# Our Approach to *Sustainability*

APA Corporation

# TABLE OF *Contents*

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

# 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 elsewhere.

Since 1954, our company has been unified by our values, culture and commitment to building shareholder value, with a collective sense of purpose that empowers every employee to make decisions and achieve our goals. Our global team is brought together by a sense of ownership and the knowledge that the best answers win. We aim to be a community partner in our areas of operation, focused on protecting the safety and health of our employees, our communities and the environment, while continuously looking for more sustainable ways to operate.

Offshore platform, *North Sea*

Onshore rig, *U.S. Permian Basin*

# 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 located in the Permian Basin. We also have operations in the Gulf of America, 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, and an offshore exploration program in Suriname. We have also continued to expand our portfolio by investing in exploration opportunities onshore in Alaska and offshore in Uruguay.

(For operational and financial performance, please visit APA's **Investor webpage**.)

## APA Global Operations Map (as of July 2025)

APA Corporation's subsidiaries have operations in the U.S., Egypt's Western Desert and the U.K.'s North Sea, with exploration opportunities offshore Suriname and elsewhere.

Alaska

U.K.

Permian

Suriname

Egypt

Uruguay

Key

● Development
● Exploration

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **04**

# Reporting Approach

APA's sustainability approach and performance are available in two main documents: **Our Approach to Sustainability** and our annual **Sustainability Progress Report**. Our Task Force on Climate-related Financial Disclosures (TCFD) Analysis is available **here**.

This document, **Our Approach to Sustainability**, details our ongoing sustainability programs and initiatives, including our sustainability philosophy and management in the areas of environmental stewardship, communities and people, and governance — in particular, air and water, health and safety, and employee and community involvement. We will review the content of this document annually to verify that all the information included remains correct and up to date. This document should be read in tandem with our annual **Sustainability Progress Report**, which provides yearly highlights and key performance data.

Our sustainability reporting is prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards at the core level. We also consult 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 and the International Association of Oil and Gas Producers (IOGP); the Sustainability Accounting Standards Board's Oil and Gas Exploration and Production Sustainability Accounting Standard and the TCFD framework. (See the **Reporting Standards and Frameworks Index** on our website for more information.)

## Assuring reported content

At APA, we hold ourselves to a high standard of accuracy and excellence in our activities, including the content of our sustainability publications. All sustainability publications were developed by a cross-functional team of subject-matter experts throughout the company and reviewed by the board's Corporate Responsibility, Governance, and Nominating Committee, the executive leadership team and our Internal Audit function (described on **p. 51**). We undertook a rigorous internal review including internally verifying data points and facts, which provides added accountability for the accuracy of the reports' content.

"At APA, we hold ourselves to a *high standard of accuracy* and *excellence* in our activities, including the content of our sustainability publications."

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability **05**

# Reporting Approach

## Identifying our most significant issues

We conduct regular assessments to better understand internal and external stakeholders' perspectives on the most significant sustainability issues associated with our operations. The results help guide the content of this report.

In keeping with evolving best practice, our assessment considers how sustainability topics may represent financial risks and opportunities to our company, as well as how our actions may represent sustainability-related impacts on our stakeholders and the environment. We determine our most significant issues through a five-step process:

*Step* 01    UNDERSTAND CONTEXT

*Step* 02    IDENTIFY ACTUAL AND POTENTIAL IMPACTS, RISKS AND OPPORTUNITIES

*Step* 03    ASSESS THE SIGNIFICANCE OF THE IMPACTS, RISKS AND OPPORTUNITIES

*Step* 04    PRIORITIZE THE MOST SIGNIFICANT MATTERS

*Step* 05    GUIDE STRATEGY AND REPORTING

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

## APA STAKEHOLDERS' MOST SIGNIFICANT ISSUES

According to our 2025 analysis, the following issues[1] are of highest significance to our internal and external stakeholders:

- Biodiversity and surface land use
- Community impact and human rights
- Cybersecurity
- Decommissioning
- Employee and contractor health and safety
- Human capital and inclusive culture
- Impacts of climate change on our business and greenhouse gas (GHG) emissions
- Spills
- Sustainability oversight and integration
- Water availability, water quality and wastewater management

[1] Issues are grouped by topical categories that align with our approach to sustainability issues, not in order of importance or priority.

# *Sustainability* Overview

*Sustainability*

We are **committed to being a leader** on the sustainability issues that are most pertinent to us and that are within our company's ability to control.

*Overview*

# Prioritizing and Managing Sustainability Initiatives

APA commits considerable time, energy and capital to reducing our environmental impact; fostering a safety-first work culture; supporting and developing our employees; building cybersecurity safeguards; managing the evolving opportunities and risks associated with climate change; and listening to and investing in our local communities.

We engage every level of the organization and all functional areas of the business through a "wellhead-to-boardroom" approach, which drives top performance and accountability. We do this by setting clear objectives tied directly to sustainability- and safety-related goals. Our board of directors regularly reviews our performance, providing oversight and input on our sustainability strategy.

Historically, our sustainability goals include both short- and long-term targets. We review and update our compensation goals annually to drive ongoing performance improvement. In past years, our goals have included initiatives to reduce emissions, reduce diesel consumption in Egypt, increase the use of recycled water and accelerate the reclamation of U.S. well sites.

## Sustainability management committee

We have a dedicated, cross-functional Sustainability Management Committee, which evaluates and refines our strategic framework to assist the company in focusing on our most significant sustainability processes and outcomes. The committee is led by APA's president and comprises officers overseeing environment, health and safety; supply chain; corporate communications and public affairs; human resources; legal; and other corporate functions. As a team, they focus on strategic sustainability planning and communications and driving key initiatives across the organization.

The committee meets regularly to discuss sustainability trends, develop tangible, target-based goals and resource recommendations, review progress and make adjustments where necessary.

## Sustainability engagement

To better understand external perspectives and concerns, members of APA's board, executive team or the Sustainability Management Committee regularly engage with a wide range of stakeholders, including shareholders, employees, customers, suppliers, government agencies, regulators, nongovernmental organizations and others. Our board and leadership engage with stakeholders on a variety of 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. 54**.)

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability   **09**

# Our Sustainability 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. Within that context, APA operates with a sense of urgency to manage our operational emissions, to understand our potential impacts on and uses of natural capital, and to preserve finite natural resources. 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 human progress and contributes directly and indirectly to many of the U.N. Sustainable Development Goals (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 (see our **Reporting Standards and Frameworks Index**, which demonstrates how our business further aligns with the U.N. SDGs).

APA recognizes the importance of adding value for all stakeholders and considering their views in developing the company's strategy. We undertake regular assessments of sustainability priorities to learn from a cross-section of our key internal and external stakeholders, as well as leading thinkers in the energy, environmental and social policy spaces. We use this information to continue to enhance our sustainability processes and initiatives (read more on **p. 05**).

## Sustainability pillars and performance

We focus our sustainability efforts on three primary pillars — Air, Water and Communities+People. These pillars serve as the foundation for our sustainability strategy, initiatives and compensation-linked goals and help us concentrate our resources, measure our performance and enhance our positive impact (see our **Sustainability Progress Report**).

### AIR

We are committed to helping address the challenge of reducing emissions while responsibly producing reliable, secure, affordable energy.

### 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.

### COMMUNITIES+PEOPLE

We are a community partner focused on protecting the safety and health of our employees, local populations and the environment.

# Sustainability Goals

To ensure that sustainability initiatives remain a priority across our organization, the board and Sustainability Management Committee take an active role in overseeing our sustainability strategy and driving performance with rigorous goals, and also by linking executive and employee compensation to their achievement. Our strong foundation of disclosure, accountability and oversight underpins the progress we are making toward our sustainability goals in each operating area. Our goals are intentionally challenging and focused on near-term actions, so we can achieve timely and impactful results.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability 10

# Climate Scenario Analysis

We recognize the importance of understanding how climate-related risks and opportunities could impact our business. 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.

To continue to improve our understanding of the potential risks and opportunities associated with climate change, we update our TCFD-aligned, climate-focused scenario planning analysis every other year, based on revisions to external and internal data. This analysis includes external forecasts of future demand, pricing in energy markets, and changes in government regulations and policy that might occur based on different scenarios.

Given the dynamic nature of our business, APA historically performs scenario analyses with five-year time horizons. These analyses include the input of experts from several internal functional areas. We also appreciate the value of climate-related financial analysis that considers longer-term supply/demand, regulatory frameworks and pricing scenarios beyond a five-year horizon, as recommended by TCFD. Since 2021, we have incorporated these longer-term views into our planning process, using external analysis for demand, carbon and commodity comparison-pricing scenarios. These external cases are then compared to our internally prepared base-case pricing analysis, averaged out to 2040. For more information, see our **TCFD Analysis** report.

**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 strive to reduce our environmental footprint, enhance 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 sustainability focus areas of Air, Water and Communities+People. To drive continuous progress, we set compensation-linked targets that reduce our environmental impact in areas such as flaring, emissions and freshwater usage.

" We are committed to *reducing our emissions* while helping to meet increasing global energy demand in *affordable* and *reliable* ways."

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **11**

# *Environment*

Environment

**Environmental stewardship** is critical to sustaining life, human progress, and our success as an oil and gas company. At APA Corporation (APA), collaborative and interdisciplinary teams come together to evaluate uses of technology, execute emissions reduction projects and implement our U.S. water conservation efforts.

The efforts from these cross-functional teams help us to comply with environmental regulations, identify and implement both preventative and corrective measures, and achieve environmental and energy management systems ISO certifications in applicable operating areas.[2] All personnel in APA's operating areas are required to follow our **Environment, Health and Safety** (EHS) **Policy**, which provides an overarching framework for conducting business in a way that protects our workforce, our communities and the environment.

[2] Our North Sea operations are ISO 50001 and 14001 certified. Operations in Egypt are ISO 14001 certified.

# Air

Greenhouse gas (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 where we operate. Our EHS and asset teams collaborate to identify emission improvement opportunities and optimize leak detection and repair (LDAR) solutions.

## Flaring

We prioritize minimizing flaring across our operations. Flaring emissions primarily occur from operational upsets, emergencies and as a control mechanism for volatile organic compounds (VOCs). When flaring is necessary, we seek to capture and fully combust natural gas to reduce overall emissions impacts. Working to process associated gas from oil production, rather than flaring it, makes business sense as well as helping us to reduce emissions.

## Leak detection and repair

As part of our LDAR program in U.S. onshore operations, leak detection inspections are an ongoing part of our field personnel's routine activities. Our dedicated team of field operations personnel are trained to inspect, identify and repair any discovered fugitive emissions sources. We strive to repair leaks and halt any associated emissions on the same day they are discovered, subject to verification of safe operating conditions.

We use optical gas imaging (OGI) cameras to examine new and modified facilities, to identify and address any leaks after the facilities come online. OGI inspections focus on components of a facility that have the potential for leakage, including actuators, connection points, manifolds, pressure vessels, tanks, flares and valves. Field personnel are also trained to perform audio, visual and olfactory (AVO) inspections for possible leaks as a part of their overall competency.

## Electrification

We have successfully electrified many production locations in our U.S. and Egypt operations where we have access to the electrical grid, and we continue to evaluate additional opportunities to electrify our field equipment. These efforts reduce diesel consumption, noise pollution and overall GHG emissions, because grid-scale power generation usually has a lower GHG intensity than on-site generation. In Egypt, we have installed overhead power lines to connect to the grid in our eastern operating area, where stable grid power is available.

## Industrywide partnerships

APA recognizes that reducing global emissions is a team effort. As long-standing participants in key industry partnerships, we are focused on reducing 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.

### U.N. ENVIRONMENT PROGRAMME'S OIL & GAS METHANE PARTNERSHIP 2.0

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.

### THE ENVIRONMENTAL PARTNERSHIP

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



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **14**

# Tracking Greenhouse Gas Emissions Performance

We calculate emissions from our drilling, completion, production, and gathering and boosting sources to determine our overall GHG inventory.

As a global company, we report under multiple regulatory frameworks, including the U.S. Environmental Protection Agency (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. (See our **Sustainability Progress Report** for information and data related to our emissions and goal performance.)

Since APA does not direct or 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 sold products.

The GHGs included in our GHG inventory calculations are carbon dioxide ($CO_2$), methane ($CH_4$) and nitrous oxide ($N_2O$). Consistent with the Intergovernmental Panel on Climate Change, we assign a 100-year global warming potential (GWP) to each of these component gases as part of our GHG inventory calculation. These values may vary depending on the country and regulatory reporting frameworks.

## Non-GHG air emissions

In the U.S., the Clean Air Act (CAA) requires the EPA to set the national ambient air quality standards (NAAQS) for common non-GHG air pollutants, often referred to as criteria pollutants. The CAA focuses on a group of six criteria pollutants that are regulated by the EPA due to their harmful effects on human health and the environment, specifically carbon monoxide, lead, nitrogen dioxide, ozone, particulate matter and sulfur dioxide. We manage applicable criteria pollutants through air permits, and registrations are administered by state environmental agencies pursuant to the CAA.

# Water

Water is a vital resource that supports everything around us — healthy ecosystems, vibrant communities and our own oil and gas operations.

Our water strategy in the U.S. is centered on a safe, responsible approach to water management that safeguards water quality, reduces freshwater use, utilizes nonfreshwater sources such as recycled produced water in our operations, and incorporates rigorous spill prevention efforts.

We work to avoid utilizing freshwater resources that are shared and relied upon by other end users, such as agriculture and municipal water systems, especially in the Permian Basin. We prioritize the use of nonfresh water in our operations whenever safe and feasible, and we continue to work to increase our ability to recycle and reuse produced water in our operations.

## Operational water use

In the U.S., we are transitioning from using water mainly for secondary oil recovery operations (i.e., waterfloods) in legacy oil fields to using water for drilling and completing new wells. In Egypt, our water usage includes water-based mud drilling and limited water flooding.

In line with the reporting recommendations of Ipieca, a leading reporting framework for the oil and gas industry, we define consumptive use of water as only fresh water and nonfresh water use from surface or shallow groundwater (including treated municipal wastewater), since the industry's use of water from these sources typically removes it from the natural water cycle.[3]

[3] Based on Ipieca's Sustainability Reporting Guidance for the Oil and Gas Industry (2020).

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION  |  Our Approach to Sustainability  **15**

# Water

## U.S. ONSHORE PRODUCED WATER MANAGEMENT — RECYCLING AND INFRASTRUCTURE

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.
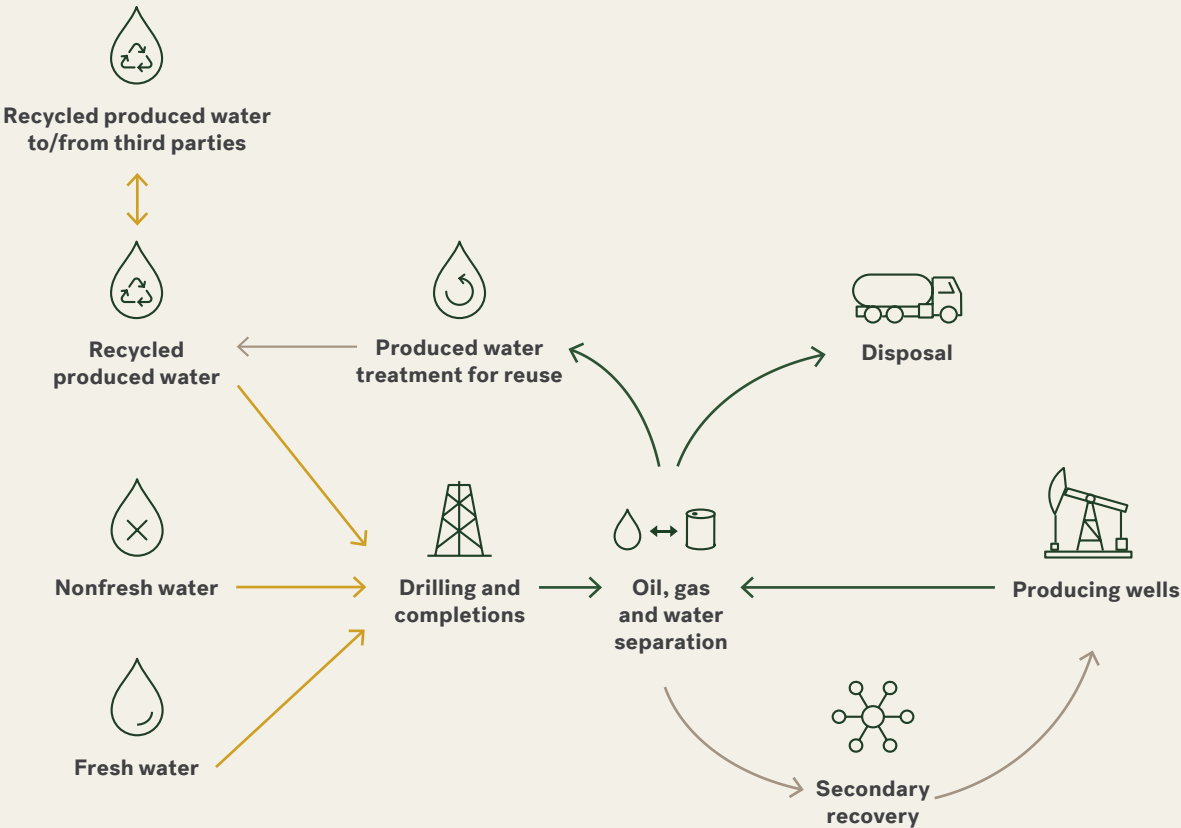
Most of our produced water is recycled by using it in hydraulic fracturing fluids for future well completions.

We have implemented a variety of technologies and treatment processes that allow us to store larger volumes of treated produced water for longer periods. Increasing the volume of our storage capacity allows us to hold produced water longer, so we can reuse it even when immediate operational needs do not align with the volume of produced water generated at any point in time. Together, these 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 use.

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 if it should occur, these recycled water storage systems have secondary containment and detailed, location-specific spill prevention countermeasures and control plans.

## 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.

Recycled produced water to/from third parties

Recycled produced water

Produced water treatment for reuse

Disposal

Nonfresh water

Drilling and completions

Oil, gas and water separation

Producing wells

Fresh water

Secondary recovery

**Key**

→ Source water flow

→ Produced water flow

→ Recycled water flow for certain operations

## KEY WATER DEFINITIONS

### Fresh water

In line with the U.S. Geological Survey (USGS), we consider water sources with less than 1,000 milligrams per liter of total dissolved solids to be fresh water. 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 the 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.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **16**

# Water

In our U.S. operations, we have also invested in water infrastructure to safely move water to recycling facilities through pipelines. This reduces trucking-related emissions and safety hazards, minimizes the potential for spills during loading and unloading, and lessens impacts from heavy trucks on local roadways. We do, however, utilize trucks for hauling wastewater to disposal facilities. Since 2020, all the water used in our hydraulic fracturing operations in the Permian Basin has been transported by either permanent or temporary pipelines.

Looking ahead, we continue to work on innovative solutions to improve our produced water management. For example, APA supports the exploration of safe, cost-effective alternatives to well injection as a means of produced water disposal, especially in our U.S. onshore Permian operations, where the large volume of produced water provides opportunities for beneficial reuse outside oil and gas activity. Options we have investigated include evaporating the safe, treated water derived from produced water, or discharging portions of treated water in accordance with applicable water quality regulations and industry best management practices.



## WATER SCARCITY ASSESSMENTS

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 consider location, life-cycle water management pricing, and applicable regional regulations in assessing water scarcity for our operations. 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 scarcity within our operations.

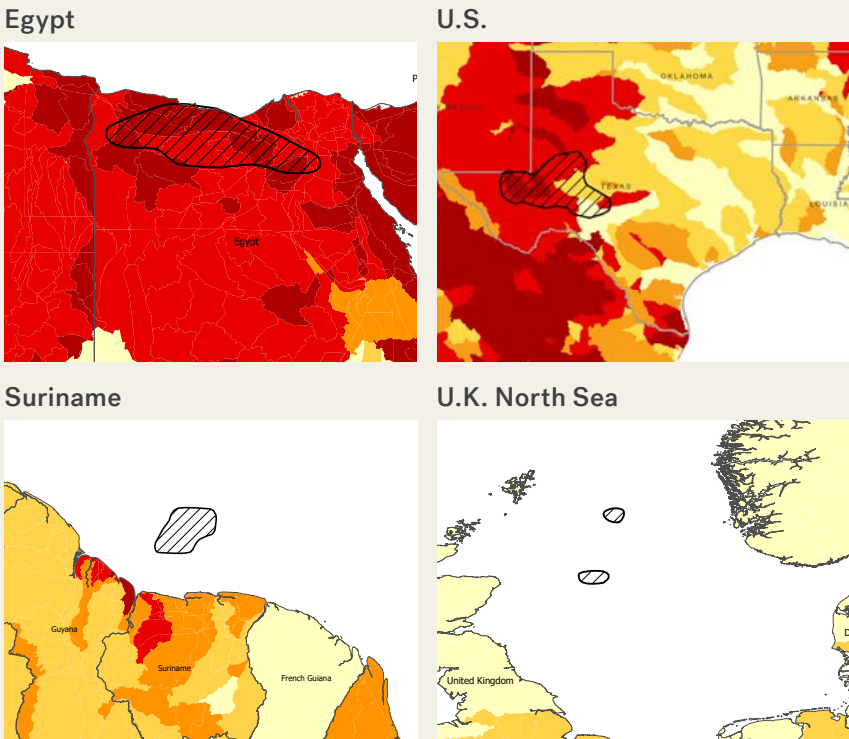## WELL INTEGRITY IN U.S. ONSHORE OPERATIONS

We actively work with regulators like the Railroad Commission of Texas and industry groups like API, the Permian Basin Water Management Council and the Energy Water Initiative to stay current on water protection and recommended practices.

Protecting aquifers by maintaining the integrity of our wells is another way we safeguard 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 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 design the surface casings of our wells to protect usable groundwater intervals and follow industry best practices in the construction of the wells.

## WATER SCARCITY MAPS

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 April 2024, and June 2025, respectively.

**Egypt**



**U.S.**



**Suriname**



**U.K. North Sea**



**Water Risk Level**

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

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APA CORPORATION | Our Approach to Sustainability    **17**

# Water

**DISCLOSING HYDRAULIC FRACTURING FLUID CHEMICALS**

Hydraulic fracturing fluid is composed of water, sand and minimal chemical additives. The chemicals are added to facilitate the process of delivering the sand to the formation,[4] 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 water volumes and 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.

## Spill mitigation

To mitigate spills within our operations, we begin by planning and designing our activities to minimize the risk of spills and to reduce the impact 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 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 the EHS

[4] Sand is the solid material (proppant) used to hold small, hydraulic induced fractures open during and after the fracturing treatment process. The completions fluid is designed to hydraulically induce fractures and then place sand to keep these fractures open to allow production of oil and natural gas.

requirements under our Master Service Agreements, which are available on our contractor **website**, contractors must complete written training programs addressing proper waste handling, waste disposal and spill response.

## Offshore spill preparedness

While prevention is always the ultimate goal, we prioritize our capability to respond to offshore spills if they occur. We maintain multiple memberships with subsea intervention organizations that provide access to comprehensive emergency response services for the industry.
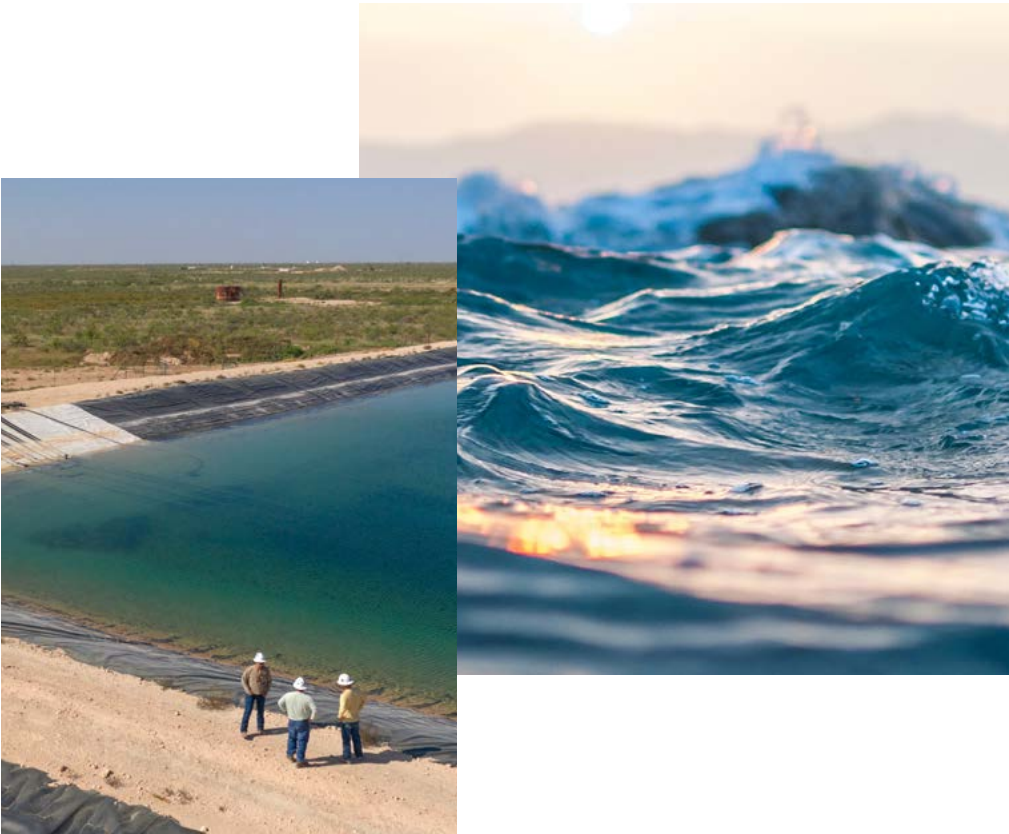
Our collaborations with Clean Gulf Associates, National Response Corporation, Wild Well Control and Oil Spill Response Limited help us ensure our response capabilities.

The latter two organizations provide us with global access to capping stacks, including the ability to mobilize two capping stacks simultaneously if needed. The capping stacks are strategically stored at five international locations and are ready for immediate use and transportation by sea or air in the event of an incident.

## Downhole water disposal and induced seismicity

APA collaborates with leading universities and has funded research to better understand the fundamentals of induced seismic activity in the areas in which we operate. 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 Seismicity and Water Partnership — and participate in operator-led response groups in communicating with the Railroad Commission of Texas, in order to be responsive to regulators' potential 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.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **18**

# Biodiversity and *Environmental* Stewardship

Biodiversity and

**Protecting species and their habitats** in the areas where we operate is an important priority for our company. We have processes in place to assess and avoid sensitive species and their habitats, as well as areas of cultural or historical significance, and we have long maintained our commitment to refrain from operating in protected areas.[5]

Prior to bringing in heavy equipment to prepare a well site or introducing facility improvements, we conduct biodiversity assessments as part of our predevelopment planning processes. These assessments begin as a desktop review to screen for evidence of specific indicator species, and if we note any species of concern, we then enlist specialists to perform a thorough review. We use this information in planning our surface activities and in proactively designing our development plans to avoid disturbances and to mitigate impacts on sensitive species' habitats.

[5] For example, we refrain from operating in U.S. national parks and UNESCO World Heritage sites.



Environmental
Stewardship

# Archeological Pre-site Assessments

As part of our U.S. onshore operations, we conduct archeological reviews and surveys in areas with potential for historical or cultural resources.

We follow relevant state and National Historic Preservation Act requirements to protect Native American artifacts should they be encountered during exploration and development. If unexpected discoveries are made during any phase of a project, an immediate stop-work order is issued and the situation carefully reviewed prior to resuming activities. (Read more on APA's commitment to respecting Indigenous peoples on **p. 45** in the Community section.)

# Protecting Sensitive Species Across Our Operations

Throughout our operations, we seek to protect native species in the area. We undertake comprehensive pre-operation assessments for the presence of sensitive species and habitats, and we evaluate potential impacts. In addition to these site assessments, we:

– Avoid erosion-prone areas or areas that have certain Endangered Species Act sensitivity.

– Avoid siting wells in areas where permanent and/or seasonal water features may interact and result in seasonally high or abnormal flows.

– Minimize surface impacts by consolidating infrastructure.

– Work with stakeholders to plant native vegetation where applicable.

In the marine environments where we operate, we use location-specific wildlife management programs to assess, mitigate and minimize the potential impacts of seismic operations. For example, during offshore exploratory activities, our drill ships are staffed with a 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.

Our biodiversity management approach is designed to manage risks and mitigate impacts to biodiversity, from strategic planning through site operations, by complying with in-country regulatory requirements for collecting data on site diversity through site habitat assessments.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability  **21**

# Managing Lands With a Focus on Conservation

While we are committed to protecting species and habitats in all the places where we explore for 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 landowner and steward, optimizing opportunities and partnerships for sustainable land management.

## Protecting and restoring Gulf Coast wetlands

Louisiana's swamps and marshes are among the most at risk wetlands in the U.S.

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 against hurricanes and provide flood control by holding excess water during periods of heavy rainfall. Furthermore, they filter pollutants and absorb nutrients, replenishing aquifers and purifying water.

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.

Local employees work year-round to manage and protect the land through projects that benefit the wetlands and the species that inhabit them.

## 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 study erosion impacts on uplands and stream areas from different grazing 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.

The Apache Foundation continues to work with local beekeepers and honey producers, supporting 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.





Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability  **22**

# Decommissioning Assets

At the end of their service lives, wells that are no longer productive, are plugged in accordance with applicable regulations. We strive to return well pads to a natural condition, except where landowners prefer the well pads to be left in place.

## Closing end-of-service well pads

In our U.S. onshore operations, we return former well pads to their natural condition once they are no longer productive, a process called "plugging and abandonment," or P&A. We are experienced at closing former wells and reclaiming the old equipment before reseeding and revegetating these areas to promote their return to a natural condition.

We are partnering with the Borderlands Research Institute (BRI) at Sul Ross State University in Alpine, Texas, and Texas Native Seeds, a project of the Caesar Kleberg Wildlife Research Institute at Texas A&M University-Kingsville, in a multiyear investigation into methods to improve habitat restoration efforts in the Permian Basin. One goal of this project is publishing a science-backed, best practices reclamation document to be shared with other Permian operators. The project will help inform oil and gas operators in the Permian about how changes in the industry's collective approach to restoring end-of-service well pads can have broader benefits to local biodiversity and reunite fragmented habitats.

## Gulf of America offshore decommissioning

In 2021, we took over the responsibility for decommissioning certain Gulf of America (GOA) properties previously owned by APA, when the current owner and operator failed to fulfill its obligations within the period required by law. As a result, APA will perform the decommissioning of defaulted properties.

Our overall approach to safely and effectively decommissioning these assets is based on each facility's condition, depth of water, type and other similar factors. All of these are key considerations when estimating the cost and associated work of plugging the well and decommissioning the platform.

Preserving and enhancing the native marine life that has created habitats on and near the offshore platforms is another priority for APA. This can include turning platforms into artificial reefs where appropriate and permitted by law.

## North Sea asset retirement obligation (ARO)

APA has obligations to remove tangible equipment and restore land or seabed at the end of oil and gas production operations in our North Sea assets. Our removal and restoration obligations are primarily associated with plugging and abandoning wells and removing and disposing of offshore oil and gas platforms in the North Sea.

Asset removal technologies and costs are constantly changing, as are regulatory, political, environmental and safety considerations. Our team remains focused on the safe execution of our decommissioning plans for these assets, while addressing these evolving externalities to ensure the obligations are sufficiently met.





"*Preserving* and *enhancing* the native marine life that has created habitats on and near the offshore platforms is another priority for APA."

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability **23**

# Waste Management

Our waste management programs are modeled on industry best practices and are specific to the country and operational agreements in place with our joint venture partners. These programs aim to reduce waste, protect water resources, minimize hazards to employees and facilitate recycling and circular waste management life-cycles.

APA meets or exceeds applicable disposal requirements in all our operating areas. While regulatory disposal requirements differ slightly by national, state or federal jurisdiction, they generally include specifications for classifying and segregating hazardous and nonhazardous waste, manifesting, transportation and disposal.

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

We typically do not have significant volumes of hazardous waste in our operations. Hazardous waste is carefully managed and tracked in accordance with applicable regulations. Nonhazardous waste is further evaluated for potential recycling, and those streams are then diverted and managed as appropriate.

## 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.

## Recycling waste across our operations

The AIM for ZERO WASTE recycling program was developed to align our day-to-day office and field waste management behavior in the U.S. and U.K. with the company's mission and core values. We encourage our employees to reduce the volume of waste sent to landfills.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **24**

# Our *People*

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

By building a qualified workplace, supporting employee development and well-being, and providing a comprehensive Total Rewards package, we are investing in our employees to help them achieve their full potential and that of our company. All company employees are employed by APA Corporation's subsidiary, Apache Corporation.

# Employee Recruitment

We undertake a range of initiatives to attract top talent and align our business and hiring teams with candidates seeking opportunities at the company.

Depending on workforce needs in any given year, we focus on both experienced hiring and campus recruitment and are committed to finding and retaining the best candidate for every job. We continuously evaluate our campus recruiting program to ensure our focus meets the needs of the business.

## Attracting qualified candidates from multiple sources

Recruiting talent from multiple sources is a key component of our efforts. Our hiring managers are guided by our internal standards for identifying and hiring qualified, top talent. We provide hiring managers access to a tailored curriculum of courses on candidate selection, interviewing and hiring practices. We continue to make progress in our efforts to attract candidates from multiple sources by partnering with various student resource groups.

We regularly review our recruiting approach and performance to ensure our process is merit-based, nondiscriminatory and consistent with our commitment to equal opportunity employment.

### EMPLOYEE REFERRALS

Referrals from our current employees continue to be 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 exhibit our core values and reward employees. In addition, we provide referral bonuses to employees who help build our team.

### HIRING LOCALLY

We place a high priority on investing in the areas where we operate, which includes hiring and developing local talent. Local hiring is a win-win, helping us expand our talent pool, while also allowing us to make meaningful economic contributions to the communities in which we live and work, especially in areas where well-paying jobs may be scarce.

In our operations outside the U.S., we strive to recruit most of our workforce from the host country.

### CAMPUS RECRUITING AND SUPPORT

We take part in campus-based recruiting efforts by participating in recruiting events across numerous college campuses in addition to virtual career fairs.

Science, technology, engineering and math (STEM) skills are essential for our workforce. We seek to increase the diversity of backgrounds and perspectives in STEM roles, as an important element of our development efforts. Expanding the pipeline of candidates in these fields is key to advancing employee development at our company and throughout our industry, and we are working to encourage under-recruited, qualified groups in STEM to pursue these careers.

In Egypt, the local human resources (HR) team partners with Egyptian universities, including the American University in Cairo and Mansoura University, to assist students in pursuing careers in oil and gas, including by facilitating mock interview sessions to help students prepare for their job searches.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability  **27**

# Learning and Development

Our approach to learning and development centers on helping our employees meet their career goals, while aligning individual development needs with company objectives. Effectively building and supporting our team is central to delivering top performance and continuous improvement.

We provide employees and managers with resources, guidance and training to support the development of technical and functional skills. We regularly reassess and realign learning and development resources to improve ongoing development opportunities across technical, compliance, business and leadership development areas.

By investing in the growth and capabilities of our leaders, we ensure that our organization is equipped to navigate the complexities of our business. We support continuous learning and development, through leadership initiatives that include online resources, assessments, mentoring and personalized coaching, to drive behaviors that align with our core values, support business objectives and create long-term value for our stakeholders.

### GLOBAL SERVICE AWARDS PROGRAM

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

# Employee Total Rewards

Our Total Rewards approach to compensation and benefits is designed to attract, retain and reward top talent.

## Compensation and benefits

As part of our compensation philosophy, we offer a robust total compensation package to all employees 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 promote our operational, financial, sustainability and workforce safety initiatives by rewarding company, team and individual performance on these priorities.

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

### ENSURING FAIR PAY

During each annual compensation program planning cycle, we conduct a wage gap analysis to identify differences in pay that could appear unfair. Generally, differences are related to seniority, experience, performance and other legitimate business reasons. When such pay differences are not clearly tied to such factors, we undertake a deeper review and make corrections as needed to ensure wage gaps do not violate applicable anti-discrimination laws.

To provide consistent pay for substantially similar work, we have established pay bands for all positions that are rooted in labor market data. We also have processes in place to ensure that our pay systems and decisions are both transparent and objective. Specifically, we use:

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

– Guidelines for annual compensation changes based on an employee's pay range, performance rating and location, to confirm consistency in the company's approach to compensation.

– Training for all compensation decision-makers on the importance of providing adequate employee performance feedback, making objective performance rating decisions based on goal achievement and ensuring compensation changes are in alignment with established guidelines.

Our fair pay analysis is reviewed and confirmed on a biennial basis by a third-party consultant, to assure its accuracy and validity.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **28**

# Employee Total Rewards

### HEALTH AND WELLNESS

We invest in benefit programs to support our employees' health and wellness and continue to look for ways to be a great place to work. Our benefits offerings include:

– Mental health benefits to cover all employees and eligible family members worldwide, including free sessions with a mental health therapist or coach each year.

– Services to support our U.S.-based employees on unique paths to parenthood. Services include access to a patient care advocate dedicated to assisting with fertility treatments, connecting families with the right fertility specialist, and providing guidance and resources for adoption and surrogacy.

– A comprehensive maternity and family benefits solution, which offers 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 U.S. employees.

– Adoption and surrogacy aid for U.S. employees navigating those processes.

– Backup care for all U.S.-based employees to assist when their children or elderly family members' regular care plans fall through, or in an emergency situation.

# Equal Opportunities and Ensuring Nondiscriminatory Practices

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.

Equal opportunity employment and nondiscrimination are fundamental to how we operate. We strive to ensure a discrimination-free environment where all our people can openly voice their thoughts and make everyone stronger. Our efforts to support this culture are described throughout the Our People section.

## Conducting business fairly and ethically

APA is an equal opportunity employer. In addition to our proactive equal opportunity employment efforts, we strongly enforce our Code of Conduct (Code). The Code requires that we conduct our business, including employment practices, in accordance with all applicable laws, rules, regulations and government requirements, including nondiscrimination. 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 **Supplier Code of Conduct** and the Community section, **p. 43**, for information on our supplier sustainability and inclusion program).

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **29**

# 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.

As part of this strategy, we occasionally participate in external surveys to benchmark our internal programs and gain insight into best practices. We solicit feedback from our entire workforce and look for ways to support employees' experiences in a personal, authentic way.

The foundation of our employee engagement strategy is building a sense of common purpose around our mission, which our leadership supports through frequent and transparent communication. We foster employee engagement in several ways, by providing growth, leadership development and community outreach opportunities. For example, we hold quarterly town hall meetings hosted by the chief executive officer (CEO) and other members of the executive leadership team, to address the company's progress on business goals and answer questions from employees around the globe.

## Employee feedback survey

Understanding employees' perspectives is central to our outreach efforts. Periodically, we survey employees to measure engagement and gauge our progress on building an inclusive workplace.

## Employee Resource Groups

Employee Resource Groups (ERG) membership and events are open to all employees and foster connection, support professional development and enhance cultural awareness. ERGs host educational opportunities throughout the year on a variety of topics, to contribute to a rich and welcoming workplace. Activities can include lunch-and-learns, cultural heritage celebrations, book clubs and social events to strengthen connections. ERGs have the support of executive sponsors, who provide guidance and serve as a direct link between employees and senior leadership.

ERGs include the Black Professionals Network, Pride Network, Women's Network, Young Professionals Network, Pan-Asian Network and UNIDOS. Rally Point is our newest ERG, for all employees who are currently serving, families of active or veteran service members, or employees who have an interest in supporting veterans. All employees are invited to join these groups and participate in activities.

## Ambassador Program

We developed the Apache Ambassador Program in 2018 to create employee development opportunities and offer education on industry best practices. Initially, the program focused on employees in external-facing roles who regularly engage with key stakeholders. In 2022, we expanded the program to all U.S. employees. The enhanced program focuses on empowering employees to communicate and advocate on behalf of our company and industry with friends, family and other external stakeholders.

We do this through multiple communication channels, including a speaker series, training sessions, an informational website and periodic updates on issues of relevance to the industry. The program touches on emerging and recurring topics like energy security, energy poverty, our sustainability strategy and the role oil and gas will play in the future global energy mix.

**TEAM APACHE**

Supporting our employees in volunteering for causes that matter to them is an important element of both our employee engagement and community investment efforts. TEAM Apache, which stands for "Together Everyone Achieves More," was relaunched in March 2022, as the volunteer arm of our Community Partnerships department. The program promotes and supports hyper-local, grassroots volunteer opportunities, as well as larger-scale, high-visibility partnership opportunities with local governments, hospitals, museums and the like.

The group hosts multiple volunteer opportunities, including on-site blood drives, joining with other companies to assemble hundreds of donated bikes for distribution to local school children at Christmas, tree-planting events, bicycle rides to raise funds for local charitable causes, and support for local animal shelters. The group has long-standing connections with major volunteer events such as the Bike MS: Texas MS 150, the Houston Livestock Show and Rodeo, Montgomery County YMCA's annual Dragon Boat Races and Houston Energy Day — to name just a few.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability 30

# *Health* and *Safety*

*Health*

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

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

*and Safety*

# Our Health and Safety Philosophy

APA's **Environment, Health and Safety** (EHS) **Policy** affirms our values and commitment to protecting health, safety and the environment. Among other things, the policy underscores leadership's commitment to supporting continuous improvement through visible engagement and the provision of necessary resources and training. This policy is translated into operating area-specific policies, and all personnel are required to follow their respective EHS policies.

Employees and contractors participate in APA Corporation's safety observations program, **AIM for ZERO**. This program encourages personnel to proactively share observations of at-risk conditions and behavior. These are reviewed and actioned by leadership, driving continuous improvement campaigns. Positive safety observations are also captured, which allows leadership to recognize our workforce.

## International Association of Oil & Gas Producers (IOGP) Life-Saving Rules

The **IOGP Life-Saving Rules** (LSR) are considered best practice throughout the oil and gas industry, helping to establish alignment between our employees and contractors and providing clear communication and expectations. These industry-standard rules help simplify and standardize our approach, aligning more closely with our industry partners. The LSR are integrated into our EHS training, AIM for ZERO program, incident investigations and safety alerts.

LSR inspections are conducted throughout our operations. These on-the-job inspections are led by supervisors and people leaders and focus on each element of the nine rules as they apply to the specific job.

Operating area-specific safety programs incorporate process-safety best practices embedded in our offshore operations and are applied uniformly across all our assets. We believe these programs, along with continued emphasis on communication and participation among employees and contractors, are vital to the ongoing improvement of our health and safety program and performance.

To further drive continuous improvement on safety, we track leading indicators such as LSR inspections and high-potential incident data, as well as lagging indicators of safety incidents when they do occur. Using leading indicators to stay informed about our current performance allows us to make course corrections on an ongoing basis should we fall out of alignment with our program goals.

We also publicly report our **expectations for managers**' engagement on health and safety.

### IOGP LIFE-SAVING RULES

Additional information can be found on the LSR **website**.

- Bypassing safety controls
- Confined space
- Driving
- Energy isolation
- Hot work
- Line of fire
- Safe mechanical lifting
- Work authorization
- Working at height

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

# Our Health and Safety Philosophy

## Incident reporting and management

EHS and operations teams continually collaborate to improve our approach and communications concerning incident reporting and management. We identify key improvements as part of our ongoing review process and focus on both the quantity and quality of data.

Our data management portal helps standardize how we track indicators, respond to incidents, facilitate the management-of-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 from across our operations.

We communicate and share progress on our health and safety metrics weekly to managers at every level within the company. We also share these metrics with all employees quarterly at employee town halls.

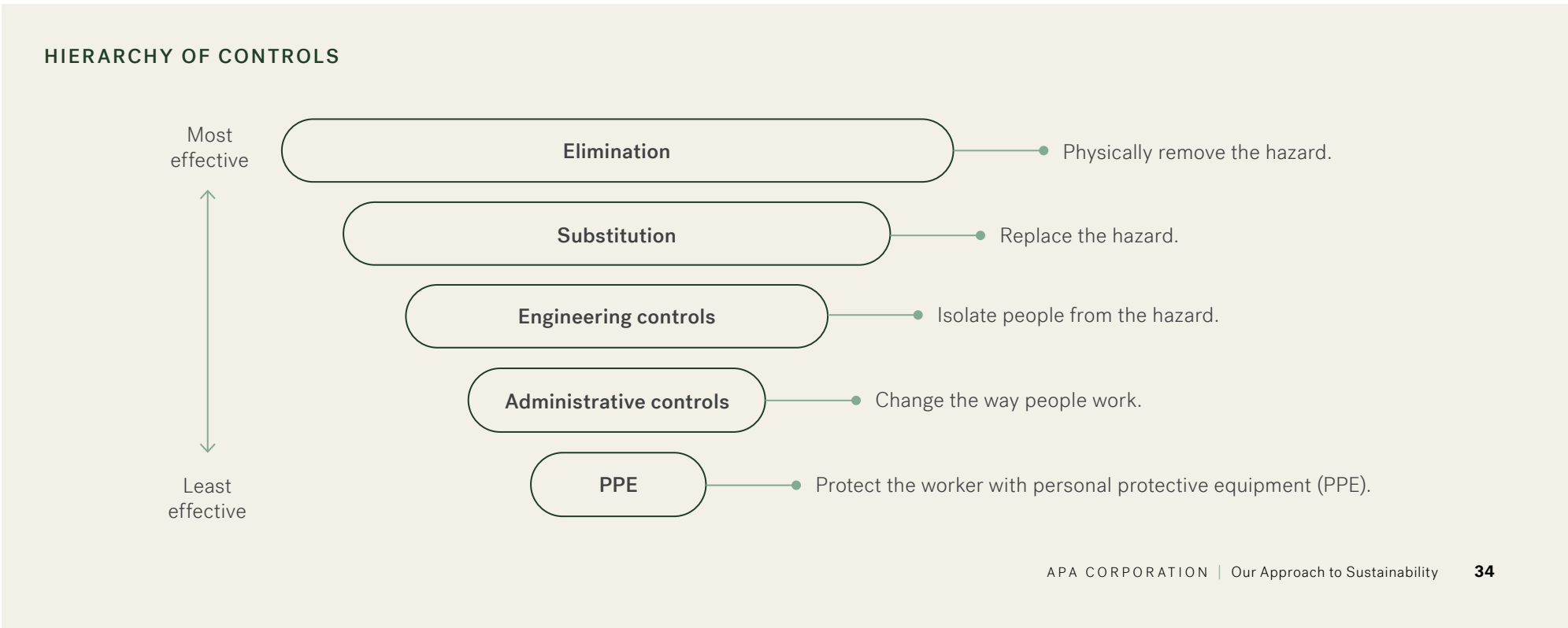## Hazard identification and mitigation and process safety

To protect worker health and safety, we use a hierarchy of controls evaluation in our approach to occupational health and safety hazards, to minimize and mitigate exposure to risks. Following this approach, which is based on the National Institute for Occupational Safety and Health best practices, we focus first on eliminating hazards — the most effective way to avoid incidents — and then move through hazard mitigation strategies (see the graphic to the right for more detail on the hierarchy we follow). We identify, assess and manage hazards at all stages of our operations — beginning before facility design and continuing through construction, modification, operation and

decommissioning. This approach is supported by actionable observations by safety staff and operations personnel, task-based risk assessments, semiannual operational risk reviews, operationally led root-cause analyses and knowledge sharing of incident findings.

We employ a Process Safety Management (PSM) framework to protect equipment and maintain operational integrity. Our process builds layers of protection around potential hazards for equipment, machinery and processes, using an approach similar to our health and safety hierarchy of controls. We use field-focused efforts centered on leading key indicators to help identify opportunities for continuous improvement. Our PSM program includes defined equipment inspections and process safety audits, to identify hazards that could lead to equipment failure, and it puts systems in place to track corrective actions. Examples

include worksite inspections, permit to work and isolation 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 and enhanced to drive continuous performance improvement. Our worker health and safety programs and PSM programs work together to help facilitate safe operations through a well-trained workforce and routine equipment inspections and maintenance.

### HIERARCHY OF CONTROLS

Most effective

| | |
|---|---|
| Elimination | Physically remove the hazard. |
| Substitution | Replace the hazard. |
| Engineering controls | Isolate people from the hazard. |
| Administrative controls | Change the way people work. |
| PPE | Protect the worker with personal protective equipment (PPE). |

Least effective

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **34**

# Our Health and Safety Philosophy

## Safety inspections and assessments

We perform safety inspections and assess performance against our safety standards and procedures to help promote safe work practices. This includes LSR inspections, to drive adherence to critical safety controls that prevent serious incidents. Additionally, for example, APA's operations in Egypt are ISO 45001:2018 certified (under the occupational health and safety management system), enabling standardization and uniformity in safety governance.
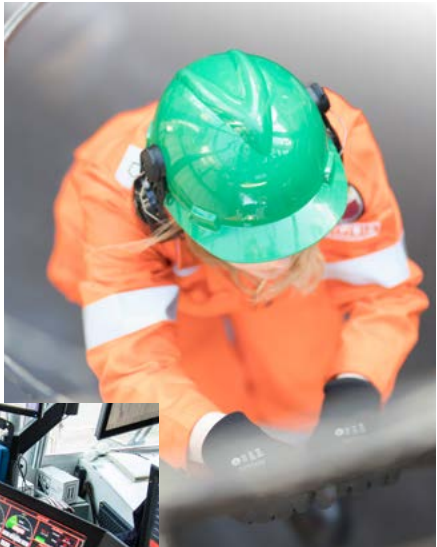
This validates our continuing efforts to put robust systems in place to prevent work-related injuries and to promote a healthy and safe workplace. As part of this certification, we perform regular audits of our performance against established standards. In the North Sea, we conduct asset-level active monitoring, which focuses on compliance of offshore practices related to IOGP's Process Safety Fundamentals and Life-Saving Rules. We leverage mobile technology within our internal safety database in the U.S. and Egypt to conduct real-time pre-operations inspections and rig-up assessments.

## Safety culture survey

We believe that inviting input from our workforce and encouraging all personnel to be active participants in our initiatives is foundational for enhancing safety performance. To further empower our employees, the vice president of Environment, Health and Safety (EHS) seeks anonymous feedback through our annual safety culture survey, which helps guide our EHS strategy. The survey solicits 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 sustainability initiatives.

"We believe that inviting input from our workforce and encouraging all personnel to be active participants in our initiatives is *foundational* for enhancing safety performance."

### AIM FOR ZERO, OUR SAFETY OBSERVATIONS PROGRAM

| | | | |
|---|---|---|---|
| Mindset of the workforce | EHS cultural behavior | IOGP Life-Saving Rules | Audits and inspections |
| Culture of safety and environmental responsibility | What we do matters | Expectations of the workforce | Verification and validation |

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **35**

# Health and Safety Training and Education

Training and continuing education are foundational to the success of 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

Our commitment to driving safety includes the use of in-vehicle monitoring systems in our U.S. and Egypt operations. These real-time monitoring systems are overseen by the Apache Incident Management call center and locally based information centers.

# Contractor Safety Management

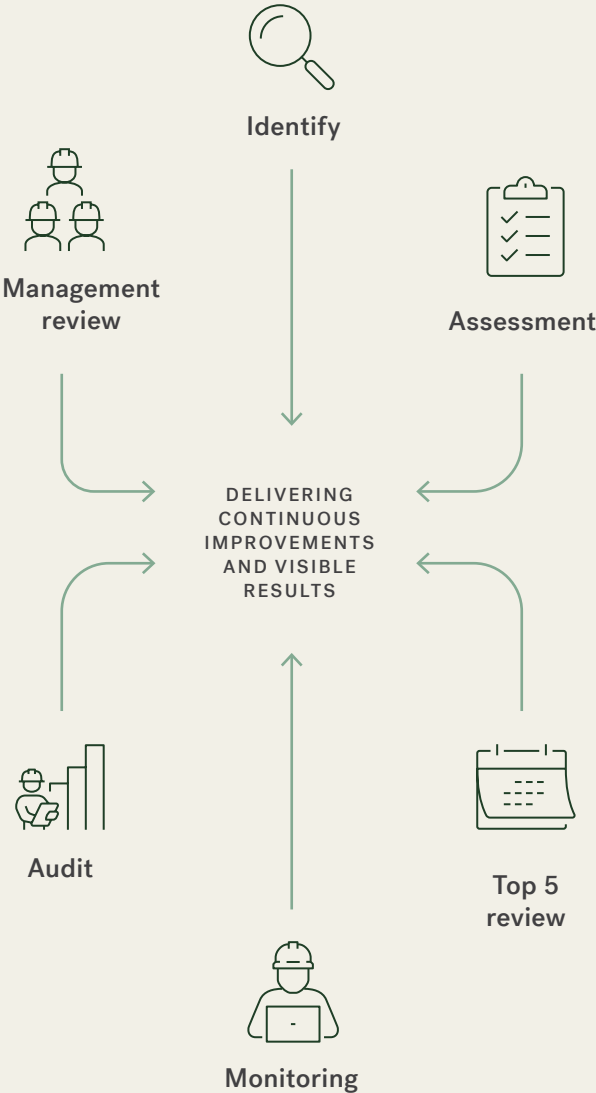Like others in our industry, we rely on contractors to support nearly every aspect of our operations.

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.

U.S. and North Sea contractors and suppliers that provide on-site services are vetted by our EHS department using third-party contractor management systems. Leveraging the power of these third-party contractor management data services, we set minimum selection criteria for all contractors on core training, insurance and other health and safety performance.

Our contractor-facing **website** sets out our EHS expectations for contractors, while 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 contract workforce by conducting in-person safety meetings, monthly performance reviews and regular on-site inspections. APA's chief executive officer (CEO) and senior executives for U.S. and international operations host an Executive Contractor Roundtable in the U.S., U.K. and Egypt. These roundtables include CEOs and other senior-level leaders from various contractor companies, discussing key safety-related topics, lessons learned and current industry challenges affecting safety performance. By fostering direct interaction among our contractors and employees, from senior leadership to front-line workers, and across all functions, we seek to reinforce expectations and share industry best practices companywide.

Identify

Management review

Assessment

DELIVERING CONTINUOUS IMPROVEMENTS AND VISIBLE RESULTS

Audit

Top 5 review

Monitoring

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **36**

## CONTRACTOR MANAGEMENT PROCESS

*Step*
**01**

**Evaluation of EHS Management Systems**
– Utilizing third-party data management services.
– Reviewing top operational risks and mitigating controls.

*Step*
**02**

**Assessment of Technical Capabilities and Service Quality**
– Verifying and validating operational readiness.
– Training compliance and competency.

*Step*
**03**

**Compliance Assurance**
– Performing EHS audits.
– Conducting performance reviews.

*Step*
**04**

**Continuous Improvement**
– Adopting and sharing industry best practices.
– Reviewing lessons learned.

# Contractor Safety Management

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. We require all suppliers to attest to our **Supplier Code of Conduct**. In addition to the internal review process described above, we 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. All suppliers are screened for Office of Foreign Assets Control restrictions and compliance using the Blue Umbrella reputation and risk management tool, which covers anti-corruption, bribery, politically exposed parties, prior governmental enforcement actions, adverse media and more.

We continue to evolve our contractor audit and assurance process by leveraging data gathered through performance reviews with our contractors. Additionally, our LSR inspections help us regularly highlight specific EHS focus areas. When we identify deficiencies during our audits and assurance efforts, we can now have more meaningful conversations internally, as well as with our contractors. We have implemented an EHS opportunity and risk management framework to help us assess and work with contractors on safety performance.

# Crisis Preparedness and Emergency Management

We develop and train our employees on our emergency preparedness and response plans to mitigate impacts of unplanned events and natural disasters. These plans provide a framework and management structure to effectively mitigate the impacts of crisis, emergency or business continuity events. Our business continuity plans provide cross-functional alignment and are designed to maintain business operations during potential disruptions. We regularly review and update these plans as needed.

Forming dedicated Incident Management Teams is central to our preparedness approach. We conduct annual Incident Management Team exercises across our operations to improve our ability to respond to unexpected incidents. We identify improvement opportunities with recommendations after each exercise, and implementation plans are developed and tracked for each.

## RESPONSE PREPAREDNESS CYCLE
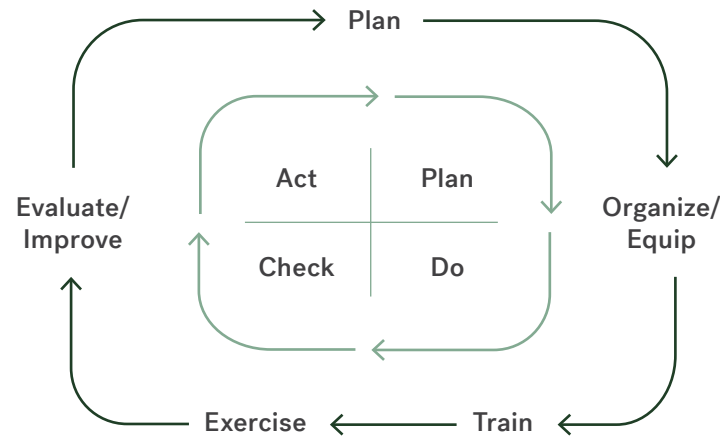


Plan → Organize/Equip → Train → Exercise → Evaluate/Improve → Plan

Act | Plan | Check | Do

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability   **37**

# Community

Community

# We strive to be a **good neighbor** in the areas where we operate.

We work to achieve this by understanding community interests and concerns, supporting 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 built into the way we conduct our business.

Community

# Our Approach to Social Investment and Community Engagement

From Midland, Texas, to Cairo, Egypt, and from Paramaribo, Suriname, to Aberdeen, Scotland, our communities have unique well-being, environmental and energy access challenges, requiring a carefully curated approach.

Supporting progress in our communities is an important component of our company's overall sustainability strategy. In 100% of our operating areas, we establish key relationships with community partners that enable us to address specific needs.

To help focus our efforts in 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, community development programs and nonprofit organizations in our operating areas that align with these pillars through direct assistance and partnership, employee matching gifts and employee volunteering.

## SUPPORTING THE U.N. SUSTAINABLE DEVELOPMENT GOALS (U.N. SDGs)

The U.N. SDGs are a comprehensive set of global goals to end poverty, protect our planet and improve living conditions of the global population. We aim to align 100% of our social investment annually with them.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

# Our Approach to Social Investment and Community Engagement

## Community well-being

**SDGs 3, 4 and 5** — Good Health and Well-Being, Quality Education and Gender Equality

Supporting the advancement of the communities in which we operate is a key component of our social impact strategy. We focus our efforts on expanding educational opportunities and improving health and well-being.

### ADVANCING EDUCATIONAL OPPORTUNITIES

We believe that access to education is a crucial component of any sustainable society. That is why advancing educational opportunities, especially for women and other vulnerable groups, is an important focus of our community investments in Egypt and Suriname. Our contributions support organizations that recognize Egyptian and Surinamese communities are stronger and healthier when women and girls are educated and have opportunities to elevate their standard of living. In these locations, 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 identify key partners to help expand educational opportunities for children.

> "Supporting the advancement of the communities in which we operate is a *key component* of our social impact strategy."

### IMPROVING HEALTH AND WELL-BEING

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 partner with medical charities that provide critically needed health care and supplies.

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. In Suriname, Houston and Aberdeen, we also partner with organizations that provide care and shelter for vulnerable populations.

### EMPOWERING GIRLS THROUGH EDUCATION IN RURAL EGYPT

Springboard serves as our signature education program in Egypt. Partnering with the Ministry of Education and Technical Education, we oversee more than 200 community schools for girls in Giza, Minya and Fayoum governorates. Since 2005, Apache has addressed 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.

We also provide professional development opportunities to Springboard staff through the American University in Cairo (AUC), which trains our educators in multigrade classroom management and instructional technology.

A large percentage of students in Springboard schools graduate, and some of those students have continued their education through university and postgraduate programs. Springboard is a hallmark of the company's community well-being pillar, addressing the needs of underserved and vulnerable populations through advancement and opportunity.





Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability 41

# Our Approach to Social Investment and Community Engagement

## Environmental stewardship

### SDG 15 — Life on Land

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 through reforestation and environmental education, including through our award-winning **Apache Corporation Tree Grant Program**, established in 2005.

Through our program, we distribute trees to a wide variety of nonprofit organizations and government agencies across the U.S., including cities, counties, schools, state and local parks, universities, youth associations, wildlife refuges and community groups. In 2023, we expanded the program to Scotland.

### CONSERVATION INITIATIVES

We are active in conservation efforts, including in the wetlands of the Louisiana Gulf Coast, in the green meadows and blue seas of Scotland, in the Pecos Watershed, in the desert of the Permian Basin and in the high plains of Wyoming.

Through the Pecos Watershed Conservation Initiative, we work closely with 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 addition, through a multiyear partnership with the Borderlands Research Institute (BRI) at Sul Ross State University in Alpine, Texas, researchers at BRI and Texas Native Seeds will investigate methods to improve habitat restoration efforts in the Permian Basin, with the goal of publishing best practices in reclamation, backed by science, to be shared with other Permian operators.

## Access to energy

### SDG 7 — Affordable and Clean Energy

Access to reliable energy is critical to societal progress. We strive to identify opportunities to partner with various organizations and global communities, to develop educational resources and collaborative conversations that address today's energy challenges.

# 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.

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, to help expand our local supply base. Welding services, workover and plugging-and-abandonment rigs, water hauling, roustabout crews, construction crews, civil project installation crews, decommissioning, pump repair and production equipment fabrication are some of the categories for which we use local suppliers. Sourcing and contracting locally makes economic sense for our company, supports local jobs and economic development, and engenders goodwill within the communities where we live and work.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability 42

# Local Economic Impact

## Supplier sustainability and inclusion

We believe that diversifying our supplier base enhances both our company's success and societal progress. To achieve this, we engage with and hire suppliers with unique backgrounds, skill sets, market positions and products. Our development strategy aims to contribute to the economic growth and stability of the areas we operate in. A diverse and sustainable supply base not only allows us to strengthen our market position but also positively impacts the communities in which we are active. When our suppliers thrive, their communities benefit as well.

Supplier engagement is a fundamental component of our sourcing, contracting and procurement processes. Our Global Supply Chain team makes decisions based on the best total value and acknowledges the advantages that a diverse pool of suppliers brings to creating a competitive and stable supply base and achieving our objectives.

# 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 what 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 operations begin. 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 facilitate 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.

Regular feedback, formal and informal, provides a foundation for mutually beneficial outcomes for our communities, our employees and our company. Our Corporate Communications and Public Affairs Department conducts internal Ambassador Program training sessions (see **p. 30**) for employees who regularly interact with community stakeholders, so they can develop strong communication and respectful engagement skills.

"We focus on developing *positive relationships* within our communities by treating those who live and work in them with *dignity* and *respect*."

## 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.

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 employees operate fleet vehicles safely on public roadways. (Read more about driving safety on **p. 36** in the Health and Safety section.) Noise and light 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 impacts 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 upward toward the night sky.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability **43**

# Understanding and Addressing Stakeholder Concerns

## 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 that we can document, address and work to resolve them. Moreover, we strive for continuous improvement, making sure we learn from every complaint to avoid similar issues across our operations.

### 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



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 during business hours. Outside of these hours, all incoming calls are transferred to our Remote Operations Center (ROC), which is staffed 24 hours a day in our Midland, Texas office. The AIM center also monitors security camera feeds from our properties around the world and catalogs any concerns that are flagged or called in. Security camera monitoring is also transferred to the ROC outside of AIM business hours.

We are one of a small number of independent oil and gas companies with 24-hour monitoring of calls 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 are thoroughly and individually investigated 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.

# 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.

Each December, we remind employees of International Human Rights Day and our commitment to human rights. This awareness campaign provides links to additional resources, statistics on human trafficking and labor trafficking warning signs. Additionally, 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 Conduct** (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.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **44**

# Human Rights

Our Global Supply Chain Department has developed a **Supplier Code of Conduct** to help ensure that our suppliers and contractors also meet our expectations related to human rights, 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 Service 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 our adopted Human Rights Principles, including the prevention of human trafficking.

Every employee receives instruction on how to raise concerns related to suspected human rights abuse. We also provide various channels to raise concerns, including our Corporate Compliance, HR and Legal departments, and our third-party managed **Ethics Line**, a 24-hour confidential and anonymous reporting tool. We require all office and field personnel to report any human rights concerns 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.

## 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 worked with Truckers Against Trafficking (TAT), which exists to educate, equip, empower and mobilize members of the trucking, bus and energy industries to combat human trafficking. Apache first established its relationship with TAT in 2015, recognizing the importance of empowering and educating front-line workers to recognize when human trafficking might be taking place. TAT creates and maintains robust online educational materials to help in identifying and reporting possible trafficking incidents.

We provide training and awareness messages to our employees on human trafficking, including statistics, warning signs and additional educational resources.
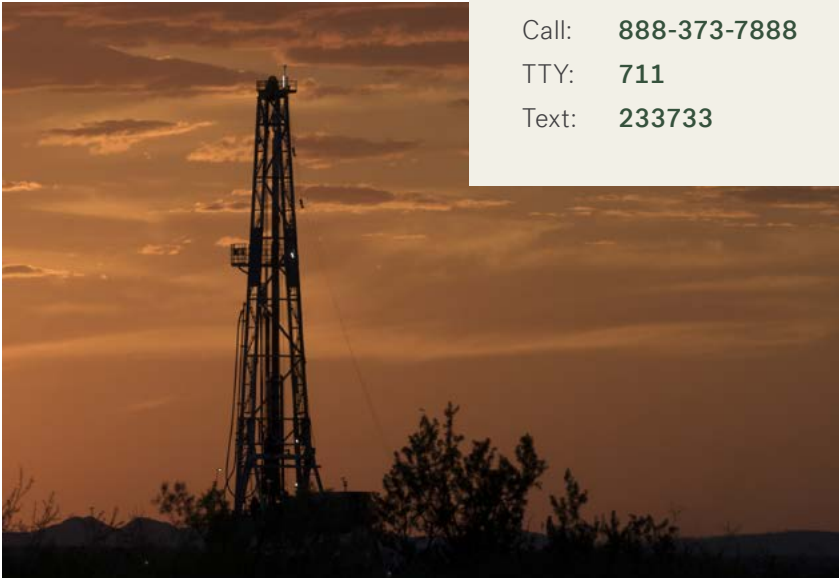
**NATIONAL HUMAN TRAFFICKING HOTLINE**

Call: **888-373-7888**

TTY: **711**

Text: **233733**

We also proactively provide employees, contractors and suppliers with resources that describe trafficking behaviors. In addition, we 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 prohibits employees and other representatives from engaging in any activity that supports, encourages or is linked to forced labor, modern slavery or human trafficking.

## Respecting Indigenous peoples

Building enduring relationships with the communities in which we operate is an integral part of our business. This commitment includes recognition of and respect for the Indigenous peoples who may live and work in these communities or have a strong connection to the land. Where applicable, we endeavor to incorporate Indigenous peoples' perspectives into project planning, design and execution. During the exploration and development phase of a project, we prioritize open communication by conducting community meetings and working directly with Indigenous groups.

Our board has reviewed and approved APA's Indigenous Peoples Principles as part of a regular review and monitoring of our Human Rights Principles. We will continue reviewing these principles regularly, including when entering new operating areas, and update them as necessary to meet the changing expectations of our global landscape. Screening for historical sites, including Indigenous sites, is part of APA's project planning and construction practices.

The Good Neighbor Line, our U.S. community grievance mechanism, and our Ethics Line are also available for Indigenous peoples to communicate concerns or issues.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **45**

# Governance

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.

Governance

# Corporate Governance

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.

## Board of directors

APA's chief executive officer (CEO) 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.

Our 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 U.S. Securities and Exchange Commission. Board members are selected based on a wide range of criteria, including relevant expertise; dedication to exemplary ethical, environmental, health and safety standards; and a willingness to question and challenge management.

Refreshing our board with new directors brings a variety of skills and perspectives to the board, including through financial, executive, analytical, cybersecurity, environmental, governance and international experience. These fresh perspectives continue to help the board fulfill its commitment to its oversight role and prudently manage our risks and strategies. Board members are subject to a mandatory retirement age of 75.

The board conducts a comprehensive board evaluation annually for every director, which includes in-depth conversations and personalized feedback. For the full board, our nonexecutive chair interviews each board member individually to solicit feedback on a wide range of performance-related matters. In turn, the chair of the Corporate Responsibility, Governance, and Nominating (CRG&N) Committee interviews each board member to solicit feedback on the nonexecutive chair's performance. Each committee also conducts a thorough annual self-evaluation in the committee's executive session. These evaluations are then shared with the full board during the board's executive session.

The board will continue to evaluate its membership and committee assignments in furtherance of APA's core value to seek top performance through continuous improvement.

## Board oversight

We know that driving performance and fostering a culture of continuous improvement starts at the top, which is why our board of directors is actively involved in sustainability issues. The full board regularly reviews company actions and seeks external perspectives on a range of sustainability issues, including environmental, health and safety (EHS) performance; climate-related risks and opportunities, greenhouse gas (GHG) emissions and water usage; human capital management and succession planning; and cybersecurity.

Board members engage directly with sustainability-focused shareholders to gain external perspectives on key sustainability issues. The board also invites external experts and advisers to present on current and future risks, as well as trends that could impact our company, our industry, or the broader business or geopolitical landscape.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.
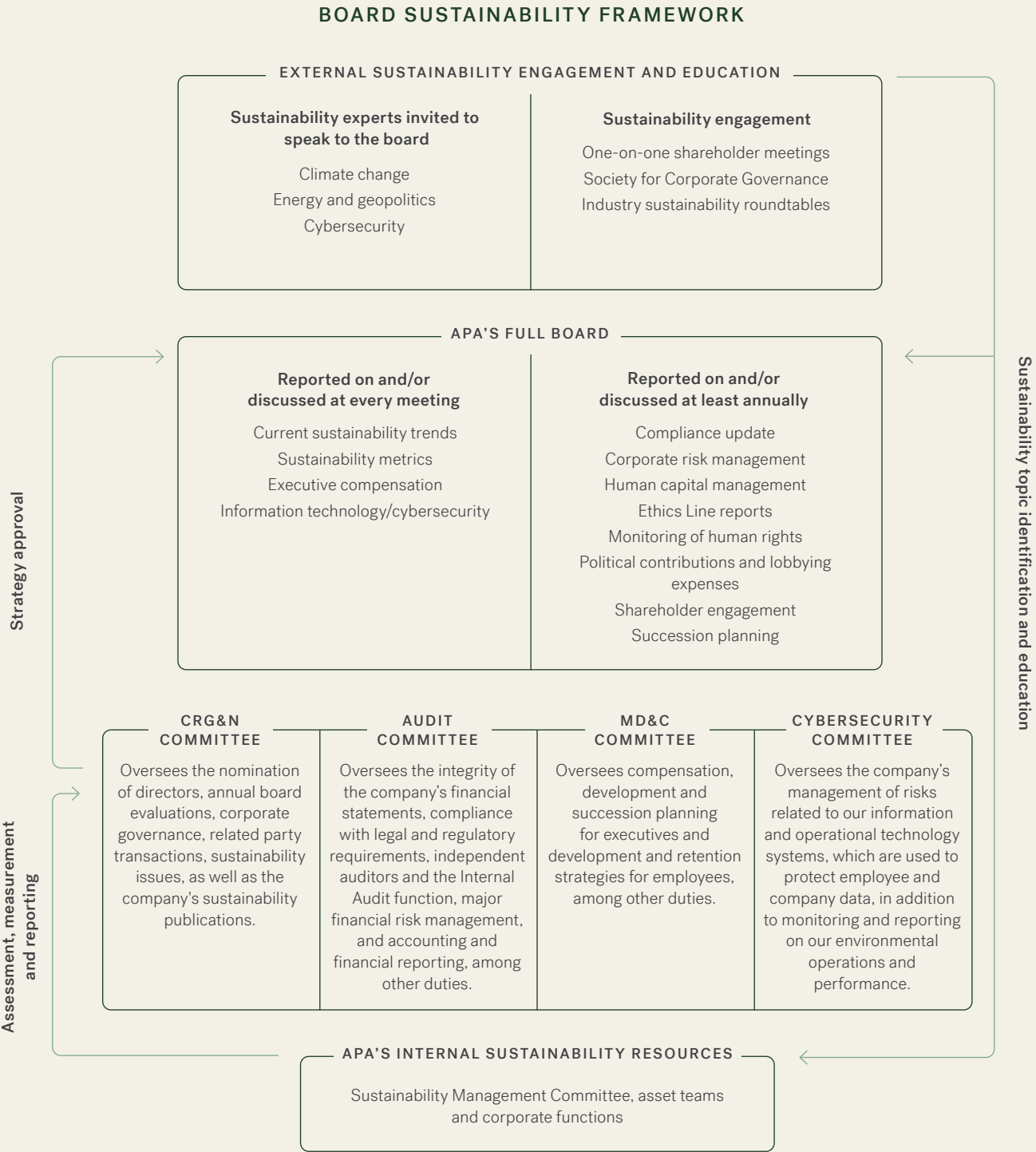
# Corporate Governance

## Board sustainability framework

Our board and senior management are directly engaged in assessing and managing risks, opportunities and performance on a wide range of sustainability topics, including climate change-related risks and opportunities. These matters are of such a strategic nature that the board retains direct oversight responsibility, with all four board committees providing additional oversight unique to their areas of focus — the CRG&N Committee; the Audit Committee; the Management Development and Compensation (MD&C) Committee; and the Cybersecurity Committee.

The CRG&N Committee oversees the company's efforts on sustainability issues. The committee's annual calendar includes designated meetings for in-depth discussions on various topics, including governance trends that impact the company and the energy industry, approval of political contributions and lobbying expenditures using company funds, monitoring of human rights and review of all sustainability publications. The Audit Committee reviews with management the guidelines and policies governing the process by which both management and the relevant departments assess and manage our exposure to risk. The MD&C Committee oversees succession management and development plans, executive compensation, human capital programs and evaluation and scoring of overall corporate performance metrics. The Cybersecurity Committee reviews risks related to our cybersecurity policies, procedures and plans, and also oversees the management of risks related to APA's privacy, network security, data security and compliance with applicable information security and data protection laws and industry standards.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

**BOARD SUSTAINABILITY FRAMEWORK**

**EXTERNAL SUSTAINABILITY ENGAGEMENT AND EDUCATION**

**Sustainability experts invited to speak to the board**

Climate change
Energy and geopolitics
Cybersecurity

**Sustainability engagement**

One-on-one shareholder meetings
Society for Corporate Governance
Industry sustainability roundtables

**APA'S FULL BOARD**

**Reported on and/or discussed at every meeting**

Current sustainability trends
Sustainability metrics
Executive compensation
Information technology/cybersecurity

**Reported on and/or discussed at least annually**

Compliance update
Corporate risk management
Human capital management
Ethics Line reports
Monitoring of human rights
Political contributions and lobbying expenses
Shareholder engagement
Succession planning

Strategy approval

Assessment, measurement and reporting

Sustainability topic identification and education

**CRG&N COMMITTEE**

Oversees the nomination of directors, annual board evaluations, corporate governance, related party transactions, sustainability issues, as well as the company's sustainability publications.

**AUDIT COMMITTEE**

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

**MD&C COMMITTEE**

Oversees compensation, development and succession planning for executives and development and retention strategies for employees, among other duties.

**CYBERSECURITY COMMITTEE**

Oversees the company's management of risks related to our information and operational technology systems, which are used to protect employee and company data, in addition to monitoring and reporting on our environmental operations and performance.

**APA'S INTERNAL SUSTAINABILITY RESOURCES**

Sustainability Management Committee, asset teams and corporate functions

# Cybersecurity

Cyberattacks use increasingly sophisticated methods and pose serious risks to our company's revenue, reputation, data integrity and our 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 Security team is staffed with experienced ex-military and law enforcement experts, and it recruits early career analysts from National Security Agency-designated Centers of Academic Excellence in Cyber Defense and Operations. They are on the front line every day, monitoring, identifying and responding to potential cyberattacks that threaten the company.

To help ensure the ongoing strength and effectiveness of our efforts, the standing Cybersecurity Committee of our company's board of directors meets at least once each fiscal year, or more frequently if circumstances dictate, to carry out the duties and responsibilities of the committee. The Cybersecurity Committee assists the board with the oversight of our cybersecurity policies, procedures, plans and the risks associated with them. The committee's responsibilities include providing oversight of the quality and effectiveness of APA's cybersecurity programs; reviewing policies and procedures to prepare for, defend against, recover from and respond to any material cybersecurity attacks; overseeing APA's management of risks related to its cybersecurity systems and processes; and overseeing the preparation of APA's disclosures in its reports filed with the Securities and Exchange Commission relating to our cybersecurity systems.

APA's CyberSmart employee security awareness and education initiative is 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. Additionally, our CyberSmart Defender Network is a multidisciplinary team that includes representatives from across various departments responsible for raising awareness of cybersecurity issues, sharing learnings and gaining access to advanced cybersecurity information and training.
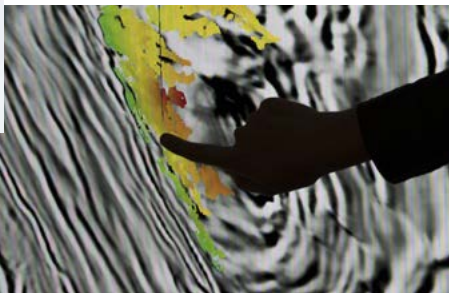
# Enterprise Risk Management

Employees throughout the organization are responsible for ongoing identification and management of operational and nonoperational risks. As part of these efforts, both operational and nonoperational risk owners formally review risk registers at least semiannually, including identifying and evaluating emerging risks, and update them as necessary.

These efforts are supported by our corporate Enterprise Risk Management (ERM) function. This function is overseen by the vice president of Assurance, who verifies 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 related risks are included in this process. Aspects of risk management, including updates to 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 enhance our ERM program and overall corporate risk posture, including enhancing processes related to risk identification, risk assessment and monitoring of remedial actions and their effectiveness. We evaluate our risks related to combating corruption and corporate compliance by periodically conducting and refreshing a compliance and ethics-specific risk assessment.





Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

# Internal Audit

Our Internal Audit group is an independent, objective assurance and consulting function designed to add value and improve the company's operations and processes.

The group applies a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, internal controls and business processes. The group reports to the board of directors' Audit Committee, providing the board with an independent assessment of the company's business practices and performance. Based on audit results, the Internal Audit group develops specific recommendations for continuous improvement.

Internal auditors assess departments and processes across the company. Audit projects are chosen based on a detailed risk assessment protocol. Examples of audits conducted include supply chain activities, various operational and financial functions, safety reporting, information technology systems and processes, and governance practices. Our Internal Audit group also verifies content and data in this publication and the annual **Sustainability Progress Report**. (See Assuring reported content, **p. 05**.)

In addition to conducting our own 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. 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 advance our purpose, vision, values and culture. The compliance and ethics team helps our people to drive value through integrity, responsible conduct and compliance with applicable laws, rules and regulations.

Through guidance and education, oversight, enforcement and reporting, the compliance and ethics program provides an ethical foundation enabling us to accomplish our vision, create value and make a difference for our stakeholders. The director of Corporate Compliance seeks to ensure that the company has a well-defined and understandable compliance program designed to prevent and detect misconduct. Our program, including our **Code of Conduct** (Code), available in English, Arabic, Dutch and Spanish, is communicated utilizing various channels reaching our employees and stakeholders across the globe, and we tailor our communications and training to include real-world and relevant on-the-job scenarios. Our Internal Audit department provides valuable periodic testing and review of our compliance program, reinforcing its efficiency, effectiveness and enabling program enhancement.

Our Code sets the framework for our **core values**, standards and expectations, and our commitment to compliance and ethics. We believe that each of us has a duty to uphold integrity and respect in every decision we make, every day. These expectations apply to every employee and include, but are not limited to, the areas of equal employment opportunity and nondiscrimination, anti-harassment, safeguarding our assets and financial integrity, safety and security, conflicts of interest, data privacy, political contributions and lobbying, and combating corruption. Our Code extends to our directors, officers, employees, affiliates and representatives. Our board of directors annually reviews the Code and recommends revisions where necessary or appropriate.

We are committed to conducting our business fairly and ethically. Doing this requires that every director, officer, employee and contractor act with integrity and speak up if they have concerns about unethical behavior.

Our compliance program emphasizes every employee's duty to report unethical behavior and suspected violations of law or company policy, and we provide various ways to raise concerns or ask questions, including to people leaders, Human Resources, Corporate Compliance, or the Legal department. We also have the **Ethics Line**, a 24-hour-a-day reporting channel available to employees and external stakeholders to raise a concern or ask a question, confidentially and anonymously.



Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **51**

# Compliance and Ethics

Our Ethics Line is hosted by Navex, an industry leader in risk and compliance solutions. We take violations of our Code seriously. 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 Corporate Compliance, with assistance as necessary from other functions throughout the organization. Additionally, our Code, our policies — such as the company's Voice Your Concern policy — and our training reinforce our firm commitment to prohibiting retaliation and outline our investigation and enforcement process. When suspected unethical behavior is reported, we strive to:

– Maintain confidentiality and protect the privacy of all parties concerned, to the extent possible, while we look into the allegation.

– Take appropriate corrective actions to address unethical behavior.

– If necessary, disclose the results of investigations to law enforcement agencies.

### USER REPORTING OPTIONS

Whether choosing to call or report online, the user is prompted to choose from one of the following five categories when starting a complaint.

– employee relations and workplace disputes and misconduct

– protecting health, safety and the environment

– business and financial integrity

– community engagement

– other

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**.

Our compliance training supports and educates all our employees, both full-time and part-time. We provide employees with annual Code training, available in four languages. We complement our program and training with easy-to-absorb, accessible information on our dedicated intranet site, including FAQs, news and updates, and helpful guidance on key compliance topics. We continue to partner with a third-party training provider to deliver this dynamic computer-based training, allowing us to provide our employees with a learning experience that is active, relevant and engaging. These interactive trainings include real-world scenarios and quizzes, so that our employees can demonstrate their knowledge.

Each year, we update and enhance the training content to build on our audience's knowledge and to capture trending and newsworthy topics. Our training works seamlessly with the company's learning and development system and notification process for all employees. Most of our computer-based training is offered to employees in English, Arabic, Dutch and Spanish. Each year, we refresh our annual Code training, designed to provide our employees an engaging training experience and reduce training fatigue.

All employees participate in Code, Anti-Corruption and Conflicts of Interest training campaigns. Our board of directors also receives this compliance training. The training reinforces our expectations and refreshes employees' knowledge of our values, compliance programs and their responsibility to report concerns. Each employee also certifies that they have read the Code or policy and understand our commitment to acting ethically.

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 APA.

### CONTACT OUR ETHICS LINE

VISIT: **www.apacorp.com/ethicsline**

CALL:

Egypt.................................015-01718343

Suriname..........................844-787-0247

Trinidad & Tobago.............844-568-4485

U.K. & Northern Ireland....0800-031-8529

U.S. ...................................844-787-0247

Uruguay............................000405-4250

If calling from outside the U.S., you may use the telephone numbers listed on the **website**.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION  |  Our Approach to Sustainability  **52**

# Compliance and Ethics

## Combating corruption

We do not tolerate corruption in any form, and we are committed to combating it. Our success is based on our values, never on unethical or illegal behavior. Our integrity is not for sale and will not be bought.

We understand that corruption comes in many forms, so we provide our employees with company-specific **guidance** to help avoid corruption and navigate common situations where corruption may occur. This includes guidance on the definition of a bribe and examples of "something of value." Our internal guidance helps our employees — particularly those who manage risky transactions or relationships, including with governments or 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 and must certify that they have read and understand our policies and procedures related to anti-corruption laws, including the U.S. Foreign and Corrupt Practices Act, the U.K. Bribery 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 dedicated sections for gifts and entertainment, conflicts of interest, and news and updates.

# Public Policy and Political Disclosures

The natural gas and oil industry is highly regulated on both the national and international level, and our operations are affected by local, state and federal policy.

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; the Federal Elections Commission; 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. 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 Governance Documents **webpage**.

## 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 of directors, 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.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability 53

# Public Policy and Political Disclosures

## 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.

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 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 considering the concerns of other stakeholders and interested parties, including employees, customers, suppliers, government officials and the public at large. (See APA Stakeholders' Most Significant Issues on **p. 06** and **pp. 43-44** 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 sustainability issues.

Our shareholder engagement starts at the top. Our independent board chair, chair of the MD&C Committee, and select other board members, together with senior management, engage with shareholders during regular spring and fall engagement campaigns. Board members can also be contacted at any time during the year through our corporate secretary, who relays communications to them as appropriate.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability    **54**

# Engagement

Based on direct feedback from our stakeholders, we have steadily enhanced APA's governance and compensation framework to align with corporate best practices. Specific examples of improvements we have made include the following:

– Publishing greenhouse gas (GHG) emissions targets directly linked to the long-term compensation of our executives and employees.

– Expanding our short-term compensation goals to include emissions reduction initiatives focused on the removal of pneumatic devices from our U.S. onshore-operated assets and expanding our long-term compensation goals to include reductions in our GHG intensity.

– Establishing a dedicated Cybersecurity Committee to oversee risks related to our information technology systems, which are used to protect employee and company data, in addition to monitoring and reporting on our environmental operations and performance.

– Dedicating resources to enhance compliance, safety and nondiscrimination training; expanding skills development opportunities; and improving the health, wellness, education and diversity of our workforce.

– Maintaining board oversight of adherence to our Human Rights Principles, sustainability strategy, environmental performance, health and safety performance, political contributions, climate change and transition risks, risk management and cybersecurity.

– Expanding and improving our annual proxy statement to include:

  – additional detail about how we set performance targets,

  – additional disclosure regarding the determination of our compensation peer group, and

  – an explanation of our pay practices and their alignment with strategic goals, including sustainability topics.

– Appointing an independent board chair.

– Refreshing and expanding the experience of our board members.

– Launching a revised 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 ethics line we maintain, through which any person may report, anonymously if they so choose, suspected violations of law or APA policies.

In addition to attending numerous investor conferences, the executive team regularly visits shareholders in their offices, convenes 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.

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability | **55**

# Engagement

## STAKEHOLDER ENGAGEMENT OVERVIEW

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

| STAKEHOLDER GROUP | ENGAGEMENT METHODS | READ MORE IN THIS REPORT |
|---|---|---|
| Investors | – Annual shareholder meeting<br>– Investor days and conferences<br>– Sustainability-focused investor meetings<br>– Governance conferences<br>– Ongoing one-on-one investor discussions | Board Oversight, **p. 48**<br>Shareholder Engagement, **p. 54** |
| Employees | – Ongoing employee training<br>– Quarterly employee town halls<br>– Regular leadership communications<br>– Employee feedback surveys<br>– Regular employee resource group offerings<br>– Online employee appreciation program<br>– Safety culture survey | Learning and Development, **p. 28**<br>Employee Engagement, **p. 30**<br>Ambassador Program, **p. 30**<br>Safety Culture Survey, **p. 35** |
| Landowners and mineral owners | – Ongoing engagement via our Land Department<br>– Community grievance line and resolution process | Understanding and Addressing Stakeholder Concerns, **p. 43** |
| Local communities | – Local community outreach and philanthropy<br>– Community grievance line and resolution process<br>– Community meetings<br>– Local job fairs and other recruitment efforts | Employee Recruitment, **p. 27**<br>Our Approach to Social Investment and Community Engagement, **pp. 40-44**<br>Addressing Community Concerns, **p. 44** |

| STAKEHOLDER GROUP | ENGAGEMENT METHODS | READ MORE IN THIS REPORT |
|---|---|---|
| Suppliers and contractors | – Contractor vetting process<br>– Ongoing contractor assessments<br>– Contractor engagement meetings<br>– Sustainable supplier sourcing | Contractor Safety Management, **pp. 36-37**<br>Supplier Sustainability and Inclusion, **p. 43**<br>Supplier Engagement **website** |
| Regulators and government entities | – Supporting regulatory development as relevant to our business<br>– In collaboration with trade associations | Trade Associations, **p. 54** |
| Nongovernmental organizations and academics | – Research support and funding | Downhole Water Disposal and Induced Seismicity, **p. 18**<br>Closing End-of-Service Well Pads, **p. 23**<br>Stakeholder Engagement, **p. 54** |
| Local media | – Regular contact with and response to local television stations, newspapers and radio stations | |

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APA CORPORATION | Our Approach to Sustainability  **56**

# Governance Documents

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

⊙ **APA's Audit Committee Charter**

⊙ **APA's Code of Conduct**

⊙ **APA's Corporate Governance Principles**

⊙ **APA's Corporate Responsibility, Governance, and Nominating Committee Charter**

⊙ **APA's Cybersecurity 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 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 Disclosures Policy**

⊙ **APA's Raising Accounting Issues Procedure**

⊙ **APA's Statement on Indigenous Peoples**

⊙ **APA's Supplier Code of Conduct**

Please refer to the annual **Sustainability Progress Report** for yearly highlights and key performance data.

APA CORPORATION | Our Approach to Sustainability **57**

## 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. All statements other than statements of historical facts, including statements regarding our sustainability and business strategies, plans, initiatives, policies, programs, goals, targets, commitments and objectives and the anticipated achievement, implementation, timing or benefits, if any, of any goals, targets, commitments or objectives or of any new projects and technologies, 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," "goal," "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. Our actual future results, including the achievement of goals, targets or commitments, could differ materially from our expectations due to 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 risk factors, forward-looking statements disclaimer, and other challenges and uncertainties described in the company's annual and quarterly reports filed with the Securities and Exchange Commission (SEC), as well as, with respect to our sustainability strategy, management and performance, the assumptions, risks, uncertainties, and factors identified in this report and in our other public 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 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, regulation, executive orders, rulemaking and changes in policy or the interpretation or application of the foregoing; (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 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, diplomatic, inflationary, tax, trade, market and climate conditions on the goals, initiatives, and programs described in this report. We urge you to consider all 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 this report are made as of the effective date identified herein, unless otherwise indicated, and, except as required by law, we undertake no obligation to update or revise these forward-looking statements, whether based on changes in internal estimates or expectations, new information, future developments or otherwise.



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APA CORPORATION | Our Approach to Sustainability **58**

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