, in addition to our previously provided metrics (see p. 75 and p. 115).

The graph to the bottom right shows global LTIR for the past five years.

31%

reduction in SIR compared to 2021, achieving a rate of 0.011 in 2022.

The SIR is calculated by multiplying the total number of SIR events by 200,000 hours, then dividing by the total hours worked.* SIR events considered in this rate are those that result in a fatal or life-altering injury or illness.

The LTIR is calculated by multiplying the total number of lost time injuries by 200,000 hours, then dividing by the total hours worked. * LTIR cases considered in this rate are those work-related injuries and illnesses that lead to an employee missing work.

* Apache employees and contractors worked more than 76 million hours in 2022.
Incident Reporting and Management
In 2022, the EHS and Operations teams collaborated to improve our approach and communications related to incident reporting and management. These improvements were identified as part of our ongoing review process and through feedback received from the workforce:

- Cross-functional collaboration on incident investigations.
- Deeper understanding of root causes.
- Cross-functional input on preventive and corrective actions.
- Global participation in learning from incidents sessions.
- Refocused weekly EHS performance dashboard.
- Operations-led, bi-weekly reviews of AIM for ZERO submissions.

We monitor leading and lagging metrics of our performance to measure the effectiveness of our health and safety programs. Our data management portal helps standardize how we track these indicators, respond to incidents, facilitate the management of the change process and track stakeholder communications. This system allows us to better identify and communicate root causes and incorporate lessons learned from incidents, so that we can mitigate and, where possible, eliminate the conditions that caused them across our operations.

We communicate and share progress on our health and safety metrics weekly to managers at every level within the company, quarterly at employee town halls, during meetings of the Environment, Social and Governance (ESG) Management Committee and at each Board meeting.

Expectations for managers’ engagement in health and safety can be found here.

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**Total Recordable Incident Rate**

Year | Employees | Contractors | Workforce
--- | --- | --- | ---
2018 | 0.28 | 0.09 | 0.27
2019 | 0.28 | 0.09 | 0.27
2020 | 0.28 | 0.09 | 0.27
2021 | 0.17 | 0.07 | 0.26
2022 | 0.17 | 0.07 | 0.26

The TRIR is calculated by multiplying the total number of recordable injuries by 200,000 hours, then dividing by the total hours worked.* 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.

**Vehicle Incident Rate**

Year | Employees | Contractors | Workforce
--- | --- | --- | ---
2018 | 0.23 | 0.12 | 0.12
2019 | 0.24 | 0.12 | 0.12
2020 | 0.17 | 0.07 | 0.26
2021 | 0.14 | 0.07 | 0.21
2022 | 0.08 | 0.07 | 0.20

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

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* Apache employees and contractors worked more than 76 million hours in 2022.
** Apache employees drove approximately 19 million miles in 2022.
Hazard Identification and Mitigation
A hierarchy of controls is followed to minimize and mitigate exposure to occupational hazards. Based on this approach, we focus first on eliminating hazards — the most effective way to avoid incidents — and then move through hazard mitigation strategies (see the hierarchy we follow, which is based on recommendations of the National Institute for Occupational Safety and Health in the graphic below). We identify, assess and manage hazards during facility design, construction, modification and operation. Our safety staff facilitates hazard assessments with operations personnel to mitigate hazards effectively and reduce risk. Our workforce strives to identify, assess and eliminate or mitigate risks in our operations and work activities through effective planning, control of work and incident management. This is demonstrated through actionable observations, task-based risk assessments, semiannual operational risk reviews, operationally led root-cause analyses and knowledge sharing of incident findings. We use field-focused efforts centered on leading key indicators to help identify opportunities for continuous improvement. Examples include control of work process audits, digital safety inspections, trend analysis and timely feedback to and from the workforce. Incident alerts are distributed to staff and, as appropriate, to contractors, to alert them to changes in operating conditions or to instances in which a control may have failed. These alerts are also tracked and maintained on an internal “Learning from Incidents” webpage.

Additionally, controls and management systems are regularly reviewed, iterated and enhanced to drive continuous performance improvement.

Hierarchy of Controls

- **Elimination**: Physically remove the hazard.
- **Substitution**: Replace the hazard.
- **Isolate people from the hazard.**
- **Change the way people work.**
- **Protect the worker with personal protective equipment.**
Safety Inspections and Assessments

In all our operations, we use a variety of tools to promote safe work practices. For example, APA's operations in Egypt are ISO 45001:2018 certified (occupational health and safety management system), validating our continuing efforts to put robust systems in place to prevent work-related injuries and to ensure a healthy and safe workplace. In the North Sea, we have Advanced Safety Audits, which focus on observations made during the performance of a specific task and are completed routinely at our offshore facilities. We leverage mobile technology within our internal safety database in the U.S. and Egypt to conduct real-time prejob inspections and rig-up assessments.

We also track improvements made in process safety. For higher-risk tasks dealing with hot work, energy isolation, confined space and other potential hazards, our Control of Work system is critical to enhancing the safety of our workforce. In 2022, we saw a more than 30% increase in Control of Work intervention totals as compared to 2021. Our Safety Audit and Control of Work processes have proven effective, as evidenced by our declining recordable incident rate.

To further empower our employees, we listen to and track their feedback with an annual safety culture survey, which helps guide our EHS strategy. The survey aims to solicit employee feedback on critical safety and environmental aspects of company operations. Survey questions reflect the company’s commitment to environmental stewardship, the overall health and safety of our workforce and the prioritization of APA's ESG initiatives.

Survey feedback helped us identify key themes and develop three major focus areas for our 2022 safety engagement program: Worker Competency, Control of Work Procedures and Standards, and Contractor Management.

Championing the IOGP Life-Saving Rules

Beginning in March 2023, we are identifying a monthly leader to champion one of the nine IOGP Life-Saving Rules by sharing their insights and stories across the organization. We encourage our teams in the field to cover these topics in their monthly safety meetings and have provided materials to help supervisors talk about and promote the rules with their teams. Additional resources are available for all employees on the internal EHS intranet site.
Health and Safety Training and Education
Training and continuing education are foundational to our operations. Our online training platform gives employees easy access to safety-related information. We offer specific training courses to keep field employees and managers informed about evolving issues and best practices for our industry. These courses encourage a mindset of personal responsibility while emphasizing our focus on the hierarchy of controls.

Driving Safety
In 2022, our employees drove nearly 19 million miles while working for the company and achieved the best VIR in the company’s history. The team’s hyper-focus on driving safety, leveraging real-time monitoring data and expanding training across our operations, resulted in a 49% reduction in VIR compared to 2021.

We use in-vehicle monitoring systems in our onshore operations in the U.S. and Egypt to help promote the safe driving habits of our workforce. The Apache Incident Management call center and locally based information centers oversee these real-time monitoring systems. Egypt employees drove 7.7 million miles in 2022, and despite the increase in operational activity, there were only three recordable vehicle incidents. Globally, we have seen a steady decrease in recordable vehicle incidents across our operations. Below is a graph that shows the improvements in vehicle incident counts and VIR in the past five years.
**Bypassing Safety Controls**

Obtain authorization before overriding or disabling safety controls

- I understand and use safety-critical equipment and procedures which apply to my task
- I obtain authorization before:
  - Disabling or overriding safety equipment
  - Deviating from procedures
  - Crossing a barrier

**Confined Space**

Obtain authorization before entering a confined space

- I check and use my breathing apparatus when required
- I obtain authorization to enter
- I confirm:
  - Energy sources are isolated
  - The atmosphere has been tested and is monitored
  - There is an attendant standing by
  - Rescue plan is in place

**Driving**

Follow safe driving rules

- I always wear a seatbelt
- I do not exceed the speed limit, and I reduce my speed for road conditions
- I do not use phones or operate devices while driving
- I am fit, rested and fully alert while driving
- I follow journey management requirements

**Energy Isolation**

Verify isolation and zero energy before work begins

- I have identified all energy sources
- I confirm that hazardous energy sources have been isolated, locked and tagged
- I have checked there is zero energy and tested for residual or stored energy

**Hot Work**

Control flammables and ignition sources

- I identify and control ignition sources
- Before starting any hot work:
  - I confirm flammable material has been removed or isolated
  - I obtain authorization
  - Before starting hot work in a hazardous area I confirm:
    - A gas test has been completed
    - Gas will be monitored continually

**Line of Fire**

Keep yourself and others out of the line of fire

- I position myself to avoid:
  - Moving objects
  - Vehicles
  - Pressure releases
  - Dropped objects
  - I establish and obey barriers and exclusion zones
  - I take action to secure loose objects and report potential dropped objects

**Safe Mechanical Lifting**

Plan lifting operations and control the area

- I confirm that the equipment and load have been inspected and are fit for purpose
- I only operate equipment that I am qualified to use
- I establish and obey barriers and exclusion zones
- I never walk under a suspended load

**Work Authorization**

Work with a valid permit when required

- I have confirmed if a permit is required
- I am authorized to perform the work
- I understand the permit
- I have confirmed that hazards are controlled and it is safe to start
- Stop and reassess if conditions change

**Working at Height**

Protect yourself against a fall when working at height

- I inspect my fall-protection equipment before use
- I secure tools and work materials to prevent dropped objects
- I tie off 100% to approved anchor points while outside a protected area
Contractor Safety Management

Like others in our industry, we rely on contractors to support nearly every aspect of our operations, from exploration and production to well decommissioning and remediation activities.

Contractors typically account for about two-thirds of our total workforce hours each year. Coordination and oversight of our contractor relationships are thus critical to our success.

Leveraging the power of a third-party contractor management data service, we set minimum criteria for all contractors on core training, insurance and other health and safety management topics. These criteria are incorporated as contractual provisions required for approval of all master services agreements.

We proactively and continuously engage with our contractors to promote alignment with APA’s core values, EHS standards and operational excellence. Our contractor-facing website outlines our EHS expectations for our contractors, with applicable documents available for download. Our comprehensive contractor management process addresses the entire life-cycle of supplier engagement, from selection and evaluation to monitoring and post-contract review.
We engage our contractor workforce on safety issues through in-person safety meetings, monthly performance reviews and frequent on-site inspections; in 2022, we introduced the Executive Contractor Roundtable hosted by our chief executive officer (CEO) and executive vice president of Operations.

In 2022, we continued to engage all levels of our contract workforce by conducting in-person safety meetings, monthly performance reviews and frequent on-site inspections. Additionally, we introduced the inaugural Executive Contractor Roundtable hosted by our chief executive officer (CEO) and the executive vice president of Operations. This roundtable was hosted in the U.S. and the U.K. in 2022, and was expanded to Egypt in 2023. It included CEOs and other senior-level leaders from various contractor companies to discuss key safety-related topics, lessons learned and current industry challenges impacting safety performance. By directly interacting with senior leadership and our critical frontline workers across all functions, we can reinforce expectations and share industry best practices companywide.

All contractors providing U.S.-based services are required to have a code of conduct or code of ethics and a method to demonstrate that their employees are aware of — and adhere to — that code. In addition to the internal review process described above, we also assess contractors using leading third-party supply chain management tools that evaluate a range of criteria, including performance and management of safety, anti-corruption, financial health and other business issues.

We also continued to evolve our contractor audit and inspection process in 2022 by leveraging data gathered through performance reviews with our contractors. Additionally, our control of work inspections has allowed us to regularly highlight specific EHS focus areas. When we identify deficiencies during our audits and inspections, we can now have more meaningful conversations internally, as well as with our contractors.
Crisis and Emergency Management

Emergency Preparedness
Emergency preparedness procedures, training and exercises are continually reviewed and improved to help us reduce operational risks across the company.

Emergency Management
We train employees on emergency response and managing unplanned events. In 2022, we conducted 22 Incident Management Team exercises across our operations to improve our ability to respond to unexpected incidents. Coupled with a training matrix and response plans, these efforts are a crucial step in the crisis and emergency management preparedness of the business. We identified corrective action items with recommendations after each exercise, and an implementation plan was developed and tracked for each. These training activities are critical to our preparedness efforts and illustrate the company’s ability to test and analyze established plans.

Response Preparedness Cycle

- **01 Planning**
- **02 Organizing**
- **03 Training**
- **04 Equipping**
- **05 Conducting exercises**
- **06 Evaluating**
- **07 Taking corrective action**
We strive to be a good neighbor in the areas where we operate.

We hope to achieve this by understanding community interests and concerns, developing local economies through our investment decisions and employment opportunities, and supporting local partners doing critical work in the community. Our commitment to work with local stakeholders is integrated into how we conduct our business.
Our Approach to Social Investment and Community Engagement

From Midland to Cairo, and Paramaribo to Aberdeen, our communities have unique social, environmental and energy access challenges, requiring a carefully curated approach.

Supporting progress in our communities is an important component of our company’s overall environmental, social and governance (ESG) strategy. In 100% of our operating areas, we have established key relationships with community partners to best address specific needs.

To help focus our efforts on creating shared value for our business and the communities in which we work, we have identified three pillars of social investment:

- **Community well-being**: Addressing acute social needs within our geographically and culturally diverse operational footprint.

- **Environmental stewardship**: Maintaining our long-standing legacy and commitment to balancing environmental stewardship and conservation with responsible energy development.

- **Access to energy**: Creating opportunities for underserved communities that lack access to reliable, affordable energy.

We support critical initiatives, programs and nonprofit organizations in our communities that align with these pillars through direct assistance and partnership, employee matching gifts and employee volunteering.

About the U.N. Sustainable Development Goals (U.N. SDGs)

The U.N. SDGs are a blueprint for achieving a better and more sustainable future for all by addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.

The U.N. SDG areas of focus for this decade (2020-2030) are “tackling growing poverty, empowering women and girls, and addressing the global climate emergency.”³¹

³¹ In February 2023, TEAM Apache planted trees in the Houston community for Arbor Day.
Community Partnerships — Our Strategic Areas of Focus

**Community well-being**
Around the world, each of our communities has unique and specific needs. Opportunities for partnership include improving quality of life through access to education and essential medical supplies; supporting vulnerable populations, including women and children in need; responding to natural disasters; and supporting first responders.

**Environmental stewardship**
Taking care of the environment goes hand in hand with responsible energy development and includes initiatives that support habitat, species and water conservation.

**Access to energy**
Access to reliable energy is critical for societies to progress. Our community partnership efforts in this area seek to expand access to energy for communities in developing nations, and to enhance the reliability and affordability of energy in developed countries.

**2022 Investment by Pillar**

- **Community well-being**: 71%
- **Environmental stewardship**: 20%
- **Access to energy**: 9%
Community Well-being  
(SDG 11 — Sustainable Cities and Communities)

Supporting the sustainable prosperity of the communities in which we operate is a key component of our social impact strategy. Throughout 2022, we focused our efforts on vulnerable populations by advancing educational opportunities, improving health and well-being, and responding to humanitarian and natural disasters.

ADVANCING EDUCATIONAL OPPORTUNITIES

Advancing educational opportunities, especially for women and other vulnerable groups, is an important focus of our community investments. Our contributions support organizations that recognize how communities are stronger and healthier when women and girls are educated and have opportunities to elevate their standard of living. This work is particularly important among developing communities in Egypt and Suriname, where we have supported the construction of girls’ schools, a women’s shelter and several health care organizations.

In the U.S. and the U.K., we have worked to identify key partners in expanding educational opportunities for children. For example, through the Permian Strategic Partnership we supported 134 elementary schools in the Permian Basin by gifting fully equipped science, technology, engineering and math (STEM) centers, reaching more than 60,000 students and 2,000 teachers in 22 counties. In the U.K., we also partnered with TechFest, an organization that supports STEM education for young people and introduces them to potential career paths, hands-on skills training and seasoned STEM professionals from local universities.

Empowering Girls Through Education in Rural Egypt

Springboard continues to serve as our signature education program in Egypt. Partnering with the Ministry of Education, we oversee 201 community schools for girls in Giza, Minya and Fayoum governorates. For more than 18 years, Apache has innovated to address issues of access and retention in regions where educational opportunities for girls and young women are scarce. We continuously develop programming in and outside the classroom, procure supplies such as books and computers, organize educational student outings and find ways to support the girls in their home lives. More than 15,000 Egyptian girls have learned to read and write through Springboard.

We provide professional development opportunities to Springboard staff through the American University in Cairo (AUC), which has trained more than 600 of our educators in multigrade classroom management and instructional technology. In 2022, we initiated the second phase of AUC professional development for educators, with a focus on English language, mathematics and science. Approximately 85% of students in Springboard schools graduate and some students have continued their education through university and postgraduate programs. Springboard is a hallmark of Apache’s community well-being pillar, addressing the needs of underserved and vulnerable populations through advancement and opportunity.

APA partnered with TechFest, a nonprofit that provides STEM events for young people in the U.K.
Access to education is a crucial component of any sustainable society. Our support for the Posse Foundation is one way we are contributing to this fundamental need. The Posse Foundation, established in 1989, supports college success and leadership development initiatives for students from underserved groups. The foundation provides equitable educational and growth opportunities in Houston and the Permian Basin, most often serving minority and rural communities.

In 2021, we entered a four-year partnership with the foundation and have supported 102 university scholars to date with coaching, mentoring and networking resources. This partnership furthers the foundation’s mission to expand the pool from which top colleges and universities can recruit outstanding, diverse young leaders; helps these institutions build more inclusive campus environments; and provides encouragement and support to Posse Scholars throughout their academic studies.

Last year, we hosted Posse Houston’s Dynamic Assessment Process, an annual event that gathers top-performing high school students to participate in rapid-fire interviews to qualify for Posse scholarships. Our employees served as interviewers, witnessing first hand the enthusiasm, drive and potential of students who were offered an opportunity to pursue higher education for the first time.

To further support our goal to promote D&I within the company, the Apache Black Professionals Network, in partnership with APA Corporation (APA), granted $30,000 in STEM scholarships to two Historically Black Colleges and Universities (HBCUs): Texas Southern University and Prairie View A&M University.

Our Community Impact

$30,000
in STEM scholarships granted.

102
university scholars supported.
We also focus on contributing to the health and well-being of our local communities. In the U.S., we support groundbreaking medical research, while in developing communities, we provide critically needed medical supplies.

Our hometown of Houston is not just the energy capital of the world, it is also a world leader in medical care and advancements. In 2022, we continued a multiyear, $1 million commitment to the University of Texas MD Anderson Cancer Center. Our contributions support medical research in the development and integration of modern technologies and innovative procedures for the treatment of neurological cancers through the Image Guided Cancer Therapy Program.

As part of our initial business activities in a new country, we take a comprehensive approach to assessing our potential impact in the area, including how we can best help local communities flourish. For example, we partnered with Medical Bridges, an organization that provides medical supplies from the Texas Medical Center’s surplus, to meet equipment and supply needs at rural hospitals in the Dominican Republic.

Improving the quality of life for those in need or at risk, such as victims of domestic abuse, is key to ensuring sustainable and healthy communities. During the pandemic, domestic abuse cases dramatically increased. We supported organizations that responded to that increase in Suriname, the Permian Basin and Houston. In 2022, we supported 30 women and children escaping domestic violence in Suriname. As part of this effort, we helped build and provide funding for a shelter in Paramaribo that offers ongoing emergency, advocacy and support services. We also partnered with the Houston Area Women’s Center in October for Domestic Abuse Awareness Month. Our matching campaign will provide the funds to add 240 beds for a new shelter, increasing total capacity to 360 beds.

In the U.K. in 2022, we partnered with a grant-giving charity, Cash for Kids, to provide 1,000 disadvantaged children with coats to see them through the winter.
RESPONDING TO HUMANITARIAN AND NATURAL DISASTERS

In communities where we operate, we respond to specific, disruptive events — such as extreme weather or an increased need for access to basic resources — and offer our support. In 2022, flood waters destroyed hundreds of homes throughout communities in the village of Khor Awada in Egypt. Our company partnered with the Egyptian Ministry of Petroleum and Mineral Resources to rebuild 50 homes in Khor Awada as part of the Aswan Relief Initiative. We also donated critical medical equipment in the Matrouh governate, a remote area of Egypt with limited access to life-saving diagnostic tools and machines. Before we partnered with hospitals in Matrouh, residents would have to travel more than 180 miles for adequate medical care. Now, local hospitals are able to provide this care for over 400,000 people living in the governate.

In early 2022, the war in Ukraine displaced millions of women and children to surrounding areas. We partnered with Project CURE to charter a cargo plane that provided more than 120 pallets of urgent medical supplies to Lviv Regional Children’s Hospital in western Ukraine. We also supported the purchase and shipment to Ukraine of medicine, medical aid and humanitarian items related to winter preparations, through organizations such as Medical Bridges, Samaritan’s Purse and the Daar Foundation.

Environmental Stewardship

We maintain a legacy of supporting land conservation in the U.S. Our environmental stewardship initiatives focus on large-scale wildlife and habitat conservation through partnerships with organizations such as the National Fish and Wildlife Foundation (NFWF) and the Texas Parks and Wildlife Foundation. We also focus on enhancing public green spaces and on reforestation and environmental education, with such initiatives as our award-winning Apache Corporation Tree Grant Program, established in 2005.

In 2022, the Apache Corporation Tree Grant Program donated its 5 millionth tree, a goal originally envisioned by our founder, Raymond Plank.

Through the program, we distribute trees to a wide variety of nonprofit organizations and government agencies in the U.S., including cities, counties, schools, state and local parks, universities, youth associations, wildlife refuges and community groups.
trees have been donated since the launch of the Apache Tree Grant Program in 2005.

In addition to using trees to beautify neighborhoods and preserve natural habitats, nonprofit and governmental groups often request trees to support a range of conservation efforts, including reforestation in areas affected by natural disasters.

Last year, we donated 373,027 trees to 41 nonprofit partner organizations. Examples of tree planting partners and projects for the 2022/2023 planting season include:

- **Houston Botanic Garden**, a 132-acre park filled with horticultural displays, natural ecosystems and walking trails in Greater Houston.

- **The City of Houston and Harris County**, for the reforestation of Houston’s public parks, nature trails and roadways.

- **The Texas Parks and Wildlife Department**, for the establishment of wildlife habitat and reforestation at multiple Texas state parks and nature centers.

- **Big Bend Conservation Alliance**, to conserve the living heritage and unique natural and cultural resources of the greater Big Bend region of Texas.

- **Texas Longleaf Team**, to promote the restoration and maintenance of the longleaf pine ecosystem on public and private forestlands across 20 Texas counties.

Since 2015, we have partnered with the Friends of the Wildlife Corridor to plant nearly 100,000 seedlings across 98 acres of the South Texas National Wildlife Refuge Complex, a series of national wildlife refuges along the southern tip of Texas. This initiative is part of the U.S. Fish and Wildlife Service’s habitat restoration program, which will preserve the ecological function of the Tamaulipan thorn-scrub forests and provide habitat for endangered wildlife in the region.

**CONSERVATION INITIATIVES**

We are active in conservation efforts, including on the Louisiana Gulf Coast, in the Pecos Watershed, with Respect Big Bend in the Permian Basin and in the high plains of Wyoming.

Through the Pecos Watershed Conservation Initiative, we work closely with eight other oil and gas companies, the NFWF and the U.S. Department of Agriculture’s Natural Resources Conservation Service to help protect the Pecos River Watershed, a habitat to many rare species.
In 2019, we became an energy adviser to the Respect Big Bend Stakeholder Advisory Group (SAG), composed of landowners, nonprofits and community members. Sponsored by the Cynthia and George Mitchell Foundation, Respect Big Bend is focused on solutions that balance energy development and environmental conservation, while addressing community needs and concerns about future development. We provided the group with guidance and insight into lessons learned about effective stakeholder and community engagement in and around the company’s Alpine High asset. (Learn more about these and other conservation programs on pp. 48–51.) In 2022, we were an active participant in the SAG’s work, culminating in a report and summit on how to balance development and conservation.

One example of our community and conservation efforts in Alpine High is our work with the Texas Parks and Wildlife Foundation to restore and improve Balmorhea State Park in West Texas. We led a matching gift campaign in 2018 that raised $2 million to repair the nearly 100-year-old, spring-fed swimming pool at the park. Many of our contractors participated with local landowners in the successful effort to raise the funds needed to do the delicate work of repairing the pool while protecting its unique aquatic habitat. We donated an additional $1 million to create an endowment to ensure that the park would have a sustainable source of funding for beautification and education initiatives for years to come.

Access to Energy
(SDG 7 — Affordable and Clean Energy)

Access to reliable energy is critical to societal progress. Nearly 774 million people, 10% of the worldwide population, lack access to electricity. Roughly 2.4 billion, or one-third, live without clean cooking facilities.

In 2022, as part of our work to broaden access to energy, we initiated a multi-year partnership with the Clean Cooking Alliance (CCA), a U.N. Foundation nonprofit organization focused on building a dynamic, inclusive and financially sustainable industry with the goal of achieving universal access to clean cooking by 2030.

Our financial support will help CCA facilitate a catalytic finance accelerator program for early-stage clean cooking entrepreneurs — based in the developing world — by providing access to technical support, funding and external networks to expand their businesses. This will ultimately help drive a sustainable market for clean cooking solutions, including clean-burning liquefied petroleum gas.

The program will complement current CCA initiatives and is open to clean cooking distributors and manufacturers at early stages of growth. It includes 12 to 14 weeks of core modules, such as industry and venture fundamentals, pitch-day coaching and possible entry to a CCA cooking industry catalyst (CIC) program. The CIC program aims to demonstrate the viability of commercially attractive and scalable business models to deliver high-impact clean cooking solutions.

Additionally, we have continued a long-standing partnership with Switch Energy Alliance (SEA), which provides collaborative global energy education and solutions to more than 15 million students and environmental organizations around the world. We also supported the SEA production of Switch On, the sequel to Switch, a film that explores energy needs across the developing world.

As we work to enhance Access to Energy as a pillar of our strategic giving plan, our Community Partnerships team is exploring new opportunities to address energy poverty with partners who recognize the significant role that companies like ours play in advancing global energy progress.
Inadequate access to energy is a major challenge faced by developed and developing nations, making it difficult for education, health care and local economies to thrive. As a company, we recognize the potential impact of our role in alleviating energy poverty, particularly in areas where we explore for hydrocarbons. This struggle for consistent energy access is rarely felt more acutely than in villages like Drietabbetje and Asidonhopo, located deep in the remote rainforests of Suriname. Although coastal cities in South America’s smallest nation enjoy the privilege of round-the-clock electricity, the majority of interior settlements depend on 12- to 13-year-old generators that are often in disrepair. This limits electricity to four hours a day during the week and 10 hours a day on the weekends — that is, if all homes are lucky enough to receive electricity during the window in which it is provided. More often than not, the four- to 10-hour power cycle can’t reach the hundreds of residents in Drietabbetje, Asidonhopo or their surrounding areas.

“We did a site visit to both of these locations to see for ourselves what the situation was,” said Aishel Bradley, external affairs representative for APA Suriname. “The villagers explained that the generators break down fairly often and then they're in the dark for two to three weeks before they find a part and are able to get them running again.”

These villages are home to multiple Surinamese ethnic groups, with approximately 800 of the Aukaners people settling in Drietabbetje and 500 of the Saramaccan people living in Asidonhopo. Most homes do not consume as much electricity as in more urban areas of Suriname, with village families usually living in a small hut or house with a single lamp, mini-fridge and a small television or radio.
Artisanal goldmining, tourism, woodworking and dressmaking are a few of the trades that provide a source of income for villagers, with productivity and profitability depending largely on access to consistent electricity. Students and local hospitals are also deeply affected by intermittent power loss, which poses challenges to remote learning and the ability to provide needed medical care. Many young villagers decide to pursue gold mining or leave the interior altogether, opting for a better life in Paramaribo and sadly, leaving the Aukaner and Saramaccan cultures at risk of being lost.

Our approach to community partnerships is rooted in creating shared stakeholder value that provides lasting impact for those in need. Access to energy and supporting community well-being are key pillars of this approach, and criteria we use to identify projects that align with our ESG framework and core values as a company.

After engaging in conversations with the Surinamese Ministry of Natural Resources and conducting extensive research and on-the-ground evaluations, we initiated a plan to install new commercial-grade generators in Drietabbetje and Asidonhopo that will provide six consistent hours of power each day during the week and 12 consistent hours a day on the weekends.

“This is really about providing basic access to energy that we often take for granted,” said Fay Fitzsimons, manager, Community Partnerships and Government Affairs. “For these villagers to receive reliable electricity is transformational, especially for women and children, who often handle cooking, cleaning and other household chores. The solution to energy access will come in many forms, with diesel-powered generators emerging as the clear, reliable answer in this situation.”

Once installed, the new generators will provide reliable electricity, supporting the preservation of Indigenous traditions, expansion of educational opportunities, access to quality health care and increased local trade. With a plan in place to improve energy security in both villages, we will be able to power a brighter future in Drietabbetje and Asidonhopo.
Local Economic Impact

Our operations benefit local communities through direct and indirect hiring and spending.

Hiring locally is one way we make meaningful economic contributions to the communities where we operate. We offer competitive wages and benefits and actively recruit qualified local candidates who demonstrate the skills and experience that meet specific job requirements. (Learn more about local hiring on pp. 54–55.)

We also focus on developing business relationships with local suppliers and contractors. Although many products and services for the oil and gas industry are commonly provided by large, multinational suppliers, we engage directly with local businesses where we can help to expand our local supply base. Welding services, workover and plugging and abandonment (P&A) rigs, water hauling, roustabout crews, construction crews, civil project installation crews, decommissioning, pump repair and production equipment fabrication are some of the categories in which we utilize local suppliers. Sourcing and contracting locally makes economic sense and it also engenders goodwill within the communities in which we live and work.

Since 2018, our operating areas have spent, on average, more than 39% of their budgets with local suppliers and contractors.

2022 Total Local Vendor Spend by Country

<table>
<thead>
<tr>
<th>Country</th>
<th>Spend (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$432</td>
</tr>
<tr>
<td>U.K.</td>
<td>$211</td>
</tr>
<tr>
<td>Suriname</td>
<td>$538</td>
</tr>
<tr>
<td>Egypt</td>
<td>$5</td>
</tr>
</tbody>
</table>
Supplier Diversity

We believe the success of our company and society is enhanced by enabling diverse suppliers to share in overall economic growth. We understand that supplier diversity will not only enhance our position in the marketplace, but positively impact the communities in which we operate. When diverse suppliers flourish and prosper, their communities also benefit greatly from that success. (Read about APA’s progress on D&I in the Our People section on pp. 60–65.)

Supplier diversity is an integral part of our sourcing, contracting and procurement processes. Our Global Supply Chain team makes sourcing and contracting decisions based on best total value, and we recognize the opportunities that diverse suppliers bring to a competitive supply base and to achieving our goals.

In line with our ESG objectives to enhance supplier diversity, we recently established a supplier diversity program in the U.S. We have tied the success of this program to short-term incentive compensation. As part of our work, we launched a supplier diversity webpage in early 2022 where suppliers can find numerous resources, including our Supplier Code of Conduct, necessary certifications, contact information and details about what we ultimately look for in suppliers. We also achieved our goal of enhancing external transparency by reporting Tier 1 spend by category at year end, which can be found on our website.

The supplier diversity webpage provides an avenue for diverse suppliers to engage directly with us, broadening our sourcing options and increasing our exposure to innovative ideas and solutions. Suppliers can register and provide their information via the online portal or email us directly. We participate in supplier diversity special interest groups to publicize our program and encourage diverse suppliers to register online if they are interested in doing business with our company.
Understanding and Addressing Stakeholder Concerns

Being a good neighbor means taking the time to listen. Through our subsidiaries, we operate in numerous communities around the world, each with its own characteristics and needs.

We hold ourselves to a high standard of community engagement and responsiveness everywhere we operate, while tailoring our approach to the unique circumstances of each community. We focus on developing positive relationships within our communities by treating those who live and work in them with dignity and respect. We listen to their concerns and do all that we reasonably can to address them through a broad and inclusive process.

We consider stakeholder input in our decision-making, both in the pre-development planning phases and after we begin operations. We maintain open communication with local officials and community leaders to promote friendly and proactive dialogue, and encourage community members to reach out with any issues. We routinely meet with local emergency responders to help ensure a coordinated response in the rare event of an incident and to make sure they know to call our 24-hour emergency number immediately if they suspect there is a problem at one of our locations.

Our Corporate Communications and Public Affairs Department conducts Ambassador Program training (see pp. 69–70) for employees who regularly interact with community stakeholders so they can develop strong communication and respectful engagement skills. Regular feedback, formal and informal, provides a foundation for mutually beneficial outcomes for our communities, our employees and our company.

Minimizing Impacts on Our Communities

While most of the high-activity elements of our operations are short-lived, we recognize they can create some concentrated, though temporary, inconveniences. Our guiding principle is 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 carefully plan our projects and thoughtfully work out logistics to 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 area beforehand, 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 the impact on other drivers and on the community.

We also work to reduce our impact on local roads and communities by encouraging safe driving practices among our employees and contractors. We use vehicle monitoring devices to help ensure that employees operate vehicles safely on public roadways. Where warranted, we also implement dust-suppression measures to reduce the impact on nearby residents and for the safety of other vehicles traveling on the road. In addition, we reduce truck traffic and the impact on roads by using pipelines instead of vehicles to transport water and oil whenever possible.

Noise, light and odor are other common community concerns. We install sound barriers as needed, often by planting trees for noise buffering as well as visual screening. We use specialized, dark skies-friendly lighting to reduce the impact on nearby residents. We have also introduced lighting modifications in our operations, such as shielding on certain lights, experimenting with different fixtures and adjusting our lighting so that it points downward rather than up toward the night sky.

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 controls to mitigate odors and emissions during the production stage.
Partnering With the Permian Basin

We are a founding member of the Permian Strategic Partnership, a coalition of 20 energy companies partnering with local leaders in the Permian Basin to improve residents’ quality of life by addressing growing challenges, such as affordable housing, road safety, and access to quality health care and public education. In 2022, we contributed close to $1 million in support of the following programs:

- **94** additional students in Texas received expanded support annually through scholarships as well as new trucks, trailers and instructors at the Odessa College Truck Driving Academy campuses in Odessa, Pecos and Andrews.

- **134** elementary schools in the Permian Basin received a fully equipped STEM Center, reaching more than 60,000 students and 2,000 teachers in 22 counties.

- **288** pre-K teaching seats were added by fall of 2023, up from 68 seats. The increase in training for early childhood teachers at Midland College Center for Teaching Excellence and Pre-K Lab School aided in filling the teacher shortage in the Permian Basin.

- **21** family medicine residents and mental health fellows were added to the number of primary care providers in the Permian Basin.
Addressing Community Concerns

While we work hard to anticipate community concerns up front through our stakeholder engagement process, it is critical that we have a formal process for community members to share their concerns with us at every step along the way, so we can document, address and work to resolve them. Moreover, we strive for continuous improvement, making sure we learn from every complaint to avoid any similar issues elsewhere across our operations.

As part of our effort to be responsive to community needs, we operate a formal grievance telephone line, the Good Neighbor Line. This hotline is routed to our Apache Incident Management (AIM) call center, ensuring that someone is there to answer calls and address community concerns at any time of the day or night. The AIM call center is staffed 24 hours a day by employees in Houston, where they monitor security cameras on our properties worldwide and catalog any concerns that are flagged or called in. We are one of a small number of independent oil and gas companies with a 24-hour call center operated by employees rather than by a third party. We believe that having our own employees receive community concerns allows us to respond more quickly and effectively.

We have also established a tracking and ticketing system and a matrix for cataloging the types of concerns raised. Grievances are consolidated and maintained in a central system, and issues are routed to the appropriate contact for further action. Common types of inquiries include safety concerns regarding employees and contractors and general questions regarding our operations. All inquiries receive a thorough and 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 successfully resolved within 72 hours.

The Good Neighbor Line received seven calls in 2022 from individuals concerned about security and compliance issues; no safety calls were received. All complaints were addressed and resolved.

Good Neighbor Line

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 expressed to the company via our toll-free Good Neighbor Line at:

866-705-2400
Human Rights

Respect for human rights is at the core of our company values and how we conduct our business. We support the honest, fair and dignified treatment of all human beings and we are committed to ensuring we are not complicit in human rights abuses.

Our adopted Human Rights Principles formalize our practices and are consistent with the Ruggie Principles for Human Rights.

Three of our subsidiaries based in the U.K. — Apache North Sea Limited, Apache Beryl I Limited and Apache North Sea Production Limited — publish statements in accordance with 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.

Our Code of Business Conduct and Ethics (Code) outlines for all employees the company’s high standards for anti-discrimination, anti-harassment, workplace health and safety, and fair employment practices (including prohibitions on forced child labor). We train each employee annually on the Code.

Our Global Supply Chain Department has developed a Supplier Code of Conduct, available in four languages — English, Spanish, Arabic and Dutch — to help ensure that our suppliers and contractors also meet our expectations related to human rights, supplier diversity, health and safety, labor practices, business integrity, ethics, intellectual property management and the environment. These standards are based on well-respected and recognized international standards, including those of the International Labour Organization, the U.N. Universal Declaration of Human Rights and industry best practices. Compliance with these standards is an expectation for the way we do business. The Supplier Code of Conduct defines the minimum standards that our suppliers and contractors, and their suppliers and subcontractors, are expected to respect and follow.

Additionally, through our master services agreements, we require suppliers and contractors to have their own code of conduct or code of ethics and to conduct business with their supply chains in a way that respects and adheres to Human Rights Principles, including the prevention of human trafficking.

Every employee receives instruction on how to report any suspected human rights abuses to our 24-hour hotline and/or our Compliance, HR and Legal departments. We require all office and field personnel to report any human rights issues they may identify in the course of their business.

We also monitor adherence to these principles, and the results are assessed and reported annually to the Corporate Responsibility, Governance, and Nominating Committee of our Board.

“Every employee receives instruction on how to report any suspected human rights abuses to our 24-hour hotline and/or our Compliance, HR and Legal departments. We require all office and field personnel to report any human rights issues they may identify in the course of their business.”
Addressing Human Trafficking

Human trafficking is one of the fastest-growing organized crime activities around the world and is increasingly common in areas with new and rapidly expanding economic activity.

We have taken a leadership role in our industry to address human trafficking and are an active member of the Oil and Gas Trafficking Advocacy Group, which works 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 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 provide employees, contractors and suppliers with available resources that describe trafficking behaviors. We also encourage those who suspect a trafficking crime might be taking place in the U.S. to call the National Human Trafficking Hotline number to report these behaviors.

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

Respecting Indigenous Peoples

An integral part of our business is building enduring relationships with the communities in which we operate. This commitment includes recognition of and respect for the Indigenous peoples who may live and work in these communities and have a strong connection to the land. Where applicable, we endeavor to incorporate Indigenous perspectives into project planning, design and execution, as well as operational planning. During the exploration and development phase of a project, we promote open communication by conducting community meetings and working directly with Indigenous groups and local non-governmental organizations. Because our global operations have evolved over the years, we had no locations with Indigenous populations as of 2022.

Our Board recently approved an update to APA’s Indigenous Peoples Principles as part of a regular review and monitoring of our Human Rights Principles. These principles will continue to be reviewed regularly, including when entering new operating areas, and updated to ensure that they meet with the changing expectations of our global landscape. The Good Neighbor Line, our community grievance mechanism, is also available, when relevant, for Indigenous peoples to communicate concerns or issues.
Governance

At APA Corporation (APA), we believe that maintaining robust and contemporary corporate governance practices is vital to the success of our business.

Effective governance can help APA deliver value, protect our reputation and enable us to better understand and respond to the varied needs of our stakeholders. More than simply a set of written principles and protocols, Corporate Governance is embedded in our culture of transparency and integrity, which is demonstrated daily in our actions and engagements.
Corporate Governance and Compensation Practices

Our corporate governance policies and practices are regularly reviewed at the Board level, and changes are made as appropriate. We seek input from a wide array of stakeholders to ensure our governance structure evolves to keep pace with the ever-changing needs and expectations of the world in which we operate.

We continue to enhance APA’s governance and compensation framework to align with corporate best practices. In many cases, this is based on direct feedback from our stakeholders. Specific examples of improvements we have made include:

- Expanding our emissions reduction initiatives to include short-term compensation goals tied to the removal of pneumatic emissions from our U.S. onshore-operated assets and long-term compensation goals based on reductions in our greenhouse gas (GHG) intensity.

- Becoming the first in our peer group to link emissions goals to our long-term incentive compensation program.

- Enhancing compliance, safety, and diversity and inclusion (D&I) training; expanding skills development opportunities; and improving the health, wellness, education and diversity of our workforce.

- Maintaining Board oversight of adherence to Human Rights Principles, diversity initiatives, environmental, social and governance (ESG) strategy, environmental performance, health and safety performance, political contributions, climate change and transition risks, risk management and cybersecurity.

- Refreshing and expanding the experience and diversity of our Board members, 50% of whom are now diverse in terms of gender or ethnicity.

- Chairing all three Board committees with diverse Board members.

- Launching a revised online conflicts-of-interest training and attestation program that all employees worldwide are required to undertake annually.

- Expanding outreach to internal and external stakeholders about the externally hosted hotline we maintain through which any person may report, anonymously if they so choose, suspected violations of law or APA policies.

- Expanding and improving our annual proxy statement to include an explanation of our pay practices and their alignment with strategic goals, including ESG topics.

- Appointing a new independent, nonexecutive Board chair.
Governance

APA's chief executive officer (CEO) and president is responsible for delivering the company's corporate strategy and objectives, while championing safe operations and prudent financial management. The Board of Directors, which is elected by the company's shareholders, oversees management and ensures that the long-term interests of shareholders are being served.

Board of Directors

APA's Board of Directors plays a vital role in the design, implementation and monitoring of our corporate governance practices. All of APA's nonemployee Directors, including the Board chair, are independent, in accordance with standards established by Nasdaq 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’s diversity encompasses — among other elements — race, gender, age and experience. In 2022, 50% of APA’s Board members are female or ethnic minorities, including APA’s first Black Director, U.S. Army Lieutenant General (Ret.) Charles Hooper. His background has expanded the Board’s breadth of knowledge in strategic planning, foreign affairs and risk identification, as well as adding experience in cybersecurity. These diverse Directors play critical roles on our Board, including chairing the Corporate Responsibility, Governance, and Nominating (CRG&N) Committee; the Management Development and Compensation (MD&C) Committee; and the Audit Committee. They also participate in our shareholder engagement efforts.

In addition, 60% of current Directors have experience with environmental and regulatory issues. Our Directors have acquired applicable experience through their backgrounds as executives in areas that require extensive interaction with government agencies, ranging from environmental to regulatory. (A comprehensive matrix on pp. 128-129 provides additional details on the Board of Directors experience and demographics.)

In recent years, we have taken several steps to improve Board composition and succession that will ensure ongoing access to relevant expertise and seasoned experience. As of the 2023 annual meeting of shareholders, the average term length of Board members is 6.3 years. Nine of the Board’s 10 members were appointed after 2014 and all Board members are subject to a mandatory retirement age of 75.

50% of APA’s Board members are female or ethnic minorities.
Each year, the Board conducts a comprehensive Board evaluation process for every Director, which includes in-depth conversations and personalized feedback. In early 2023, the Board engaged with the National Association of Corporate Directors (NACD), which conducted an independent evaluation. This involved individual interviews with the Directors and an online survey that each Director completed. After discussion with the independent nonexecutive Board chair and the chair of our CRG&N Committee, the NACD facilitated a discussion of the results with the full Board. As a result of this evaluation and the Board’s annual self-evaluation, the Board has continued to make changes to its practices in order to have more effective and consequential meetings.

Cybersecurity
Cyberattacks use increasingly sophisticated methods and could pose serious risks to our company’s revenue, reputation, data integrity and ability to operate in a safe and environmentally responsible way. We are working to reduce the risks posed by malicious online actors through an evolving combination of technology and expertise.

Our cybersecurity safeguards and programs are organized and managed based on the recommendations of an internationally recognized cybersecurity framework developed by the National Institute of Standards and Technology. We have also integrated cybersecurity into our incident response plans and management systems companywide. Our Information Technology (IT) Security team is on the front line every day, monitoring, identifying, preventing and responding to potential cyberattacks that threaten the company.

In 2020, we launched the CyberSmart employee security awareness and education initiative. This program has evolved into an ongoing, year-round instructional campaign that includes online courses, simulated threats, educational opportunities with internal and external subject-matter experts, webinars and required attestation of the company’s cybersecurity policies for all employees. In addition, we continue to work with our technology partners to assess existing controls, design secure networks and defend our systems against the current global threat landscape. All employees have completed the 2022 annual cybersecurity awareness training.

To help ensure the ongoing strength and effectiveness of our efforts, cybersecurity is overseen at the Board level. Management reports on cybersecurity at least annually to the full board and to the Audit Committee. Given the increasing importance of cybersecurity, beginning in 2023, the Board will review management cybersecurity reports at each meeting of the Board of Directors. Since February 2022, one Board member has working knowledge and experience with cybersecurity issues facing global...
All employees, as well as APA’s Board of Directors, receive training on the Code of Business Conduct and Ethics and are required to annually certify that they have read the Code and fulfilled the requirements and expectations set out in the document.

companies. The remaining Board members either have taken or plan to take a cybersecurity training program for board members in the near future.

Enterprise Risk Management (ERM)
Employees throughout the organization are responsible for ongoing identification and management of operational and nonoperational risks. As part of these efforts, both operations and nonoperations risk owners formally review risk registers on a semiannual basis, updating them as necessary, including identifying and evaluating emerging risks.

These efforts are supported by our corporate ERM Function overseen by the vice president of Internal Audit, Risk Management and Compliance, who ensures that procedures are in place for the corporatewide identification and management of both operational and nonoperational risks and provides oversight of ongoing, companywide monitoring and risk management. Climate matters and attendant risks posed to the company are included in this process. Aspects of risk management, including an annual update on the overall risk management program, are reported directly to the Board of Directors’ Audit Committee. The chair of the Audit Committee then reports on this process to the full Board.

We continue to improve the ERM Function each year, including enhancing processes related to risk identification, risk assessment and monitoring of remedial actions and their effectiveness. We have made further progress on risk-ranking methodologies and identification of key risk indicators to aid in management of existing and emerging risks. For example, we implemented a new risk management software application in 2021, which serves as a common repository for company risk data and provides an automated means of tracking and reporting on the effectiveness of our risk mitigations. Presently, an initiative to define and communicate functional standards across the organization is underway, to enhance risk management and further bolster the ERM program.

Internal Audit
Our Internal Audit group is an independent, objective assurance and consulting function designed to add value by assessing and improving the company’s operations and processes. The group applies a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls, governance and business processes. 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. Based on audit results, the Internal Audit group develops specific recommendations for continuous improvement.
Audit targets are chosen based on a detailed risk assessment protocol to ensure that every group or process is generally reviewed at least once every four years, with many reviewed more frequently. Examples of audits conducted include ERM processes, supply chain activities, various operational and financial functions, GHG emissions data, safety reporting, IT systems and processes, and governance practices. Our Internal Audit group also verifies content and data in this Sustainability Report. (See About This Report, pp. 10–11.)

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 controls. 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.

Compliance and Ethics
The goal of our Compliance and Ethics program is to support value creation by promoting responsible conduct in accordance with applicable laws, rules, regulations and government requirements. The program provides guidance, training, oversight, enforcement and reporting. The director of Compliance seeks to ensure that the company has well-defined and articulated standards and procedures designed to deter and detect misconduct. These standards, and specifically our Code of Business Conduct and Ethics (Code), are communicated utilizing a wide range of examples, effectively translating our overarching policies and standards into real-world, on-the-job scenarios. Internal Audit conducts periodic testing of the compliance program, reinforcing its efficiency and effectiveness and enabling program enhancements.

Our Code is based on our core values and outlines our commitment to high standards of conduct applicable to every employee, including but not limited to the areas of 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 the company’s Voice Your Concern policy, emphasize every employee’s duty to report any suspected violation of law or company policies, provide guidance on how to submit a report, highlight and reinforce our anti-retaliation policy and outline our investigation and enforcement process. Our Board of Directors annually reviews the Code and makes updates or revisions where necessary or appropriate.

In our Code training, we provide instruction on various compliance topics in four languages. To increase the retention and effectiveness of this training, we strive on an ongoing basis 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 easy-to-absorb, mobile-accessible information before any employee travels abroad on company business. All employees, as well as APAs Board of Directors, receive training on the Code and are required to annually certify that they have read the Code and fulfilled the requirements and expectations set out in the document. Directors, officers and employees are responsible for promptly reporting any actual, attempted or apparent violations of applicable laws, rules, regulations or company policies.

100% of our employees participated in anti-bribery and anti-corruption training in 2022.
We are committed to preserving, protecting and fostering the culture of trust and integrity that has long defined our company. Doing this requires that every Board Director, officer, employee and contractor voice their concern if they observe or suspect a violation of law or the company’s policies.

To encourage reporting of unethical behavior should it occur, our Ethics Line allows employees and external stakeholders to report a concern or ask a question, confidentially and anonymously, 24 hours a day. Our Ethics Line is hosted by Convercent, an outside third-party provider. Concerns may be submitted online or by telephone. All concerns related to potential misconduct involving any company representative — whether received through the Ethics Line or otherwise — are tracked and investigated by the director of Compliance, with assistance as necessary from other functions throughout the organization. In addition to the Ethics Line, a procedure for submitting a complaint or concern regarding accounting, internal accounting controls or auditing matters is available on our website.

Concerns that fall under the following categories are escalated for reporting to the CEO, general counsel and vice president of Human Resources, and then promptly reported to a designated member of APA’s Board of Directors:

- May involve substantial risk to human health or safety.
- Pose potential for criminal liability or fines against the company.
- May involve potential antitrust, bribery or corruption violations.
- Pose concerns that otherwise merit escalation.

Again in 2022, we partnered with a third-party training provider to refresh our training course capabilities. We continue to utilize web-based training courses that allow us to adapt to the changing work environment resulting from the pandemic. These trainings include adaptive learning features to create a better training experience that feels relevant and tailored. We review and update the training content annually to build on our audience’s knowledge and to capture trending and newsworthy topics. Our training works seamlessly with the company’s learning system and notification process for all employees. Our web-based trainings are offered to employees in English, Arabic, Dutch and Spanish. In 2022, 100% of our employees participated in Code and anti-bribery and anti-corruption training.

In 2022, the company updated its conflicts-of-interest policy. We expanded the policy to underscore our commitment to ethical conduct, honesty and transparency. We also launched a new, web-based conflicts-of-interest training and certification program. In 2022, 100% of employees completed this training and certification.

Key company policies are reinforced through compliance bulletins and a newly improved Compliance and Ethics intranet page, which provides relatable examples and explanations of internal policies and requirements. This content is often updated in response to major developments or internal investigations. New employees are introduced to our Code, our compliance policies and our commitment to combating corruption through online training as they begin their careers at Apache. Additionally, as part of our pandemic response, we reiterated our requirements for workplace conduct, reminded employees of changes in their jobs or roles — both within and outside the organization — and noted that their conflict-of-interest disclosures might need to be updated amid the changing circumstances of that time.
Combating Corruption

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

We are committed to combating corruption. We prohibit corrupt, unethical and illegal activities, such as offering or accepting a bribe, kickback or improper favor to secure a business advantage. We provide our employees with company-specific guidance applicable to situations they might realistically encounter. Our internal guidance helps our employees, particularly those who engage with government officials, to navigate complex anti-corruption issues. We also provide easy to absorb, mobile-accessible information before an employee travels abroad on company business.

Additionally, all employees receive annual anti-corruption training. All employees are required to read and attest to their understanding of our policies and procedures with respect to matters that may pertain to the U.S. Foreign and Corrupt Practices Act and other applicable anti-corruption laws. 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, with an enhanced compliance and ethics intranet site that includes a news and updates section dedicated to bribery and corruption.

For example, to reinforce the company's anti-corruption policies and procedures, we provided a news bulletin in early December 2022, highlighting International Anti-Corruption Day and Human Rights Day.

Public Policy and Political Disclosures

We operate in the highly regulated natural gas and oil industry on an international level, with our operations affected by the policies of local, state and federal governments. The company participates in the political and public policy process in a responsible and ethical way that serves both the best interests of our shareholders and the safety and well-being of our workforce and other key stakeholders. Our public policy activities include education and advocacy efforts at all levels of government.
We are committed to complying with all applicable state and federal rules pertaining to lobbying and disclosures. Relevant reports regarding our activities are publicly available on the appropriate state and U.S. federal websites, including 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 have developed our own policy on political contributions and lobbying expenditures, including Board oversight thereof. This policy can be accessed on the APA website. Our Government Affairs Function manages and coordinates the company’s political and public policy activities and provides an annual disclosure of those activities in our Disclosure of Political Contributions and Lobbying on the APA website.

POLITICAL CONTRIBUTIONS
In the U.S., we may consider corporate contributions, where allowable by law, 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. All contributions using corporate funds are reviewed and approved by the Board’s CRG&N Committee.

Employees can support candidates for public office through the Apache Political Action Committee (ApachePAC), which is funded exclusively through voluntary contributions from eligible employees. Employee contributions to ApachePAC are neither tax deductible nor matched or reimbursed by the company, either directly or indirectly.

ApachePAC contributes to federal and state political candidates who support responsible development of oil and natural gas and other business issues of interest to the company. Disbursements by ApachePAC are made solely based upon the best interests of the company and our 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, which can be accessed on the FEC’s website at fec.gov and on the respective state websites.

TRADE ASSOCIATIONS
APA is actively involved in trade and industry associations to share technical expertise and best practices. Additionally, we participate in important public education and advocacy efforts on major issues relevant 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 our principal representative in such associations.

We pay regular membership dues to several trade associations. Some utilize a portion of those dues for nondeductible state and federal lobbying and political expenditures. Pursuant to the requirements of the Internal Revenue Code, such trade associations must provide us with the percentage of our annual dues that are attributable to lobbying and political expenses. We disclose these contributions and post a report annually on our website.

LOBBYING
We lawfully engage 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 we are committed to complying with those requirements.
Engagement

Stakeholder Engagement
We regularly engage with a wide range of stakeholders to gain their insights and input on issues, trends, best practices and specific stakeholder interests and concerns. 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. (See pp. 96-98 of the Community Section to read more about our approach to stakeholder engagement.)

Shareholder Engagement
We place significant importance on engagement with our investors. We regularly engage with shareholders and appreciate feedback on topics such as corporate governance, business strategy, compensation and ESG issues.

Our shareholder engagement starts at the top. The Board values our shareholders’ perspectives and welcomes feedback on our business, corporate governance, executive compensation and sustainability practices.

Our independent Board chair and other Board members are accessible to shareholders at our virtual annual meeting and 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.

In addition to numerous investor conferences, the executive team regularly visits shareholders in their offices, hosts meetings in our corporate office in Houston, and hosts site visits for more focused discussions on company operations. For example, we have given groups of shareholders direct access to our operations and personnel through field visits to water-recycling facilities, well-completion operations and data analytics centers.

In the fall of 2022, we reached out directly to shareholders representing approximately 59.1% of shares outstanding to discuss, among other topics, our compensation practices, business strategy, D&I, and environmental and social stewardship. Shareholders owning approximately 47.5% of shares outstanding either met with us in engagement meetings or notified us that no meeting was necessary this year. Our independent directors, including our nonexecutive chair and the chairs of the MD&C and CRG&N Committees, attended many of our shareholder meetings throughout 2022 and were available for all shareholder meetings. Based on feedback from these discussions, we have continued to increase the level of our disclosures in this Sustainability Report and in our proxy statement, and have modified our compensation program, among other improvements.

2022 Fall Engagement
The following board members and executives engaged with shareholders to discuss these topics:

- Company strategy
- Executive compensation (pay-for-performance, peer group, metrics, realized pay)
- Climate-related topics (emissions, methane, Task Force on Climate-related Financial Disclosures and Sustainability Accounting Standards Board)
- ESG goals and targets
- Cybersecurity
- Human capital
- D&I
- Board diversity, culture, refreshment and experience

(Top row): Lamar McKay, Juliet Ellis, Annell Bay (bottom row): Mark Maddox, Brandy Jones, Jessica Jackson, Rajesh Sharma
# Stakeholder Engagement Overview

The table below summarizes how we engage with key stakeholder groups.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Engagement Methods</th>
<th>Read More in this Report</th>
</tr>
</thead>
</table>
| Investors                          | - Annual shareholder meeting  
- Investor days and conferences  
- ESG-focused investor meetings  
- Governance conferences  
- Ongoing one-on-one investor discussions | Board Oversight of ESG, p. 20  
Shareholder Engagement, p. 110 |
| Employees                          | - Ongoing employee trainings  
- Quarterly employee town halls  
- Regular leadership communications  
- Employee feedback surveys  
- Safety culture survey  
- Regular employee resource group offerings  
- Online employee appreciation program | Learning and Development, p. 57  
Employee Engagement, p. 68  
Safety Inspections and Assessments, p. 77 |
| Landowners and mineral owners      | - Ongoing engagement via our Land Department  
- Community grievance line and resolution process | Understanding and Addressing Stakeholder Concerns, p. 96 |
| Local communities                  | - Local community outreach and philanthropy  
- Community grievance line and resolution process  
- Community meetings  
- Local job fairs and other recruitment efforts | Employee Recruitment, p. 54  
Our Approach to Social Investment and Community Engagement, p. 84  
Addressing Community Concerns, p. 98 |
| Suppliers and contractors          | - Contractor vetting process  
- Ongoing contractor assessments  
- Contractor engagement meetings  
- Diverse supplier sourcing | Contractor Safety Management, pp. 80–81  
Supplier Diversity, p. 95  
Supplier Diversity website |
| Regulators and government entities | - Supporting regulatory development as relevant to our business  
- In collaboration with trade associations | Trade Associations, p. 109 |
| Nongovernmental organizations and academics | - ESG investor engagement  
- Research support and funding | ESG Engagement, p. 22  
Downhole Water Disposal and Seismicity, p. 47  
Biodiversity, pp. 48–51  
Ucross Ranch: A Model of Sustainable Rangeland Management, p. 50  
Shareholder Engagement, p. 110 |
| Local media                        | - Regular contact with and response to local television stations, newspapers and radio stations | |

---
Governance Documents

To view these documents, visit apacorp.com/about/governance/governance-documents/.

- APA's Audit Committee Charter
- APA's Code of Business Conduct and Ethics
- APA's Corporate Governance Principles
- APA's Corporate Responsibility, Governance, and Nominating Committee Charter
- APA's Directors' and Officers' Stock Ownership Requirements
- APA's Executive Compensation Clawback Policy
- APA's FCPA and Anti-Corruption Compliance Guide
- APA's Human Rights Principles
- APA's Indigenous Peoples Principles
- APA's Management Development and Compensation Committee Charter
- APA's Margin Loans and Pledges by Directors and Officers
- APA's Monitoring of Human Rights Principles
- APA's Policy on Parachute Payments for Executives and Accelerated Vesting of Equity Upon Change in Control
- APA's Policy on Prohibiting Hedging APA Securities by Directors and Officers
- APA's Political Contributions and Lobbying Expenditures Policy
- APA's Procedures for the Submission of Complaints and Concerns Regarding Accounting, Internal Accounting Controls, or Auditing Matters
- APA's Supplier Code of Conduct
Appendix

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## Key Performance Data

### Global Greenhouse Gas (GHG) Emissions

<table>
<thead>
<tr>
<th>Source</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operated emissions (Scope 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>5,453</td>
<td>6,034</td>
<td>6,290</td>
<td>7,300</td>
<td>7,580</td>
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<tr>
<td>Methane</td>
<td>4,704</td>
<td>4,832</td>
<td>4,830</td>
<td>5,600</td>
<td>5,770</td>
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<tr>
<td>Nitrous oxide</td>
<td>718</td>
<td>1,167</td>
<td>1,410</td>
<td>1,650</td>
<td>1,760</td>
</tr>
<tr>
<td>Operated direct emissions (Scope 1) by source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flaring</td>
<td>1,409</td>
<td>1,477</td>
<td>1,480</td>
<td>2,060</td>
<td>1,970</td>
</tr>
<tr>
<td>Venting</td>
<td>469</td>
<td>420</td>
<td>430</td>
<td>810</td>
<td></td>
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<tr>
<td>Fuel combustion</td>
<td>3,495</td>
<td>3,548</td>
<td>3,550</td>
<td>3,790</td>
<td>3,920</td>
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<tr>
<td>Fugitives</td>
<td>541</td>
<td>830</td>
<td>1,020</td>
<td>880</td>
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<tr>
<td>Operated indirect emissions (Scope 2)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>215</td>
<td>343</td>
<td>490</td>
<td>690</td>
<td>800</td>
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### Global Emissions Intensities

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<th>2020</th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td>Global GHG emissions intensity</td>
<td>29.1</td>
<td>31.2</td>
<td>28.4</td>
<td>30.8</td>
<td>32.7</td>
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<tr>
<td>Global methane emissions intensity</td>
<td>0.15</td>
<td>0.24</td>
<td>0.25</td>
<td>0.29</td>
<td>0.30</td>
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### Global Energy Use

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<tr>
<th>Source</th>
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<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Energy use</td>
<td>4,190</td>
<td>4,600</td>
<td>4,880</td>
<td>5,020</td>
<td>5,320</td>
</tr>
<tr>
<td>Combustion energy</td>
<td>3,670</td>
<td>3,720</td>
<td>3,730</td>
<td>3,980</td>
<td>4,120</td>
</tr>
<tr>
<td>Electricity</td>
<td>520</td>
<td>880</td>
<td>1,150</td>
<td>1,040</td>
<td>1,200</td>
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### Global Water Use by Source

<table>
<thead>
<tr>
<th>Source</th>
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<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total water consumption</td>
<td>33,824</td>
<td>29,055</td>
<td>11,100</td>
<td>114,521</td>
<td>125,380</td>
</tr>
<tr>
<td>Freshwater consumption</td>
<td>11,345</td>
<td>5,572</td>
<td>1,526</td>
<td>25,440</td>
<td>27,996</td>
</tr>
<tr>
<td>Groundwater</td>
<td>3,498</td>
<td>3,059</td>
<td>1,526</td>
<td>24,308</td>
<td>23,850</td>
</tr>
<tr>
<td>Surface water</td>
<td>7,682</td>
<td>1,043</td>
<td></td>
<td>407</td>
<td>2,386</td>
</tr>
<tr>
<td>Municipal water</td>
<td>165</td>
<td>1,469</td>
<td></td>
<td>725</td>
<td>1,759</td>
</tr>
<tr>
<td>Nonfreshwater consumption</td>
<td>22,480</td>
<td>23,483</td>
<td>9,575</td>
<td>89,082</td>
<td>97,384</td>
</tr>
<tr>
<td>Groundwater consumption</td>
<td>20,538</td>
<td>22,571</td>
<td>9,575</td>
<td>88,043</td>
<td>97,384</td>
</tr>
<tr>
<td>Surface water consumption</td>
<td>1,941</td>
<td>913</td>
<td></td>
<td>1,039</td>
<td></td>
</tr>
<tr>
<td>Total water used in production</td>
<td>396,811</td>
<td>567,630</td>
<td>593,720</td>
<td>586,516</td>
<td>653,449</td>
</tr>
<tr>
<td>Total recycled/reused</td>
<td>362,986</td>
<td>538,575</td>
<td>582,620</td>
<td>471,995</td>
<td>528,069</td>
</tr>
<tr>
<td>Secondary recovery reused</td>
<td>352,171</td>
<td>526,350</td>
<td>577,542</td>
<td>441,571</td>
<td>496,207</td>
</tr>
<tr>
<td>Hydraulic fracturing recycled/reused</td>
<td>10,816</td>
<td>12,226</td>
<td>5,078</td>
<td>30,424</td>
<td>31,863</td>
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### Global Water Metrics

<table>
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<th>2020</th>
<th>2019</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Freshwater consumption %</td>
<td>34</td>
<td>19</td>
<td>14</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Nonfreshwater consumption %</td>
<td>66</td>
<td>81</td>
<td>86</td>
<td>78</td>
<td>78</td>
</tr>
<tr>
<td>Produced water recycled/reused %</td>
<td>59</td>
<td>57</td>
<td>82</td>
<td>50</td>
<td>61</td>
</tr>
<tr>
<td>Produced + nonfreshwater as a percentage of total water usage %</td>
<td>97.1</td>
<td>99.0</td>
<td>99.7</td>
<td>96.2</td>
<td>95.7</td>
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<tr>
<td>Fresh water as a percentage of total water usage %</td>
<td>2.9</td>
<td>1.0</td>
<td>0.3</td>
<td>4.3</td>
<td>4.3</td>
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<tr>
<td>Freshwater consumption intensity Bbls/boe</td>
<td>0.08</td>
<td>0.04</td>
<td>0.01</td>
<td>0.76</td>
<td>0.87</td>
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### U.S. Hydraulic Fracturing Water Use

<table>
<thead>
<tr>
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<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonfreshwater</td>
<td>49</td>
<td>61</td>
<td>59</td>
<td>12</td>
<td>22</td>
</tr>
<tr>
<td>Produced water captured for reuse %</td>
<td>31</td>
<td>36</td>
<td>31</td>
<td>51</td>
<td>46</td>
</tr>
<tr>
<td>Freshwater use %</td>
<td>20</td>
<td>3</td>
<td>9</td>
<td>37</td>
<td>32</td>
</tr>
</tbody>
</table>

### Spills

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<tr>
<th>Source</th>
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<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrocarbon spills # &gt;1 Bbl in size</td>
<td>185</td>
<td>379</td>
<td>302</td>
<td>187</td>
<td>341</td>
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</table>
## Key Performance Data (Continued)

<table>
<thead>
<tr>
<th>Certifications</th>
<th>Units</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 14001:2015 (Environmental Management System)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Revenue)</td>
<td>%</td>
<td>55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Production)</td>
<td>%</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Revenue)</td>
<td>%</td>
<td>38</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Production)</td>
<td>%</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO 50001:2018 (Energy Management System)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Revenue)</td>
<td>%</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations Certified (by Production)</td>
<td>%</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Health and Safety | | | | | | |
| Health and Safety | | | | | | |
| Hours worked — workforce | Million hours | 76 | 50 | 36 | 53 | 54 |
| Employee hours worked | Hours | 11,770,580 | 11,500,000 | 12,100,000 | 15,100,000 | 15,800,000 |
| Contractor hours worked | Hours | 64,296,792 | 38,600,000 | 24,000,000 | 38,000,000 | 37,800,000 |

### Lost Time Incident Rate (LTIR)
- **Employee** Per 200,000 hours worked: 0.05
- **Contractor** Per 200,000 hours worked: 0.08
- **Workforce** Per 200,000 hours worked: 0.08

### Total Recordable Incident Rate (TRIR)
- **Employee** Per 200,000 hours worked: 0.17
- **Contractor** Per 200,000 hours worked: 0.24
- **Workforce** Per 200,000 hours worked: 0.23

### Days Away, Restricted or Transferred (DART) Rate
- **Employee** Per 200,000 hours worked: 0.08
- **Contractor** Per 200,000 hours worked: 0.12
- **Workforce** Per 200,000 hours worked: 0.12

### Severe Incident Rate (SIR)
- **Workforce** Per 200,000 hours worked: 0.011

### Vehicle Incident Rate (VIR) Per million miles driven
- **Employee** # | 0
- **Contractor** # | 0
- **Workforce** # | 0

### Fatalities
- **Employee** # | 0
- **Contractor** # | 0
- **Workforce** # | 0
## Key Performance Data (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Units</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our People</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Global full-time employees</td>
<td>#</td>
<td>2.273</td>
<td>2.253</td>
<td>2.272</td>
<td>3.163</td>
<td>3.420</td>
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<tr>
<td>U.S.</td>
<td>#</td>
<td>1.378</td>
<td>1.381</td>
<td>1.430</td>
<td>2.132</td>
<td>2.441</td>
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<tr>
<td>U.K.</td>
<td>#</td>
<td>651</td>
<td>638</td>
<td>598</td>
<td>638</td>
<td>590</td>
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<td>Egypt</td>
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<td>241</td>
<td>230</td>
<td>237</td>
<td>385</td>
<td>388</td>
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<tr>
<td>Suriname</td>
<td>#</td>
<td>0</td>
<td>2</td>
<td>7</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>#</td>
<td>3</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Embedded contractors</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>U.S.</td>
<td>#</td>
<td>471</td>
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<td>U.K.</td>
<td>#</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Egypt</td>
<td>#</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suriname</td>
<td>#</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>#</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Global Gender Mix</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total female employees</td>
<td>%</td>
<td>24.0</td>
<td>22.9</td>
<td>22.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>%</td>
<td>29.1</td>
<td>28.6</td>
<td>27.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.K.</td>
<td>%</td>
<td>14.3</td>
<td>12.4</td>
<td>12.0</td>
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<tr>
<td>Egypt</td>
<td>%</td>
<td>16.6</td>
<td>17.4</td>
<td>17.0</td>
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<tr>
<td>Suriname</td>
<td>%</td>
<td>0.0</td>
<td>0.0</td>
<td>14.0</td>
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</tr>
<tr>
<td>France</td>
<td>%</td>
<td>33.3</td>
<td>50.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total male employees</strong></td>
<td>%</td>
<td>76.0</td>
<td>77.1</td>
<td>77.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female employees in leadership positions</td>
<td>%</td>
<td>20.0</td>
<td>17.6</td>
<td>17.6</td>
<td></td>
<td></td>
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<tr>
<td><strong>Global Age Breakdown (Total Employees)</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>29 and Under</td>
<td>%</td>
<td>7.7</td>
<td>7.9</td>
<td>9.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30–50</td>
<td>%</td>
<td>61.5</td>
<td>62.1</td>
<td>60.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over 50</td>
<td>%</td>
<td>30.9</td>
<td>30.0</td>
<td>29.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Ethnicity Mix (Total U.S. Employees)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaskan Native</td>
<td>%</td>
<td>0.5</td>
<td>0.6</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>%</td>
<td>7.1</td>
<td>7.1</td>
<td>6.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black or African American</td>
<td>%</td>
<td>5.9</td>
<td>6.5</td>
<td>6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>%</td>
<td>21.0</td>
<td>19.1</td>
<td>18.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>%</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two or More Races</td>
<td>%</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>%</td>
<td>64.7</td>
<td>65.8</td>
<td>66.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S. Ethnicity Mix of Leadership</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>American Indian or Alaskan Native</td>
<td>%</td>
<td>0.6</td>
<td>0.9</td>
<td>0.7</td>
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<tr>
<td>Asian</td>
<td>%</td>
<td>7.0</td>
<td>6.1</td>
<td>6.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black or African American</td>
<td>%</td>
<td>3.8</td>
<td>4.3</td>
<td>3.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>%</td>
<td>9.1</td>
<td>8.1</td>
<td>11.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>%</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two or More Races</td>
<td>%</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>%</td>
<td>78.7</td>
<td>79.8</td>
<td>78.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Economic Contributions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total local vendor spend</td>
<td>$ Million</td>
<td>1,186</td>
<td>860</td>
<td>962</td>
<td>1,553</td>
<td>1,443</td>
</tr>
<tr>
<td>Total global vendor spend</td>
<td>$ Million</td>
<td>2,918</td>
<td>1,937</td>
<td>2,324</td>
<td>4,116</td>
<td>4,615</td>
</tr>
<tr>
<td>Local spend percentage</td>
<td>%</td>
<td>41</td>
<td>44</td>
<td>41</td>
<td>38</td>
<td>31</td>
</tr>
<tr>
<td>Tier 1 U.S. vendor spend with diverse suppliers</td>
<td>%</td>
<td>4.8</td>
<td>3.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Social Investment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Well-being</td>
<td>%</td>
<td>71.0</td>
<td>79.7</td>
<td>77.0</td>
<td>74.0</td>
<td>76.0</td>
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<tr>
<td>Environmental Stewardship</td>
<td>%</td>
<td>20.0</td>
<td>15.8</td>
<td>21.0</td>
<td>26.0</td>
<td>24.0</td>
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<td>Access to Energy</td>
<td>%</td>
<td>9.0</td>
<td>4.5</td>
<td>2.0</td>
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<td>0.0</td>
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## Key Performance Data (Continued)

<table>
<thead>
<tr>
<th>Financial and Production Highlights</th>
<th>Units</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil and gas production revenues</td>
<td>$ Billion</td>
<td>9.2</td>
<td>6.5</td>
<td>4.0</td>
<td>6.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Natural gas production</td>
<td>MMcf/d</td>
<td>865</td>
<td>830</td>
<td>893</td>
<td>980</td>
<td>966</td>
</tr>
<tr>
<td>Oil and natural gas liquids production</td>
<td>Mbbls/d</td>
<td>252</td>
<td>250</td>
<td>291</td>
<td>310</td>
<td>305</td>
</tr>
<tr>
<td>Proved reserves⁹</td>
<td>MMboe</td>
<td>890</td>
<td>913</td>
<td>874</td>
<td>1,011</td>
<td>1,234</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Operations by Country by Revenue</th>
<th></th>
<th>U.S. %</th>
<th>U.K. %</th>
<th>Egypt %</th>
<th>Other international</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>45</td>
<td>17</td>
<td>38</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>50</td>
<td>18</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td>22</td>
<td>34</td>
<td>0</td>
<td>0</td>
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<tr>
<td></td>
<td>44</td>
<td>20</td>
<td>36</td>
<td>0</td>
<td>0</td>
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<td></td>
<td>45</td>
<td>18</td>
<td>37</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Operations by Country by Production</th>
<th></th>
<th>U.S. %</th>
<th>U.K. %</th>
<th>Egypt⁹</th>
<th>Other international</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>53</td>
<td>10</td>
<td>37</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>59</td>
<td>11</td>
<td>30</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>58</td>
<td>14</td>
<td>28</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>59</td>
<td>13</td>
<td>28</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>56</td>
<td>12</td>
<td>32</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Key

- **kg CO₂e/boe**: kilograms of carbon dioxide equivalent per barrels of oil equivalent produced
- **kg CH₄/boe produced**: kilograms of methane per barrels of oil equivalent produced
- **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 natural gas liquids per day
- **MMboe**: millions of barrels of oil equivalent

---

1. Our emissions are determined using engineering calculations and methods outlined by applicable regulations.
2. 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.
3. Scope 2 emissions are indirect emissions from purchased electricity. These emissions are accounted for using a location-based approach and rely on regional U.S. emission factors, or country-based factors for the U.K. and Egypt.
4. Global intensities were calculated using Scope 1 emissions from production and gathering and boosting operations in APA’s U.S. and U.K. operating areas and Egypt joint venture operations and associated gross production.
5. Recycled/reused water categorization by operational use was new in 2020, and provided for years 2016–2019. APA Corporation (APA) operates a number of secondary recovery fields that utilize waterflood drives that reuse produced water. For APA’s hydraulic fracturing operations, produced water reuse is defined as water that is reused directly without treatment; produced water recycled is defined as water that is treated before reuse, and is therefore recycled.
6. Some volumes of produced water sent to disposal for 2018–2021 were reallocated in this year’s report to “Secondary recovery reused” due to a renewed understanding of how volumes reported as “water injected” are handled in some of our operations.
7. Embedded contractors are members of contractor organizations that were selected by APA and who are subject to APA’s competency requirements. These personnel are supervised by APA employees, and most work primarily on APA sites.
8. Leadership role defined as supervisor level and above or equivalent.
9. The Company’s operations in Egypt, excluding the impacts of a one-third noncontrolling interest, contributed 28% of 2022 production and accounted for 15% of year-end estimated proved reserves.
# Performance Data by Country

## 2022

<table>
<thead>
<tr>
<th>Key Emissions Data by Country</th>
<th>Units</th>
<th>U.S.</th>
<th>U.K.</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operated Emissions — Scope 1 (tCO$_2$e)</td>
<td>Thousand tCO$_2$e</td>
<td>947</td>
<td>887</td>
<td>3,621</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>Thousand tCO$_2$e</td>
<td>729</td>
<td>817</td>
<td>3,158</td>
</tr>
<tr>
<td>Methane</td>
<td>Thousand tCO$_2$e</td>
<td>217</td>
<td>52</td>
<td>450</td>
</tr>
<tr>
<td>Nitrous oxide</td>
<td>Thousand tCO$_2$e</td>
<td>1</td>
<td>18</td>
<td>13</td>
</tr>
</tbody>
</table>

## Operated Emissions by Source (tCO$_2$e)

<table>
<thead>
<tr>
<th>Source</th>
<th>Thousand tCO$_2$e</th>
<th>U.S.</th>
<th>U.K.</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flaring</td>
<td>141</td>
<td>142</td>
<td>1,126</td>
<td></td>
</tr>
<tr>
<td>Venting</td>
<td>135</td>
<td>29</td>
<td>185</td>
<td></td>
</tr>
<tr>
<td>Fuel combustion</td>
<td>609</td>
<td>710</td>
<td>2,176</td>
<td></td>
</tr>
<tr>
<td>Fugitives</td>
<td>61</td>
<td>5</td>
<td>134</td>
<td></td>
</tr>
</tbody>
</table>

## Operated Emissions — Scope 2 (tCO$_2$e)

<table>
<thead>
<tr>
<th>Thousand tCO$_2$e</th>
<th>U.S.</th>
<th>U.K.</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td>214</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

## Key Water Data by Country

<table>
<thead>
<tr>
<th>Thousand Bbls</th>
<th>U.S.</th>
<th>U.K.</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total water consumption</td>
<td>24,130</td>
<td>170</td>
<td>9,530</td>
</tr>
<tr>
<td>Freshwater consumption</td>
<td>6,890</td>
<td>—</td>
<td>4,290</td>
</tr>
<tr>
<td>Total water used in production</td>
<td>160,890</td>
<td>40,460</td>
<td>195,290</td>
</tr>
<tr>
<td>Total recycled/reused*</td>
<td>136,760</td>
<td>40,460</td>
<td>185,760</td>
</tr>
</tbody>
</table>

## ISO Certifications by Country

<table>
<thead>
<tr>
<th>Certification</th>
<th>U.S.</th>
<th>U.K.</th>
<th>Egypt</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 14001:2015 (Environmental Management Systems)</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>ISO 45001:2018 (Occupational Health and Safety Management Systems)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>ISO 50001:2018 (Energy Management System)</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

*Recycled/reused water categorization by operational use is new in 2020, and provided for years 2016-2019. APA operates a number of secondary recovery fields that utilize waterflood drives that reuse produced water. For APA’s hydraulic fracturing operations, produced water reuse is defined as water that is reused directly without treatment; produced water recycled is defined as water that is treated before reuse, and is therefore recycled.*

---

*Key*

- tCO$_2$e: tonnes of carbon dioxide equivalent
- Bbls: barrels of water
Apache’s 2021 Employer Information Report
EEO-1 Consolidated Report

**SECTION B - COMPANY IDENTIFICATION**

1. **APACHE CORPORATION**
   - 2000 POST OAK BOULEVARD
   - SUITE 100
   - HOUSTON, TX 77056

2. **APACHE CORPORATION**
   - 2000 POST OAK BOULEVARD
   - SUITE 100
   - HOUSTON, TX 77056

**SECTION C - TEST FOR FILING REQUIREMENT**

<table>
<thead>
<tr>
<th>1-</th>
<th>2-</th>
<th>3-</th>
<th>DUNS= 006961551</th>
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</thead>
</table>

**SECTION D - EMPLOYMENT DATA**

<table>
<thead>
<tr>
<th>JOB CATEGORIES</th>
<th>NOT-HISPANIC OR LATINO</th>
<th>HISPANIC OR LATINO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>MALE</strong></td>
<td><strong>FEMALE</strong></td>
</tr>
<tr>
<td>EXECUTIVE/SR OFFICIALS &amp; MGRS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FIRST/MID OFFICIALS &amp; MGRS</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>PROFESSIONALS</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>TECHNICIANS</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>SALES WORKERS</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>ADMINISTRATIVE SUPPORT</td>
<td>1</td>
<td>0</td>
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<tr>
<td>CRAFT WORKERS</td>
<td>122</td>
<td>5</td>
</tr>
<tr>
<td>OPERATIVES</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>LABORERS &amp; HELPERS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>SERVICE WORKERS</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>208</td>
<td>782</td>
</tr>
</tbody>
</table>

**SECTION F - REMARKS**

DATES OF PAYROLL PERIOD: 12/1/2021 THRU 12/15/2021

CERTIFIED DATE [EST]: 5/16/2022 11:51 AM

* Apache’s 2022 EEO-1 data will be available when the data collection portal opens in Fall of 2023.
Task Force on Climate-related Financial Disclosures (TCFD) Analysis

Climate change is an important issue for our company and our stakeholders. We are committed to helping address the energy trilemma, including the challenges that climate change presents, while also continuing to produce reliable, secure, affordable energy to help meet the world’s needs and drive global prosperity. Our efforts are focused on reducing Scope 1 and Scope 2 emissions from our oil and gas operations.

The task of identifying and managing opportunities and risks presented by climate change, balanced against the need to provide secure energy resources to the rest of the world, is an important part of our business planning and enterprise risk management.

Climate change influences our operations from regulatory, lending and investment perspectives. Recent examples of U.S. and international regulatory changes, such as those implemented as part of the Inflation Reduction Act’s methane fee and the U.K. Windfall Tax, have the potential to influence our investment decisions in these countries. For this reason, the highest levels of our leadership team, including senior management and the Board of Directors, oversee our planning process as it relates to these issues.

For investors and lenders in the oil and gas industry, concerns include the impact of new regulations; changes in energy demand; public policy and political attitudes toward hydrocarbons; and competition from lower-carbon energy sources.

In this 2023 Sustainability Report, we updated our scenario analysis to disclose our performance against the 2022 International Energy Agency (IEA) World Energy Outlook (WEO) scenarios. We also provide analysis of our climate-related risk exposure aligned with the TCFD’s recommendations on how to communicate information on climate change-related governance, strategy, risk management, metrics and targets. (See p. 144 for an index of TCFD-related disclosures throughout the report.)
goals. The ESG component features two distinct goals. The first is to eliminate methane emissions associated with at least 2,000 methane-emitting pneumatic devices, either by conversion to instrument air or by retrofitting valves to recirculate rather than emit the gas. The second goal is to utilize at least 50% recycled produced water for completions in our U.S. onshore operations. For 2023, for the second year, we have added an ESG metric to the performance share program in our long-term incentive compensation (LTIC) plan. The new ESG metric, set by the MD&C Committee, is to reduce Scope 1 GHG emissions intensity by 10%-15% by 2030, with a near-term, compensation-linked milestone to reduce at least 5% by 2025. This metric is in addition to the 2022 LTIC goal to identify and implement projects capable of eliminating at least 1 million tonnes of annualized CO$_2$e emissions by year-end 2024.

We consider ESG matters — including climate change-related issues — to be critical areas in which to identify, track and mitigate risk. (Read more on our prioritizing and managing ESG initiatives on pp. 22–27.)

**Strategy**

We are committed to producing energy safely and responsibly. Highlights of what this means to us include the following:

- We work every day to reduce our environmental footprint, operate safely and increase the benefits we provide to the communities where we live and work.

- A key part of our corporate vision is to be the premier exploration and production company. That extends beyond financial results; it begins and ends with working to achieve the best safety and environmental record, year after year.

- We are focused on reducing emissions across our operations. We have programs for preventing, identifying and correcting methane leaks. In 2021, we eliminated routine flaring from our U.S. onshore operations three months ahead of schedule.

- In 2022, we eliminated 40% of upstream routine flaring from our Egypt operations and made significant progress in deploying emission reduction projects across all our assets, to deliver on our LTIC goal to eliminate 1 million tonnes of annualized CO$_2$e by year-end 2024.

- We are using clean-burning natural gas and electricity as alternatives to diesel to power our field operations where practicable, which reduces fuel consumption and localized air emissions.

**SCENARIO-PLANNING FRAMEWORK**

This year, we revised and updated our scenario-planning analysis to better align with TCFD recommendations by adding details related to the timing of climate-related risks and opportunities. Scenario planning has long been embedded in our ongoing business and risk management processes, to assess how commodity demand drives the price for our products. Two recent examples include the oil price crash that resulted from plummeting demand due to COVID-19 and the impact of Russian aggression in Ukraine on natural gas prices across Europe. Undertaking scenario analyses is particularly important given that our international asset portfolio exposes us to multiple commodity prices and a broader range of regulatory pressures than those experienced by pure-play operators or our U.S. onshore-focused peers. Our scenario-planning analysis includes the input of experts from multiple internal functional areas for a more rigorous, multidisciplinary approach.

We consider a range of pricing scenarios when forming our long-term investment and development plans. These include scenarios of a carbon-constrained future, which reflect the potential climate-related risks and opportunities influencing fossil fuel supply and demand. However, our expanded, climate-specific scenario-planning framework goes even further, by including market-based third-party forecasts of future demand and of pricing in energy markets, based on assumptions concerning changes in government regulations and policy.

The TCFD guidance recommends that companies consider risks relating to the potential impact of climate change over near-, medium- and long-term time frames. The dynamic nature of our business has been clearly demonstrated by the commodity price volatility observed over the last three years, driven by the global pandemic and by geopolitical impacts on global markets. Given such volatility, we believe that our scenario analyses should be conducted over medium-term time frames since, in our view, it is challenging to accurately assess scenario outcomes beyond a five-year time horizon given the number and unpredictability of variables. As a result, in our climate-related risk assessments, we include external predictions of demand, carbon pricing and comparison-pricing scenarios compared to our base-case pricing analysis, which we have projected out to 2040.
Under the pricing scenarios considered, the third-party break-even prices referenced in each of APA’s core areas of operation indicate the long-term potential for generating positive returns.

2022 WEO Scenarios
We include in our analysis the following IEA scenarios from the 2022 WEO report, which we compare against our internal APA base-case scenario: the Stated Policies Scenario (STEPS) and the Announced Pledges Scenario (APS). We do not currently have a policy for zero and, therefore, did not use the Net Zero Emissions by 2050 (NZE) scenario. Under the pricing scenarios considered, the third-party break-even prices referenced in each of APA's core areas of operation indicate the long-term potential for generating positive returns.

The STEPS reflects all current governmental carbon policies, assessed sector to sector. Under this scenario, carbon pricing is applied to the company’s U.K. oil production only. For the 2021 STEPs, the IEA modified the 2020 scenario to reflect the higher demand for fossil fuel seen today, and it projects a leveling of demand after 2030. The 2022 STEPS shows a cumulative growth in world oil demand to 102 million Bbls of oil per day by 2030, and then remaining relatively flat through 2050. In the STEPS scenario, oil prices are shown to climb to $82 per IEA Bbl²⁸ in 2030, and as demand levels off, the oil price rises to $95 per IEA Bbl²⁸ in 2050.

In contrast to STEPS, the APS projects lower demand for oil in 2050 compared to 2020. In the APS scenario, the decrease in oil demand corresponds to a decrease in oil price.

The APS scenario reflects all countries’ announced climate commitments being met in full and on time, including nationally determined contributions. This scenario includes all announced net zero pledges, but still reflects gaps from the goals of the 2015 Paris Agreement. The APS shows the highest impact of carbon pricing among the scenarios analyzed. In our analysis, carbon pricing is applied to the company’s U.K. production in all years, while its U.S. and Egypt production is burdened only from 2030 onward. The APS represents the mid-case demand scenario, with demand remaining flat to slightly declining, to 93 million Bbls per day, through 2030, then more rapidly declining to less than 57 million Bbls per day in 2050. The APS scenario predicts a more subdued price decline than does the NZE, with oil at $64 per IEA Bbl²⁸ in 2030, and slowly sliding to $60 per IEA Bbl²⁸ in 2050.

From the 2022 WEO analysis, the STEPS and APS scenarios projected oil and natural gas demand and carbon emissions thru 2050 are shown in the charts on p. 127.
**APA Base-case Scenario**

APA’s own base-case scenario takes a conservative approach to future oil pricing, with a 19-year average blended oil price closely aligned with the more carbon-constrained APS scenario. Our 19-year average oil pricing, discounted for anticipated carbon constraints, is $43 per blended (West Texas Intermediate [WTI]/Brent) Bbl. We believe our company is well positioned in any of the previously described scenarios.

Our base-case scenario is an assessment of our business perspective, utilizing an internal oil pricing deck that builds in a carbon price based on the U.K. emissions trading scheme, such that our WTI/Brent blended pricing accounts for the assumption of a carbon tax on U.K. Bbls. To account for the possibility of more aggressive regulation, a carbon tax is also being applied to U.S. Bbls. U.S. production in our base-case scenario is discounted at the same rate as in the STEPS scenario for U.K. Bbls. As defined by the IEA’s WEO, Egypt is classified as an emerging market country with a developing economy; therefore, no carbon pricing is assumed until 2030, escalating to $17/tonne for Egypt production barrels in 2040. In our base-case scenario, our crude oil pricing assumption is a mixed WTI/Brent blend at $53 per Bbl remaining flat until 2040.

**Resilience in a Global Market**

The focus of our scenario-planning exercises is our continued ability to meet demand for natural gas and oil in a global market. We actively monitor the demand scenario predictions and how they can affect the global supply. We evaluate demand on a medium-term basis to avoid overreacting to short-term cycles or to commodity price fluctuations that are influenced by unpredictable disruptions, such as occurred in the COVID-19 pandemic and the geopolitical impact of Russia’s invasion of Ukraine.

Our international portfolio of assets allows us to proactively manage our production mix to mitigate exposure to WTI/Brent crude pricing disparity and to costs associated with carbon pricing where applicable. Our portfolio consists of a diversified, global resource base, not a pure-play, operating area asset. We currently have active development onshore in the U.S. and Egypt, with limited activity offshore in the U.K. North Sea. This multibasin asset portfolio enables us to shift capital investment to or from certain assets in response to changes in geographic commodity prices, local regulations, energy demand, supply-side issues or other market factors. Coupled with our experience as a cost-conscious producer and resource-efficient operator, we believe this approach reduces our carbon risk and helps the company optimize capital investment in response to the market’s price signals and energy needs.

The resilience of our approach can be seen in the results of our asset scenario-planning assessment, which compares projected break-even prices for our operating basins from third-party assessors (Wood Mackenzie and Enverus) to the average realized WTI/Brent blend equivalent pricing for 2021–2040, from each of the three planning scenarios discussed above. In all three scenarios — including the APA base case, which burdens our U.S. production by a weighted-average carbon price borrowed from the STEPS case — the third-party break-even price is at a minimum $8 per Bbl less than the most conservative APS scenario prices. Again, our scenario-planning analysis positively supports that the break-even prices referenced in each of APA’s core areas of operation indicate the long-term potential for generating positive returns.

The following tables provide a summary of the key climate-related risks and opportunities, and their timing, that we have identified and are working to address now and into the future.

### Asset Scenario-planning Assessment

<table>
<thead>
<tr>
<th>WTI/Brent Blend Equivalent Break-even Price $/Bbl (2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IEA STEPS Avg. 2020–2040</strong></td>
</tr>
<tr>
<td><strong>IEA APS Avg. 2020–2040</strong></td>
</tr>
<tr>
<td><strong>Our Base-case Avg. 2020–2040</strong></td>
</tr>
</tbody>
</table>

**Applicable Carbon Pricing**

- **Egypt**
  - **Break-even pricing is from 2022 Wood Mackenzie Asset Report: Egypt Western Desert Apache other fields.**
  - The U.K. North Sea sector includes the break-even 2023 Wood Mackenzie Insight: Q1 2023 Pre-FID Upstream Project Tracker: Year Starts off with big FIDs in North Africa and Middle East (UK North Sea).

- **APA Permian**
  - **Break-even pricing is the average of APA Tier 1 and Tier 2 break-even from the 2022 Enverus Scoop Stack Play Fundamentals Rebounding From the Depths.**
## Climate-related Transition Risks

<table>
<thead>
<tr>
<th>Type</th>
<th>Risks</th>
<th>Timing</th>
<th>Potential Impacts and Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Changes in Regulation</strong></td>
<td>- U.S. regulations on carbon taxes or cap and trade</td>
<td>Long Term</td>
<td>- Changes in asset base</td>
</tr>
<tr>
<td></td>
<td>- Federal oil and gas permit ban</td>
<td>Medium Term</td>
<td>- Decreased asset diversification</td>
</tr>
<tr>
<td></td>
<td>- Emissions regulations</td>
<td>Long Term</td>
<td>- Increased use of technology, including electrification and enhanced oil recovery (EOR)</td>
</tr>
<tr>
<td></td>
<td>- Alignment with Paris Agreement</td>
<td>Long Term</td>
<td></td>
</tr>
<tr>
<td><strong>Changes in National Policies</strong></td>
<td>- Biden Administration's Climate Pledge</td>
<td>Near Term</td>
<td>- Shift in operational areas</td>
</tr>
<tr>
<td></td>
<td>- U.K. Carbon Budget</td>
<td>Near Term</td>
<td>- Enhanced water recovery and reuse</td>
</tr>
<tr>
<td></td>
<td>- National hydraulic fracturing bans</td>
<td>Long Term</td>
<td>- Increased community engagement and reporting</td>
</tr>
<tr>
<td></td>
<td>- National water policies on freshwater usage limits</td>
<td>Long Term</td>
<td>- Stranded assets</td>
</tr>
<tr>
<td><strong>Changes in Tax Programs</strong></td>
<td>- Elimination of exploration tax incentives for oil and gas</td>
<td>Long Term</td>
<td>- Capital planning changes</td>
</tr>
<tr>
<td></td>
<td>- Increased alternative energy tax incentives</td>
<td>Long Term</td>
<td>- Support for growth in emerging markets and economies</td>
</tr>
<tr>
<td></td>
<td>- U.K. Energy Profit Levy (EPL) tax</td>
<td>Near Term</td>
<td>- Increased costs of compliance</td>
</tr>
<tr>
<td><strong>Equipment and Technology</strong></td>
<td>- Costs of installing lower-emission production and transportation technology</td>
<td>Near Term</td>
<td>- More efficient energy use, leading to a decrease in market demand</td>
</tr>
<tr>
<td></td>
<td>- Alternative fuel technologies that ease the transition from fossil fuels to alternatives</td>
<td>Long Term</td>
<td>- Failure to keep up with technological advances</td>
</tr>
<tr>
<td></td>
<td>- Disruptive technologies in energy generation and/or transportation</td>
<td>Long Term</td>
<td></td>
</tr>
<tr>
<td><strong>Stigma of Fossil Fuels</strong></td>
<td>- Stakeholder withdrawal of investment due to ESG-related concerns</td>
<td>Near Term</td>
<td>- Increased availability of green/ESG-linked lending</td>
</tr>
<tr>
<td></td>
<td>- Climate change litigation and publicity</td>
<td>Long Term</td>
<td>- Increased dependence on midstream companies</td>
</tr>
<tr>
<td></td>
<td>- Impacts to talent pipeline and supply chain due to market and energy transition</td>
<td>Medium Term</td>
<td>- Decreased industry appeal to emerging workforce talent</td>
</tr>
</tbody>
</table>

## Climate-related Physical Risks

<table>
<thead>
<tr>
<th>Type</th>
<th>Risks</th>
<th>Timing</th>
<th>Potential Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acute</strong></td>
<td>- Severe temperature changes (e.g., 2021 Winter Storm Uri)</td>
<td>Near Term</td>
<td>- Enhanced requirements for asset hardening</td>
</tr>
<tr>
<td></td>
<td>- Seasonal droughts</td>
<td>Medium Term</td>
<td>- Increased focus on emergency contingency planning and preparation</td>
</tr>
<tr>
<td></td>
<td>- Tornadoes or other severe storms</td>
<td>Near Term</td>
<td>- Increased cooperation and integration with community partners</td>
</tr>
<tr>
<td><strong>Offshore</strong></td>
<td>- Hurricanes and tropical storms</td>
<td>Near Term</td>
<td>- Damage to assets and communities</td>
</tr>
<tr>
<td></td>
<td>- Changes in rainfall or weather patterns</td>
<td>Long Term</td>
<td>- Changes in population distribution and settlement patterns</td>
</tr>
<tr>
<td></td>
<td>- Extended droughts and temperature changes</td>
<td>Medium Term</td>
<td>- Shrinking of local economies</td>
</tr>
<tr>
<td></td>
<td>- Changes in water availability patterns (surface water and groundwater)</td>
<td>Long Term</td>
<td>- Decreased access to local talent</td>
</tr>
<tr>
<td></td>
<td>- Biodiversity and species listings</td>
<td>Long Term</td>
<td></td>
</tr>
<tr>
<td><strong>Chronic</strong></td>
<td>- Rising sea levels</td>
<td>Long Term</td>
<td>- Operational disruptions due to supply chain or impairment of crew-change operations during weather events</td>
</tr>
<tr>
<td></td>
<td>- Sea temperature change and current-related changes</td>
<td>Long Term</td>
<td>- Damage to equipment or impaired access to offshore platforms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Increased costs related to additional operational expenses and insurance premiums for offshore or nearshore operations</td>
</tr>
</tbody>
</table>
### Climate-related Opportunities

<table>
<thead>
<tr>
<th>Type</th>
<th>Opportunities</th>
<th>Timing</th>
<th>Potential Impacts and Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESOURCE EFFICIENCY</td>
<td>- Transportation fuel-related improvements (in miles-per-gallon ratings)</td>
<td>Long Term</td>
<td>- Additional product delivered to market</td>
</tr>
<tr>
<td></td>
<td>- Improved resource capture due to reduced GHG emissions</td>
<td>Near Term</td>
<td>- Project economies that increase the potential to expand operations</td>
</tr>
<tr>
<td></td>
<td>- Increased recovery of hydrocarbons from the reservoir</td>
<td>Medium Term</td>
<td>- Decreased emissions within company vehicle fleet and operations equipment</td>
</tr>
<tr>
<td>ENERGY SOURCE</td>
<td>- Increased demand for natural gas for power generation</td>
<td>Long Term</td>
<td>- Collaboration with midstream and downstream companies</td>
</tr>
<tr>
<td></td>
<td>- Development of economic demand for hydrogen and hydrogen-based technologies</td>
<td>Medium Term</td>
<td>- Increased expectations for enhanced reliability</td>
</tr>
<tr>
<td></td>
<td>- Utilization of field gas-generated power for drilling and completion equipment</td>
<td>Near Term</td>
<td>- Decreased emissions from operations</td>
</tr>
<tr>
<td></td>
<td>- Portable power not connected to the grid</td>
<td>Medium Term</td>
<td></td>
</tr>
<tr>
<td>PRODUCTS AND SERVICES</td>
<td>- Development of grey and blue hydrogen markets</td>
<td>Medium Term</td>
<td>- Focus on green label products and enhanced ESG certification</td>
</tr>
<tr>
<td></td>
<td>- Premium pricing for delivery of certified, responsibly extracted resources</td>
<td>Near Term</td>
<td>- Conversion and retrofitting of assets to capture carbon dioxide (CO₂)</td>
</tr>
<tr>
<td></td>
<td>- Development of commercial carbon capture utilization and storage (CCUS) market in aging oil fields around the world</td>
<td>Medium Term</td>
<td>- Extended life of assets</td>
</tr>
<tr>
<td>MARKETS</td>
<td>- Development of new markets for refined products to offset reduction of transportation fuel demand</td>
<td>Long Term</td>
<td>- Emergence of exportation assets</td>
</tr>
<tr>
<td></td>
<td>- Expanding crude oil and natural gas markets in developing economies throughout the world</td>
<td>Long Term</td>
<td>- Increased focus on reliability and output</td>
</tr>
<tr>
<td></td>
<td>- Development of hydrogen and CCUS markets</td>
<td>Medium Term</td>
<td>- Identification of ESG key performance indicators and projects tied to green lending</td>
</tr>
<tr>
<td></td>
<td>- Access to green bonds and capital to expand ESG efforts related to hydrogen, CCUS and water recycling</td>
<td>Near Term</td>
<td>- Partnerships to reduce societal GHG emissions</td>
</tr>
<tr>
<td></td>
<td>- Identification of changing regulatory environments to understand market development</td>
<td>Medium Term</td>
<td></td>
</tr>
<tr>
<td>RESILIENCE</td>
<td>- Transition of current EOR and water disposal practices to CCUS for industrial segments</td>
<td>Near Term</td>
<td>- Increased demand across operations footprint</td>
</tr>
<tr>
<td></td>
<td>- Hydrogen from natural gas</td>
<td>Medium Term</td>
<td>- Support to local policy makers for advancing technologies</td>
</tr>
<tr>
<td></td>
<td>- Expansion of local supply chains in developing countries to ensure the necessary tools are available to maintain operations</td>
<td>Medium Term</td>
<td>- Changes in recruiting, retention and workforce development</td>
</tr>
<tr>
<td></td>
<td>- Development of localized staff to ensure employee attraction and workforce retention</td>
<td>Medium Term</td>
<td>- Increased spend and development in local communities</td>
</tr>
</tbody>
</table>

### Risk Management

Scenario analyses are integrated into our risk management processes for asset planning and capital investment and are reviewed by senior managers and executives. The final analyses are presented to the Board’s CRG&N Committee for review prior to publication.

We also have a Risk Management Function within our EHS group focused on health, safety, environmental and security risks — including climate change-related risks. The EHS risk management team works with personnel in other departments to identify, understand and mitigate risks across our operations. Employees at all levels of the company representing multiple disciplines participate in analyzing the potential impacts of climate change-related risks on our business, supporting a comprehensive approach to risk management that is ultimately reviewed by the Board’s CRG&N Committee.
MANAGING CLIMATE CHANGE-RELATED OPPORTUNITIES AND RISKS

We strive for continuous improvement in our operational processes to further lower costs, reduce our environmental footprint and optimize capitalization of natural gas in a lower-carbon energy future, including by:

- Our commitment to reducing GHG emissions (see pp. 26–27).
- Employing leak detection and repair programs, using the latest equipment and technologies, to reduce methane losses (see p. 36).
- Addressing GHG emissions from our operations through the elimination of routine flaring and our plans to power our equipment with electricity where practicable (see pp. 35–36).
- Working to address the potential physical impacts to our operations posed by climate change. For example, to mitigate the risk of reduced fresh water supplies critical to our operations (as well as to conserve those sources), we are continuing efforts to optimize water recycling, especially in areas already deemed water-scarce (see pp. 40–47).
- Collaborating with industry, governmental and nongovernmental partners to encourage others in our industry to reduce emissions and to develop more effective technologies to do so, including:
  - As a founding member of the ONE Future Coalition, working with a group of more than 40 companies across the natural gas value chain that is focused on reducing methane emissions.
  - As a member of the American Petroleum Institute's (API) Environmental Partnership, working with a group of U.S. oil and gas companies to address environmental challenges and further improve environmental performance in our industry. (See p. 37 for more information on these partnerships.)
  - As a member of the American Exploration and Production Council (AXPC), working with other operators to develop collaborative solutions to reduce GHG emissions while “meeting the world’s growing need for abundant, low-cost, reliable energy.” (See p. 131 for our 2022 data as submitted to the AXPC.)

Metrics and Targets

We use a wide range of metrics and targets to assess and drive our performance in managing climate change-related risks, in particular by reducing operational GHG and methane emissions. We measure our progress in reducing GHG and methane emissions based on intensity metrics (emissions per unit of production), rather than total emissions overall, 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. However, we do focus on absolute emissions reductions when we evaluate the implementation of a particular project and how that project influences future emissions-related operational decisions.

We measure and report our GHG emissions as total CO$_2$e and by primary gas type, including CO$_2$, methane and nitrous oxide. (See pp. 38–39 and p. 114 for GHG and methane emissions performance data.)

To drive performance improvements in 2022, we adopted and achieved a target to reduce upstream flaring by 40% in our Egyptian operations. We also set a goal, tied to long-term incentive compensation for all employees, of identifying and implementing projects capable of eliminating 1 million tonnes of annualized CO$_2$e emissions by year-end 2024. In 2023, we set a compensation-linked goal to reduce U.S. onshore methane emissions by converting more than 2,000 pneumatic devices to instrument air or by valve retrofit, which will eliminate the emission of methane from these pneumatic devices, which are the highest source of methane emissions in our U.S. onshore operations. We also introduced a longer-term goal to reduce companywide Scope 1 GHG intensity 10%-15% by 2030, with a near-term compensation-linked milestone to achieve a minimum 5% reduction by 2025.

We use a wide range of metrics and targets to assess and drive our performance in managing climate change-related risks, in particular by reducing operational GHG and methane emissions.”
## Board Matrix

This table displays the experience, diversity and tenure of APA’s Board of Directors.

<table>
<thead>
<tr>
<th>Knowledge, Skills &amp; Experience</th>
<th>Annell Bay</th>
<th>John Christmann</th>
<th>Juliet Ellis</th>
<th>Charles Hooper</th>
<th>Chansoo Joung</th>
<th>Lamar McKay</th>
<th>Amy Nelson</th>
<th>Daniel Rabun</th>
<th>Peter Ragauss</th>
<th>David Stover</th>
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<tbody>
<tr>
<td><strong>STRATEGIC</strong></td>
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<td>Portfolio</td>
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<td>Government Affairs/Regulatory/Legal</td>
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<td>Corporate Governance/Ethics</td>
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<tr>
<td>Executive/Senior Leadership</td>
<td>●</td>
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<td>CEO</td>
<td>CFO</td>
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<td>Engineering/Technology/Cybersecurity</td>
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<td>M</td>
<td>F</td>
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<td>Age in Years (as of April 11, 2023)</td>
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<td>56</td>
<td>64</td>
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<td>64</td>
<td>54</td>
<td>68</td>
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<td><strong>Board Information</strong></td>
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<tr>
<td>Independence</td>
<td>●</td>
<td>●</td>
<td>●</td>
<td>●</td>
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<td>●</td>
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<tr>
<td>Number of Public Company Boards, including APA</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Director skills criteria definitions from the table on p. 128 are listed below:

### STRATEGIC SKILLS

**Industry Experience**
Exploration and production experience is critical to oversight of APA's core operations.

**Global**
International expertise supports APA's global footprint, which includes operations in the United States, Egypt's Western Desert and the United Kingdom's North Sea, and exploration opportunities offshore Suriname and the Dominican Republic.

**Financial Reporting/Accounting/M&A**
Familiarity with executing transactions and financial reporting matters helps APA deliver on its strategic priority of delivering long term full cycle returns through effective capital allocation and contributes to Board oversight of audit and reporting.

**Risk Management/Compliance**
Experience in managing risk and compliance allows the full Board and specific committees to meet their stated oversight responsibilities.

**Environmental**
Environmental oversight plays an important role in supporting APA's commitment to environmental stewardship.

**Human Capital Management**
With more than 2,200 employees worldwide, experience in engaging, developing and retaining talent is key to APA's long term success.

**Government Affairs/Regulatory/Legal**
Expertise in government, regulatory and legal matters helps APA navigate the dynamics we face while operating in the highly regulated energy industry.

### CORE COMPETENCIES

**Executive/Senior Leadership**
Senior leadership expertise allows our Board to provide effective oversight of and support to our management team across a variety of challenging and complex matters.

**Engineering/Technology/Cybersecurity**
Engineering and technology expertise at the Board level encourages APA to take a differentiated approach to the exploration and production of cost advantaged hydrocarbons through innovation, technology, optimization and continuous improvement, while cybersecurity expertise helps to protect these efforts.

**Operations**
Operational expertise supports our relentless focus on efficiency and performance excellence, which allows APA to deliver top tier returns to our shareholders.
Water Scarcity Maps

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.

The examples shown below are created by applying the water scarcity mapping tools to the geographic information system layers of APA-operated areas, as of June 30, 2023.

**Egypt**

**U.S.**

**Suriname**

**U.K. North Sea**

**Water Risk Level**

- APA Operations
- Low
- Low-Medium
- Medium-High
- High
- Extremely High

*This map excludes APA operations in the Gulf of Mexico.*
AXPC ESG Metrics Template

To provide investors and the public with transparency and consistency in the reporting of key upstream ESG indicators, American Exploration and Production Council (AXPC) launched the AXPC ESG Metrics Framework and Template in February 2021. These have been available for use on a voluntary basis in sustainability reporting since 2021.

AXPC’s ESG Metrics Framework and Template are centered on five key metrics groupings that AXPC members believe are essential to capture in promoting more consistent reporting across member companies — GHG Emissions, Flaring, Spills, Water Use and Safety.

Reporting Company: Apache Corporation
Reporting Period: 2022

<table>
<thead>
<tr>
<th>GHG Emissions</th>
<th>2022*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Methane Intensity</td>
<td>0.11</td>
</tr>
<tr>
<td>Methane Emissions (tonnes CH₄)/Gross annual production — Climate (Mboe)</td>
<td></td>
</tr>
<tr>
<td>Percentage of Methane Emissions Attributed to Boosting and Gathering Segment</td>
<td>52.91%</td>
</tr>
<tr>
<td>GHG Intensity</td>
<td>11.99</td>
</tr>
<tr>
<td>GHG Emissions (tonnes CO₂e)/Gross annual production — Climate (Mboe)</td>
<td></td>
</tr>
<tr>
<td>Percentage of GHG Emissions Attributed to Boosting and Gathering Segment</td>
<td>58.73%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Flaring</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Gas Flared per Mcf of Gas Produced</td>
<td>0.42%</td>
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<tr>
<td>Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)</td>
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<tr>
<td>Volume of Gas Flared per Bbl of Oil Equivalent Produced</td>
<td>0.02</td>
</tr>
<tr>
<td>Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (Boe)</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Spills</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Spill Intensity</td>
<td>0.076</td>
</tr>
<tr>
<td>Produced Liquids Spilled (Bbl)/Total Produced Liquids (Mbbl)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water Use</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh Water Intensity</td>
<td>0.087</td>
</tr>
<tr>
<td>Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)</td>
<td></td>
</tr>
<tr>
<td>Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer or other comparable tool or methodology to determine the water-stressed areas in your portfolio?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Safety</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Employee TRIR</td>
<td>0.15</td>
</tr>
<tr>
<td># of Employee OSHA Recordable Cases x 200,000/Annual Employee Workhours</td>
<td></td>
</tr>
<tr>
<td>Contractor TRIR</td>
<td>0.62</td>
</tr>
<tr>
<td># of Contractor OSHA Recordable Cases x 200,000/Annual Contractor Workhours</td>
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<tr>
<td>Combined TRIR</td>
<td>0.50</td>
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<tr>
<td># of Combined OSHA Recordable Cases x 200,000/Annual Combined Workhours</td>
<td></td>
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</table>

* These metrics represent U.S. operations only, as prescribed and agreed upon by AXPC members.
Awards and Recognitions

We are proud to be recognized by third parties for our sustainability efforts. As illustrated by the list below, recent awards acknowledge our responsible operations, transparency in political disclosures, and accountability and commitment to being an employer of choice, among other achievements.

2023

[Images of award logos for The Best Place for Working Parents, WateReuse, FORTUNE, and Forbes]

2022

[Images of award logos for CPA-Zicklin Index of Corporate Political Disclosure and Accountability, ESG Accelerator Award, and List of America's Best Midsize Employers for 2022]
Reporting Standards and Frameworks

APA has prepared this report in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards, including the updated GRI 1: Foundation 2021, GRI 2: General Disclosures 2021 and GRI 3: Material Topics 2021, for the reporting period of January 1, 2022 to December 31, 2022. We also include indicators from Ipieca’s Sustainability Reporting Guidance for the Oil and Gas Industry, 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 U.N. Sustainable Development Goals.

GRI Content Index

<table>
<thead>
<tr>
<th>Disc. #</th>
<th>Disclosure Title</th>
<th>Location in Report/Response/Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 2: General Disclosures 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-2</td>
<td>Entities included in the organization’s sustainability reporting</td>
<td>2022 Form 10-K, pp. 1-7, 11-13</td>
</tr>
<tr>
<td>2-3</td>
<td>Reporting period, frequency and contact point</td>
<td>Reporting period: Data included in this report cover the 2022 calendar year unless otherwise noted. Frequency: Annual Contact: Rajesh Sharma, Corporate Secretary, APA Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4400</td>
</tr>
<tr>
<td>2-4</td>
<td>Restatements of information</td>
<td>Information about any restatements is provided in the footnotes to the relevant data.</td>
</tr>
<tr>
<td>2-5</td>
<td>External assurance</td>
<td>About This Report — Assuring Report Content, p. 11</td>
</tr>
<tr>
<td>2-6</td>
<td>Activities, value chain and other business relationships</td>
<td>Introduction — About APA Corporation, p. 5 Introduction — Our Operations, pp. 8-9 2022 Form 10-K, p. 1, 2-8, 12, 35-38, F-21 Community — Local Economic Impact, p. 94</td>
</tr>
<tr>
<td>2-7</td>
<td>Employees</td>
<td>Our People — Workforce Demographics, pp. 66-67 Key Performance Data — Our People, p. 116</td>
</tr>
<tr>
<td>2-8</td>
<td>Workers who are not employees</td>
<td>Health and Safety — Contractor Safety Management, pp. 80-81 Appendix — Key Performance Data, p. 115 Embedded contractors — Embedded Contractors are members of contractor organizations that were selected by Apache and who are subject to Apache’s competency requirements. These personnel are supervised by Apache employees, and most work primarily on Apache sites. The number of embedded contractors by operating area include: Egypt: 61 Suriname: 2 U.K.: 98 U.S.: 310</td>
</tr>
<tr>
<td>2-9</td>
<td>Governance structure and composition</td>
<td>ESG Overview — Environmental, Social and Governance (ESG) Oversight, pp. 20-23 Governance — Governance, pp. 103-109 Appendix — Board Matrix, p. 128-129 2023 Proxy Statement, pp. 3-10 Corporate Governance Principles</td>
</tr>
<tr>
<td>2-10</td>
<td>Nomination and selection of the highest governance body</td>
<td>2023 Proxy Statement, pp. 7-8 Corporate Governance Principles Corporate Responsibility, Governance, and Nominating Committee Charter</td>
</tr>
<tr>
<td>2-11</td>
<td>Chair of the highest governance body</td>
<td>Governance — Corporate Governance and Compensation Practices, p. 102 2023 Proxy Statement, pp. i-ii, 3, 16 Corporate Governance Principles</td>
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<tr>
<th>Disc. #</th>
<th>Disclosure Title</th>
<th>Location in Report/Response/Omission</th>
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</table>
| 2-12    | Role of the highest governance body in overseeing the management of impacts | ESG Overview — Environmental, Social and Governance (ESG) Oversight, pp. 20-23  
Health and Safety — Crisis and Emergency Management, p. 82  
Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Understanding and Addressing Stakeholder Concerns, pp. 96-98  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109  
Governance — Engagement, pp. 110-111  
2023 Proxy Statement, pp. 5-7  
Code of Business Conduct and Ethics  
Corporate Responsibility, Governance, and Nominating Committee Charter |
| 2-13    | Delegation of responsibility for managing impacts | ESG Overview — Environmental, Social and Governance (ESG) Oversight, pp. 20-23  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109  
Corporate Responsibility, Governance, and Nominating Committee Charter  
Sustainability issues, including health, safety, security, environment, community affairs and human resources, are overseen by the vice president of Environment, Health and Safety, executive vice president of Administration and vice president of Corporate Communications and Public Affairs. |
| 2-14    | Role of the highest governance body in sustainability reporting | Governance — Internal Audit, pp. 105-106  
Corporate Responsibility, Governance, and Nominating Committee Charter  
The Board of Directors’ CRG&N 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 pp. 105-106). |
| 2-15    | Conflicts of interest | 2023 Proxy Statement, pp. 5, 47  
Code of Business Conduct and Ethics |
| 2-16    | Communication of critical concerns | Governance — Compliance and Ethics, pp. 106-108  
2023 Proxy Statement, p. 12  
Code of Business Conduct and Ethics |
| 2-17    | Collective knowledge of the highest governance body | ESG Overview — Environmental, Social and Governance (ESG) Oversight, pp. 20-23  
Governance — Corporate Governance and Compensation Practices, p. 102  
Appendix — Board Matrix, pp. 128-129  
Corporate Governance Principles |
| 2-18    | Evaluation of the performance of the highest governance body | Corporate Governance Principles |
| 2-19    | Remuneration policies | 2023 Proxy Statement, pp. 21-50 |
| 2-20    | Process to determine remuneration | 2023 Proxy Statement, pp. 21-50 |
| 2-21    | Annual total compensation ratio | 2023 Proxy Statement, p. 47 |
| 2-22    | Statement on sustainable development strategy | Introduction — Letter From the CEO, pp. 12-13 |
| 2-23    | Policy commitments | Introduction, pp. 4-19  
ESG Overview — Environmental, Social and Governance (ESG) Oversight, pp. 20-23  
Health and Safety — Our Safety Philosophy, p. 72  
Governance — Compliance and Ethics, pp. 106-108  
Code of Business Conduct and Ethics  
FCPA and Anti-Corruption Compliance Guide |
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<tr>
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<tr>
<td>2-25</td>
<td>Processes to remediate negative impacts</td>
<td>Community — Addressing Community Concerns, p. 98</td>
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<tr>
<td>2-26</td>
<td>Mechanisms for seeking advice and raising concerns</td>
<td>Governance — Compliance and Ethics, pp. 106–108</td>
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<tr>
<td>2-27</td>
<td>Compliance with laws and regulations</td>
<td>2022 Form 10-K, pp. 17, F-37, F-38, F-39, F-40</td>
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<tr>
<td></td>
<td>We report all material legal matters and fines in our annual Form 10-K.</td>
<td></td>
</tr>
<tr>
<td>2-30</td>
<td>Collective bargaining agreements</td>
<td>We did not have any employees covered under collective bargaining agreements during the reporting period.</td>
</tr>
</tbody>
</table>

GRI 3: Material Topics 2021

3-1 Process to determine material topics | Introduction — Identifying Our Most Important Issues, pp. 10–11 |
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 materiality guidance in GRI Standard 101: Foundation, 2016. We also followed GRI’s principles for stakeholder inclusiveness, understanding sustainability context and completeness. |

There have been no significant changes to the list of material topics from previous reporting periods. |

TOPICAL STANDARDS

GRI 201: Economic Performance 2016

201-1 Direct economic value generated and distributed | Introduction — Our Operations, pp. 8–9 |
Key Performance Data — Financial and Production Highlights, p. 117 |
2022 Form 10-K, pp. F-6, F-54, F-55, F-56 |

201-2 Financial implications and other risks and opportunities due to climate change | Introduction — About This Report, pp. 10–11 |
ESG Overview — Climate Scenario Analysis, p. 32 |
Appendix — Task Force on Climate-related Financial Disclosures (TCFD) Analysis, pp. 120–127 |
2022 Form 10-K, pp. 25, 27–29, F-37 |

201-3 Defined benefit plan obligations and other retirement plans | 2022 Form 10-K, pp. 54, F-7, F-43, F-44, F-46, F-52 |
### GRI Content Index (Continued)

<table>
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<tr>
<th>Disc. #</th>
<th>Disclosure Title</th>
<th>Location in Report/Response/Omission</th>
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<tbody>
<tr>
<td><strong>GRI 203: Indirect Economic Impacts 2016</strong></td>
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</tbody>
</table>
| 3-3 | Management of material topics | Introduction — Positively Contributing to an Evolving Energy Landscape, pp. 14-19  
ESG Overview — ESG Oversight, pp. 20-23  
Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Local Economic Impact, p. 94  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109 |
| 203-1 | Infrastructure investments and services supported | Introduction — Positively Contributing to an Evolving Energy Landscape, pp. 14-19  
ESG Overview — ESG Oversight, pp. 20-23  
Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Local Economic Impact, p. 94 |
| 203-2 | Significant indirect economic impacts | Introduction — Positively Contributing to an Evolving Energy Landscape, pp. 14-19  
ESG Overview — ESG Oversight, pp. 20-23  
Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Local Economic Impact, p. 94 |
| **GRI 204: Procurement Practices 2016** |
| 3-3 | Management of material topics | ESG Overview — ESG Oversight, pp. 20-23  
Health and Safety — Contractor Safety Management, pp. 80-81  
Community — Local Economic Impact, p. 94  
Community — Human Rights, p. 99  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109 |
| 204-1 | Proportion of spending on local suppliers | Community — Local Economic Impact, p. 94  
Key Performance Data — Economic Contributions, p. 116 |
| **GRI 205: Anti-corruption 2016** |
| 205-2 | Communication and training about anti-corruption policies and procedures | ESG Overview — ESG Oversight, pp. 20-23  
Governance — Governance, pp. 103-109  
[Code of Business Conduct and Ethics](#)  
[FCPA and Anti-Corruption Compliance Guide](#)  
[Supplier Code of Conduct](#) |
| **GRI 302: Energy 2016** |
| 3-3 | Management of material topics | ESG Overview — ESG Oversight, pp. 20-23  
ESG Overview — Our ESG Approach, pp. 24-27  
Environment — Air, pp. 34-37  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109 |
| 302-1 | Energy consumption within the organization | Key Performance Data — Global Energy Use, p. 114 |
| 302-2 | Energy consumption outside of the organization | Omitted: 302-2  
Reason: Information unavailable/incomplete  
Explanation: Because there is currently no international guideline for the determination of energy consumption in Scope 3, we do not currently disclose the information required. |
| 302-3 | Energy intensity | Omitted: 302-3  
Reason: Information unavailable/incomplete  
Explanation: We do not currently disclose the information required. We are working to improve our reporting on energy consumption within and outside the organization. |
| 302-4 | Reduction of energy consumption | Omitted: 302-4  
Reason: Information unavailable/incomplete  
Explanation: We do not currently disclose the information required. We are working to improve our reporting on energy consumption within and outside the organization. |
**GRI Content Index (Continued)**

<table>
<thead>
<tr>
<th>Disc. #</th>
<th>Disclosure Title</th>
<th>Location in Report/Response/Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>302-5</td>
<td>Reductions in energy requirements of products and services</td>
<td>Omitted: 302-5 Reason: Not applicable Explanation: We do not offer products whose energy requirements can be reduced</td>
</tr>
</tbody>
</table>

**GRI 303: Water and Effluents 2018**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>303-1</td>
<td>Interactions with water as a shared resource</td>
<td>Environment — Water, pp. 40-47</td>
</tr>
<tr>
<td>303-2</td>
<td>Management of water discharge-related impacts</td>
<td>Environment — Water — Safeguarding Water Quality, pp. 44-45</td>
</tr>
<tr>
<td>303-3</td>
<td>Water withdrawal</td>
<td>Key Performance Data — Global Water Use by Source, Global Water Metrics, U.S. Hydraulic Fracturing Water Use, pp. 114, 118 Omitted: 303-3 (b, c) Reason: Not applicable Explanation: For the purposes of our reporting, fresh water withdrawn is considered equal to fresh water use, as none of the fresh water withdrawn is returned to a freshwater source by APA or a third party (as defined by Ipieca in Sustainability reporting guidance for the oil and gas industry, 2020).</td>
</tr>
<tr>
<td>303-4</td>
<td>Water discharge</td>
<td>Omitted: 303-4 Reason: Not applicable Explanation: Produced water is our primary source of potential wastewater. We recycle and reuse this water back into operations or dispose of it in approved and audited disposal wells.</td>
</tr>
<tr>
<td>303-5</td>
<td>Water consumption</td>
<td>Key Performance Data — Global Water Use by Source, Global Water Metrics, U.S. Hydraulic Fracturing Water Use, pp. 114, 118</td>
</tr>
</tbody>
</table>

**GRI 306: Effluents and Waste 2016**


**GRI 304: Biodiversity 2016**

<table>
<thead>
<tr>
<th>304-2</th>
<th>Significant impacts of activities, products and services on biodiversity</th>
<th>Environment — Biodiversity, pp. 48-51 ESG Overview — Gulf of Mexico (GOM): Responsibly Decommissioning Assets, pp. 28-29</th>
</tr>
</thead>
<tbody>
<tr>
<td>304-3</td>
<td>Habitats protected or restored</td>
<td>Environment — Biodiversity, pp. 48-51 ESG Overview — Gulf of Mexico (GOM): Responsibly Decommissioning Assets, pp. 28-29</td>
</tr>
</tbody>
</table>

**GRI 305: Emissions 2016**

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<tbody>
<tr>
<td>305-1</td>
<td>Direct (Scope 1) GHG emissions</td>
<td>Key Performance Data — Global Greenhouse Gas Emissions, p. 114</td>
</tr>
<tr>
<td>305-2</td>
<td>Energy indirect (Scope 2) GHG emissions</td>
<td>Key Performance Data — Global Greenhouse Gas Emissions, p. 114</td>
</tr>
<tr>
<td>305-3</td>
<td>Other indirect (Scope 3) GHG emissions</td>
<td>Omitted: 305-3 Reason: Information unavailable/incomplete Explanation: Because there is currently no international guideline for the determination of energy consumption in Scope 3, we do not currently disclose the information required.</td>
</tr>
<tr>
<td>305-4</td>
<td>GHG emissions intensity</td>
<td>Key Performance Data — Global Emissions Intensities, p. 114</td>
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</table>
GRI Content Index (Continued)

<table>
<thead>
<tr>
<th>Disc. #</th>
<th>Disclosure Title</th>
<th>Location in Report/Response/Omission</th>
</tr>
</thead>
<tbody>
<tr>
<td>305-6</td>
<td>Emissions of ozone-depleting substances (ODS)</td>
<td>Omitted: 305-6 Reason: Not material Explanation: Not material</td>
</tr>
<tr>
<td>305-7</td>
<td>Nitrogen oxides (NO\textsubscript{x}), sulfur oxides (SO\textsubscript{x}), and other significant air emissions</td>
<td>Omitted: 305-7 Reason: Information unavailable/incomplete Explanation: We do not yet have a process in place to disclose this data.</td>
</tr>
</tbody>
</table>

GRI 306: Waste 2020

<table>
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<tr>
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<tbody>
<tr>
<td>306-1</td>
<td>Waste generation and significant waste-related impacts</td>
<td>Environment — Waste Management, p. 52</td>
</tr>
<tr>
<td>306-2</td>
<td>Management of significant waste-related impacts</td>
<td>Environment — Waste Management, p. 52</td>
</tr>
</tbody>
</table>

GRI 308: Supplier Environmental Assessment 2016

<table>
<thead>
<tr>
<th>308-1</th>
<th>New suppliers that were screened using environmental criteria</th>
<th>Health and Safety — Contractor Safety Management, pp. 80–81 Community — Supplier Diversity, p. 95</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>All field-based contractors are screened on environmental criteria. Supplier Code of Conduct</td>
</tr>
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</table>

GRI 403: Occupational Health and Safety 2018

<table>
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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>403-1</td>
<td>Occupational health and safety management system</td>
<td>Health and Safety, pp. 71–82</td>
</tr>
<tr>
<td>403-2</td>
<td>Hazard identification, risk assessment, and incident investigation</td>
<td>Health and Safety, pp. 71–82</td>
</tr>
<tr>
<td>403-3</td>
<td>Occupational health services</td>
<td>Health and Safety, pp. 71–82</td>
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<tr>
<td>403-4</td>
<td>Worker participation, consultation, and communication on occupational health and safety</td>
<td>Health and Safety, pp. 71–82</td>
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<td>403-5</td>
<td>Worker training on occupational health and safety</td>
<td>Health and Safety — Health and Safety Training and Education, p. 78</td>
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<td>403-6</td>
<td>Promotion of worker health</td>
<td>Our People — Employee Benefits and Development, pp. 56–59</td>
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<tr>
<td>403-7</td>
<td>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
<td>Health and Safety — Contractor Safety Management, pp. 80–81</td>
</tr>
<tr>
<td>403-8</td>
<td>Workers covered by an occupational health and safety management system</td>
<td>All our workers are covered by an occupational health and safety management system.</td>
</tr>
<tr>
<td>403-9</td>
<td>Work-related injuries</td>
<td>Key Performance Data — Health and Safety, p. 115</td>
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<tr>
<td>403-10</td>
<td>Work-related ill health</td>
<td>Omitted: 403-10 Reason: Information unavailable/incomplete Explanation: We do not yet have a process in place to disclose this data.</td>
</tr>
</tbody>
</table>

11.8.3 Report the total number of Tier 1 and Tier 2 process safety events, and a breakdown of this total by business activity (e.g., exploration, development, production, closure and rehabilitation, refining, processing, transportation, storage).

<table>
<thead>
<tr>
<th></th>
<th>Process safety events for APA's U.K. offshore production only:</th>
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<tr>
<td>2022</td>
<td>Tier 1 = 0 Tier 2 = 3</td>
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<tr>
<td>2021</td>
<td>Tier 1 = 0 Tier 2 = 4</td>
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11.8.4 Disclosures for organizations with oil sands mining operations

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<tr>
<th></th>
<th>Omitted: 11.8.4 Reason: Not applicable Explanation: We do not have oil sands mining operations.</th>
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| 404-1 | Average hours of training per year per employee | Our People — Employee Benefits and Development, pp. 56-59  
Health and Safety — Health and Safety Training and Education, p. 78 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Our People — Employee Benefits and Development, pp. 56-59 |
| **GRI 405: Diversity and Equal Opportunity 2016** | | |
| 405-1 | Diversity of governance bodies and employees | Our People — Workforce Demographics, pp. 66-67  
Governance — Governance, pp. 103-109  
Key Performance Data — Our People, Global Gender Mix, Global Age Breakdown, U.S. Ethnicity Mix, U.S. Ethnicity Mix of Leadership, p. 116  
Appendix — Board Matrix, pp. 128-129  
Appendix — 2022 EEO-1 Consolidated Report, p. 133 |
| **GRI 413: Local Communities 2016** | | |
| 3-3 | Management of material topics | Introduction — About This Report, pp. 10-11  
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Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Governance — Corporate Governance and Compensation Practices, p. 102  
Governance — Governance, pp. 103-109 |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Local Economic Impact, p. 94  
Community — Understanding and Addressing Stakeholder Concerns, pp. 96-98 |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Community — Our Approach to Social Investment and Community Engagement, pp. 84-85  
Community — Understanding and Addressing Stakeholder Concerns, pp. 96-98 |
| 11.15.4 | Report the number and type of grievances from local communities identified, including: percentage of the grievances that were addressed and resolved; percentage of the grievances that were resolved through remediation.* | Introduction — Our Operations, pp. 8-9  
Community — Addressing Community Concerns, p. 98 |
| 11.16.2 | List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing. For each location, describe how peoples’ livelihoods and human rights were affected and restored. | We are unaware of any instances of involuntary resettlement during the reporting period. |
| **GRI 414: Supplier Social Assessment 2016** | | |
| 414-1 | New suppliers that were screened using social criteria | All field-based contractors are screened on health, safety and environmental criteria. |
| **GRI 415: Public Policy 2016** | | |
| 3-3 | Management of material topics | Introduction — About This Report, pp. 10-11  
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Governance — Public Policy and Political Disclosures, pp. 108-109  
Political Contributions and Lobbying Expenditures Policy |
| 415-1 | Political contributions | Governance — Public Policy and Political Disclosures, pp. 108-109  
2022 Disclosure of Political Contributions and Lobbying |
| 11.2.4 | Describe the organization’s approach to public policy development and lobbying on climate change. | Governance — Public Policy and Political Disclosures, pp. 108-109  
Omitted: 11.2.4  
Reason: Information unavailable/incomplete  
Explanation: We do not currently disclose the information required. |
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| GOV-2  | Management systems | ESG Overview — ESG Oversight, pp. 20–23  
ESG Overview — Our ESG Approach, pp. 24–25  
Governance, pp. 101–109 |
| GOV-3  | Preventing corruption | Governance — Governance, pp. 103–109  
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| GOV-4  | Transparency of payments to host governments |  |
| GOV-5  | Public advocacy and lobbying | ESG Overview — ESG Oversight, pp. 20–23  
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| CCE-5  | Methane emissions | Environment — Air — Reducing Methane Emissions Through Industrywide Initiatives, p. 37  
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| CCE-6  | Energy use | Environment — Reducing GHG Emissions, pp. 35–36  
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<td>Biodiversity Policy and Strategy</td>
<td>Environment — Biodiversity, pp. 48-51</td>
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<td>ENV-4</td>
<td>Protected and priority areas for biodiversity conservation</td>
<td>Environment — Biodiversity, pp. 48-51&lt;br&gt;2023 Sustainability Report Quick Summary</td>
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<td>ENV-5</td>
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<td>ENV-6</td>
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<td>SHS-6</td>
<td>Process safety</td>
<td>Health and Safety, pp. 71-82</td>
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<td>SHS-7</td>
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<td>Wellhead production</td>
<td>2022 Form 10-K, pp. 3-8</td>
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<td>EM-EP-000.B</td>
<td>Number of offshore sites</td>
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<td>EM-EP-000.C</td>
<td>Number of terrestrial sites</td>
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| EM-EP-140a.1 | Freshwater withdrawal and consumption, including in regions of high baseline water stress | Environment — Water — Safeguarding Water Quality. pp. 44-45  
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| EM-EP-140a.3 | Percentage of wells with disclosure of fracturing chemicals | Environment — Disclosing Hydraulic Fracturing Fluid Chemicals. p. 45 |

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<td>Process to manage risks and opportunities associated with community rights and interests</td>
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<td>EM-EP-320a.1</td>
<td>(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees</td>
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<td><strong>RESERVES VALUATION &amp; CAPITAL EXPENDITURES</strong></td>
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<td>Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions</td>
<td>Appendix — Task Force on Climate-related Financial Disclosures (TCFD) Analysis, pp. 120-127</td>
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<td>EM-EP-420a.4</td>
<td>Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets</td>
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<td>EM-EP-510a.1</td>
<td>Percentage of (1) proved and (2) probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index</td>
<td>We do not have any proved or probable reserves in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index.</td>
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<td>Description of the management system for prevention of corruption and bribery throughout the value chain</td>
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The table below provides locations in this report that describe how APA’s work is helping to drive progress toward all 17 U.N. Sustainable Development Goals.

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<td><strong>Goal 2:</strong> End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</td>
<td>Community, pp. 83–100</td>
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<td><strong>Goal 3:</strong> Ensure healthy lives and promote well-being for all at all ages.</td>
<td>Health and Safety, pp. 71–82; Community, pp. 83–100</td>
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<td><strong>Goal 4:</strong> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</td>
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<td><strong>Goal 12:</strong> Ensure sustainable consumption and production patterns.</td>
<td>Environment, pp. 33–52; Governance, pp. 101–112</td>
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## U.N. Sustainable Development Goals Index (Continued)

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<td><strong>Goal 13:</strong> Take urgent action to combat climate change and its impacts.</td>
<td>Environment, pp. 33–52 Governance, pp. 101–112</td>
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<td><strong>Goal 14:</strong> Conserve and sustainably use the oceans, seas and marine resources for sustainable development.</td>
<td>Environment, pp. 33–52</td>
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<td><strong>Goal 15:</strong> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</td>
<td>Environment, pp. 33–52 Community, pp. 83–100</td>
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<td><strong>Goal 16:</strong> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</td>
<td>Our People, pp. 53–70 Community, pp. 83–100 Governance, pp. 101–112</td>
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<td><strong>Goal 17:</strong> Strengthen the means of implementation and revitalize the global partnership for sustainable development.</td>
<td>Environment, pp. 33–52 Our People, pp. 53–70 Community, pp. 83–100 Governance, pp. 101–112</td>
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</tbody>
</table>
Endnotes

1. Issues are grouped by topical categories that align with our approach to ESG issues, not in order of importance or priority.
7. Ibid.
12. Ibid.
28. IEA (2022), World Energy Outlook 2022, IEA, Paris, https://www.iea.org/reports/world-energy-outlook-2022; License: CC BY 4.0 (report); CC BY NC SA 4.0 (Annex A), Table 2.2, p. 110.
# Glossary of Terms

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<tr>
<th>Term</th>
<th>Definition (as used in this Report)</th>
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<tbody>
<tr>
<td>AIM for ZERO</td>
<td>APA's behavior-based safety program.</td>
</tr>
<tr>
<td>AIM for ZERO WASTE</td>
<td>A recycling program developed to align our day-to-day office and field behavior in the U.S. and U.K.</td>
</tr>
<tr>
<td>Announced Pledges Scenario (APS)</td>
<td>An IEA scenario that assumes that all climate commitments made by governments worldwide, including Nationally Determined Contributions and longer-term net zero targets, as well as targets for access to electricity and clean cooking, will be met in full and on time.</td>
</tr>
<tr>
<td>Annualize</td>
<td>To calculate or adjust to reflect a rate based on a full year.</td>
</tr>
<tr>
<td>Apache Ambassador Program</td>
<td>An employee training course that covers key energy issues and communications skills to help employees have conversations and answer questions about our industry.</td>
</tr>
<tr>
<td>Apache Louisiana Minerals LLC (ALM)</td>
<td>A wholly owned subsidiary of APA.</td>
</tr>
<tr>
<td>Apache Corporation Tree Grant Program</td>
<td>A charitable program that has provided trees to nonprofit charitable partners and government agencies in the U.S. since 2005, for beautification, preservation of natural habitats and reforestation.</td>
</tr>
<tr>
<td>Barrel of Oil Equivalent (BOE)</td>
<td>A unit of energy based on the approximate energy released by burning one barrel (42 U.S. gallons) of crude oil.</td>
</tr>
<tr>
<td>Carbon Dioxide Equivalent (CO₂e)</td>
<td>A metric measure used to standardize the climate effect of various greenhouse gases, based on their global-warming potential.</td>
</tr>
<tr>
<td>Consumptive use of water</td>
<td>Use of fresh water and nonfresh water from surface or shallow groundwater, including treated municipal wastewater, since the industry’s use of water from these sources typically removes these volumes from the normal surface or groundwater cycle.</td>
</tr>
<tr>
<td>Corporate Responsibility, Governance, and Nominating (CRG&amp;N) Committee</td>
<td>APA Board committee that oversees the nomination of directors, the annual Board evaluation process, corporate governance and ESG issues, as well as this Sustainability Report. (See the CRG&amp;N Committee charter for more details.)</td>
</tr>
<tr>
<td>CyberSmart</td>
<td>Employee online security awareness and education initiative.</td>
</tr>
<tr>
<td>Days Away, Restricted or Transferred (DART) Rate</td>
<td>The rate of injuries sustained by employees, contractors or both leading to missed workdays, restricted work activities or transfers to another job, per 200,000 hours worked.</td>
</tr>
<tr>
<td>Embedded Contractors</td>
<td>Members of contractor organizations that were selected by Apache and who are subject to Apache's competency requirements. These personnel are supervised by Apache employees, and most work primarily on Apache sites.</td>
</tr>
<tr>
<td>Employee Resource Groups (ERGs)</td>
<td>Voluntary groups of employees that come together based on shared identity, interests or life experiences. ERGs provide support, enhance career development and contribute to personal development in the work environment.</td>
</tr>
<tr>
<td>Energy poverty</td>
<td>A lack of access to modern, affordable and reliable energy sources.</td>
</tr>
<tr>
<td>Enhanced Oil Recovery (EOR)</td>
<td>A process that involves injecting chemicals, gas or thermal fluids to improve oil recovery.</td>
</tr>
<tr>
<td>ESG</td>
<td>Environmental, social and governance</td>
</tr>
<tr>
<td>ESG Pillars</td>
<td>Air, Water, Community + People</td>
</tr>
<tr>
<td>Foreign Corrupt Practices Act (FCPA)</td>
<td>A 1977 U.S. federal law that prohibits U.S. citizens and entities from bribing foreign government officials to benefit their business interests.</td>
</tr>
<tr>
<td>Fresh Water</td>
<td>Water with a total dissolved solids concentration of up to 1,000 milligrams per liter. Uses of water from these sources can include drinking water, potable water and water used for agriculture. The definition can vary in accordance with local statutes and regulations and is defined within this document for reporting purposes.</td>
</tr>
<tr>
<td>Future of Work</td>
<td>An APA program whose aim is to better understand our workforce and its needs, to identify a long-term working model and to understand the technology and real estate investments required to support our employees' well-being, engagement and productivity.</td>
</tr>
<tr>
<td>GHG Intensity</td>
<td>The ratio that expresses the amount of Scope 1 Emissions as kg CO₂e per gross operated BOE.</td>
</tr>
<tr>
<td>Global Warming Potential (GWP)</td>
<td>The heat absorbed by any greenhouse gas in the atmosphere, as a multiple of the heat that would be absorbed by the same mass of carbon dioxide.</td>
</tr>
<tr>
<td>Greenhouse Gas (GHG)</td>
<td>Gases in the Earth’s atmosphere that trap heat. Along with CO₂, GHGs include methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆).</td>
</tr>
<tr>
<td>Important Bird Area (IBA)</td>
<td>An area identified using an internationally agreed set of criteria as being globally important for conserving bird populations.</td>
</tr>
</tbody>
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## Glossary of Terms (Continued)

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<thead>
<tr>
<th>Term</th>
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<tbody>
<tr>
<td>Induced Seismicity</td>
<td>Typically, minor earthquakes and tremors caused by human activities that impact the stresses and strains on the Earth’s crust. Induced seismicity can be associated with industrial processes including geothermal energy extraction, mining, dam building, construction and hydraulic fracturing.</td>
</tr>
<tr>
<td>International Energy Agency (IEA)</td>
<td>An autonomous intergovernmental organization, established in 1974, that provides policy recommendations, analysis and data on the entire global energy sector.</td>
</tr>
<tr>
<td>Ipieca</td>
<td>A global not-for-profit oil and gas industry association for environmental and social issues.</td>
</tr>
<tr>
<td>Leak Detection and Repair (LDAR)</td>
<td>The process of identifying leaking equipment and repairing it to minimize emissions of methane and other volatile organic compounds.</td>
</tr>
<tr>
<td>Lesser Prairie-Chicken (LEPC)</td>
<td>A pale grouse of the southern Great Plains, found only in prairie and agricultural land with shinnery oak and sand sagebrush.</td>
</tr>
<tr>
<td>Local Spend (for U.S. Suppliers)</td>
<td>Expenditures with suppliers whose operations are primarily within the state or operating area where the goods or services are provided. Note: Some U.S. operating areas cover multiple states. For example, the Permian consists of Texas and New Mexico. If a supplier provides goods or services in multiple states within the same operating area, they will still be considered local. If they cover multiple operating areas and states (e.g., Texas, New Mexico and Oklahoma), they are considered nonlocal.</td>
</tr>
<tr>
<td>Local Spend (for Egypt, North Sea and New Ventures Suppliers)</td>
<td>Expenditures with suppliers whose operations are primarily within the country or operating area where the goods or services are provided. Note: Some international operational areas cover multiple countries. If a supplier provides goods or services in multiple countries within the same operating area, they will still be considered local.</td>
</tr>
<tr>
<td>Lost Time Incident Rate (LTIR)</td>
<td>The rate of injuries sustained by employees, contractors or both leading to loss of productive work in the form of absenteeism or delays, per 200,000 hours worked.</td>
</tr>
<tr>
<td>Management Development and Compensation (MD&amp;C) Committee</td>
<td>APA Board committee that oversees succession planning, executive compensation, diversity and inclusion, and evaluation and scoring of overall corporate performance metrics. (See the MD&amp;C Committee charter for more details.)</td>
</tr>
<tr>
<td>Methane Intensity</td>
<td>The ratio that expresses the amount of methane emitted per gross operated BOE.</td>
</tr>
<tr>
<td>Natural Gas Value Chain</td>
<td>Operations in the production, gathering and boosting, transmission and storage, gas processing and distribution segments.</td>
</tr>
<tr>
<td>Nonfresh Water</td>
<td>Water that does not meet the definition of fresh water. Sources of nonfresh water include produced water and brackish groundwater.</td>
</tr>
<tr>
<td>Non-GHGs</td>
<td>Traditionally regulated air pollutants that include particulate matter (often referred to as particle pollution), ground-level ozone, carbon monoxide (CO), sulfur dioxide (SO₂), nitrogen oxides (NOₓ), lead, volatile organic compounds (VOCs) and nonmethane volatile organic compounds (NMVOCs).</td>
</tr>
<tr>
<td>ONE Future Coalition</td>
<td>A group of more than 50 natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain to 1% (or less) by 2025.</td>
</tr>
<tr>
<td>Optical Gas Imaging (OGI) Cameras</td>
<td>Scientific instruments used to locate leaks and emissions, including of methane, that are released into the atmosphere.</td>
</tr>
<tr>
<td>Pecos Watershed Conservation Initiative (PWCI)</td>
<td>A collaborative effort of corporate partners, biodiversity experts and regulatory agencies that aims to protect the Pecos River watershed in New Mexico and Texas.</td>
</tr>
<tr>
<td>Produced Water</td>
<td>Nonfresh water found in hydrocarbon formations that is brought to the surface during the oil and gas production process.</td>
</tr>
<tr>
<td>Protected Species Observer (PSO)</td>
<td>Certified industry professionals who are trained in identifying species of concern and applying their knowledge to protect them during marine construction activities.</td>
</tr>
<tr>
<td>Recycled Water</td>
<td>Produced water that has been treated for reuse in subsequent operations, including well completions or secondary recovery.</td>
</tr>
<tr>
<td>Reduced-Emission Completions</td>
<td>A process that captures gas produced during well completions and workovers so it can be processed for sale rather than flared.</td>
</tr>
<tr>
<td>Routine Flaring</td>
<td>Flaring during normal oil production operations in the absence of sufficient facilities or amenable geology to re-inject the produced gas, utilize it on-site, or dispatch it to a market.</td>
</tr>
<tr>
<td>Scope 1 Emissions</td>
<td>GHG emissions that occur from direct releases of GHGs or combustion from sources that are owned or controlled by APA.</td>
</tr>
<tr>
<td>Scope 2 Emissions</td>
<td>Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.</td>
</tr>
<tr>
<td>Scope 3 Emissions</td>
<td>Emissions that result from activities involving assets that are not owned or controlled by APA, but that are indirectly part of our value chain.</td>
</tr>
<tr>
<td>Secondary Recovery</td>
<td>A hydrocarbon production process that involves injecting water or gas into producing formations to improve oil and gas recovery.</td>
</tr>
<tr>
<td>Severe Incident Rate (SIR)</td>
<td>The rate of incidents resulting in the permanent or significant loss or impairment of a body part or organ function, or that otherwise permanently change or disable individuals in their normal life activity, per 200,000 hours worked.</td>
</tr>
</tbody>
</table>
### Glossary of Terms (Continued)

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<tbody>
<tr>
<td>Stated Policies Scenario (STEPS)</td>
<td>An IEA scenario that reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies in place, as well as those that governments around the world have announced.</td>
</tr>
<tr>
<td>Switch Energy Alliance (SEA)</td>
<td>A nonprofit organization that provides collaborative global energy education and solutions for over 15 million students and environmental organizations.</td>
</tr>
<tr>
<td>Task Force on Climate-related Financial Disclosures (TCFD)</td>
<td>A reporting framework for climate-focused scenario planning analysis.</td>
</tr>
<tr>
<td>The Environmental Partnership of the American Petroleum Institute</td>
<td>A group of more than 90 oil and gas companies working together to address environmental challenges and improve environmental performance in our industry.</td>
</tr>
<tr>
<td>Total Recordable Incident Rate (TRIR)</td>
<td>The rate of recordable injuries sustained by employees, contractors or both that occur per 200,000 hours worked.</td>
</tr>
<tr>
<td>U.N. Sustainable Development Goals (U.N. SDGs)</td>
<td>A blueprint for achieving a better and more sustainable future for all by addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice.</td>
</tr>
<tr>
<td>Vehicle Incident Rate (VIR)</td>
<td>The rate of vehicle-related incidents per 1 million miles driven.</td>
</tr>
<tr>
<td>Water Consumption</td>
<td>Water volumes used in APA’s operations that are sourced from water withdrawals.</td>
</tr>
<tr>
<td>Water-scarce Regions</td>
<td>Regions where there are a lack of freshwater resources to meet the baseline water demand.</td>
</tr>
<tr>
<td>Water Withdrawals</td>
<td>Water volumes drawn from surface water, groundwater, seawater, municipal sources and producing formations.</td>
</tr>
<tr>
<td>Well Deserved</td>
<td>Our employee recognition program, which supports a culture that reinforces values, behavior and results to encourage a respectful and inclusive workplace.</td>
</tr>
</tbody>
</table>

### Cautionary Statement Regarding 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 (Exchange Act), including statements regarding our environmental, social and governance (ESG) strategy, management and performance and other business plans, initiatives and objectives, including with respect to emissions reduction goals, the anticipated timing of achieving such goals, if at all, with respect to new projects and technologies, the implementation and timing, if at all, and anticipated benefits, if any, of such new projects and technologies; and with respect to freshwater consumption goals, the anticipated timing of achieving such goals, if at all. All statements other than statements of historical facts, including information about our ESG and sustainability goals, targets and commitments and planned social, safety and environmental policies, programs and initiatives, are forward-looking statements. These statements are generally accompanied by the use of forward-looking terminology such as “may,” “will,” “could,” “expect,” “intend,” “project,” “estimate,” “anticipate,” “plan,” “believe,” “continue,” “seek,” “guidance,” “might,” “outlook,” “possibly,” “potential,” “prospect,” “should,” “would,” or similar terminology, but the absence of these words does not mean that a statement is not forward looking. All forward-looking statements are based on management’s current assumptions and expectations, and 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. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 21E of the Exchange Act. Our actual future results, including the achievement of goals, targets or commitments, could differ materially from our expectations as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties or factors. 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 (SEC), as well as, with respect to our ESG strategy, management and performance, the assumptions, risks, uncertainties, and factors identified in this report and in our other ESG reporting, including factors such as (i) the availability of funding for the goals, initiatives, and programs described in this report; (ii) our ability to achieve reductions in greenhouse gas and CO2e emissions, freshwater consumption, and energy use and other sustainability goals and objectives; (iii) changes in our strategies and priorities; (iv) changes in the priorities of our customers and suppliers; (v) the timing and amounts of our future investments; (vi) the accuracy of our estimates and assumptions and the scenarios on which we base such estimates and assumptions; (vii) the future effect of legislation, rulemaking and changes in policy; (viii) the impact of acquisitions and divestitures; (ix) the competitive environment; (x) our ability to attract and retain personnel with the technical skills necessary to implement our ESG initiatives; (xi) the timing and efficacy of our technologically developed solutions; (xii) the willingness of our partners to comply with our programs and initiatives; and (xiii) the impact of global economic, business, political, and climate conditions on the goals, initiatives, and programs described in this report. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. We also advise you that the disclosure of forward-looking statements and other information included in this report does not indicate that the materiality of such information rises to the standard of “materiality” for purposes of federal securities law disclosure requirements and SEC filings.

The forward-looking statements in our reporting are made as of the effective date identified on the applicable report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.

### About Our GHG Emissions Estimates

The estimated APA GHG emissions described in this report are derived from a combination of measured and estimated data using the best reasonably available information as of December 31, 2022. We use industry standards and practices for estimating GHG emissions, including guidance from the U.S. EPA, U.K. ETS, API, SASB and Ipeaca. We continue to improve data quality including those with respect to equipment inventories and estimation or measurement of GHG emissions. The uncertainty associated with APA’s emissions estimates depends on variation in the processes and operations, the availability of sufficient representative data, the quality of available data, and the methodologies used for measurement and estimation. We intend to continue to update our emissions estimates, in accordance with applicable standards, in the event of significant changes as additional data become available, or estimation methodologies are refined, and to reflect significant changes to APA’s assets, operations or emissions boundaries. APA has endeavored to estimate direct GHG emissions from our operations (Scope 1) and indirect emissions associated with the generation by others of electricity that we purchase for use in our operations (Scope 2).