APA
Corporation

2021
Sustainability Report

Welcome to APA Corporation's
2021 Sustainability Report

This report includes a comprehensive view of our approach to, and progress on, sustainability initiatives. We have organized this year's report with an eye toward capturing and summarizing key messages, with important new disclosures in the first 16 pages. Data included in this report covers the 2020 calendar year unless otherwise noted.

Contents

APA Corporation

OUR PURPOSE

Today, the world faces a dual challenge: To meet growing demand for energy and to do so in a cleaner, more sustainable way. We believe society can accomplish both, and we strive to meet those challenges while creating value for all our stakeholders.

OUR VISION

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

OUR CORE VALUES

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

About APA Corporation (APA)

APA Corporation's subsidiaries have exploration and production operations in the U.S., Egypt's Western Desert, the U.K.'s North Sea and exploration offshore Suriname and the Dominican Republic.

Since 1954, our team has been unified by our values, our culture and our commitment to building shareholder value, which empowers every employee to make decisions and achieve the company's 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, communities and the environment while continuously looking for more sustainable ways to operate.

In 2021, Apache Corporation transitioned to a holding company structure; as a result, APA Corporation was formed and became the public company traded on the Nasdaq stock exchange. APA acquired the Suriname and Dominican Republic subsidiaries from Apache Corporation, which in turn became a direct, wholly owned subsidiary of APA. The Apache Corporation subsidiary continues to hold assets in the U.S., subsidiaries in Egypt and the U.K., and economic interests in Altus Midstream Company and Altus Midstream LP.

COMPANY STRUCTURE
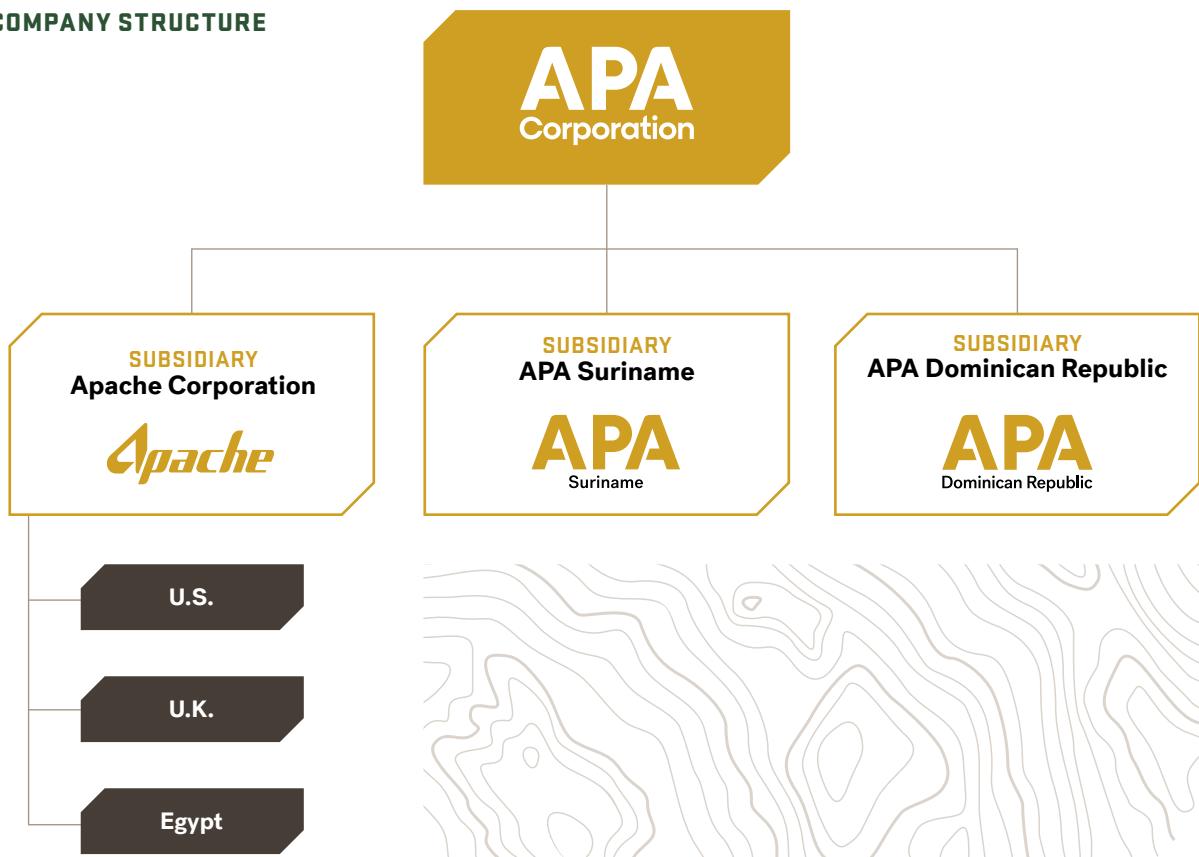
Our Operations

APA maintains a diversified asset portfolio, including conventional and unconventional, onshore and offshore, exploration and production interests.

In the U.S., our operations are primarily focused in the Permian Basin. We also have operations in East Texas, the Gulf of Mexico and along the Gulf Coast.

Internationally, we have conventional onshore assets in Egypt's Western Desert, offshore assets on the U.K.'s Continental Shelf, an offshore appraisal and exploration program in Suriname, and an offshore exploration block in the Dominican Republic.

In the third quarter of 2019, we initiated an organizational redesign that transitioned the company from a decentralized regional model to a centralized model organized around exploration, operations and development functions.

2020 FINANCIAL AND PRODUCTION HIGHLIGHTS

$**4.04** billion
Oil and gas revenues

291 Mbbls/d
Oil and natural gas liquids (NGL) production

893 MMcf/d
Natural gas production

874 MMboe
Proved reserves

	Oil & NGLs (Bbls/d)	Natural Gas (Mcf/d)	Proved Reserves (Mboe)	Gross Acres* (in thousands)
U.S.	162,385	561,731	586,402	4,882
Egypt	76,138	274,175	178,319	5,153
U.K.	52,322	57,464	108,962	516
Other International	0	0	0	2,308

* Developed and undeveloped

Key

Mcf/d:	thousand cubic feet a day
MMcf/d:	million cubic feet a day
Bbls/d:	barrels a day

Mbbls/d:	thousand barrels a day
Mboe:	thousand barrels of oil equivalent
MMboe:	million barrels of oil equivalent

Altus Midstream

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

Altus owns substantially all of the gas gathering and processing assets servicing production from the Alpine High play in the Delaware Basin, and owns equity interests in four Permian-to-Gulf Coast pipelines, providing the company with fully integrated, wellhead-to-Texas Gulf Coast processing connectivity. Altus invested in and operates upgraded, resilient, large-scale infrastructure capable of processing and delivering natural gas to market (U.N. Sustainable Development Goal No. 9).

Apache owns approximately 79% of Altus and oversees management of the company. In managing Altus, we are committed to protecting the health and safety of our workers, communities and the environment.

Altus's diverse mix of assets enabled the company to deliver strong performance in a challenging year. Read more on the Altus website at **altusmidstream.com**.

2020 PERFECT SAFETY AWARD RECIPIENT

In 2020, for the second year in a row, Altus Midstream received the GPA Midstream Association Perfect Record Award. The award recognizes midstream industry companies with outstanding safety performance and is presented to those with no lost-time accidents from January 1 through December 31.

Established in 1921, GPA Midstream Association is an incorporated nonprofit trade organization that serves the midstream sector of the energy industry. GPA Midstream has more than 80 corporate members.

Letter from the CEO

APA Stakeholders,

I am pleased to share APA Corporation's 2021 Sustainability Report, which describes our recent efforts and progress on Environmental, Social and Governance (ESG) issues. While the COVID-19 pandemic and associated market dynamics dramatically impacted our business in 2020, we remained focused on our ESG goals and performance and successfully managed the challenges to become a stronger and more resilient company.

The pandemic continues to affect how the world operates and has reminded us of the importance of affordable, reliable energy — it enables greater access to modern medical facilities, food supplies, clean water, sanitation, shelter, communication, schools and economic development. In fact, achieving most of the United Nations Sustainable Development Goals will require access to affordable, reliable energy.

At APA, we are working to help provide the energy to drive economies forward and create opportunities to elevate people to higher standards of living across the globe.

Looking to future energy needs, the International Energy Agency projects that natural gas and oil will continue to play a substantial role in the worldwide energy mix for decades to come. Hydrocarbons will also play a key role in helping to meet our collective carbon dioxide (CO_2) reduction ambitions. Just as the U.S. has used natural gas to reduce its energy-related CO_2 emissions to the lowest levels in a generation, growing economies such as China and India also have an opportunity to dramatically reduce their emissions through coal to natural gas fuel switching.

As APA works to help address the global challenges of providing energy and reducing emissions, we are committed to producing those resources safely and responsibly. In 2020, we organized our ESG efforts around three areas where we believe we can have the greatest direct impact: air, water and communities+people. We also strengthened the connection between our performance

on ESG and compensation by increasing ESG-related goals to account for 20% of every employee's annual incentive pay calculation, a practice we continued in 2021.

In 2020, we made progress across all three areas. Our programs to reduce air emissions are showing significant results. Over the last five years, we have reduced flaring emissions by 27%, reduced Scope 1 emissions by 16%, and reduced Scope 2 emissions by 55%. We are using best practices to safeguard water quality and minimize our use of fresh water by reusing produced water or sourcing alternatives. Since 2016, 84% of all the water we have used for global production operations has been recycled or reused, and in 2020, 91% of the water used for hydraulic fracturing in our U.S. operations was nonfresh or recycled produced water.

The COVID-19 pandemic was especially challenging for our communities and people. I am impressed by and thankful for our team, who maintained business continuity and employee safety with remote work and new operational protocols. Further, in every region where we operate, we consulted with community leaders and provided assistance to help ease the public health burden and disruptions to daily life. For example, we donated more than 500,000 Personal Protective Equipment kits to hospitals, health care units, quarantine centers and first responders around the globe. In Suriname, we partnered with Staatsolie, the state-owned energy company, to establish an intensive-care unit in Paramaribo. We also made progress on furthering our diversity and inclusion efforts by expanding our training programs and creating and supporting several Employee Resource Groups to advance inclusion and employee connections across our company.

Our 2021 goals build on the success of 2020, and we continue to make great progress. For example, we recently announced the early achievement of one of our key 2021 environmental goals: eliminating routine flaring in the U.S. onshore. Our efforts to eliminate routine flaring have also helped drive down our flaring intensity onshore in the U.S., which is tracking well below our goal of less than 1% for the year.

We are confident we can make a difference and are channeling our energies and resources to areas of air, water and communities+people where we can achieve both immediate and long-term positive results. I am proud of the progress we have to share with you in the pages ahead and invite you to reach out to us with questions or to discuss areas in greater detail.

We greatly value the role we play in providing affordable, reliable energy to improve life around the world, and we will continue to do so in more sustainable ways.

John J. Christmann IV
Chief Executive Officer and President

Reliable, Affordable Energy: Vital for Global Progress

According to the International Energy Agency (IEA), access to modern energy is "crucial to human well-being and to a country's economic development."[1] With access to energy comes better health, education, and business and employment opportunities.

The challenge is how to provide that vital energy to the world while reducing the environmental impact of all energy sources. At APA Corporation (APA), we strive to meet this challenge head on by producing oil and natural gas people need to thrive, and to do so in a cleaner, more sustainable way.

BETTER LIFE FOR BILLIONS OF PEOPLE

The benefits of a reliable, accessible and affordable energy supply are clear. Across the world, quality of life and the human condition have been improving for generations, with dramatic gains in key indicators corresponding to the significant ramp-up in global energy use in the mid-20th century.

Those improvements have been enabled in large part by the expanding availability of energy for food supplies, clean water, medicine, health care, education and transportation — energy provided predominantly by fossil fuels over that time period, and more recently driven by the increasing use of natural gas and oil.

For example, globally through 2019, life expectancy increased 38% from 1960,[2] and literacy improved 29% from 1976.[3] Further, the mortality rates for children ages 5 and younger have fallen below 0.5% in "more developed regions" and, comparing the five-year period in 1950-1955 to that of 2015-2020, have dropped from 21% to 4% worldwide.[4] Underpinning those advances, energy has enabled significant productivity gains, with world gross domestic product (GDP) per capita rising by more than 183% from 1960 to 2020.[5]

Global Literacy Rate and Life Expectancy

Literacy Rate (Percentage): 66.9%, 86.5%
Life Expectancy (Age): 52.6, 72.7
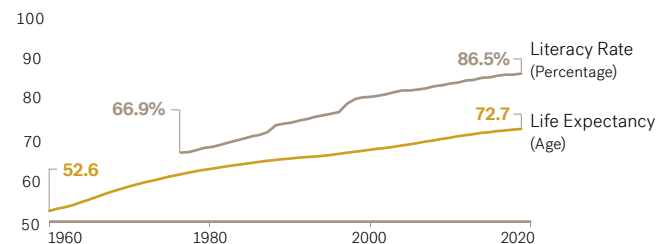
Source: Riley (2005), Clio Infra (2015), and United Nations Population Division (2019) and The World Bank, UNESCO Institute for Statistics

Global Child Mortality Rate

Deaths under age five per 1,000 live births
● More developed regions
● Less developed regions
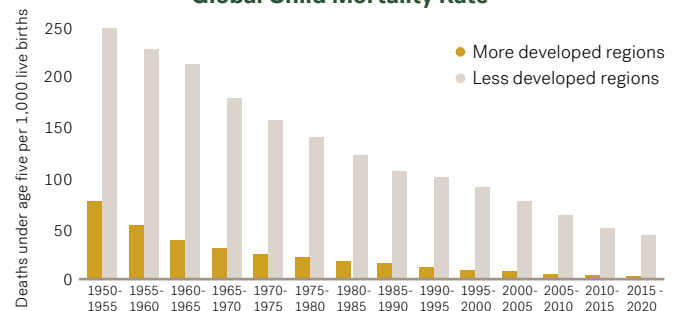
Source: United Nations, Department of Economic and Social Affairs, Population Division (2019) and World Population Prospects 2019, custom data acquired via website

Global GDP per Capita

Constant 2010 U.S. dollars

Percent change **+183%**
(1960-2020)
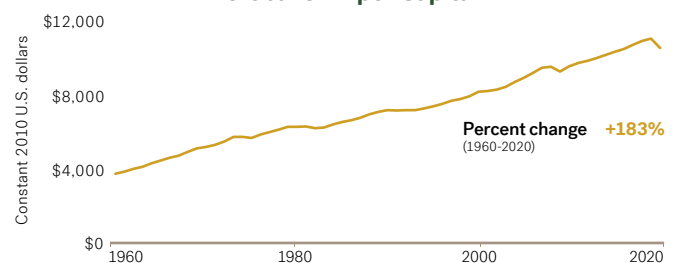
Source: World Bank national accounts data, and OECD national accounts data files

Global Direct Primary Energy Consumption

All energy per person, Terawatt hours

Modern biofuels, Other renewables, Solar, Wind, Hydro, Nuclear, Gas, Oil, Coal, Traditional biomass
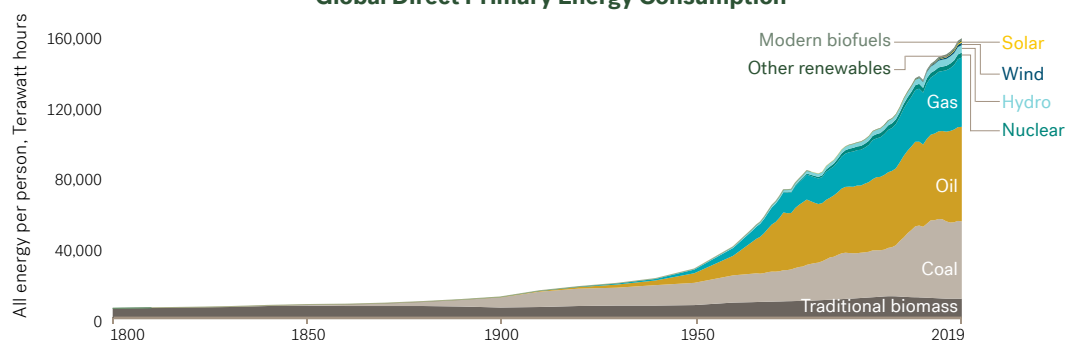
Source: Our World In Data, Global Fossil Fuel Consumption

Photos by Switch Energy Alliance

AFFORDABLE, RELIABLE NATURAL GAS AND OIL

Natural gas and oil produced by APA and others will continue to play a critical role in furthering those gains in the standard of living for many years to come. The IEA's 2020 Stated Policies Scenario (STEPS) and Sustainable Development Scenario (SDS) forecast that about half of the world's energy will come from natural gas and oil in 2040.

The reliability of natural gas and oil resources make them critical across the economy and necessary to enable the mining for and the development and production of other energy systems, including solar panels, wind turbines, battery-storage systems and the transmission lines needed to bring that electricity to market. Natural gas will also continue to serve as fuel for quick-start power plants to cover downtime and facilitate the growth of intermittent renewables.

U.S. Household Expenditures by Category

Index (2008=100)

Percent change (2008-2019)

Health care **+74.5%**

Education **+38.0%**

Food **+26.8%**

Household energy **-14.5%**

Source: Bureau of Labor Statistics; Bureau of Economic Analysis

Similarly, the wide availability and affordability of natural gas and oil products make them important to economy-wide growth and to personal pocketbooks. Across all U.S. households, the lower cost of energy, driven by technological advancements during the shale revolution, helped families cope wit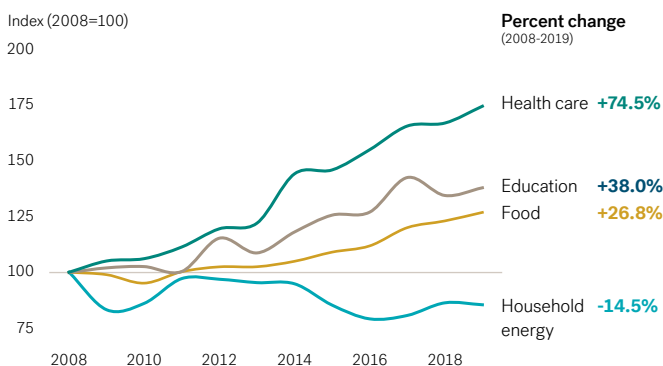h increasing costs for other basic needs. From 2008 to 2019, U.S. household energy costs dropped 14.5%, while expenditures for food, education and health care have increased 26.8%, 38%, and 74.5% respectively.[6]

ENERGY POVERTY: ENERGY MEANS OPPORTUNITY

Despite the many gains of the last century as access to energy has elevated the quality of life for billions of people, stark challenges remain. More than 700 million people around the world did not have access to electricity in 2019, a number that likely grew in 2020 as an estimated 30 million people could no longer afford electricity during the economic downturn created by the pandemic.[7,8] In many parts of the developing world, even when a household has electricity, it is often intermittent and unreliable, making tasks like refrigerating food or medicine difficult.[9] Lack of clean cooking fuels is much more widespread, affecting one-third of the world's population[10] and creating significant indoor air quality and health issues. These fumes are linked to 2.5 million premature deaths annually. And the burden to find cooking fuel sources often falls to women and children — having a greater impact not only on their health but on the ability to pursue education and work outside the home.[11]

Even in developed countries, access to affordable, reliable energy remains a concern for significant portions of the population — a challenge exacerbated by the COVID-19 pandemic. In a May 2020 survey of U.S. households at or below the poverty line, 22% of respondents said they had to reduce or go without basic necessities like food or medicine in order to pay their energy bills, while 13% acknowledged they could not pay their energy bill in April 2020.[12]

MEETING GLOBAL DEMAND WITH RESPONSIBLY PRODUCED ENERGY

The U.S. is a case study for how natural gas and oil can lower emissions while expanding energy access. Key air pollutant emissions have fallen even as GDP, population and energy consumption have grown. According to the U.S. Environmental Protection Agency (EPA), "between 1970 and 2019, the total combined emissions of the six common pollutants ($PM_{2.5}$ and PM_{10}, SO_2, NOx, VOCs, CO and Pb) dropped by 77%,"[13] while energy consumption increased by 48% over the same period.[14]

U.S. Economic Growth and Reduced Emissions
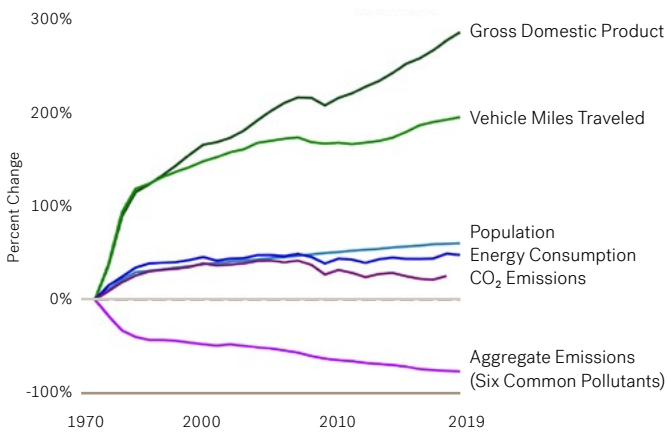
Source: EPA, Air Trends Report, 2019

As of 2019, U.S. energy-related carbon dioxide (CO_2) emissions had also dropped to the lowest levels in a generation, primarily due to the increased use of natural gas.[15] The fuel is also ideally suited to play a substantial role in reducing CO_2 emissions in the power sector in India and China. Specifically, APA and its peers can produce clean natural gas in the U.S. and deliver it as liquefied natural gas (LNG) to Asian markets for consumption. This is underscored by the Energy Information Agency's **2021 Annual Energy Outlook Reference Case**, in which U.S. LNG exports grow substantially through 2030 to meet international demand.[16] In the U.S., as in much of the world, the energy system has shifted from one dominated by wood and coal to our present mixture of natural gas, oil, coal, nuclear, hydro, wind, solar and other sources.[17] As the global energy mix continues to evolve, the energy industry is working to reduce the environmental impact of all sources. At APA, we work with industry partners to advance progress on these challenges through organizations such as The Environmental Partnership, ONE Future Coalition and the Texas Methane and Flaring Coalition.

It's clear that natural gas and oil will be a part of the global energy mix for many years to come. Our team of smart, innovative engineers, scientists and other professionals is determined to make a positive difference by providing these essential resources in cleaner, more sustainable ways. We will continue to minimize emissions, conserve water and protect habitats while safely producing energy to elevate people and families around the world.

Environmental, Social and Governance (ESG) Oversight

BOARD OVERSIGHT OF ESG

We know that culture — and performance — start at the top, so our Board of Directors is actively involved in ESG issues. The Board regularly reviews management reports and welcomes external perspectives on a range of sustainability issues, including environmental, health and safety performance; greenhouse gas (GHG) emissions and water usage; succession planning; diversity and inclusion; and cybersecurity. To foster continuous ESG engagement and education, our Board members routinely pursue opportunities to remain well-informed on recent developments. Although most in-person conferences and meetings have been postponed or cancelled, our Board participates in virtual conferences and ESG webinars available online when practicable. The Board also invites external experts on ESG issues to provide ongoing education and fresh insights.

Our Board members, including our CEO, also engage directly with ESG-focused shareholders to gain external perspectives on key ESG issues. They have also attended and spoken at major ESG conferences, enabling further in-person discussion of these issues.

BOARD ESG FRAMEWORK

APA's Board has three standing committees, each devoted to a separate aspect of risk oversight — the Corporate Responsibility, Governance & Nominating (CRG&N) Committee; the Audit Committee; and the Management Development & Compensation (MD&C) Committee. The CRG&N Committee oversees the company's efforts on ESG issues. This committee's annual calendar includes designated meetings for more in-depth discussion on various ESG topics, including human rights, governance matters that impact the company and the energy industry, and this report. The Audit Committee regularly reviews matters related to cybersecurity. The MD&C Committee oversees succession planning, executive compensation and diversity and inclusion.

PRIORITIZING AND MANAGING ESG INITIATIVES

APA has committed considerable time, energy and capital to lessen its impact on the environment and to manage the evolving opportunities and risks associated with climate change.

ESG Management Committee

In early 2020, we created a dedicated, cross-functional team to drive and elevate ESG strategies and initiatives across the organization. This committee, consisting of five corporate officers, was created to evaluate the ESG trends and develop a strategic framework to assist the company in focusing on its most impactful ESG processes and outcomes.

This team meets regularly to discuss ESG trends, develop tangible, target-based goals and resource recommendations, review progress and make adjustments where necessary.

ESG STAKEHOLDER ENGAGEMENT

To better understand external perspectives and concerns, members of APA's Board, executive team and ESG Management Committee regularly engage with shareholders, government agencies and regulators, nongovernmental organizations and other stakeholders on a variety of ESG issues, including GHG emissions, climate change-related risks, corporate governance and human capital management.

ESG Engagement

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

- As You Sow
- The Aspen Institute
- Ceres
- Environmental Defense Fund (EDF)
- The Environmental Partnership
- Interfaith Center on Corporate Responsibility (ICCR)
- McDonald Observatory
- The Mitchell Foundation
- National Fish and Wildlife Foundation (NFWF)
- The Nature Conservancy
- ONE Future Coalition
- Sustainability Accounting Standards Board

BOARD ESG FRAMEWORK

EXTERNAL ESG ENGAGEMENT AND EDUCATION

ESG EXPERTS INVITED TO SPEAK TO THE BOARD

- Climate change
- Energy and geopolitics
- Cybersecurity

ESG ENGAGEMENT

- One-on-one shareholder meetings
- Women in Governance Lunch

- Governance Week
- Society for Corporate Governance
- Industry ESG Roundtables

APA'S FULL BOARD

Reported and/or discussed at every meeting:

- Current ESG trends
- Environmental, health and safety metrics
- Executive compensation
- Information Technology/Cybersecurity

Reported and/or discussed at least annually:

- Ethics Hotline reports
- Compliance update
- Corporate risk management
- Diversity and inclusion

- Monitoring of human rights
- Political contributions and lobbying expenses
- Shareholder engagement
- Succession planning

ASSESSMENT, MEASUREMENT AND REPORTING

ESG TOPIC IDENTIFICATION AND EDUCATION

CORPORATE RESPONSIBILITY, GOVERNANCE & NOMINATING COMMITTEE

Oversees the nomination of Directors, the annual Board evaluation process, corporate governance and ESG issues, as well as the Sustainability Report.

AUDIT COMMITTEE

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

MANAGEMENT DEVELOPMENT & COMPENSATION COMMITTEE

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

APA'S INTERNAL ESG RESOURCES

ASSET TEAMS, CORPORATE FUNCTIONS AND ESG MANAGEMENT COMMITTEE

Our Approach to ESG Matters

Our greatest contribution to society is providing affordable and accessible energy.

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

With assets and operations on four continents, we recognize the importance of being a global steward and community partner. We help meet the world's energy needs, which enables and empowers global progress and contributes directly and indirectly to many of the United Nations Sustainable Development Goals (U.N. SDGs), including reducing poverty, ensuring access to affordable and clean energy, and promoting sustainable economic growth. In 2020, we aligned 100% of our community giving (see pp. 66-67), with the U.N. SDGs to help us identify our greatest potential for positive impact. An SDG index in the Appendix demonstrates how our business further aligns with the U.N. SDGs (see pp. 113-114).

At APA, we prioritize actionable initiatives over long-term promises. Our emphasis is on generating timely and differential ESG outcomes. In this vein, we undertook an extensive materiality assessment this year to listen and learn from a cross section of our key stakeholders, as well as leading thinkers in the energy, environmental and social policy spaces. We have used this information to continue to enhance our ESG processes and initiatives (see p. 91).

We are engaging every level of the organization through a "wellhead-to-boardroom approach" which aligns our collective interests and incentivizes top performance. This alignment is underpinned by the fact that 20% of all employees' annual incentive compensation is linked directly to ESG-related goals, including safety performance.

ESG Pillars and Performance

We have identified three pillars through which we intend to concentrate our resources, focus our efforts, measure performance and maximize our positive impact. These pillars, consisting of Air, Water and Communities+People, serve as the foundation for our ESG strategy, initiatives and annual compensation-linked goals.

PROGRESS ACROSS OUR ESG PILLARS:

Air

↓27%
reduction in **flaring emissions** totaling 540,000 tonnes CO_2e since 2016.

↓16%
reduction in **Scope 1 emissions** totaling 1.16 million tonnes CO_2e since 2016.

↓55%
reduction in **Scope 2 emissions** totaling 610,000 tonnes CO_2e since 2016.

↓41%
reduction in **venting emissions** totaling 310,000 tonnes CO_2e since 2016.

4.8 million
trees have been donated since the launch of the Apache Tree Grant Program in 2005.

Achieved
our goal to **end routine flaring in U.S.** onshore operations by the end of 2021.

Water

91%
of the water used in our U.S. hydraulic fracturing operations in 2020 was **nonfresh** or **recycled** produced water.

84%
of the total water utilized for production operations since 2016 has been **recycled** or **reused**.

Established
a 2021 goal to reduce U.S. total operational water usage to comprise less than **20% fresh water**.

Communities+People

500,000+
personal protective equipment kits and equipment were donated to global hospitals, health care units, quarantine centers and first responders in 2020.

~15,000
girls in Egypt have learned to **read and write** in schools we have supported since 2004.

33%
of **U.S. employees self-identified as ethnic minorities**, up from 25% in 2016.

PRIMARY WORKFORCE SAFETY GOALS
● Below Target ● Met Target ● Above Target

0.83
Vehicle Incident Rate (VIR) of 0.83 per million miles driven in 2020.

0.48
Total Recordable Incident Rate (TRIR) of 0.48 per 200,000 hours worked in 2020.

0.23
Days Away, Restricted or Transferred (DART) rate of 0.23 per 200,000 hours worked in 2020.

ESG Goals

Our annual incentive compensation-linked goals comprise quantitative and qualitative operational, financial, health and safety, and other ESG objectives.

The goals are generally set at the beginning of the year by the Board's Management Development & Compensation (MD&C) Committee and recommended for approval in the February Board meeting.

2020 ESG GOALS

Despite the significant challenges presented by the global pandemic, in 2020 we performed well on our ESG and safety-related initiatives.

- Delivered all primary workforce safety goals at "met target or below target" in 2020.
- Directed 100% of our philanthropic dollars in support of causes that align with the United Nations Sustainable Development Goals.

- Enhanced and expanded compliance, safety, diversity and inclusion training programs. Implemented multiple initiatives focusing on improving the health, wellness, education and diversity of our workforce.
- Prioritized the enhancement of our systems and processes used to measure, manage and reduce GHG emissions, flaring and freshwater use. This facilitated the development of measurable and impactful environmental goals for 2021.

2021 ESG GOALS

In 2021, 20% of APA Corporation's management and employee incentive compensation is linked to ESG goals, including safety performance.

Our specific targets include:

- Reducing our Total Recordable Incident Rate (TRIR) and Severe Incidents and Fatalities (SIF) events.
- Eliminating U.S. onshore routine flaring by year-end 2021.
- Achieving U.S. onshore flaring intensity of less than 1%.
- Reducing U.S. total operational water usage to comprise less than 20% fresh water.
- Fostering a more inclusive culture where all employees can thrive, which includes:
  - Increasing participation in Employee Resource Groups
  - Deploying diversity and inclusion (D&I) training for all employees
  - Establishing a council to engage employees in D&I initiatives
  - Establishing a dashboard to monitor diversity trends within the organization

We continue to focus on quantitative GHG targets along with tangible projects for achieving those goals.

Aligning With TCFD

This year, we formalized our support for the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations.

We expanded our alignment with TCFD standards with the introduction of a Climate Statement and a fully aligned TCFD scenario analysis, which assists in assessing, planning and managing future challenges and opportunities.

OUR CLIMATE STATEMENT

Climate change is an important issue for our company and our stakeholders. We are committed to helping address the challenges of climate change, while also continuing to produce reliable, affordable energy to help meet the world's needs and drive global prosperity.

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

We work every day to reduce our environmental footprint, ensure the safety of our operations, and partner with our communities to create long-lasting value. We are focused on opportunities where we can have a meaningful impact on our key ESG focus areas of Air, Water and Communities+People. To pursue significant progress, we are setting and working to achieve targets that will reduce our environmental impact; for example, GHG intensity, methane intensity, freshwater usage, etc.

TCFD SCENARIO PLANNING FRAMEWORK

New in 2021, we undertook a scenario planning analysis in alignment with the TCFD reporting framework. While scenario and portfolio planning are part of our ongoing business planning and risk management processes, our expanded climate-focused scenario planning framework included forecasts of future demand and pricing in energy markets, as well as changes in government regulations and policy. We consider a range of pricing scenarios when forming our long-term investment and development plans, including scenarios in a carbon-constrained world, that assess the potential climate-related risks and opportunities influencing fossil fuel supply and demand.

Under all future pricing scenarios considered, the break-even prices referenced in each of APA's core areas of operations indicate the long-term potential for **positive returns generation**.
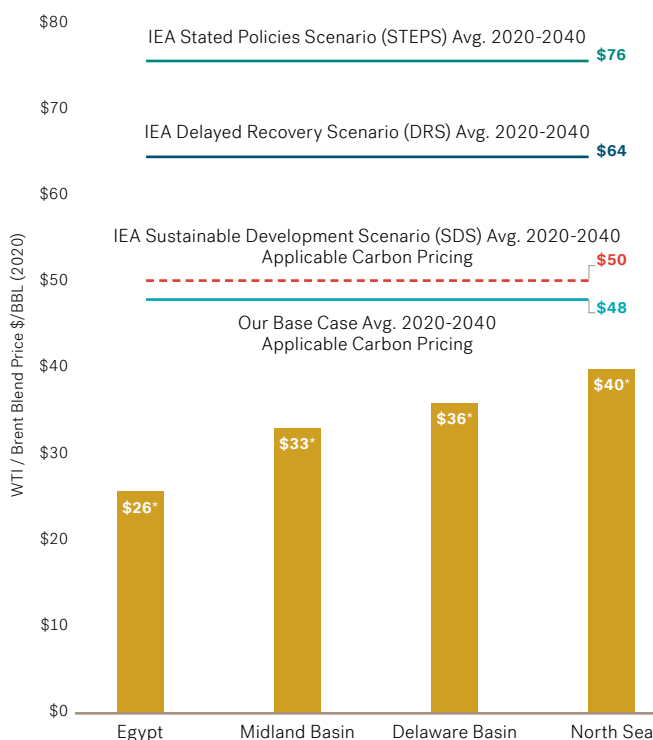
Our analysis includes the input of experts from several internal functional areas, for more rigorous, multidisciplinary planning scenarios. Given the dynamic nature of our business, we perform annual scenario analyses with five-year time horizons. However, we also appreciate the value of climate-related financial analysis with longer-term supply/demand, regulatory frameworks and pricing taken into consideration, as prescribed by TCFD. When analyzing longer-term TCFD scenarios, we rely on external analysis for demand scenarios, carbon pricing and comparison-pricing scenarios, which we compare to our internally prepared base-case pricing analysis averaged out to 2040.

For our scenario-planning pricing analysis, we identified three World Energy Outlook (WEO) scenarios from the International Energy Agency (IEA) most relevant to our business: the Stated Policies Scenario (STEPS), Delayed Recovery Scenario (DRS) and the Sustainable Development Scenario (SDS). The chart to the right illustrates these scenarios compared to our Base Case, including break-even pricing associated with each of our operating areas. These break-even prices have been normalized in 2020 U.S. dollars per barrel.

For additional information, please read our comprehensive TCFD-aligned analysis on pp. 99-105.

ASSET SCENARIO-PLANNING ASSESSMENT

WTI/ Brent Blend Equivalent Break-Even Price $/bbl (2020)

IEA Stated Policies Scenario (STEPS) Avg. 2020-2040 — $76
IEA Delayed Recovery Scenario (DRS) Avg. 2020-2040 — $64
IEA Sustainable Development Scenario (SDS) Avg. 2020-2040 Applicable Carbon Pricing — $50
Our Base Case Avg. 2020-2040 Applicable Carbon Pricing — $48

Egypt: $26*
Midland Basin: $33*
Delaware Basin: $36*
North Sea: $40*

(Y-axis: WTI / Brent Blend Price $/BBL (2020))

* Break-even pricing is from 2021 Wood Mackenzie reports for Apache's Egypt and North Sea fields. The UK North Sea sector includes the break-even Final Investment Decision (FID) estimate for brownfield development. The 2021 Enverus Haynesville Play Fundamentals report provided the Delaware and Midland Basins half-cycle average break-even estimates (for horizontal wells only).

Aligning With the Industry on ESG Reporting

Through collaboration with industry peers, investors and trade associations, much progress has been made in 2020 and 2021 to identify the ESG metrics most essential to oil and gas companies. As a result, the **American Exploration and Production Council** (AXPC) has developed a framework for disclosing the most important metrics, utilizing standardized calculations designed to improve reporting consistency and comparability amongst its members. We believe reporting in alignment with this framework will allow our stakeholders to compare relative ESG performance across our peer group, and to learn more about emerging trends within the upstream industry.

The 2020 U.S.-only data submitted to AXPC can be found on p. 106 in the Appendix of this report.

Air

Greenhouse gas (GHG) and methane emissions are important issues for our company. These emissions represent a change-related risk that could both shape and affect our business over time. We are committed to managing the risks that climate change presents, as discussed on pp. 15 and 18, by monitoring and reporting our emissions as well as setting goals to reduce emissions across our operations. These efforts form the basis of the Air pillar of our Environmental, Social and Governance (ESG) strategy (see p. 13). We are improving operational efficiencies and reducing methane emissions intensity with engineering best management practices. Further, we set a goal to end routine flaring in U.S. onshore operations by the end of 2021, achieving it three months ahead of schedule. With assets around the globe, we are also committed to supporting access to affordable and clean energy (U.N. Sustainable Development Goal No. 7).

Emissions

Greenhouse gases are emitted during the production, processing and transportation of natural gas and oil. We are committed to reducing these emissions in our operations and collaborating with others across our value chain to develop better approaches to emission reduction and leak detection.

REDUCING GHG EMISSIONS

We use a range of methods to minimize GHG emissions, such as the careful design and engineering of new facilities and preventive maintenance programs for existing infrastructure. Optimizing the efficiency of our operations and minimizing gas venting also reduces GHG emissions. We adhere to applicable design standards, follow recognized engineering best practices, and use equipment specially designed to perform in severe service conditions in which the substances produced are high-temperature, abrasive or corrosive.

Reducing Flaring

In 2021, we have committed to eliminating routine flaring across our U.S. onshore operations by year-end, and to reducing our overall flaring intensity to less than 1% of the gas we produce. These goals are directly linked to the annual incentive compensation not just of management, but of all employees. Additional information regarding our emissions reduction goals can be found on our **Environment webpage**.

Optical gas imaging (OGI) cameras are used in our LDAR program.

Leak Detection and Repair

Leak detection and inspections to reduce emissions and for compliance with applicable rules and regulations are an ongoing and frequent part of our employees' on-site activities. We strive to repair leaks at the time they are detected. When this is not possible, the leak is repaired when the required resources become available and safe operating conditions can be ensured. Our preventive maintenance programs help to minimize leaks from equipment and preemptively identify maintenance issues or improperly functioning equipment by using historical operational data to facilitate proactive upkeep, repair and replacement schedules.

Our employees proactively engage in asset integrity inspections in accordance with **APA Work Rule 11** and worldwide environmental, health and safety (EHS) standards. Field employees are trained to perform olfactory, visual and audio inspections for possible leaks as a part of their overall competency training, as described in our air quality summary.

As a part of our leak detection and repair (LDAR) program, we use OGI cameras to examine all newly constructed facilities and identify and address any leaks as the facilities come online. Facilities that are a part of the LDAR program are reexamined at least twice per year with an OGI camera. OGI inspections focus on all components of a facility that have the potential for leakage, including actuators, flanges, manifolds, pressure vessels, tanks and valves. In 2020, we performed LDAR surveys at 292 facilities, exceeding requirements set by state and/or federal permits.

We also use OGI cameras to assess equipment as a part of risk-based mechanical integrity programs and to inspect wellheads, compressor stations and buried pipeline routes near residential communities and public facilities. All employees and contractors using OGI cameras are trained and certified to interpret survey results and initiate next steps to determine the nature and source of an identified leak.

Reducing Venting

We seek to minimize emissions by reducing the venting of gas. We avoid directly venting natural gas wherever practicable. Also, we conduct reduced-emission completions, a process that captures gas produced during well completions and workovers so it can be processed for sale rather than flared.

Electrification

Where we have access to the electrical grid at well sites and facilities, we prefer to power operations using electricity rather than internal combustion engines, thereby reducing fuel consumption and on-site GHG emissions. APA is proactively engaging with its electricity suppliers to improve environmental performance and reduce Scope 2 emissions. We continue to research and identify ways in which we can electrify our operations, and we are also researching and collaborating with stakeholders both to evaluate the role that renewable resources may be able to play in our operations and to support the reduction of our Scope 2 emissions.

OUR EMISSIONS PERFORMANCE

2020 Emissions Reductions Activities

In 2020, we reduced both our GHG and methane emissions intensities.[18] Overall, our emission performance improvements can be attributed both to optimizations of our operational profile and to the implementation of operational best practices. For example, in several of our operations, we:

- increased the use of electricity from the grid to power well sites and facilities, replacing diesel or gas-fired engines;
- focused on evaluating infield equipment usage with operational needs, which allows for identifying lower-emitting power sources, such as solar-powered generators;
- increased access to gathering and pipeline infrastructure, resulting in less flaring; and
- utilized technology to monitor operational conditions.

We committed to **eliminating routine flaring** in our U.S. operations by year-end 2021, and achieved this crucial goal three months ahead of schedule.

Greenhouse Gas Emissions Performance and Goals

We track emissions from our drilling, completion, production, gathering and boosting, and gas processing operations. We monitor a range of emission sources — including combustion, flaring, venting and fugitive emissions — to determine our overall GHG inventory.

The GHGs included in our GHG inventory calculations are carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). Each of the GHG components has a global warming potential (GWP) assigned to it by the U.S. Environmental Protection Agency (EPA) for use in its GHG reporting programs.

The mass of each component gas — multiplied by its GWP — results in a calculated value of carbon dioxide equivalents (CO_2e) for that component.

2020 GHG EMISSIONS = 6,280,000 tonnes CO_2e
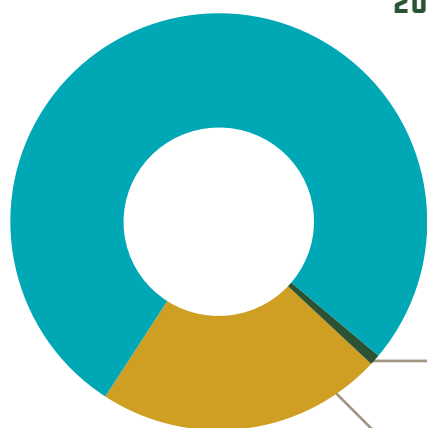
Carbon Dioxide
77%

4,830,000 tonnes CO_2 x 1 GWP = 4,830,000 tonnes CO_2e

Nitrous Oxide
1%

168 tonnes N_2O x 298 GWP = 50,000 tonnes CO_2e

Methane
22%

56,000 tonnes CH_4 x 25 GWP = 1,400,000 tonnes CO_2e

EMISSIONS PERFORMANCE

↓**27**% decrease in global GHG emissions intensity since 2016.

↓**41**% decrease in global methane emissions intensity since 2016.

↓**15**% reduction in global methane emissions intensity since 2019.

METHANE INTENSITY GOALS AND PROGRESS

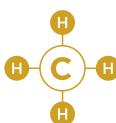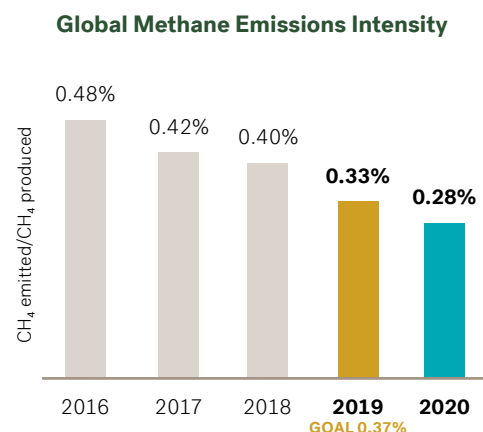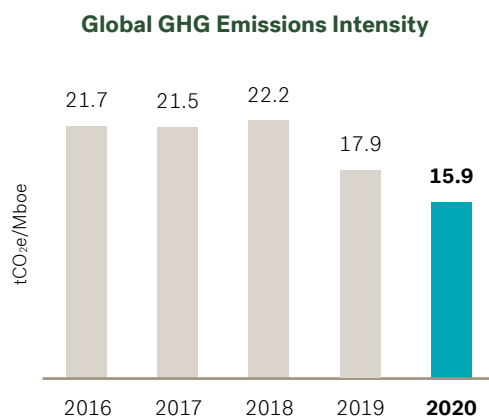Small quantities of methane — the primary component of natural gas — can be released into the atmosphere during production, raising the lifecycle carbon intensity of natural gas and reducing the total amount of product operators are able to sell. Reducing methane emissions is an important social, environmental,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

Global GHG Emissions Intensity

$tCO_2e/Mboe$

2016	2017	2018	2019	**2020**
21.7	21.5	22.2	17.9	**15.9**

Global Methane Emissions Intensity

CH_4 emitted/CH_4 produced

2016	2017	2018	**2019** GOAL 0.37%	**2020**
0.48%	0.42%	0.40%	**0.33%**	**0.28%**

INDUSTRY BENCHMARKING

Based on a recently released M.J. Bradley & Associates **study** of the largest 100 oil and gas producers in the U.S. in 2019, Apache Corporation ranked No. 39 as the largest operation in total production, but No. 71 in Natural Gas Sustainability Initiative (NGSI) methane emissions intensity, and No. 51 in GHG intensity. Our onshore NGSI methane emissions intensity of 0.08% was substantially lower than the overall Permian Basin regional intensity of 0.15%, and the Gulf Coast regional intensity of 0.29%.

Apache Corporation is a subsidiary of APA Corporation.

Achieved
OUR METHANE GOAL

As part of our membership in ONE Future, we set a goal to reduce global methane emissions from our natural gas and oil operations to 0.37% or less of gross methane production by 2025. While we met this goal in 2019, we proceeded to further drive down methane emissions intensity to 0.28% in 2020 and continue to pursue annual reductions beyond the ONE Future Coalition goals.

CASE STUDY

Reducing Methane Emissions Through Industrywide Initiatives

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

We are a charter member of the **ONE Future Coalition**, a group of more than 45 companies that came together with the goal of reducing methane losses to less than 1% of total U.S. methane production across the value chain by 2025. The natural gas value chain is defined as operations in the production, gathering and boosting, transmission and storage, gas processing, and distribution segments. In 2018, ONE Future companies collectively surpassed the 1% goal seven years early, achieving a combined member leak/loss rate of 0.552% across the entire value chain.

We are also a member of The American Petroleum Institute's **The Environmental Partnership**, a group of more than 80 U.S. oil and gas companies working together to address environmental challenges and improve environmental performance in our industry. As a member of the partnership, APA has made and is implementing three commitments to help reduce emissions:

1. **Implement a leak detection program**, including ongoing monitoring and timely repair of fugitive emissions, utilizing detection methods and technologies such as OGI cameras at all relevant sites by 2025. As part of this program, we commit that repairs of any identified leaks will be completed within 60 days, unless a delay is required until the next scheduled shutdown or pending the availability of necessary parts. As of year-end 2020, 100% of our applicable U.S. sites had LDAR monitoring in place, and 100% of detected leaks were fixed within the set timeframe. We conducted surveys at 292 sites during 2020.

100%

of our applicable U.S. sites had LDAR monitoring in place in 2020.

2. **Replace, remove or retrofit high-bleed pneumatic controllers with low- or zero-emitting devices** by 2025, using alternative technologies such as continuous-low-bleed controllers, intermittent-vent controllers, electrically operated controllers and valve actuator or mechanical controllers, or compressed air to replace natural gas as the motive gas. We are working to reduce the number of high-bleed pneumatic controllers in our onshore U.S. operations by replacing them with lower-emission alternatives.

3. **Implement a monitoring program to minimize emissions associated with the unloading of liquids** that can build up and restrict natural gas flow, particularly as a well ages. In 2020, we reported no unmanned manual liquids unloading processes for gas wells in our onshore U.S. operations, which reduced emissions.

💧 Water

Water is the second pillar of our Environmental, Social and Governance strategy. It is a core component of our ongoing oil and gas operations, and we recognize the water balance in the areas where we operate. From overabundance during extreme weather events that may impact our assets, to water scarcity in arid regions, we consider water availability and access to clean water (U.N. Sustainable Development Goal No. 6) throughout our project lifecycles. We use best practices to safeguard water quality both onshore and offshore (U.N. Sustainable Development Goal No. 14), including proper management of produced water, monitoring of chemicals used, and waste disposal, all of which are a core part of our sustainable operating strategy.

Water Management

We recognize that fresh water is a limited resource in the areas where we operate. We seek to minimize our use of fresh water by finding innovative ways to reuse produced water, sourcing alternatives to fresh water, and reducing the overall amount of water required for our operations.

As much as possible, we seek to use nonfreshwater sources for our operations, with a preference for reusing and recycling produced water. We also follow strict protocols to protect water quality.

We strive to ensure that our operational activity does not limit access to freshwater resources relied on by other end users, such as municipal water systems and agriculture. These water management efforts are especially important in our onshore operating areas of the U.S. and Egypt that are located in regions considered "water scarce." We take into account location, pricing and applicable regulations in assessing water scarcity. When appropriate, we utilize various data sources such as the U.S. Drought Monitor and the World Resources Institute's Aqueduct tool to confirm our assessment of water-scarce areas within our operations. The results of this assessment and the maps prepared using these tools can be found on p. 98 of this report.

OPERATIONAL WATER USE

Our operational water usage is predominantly for enhanced oil recovery in legacy oil fields in the Permian Basin. It is also used for drilling and completing new wells. The chart at right shows the volumes of water that are either injected to enhance oil recovery from existing wells, or used in the drilling and completion, including hydraulic fracturing, of new wells. As can be seen in the chart, the vast majority of the water we use, greater than 94%, is recycled produced and nonfresh water. We continue to work on reducing our freshwater consumption, and over the past five years, this has largely been achieved by increasing our reuse of produced water and by sourcing new water from nonfreshwater sources for use in hydraulic fracturing operations.

84%

of all the water we have utilized for production operations since 2016 has been recycled or reused water.

Global Operational Water Usage

Legend:
- Recycled Produced Water (Mbbls)
- Nonfresh Water (Mbbls)
- Fresh Water (Mbbls)
- Recycled and Nonfresh Water (%)
- Fresh Water (%)
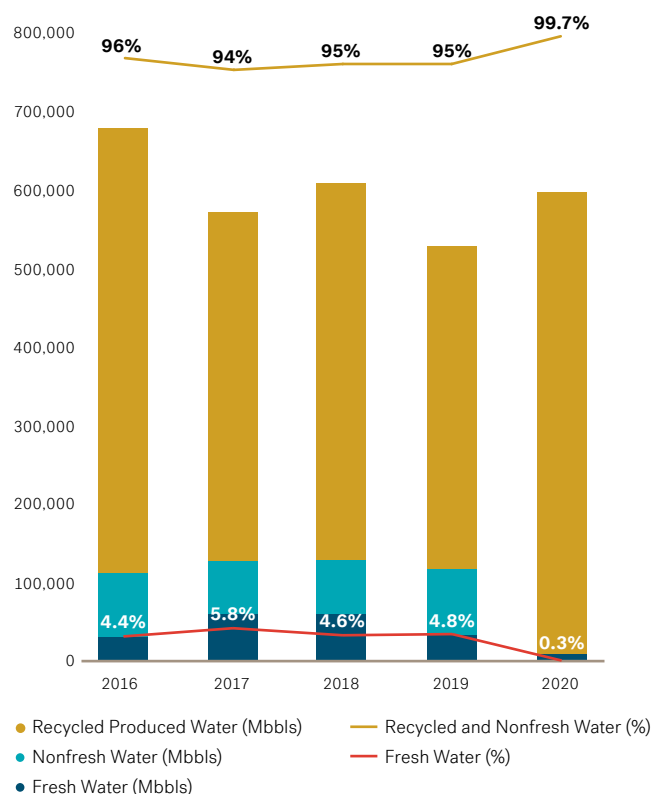
RESPONSIBLE PRODUCED WATER MANAGEMENT

This year, in line with the guidance[19] on consumptive uses of water in our 2020 reporting, we have modified the way we report water data compared to previous years, including restating data from past years. Previously, we included produced water usage in our consumptive use calculations. Based on re-evaluation of water reporting definitions and guidance, we determined that produced water — nonpotable water released from deep underground formations and brought to the surface during oil and gas exploration and production — should not be classified as consumed in the same sense as fresh water. Produced water is not typically of a quality most other users would be able to utilize and therefore is not available for third-party usage outside the oilfield in the way fresh water or nonpotable surface or shallow groundwater could be. The water consumption calculations in the Key Performance Data chart on pp. 94-95 of this report therefore now reflect only the fresh water and nonpotable water from surface water or shallow groundwater that are consumed in oil and gas operations, and water consumption intensity values reported for 2016-2020 have been restated accordingly.

Most of our produced water is in fact reused within our own secondary recovery operations by being reinjected in the same field from which it was produced. We also recycle produced water for use in hydraulic fracturing fluids. Reusing and recycling produced water reduces the potential for our activities to compete with existing uses of freshwater resources.

It also helps to reduce operating costs associated with water purchases and the need to transport and dispose of produced water from our operations.

In some areas of our operations, more water is produced than can be reused or recycled. We continue to pursue alternatives to deep-injection disposal of this excess water in permitted injection wells, such as by evaporating the freshwater component of excess produced water back into the atmosphere, or by discharging a treated portion of the water in accordance with applicable regulations and industry best management practices (see the Operational Water Use and Water Supplies diagram on p. 27 for more detail on water use in our operations). We are focused on expanding our use of recycled produced water and brackish groundwater for hydraulic fracturing operations. We continue to evaluate alternative storage and reuse technologies in all our areas of operation, based on criteria including transportation, infrastructure, treatment methods and cost.

We have applied a variety of innovative technologies and treatment processes to allow us to store larger volumes of treated produced water for longer periods, including by using multiple smaller impoundments and by applying advanced chemistry. This enables us to better match the availability of recycled water to our operation schedules and increase the proportion of recycled water used in our operations. In the past four years, we have increased our Permian Basin produced water storage capacity and improved our ongoing treatment of stored recycled water, to ensure it remains ready for reuse.

We take appropriate measures to ensure that this water is handled in a manner that reduces the risk of impacts to soil, groundwater and surface water quality. Once treated, recycled water is stored in engineered, double-lined impoundments that have leak detection technology or in tanks that are routinely inspected and continually monitored. Loss of primary containment in impoundments is rare, but should it occur, these systems have secondary containment and detailed, location-specific spill prevention, countermeasure and control plans.

91%

of the water used in our U.S. hydraulic fracturing operations in 2020 was nonfresh or recycled produced water.

We have also expanded our water-related infrastructure, allowing us to move water within our operations without trucks, which reduces trucking-related emissions, minimizes the potential for spills and lessens the impact on local roads. We have worked with the American Petroleum Institute to develop recommended practices for lay-flat hosing that is commonly used to transport produced water to and from well locations. The specifications include parameters to ensure the quality and performance of this piping across our industry. In 2020, in the Permian Basin, all the water we used for hydraulic fracturing was transported by either permanent or temporary pipeline.

SAFEGUARDING WATER QUALITY

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

We also follow comprehensive procedures for the handling of chemicals on the surface and during subsurface operations across groundwater-bearing zones, to ensure that we are safeguarding water quality. Protecting aquifers by maintaining the integrity of our wells is another way APA safeguards water quality. We take great care when planning and performing operations to minimize the chances of a well failure that could result in impacts on local water resources. Our engineers, geologists and geophysicists design our well drilling plans and completion programs after a detailed and extensive review of local geological knowledge and previous operational conditions, for the entire depth to which each well will be drilled. In addition, we consider potential impacts to adjacent wells or faults and include mitigation plans to prevent adverse impacts. Depending on well spacing and formation fracture direction, well-completion treatment volumes and pumping pressures are adjusted, and nearby wells are remotely monitored using surveillance technologies.
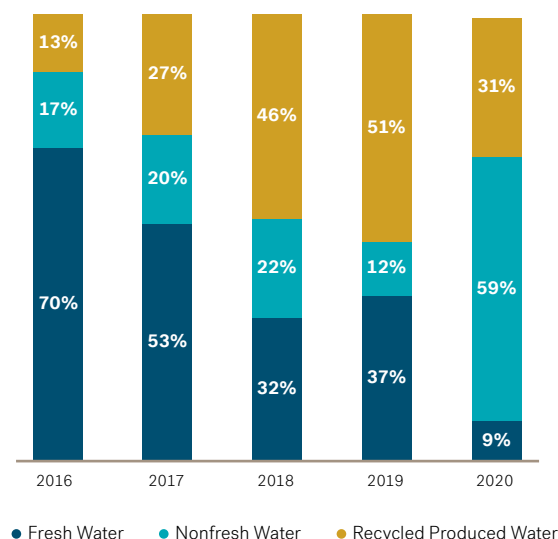
We carefully design the surface casings of our wells to protect usable groundwater intervals and ensure that the construction of the wells follows industry best practices. This includes verifying casing and cement integrity with pressure tests and physical inspections. We monitor and record essential data from cement jobs and perform evaluations to ensure adequate isolation of producing intervals, including zonal isolation for protected water resources. We use industry best practices for our cement testing methods, including cement bond logs, ultrasonic testing and temperature logging, when appropriate, to ensure the cement has bonded properly to the protective casing and the formation. We perform pressure tests on every surface casing string. We also conduct pressure testing prior to, and monitor pressure during, all hydraulic fracturing operations.

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

Over the past five years, we have reduced the use of fresh water in our U.S. hydraulic fracturing operations by increasing the use of recycled and nonfresh water. From 2018 to 2020, freshwater use as a percentage of total water used for hydraulic fracturing decreased from 32% to 9%. However, it is important to note that our overall activity in 2020 was down considerably, with total hydraulic fracturing water usage decreasing by 77% compared to the previous year's activity, which reduced our opportunities to reuse produced water.

The hydraulic fracturing water use reported in the graph is a subset of total global operational water use (see p. 24 for more information on total water use).

Hydraulic Fracturing Water Use, U.S. Operations

	2016	2017	2018	2019	2020
Recycled Produced Water	13%	27%	46%	51%	31%
Nonfresh Water	17%	20%	22%	12%	59%
Fresh Water	70%	53%	32%	37%	9%

● Fresh Water ● Nonfresh Water ● Recycled Produced Water

Operational Water Use and Water Supplies

Drilling, completions and production operations are our primary uses of water, which we source from groundwater aquifers, surface waters, municipal water and produced water. The volumes noted in the diagram below are 2020 operational water use results in millions of barrels (MMbbls).

Recycled Produced Water
5,078 MMbbls

Produced Water Treatment for Reuse
5,078 MMbbls

Disposal
238,208 MMbbls

Nonfresh Water
9,575 MMbbls

Drilling and Completions
16,179 MMbbls

Oil, Gas and Water Separation

Producing Wells
935,325 MMbbls

Fresh Water
1,526 MMbbls

Secondary Recovery
577,542 MMbbls

Key

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

KEY WATER DEFINITIONS

Fresh Water — As used in this report, water sources with a total dissolved solids concentration of up to 1,000 milligrams per liter.[19] These sources can include drinking water, potable water and water used in agriculture. The definition can vary in accordance with local statutes and regulations and is defined within this document for reporting purposes.

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

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

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

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

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

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

Spill Mitigation

We are committed to reducing spills throughout the lifecycle of our operations.

We begin by planning and designing our operations to minimize the risk of spills and to reduce any impact if they occur. During construction, we follow strict well and pipeline integrity standards, and we routinely assess the integrity of our equipment in accordance with recognized industry practices.

We use primary and secondary containment systems, including impermeable membranes under relevant equipment, when installing new facilities in onshore U.S. operations. We prioritize transporting produced water in permanent pipelines rather than trucks, to reduce the potential for spills.

We also train employees to identify and mitigate risks as part of their regular job duties, and we select contractors who do the same. As outlined in our environmental management system and available in our **EHS documents** online, our contractors are required to have completed written training programs addressing waste handling, waste disposal and spill response. During drilling and completion activities, personnel actively monitor the operations to detect spills and stand ready to respond as quickly as possible if one should occur. Some production operations are also monitored continuously through automated on-site systems and remote monitoring centers that are staffed around the clock. In the event a spill does occur, field personnel respond promptly and follow a planned spill response protocol to determine the spill source and location and then act to minimize the potential for adverse impacts. We are also committed to following all applicable local and national cleanup and reporting requirements.
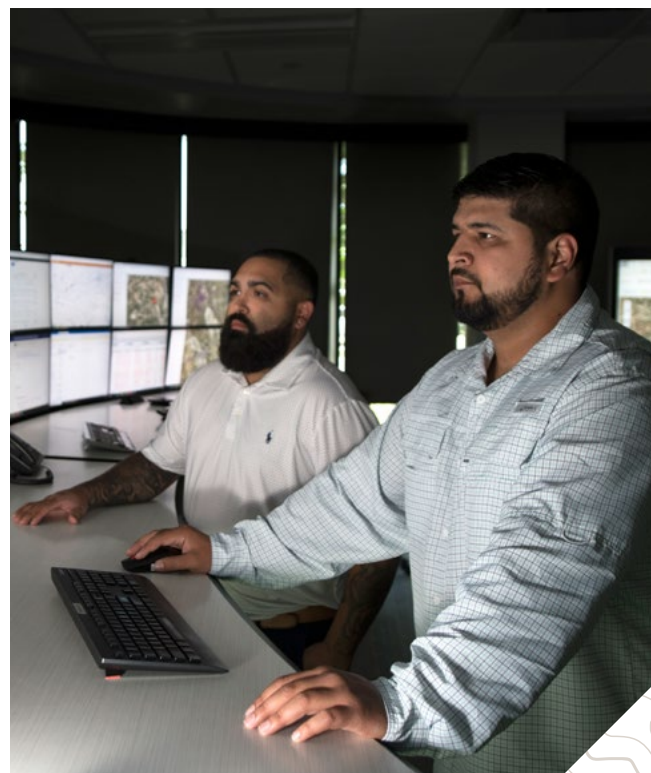
"In Suriname, we maintain our **proactive approach** toward oil spill prevention through preparation, planning and training with key stakeholders."

RESPONDING TO OFFSHORE SPILLS

While prevention is always our ultimate goal, we also continually expand our capability to respond to offshore spills if one should occur. We are members of multiple subsea intervention organizations that provide global access to a comprehensive package of emergency response services for the industry.

As described in the Health and Safety section (see p. 62), we have memberships with Clean Gulf Associates, National Response Corporation, Wild Well Control and Oil Spill Response Limited. The latter two organizations provide us with global access to several capping stacks and the ability to mobilize two in the event of an incident. The capping stacks are stored in five international locations — the U.K., Brazil, Norway, Singapore and South Africa — and are ready for immediate use and onward transportation by sea and/or air in the event of an incident.

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

We evaluate oil spill response equipment providers and contract with them for specific spill response equipment based on our operations. We also pre-stage equipment in multiple locations for rapid response in the event of a spill.

Pre-staging locations include the APA Shore Base in Chaguaramas, Trinidad; aboard contracted offshore supply vessels and a contracted drill ship; and in the Port of Paramaribo, Suriname. Though our operations are entirely located in Suriname, we have also proactively coordinated with local and state agencies in neighboring Guyana, which shares a maritime border with Suriname and could potentially be impacted by a spill from our operations. We invite Guyanese officials to participate in our spill response training exercises to establish a cross-border communication protocol, and we communicate regularly with the Guyanese officials about spill preparedness.

In addition, APA Suriname has entered into a Mutual Aid Memorandum of Understanding with local exploration and production companies in the Suriname/Guyana area to make available the industry's collective expertise and technology in oil spill preparedness and response.

Greener Chemicals for Hydraulic Fracturing

Hydraulic fracturing fluid is typically composed of water, sand and a small amount of chemical additives.

The chemicals are added to facilitate the process of delivering the sand to the formation and generating the fractures, as well as to protect the well from damage during operations. We are taking many steps to use "greener" chemicals in our operations.

DISCLOSING CHEMICAL USAGE DATA

We have been an industry leader in transparency about our use of hydraulic fracturing additives.

We report 100% of our U.S. hydraulic fracturing activity to the **FracFocus.org** website. The public disclosure of information on FracFocus.org provides a readily available data source that facilitates external analysis of the chemicals used in specific wells or areas. We conduct periodic reviews of FracFocus information and meet with vendors and subject matter experts to discuss options for identifying more sustainable chemical alternatives.

We also encourage service companies to provide environmentally responsible chemical additives at economically acceptable prices. For example, while we do not use BTEX (benzene, toluene, ethylbenzene, xylene) as a stand-alone chemical additive to hydraulic fracturing fluids, we work with our chemical vendors in a continuous improvement process to provide additives that minimize even trace amounts of added BTEX that may be present in a select few hydrocarbon-based additives.

CHEMICAL RISK REDUCTION STRATEGIES

We have also implemented an enhanced chemical management system to better standardize and control the chemical additives used in our operations. We have developed our own risk assessment framework through which we evaluate all chemicals before they are used in our hydraulic fracturing operations. This assessment framework focuses on screening out and/or reducing the use of chemicals that pose potential environmental hazards — for example, identifying additives that have risks of bioaccumulation and replacing them with more biodegradable alternatives.

Additional Environmental Topics

In addition to our key focus areas of Air, Water and People+Communities, there are several other important issues we monitor and manage across our operations. These items include protecting biodiversity (U.N. Sustainable Development Goals No. 14 and No. 15), responsibly managing operational waste and mitigating the risk of induced seismicity (U.N. Sustainable Development Goal No. 9). Each of these issues are considered in our development and operational plans. This section includes a discussion of the issues and our proactive approach to managing them across our operations.

Biodiversity

Protecting species and habitats from the potential effects of our operations is an important priority at APA.

In operating areas with species and habitats known to be threatened or endangered, we conduct biodiversity assessments as part of our predevelopment planning processes. Based on the results from these biodiversity assessments, we compose our development plans to avoid impacts as much as possible and to mitigate for any impacts that are unavoidable. We also participate in collaborative efforts to conserve and promote biodiversity in our areas of operation.

PROTECTING SENSITIVE SPECIES ACROSS OUR OPERATIONS

We have participated in a collaborative conservation effort to protect the population and habitat of the lesser prairie chicken (LEPC), a species of prairie grouse endemic to the southern high plains of the U.S. These conservation efforts have focused on protecting, improving and restoring native habitat to help LEPC populations recover and thrive. Thanks in part to the success of this collaboration, the LEPC population has flourished in our areas of operation.

We undertook a similar process in New Mexico and West Texas for the dunes sagebrush lizard. As with the LEPC, this species has since been removed from consideration for listing under the federal Endangered Species Act, due in part to voluntary conservation activities carried out by companies in the oil and natural gas industry, including APA.

Additionally, in the marine environments where we operate, we are using careful, location-specific management programs that incorporate the latest technology and tools to assess, mitigate and minimize the potential impacts of seismic operations on marine ecosystems. In Suriname, where we continue exploratory drilling activities, every drilling ship has on board a certified protected species observer (PSO) with the dedicated responsibility of looking out for whales, turtles and other sensitive marine species in the area when seismic activities are occurring. These PSOs can stop any seismic activity if they see a protected species in the area. So far, more than 8,600 square kilometers of exploratory marine seismic survey has been conducted in our offshore Suriname exploration activities with no observed impact to marine wildlife.

MANAGING LANDS WITH A CONSERVATION FOCUS

While we work to protect species and habitats on all the places where we explore for and produce oil and gas, we have a special focus on conserving threatened ecosystems on land we own, including on the Ucross Ranch in Wyoming and our landholdings in Louisiana.

Ucross Ranch: A Model of Sustainable Rangeland Management

The Ucross Ranch, located near the base of the Big Horn Mountains in Wyoming, is partially owned by Apache and managed by the Apache Foundation, a nonprofit subsidiary of Apache Corporation. Since 2005, the Foundation has managed the 20,000-acre ranch as a model for profitable and sustainable land-use management practices, protecting increasingly threatened grassland ecosystems. Ucross provides a unique opportunity to assess how more traditional year-round grazing practices, originally used in this area, compare to the Ranch's current short-duration approach, in terms of erosion impacts on uplands and stream areas.

The sagebrush lizard is one of the many species that APA actively protects.

↓

Utilizing a short-duration rotation grazing strategy for cattle has reduced bare ground on the Ranch's rangelands from approximately 50% to less than 2% and significantly improved streambank stability, all while tripling the sustainable stocking rate for cattle. In large part due to these practices, the Ranch also provides excellent habitat for mule deer, white-tailed deer, pronghorn, sage grouse, sharp-tailed grouse, turkey, gray partridge and many species of waterfowl.

We regularly partner with academic researchers as well as state and federal natural resource management agencies to support research and conservation projects on the Ranch. For example, since 2012, the Apache Foundation has participated in the longest-running rangeland erosion study in the nation's history, which is being conducted by Kansas State University.

Protecting and Restoring Gulf Coast Wetlands

Louisiana swamps and marshes are among the nation's most at-risk wetlands. For several decades, the state has lost about 20 square miles of wetlands per year, due to natural processes of subsidence, saltwater intrusion and shoreline erosion, as well as human activities such as levee construction along the Mississippi River and the dredging of navigation canals.

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. Wetlands act as a storm surge buffer during hurricanes and provide flood control by holding excess water during heavy rainfalls. Furthermore, they replenish aquifers and purify water by filtering pollutants and absorbing nutrients. On the Gulf

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

In Louisiana, through its wholly owned subsidiary Apache Louisiana Minerals LLC (ALM), APA owns and manages approximately 270,000 acres that are predominantly wetlands (ALM lands). We place a high priority on protecting the swamps and marshes of the Gulf Coast region and the species that call these areas home.

Partnering to Protect the Pecos River Watershed Ecosystems

NFWF

USDA

Pecos River

In 2019, we joined the **Pecos Watershed Conservation Initiative** (PWCI) — a collaborative effort of eight corporate partners and biodiversity experts with the **National Fish and Wildlife Foundation** and the **U.S. Department of Agriculture's Natural Resources Conservation Service**. The purpose of the initiative is to help protect the Pecos River watershed, which supports some of the most biodiverse arid and semiarid ecosystems in the world and is home to rare fish and aquatic species found nowhere else on Earth. Since its inception, in the fall of 2017, the PWCI has invested a total of $6.49 million in 34 projects that address three priority strategies: habitat restoration and management of riparian and grassland systems, species intervention and species information.

Our local employees work year-round to manage and protect the land. Activities include replanting native vegetation, building and operating water-control structures, combating invasive flora and fauna, and rebuilding shorelines to keep out saltier waters, which kill fragile marsh grasses.

- **Giant Salvinia**: We have worked with the Louisiana State University Ag Center over the years to develop weevil-rearing ponds in which the university grows weevils and determines optimal harvest times. Our employees monitor ALM lands for problematic infestations, participate in weevil harvest and disseminate crates of weevil-infested salvinia to ALM lessees, who help distribute the product into the wetlands. We also distribute weevils in the wetlands, and subsequently monitor and report on their activity.

- **Water hyacinth and alligator weed**: These invasive plants cover interior ponds and smother the growth of submerged aquatic vegetation — the preferred food source for waterfowl and marine organisms. They also prohibit or retard hydrologic flow, which results in flooding and drowning of wetland vegetation. ALM employees monitor infestations of this noxious vegetation and eradicate it when water control structures and drainage arteries are impacted by spraying from airboats and mudboats.

- **Nutria**: We participate in the Nutria Control Program administered by the Louisiana Coastal Protection and Restoration Authority through the Coastal Wetlands Planning, Protection and Restoration Act program. We encourage our trapping lessees to remove nutria from the landscape where this invasive rodent is feeding on wetland vegetation, to the point of causing "eat-outs" and converting marsh to open water.

- **Feral hogs**: We encourage our hunting lessees to remove feral hogs, which root up the wetlands, potentially converting them to open water. In cooperation with the U.S. Department of Agriculture/Animal and Plant Health Inspection Service, we also participate in removal programs of problem populations of feral hogs on our land.

In addition to restoring and protecting wetlands and marshes on our own lands, we work with local, state and federal government agencies, conservation organizations and other oil and gas companies on projects to protect and enhance wetlands.

During 2020, coastal Louisiana was directly impacted by the landfall of five named storms, several of which resulted in significant destruction of wetlands. Our employees were extraordinarily active with storm preparation to protect our assets and then on repairs to the property in the aftermath of flooding. ALM hired contractors to make additional repairs to shorelines, spoil banks and water control structures that were impacted by the hurricanes. ALM personnel also performed repairs on water control structures such as flap gates that had been ripped away. These repairs were designed to prevent encroachment of saline water from killing sensitive wetland vegetation.

We also continued our partnership with the **Barataria-Terrebonne National Estuary Program** (BTNEP) to build osprey nesting platforms on our property in Louisiana, donating money, employee time and equipment by taking BTNEP ornithologists out to the nesting platforms to monitor the ospreys' activity. These efforts increased to 10 the total number of platforms built since we began our partnership with BTNEP in 2017.

Seismicity and Oil and Gas Operations

To further ensure the protection of groundwater, the environment and local communities, APA plays an active role in industry research groups focused on studying "induced seismicity."

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

We carefully review the potential for induced seismicity in our operating areas, based on an analysis of available geologic data, including known fault characteristics, states of stress and other parameters. To mitigate risk, our subject matter experts follow the most current research in the field, and we actively engage with leading experts to test ideas and interpretations.
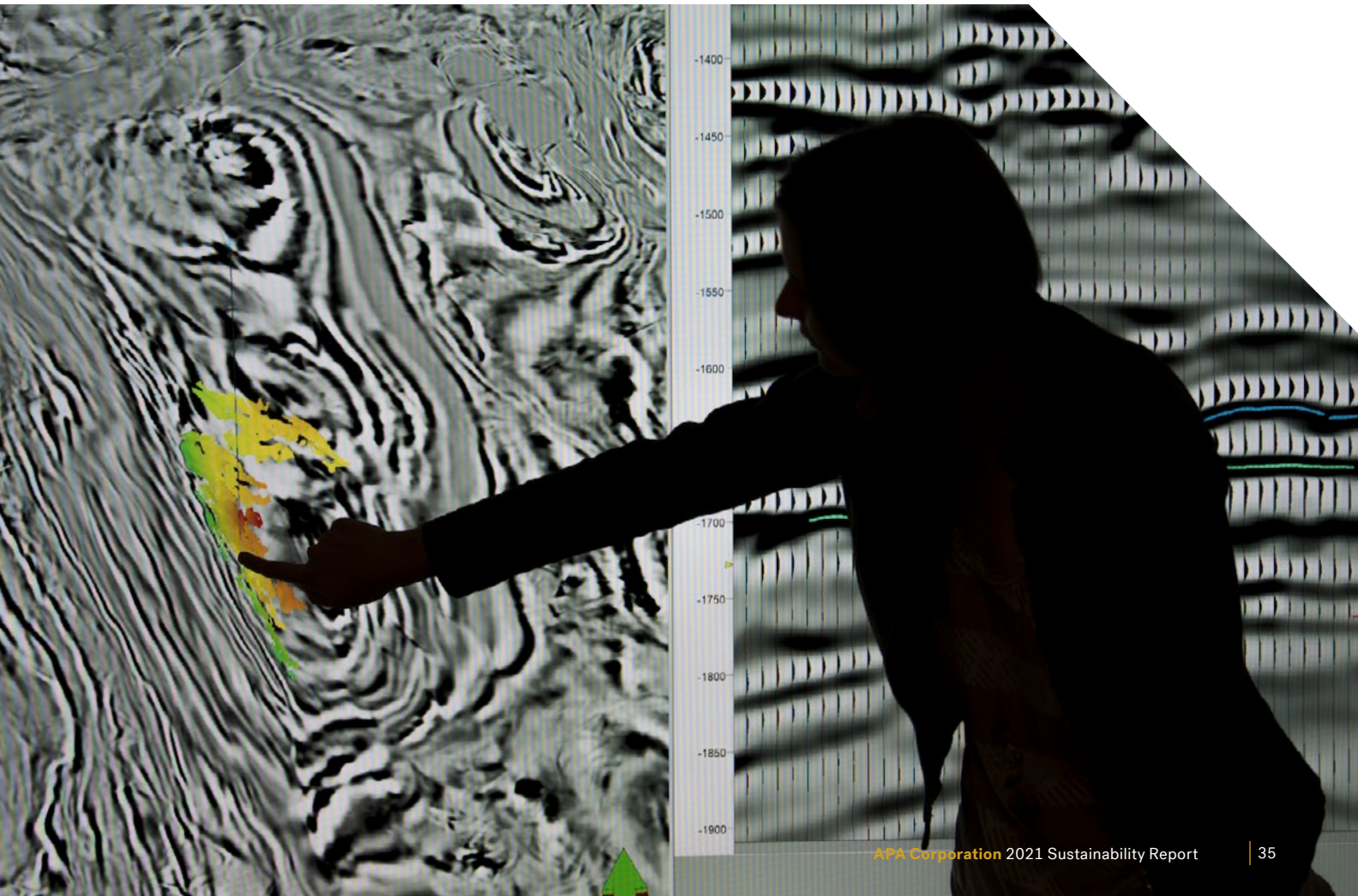
Waste Management

Our waste management programs are designed around industry best practices geared toward the reduction of waste, protection of water resources, and minimizing hazards to employees.

Our primary solid waste streams are drilling residuals and waste from our office buildings. We also address the presence of naturally occurring radioactive material (NORM) when waste generated in fields contains actionable levels of such materials.

zero
waste

In 2020, our U.K. office achieved "zero waste to landfill" by implementing the waste hierarchy model: elimination, high recyclability rates and energy recovery.
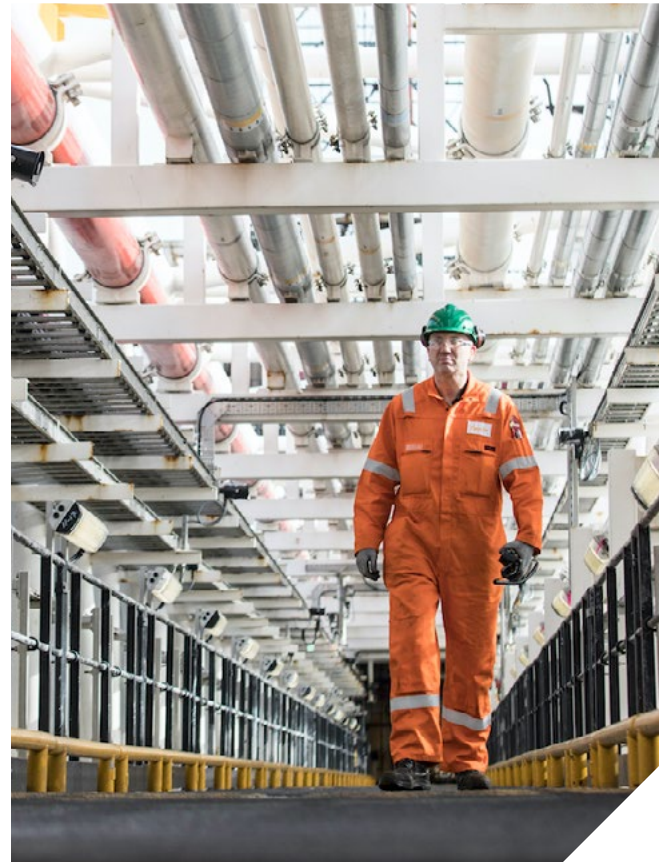
DISPOSAL OF DRILLING WASTE

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 in accordance with applicable regulations in our operating areas.

Although regulatory disposal requirements may differ slightly by state and country, they are fairly uniform overall and include requirements for the classification and segregation of hazardous and nonhazardous waste, manifesting, transportation and disposal methods.

In our North Sea Forties Field, we use rig-based drill-cutting treatment and processing facilities to eliminate the volume of return materials that are shipped back to shore for treatment and disposal. This process reduces emission impacts as well as the potential for safety and spill incidents associated with transport.

Aiming for Zero Waste in the Office and the Field

The AIM for ZERO WASTE recycling program was developed to align our day-to-day office behavior with the company's mission and Core Values, by encouraging employees to reduce the volume of waste sent to landfills.

EMPLOYEE VOLUNTEERS

We reinforce our commitment to waste reduction and recycling throughout the year. By leveraging the help of employee volunteers in our offices, we identify and implement waste reduction opportunities and encourage recycling at each of our office locations.

ECO-FRIENDLY DINING

APA provides reusable beverage containers to all employees; however, during the pandemic this practice has been suspended to minimize exposure to COVID-19. We also offer reusable food containers in our dining facilities in Houston and Midland, Texas, to further reduce the polystyrene that ends up in landfills. We have also expanded the reusable container program available in our Houston dining facility, switched all remaining disposal containers to be eco-friendly and eliminated plastic bags.

ELECTRONIC WASTE

We are committed to recycling electronic waste and do so annually.

SCRAP METALS

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

MANAGING NATURALLY OCCURRING RADIOACTIVE MATERIAL (NORM)

Trace amounts of NORM exist in subsurface rock formations and can be transported back to the surface as water-soluble ions in produced water.

In most cases, the trace amounts of radioactive ions pass through water-handling systems in concentrations below detectable limits, and only when aggregated or highly condensed do they present measurable radioactivity above natural background levels. These detectable radioactivity levels are typically very low and only pose a concern to workers if the material is ingested, inhaled or comes into prolonged direct contact. Nevertheless, we approach such risks with due caution and carefully adhere to regulations in the handling and disposal of NORM.

When our operations generate produced water that may contain NORM, we carefully monitor water-handling operations to reduce accumulation of solids that can concentrate NORM. We survey production equipment for the presence of NORM and take appropriate measures to limit worker exposure if it is detected. Field employees are trained on the potential hazards of NORM and how to minimize their exposure.

Any equipment found to contain NORM is decontaminated by state-licensed service companies specializing in the management of NORM, whose workers are trained to manage the material in a manner that prevents exposure. The removed NORM is disposed of by the service company in accordance with applicable regulatory requirements to isolate the material from any future exposure.

Communities +People

Our third focus area is Communities+People. Our commitment to people begins with our employees — our most important resource and greatest competitive advantage. By building a diverse and inclusive workplace (U.N. Sustainable Development Goal No. 10), supporting employee development and well-being (U.N. Sustainable Development Goal No. 8), and providing a comprehensive Total Rewards package, we are investing to help achieve the full potential of our employees and our company. Through all of the challenges of 2020, our people proved resilient. We worked relentlessly to keep our workforce healthy and safe (U.N. Sustainable Development Goal No. 3), supported our communities (U.N. Sustainable Development Goal No. 17), maintained our commitment to environmental protection (U.N. Sustainable Development Goal No. 15) and help make our company stronger. Throughout the year we adapted to changing circumstances, pivoting our human capital programs to support employees through these extraordinary times. In our communities, our commitments include our work to be a good neighbor, to invest in the communities where we work, and to help develop the local economies through our investments and employment opportunities.

All employees of APA companies are employed by our subsidiary Apache Corporation.

A Focused and Rapid Response to Minimize the Pandemic's Impacts

The pandemic brought long-lasting disruptions to our people, partners and the communities where we operate.

On a global scale, COVID-19 shrunk economies dramatically as demand for products and services collapsed. Social distancing became the new normal, and companies had to quickly find new ways to sustain their business while working remotely.

At the onset of the pandemic, we activated our crisis management response teams and business continuity plans to ensure the health and safety of personnel and to minimize operational impacts. Our efforts included the rapid implementation of robust health and safety protocols for our field operations; tracking country, state and local government guidelines, directives and regulations; and providing timely and transparent communications to global personnel and key stakeholders.

New technologies allowed employees to remain connected while working from home during the COVID-19 pandemic.

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NEW OPERATING PROTOCOLS

Our first priority was the health and safety of our workforce. We introduced significant operational changes to protect our employees and followed government recommendations and regulations. In March 2020, nearly all of our office staff made the transition to working from home as we closed offices across the globe. For field employees who perform critical on-site work, we implemented a range of safety protocols and processes, including new mandates for social distancing and wearing face coverings, in addition to standard personal protective equipment (PPE).

To identify symptoms early and reduce the risk of exposure to COVID-19, personnel underwent health screenings before coming onto our work sites. We also coordinated these efforts with contractors to ensure alignment with our standards. As more advanced diagnostic capabilities became available, we began providing rapid COVID-19 tests onsite, where applicable. In the U.K., we administered more than 10,000 COVID-19 tests before personnel traveled to offshore platforms. As a result of the protocols we implemented, we received an "exemplary" rating from the U.K. government for our management program and our protocols for offshore and office staff.

We sought to support personnel with a range of benefits, including covering the cost of testing and providing additional paid sick leave for quarantined individuals. We also reinforced the importance of health with access to telehealth benefits for both physical and mental well-being.

Across our operational locations, we implemented and/or supported a tracking and case management system to further protect and support our people, while minimizing the impact to the business. In the U.S., for example, we managed nearly 800 cases of potential or confirmed exposure and illness (through mid-2021), providing individual support. We also coordinated efforts with a third-party medical provider to offer vaccinations
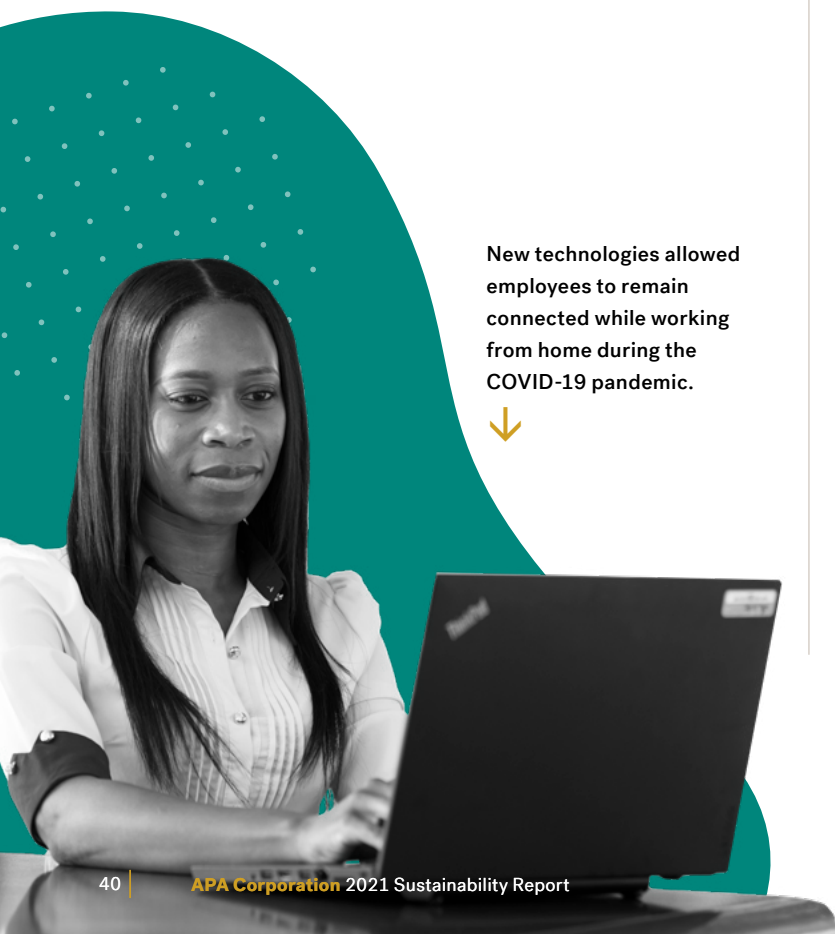
to employees and their dependents on a voluntary basis. Each operating area, in the U.S., U.K., Egypt and Suriname, used specific tracking systems, which were ultimately managed by the U.S. case management team. This oversight process provided for comprehensive reporting and analysis to key leadership to enable effective decision-making.

Thanks to the diligence, flexibility and focus of our workforce, the company experienced only a small number of COVID-19 cases and incurred no material operational disruptions due to the pandemic.

The members of our crisis management team worked around the clock to support our employees and communities during the pandemic. Through it all, our personnel remained determined and flexible, while safely maintaining business continuity.

20,000+

meals provided to families in need in the U.S. and U.K.

SUPPORTING COMMUNITIES IN THEIR COVID-19 RESPONSE

From Midland to Cairo, Paramaribo to Aberdeen, we worked to address the most critical community needs brought on by the pandemic. Our contributions, which aligned with the United Nations Sustainable Development Goals (see pp. 66-67), included:

- More than 500,000 PPE kits and equipment donated internationally to hospitals, health care units, quarantine centers and first responders (U.N. SDGs 3, 10, 11, 16).

- Over 20,000 meals provided to families in need in the U.S. and U.K. (U.N. SDGs 1, 2, 3).

- Funding for crisis support services and emergency shelters for women and families in the U.S. and Suriname (U.N. SDGs 1, 3, 5).

- Virtual tools and internet access to support remote learning provided for 1,400 students in the Midland Independent School District in Texas (U.N. SDGs 4, 10, 11).

As community needs change and stakeholder engagement continues, we continue to adjust our charitable giving program. Our flexibility and responsiveness to the many challenges presented by the coronavirus pandemic offers an example of how APA partners with stakeholders and supports multifaceted efforts for sustainable development (further information on our community programs can be found on p. 63).

Building a More Effective Organization

In 2020, we completed a significant corporate redesign, transforming the company into a more centralized, streamlined and collaborative organization that is better prepared to address the challenges facing the energy industry in the years ahead.

Our decentralized, regional model was replaced with a new, functional design that is focused on exploration, development and operations, with support groups providing shared corporate services to each focus area.

Initially conceived in 2019, the new organizational structure was designed to help facilitate operational efficiencies, cost reductions and increased capital returns to investors. Centralized decision-making and standardization across the business will also enable cleaner and safer operations.

The redesigned organization delivers more effective and disciplined planning and capital allocation, as individual projects are considered across the portfolio, not just within a region. Collaboration and alignment across businesses has improved and best practices are more easily shared from one area to another in a simplified organization. Meanwhile, new technology can be adopted more readily, since barriers between operating regions no longer exist.

As we put the new organization into effect, Russian and Saudi oil exports were flooding the market with excess supply, and COVID-19 was rapidly emerging as a significant threat to global demand. Our new structure helped us react to these situations more effectively and further reduce costs. The corporate redesign initially targeted annual savings of at least $150 million. When fully implemented at the end of 2020, annual cost savings were more than $400 million.

Unfortunately, part of this cost reduction included making the difficult but necessary decision to reduce the size of the workforce. Approximately 640 APA employees globally were impacted by involuntary separation in 2020. We provided these employees with severance packages that included company-paid benefits and outplacement services. In addition to the involuntary separations, APA experienced a voluntary workforce turnover rate of approximately 240 employees, with approximately half of those being voluntary retirements.

While the global economic outlook has improved since COVID-19 vaccine distribution began, the need for fiscal discipline and cleaner operations remains. We continue to be committed to investing in our employees, communities and the environment, while delivering long-term value to our shareholders and other stakeholders. Thanks to our new organization, we are better prepared than ever to deliver on that commitment.

$400MM

annual cost savings after our corporate redesign was fully implemented at the end of 2020.

Diversity and Inclusion

We recognize diversity and inclusion (D&I) as vital to our long-term success. A more diverse workforce and an inclusive environment where all our people feel they can share their ideas makes everyone stronger.

As our industry responds to the changing energy landscape, we need increased diversity and innovative ideas and perspectives more than ever. We are committed to being a workplace where all employees are valued and can thrive with a sense of belonging, not just as employees, but as people.

In 2020, we developed a dedicated position focused on D&I issues to lead our efforts. We also partnered with a well-respected D&I consultant to assess our current work and performance. With the insights gathered, we developed a D&I strategy to identify areas of improvement, establish goals, introduce new initiatives to support our workforce, and create accountability to drive our progress going forward.

D&I STRATEGY

As a part of developing our strategy, we conducted focus groups to hear our employees' experiences and better understand our D&I strengths and opportunities. With this feedback in mind, we evaluated many areas of our workforce strategy, including recruiting, talent management, learning and development, employee engagement, supply chain and community partnership efforts. This enabled us to identify and put into action changes and opportunities that would allow for increased workplace diversity.

We know that data can drive progress and accountability. That's why D&I dashboards are a key part of our approach to help us assess the diversity of our workforce. By tracking gender and ethnic diversity across management, new hires and promotions, we can hold ourselves accountable and measure progress as we implement processes to advance D&I (see comparable Equal Employment Opportunity, or EEO-1, reported data on pp. 46-47 and in the Appendix on p. 95). We also incorporate a D&I goal in our annual incentive compensation program to build diversity strategically across our organization.

In addition to our proactive D&I efforts, we strongly enforce our **Code of Business Conduct and Ethics**. The Code requires that we conduct business, including employment practices, in accordance with all applicable laws, rules, regulations and government requirements. APA is an equal opportunity employer. All employment decisions are made without regard to race, color, religion, sex, familial status, marital status, sexual orientation, genetic information, gender identity, national origin, age, veteran status, disability or any other status protected by applicable federal, state or local law. These standards support our commitment to meet or exceed the requirements of applicable laws and regulations in the countries where we operate. Any form of discrimination by or toward employees, contractors, suppliers or customers in our workplace is strictly prohibited.

ATTRACTING DIVERSE CANDIDATES

Recruiting talent from historically underrepresented groups is an important element of our D&I efforts. We ensure that our human resources (HR) professionals and hiring managers meet our internal standards for identifying and hiring diverse talent. Although recruiting and hiring was limited in 2020, we continued to pursue a diverse, qualified pool of candidates for open positions.

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

ENSURING PAY EQUITY

During each annual compensation program planning cycle, we conduct a wage gap analysis to identify differences in pay. Generally, differences are related to seniority, experience, performance or other legitimate business reasons. When pay differences cannot be explained by these reasonable causes, we undertake a deeper review and correct wage gaps, to ensure they do not correlate with gender, ethnic or racial differences.

In addition to having pay bands for specific jobs, to ensure equitable pay for substantially similar work, we have a process to make pay systems and decisions more transparent and objective. These processes include:

- Objective metrics used to measure performance, which are directly linked to compensation.
- Compensation guidelines, based on defined pay ranges, performance and positions, to ensure consistency in compensation.
- Training for all compensation decision-makers regarding the importance of collecting objective metrics, utilizing updated compensation systems and focusing on consistent compensation for jobs rather than compensation increase percentages.

D&I TRAINING

In 2020, we launched mandatory companywide D&I training for all our leaders with direct reports, and assigned it as recommended training for all employees. The training focused on unconscious bias, allyship, mitigating micro-aggressions, leveraging micro-affirmations, inclusive leadership and the benefits of diversity, inclusion and belonging. Less than 12 months after we launched the program, 99% of required employees have completed the training.

To help make our commitment to D&I visible companywide, we have launched a range of diversity-related information campaigns. These include a D&I site on our intranet that provides insights into our strategy and initiatives, as well as information on how to join or initiate Employee Resource Groups (described on p. 45).

DIVERSITY AND INCLUSION COUNCIL

Our workforce is a global community, one that spans many regions around the world and encompasses the unique characteristics of the people who live in these areas. In 2019, we established the Global Community to support our overall D&I efforts. In 2020, we reimagined this community. This diverse group comprises members that represent the company's gender, ethnic, geographical and functional diversity, and includes employees from different management levels and field and corporate positions. Renamed the Diversity & Inclusion Council, this team champions our D&I culture by providing employee perspectives, ideas and feedback on our D&I initiatives, companywide policies and HR processes.

EMPLOYEE RESOURCE GROUPS

We support a range of Employee Resource Groups (ERGs) focused on advancing inclusion, belonging and understanding for employees across our organization. Networking, professional development and camaraderie are just some of the many benefits of our three ERGs: the Women's Network, Black Professionals Network and the newly formed Pride Network.

ERGs, which are open to all employees, help build employee connections, support our community outreach programs, and foster career development. In the coming years, we will support employees as they form additional ERGs.

Members of our Black Professionals Network celebrate Juneteenth, which became a U.S. national holiday in 2021.

Employee Resource Groups

BLACK PROFESSIONALS NETWORK

APACHE BLACK PROFESSIONALS NETWORK

The Apache Black Professionals Network (ABPN) is committed to promoting a corporate environment where Black employees thrive, both professionally and personally, with a sense of purpose, support and community involvement. To achieve this, ABPN facilitates continuing education, professional and personal growth, mentorship, networking and community impact for Black professionals and allies. Launched in 2020, ABPN has grown from 55 members to 183 members as of May 2021.

In 2020, ABPN focused on cultural awareness, career growth, community engagement and advocacy. Given the restrictions imposed by the pandemic, ABPN hosted virtual social networking events with its members to discuss goals and needs and conducted inspirational career growth discussions featuring external speakers.

The ERG also held a live, virtual Q&A event with our CEO, John Christmann, which focused on our efforts to increase D&I. Throughout the year, ABPN held similar events with several members of our Executive Leadership team.

ABPN is deeply committed to supporting community youth with resources and opportunities. In 2021, ABPN plans to provide scholarships to support talented, underprivileged students at Historically Black Colleges and Universities. Each year, ABPN members will select qualified students for a financial aid assistance grant for the upcoming academic year. ABPN also runs community engagement initiatives to support the Kids Meals charity, which focuses on preventing local child hunger and supports children's literacy. In 2020, for example, the group provided 150 books to students of Key Middle School, located in an underserved community in Houston.

WOMEN'S NETWORK

APACHE WOMEN'S NETWORK

The Apache Women's Network (AWN) focuses on providing its members with learning programs, networking and community engagement opportunities to support our female workforce. In 2020, AWN held several virtual events to provide support through the COVID-19 crisis and to share career development guidance. AWN also launched a member survey to better understand the stressors affecting our female workforce. Based on the survey results, AWN focused its programing on exploring issues such as mental and physical health and navigating return to work and schools. To celebrate International Women's Day, AWN hosted a panel discussion with APA's female Board members in which they discussed work achievements, career development advice, and lessons learned throughout their extraordinary professional journeys.

For five years, AWN has successfully run a U.S.-based mentoring program for employees. In 2020, AWN partnered with APA's new Diversity & Inclusion team to scale the program into a companywide global initiative. After the handoff, AWN will continue to remain involved in the APA Mentorship Program, providing guidance and support as the program continues to grow and engage more employees across the organization.

PRIDE NETWORK

APACHE PRIDE NETWORK

The Apache Pride Network focuses on creating a safe space for LGBTQ+ employees and allies, where members can support and learn from each other, foster equality, and provide a sense of belonging. The ERG was launched in June 2021 to coincide with Pride Month and to commemorate the Stonewall Riots in 1969. In the coming year, this group will support increasing inclusion and belonging by promoting the equality of all people, facilitating networking and mentorship, and supporting symbiotic charities and organizations.

Workforce Demographics*

TOTAL EMPLOYEES BY COUNTRY

Total Employees = **2,272**

598 U.K.

1,430 U.S.

7 SURINAME

237 EGYPT

GLOBAL GENDER MIX
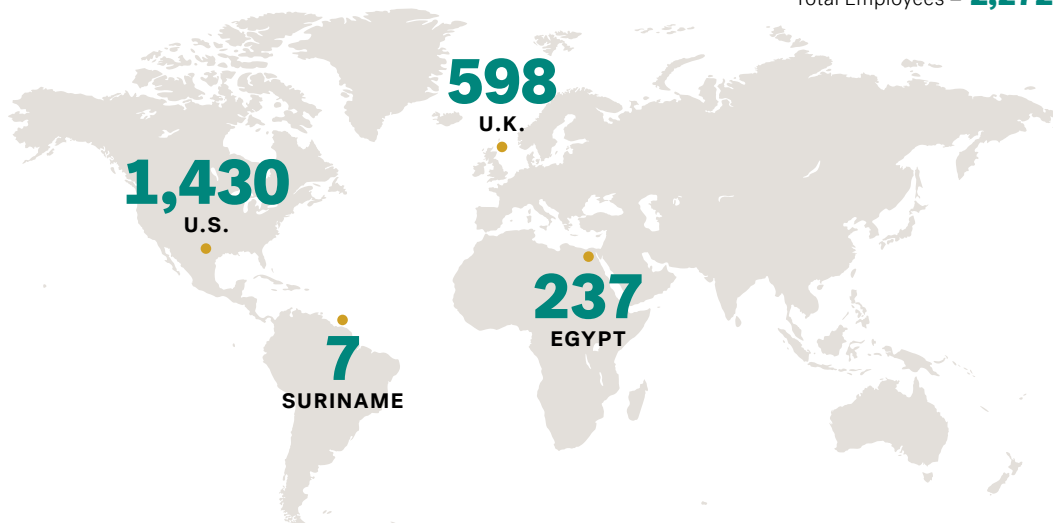
Global
- 22.1%　Female
- 77.9%　Male
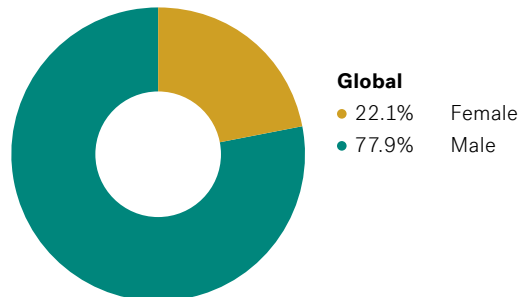
U.S.
73% male　　27% female

U.K.
88% male　　12% female

Egypt
83% male　　17% female

Suriname
86% male　　14% female

U.S. ETHNICITY MIX

U.S.
- 66.9%　White
- 18.6%　Hispanic
- 6.8%　Asian
- 6.0%　Black
- 1.7%　Other

33%
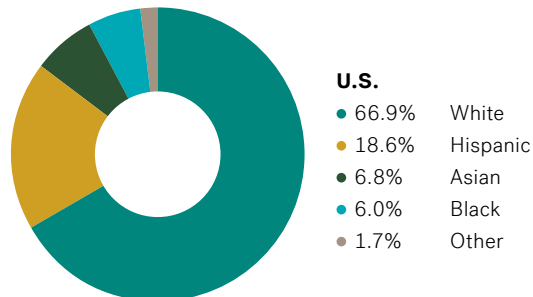
of U.S. employees self-identify as ethnic minority.

* Our workforce demographics are reported by employees' work location as of December 31, 2020. They are based on employee self-identification, and subject to change based on employee assignment. All APA employees are employed by our subsidiary Apache Corporation. This data is comparable to Equal Employment Opportunity, or EEO-1, reported data.

Workforce Demographics (Continued)

LEADERSHIP DIVERSITY (leadership defined as supervisor level or equivalent and above)

U.S. leadership breakdown
- 77.8% White
- 11.5% Hispanic
- 6.3% Asian
- 3.0% Black
- 1.4% Other
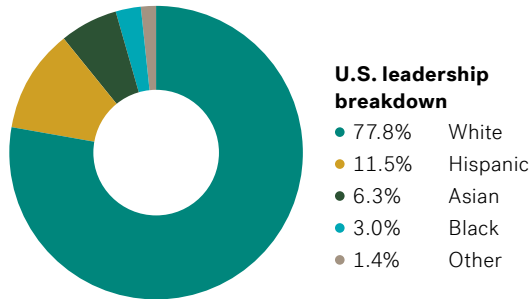
22.2%
of U.S. leadership self-identifies as an ethnic minority.

17.6%
of global leadership self-identifies as female.

GLOBAL FIELD/OFFICE DEMOGRAPHICS

Field vs Office
- 45.5% Field personnel
- 54.5% Office personnel
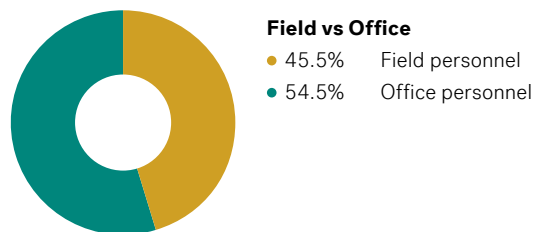
GLOBAL AGE BREAKDOWN

Global
- 9.9% Age: 29 and under
- 60.5% Age: 30-50
- 29.6% Age: 51 and over
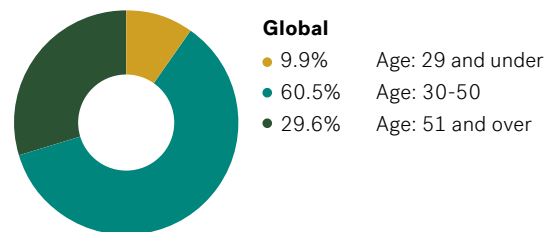
Global gender mix of office personnel
62.6% male   37.4% female

Global gender mix of field personnel
96.3% male   3.7% female

Ethnicity mix of U.S. office personnel
33.7% racial/ethnic minorities

Ethnicity mix of U.S. field personnel
31.9% racial/ethnic minorities

CASE STUDY

Expanding Diversity in STEM Education and Careers

Science, Technology, Engineering and Math (STEM) are essential skills we need in our workforce. Our company employs a diverse group of leaders in STEM positions across our global operations. For example, employees from traditionally underrepresented groups hold senior STEM leadership roles in our Asset Management; Engineering; Drilling and Completions; Operations Excellence; Environment, Health and Safety (EHS); and Aviation departments.

However, there is more work to be done. Expanding the pipeline of diverse candidates in these fields is key for advancing diversity and inclusion at our company and across our industry, and we are working to encourage women and other traditionally underrepresented groups to pursue STEM careers.

In January 2021, APA announced a new multiyear partnership with the **Posse Foundation**, which aims to increase diversity at top colleges and universities and in postgraduate leadership positions. The primary goals of the Posse Foundation are to expand the pool from which top colleges and universities recruit outstanding young leaders, and to help colleges and universities build more diverse, interactive and welcoming campus environments for students from all backgrounds. In partnership with Posse Houston, we support Posse Scholars in their academic studies and post-graduation pursuits, so that students are empowered to take on leadership positions in the workforce and in their communities.

In addition, through a partnership with the American Petroleum Institute and Discovery Education, APA supports the **STEM Careers Coalition**, which promotes STEM education and focuses on "tackling the lack of diversity and unequal access to opportunity in the STEM workforce pipeline."

Darius Pitre credits The Posse Foundation with helping him secure his dream job as a production engineer at Apache Corporation.

←

Photo by Posse Foundation

Hiring Locally

We place a high priority on investing in the areas where we operate, which includes the practice of hiring and developing local employees.

Local hiring allows us to make meaningful economic contributions to these communities, especially in areas where professional jobs can otherwise be scarce.

In our operations outside the U.S., we strive to draw the majority of our workforce from the local host country. In locations with mature oil and natural gas basins, where we find a workforce with deep expertise in the industry, such as the North Sea, this task has been relatively easy. However, in other locations, such as Egypt and Suriname, professionals with advanced technical skills are not always immediately available among the local workforce, and additional actions are required.

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

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

Hydrocarbon exploration and production is the single largest industry in the country, representing approximately 15% of the total GDP. As the industry and need for technical skills continue to grow, the pool of experienced Egyptian oil and gas technical professionals has grown, and we continue to expand the number of local Egyptians in our workforce.

In Suriname, we are focused on building local employment capacity to support future oil production. We ultimately want to fill jobs with local members of the Surinamese population.

"Local hiring allows us to make **meaningful economic contributions** to these communities, especially in areas where professional jobs can otherwise be scarce."

Recruitment, Development and Engagement

We work hard to bring the best people to the job. Building and supporting our team is a central way we deliver top performance and relentless improvement.

EMPLOYEE RECRUITMENT

We focus our recruiting efforts primarily on local colleges and universities and develop additional partnerships focused on recruiting diverse candidates (see p. 43). We also host career exploration days, which provide undergraduate and graduate candidates an opportunity to connect one-on-one with our employees from the students' chosen disciplines.

Beginning in 2020, we updated our recruiting platform and integrated it into our existing HR systems for a more effective recruitment and onboarding process. Using new applicant tracking software, search engine optimization and XML feeds, our job postings reach more diverse groups. As a result, we have been able to locate a broader pool of candidates interested in applying for our open positions.

We believe that referrals from our current employees are one of our best recruiting tools. By enabling existing employees to refer and participate in the candidate identification process, we are able to secure candidates who exhibit our Core Values.

TOTAL REWARDS COMPENSATION AND BENEFITS

Our Total Rewards approach to compensation and benefits is designed to attract, retain and reward top talent. As part of our compensation philosophy, we offer and maintain a robust total compensation package that includes a competitive base salary, industry-leading benefits and performance-driven incentives. We believe that focusing on both short-term and long-term incentives provides fair and competitive compensation and aligns employee and shareholder interests. Our incentive compensation programs also reward company and individual performance by integrating with our Operations, Financial, Environmental, Social and Governance, and workforce safety initiatives.

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

A few examples of recent enhancements in our benefit offerings for employees include:

- Our U.S. family leave policies include paid time off for all new parents, including adoptive and surrogate parents, and leave for employees providing elder care.
- Mental health benefits are available to all U.S.-based employees and eligible family members, including 16 free sessions with a mental health therapist or coach each year.
- A global wellness platform encourages and promotes physical, financial, social and emotional well-being.

2020 LEARNING BY THE NUMBERS

713
unique course offerings

13,732+
hours of training

29,916
course completions

LEARNING AND DEVELOPMENT

Our approach to learning and development focuses on helping our employees meet their professional goals and aligning individual performance with company objectives. In 2020, we redesigned and simplified our process to support more effective goal development, promote transparency on performance, and better link pay to performance.

We support employees by providing opportunities for ongoing learning across technical, compliance, business and personal development areas. Our competency-based approach focuses on building the knowledge and skills needed to perform; supporting employees' professional goals; and developing leadership, communication and collaboration skills.

In 2020, we updated our competency framework to include three focus areas:

- **Core skills** include communication, results, collaboration and culture.
- **Leadership skills** include servant leadership, strategic mindset, change leadership and leading effective teams.
- **Technical skills** vary by function.

🤝 Mentorship Program

In 2020, we developed a companywide Mentorship Program. Launched in April 2021, this program provides mentors an opportunity to guide their mentees in developing goals, core leadership skills and accessing networking opportunities.

SUCCESSION PLANNING

Identifying and preparing future leaders is an important element of employee development and succession planning. Our HR team works with leadership to identify internal successors for all vice president and higher-level positions. We then focus on their development so that they acquire the hard and soft skills needed to excel in a growing leadership role, which includes integrating key learning goals and competencies into their individualized ongoing development plans.

During the pandemic, we expanded the use of online learning and development training to support people working remotely. For example, we offered leadership training focused on helping people lead remote teams. We encouraged employees to participate in existing and new learning opportunities to continue enhancing their knowledge and skills during the pandemic. We also sent out weekly updates on relevant topics, such as the transition to working from home; thriving during times of change; managing time while working remotely; and using Microsoft Teams.

EMPLOYEE ENGAGEMENT

| GROWTH OPPORTUNITIES | LEADERSHIP DEVELOPMENT | COMMUNITY OUTREACH | CREATING A FAIR, INCLUSIVE WORK ENVIRONMENT |

EMPLOYEE ENGAGEMENT

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

We build employee engagement in several ways. This includes providing growth opportunities, leadership development, community outreach opportunities and creating a fair, inclusive work environment. The foundation of our employee engagement strategy is establishing trust in our mission and leadership through frequent, transparent and honest communication. For example, we hold quarterly town hall meetings hosted by the CEO and president that address APA's progress on business goals and answer questions from employees around the globe. We also host regular meetings with our vice president of investor relations, which provide employees an opportunity to hear and ask questions regarding financial markets, APA's stock performance and the market performance of our industry peers. We also invite employees to participate in live

presentations broadcast to global offices that feature external speakers discussing relevant topics in the energy industry. Understanding employees' perspectives is central to our engagement efforts. In 2020, we updated our employee engagement survey, introducing an in-house Employee Sentiment Survey. This focused on gaining employee feedback on our transition to a remote working model and assessing our employees' views about the companywide restructuring carried out in 2020. Our leadership team leveraged the results to formulate our return-to-office strategy, identify successes and mitigate gaps in our restructuring, and to explore actions for increased employee engagement.

We also provide employees with volunteer service opportunities in collaboration with our Community Partnerships program. We look for meaningful volunteer opportunities that instill a sense of pride, ownership and accomplishment for employees in their communities. See pp. 63-65 for more on our volunteer and community investment initiatives.

A Resilient Approach to Health and Safety

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

We achieve this through the application of our Core Values, standards and operating practices. Our health and safety commitment is a shared requirement of our global workforce, including contractors, and we expect all partners across our entire value chain to support it.

BUILDING A LASTING SAFETY CULTURE – OUR SAFETY PHILOSOPHY

We foster a safety culture that empowers our workforce to stop any task if conditions or behaviors are deemed unsafe. We strive to be incident-free across our global operations every day, with the help of visible and engaged leadership, by setting clear expectations and making safety personal for all employees and contractors.

We believe that empowering the voice of our workforce is foundational to performance improvements. Towards this end,

our behavior-based safety program, AIM for ZERO, provides direct access for all workers to submit ideas, suggestions or observations for improvement or prevention. In 2020, over 11,000 submissions were logged across our global operations through AIM for ZERO submission tools.

Audits and inspections are conducted across all our operating areas. In the North Sea, Advanced Safety Audits (ASAs) are completed routinely on our offshore facilities. As with the AIM for ZERO program, these audits focus on observations made at the conclusion of a specific task. Often, actions will be observed to help identify areas of concern or potential improvements to both safety and performance. Last year, over 2,600 ASAs were completed on our offshore platforms in the North Sea.

In our U.S. operations, tools have been developed to allow for mobile on-site inspections by supervisors. These inspections leverage mobile technology within our internal safety database

Adapting to the Global Pandemic

The COVID-19 pandemic has led to numerous changes in how we conduct our business (as discussed on pp. 40-41), including how we support employee health and safety. It has introduced a completely new set of challenges to overcome to keep our workforce safe while maintaining operational continuity. As always, even faced with seemingly insurmountable challenges, our employees rose to the task and succeeded in developing and implementing new ways to keep one another healthy and safe. The global crisis has illustrated the resounding ability of our team to adapt to circumstances and make the necessary adjustments to ensure that worker safety and health remain a top priority.

to complete pre-job inspections and rig-up assessments on the fly. This program was implemented in early 2021, and we are working to replicate this capability throughout our operations. Additionally, site inspections are regularly conducted in Egypt.

To further empower our employees, we listen to and track their ideas through an annual safety culture survey, which we use to guide our safety strategy. This anonymous survey was first introduced in the spring of 2020. Its purpose is to solicit feedback from employees regarding key safety and environmental aspects of company operations. Survey questions are focused on and reflect management's commitment to overall health and safety of the workforce, environmental stewardship and the prioritization of APA's environmental, social and governance (ESG) initiatives. As an example, based on feedback received from the 2020 survey, the implementation of a "safety moment" at the beginning of all employee meetings — including virtual meetings — was adopted and encouraged by leadership. The second iteration of the safety survey was conducted in 2021, and included an additional opportunity for open-ended responses.

AIM FOR ZERO — Mindset of the workforce — culture of safety and environmental responsibility

HSSE CULTURAL BEHAVIOR — What we do matters

WORK RULES — Expectations of the workforce

14%

of our production activities are audited by independent third parties against various management system standards and recommended practices, using protocols such as the Center for Offshore Safety (COS-1-01).

PUTTING OUR PHILOSOPHY INTO ACTION

We follow a hierarchy of controls to minimize and mitigate exposures to occupational hazards. Based on this approach, we focus first on eliminating hazards — the most effective way to avoid incidents — and then move through hazard mitigation strategies (see the hierarchy we follow, which is based on NIOSH, the National Institute for Occupational Safety and Health recommendations, in the graphic below). We identify, assess and manage hazards during facility design, construction, modification and operation. Hazard assessment findings and recommendations are reviewed by our safety staff, and the results are communicated to relevant operational personnel.

Our workforce strives to identify, assess, eliminate or mitigate risks in our operations and work activities by effective planning, control of work, and incident management. This is demonstrated through actionable observations, task-based risk assessments, semi-annual operational risk reviews, operationally led root-cause analyses and ultimately, knowledge sharing of incident learnings. We use field-focused efforts centered on leading indicators to help identify opportunities for continuous improvement. Examples include auditing control of work processes, digital safety inspections, trend analysis and timely feedback to the workforce. Incident alerts are delivered to staff and contractors as appropriate to alert the teams to changes in operating conditions or in areas where 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 continually reviewed, iterated and improved upon to drive continuous improvements in performance. For example, Apache Egypt and its joint venture companies, Khalda Petroleum Company and Qarun Petroleum Company, introduced, launched and implemented 5 new policies, 34 EHS procedures, and 33 safe working instructions in 2020.

We are currently developing updates to our existing management system with an enhanced global Operating Management System (OMS), which is a systemic, standardized and structured approach to achieve our safety and risk management objectives across our various operated assets. The OMS will allow us to have a greater degree of control over work and risk identification, including:

- Establishing goals and key performance indicators
- Enhanced job safety analysis and permits to work
- Prioritization of high-risk and non-routine work
- Deeper review of associated procedural controls and mitigations
- Ensuring task competencies of contractors
- Maximizing uptime through maintenance, integrity and testing activities
- Effectively managing changes
- Continually improving the OMS

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

Least effective
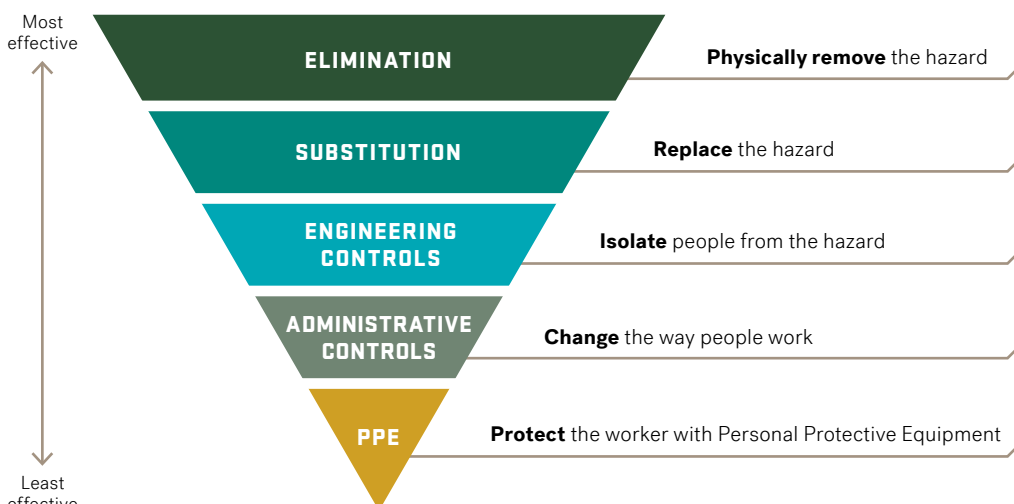
Our Performance

We monitor leading and lagging metrics of our performance to measure the effectiveness of our proactive and preventative health and safety programs.

Our data management portal helps standardize the way we track leading and lagging indicators, manage incidents, facilitate the management of change processes, and monitor stakeholder communications. This system helps us better identify and communicate root causes and incorporate lessons learned from incidents so that we can mitigate and — where possible — eliminate the conditions that caused them across our operations.

In 2019, we introduced a Severe Injury and Fatality (SIF) metric to increase corporate visibility and tracking of incidents that result in a fatal or life-altering injury or illness. Life-altering injuries or illnesses result in permanent or significant loss of a body part, organ function or otherwise permanently change or disable that person's normal life activity. To set a 2020 target, we calculated the SIF average for the previous three years and reduced the number by 30%. In 2020, our year-end SIF of 0.04 met this target.

The graph at the right shows the historical five-year SIF rate for our workforce. In 2020, there were eight SIF incidents and, regrettably, three of those were fatalities in Egypt. Our leadership, including the Board of Directors, are notified of any fatality within the operations. All serious incidents and fatalities are investigated, and lessons learned are shared across the organization to mitigate any future recurrence.

41%

reduction in Severe Injury and Fatality (SIF) events from 2019 to 2020.

Workforce Severe Injury and Fatality Rate

2016	2017	2018	2019	**2020**
0.034	0.055	0.056	0.068	**0.040**
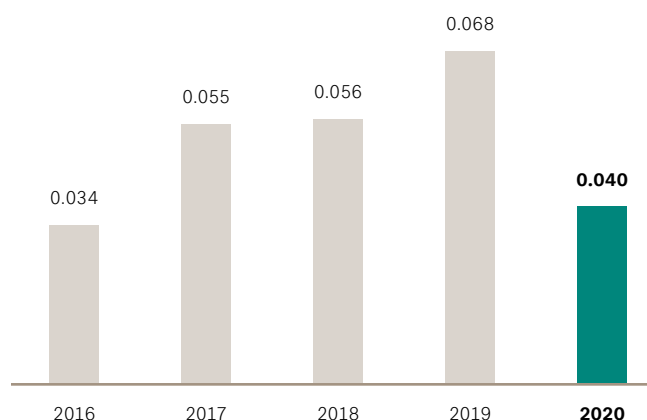
SIF rate is calculated by multiplying the total number of SIF events by 200,000 hours, then dividing by the total hours worked. SIF events considered in this rate are those that result in a fatal or life-altering injury or illness.

While 2020 was a year full of challenges, including COVID-19 and low commodity prices brought on by the OPEC+ price war, we maintained our focus on safety. Although we did experience increases in each of our workforce safety performance metrics, the overall number of incidents was down. The increased rate metrics are reflective of our reduced activity in 2020, with overall workforce labor hours down more than 33% from the prior three-year average (see Key Performance Data table on p. 94). Even with the increased incident rates in 2020, our safety performance metrics continue to reflect long-term improvement in all three of our primary incident rate metrics: Total Recordable Incident Rate (TRIR), Days Away, Restricted, or Transferred (DART) and Vehicle Incident Rate (VIR). Although our Workforce TRIR and Workforce DART had increases in 2020, both rates have declined overall since 2016. The VIR increased 5% when compared to 2019, but that rate has decreased by 41% since 2016.

In response to the uptick in our key safety metrics, during our 2020 midyear review with cross-functional leadership we re-evaluated and enhanced our approach to incident management.

Specific actions taken included:

• Constructive feedback of incident investigations
• Deeper understanding of root causes
• More effective preventive and corrective actions
• More effective sharing of lessons learned

Furthermore, in partnership with other functional groups, we took additional measures including:

• Revitalized EHS safety committee meetings
• Refocused weekly EHS performance dashboard
• Conducted monthly "all-employee" EHS leadership town halls
• Launched a global hand and finger injury prevention campaign
• Conducted bi-weekly AIM for ZERO review meetings

Total Recordable Incident Rate

	2016	2017	2018	2019	**2020**
Employees	0.19	0.24	0.28	0.09	0.27
Contractors	0.69	0.67	0.80	0.54	0.58
Workforce	0.52	0.56	0.65	0.41	0.48

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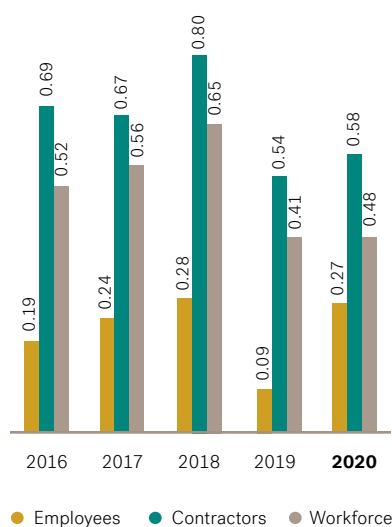
The TRIR is calculated by multiplying the total number of recordable injuries by 200,000 hours, then dividing by the total hours worked.* The TRIR measures the rate of work-related injuries and illnesses that result in medical treatment beyond first aid. Medical treatment includes, among other things,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

Days Away, Restricted or Transferred Rate

	2016	2017	2018	2019	**2020**
Employees	0.09	0.10	0.17	0.07	0.13
Contractors	0.37	0.28	0.40	0.21	0.28
Workforce	0.27	0.23	0.33	0.17	0.23

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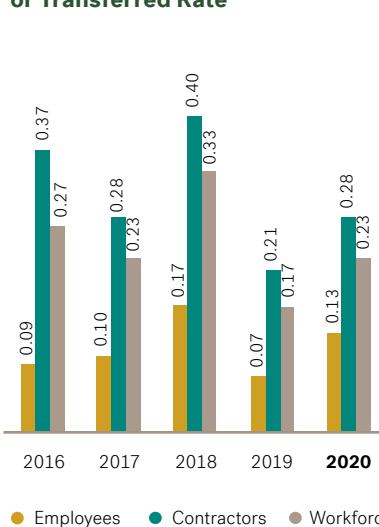
The DART rate is calculated by multiplying the total number of DART injuries by 200,000 hours, then dividing by the total hours worked.* DART cases considered in this rate are those work-related injuries and illnesses that lead to an employee missing work, requiring restrictions in work duties or requiring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

Vehicle Incident Rate

2016	2017	2018	2019	**2020**
1.41	1.24	1.29	0.79	**0.83**
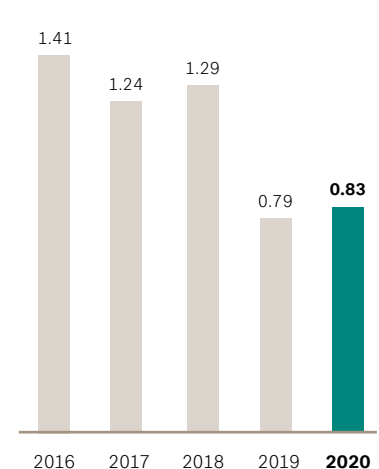
The VIR is calculated by multiplying the total number of recordable vehicle incidents by 1 million miles, then dividing by the total miles driven.**

* Apache employees and contractors worked more than 53 million hours in 2019.
** Includes miles driven by Apache employees.

37%

reduction in workforce recordable injuries as a result of our enhanced approach to incident management during the second half of 2020 compared with the first half.

As a result of these initiatives, we recognized a 37% reduction in workforce recordable injuries in the second half of 2020 compared with the first half. We provide weekly updates on our health and safety metrics to managers at every level within the company, and also at quarterly employee town halls, meetings of the ESG Management Committee and at Board meetings. Using leading indicators to stay abreast of our current performance allows us to make more effective course corrections throughout the year if our performance falls out of sync with our program goals. Expectations for managers' engagement in health and safety can be found **here**.

LEVERAGING TECHNOLOGY

In 2020, in response to the COVID-19 pandemic, we shifted the way we use technology to replicate in-person interactions. We implemented a variety of virtual platforms across our business to support cross-functional collaboration, training and team meetings. In addition, many of these tools were utilized to optimize the incident management process, conduct surveys, complete audits and inspections, and provide real-time trend analysis.

HEALTH AND SAFETY TRAINING AND EDUCATION

Training and development are foundational to our EHS management system. Our online training platform, which is incorporated into our in-house training system (see p. 51), 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.

- Nearly 18,000 EHS training modules
- More than 7,000 hours

These courses foster a mindset of personal responsibility and individual accountability, while emphasizing our focus on the hierarchy of controls.

DRIVING SAFETY

In 2020, our employees drove nearly 23 million miles working for the company. Furthermore, we faced the additional challenge of having many of our field offices closed due to the pandemic, requiring greater reliance on fleet vehicles. We use in-vehicle monitoring systems in the U.S. and Egypt to help ensure the safe driving habits of our workforce. This real-time monitoring is overseen by the Apache Incident Management Center and locally based information centers.

CASE STUDY

Operating Safely Offshore Suriname

We began drilling our first exploration well in September 2019 in Block 58 offshore Suriname. Since then, our Suriname operations have included approximately 1.4 million man-hours worked, and 18 crew changes transporting more than 2,300 workers and personnel to and from shore, with zero recordable health, safety and environmental incidents.

In collaboration with Surinamese officials and our contractor companies, we responded quickly and decisively to the pandemic by implementing multiple new procedures to maintain the health and safety of our offshore workforce. For example, crew members were quarantined in Houston for 14 days prior to mobilization, and daily health and wellness checks were performed on each person, including COVID-19 testing.

Our drilling contractor, Noble, utilized a system that parallels our AIM for ZERO safety program. Any person on the drillship could submit observations or note situations that appeared unsafe, such as housekeeping practices, hand and body placement, guard and barrier locations or conditions, and use of personal protective equipment. During the drilling program, nearly 60,000 observations were submitted to Noble.

The drillship we utilized made four discoveries on Block 58 at the Maka, Sapakara, Kwaskwasi and the Keskesi wells, with no recordable injuries or Lost Time Incidents and a rig uptime of 97.5%. The health, safety and environmental (HSE) performance of the Noble Sam Croft while working for us on the Suriname project produced the best HSE results in the Western Hemisphere for "floaters" (floating drilling vessels) in Noble's fleet in 2020. We are proud to have achieved this safety performance, in what became an even more challenging operating environment as a result of the pandemic.

1.4MM

approximate man-hours worked in our offshore operations in Suriname, with zero recordable health, safety and environmental incidents.

Offshore Suriname, Block 58
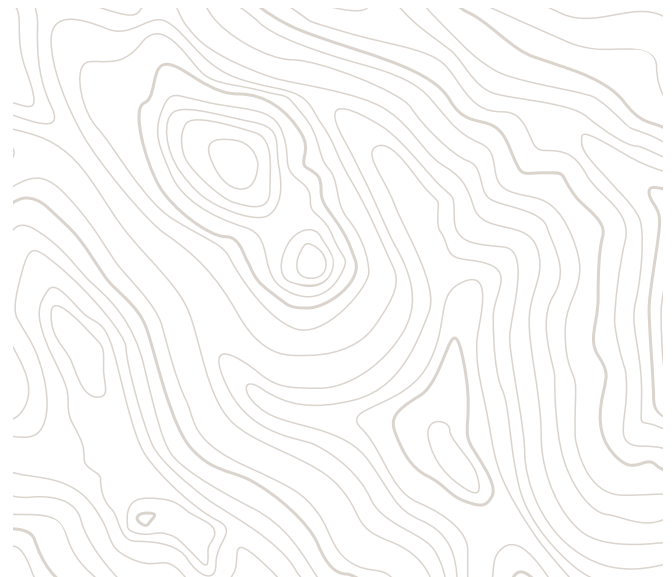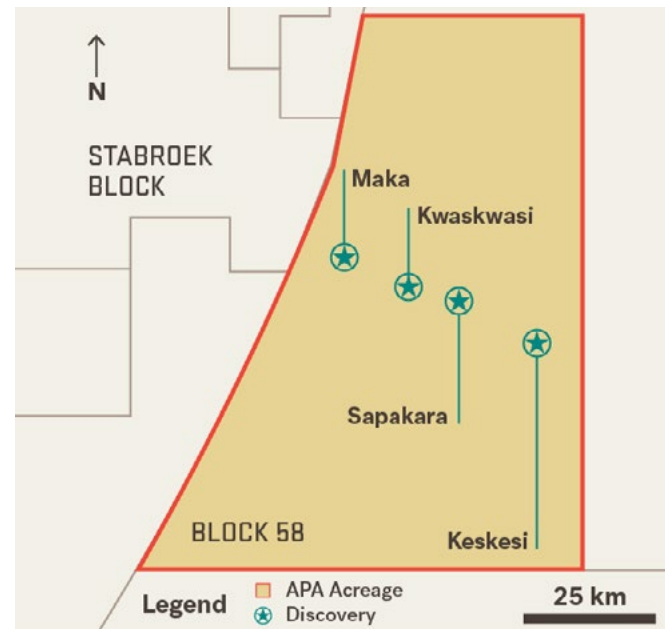
Contractor Partnership

The coordination and oversight of our contractor relationships are critical to our success.

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

Like others in our industry, we rely on contractors to support nearly every aspect of our operations, from exploration and production to well closure and remediation activities. Contractors typically account for about two-thirds of our total workforce hours each year.

We engage consistently and actively with our contractors to promote alignment with APA's Core Values and EHS and operational excellence. Our contractor-facing website outlines the EHS expectations of our contractors, with applicable **documents** available for download. Our comprehensive contractor management process addresses the full life cycle of supplier engagement, from selection and evaluation to monitoring and post-contract review.

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 adhering to that code. In addition to the internal review process described above, we also assess contractors using leading third-party supply chain management tools that provide evaluations on a range of criteria, including performance and management of safety, anti-corruption, financial health and other business issues.

Frequent contractor safety audits, both on job sites and in contractor field offices, are critical components of our compliance assurance process. Contractor audits assess a range of controls, including EHS management systems, data analytics, training compliance and competency.

CONTRACTOR MANAGEMENT PROCESS

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

Assessment of Technical Capabilities and Service Quality
- Verification and validation of operational readiness
- Training compliance and competency

Compliance Assurance
- EHS audits
- Performance reviews

Continuous Improvement
- Sharing and adopting industry best practices
- Reviewing lessons learned
- Evaluation of emerging technologies

Resilience and Risk

Our expansive footprint presents a wide range of operational risks. We recently consolidated several functions to form a resilience and risk team with a global focus on operational risk management, crisis and emergency management, and business continuity, which pulls together various local, regional, and national crisis and emergency management-related regulations and requirements. This team drives proactive preparedness across all operations, ensuring the company's ability to continue business service through anticipating, preventing, responding to, recovering from, or adapting to adverse events.

Our resilience and risk framework is a holistic program with a standardized approach across the organization, and overarching risk and response procedures and practices. A cornerstone of this approach is a perpetual cycle of risk identification and assessment, developing response plans, enhancing the capabilities of identified response personnel through training and practice, and continuously improving through extensive analysis of performance.

RISK MANAGEMENT

We recently undertook a significant revision of our risk management program including integration of a third-party software platform to catalogue operational and nonoperational

risks on our corporate risk register. This tool provides a high-level overview of company risks identified through risk assessments, with a qualitative scoring calculation that allows comparisons of varying types of risks. The revised program is a result of a collaborative effort by Operations, Internal Audit and nonoperational risk management, and the Resilience and Risk team. Effectively managing operational risks allows the company to promptly adapt to and mitigate risks that affect the achievement of our strategic, business and operational objectives across all operating areas.

> "Our resilience and risk framework is a **holistic program** with a **standardized approach** across the organization."

OPPORTUNITY & RISK MANAGEMENT FRAMEWORK
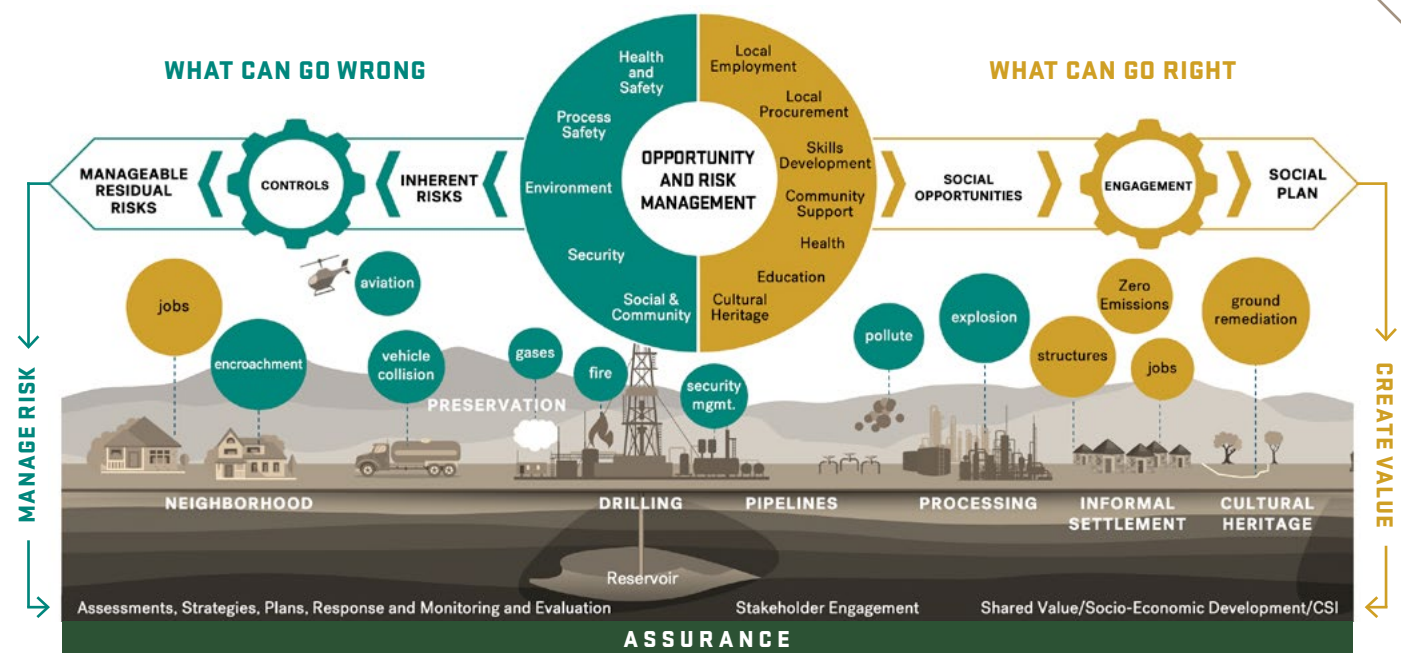
Response to Winter Storm Uri in the U.S.

The winter storm experienced in the U.S. during February 2021 presented an unprecedented confluence of hazards and impacts to a majority of Texans. The event strained communications and infrastructure, impacting employees at home and work. Prior to the storm, we closed offices and implemented flexible work accommodations for employees to ensure their own safety and that of their families. All nonessential travel and other activities were halted, and personnel successfully completed preparations for our facilities and IT systems before the storm.

Excellent coordination between Houston and Midland offices and field personnel allowed for the transition of certain systems to groups and teams that maintained communication capabilities, ensuring a constant awareness of risks and safety of field personnel. With 85% of Permian-based production shut in, employees monitored alarms through software and the Remote Operations Center. For staff members who had to make emergency field visits, the Apache Incident Management Center used our vehicle tracking system to ensure that they returned home safely with 24-hour monitoring. Just five days after the storm, thousands of wells and facilities were back to 90% of original production. Bottled water was secured and distributed to the many personnel in Houston and Midland who experienced interruptions in drinking water at their homes.

Although we did not experience any operational incidents as a result of the storm, a detailed after-action report was compiled in an effort to learn and improve for future events.

CRISIS AND EMERGENCY MANAGEMENT

Our crisis and emergency management standard establishes the expectations, guidelines, procedures and responsibilities for preparing for or responding to a potential crisis, incident or emergency. All of our operating areas are required to meet this corporate standard, which provides organizational structures, management processes and tools necessary to:

1. Prevent, mitigate or respond to crises
2. Respond to incidents in a safe, rapid and effective fashion
3. Restore and resume affected operations

The program is embodied in a preparedness cycle: a continuous improvement cycle of planning, organizing, training, equipping, exercising, evaluating and taking corrective action to ensure effective coordination during a response to an incident.

INDUSTRY COLLABORATIONS AND PARTNERSHIPS

We are active in several industry collaborations to improve our response capabilities, including Oil Spill Response Limited, which provides well control and spill response support globally to our offshore areas of operation. We maintain additional memberships with Clean Gulf Associates and National Response Corporation for spill response in the Gulf of Mexico. We also have a contract with Wild Well Control, for instances when support is needed for a well-control incident in any other area of operation.

EFFECTIVE COORDINATION DURING AN INCIDENT RESPONSE

1. PLANNING
2. ORGANIZING
3. TRAINING
4. EQUIPPING
5. EXERCISING
6. EVALUATING
7. TAKING CORRECTIVE ACTION
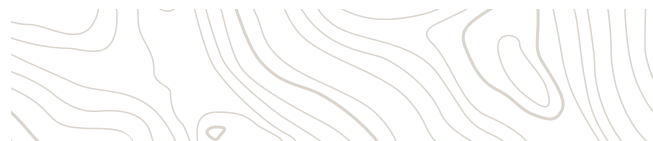
Our Approach to Social Investing and Community Engagement

The Community Partnerships group oversees the company's global strategic social investing and community engagement, including the stewardship of key stakeholder relationships.

We seek to connect the company's philanthropic giving with our purpose as a business. Through this approach, we seek to create shared value by maximizing sustainable benefits for our communities, while also creating competitive advantage and value for our company.

In 2020, as part of a significant corporate reorganization (see), our Community Partnerships team became part of our Corporate Communications & Public Affairs group, which centralized decision-making for philanthropic giving in order to ensure the strategic outcomes across the organization.

Our strategic philanthropic giving and community engagement initiatives focus on listening to and engaging with our stakeholders. We respond to acute needs within the community while building long-term relationships. Based on this dialogue and research, we identify initiatives that serve the specific needs of the community and that align with our organization's **Core Values** and business.

We have a long-standing commitment to addressing social and environmental issues, such as providing access to education and supporting conservation efforts. In 2020, building on this

foundation, we formalized our global giving strategy and philosophy into three pillars: **Community**, **Environmental Stewardship** and **Access to Energy**, through which we create sustainable and positive impacts. Based on these pillars, we are committed to:

- Addressing acute social needs within the local communities where we operate;

- Ensuring that we remain focused on our long-standing legacy and commitment to environmental stewardship and conservation; and

- Supporting underserved communities that lack access to reliable, affordable energy.

While these pillars will guide our giving strategy going forward, in 2020, during the unprecedented challenges of the COVID-19 pandemic, we focused our charitable giving on relief initiatives that address the critical needs of the global communities where we live and operate, including poverty and food insecurity; medical and safety equipment for health care workers and first responders; access to virtual tools for remote learning; and supporting vulnerable women and children who were affected by economic adversity during the pandemic.

Community Partnerships — Our Strategic Areas of Focus

2020 Global Community Investments

77%

21%

2%
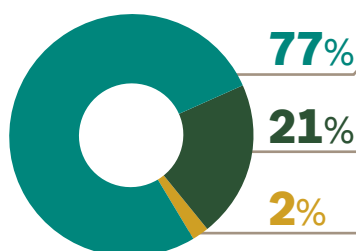
COMMUNITY SERVICES* — Around the world, each community where we operate has unique and specific needs. Opportunities for partnership include improving quality of life through access to education and essential medical supplies; supporting vulnerable populations, including women and children in need; responding to natural disasters, and supporting first responders.

ENVIRONMENTAL STEWARDSHIP — Conservation goes hand in hand with responsible energy development and includes initiatives that support habitat, species and water conservation.

ACCESS TO ENERGY — Access to reliable energy is critical to societal progress. Our community partnership efforts in this area seek to expand access to energy for communities in developing nations and address reliability and affordability of energy in developed countries.

* Includes charitable giving in areas of Education; Health & Well-Being; First Responders & U.S. Military Support; Women, Youth & Family Services; Community Resources; and Arts.

SUPPORTING ENVIRONMENTAL STEWARDSHIP

Since our founding, the company has had 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 & Wildlife Foundation and Texas Parks and Wildlife Foundation. We also focus on enhancing community and public green spaces through initiatives such as our award-winning Apache Tree Grant Program.

During the 2020-2021 season, we granted more than 64,000 trees to 56 nonprofit organizations and government agencies throughout Texas, Louisiana, New Mexico and Wyoming. Examples of tree-planting projects include:

• A tree grant made to the Trust for Public Land, benefiting the Bayou Teche National Wildlife Refuge, which conserves over 9,000 acres of Louisiana's coastal bottomland hardwood forests and bald cypress tupelo swamp habitats;

• Trees provided to the Buffalo Bayou Partnership to benefit residents of the bayou's East Sector, where the organization has launched a master plan to transform the area into an environmentally sustainable space, and to create new green spaces and nature paths in the underserved East End and Fifth Ward neighborhoods of Houston;

• A grant to Tree New Mexico's ABQ NeighborWoods Program to support residents in underserved communities in New Mexico, which has experienced some of the highest rates of tree loss across the country over the past three years; and

• Since 2014, have partnered with the U.S. Fish and Wildlife Service South Texas Refuge to plant more than 75,000 seedlings across 98 acres of natural habitat in South Texas; these reforestation and restoration initiatives preserve the ecological function of the Tamaulipan thornscrub forests and protect endangered wildlife in the region.

Since 2005, the program has granted over 4.8 million trees to a wide variety of nonprofit organizations and government agencies in the U.S., including cities, counties, schools, state and local parks, universities, youth associations, wildlife refuges and community groups. In addition to using trees to beautify neighborhoods and preserve natural habitats, nonprofit and governmental groups often request trees to support a range of conservation efforts, including reforestation in areas affected by natural disasters.

Spring-fed swimming pool, Balmorhea State Park

Conservation Initiatives

We are active in conservation efforts, such as at the Ucross Ranch in Wyoming, the Pecos Watershed Conservation Initiative in West Texas and New Mexico and, most recently, in partnership with Respect Big Bend in West Texas.

Through the Pecos Watershed Conservation Initiative, we work closely with eight other oil and gas companies, the National Fish and Wildlife Foundation and the U.S. Department of Agriculture's Natural Resources Conservation Service to help protect the Pecos River Watershed, which is the home of many rare and endemic species. In 2019, we joined as an energy adviser to the Respect Big Bend Stakeholder Advisory Group (SAG), composed of landowners, nonprofits and community members. Sponsored by the Cynthia and George Mitchell Foundation, Respect Big Bend is focused on providing solutions that balance energy development and conservation, while addressing community needs and concerns about future development. We provided the group with guidance and insight into lessons learned about effective stakeholder and community engagement in and around the company's Alpine High asset (learn more about these and other conservation programs on pp. 32-34).

Partnering With Public Parks

We have a long history of collaborating with public parks. We have supported park improvement and repair projects in the communities where we operate and have worked closely with the state park departments in Texas and Louisiana to identify areas where we can make a positive impact.

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

We also support the University of Texas at Austin's McDonald Observatory to strengthen the Dark Skies Initiative and mitigate the negative impacts of light pollution on the night skies of West Texas. Our $257,000 gift to the McDonald Observatory funded ongoing efforts to educate the public on the importance of dark skies and the vital research of the observatory, including hiring additional staff to support and manage the Dark Skies Initiative. In response to the pandemic, the Observatory's educational activities were virtual in 2020, and there are plans to continue to utilize our gift in the future for in-person events and educational initiatives, including an updated visitors' gallery on-site.

We support the University of Texas at Austin's McDonald Observatory to strengthen the Dark Skies Initiative.

→

Supporting the U.N. SDGs

In 2020, we committed 100% of our philanthropic dollars to supporting causes that align with the United Nations Sustainable Development Goals (U.N. SDGs). This builds on many of our long-term giving activities, which were already aligned with the SDGs, including programs addressing gender inequality, building sustainable communities and providing quality education through Springboard Schools in Egypt, and continuing to advance environmental stewardship and conservation through initiatives such as the Apache Tree Grant Program.

2020-2021 COMMUNITY GIVING ALIGNED WITH THE U.N. SDGs

Donated more than 500,000 PPE kits and equipment (surgical masks, face shields, gloves and hand sanitizer) to hospitals, health care units, quarantine centers and first responders across the world (U.N. SDGs 3, 10, 11, 16).

Supported 300 hospitals, 1,000 primary health care units and 50 quarantine centers across Egypt in partnership with the U.S. Chamber of Commerce Foundation (U.N. SDGs 3, 10, 11, 17).

Partnered with Staatsolie to **establish an intensive-care unit** in Paramaribo, Suriname (U.N. SDGs 3, 10, 11, 16, 17).

Provided over 20,000 meals to families in need in the U.S. and U.K. during the COVID-19 pandemic (U.N. SDGs 1, 2, 3).

Supported crisis services and **emergency shelter from domestic violence** for women and families in the U.S. and Suriname (U.N. SDGs 1, 3, 5, 10).

Provided 1,400 students in the Midland, Texas, school district **with virtual tools and internet access to support remote learning** (U.N. SDGs 4, 10, 11).

In partnership with the National Fish and Wildlife Foundation, continued our support of the Pecos Watershed Conservation initiative to **conserve riparian grasslands, species and habitats** in the greater Trans-Pecos Region (U.N. SDGs 6, 13, 14, 15).

Established a new multiyear partnership with the Posse Foundation to expand diversity at top U.S. colleges and universities, support Posse Scholars in their academic studies and empower students from all socioeconomic backgrounds to take on leadership positions in the workforce and within their communities (U.N. SDGs 4, 5, 10).

Supporting the U.N. SDGs (Continued)

2020-2021 COMMUNITY GIVING ALIGNED WITH THE U.N. SDGs

Supported Voluntary Service Aberdeen (VSA) in the **reopening of Easter Anguston Farm in the U.K.,** an operational farm that serves as a training facility for adults with learning disabilities (U.N. SDGs 2, 3, 4, 10, 11, 15).

Through the Apache Tree Grant Program, partnered with 56 U.S. nonprofit organizations to **grant more than 64,000 trees** in support of reforestation of state and municipal parks, restoration of natural habitat and beautification of community green spaces (U.N. SDGs 13, 15).

Donated coats, shoes and winter clothing to more than 2,000 children in need in the U.K. (U.N. SDGs 1, 3).

ABOUT THE U.N. SUSTAINABLE DEVELOPMENT GOALS

The U.N. SDGs are a blueprint for achieving a better and more sustainable future for all by addressing the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. The United Nations areas of focus for the next decade (2020-2030) are tackling growing poverty, empowering women and girls, and addressing the global climate emergency.

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	SUSTAINABLE DEVELOPMENT GOALS

CASE STUDY

Supporting Vulnerable Women and Children

Domestic violence, sexual assaults and the abuse of women and children escalated significantly in communities around the world during the COVID-19 pandemic. For example, assaults increased by over 70% in Texas.

We focused on addressing this critical issue by increasing social awareness of domestic violence and sexual assault, and providing critically needed support for vulnerable women and children in the areas where we live and work around the world.

STICRIS Women's Shelter — Suriname

Only a single chair and mattress remained of the 14-room STICRIS Women's Shelter in Paramaribo, Suriname, after a catastrophic fire in December 2011. The shelter, which was built in 1985 to offer women and their children a safe, nonviolent environment, had to shut down its operations completely.

STICRIS Women's Shelter

In 2018, STICRIS began rebuilding and expanding the shelter. Through support from community partners including APA Suriname, STICRIS reopened in 2020. The new, two-story building has 13 individual rooms, a kitchen, a laundry room, a multipurpose space, and room for consultations. STICRIS provides professional guidance to help women plan for their future and become economically independent, and offers resources to women even after they leave the shelter.

"We are filled with joy, because after nine years, we have finally succeeded in reopening the STICRIS women's shelter," Heidy Cederboom, chairman of STICRIS, said at the reopening ceremony in 2020. "We would not have been here today without the support of [APA] and other partners."

Houston Area Women's Center

The mission of the Houston Area Women's Center (HAWC) is to end domestic and sexual violence and build safe and healthy lives through advocacy, counseling, education, shelter and support services. In 2020, HAWC's crisis hotline averaged about 100 calls daily and received thousands of requests for emergency shelter and emotional support from victims throughout the greater Houston area. Our support provided emergency shelter for dozens of women and families during the height of the COVID-19 pandemic. Sarah Sparker Patel, HAWC's director of institutional giving, stated, "We are immensely grateful for the support they provided to help us weather this storm. Together, we continue to ensure women and children fleeing violence receive real-time response and safety on demand. On behalf of the survivors who seek our help in these desperate times, thank you."

"We are filled with joy, because after nine years, we have finally succeeded in reopening the **STICRIS women's shelter**."

Heidy Cederboom, Chairman of STICRIS* in Paramaribo, Suriname

* "*Stichting tehuis voor vrouwen in Crisissituaties,*" which translates to Home for Women in Crisis Situations Foundation.

CASE STUDY (Continued)

Option, Inc.

Option, Inc. of Hobbs, New Mexico, is a nonprofit organization with a mission to provide a safe haven and support for victims of domestic violence, while working to reduce incidents through education and awareness. At the peak of the COVID-19 pandemic, New Mexico's first responders saw a dramatic rise in domestic violence cases, up nearly 80% from 2019. Many victims were reluctant to seek shelter, however, as they weighed the risk of violence from domestic partners against the risk of contracting COVID-19. We supported Option, Inc. in providing safe emergency and transitional shelter, emotional support and education to domestic violence and abuse survivors in and around Lea County. "Our community has faced an escalating need for support services necessary to combat domestic violence. Their support will aid us in furthering our mission to provide safety and ease the suffering for numerous individuals and families," said Robert Guthrie, operational manager of Option, Inc.

Safe Place of the Permian Basin

Safe Place of the Permian Basin (SPPB) works to break the cycle of family violence by empowering individuals to make safe and healthy choices through awareness, counseling, advocacy and shelter, while promoting hope, healing and dignity. SPPB was created in 1978, and today serves domestic violence survivors across 15 counties and 16,000 square miles in the Permian Basin. "For more than 40 years, the underlying goal of SPPB has been to work with compassion and strength to help families walk through extreme fear into a world filled with hope," said Lee Anna Good, SPPB's director of development. "The layers of difficulties presented to victims of domestic violence during the COVID-19 pandemic have made us even more aware of how essential and critical our services are in changing lives. This ongoing effort would not be possible without the support and services that they help us to provide."

"Our community has faced an escalating need for support services necessary to **combat domestic violence**. [APA's] support will aid us in furthering our mission to provide safety and ease the suffering for numerous individuals and families."

Robert Guthrie, Operational Manager of Option, Inc.

CASE STUDY

Creating Educational Opportunities for Girls in Egypt

SPRINGBOARD GIRLS SCHOOLS BY THE NUMBERS

201
schools built

600+
teachers and supervisors trained

5,000
students enrolled annually

~15,000
girls in APA-supported schools in Egypt who have learned to read and write since 2004

In many rural villages in Egypt, lack of local access to education and safety concerns for young girls have resulted in limited educational opportunities. We are in the 17th year of supporting Springboard Girls Schools, an ambitious community project to help educate girls in remote areas of Egypt, and we remain one of the primary funding sources of the program. Springboard also works with governmental and nongovernmental organizations in support of the Egyptian government's Girls' Education Initiative.

Through the program, we have supported the construction of 201 mostly one-room girls' schools in Egypt, which together have enabled approximately 15,000 girls to learn how to read and write. Nearly 85% of the girls who start at a Springboard school graduate from primary school. Some go on to middle schools and eventually pursue advanced degrees. We have also supported the construction and ongoing maintenance of nine coeducational schools, which serve about 350 Bedouin students in areas near our drilling and production operations in the Western Desert of Egypt.

We are also supporting efforts to further advance the educational quality of the schools. In 2018, we established a program with the American University in Cairo to provide training and development courses for 402 teachers and 201 supervisors who work in these schools. The educators are currently being trained over three phases through the end of 2021. Upon completion of the training program, the teachers and supervisors will receive a professional certificate from the American University in Cairo.

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

Local Economic Impacts

Our operations benefit local communities in the form of direct and indirect hiring and spending.

41% of budget is spent with geographically local suppliers and contractors.

The practice of hiring locally is one way in which we make meaningful economic contributions to the communities where we operate. We offer competitive wages and benefits and actively recruit qualified candidates who demonstrate the skills and experience that meet the requirements of particular jobs (learn more about local hiring on p. 49).

We also focus on developing strong 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 seek to purchase what we can from local businesses. Welding services, water hauling, roustabout crews, construction crews and civil project installation crews are a few of the categories in which we procure goods and services from local suppliers. Sourcing supplies and services locally not only makes economic sense, it also engenders goodwill within the communities in which we operate.

Our operating areas spend, on average, 41% of their budgets with suppliers and contractors that are geographically local.

2020 TOTAL LOCAL SPEND BY COUNTRY

$346MM
U.K.

$273MM
U.S.

$308MM
EGYPT

$34MM
SURINAME
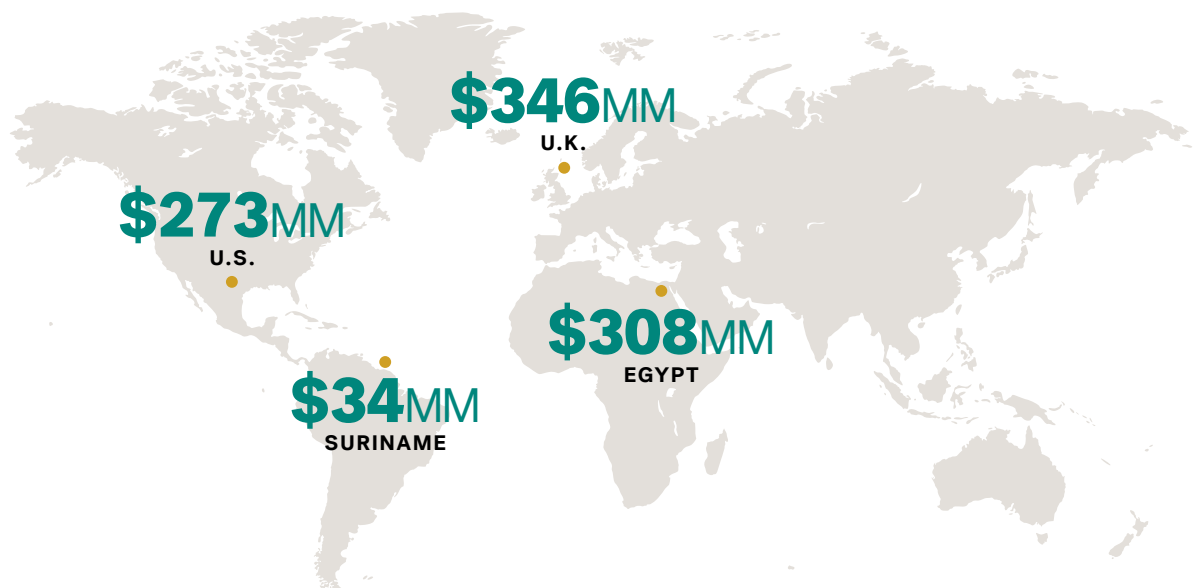
Understanding and Addressing Stakeholder Concerns

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

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

We maintain regular and open communication with local officials and community leaders to promote friendly and proactive dialogue, and we encourage community members to reach out if they have any issues to discuss. We obtain regular formal and informal feedback from local stakeholders that we use to address their concerns. Building these partnerships provides a foundation for mutually beneficial outcomes for our communities, our employees and our company.

Stakeholder input is considered in our decision-making processes, both in the planning phases and after we begin operations. For example, our Public Affairs and Government Affairs teams conduct regular stakeholder outreach and engagement through formal meetings, informal conversations and ongoing dialogue. We regularly meet with local emergency responders to make sure they know to call our 24-hour emergency number immediately if they suspect there's a problem at one of our locations. We also work with them to ensure a coordinated response in the rare event of an incident.

We are also continuing to develop our Ambassador Program, which was created to give our workforce the knowledge and confidence necessary to become advocates for both our company and our industry within their communities. Employees are trained to actively listen and be open and responsive to community members' concerns.

MINIMIZING COMMUNITY IMPACTS

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

During the pad siting process, we take multiple factors into consideration, including accessibility and road conditions. We often drive the roads in the region to get a ground-level view of the situation and preemptively address potential concerns, such as vulnerable roads, residential density and other factors.

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

We also work to reduce our impact on local roads and communities by **encouraging safe driving practices** among our employees and contractors. We use vehicle monitoring devices to help ensure that employees operate vehicles safely on public roadways. In addition, we reduce truck traffic and impacts on roads by using pipelines instead of vehicles to transport water and oil whenever possible.

Noise, light and odor are other common community concerns. We **install sound barriers** as needed, for example, by planting trees for noise and visual screening, and we use specialized lighting to reduce the impact on nearby residents.

We have also introduced a number of important modifications in our operations, including **installing shielding on certain lights**, experimenting with different fixtures and adjusting our lighting so that it points downward rather than up toward the night sky.

Odor from our operations can occur when a formation contains hydrogen sulfide. If hydrogen sulfide emissions cannot be addressed through the well-siting process, we **install emission controls to mitigate odors** and emissions during the production stage.

ADDRESSING COMMUNITY COMPLAINTS

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

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

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. Types of

inquiries include but are not limited to safety concerns regarding employees and contractors, as well as questions regarding our operations. All inquiries receive a thorough, individualized investigation to determine the underlying details and develop appropriate resolutions. Company representatives work to address each situation and provide a timely response to the inquiry. Most issues are resolved within 72 hours.

In 2020, the Good Neighbor Line received eight phone calls from concerned individuals regarding safety compliance, donations to political funds, and issues regarding site access. All of these complaints were addressed and resolved.
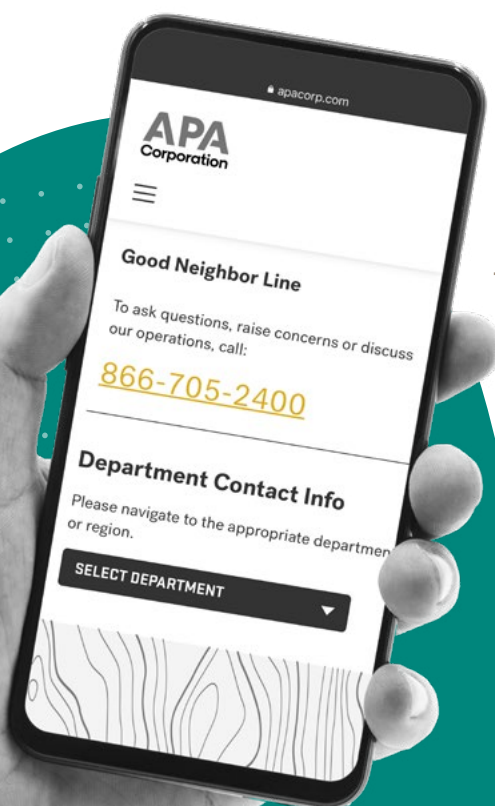
Good Neighbor Line

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

CASE STUDY

Engaging the Surinamese Community

Whether through education, training, employment or service agreements, we strive to ensure that our projects have direct and long-lasting benefits for national peoples and their local communities.

In Suriname, where we are still in the early stages of oil and gas exploration and appraisal, we look for ways to make a meaningful impact on a variety of social causes. We've made investments in areas such as local employment capacity-building and health and welfare.

Local employment capacity-building has been a continued area of focus, since we aim to one day develop production facilities offshore. We helped to fund a 2017 baseline survey to help understand the labor capacity of the industrial service sector in Suriname. The survey found that there are significant gaps in

the labor pool required to meet the needs of the offshore industry and identified a need to update vocational and technical learning opportunities. We are engaging with Surinamese education authorities to develop resources that will facilitate the participation of local talent in future offshore development.

In recognition of the need to train and develop technical leadership, we have again partnered with Anton de Kom University, the only university in the southern Caribbean that offers a graduate degree in petroleum geology. A master's degree in this field would be instrumental in helping Surinamese nationals establish technical careers in the oil and gas industry. We have contributed to the sponsorship of this two-year program.

Ultimately, we want to be able to hire local members of the Surinamese population to help support our future oil production in the country.

Our social projects in Suriname typically focus on health and welfare, particularly for disadvantaged communities. In 2019, we initiated the construction of a women's shelter in association with STICRIS (Women's Shelter Foundation in Critical Situations) in the capital city of Paramaribo. This shelter will provide services for up to 11 women and their children at any given time. Despite the COVID-19 pandemic, the construction of the building was finalized and handed over to the foundation in November 2020, to much critical acclaim within the local community.

From the time we signed our first production-sharing contract in Suriname in 2012 through the end of 2020, APA Suriname will have invested approximately U.S.$1.3 million in Surinamese community projects.

CASE STUDY

The Permian Strategic Partnership

We are a founding member of the Permian Strategic Partnership (PSP), a coalition of 17 energy companies partnering with local leaders in the Permian Basin to improve residents' quality of life by addressing growing challenges such as affordable housing, road safety, and access to quality health care and public education.

In addition to our annual financial contributions and direct funding of PSP projects, our employees have served as chair of the government relations subcommittee and co-leader of the health care subcommittee. Many other employees participate in various committees across the organization. The PSP is just one example of how we work collaboratively with our industry peers and neighbors to help enhance the quality of life and long-term sustainability of the greater Permian community.

In 2020, PSP's second full year of operation, it worked with local organizations on eight new projects providing $5 million in direct contributions from member companies and leveraging millions more from other partners. Examples of PSP initiatives include:

Road Safety:

- Supported advocacy efforts resulting in an increase of approximately $1 billion in state and federal funding for roadway improvements.
- Worked with the Texas Department of Transportation to identify safety risks and revise intersections, which has helped to reduce annual fatalities by 20% since 2018.

Health Care Access and Quality:

- Funded additional physician assistants for the region and partnered with Texas Tech University Health Sciences Center Family Medicine Program to add family physician residents.

Housing Affordability:

- Partnered with Weidner Homes to facilitate a 20% discount on teacher rent in Midland and Ector counties.

Public Education:

- Partnered with a SpaceX beta project to provide residential internet access to enable homeschooling during the pandemic.
- Funded the Ector County Independent School District national teacher certification program, through which more than 300 teachers were provided learning and professional development opportunities.

Economic Development:

- Advocated to maximize 2020 Census participation to help ensure an accurate count across the region, which is important for future support.

Human Rights

Respect for human rights is at the core of APA's values and operations. We support the honest, fair and dignified treatment of all human beings.

Our **human rights principles** formalize practices already in place and are consistent with the framework laid out by John Ruggie, the United Nations special representative on business and human rights.

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

Through our master services agreements, we require our contractors to have a Code of Conduct or Code of Ethics and to conduct business with respect for and adherence to human rights issues, including the prevention of human trafficking. We do not engage with contractors who have a history of violations. Additionally, every contractor must comply with additional, regular screenings to identify any risks, including human rights violations, across our supply chain.

Three of APA Corporation's subsidiaries based in the U.K. — Apache North Sea Limited, Apache Beryl I Limited and Apache North Sea Production Limited — publish annual **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.

APA empowers personnel working in our corporate functions with the duty and responsibility of identifying and reporting any human rights issues they identify in the course of their business. Additionally, every employee is given instruction on how to identify and report any suspected human rights issues to our 24-hour hotline and/or our Compliance, HR and Legal departments. The company's monitoring results are thoroughly assessed and reported annually to the Corporate Responsibility, Governance & 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 taken a leadership role in our industry to address human trafficking. We are an active member of the Oil and Gas Trafficking Advocacy Group, which is working to prevent sex and labor trafficking at home and abroad. The group, composed of numerous oil and gas companies, meets regularly to discuss prevention and awareness topics and to help identify the role the industry can play in ending trafficking, for the safety and security of the communities in which we live and work.

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

We also host town halls and presentations with our contracting firms to alert them to the dangers of human trafficking and to highlight ways they can help prevent it. Those who suspect a trafficking crime might be taking place in the U.S. are encouraged to phone the National Human Trafficking Hotline or call local law enforcement agencies.

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

NATIONAL HUMAN TRAFFICKING HOTLINE

Call **1-888-373-7888**
(TTY: 711)
Text **233733**

RESPECTING INDIGENOUS PEOPLES

An integral part of our business is building enduring relationships with the communities in which we operate. This commitment to, recognition of and respect for the Indigenous peoples who live and work in these communities and have a strong connection to the land is core to our values. We seek to incorporate Indigenous perspectives into project planning, design and execution, as well as operational planning. During the exploration and development phase of a project, we promote open communications by conducting community meetings and working directly with Indigenous groups and local nongovernmental organizations.

We recently updated our **Indigenous Peoples Principles** as part of our regular review and monitoring of our human rights principles. To that end, these principles will be reviewed regularly, including when entering new operating areas, and updated to ensure that they meet with the changing expectations of our global landscape.
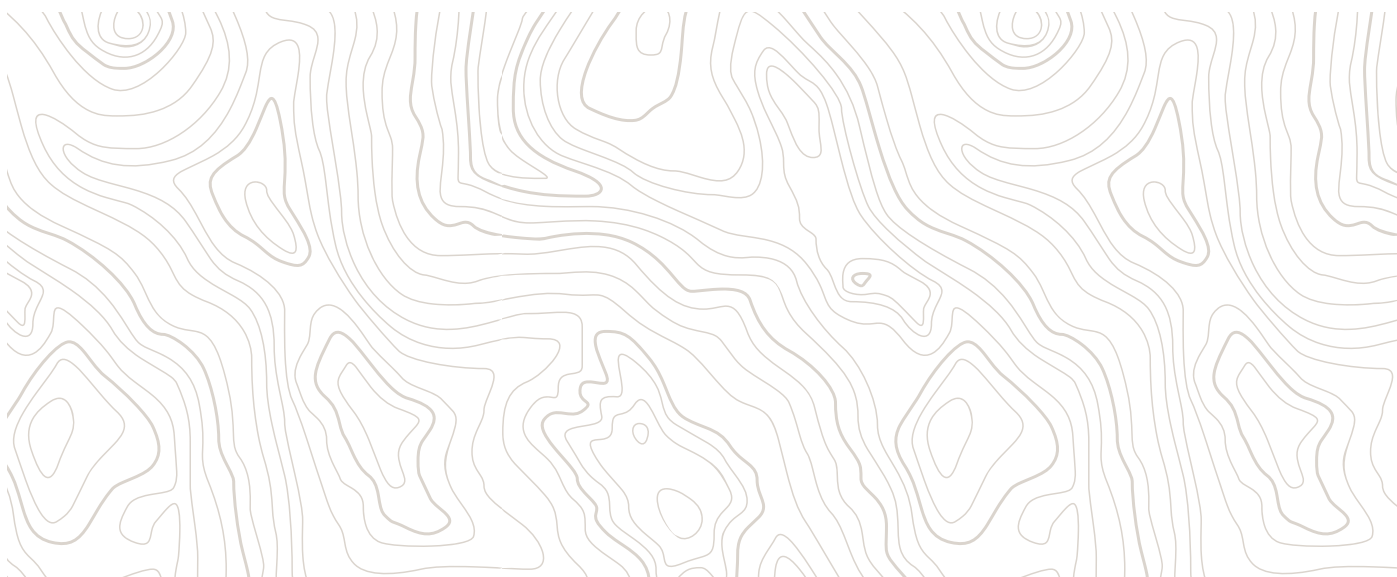
Governance

At APA Corporation (APA), we believe that maintaining strong corporate governance while operating responsibly is essential for 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. Corporate governance is more than a set of written principles and protocols — it is embedded in our culture of honesty and integrity and demonstrated daily in our actions and engagements.

Corporate Governance and Compensation Practices

Our corporate governance policies and practices are regularly reviewed, and changes are made as appropriate.

CORPORATE GOVERNANCE BY THE NUMBERS

20%

of annual incentive compensation for all employees is tied to ESG goals

40%

of Board members are diverse

We also seek feedback from our many stakeholders to ensure our governance structure evolves with the ever-changing world in which we operate and keeps pace with needs and expectations.

APA has steadily improved its governance and compensation practices to further strengthen our commitments to honesty, integrity, accountability and transparency. These improvements are consistent with corporate best practices, many of which are based directly on feedback from regular engagement with our shareholders and include:

- Enhancing training in compliance, safety, and diversity and inclusion; expanding skills development opportunities; and improving the health, wellness, education and diversity of our workforce.

- Linking annual incentive compensation not just of management, but of all employees, directly to environmental, social and governance (ESG) goals that address routine flaring, freshwater consumption and diversity and inclusion programs.

- Board oversight for diversity initiatives, ESG strategy, environmental performance, health and safety performance, adherence to human rights principles, political contributions, climate change and transition risks, and risk management.

- Further expanding and improving the explanation in our annual proxy statement of our pay practices and their alignment with strategic goals, including on ESG topics.

- Maintaining an independent, nonexecutive Board chair.

- Expanding the diversity of our Board, 40% of whose members are now diverse in terms of gender or ethnicity.

- Adopting revisions to both our Human Rights Principles and Indigenous Peoples Principles.

- Maintaining an externally hosted hotline through which any person may report, anonymously if they so choose, suspected violations of law or APA policies.
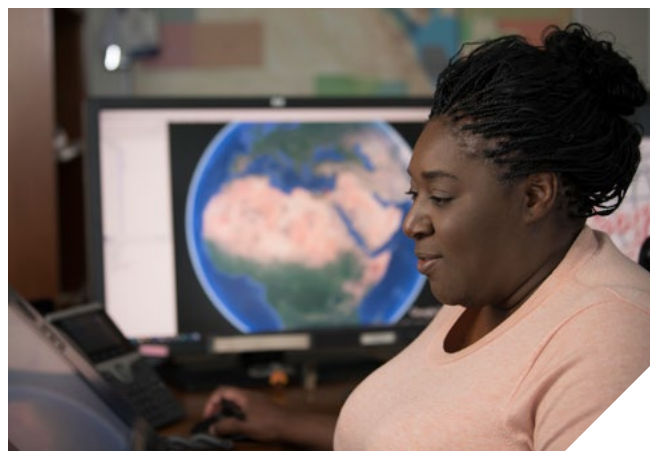
Governance

APA's CEO and president directly manages the company's business by overseeing the implementation of our corporate strategy. The Board of Directors, which is elected by the company's shareholders, oversees management and ensures that the long-term interests of shareholders are being served.

BOARD OF DIRECTORS

APA's Board of Directors plays a vital role in the design, implementation and monitoring of our corporate governance practices. All of APA's nonemployee Directors, including the Board chair, are independent per the standards of Nasdaq and the Securities and Exchange Commission. Board members are selected based on a wide range of criteria, including expertise; dedication to the highest ethical, health, safety and environmental standards; and a willingness to question and challenge management.

The Board's diversity encompasses — among other elements — race, gender, age and experience. In 2021, 40% of APA's Board members are female or ethnic minorities. These Directors play critical roles on our Board, including chairing the Corporate Responsibility, Governance & Nominating (CRG&N) Committee and the Audit Committee, and taking a leading role in our shareholder engagement.

In addition, 60% of current Directors have experience with environmental and regulatory issues. For example, Amy Nelson has substantial water-related expertise and is much sought after by her clients in the energy services and equipment industry for this specific experience. Other Directors have acquired such experience through their service as executives in areas that require extensive interaction with regulatory and environmental agencies. (A comprehensive matrix on p. 97 provides additional details on the Board of Directors' experience and demographics.)

In recent years, we have taken a number of steps to improve Board composition and succession, to ensure we have ongoing exposure to fresh expertise and experience. As of the 2021 annual meeting of shareholders, the Board's average term length is 6.3 years. Seven of the Board's 10 members were appointed after 2014, and all Board members are subject to a mandatory retirement age of 75. Each year, the Board conducts a comprehensive Board evaluation process for every Director, which includes in-depth conversations and personalized feedback.

The Board also engaged with the National Association of Corporate Directors (NACD), which conducted an independent evaluation of our Board in December 2018. This involved individual interviews with the Directors and an online survey that each Director completed. After discussion with the independent nonexecutive chairman and the chairwoman of our CRG&N Committee, the NACD facilitated a discussion of the results with the full Board. As a result of this evaluation and the Board's annual evaluation, the Board has continued to make changes to its practices in order to have more effective and impactful meetings.

30%
of Board members are women.

→

ENTERPRISE RISK MANAGEMENT

Employees at all levels of the organization regularly work to identify and manage risk. To support these efforts, we have a corporate Enterprise Risk Management (ERM) function, which ensures that procedures are in place for the corporatewide identification and management of both nonoperational and operational risks. The group also provides oversight of ongoing, companywide monitoring and risk management. The vice president of Risk Management reports to the Board of Directors' Audit Committee on aspects of risk management, including an annual update to the committee on the overall risk management process.

Risk matters are identified and addressed by employees throughout the organization. In addition, both operations and nonoperations risk owners formally review risk registers on a semiannual basis, updating them as necessary. Emerging risks are also identified and evaluated.

We have made significant improvements to the ERM function over the past year, including enhancing processes related to risk identification, risk assessment and monitoring of remediation actions and effectiveness. We implemented a new risk management information technology (IT) application that serves as a common repository for company risk data and provides an automated means of tracking and reporting on the effectiveness of our risk mitigation.

INTERNAL AUDIT

Our Internal Audit group is an independent, objective assurance and consulting function designed to add value by assessing and improving the company's operations and processes. The group applies a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, internal controls, governance and business processes. The group reports to the Board of Directors' Audit Committee, providing an independent assessment mechanism for the Board concerning the company's business practices and performance. Internal auditors assess more than 100 different departments and processes across the company. Based on audit results, the Internal Audit group develops specific recommendations for continuous improvement.

Audit targets are chosen based on a detailed risk assessment process to ensure that every group or process is reviewed at least once every four years, with many reviewed more frequently. Examples of audits conducted include enterprise risk management processes, supply chain activities, various operational and financial functions, IT systems and processes, and governance practices. Our Internal Audit group also verifies all content and data in this sustainability report (see About This Report, p. 90).

In addition to conducting our own rigorous internal audits, we participate in a range of third-party reviews that provide an external assessment of, and insight into, the effectiveness of our processes and performance. Moving forward, we will continue to use external reviews, as well as our own Internal Audit process, to identify and address opportunities to improve safety, environmental and social performance.

Evolving Cybersecurity

Cyberattacks use increasingly sophisticated methods and could pose a serious risk to our company's revenue, reputation, data and ability to operate in a safe and environmentally responsible way. We are working to reduce the risk of becoming a victim of a cyberattack, using a combination of technology and expertise. Our Information Technology Security team is on the front line every day identifying, preventing and responding to potential cyberattacks that threaten the company. In 2020, we launched the CyberSmart employee security awareness and education initiative. This program includes online courses and webinars and requires an annual attestation of the company's security policies.

To help ensure the ongoing strength and effectiveness of our efforts, cybersecurity is overseen at the Board level.
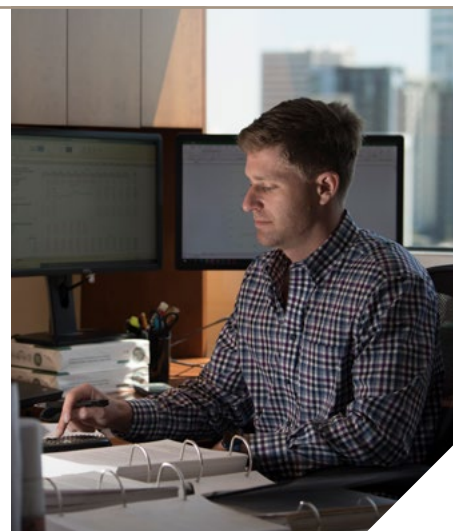
"APA's Code of Business Conduct and Ethics is available in **three languages**: English, Spanish and Arabic."

COMPLIANCE

The goal of our Compliance and Ethics program is to support value creation by promoting responsible conduct in accordance with applicable laws, rules, regulations and government requirements. The program provides guidance, training, oversight, enforcement and reporting. The director of Compliance ensures the company has well-defined and articulated standards and procedures designed to prevent and detect misconduct. These standards, and specifically our Code of Business Conduct and Ethics, are communicated through a wide range of examples, in order to translate our overarching policies and standards into real-world, on-the-job scenarios. All employees are required to participate in compliance and ethics training relevant to their work and have the responsibility to report any suspected misconduct or unethical or illegal activity.

Our new, online training module allows us to provide instruction on several compliance topics in four languages. To increase the retention and effectiveness of this training, we strive to make sure that employees have the information they need at the time it is most necessary and relevant to their work. For example, to reinforce the company's anti-corruption policies

and procedures, we now provide easy to absorb, mobile-accessible information before any employee travels abroad on company business.

Key company policies are reinforced through "compliance bulletins," which provide relatable examples and explanations of internal policies and requirements in response to major national issues or internal investigations. For example, in preparing for our return to office during the pandemic, we reiterated our requirements for workplace conduct, as well as reminded employees that there were many changes in jobs and roles during our work-from-home tenure — both within and outside the organization — and that their conflict-of-interest disclosures needed to be updated accordingly. We also report on internal investigations that concern issues of broad applicability to ensure employees understand their obligations and requirements under applicable company policies. We are committed to preserving, protecting and fostering the culture of trust and integrity that has long defined our company. Doing this requires that every Board Director, officer, employee and contractor voice their concern if they observe or suspect a violation of law or the company's policies.

To facilitate this reporting, we maintain an Ethics Hotline, a 24/7/365 resource externally hosted and managed by a third party. Employees and external stakeholders may use this anonymously to report any alleged violations of law or the company's policies and standards of conduct. Concerns may be submitted by telephone or using an online **form**. All concerns reporting potential misconduct involving any company representative — whether received through the Ethics Hotline or otherwise — are tracked and investigated by the director of Compliance, with assistance as necessary from other functions throughout the organization. In addition to the Ethics Hotline,

ETHICS HOTLINE

North America:	**866-756-2599**
Egypt:	**0800-000-9534**
Trinidad:	**800-203-0148**
United Kingdom:	**UFIN 00-800-5588-1345**
Other countries:	**800-5588-1345**

Online Form

the procedure for submitting a complaint or concern regarding accounting, internal accounting controls or auditing matters is available on our website.

Concerns that may involve substantial risk to human health or safety; the potential for criminal liability or fines against the company; potential antitrust, bribery or corruption violations; or that are otherwise found to be serious are escalated for reporting to the CEO, general counsel and vice president of Human Resources for management review, and then promptly reported to a designated member of APA's Board of Directors.

ETHICS AND ANTI-CORRUPTION

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

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

All employees, as well as APA's Board of Directors, receive training on the Code as part of the hiring and onboarding process and are then required to certify annually that they have read the Code and fulfilled the requirements and expectations set forth in the document. Directors, officers and employees are responsible for promptly reporting any actual, attempted or apparent violations of applicable laws, rules, regulations or our Code.
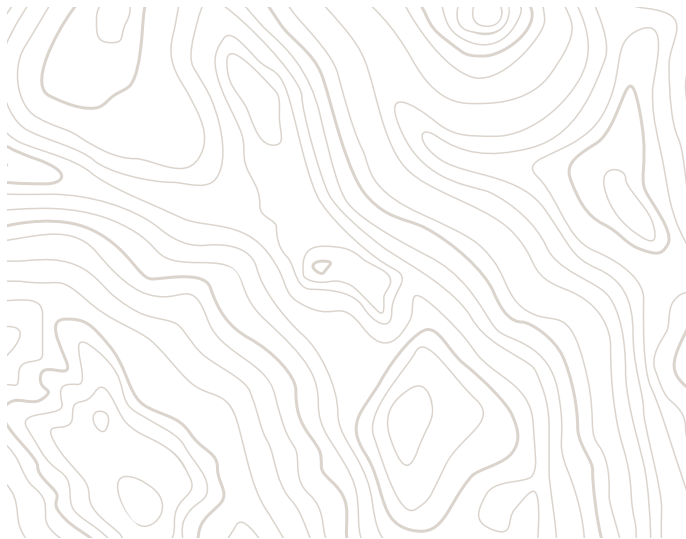
Additionally, employees are required to follow our company-specific Foreign Corrupt Practices Act (FCPA) Compliance Guide, and all employees who engage directly with foreign governments or officials or otherwise may deal with issues implicated by the FCPA or other anti-corruption laws receive annual training on the FCPA and its relevance to their work. All other employees are required to read and understand our policies and procedures with respect to matters that may pertain to the FCPA or similar laws.

In 2019, the company updated its conflicts of interest and gifts and entertainment policies and introduced a new disclosure module. We expanded the policies to underscore our commitment to ethical conduct, honesty and transparency. These policies and disclosure requirements apply to all employees worldwide.

We also worked with a third-party consultant to revamp the training and recertification process for the Code. In 2020, training was administered using a third-party module system. The standard policies of the Code will be reviewed annually, as well as rotated in content modules that capture trending and newsworthy topics. This new system works in tandem with the company's 'A' Game learning system and notification process for all employees. The Code is offered to employees in English, Spanish and Arabic, and the training modules include an additional Dutch option.

Our Board of Directors annually reviews the Code and makes updates or revisions as necessary or appropriate.

PUBLIC POLICY AND POLITICAL DISCLOSURES

We operate in the highly regulated natural gas and oil industry, and our operations are affected by actions at many levels of government. 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 stakeholders. Our public policy activities include education and advocacy efforts at the federal, state and local government levels.

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 websites; the Office of the Clerk, U.S. House of Representatives; the Secretary of the Senate, U.S. Senate; and the various state ethics commissions.

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

Political 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. At the direction of

APA Is a Trendsetter in Political Disclosure and Accountability Among All S&P 500 Companies

The CPA-Zicklin Index benchmarks the political disclosure and accountability policies and practices for election-related spending of leading U.S. public companies. Issued annually, it is produced by the Center for Political Accountability, in conjunction with the Zicklin Center for Business Ethics Research at The Wharton School at the University of Pennsylvania. For the last five years, we have maintained the distinction of "trendsetter" for our policies and proactive disclosures.

the Board of Directors, all contributions using corporate funds are reviewed and approved by the CRG&N Committee.

Employees can support candidates for office through the Apache Political Action Committee (ApachePAC), which is funded exclusively through voluntary contributions from eligible employees. Employee contributions to ApachePAC are not reimbursed (directly or indirectly), matched or tax-deductible.

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 its shareholders, not on the personal agendas of individual Directors, officers or employees. Distributions are approved by the ApachePAC Board, per the Apache PAC policy. All ApachePAC contributions are fully disclosed in reports filed with the Federal Election Commission (FEC) and the various state ethics commissions and can be accessed on the FEC's website at **fec.gov** and on the respective state websites.

Trade Associations

APA participates in trade and industry associations and engages in advocacy and grassroots industry communications and education efforts. We are actively involved in trade associations to share technical and standards expertise and to take part in important public education efforts regarding major issues of common concern to our industry.

Our participation in trade and industry associations is subject to management oversight by our Government Affairs function, which approves our memberships and serves as our principal representative in such associations.

We pay regular membership dues to several trade associations. Some utilize a portion of those dues for nondeductible state and federal lobbying and political expenditures. Per the requirements of Section 162(e)(1) of the Internal Revenue Code, such trade associations must provide us with the percentage of our annual dues that are attributable to lobbying expenses. We disclose these contributions and post a **report** annually on our website.

Lobbying

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

Engagement

STAKEHOLDER ENGAGEMENT

We regularly engage with a wide range of stakeholders to gain insights into and input on issues, trends, best practices and specific stakeholder interests and concerns. Both the Board of Directors and senior management recognize that the long-term interests of shareholders are advanced by responsibly addressing the concerns of other stakeholders and interested parties, including employees, customers, suppliers, government officials and the public at large (see the Community section starting on p. 63 to read more about our approach to stakeholder engagement).

SHAREHOLDER ENGAGEMENT

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

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

Our independent Board chair and other Board members are accessible to shareholders at a variety of events, including our annual meeting, ESG-focused meetings and governance conferences. In addition, Board members engage with shareholders individually throughout the year. Board members can also be contacted through our corporate secretary, who relays communications to them as appropriate.

APA's CEO and president and other members of the executive team maintain an active schedule of meetings and communications with shareholders. Our CEO holds an annual meeting with a group of our investors to discuss ESG issues and progress on targets and goals for the coming year. In that meeting, these investors can pose questions on any ESG subject and receive answers directly from our CEO.

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

In 2020, members of APA's Board and management reached out directly to shareholders representing approximately 68% of shares outstanding to discuss, among other topics, our business strategy, our compensation practices — particularly in light of the COVID-19 pandemic and the macro headwinds our industry has faced — diversity and inclusion, and environmental and social stewardship. Shareholders owning approximately 50% of our shares either met with us in engagement meetings, attended our ESG event with our CEO and president, or told us no meeting was necessary this year. Based on feedback from these discussions, we have continued to increase the level of our disclosures in this sustainability report and in our proxy statement and have modified our compensation program, among other improvements. Notably, this year we are refreshing our climate statement and providing a fully TCFD-aligned scenario analysis in this report (see pp. 99-105).

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 • Investor days and conferences • ESG-focused investor meetings • Governance conferences • Ongoing one-on-one investor discussions	Shareholder Engagement, p. 87
Employees	• Ongoing employee trainings • Quarterly employee town halls • Regular leadership communications • Employee satisfaction surveys • Safety Survey	Learning and Development, p. 51 Employee Engagement, p. 52
Landowners and mineral owners	• Ongoing engagement via our land department • Community grievance line and resolution process	Understanding and Addressing Community Concerns, p. 72
Local communities	• Local community outreach and philanthropy • Community grievance line and resolution process • Community meetings • Local job fairs and other recruitment efforts	Our Approach to Social Investing and Community Engagement, p. 63 Understanding and Addressing Community Concerns, p. 72
Suppliers and contractors	• Contractor vetting process • Ongoing contractor assessments • Contractor engagement meetings	Contractor Partnership, p. 60
Regulators and government entities	• Supporting regulatory development as relevant • In collaboration with trade associations	Trade Associations, p. 86
NGOs and academics	• ESG investor engagement • Research support and funding	ESG Stakeholder Engagement, p. 10 Seismicity and Oil and Gas Operations, p. 35 Shareholder Engagement, p. 87
Local media	• Regular contact with and response to local television stations, newspapers and radio stations	

Governance Downloads

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

- **APA's Code of Business Conduct and Ethics**

- **APA's Corporate Governance Principles**

- **APA's Directors' and Officers' Stock Ownership Requirements**

- **APA's Executive Compensation Clawback Policy**

- **APA's Foreign Corrupt Practices Act and Anti-Corruption Compliance Guide**

- **APA's Margin Loans and Pledges by Directors and Officers**

- **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 Procedures for the Submission of Complaints and Concerns Regarding Accounting, Internal Accounting Controls, or Auditing Matter**

- **APA's Audit Committee Charter**

- **APA's Corporate Responsibility, Governance & Nominating Committee Charter**

- **APA's Management Development and Compensation Committee Charter**

- **APA's Human Rights Principles**

- **APA's Monitoring of Human Rights Principles**

- **APA's Indigenous Peoples Principles**

About This Report

Our 2021 sustainability report covers the performance of APA Corporation (APA) in the areas of community involvement, governance, and environmental stewardship — in particular, air and water, health and safety, workplace and employee issues.

Content has been organized to align with our three ESG pillars: Air, Water and Communities+People.

The report was prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards at the core level. We also consulted the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting (2015) developed by IPIECA (the global oil and gas industry association for environmental and social issues), the American Petroleum Institute and the International Association of Oil & Gas Producers; the Sustainability Accounting Standards Board's Oil and Gas Exploration and Production Sustainability Accounting Standard (SASB) (October 2018); as well as the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (2017) (see the Reporting Standards and Frameworks section starting on p. 107 for an index of indicators from these frameworks discussed in this report).

Data included in this report cover the 2020 calendar year unless otherwise noted.

"Content has been organized to align with our three ESG pillars: **Air**, **Water** and **Communities**+**People**."

IDENTIFYING OUR MOST IMPORTANT ISSUES

In 2021, working closely with a third-party sustainability consultancy, we conducted a materiality assessment to update the work previously done in 2017. In recent years, our business focus and capital investment program have expanded to accommodate significant exploratory and appraisal activities offshore Suriname, and in general, have become less concentrated on U.S. onshore. We believe this portfolio evolution — coupled with a greater sense of urgency around climate change, diversity and cultural issues, and the COVID-19 pandemic — has expanded the range of issues important to our company and our stakeholders. The results and feedback from both internal and external stakeholder engagements conducted during our 2021 materiality assessment informed the content development and focus of this report. We determined our most important issues through a four-step process:

1. Identify: We identified our sustainability-related issues, impacts, benefits, risks and opportunities by interviewing a range of internal and external stakeholders, reviewing documents representing a wide variety of stakeholder views and interests, and reviewing peer companies' important issues. For our internal stakeholders, we considered the perspectives of employees from across our organization. The external stakeholders interviewed included mainstream investors, ESG-focused investors, institutional lenders, ESG-focused nonprofit organizations, NGOs, customers, academia, community members and leaders in the areas where we operate, as well as regulators. Based on these interviews and documents, we developed a comprehensive list of issues across a suite of topics, including governance, environment and society.

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

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

4. Determine report content: We used the final issues list to evaluate whether we were adequately reporting on the issues that are most important to our internal and external stakeholders. Our analysis confirmed that the issues on which we have consistently reported are, in fact, the issues of greatest concern to our stakeholders.

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

APA'S IMPORTANT ISSUES[20]

Based on our 2021 materiality analysis, we found that the following issues are of highest importance to internal and external stakeholders:

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

INCREASING TRANSPARENCY

We believe that transparency is critical to our relationships with stakeholders, and we strive to continuously improve the breadth and quality of our data. In this year's report, we have enhanced disclosures related to our:

- Company-stated goals and strategy related to ESG performance
- Increased alignment with the TCFD's recommendations, including a fully aligned TCFD scenario analysis and public climate statement
- Expanded disclosure of employees' gender and ethnic identity, including leadership percentages in both categories

- ESG oversight framework, including at the board level
- Alignment of corporate giving strategy with the U.N. Sustainable Development Goals
- More closely aligned methodology of water consumption and produced water reuse with regards to the GRI and IPIECA disclosure criteria.

ASSURING REPORT CONTENT

At APA Corporation, we hold ourselves to a high standard of accuracy and excellence in all of our activities, including the content of this sustainability report. This report was developed by a cross-functional team of subject matter experts throughout the company and reviewed by select members of our executive team, as well as our Internal Audit function (described on p. 82). The rigorous internal review included verifying data points and facts, providing accountability for the accuracy of this report.

Endnotes

1   https://www.iea.org/articles/defining-energy-access-2020-methodology.

2   World Bank: Life expectancy at birth, total (years) | Data (worldbank.org).

3   World Bank: Literacy rate, adult total (% of people ages 15 and above) | Data (worldbank.org).

4   United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, custom data acquired via website. World Population Prospects - Population Division - United Nations.

5   https://data.worldbank.org/indicator/NY.GDP.PCAP.KD (constant 2010 USD).

6   https://www.api.org/products-and-services/statistics/data-visualization/us-consumer-expenditure-summary.

7   https://www.iea.org/reports/sdg7-data-and-projections/access-to-electricity.

8   https://www.worldbank.org/en/news/press-release/2021/06/07/report-universal-access-to-sustainable-energy-will-remain-elusive-without-addressing-inequalities.

9   https://www.worldatlas.com/articles/countries-with-the-lowest-access-to-electricity.html.

10 https://www.iea.org/reports/sdg7-data-and-projections/access-to-clean-cooking.

11 IEA, et al., https://iea.blob.core.windows.net/assets/9a67c2fc-b605-4994-8eb5-29a0ac219499/WEO2017SpecialReport_EnergyAccessOutlook.pdf, p. 57.

12 https://oneill.indiana.edu/doc/research/energy-insecurity-survey-june-2020.pdf?_ga=2.256794316.617866999.1592234109-1468293896.1585660132.

13 https://gispub.epa.gov/air/trendsreport/2020/#growth_w_cleaner_air.

14 https://gispub.epa.gov/air/trendsreport/2020/#growth_w_cleaner_air.

15 EIA, www.eia.gov/environment/emissions/carbon/.

16 EIA, https://www.eia.gov/todayinenergy/detail.php?id=47236.

17 Energy sources have changed throughout the history of the United States - Today in Energy - U.S. Energy Information Administration (EIA).

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

19 Based on IPIECA's Sustainability Reporting Guidance for the Oil and Gas Industry (2020).

20 Issues are grouped by topical categories that align with APA's approach to ESG issues, not in order of importance or priority.
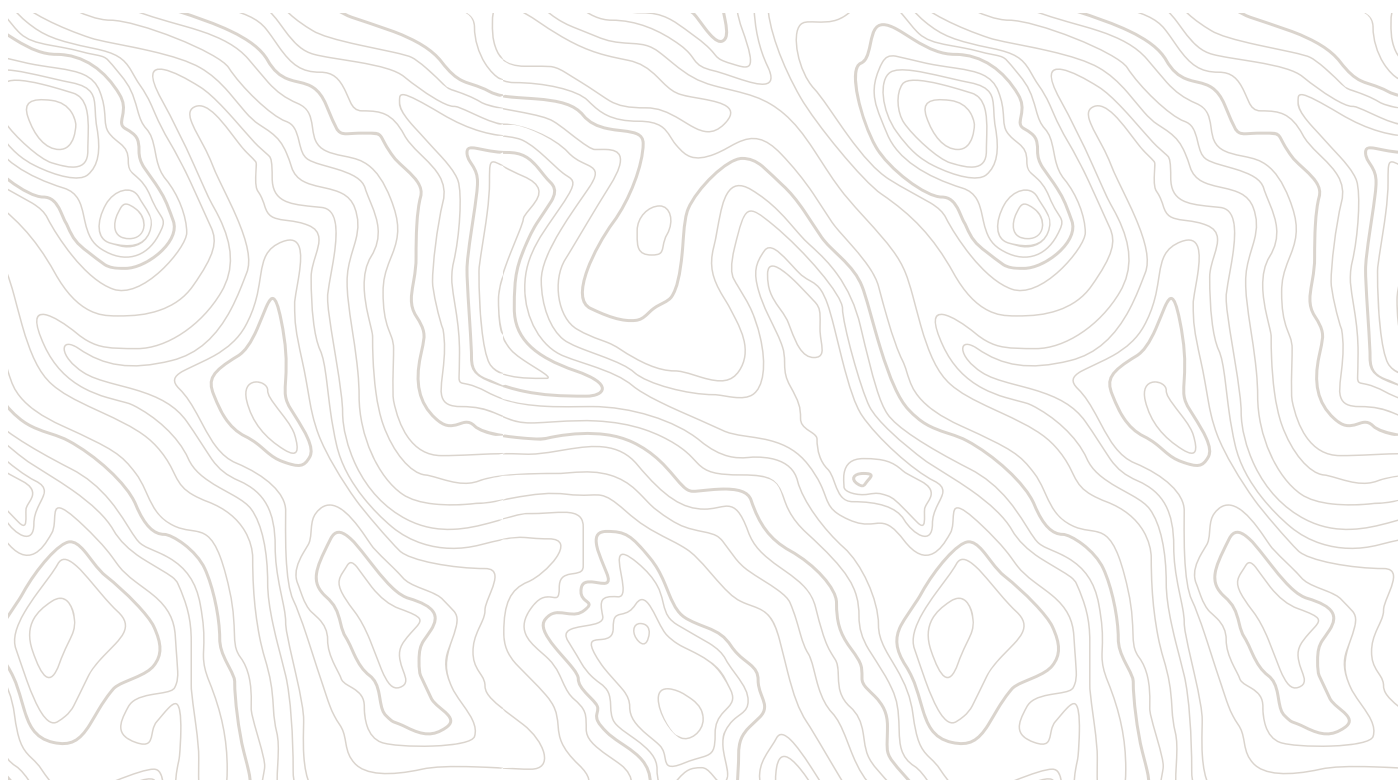
Appendix

Key Performance Data

	Units	2020	2019	2018	2017	2016
GLOBAL GREENHOUSE GAS EMISSIONS[1]						
Operated emissions[3] (Scope 1)	Thousand tCO2e	**6,280**	7,300[2]	7,580	6,890	7,440
Carbon dioxide	Thousand tCO2e	**4,830**	5,600[2]	5,770	5,080	5,170
Methane	Thousand tCO2e	**1,400**	1,650[2]	1,760	1,760	2,220
Nitrous oxide	Thousand tCO2e	**50**	50	50	50	50
Operated direct emissions (Scope 1) by source						
Flaring	Thousand tCO2e	**1,480**	2,060[2]	1,970	2,010	2,020
Venting	Thousand tCO2e	**420**	430[2]	810	660	730
Fuel combustion	Thousand tCO2e	**3,550**	3,790[2]	3,920	3,280	3,470
Fugitives	Thousand tCO2e	**830**	1,020[2]	880	940	1,220
Operated indirect emissions (Scope 2)	Thousand tCO2e	**490**	690	800	850	1,100
GLOBAL EMISSIONS INTENSITIES[4]						
Global GHG emissions intensity	tCO2e/Mboe	**15.9**	17.9[2]	22.2	21.5	21.7
Global methane emissions intensity	%	**0.28**	0.33[2]	0.40	0.42	0.48
GLOBAL ENERGY USE						
Energy use	Thousand MWh	**4,880**	5,020[2]	5,320	4,730	5,200
Combustion energy	Thousand MWh	**3,730**	3,980[2]	4,120	3,450	3,650
Electricity	Thousand MWh	**1,150**	1,040	1,200	1,280	1,550
GLOBAL WATER USE BY SOURCE						
Total water consumption[5]	Million Bbls	**11,100**	114,521	125,380	124,203	109,999
Freshwater consumption[5]	Million Bbls	**1,526**	25,440	27,996	32,920	29,850
Groundwater	Million Bbls	**1,526**	24,308	23,850	26,999	23,587
Surface water	Million Bbls	**—**	407	2,386	2,513	3,299
Municipal water	Million Bbls	**—**	725	1,759	3,407	2,965
Nonfreshwater consumption	Million Bbls	**9,575**	89,082	97,384	91,284	80,149
Groundwater consumption[5]	Million Bbls	**9,575**	88,043	97,384	90,523	80,149
Surface water consumption[5]	Million Bbls	**—**	1,039	—	761	—
Total water used in production[6]	Million Bbls	**593,720**	524,888	603,953	566,484	676,174
Total recycled/reused[6]	Million Bbls	**582,620**	410,367	478,572	442,281	566,175
Enhanced oil recovery (EOR) reused[6]	Million Bbls	**577,542**	379,943	446,710	428,865	563,425
Hydraulic fracturing recycled/reused[6]	Million Bbls	**5,078**	30,424	31,863	13,416	2,750
Produced water sent for injection disposal[6]	Million Bbls	**238,208**	346,758	197,484	205,713	251,586
GLOBAL WATER METRICS						
Freshwater consumption	%	**14**	22	22	27	27
Nonfreshwater consumption	%	**86**	78	78	73	73
Produced water recycled/reused	%	**62**	44	55	52	54
Produced + nonfreshwater as a percent of total water usage	%	**99.7**	95.2	95.4	94.2	95.6
Fresh water as a percent of total water usage	%	**0.3**	4.8	4.6	5.8	4.4
Fresh water consumption intensity	bbls/boe	**0.01**	0.76	0.87	0.97	0.77
U.S. HYDRAULIC FRACTURING WATER USE						
Nonfreshwater	%	**59**	12	22	20	17
Produced water captured for reuse	%	**31**	51	46	27	13
Freshwater use	%	**9**	37	32	53	70
SPILLS						
Hydrocarbon spills	No. >1 barrel in size	**302**	187	341	302	299
HEALTH AND SAFETY						
Hours worked - workforce	Million hours	**36**	53	54	53	44
Employee Total Recordable Incident Rate	Per 200,000 hours worked	**0.27**	0.09	0.28	0.24	0.19
Contractor Total Recordable Incident Rate	Per 200,000 hours worked	**0.58**	0.54	0.80	0.67	0.69
Workforce Total Recordable Incident Rate	Per 200,000 hours worked	**0.48**	0.41	0.65	0.56	0.52
Employee Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	**0.13**	0.07	0.17	0.10	0.09
Contractor Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	**0.28**	0.21	0.40	0.28	0.37
Workforce Days Away, Restricted or Transferred Rate	Per 200,000 hours worked	**0.23**	0.17	0.33	0.23	0.27
Vehicle Incident Rate	Per million miles driven	**0.83**	0.79	1.29	1.24	1.41
Workforce fatalities	#	**3**	7	1	4	2
Employee fatalities	#	**0**	1	0	0	0
Contractor fatalities	#	**3**	6	1	4	2

Key Performance Data (CONTINUED)

	Units	2020	2019	2018	2017	2016
OUR PEOPLE						
Global full-time employees	#	**2,272**	3,163	3,420	3,358	3,726
U.S.	#	**1,430**	2,132	2,441	2,411	2,220
U.K.	#	**598**	638	590	560	623
Egypt	#	**237**	385	388	386	394
Suriname	#	**7**	8	1	1	1
Canada[7]	#	**—**	—	—	—	488
GLOBAL GENDER MIX						
Total female employees	%	**22.1**				
U.S.	%	**27.0**				
U.K.	%	**12.0**				
Egypt	%	**17.0**				
Suriname	%	**14.0**				
Total male employees	%	**77.9**				
Female employees in leadership positions[8]	%	**17.6**				
GLOBAL AGE BREAKDOWN (TOTAL EMPLOYEES)						
29 and under	%	**9.9**				
30 - 50	%	**60.5**				
Over 50	%	**29.6**				
U.S. ETHNICITY MIX (TOTAL U.S. EMPLOYEES)						
White	%	**66.9**				
Black	%	**6.0**				
Asian	%	**6.8**				
Hispanic	%	**18.6**				
Other	%	**1.7**				
U.S. ETHNICITY MIX OF LEADERSHIP[8]						
White	%	**77.8**				
Black	%	**3.0**				
Asian	%	**6.3**				
Hispanic	%	**11.5**				
Other	%	**1.4**				
ECONOMIC CONTRIBUTIONS						
Total local vendor spend	$ Million	**962**	1,553	1,443	1,090	869
Total global vendor spend	$ Million	**2,324**	4,116	4,615	4,071	2,950
Local spend percentage	%	**41**	38	31	27	29
SOCIAL INVESTING						
Community[9]	%	**77**	74	76	76	82
Environmental Stewardship	%	**21**	26	24	24	18
Access to Energy[10]	%	**2**	0	0	0	0
FINANCIAL AND PRODUCTION HIGHLIGHTS						
Oil and gas production revenues	$ Million	**4,040**	6,315	7,348	5,887	5,367
Natural gas production	MMcf/d	**893**	980	966	958	1,103
Oil and natural gas liquids production	Mbbls/d	**291**	310	305	298	338
Proved reserves	MMboe	**874**	1,011	1,234	1,175	1,311

Key

Bbls:	barrels of water	MWh:	megawatt hour
Bbls/boe:	barrels of water per barrels of oil equivalent	MMcf/d:	millions of cubic feet of natural gas per day
tCO2e/Mboe:	tonnes of carbon dioxide equivalent per thousands of barrels of oil equivalent	Mbbls/d:	thousands of barrels of oil or NGL per day
		MMboe:	millions of barrels of oil equivalent

[1] Our emissions are determined using engineering calculations and methods outlined by applicable regulations.

[2] Our 2019 emissions data per the Environmental Protection Agency (EPA) Subpart W requirements were recalculated and re-submitted to the EPA in 2021; the data in this table has been restated to reflect those changes.

[3] Operated emissions include Scope 1 emissions calculated under applicable regulatory requirements and boundaries in the U.S. and U.K. For operations within the U.S., Scope 1 emissions include emissions reported to the U.S. Environmental Protection Agency under Subpart C and Subpart W.

[4] Global intensities were calculated using Scope 1 emissions from production and gathering and boosting operations in APA's U.S. and U.K. operating areas and Egypt joint venture operations and associated gross production.

[5] For 2020 reporting, in line with GRI and IPIECA guidance on consumptive uses of water, we have modified the way we report water data compared to previous years, including restating data from past years (2016-2019). Previously, we included produced water usage in our consumptive use calculations. Based on our re-evaluation of water reporting definitions and guidance, we determined that produced water — nonpotable water released from deep underground formations and brought to the surface during oil and gas exploration and production — should not be classified as consumed in the same sense as fresh water.

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

[7] Canada assets were sold in August 2017.

[8] Leadership role defined as supervisor level and above or equivalent.

[9] Community charitable giving includes the following areas: Education; Health & Well-Being; First Responders & U.S. Military Support; Women, Youth & Family Services; Community Resources; and Arts.

[10] Providing access to energy for communities in developing nations, as well as addressing reliability and affordability of energy in developed countries.

Awards and Recognitions

We are proud to be frequently recognized by third parties for our sustainability efforts, from our work to mitigate our impacts on the environment to the social causes we support. Recent awards include the following:

2021

Trendsetter in Political Disclosure and Accountability
CPA-Zicklin Index of Corporate Political Disclosure and Accountability

E&P Explorer of the Year for 2020
Wood Mackenzie

2020 Best Safety Results (Sam Croft Drillship)
Noble Services LLC

One of the World's Most Admired Companies
FORTUNE

2020

Trendsetter in Political Disclosure and Accountability
CPA-Zicklin Index of Corporate Political Disclosure and Accountability

Beit El Helm Award for Best Corporate Social Responsibility Practice
Wataneya Society

Winning "W" Company for 2019
2020 Women on Boards

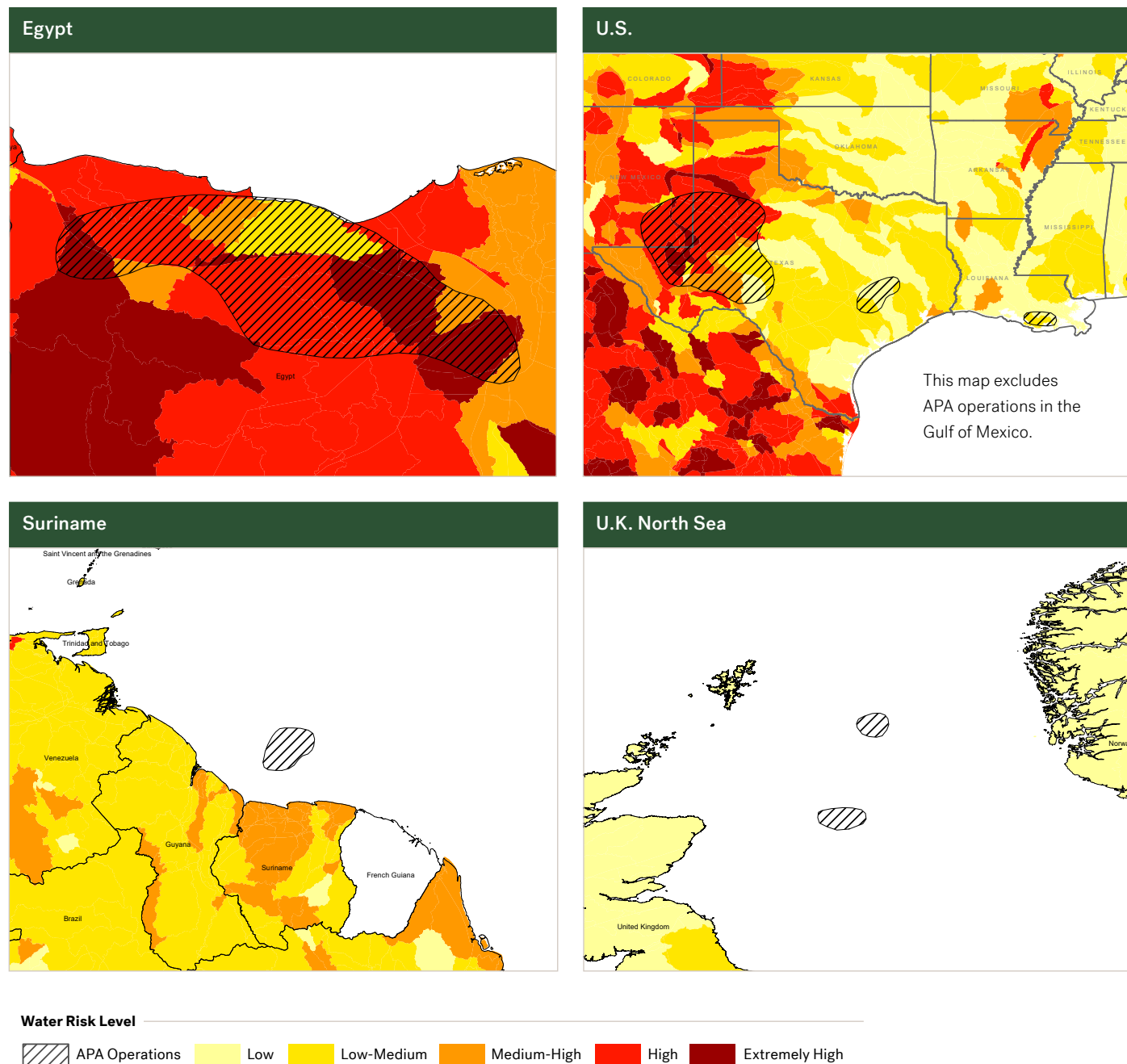**One of the World's Most Admired Companies**
FORTUNE

Board Matrix

The table displays the experiences, diversity and tenure of APA Corporation's (APA) Board of Directors

	Annell Bay	John Christmann	Juliet Ellis	Chansoo Joung	John Lowe	Lamar McKay	William Montgomery	Amy Nelson	Daniel Rabun	Peter Ragauss
KNOWLEDGE, SKILLS AND EXPERIENCE										
Public Company CEO Experience		●				●			●	
Public Company CFO Experience										●
Executive Experience	●	●	●		●	●			●	●
Financial Reporting		●	●	●	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●	●	●	●	●
Accounting			●		●				●	●
Corporate Governance/Ethics	●	●	●		●	●	●	●	●	●
Environmental/Regulatory	●	●			●	●		●	●	
Legal									●	
Global Experience	●	●	●	●	●	●	●		●	●
Operations	●	●			●	●		●		●
Strategic Planning/Oversight		●	●		●	●	●	●	●	●
Mergers and Acquisitions		●		●	●	●	●	●	●	●
Upstream Experience	●	●		●	●	●	●	●	●	●
Midstream Experience		●		●	●		●		●	●
DEMOGRAPHIC BACKGROUND										
Ethnic Minority				●						
Gender (male/female)	F	M	F	M	M	M	M	F	M	M
Age in Years (as of April April 13, 2021)	65	54	62	61	62	62	59	52	66	63
Board Tenure (year joined)	2014	2015	2019	2011	2013	2021	2011	2014	2015	2014
Number of Public Company Boards including APA	3	1	2	2	3	2	2	3	3	2

Water Scarcity Maps

When appropriate, we utilize various data sources such as the U.S. Drought Monitor and the World Resources Institute's Aqueduct tool to confirm our assessment of water-scarce areas within our operations.

The examples shown below are created by applying the water scarcity mapping tools to the GIS layers of APA-operated areas as of June 30, 2021.

Egypt

U.S.

This map excludes APA operations in the Gulf of Mexico.

Suriname

U.K. North Sea

Water Risk Level

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

Our TCFD Analysis

Assessment of opportunities and risks presented by climate change is core to our business planning and enterprise risk management systems.

Climate change influences our operations from a regulatory, lending and investment perspective. For this reason, the highest levels of our leadership team, including senior management and the Board of Directors, oversees our planning process.

Growing investor interest in how companies are assessing and managing climate change-related risks is reflected in the development of the Task Force on Climate-related Financial Disclosures, which was created by the Financial Stability Board, an international body founded to support financial stability worldwide. For the oil and gas industry, concerns include the impact of new regulations, changes in energy demand and competition from lower-carbon energy sources.

We continue to increase our disclosures about how we identify and address climate change-related risks. In this year's sustainability report, we have further expanded our reporting. It is now aligned more closely with the TCFD's recommendations to disclose information on climate change-related governance, strategy and risk management, as well as metrics and targets (see p. 112 for an index of TCFD-related disclosures throughout the report).

GOVERNANCE

Our Board of Directors and senior management are directly engaged in assessing and managing climate change-related risks and opportunities. The Board's Audit Committee oversees the risk management process (described in more detail below and on p. 82), which includes management of climate change-related business, legal and regulatory risks. The Corporate Responsibility, Governance & Nominating Committee oversees management and performance on environmental, social and governance (ESG) issues, including the content of this report. The Board's Management Development & Compensation committee has also taken steps that link ESG performance to compensation for all employees.

In addition to the work of these committees, the full Board receives regular updates on climate change-related topics, including risk management, greenhouse gas (GHG) emission management, ESG third-party ratings and overall ESG performance. The Board also regularly invites outside experts

on ESG issues to provide ongoing education and differing perspectives.

In 2020, we announced goals specific to GHG emissions and natural gas flaring, as well as freshwater use, the United Nations Sustainable Development Goals and workforce training. The combined weighting of ESG-focused performance metrics, including health and safety goals, equals 20% of annual short-term incentive compensation for all employees. We consider ESG matters — including climate change-related issues — as critical areas to identify, track and mitigate risk.

Read more on our prioritizing and managing ESG initiatives on pp. 10-14.

STRATEGY

We are committed to producing energy safely and responsibly. Core tenets of what this means to us include:

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

- A key part of our corporate vision is to be the premier exploration and production (E&P) company. That extends beyond financial results: It begins and ends with having the best safety and environmental record.

- We are focused on reducing emissions across our operations. We have programs for preventing, identifying and eliminating methane leaks. We reduced our global methane emissions intensity by 41% from 2016 to 2020 and reduced our global GHG emissions intensity by 27% over the same timeframe.

- To further reduce our GHG emissions, in 2018 we began implementing automated well closure systems that reduce flaring.

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

- In 2021, we set a goal to end routine flaring and reduce our flaring intensity to less than 1% in our U.S. onshore operations, and we continue to pursue further emission reductions in our worldwide assets.

Scenario-Planning Framework

New in 2021, we are initiating a scenario-planning analysis aligned with TCFD recommendations. While scenario planning is embedded in our ongoing business and risk management processes, our expanded use of climate-specific scenario-planning framework included market-based forecasts of future demand, pricing in energy markets, and changes in government regulations and policy. We consider a range of pricing scenarios when forming our long-term investment and development plans. These include scenarios in a carbon-constrained world that assess the potential climate-related risks and opportunities that may impact fossil fuel supply and demand. Our analysis includes the input of experts from several internal functional areas for a more rigorous, multidisciplinary planning scenario. Among external sources, we reference the International

Energy Agency's (IEA) World Energy Outlook (WEO). The 2020 WEO report included analysis of the global impact of the COVID-19 pandemic on demand in the energy sector.

Given the dynamic nature of our business, we believe that scenario analyses should be conducted over five-year timeframes. The TCFD analysis, however, prescribes timeframes of 20 years or more. We also see the need for climate-related financial analysis that includes longer-scenario consideration. For our five-year planning cycles, we rely on both internal and external data analysis. When analyzing TCFD scenarios, we also rely on external analysis for demand, carbon pricing and comparison-pricing scenarios, which we compare to our base-case pricing analysis projected out to 2040.

The following tables provide a summary of the key risks and opportunities we have identified and are working to address now and into the future.

Climate-related Transition Risks

Type	Risks	Potential Impacts and Responses
POLICY AND LEGAL	**Changes in Regulation** • U.S. policy on carbon taxes or cap and trade • Federal permit ban • State-based emissions regulations • Alignment with Paris Agreement	• Changes in asset base • Decreased asset diversification • Increased use of technology, including electrification and enhanced oil recovery (EOR)
	Changes in National Policies • Biden Administration's Climate Pledge • U.K. Carbon Budget • National hydraulic fracturing bans • National water policies on freshwater usage limits	• Shift in operational areas • Enhanced water recovery and reuse • Increased community engagement and reporting • Stranded assets
	Changes in Tax Programs • Elimination of exploration tax incentives for oil and gas • Increased alternative energy tax incentives	• Capital planning changes • Support for growth in emerging markets and economies • Increased costs of compliance
TECHNOLOGY AND MARKET	**Equipment and Technology** • Costs of installing lower-emission production and transportation technology • Alternative fuel density technologies that ease the transition from fossil fuels to alternatives • Disruptive technologies in energy generation and/or transportation	• More efficient energy use, leading to a decrease in demand • Failure to keep up with technology advancements
REPUTATION	**Stigma of Fossil Fuels** • Stakeholder withdrawal of investment due to ESG-related concerns • Climate change litigation and publicity • Loss of supply chain due to market and energy transition	• Increased availability of green/ESG-linked lending • Increased dependence on midstream companies • Decreased company appeal to emerging workforce talent

Climate-related Physical Risks

Type	Risks	Potential Impacts
ACUTE	**Onshore** • Severe temperature changes (e.g., 2021 Winter Storm Uri) • Seasonal droughts • Tornados or other severe storms **Offshore** • Hurricanes and tropical storms	• Enhanced requirements for asset hardening • Increased focus on emergency contingency planning and preparation • Increased cooperation and integration with community partners • Damage to assets and communities • Changes in population distribution and settlement patterns • Shrinking of local economies • Reduced access to local talent
CHRONIC	**Onshore** • Changes in rainfall or weather patterns • Extended droughts and temperature changes • Changes in water availability patterns (surface water and groundwater) • Biodiversity and species listings **Offshore** • Rising sea levels • Sea temperature change and current-related changes	• Damage to equipment or impaired access to offshore platforms • Increased costs related to additional operational expenses and insurance premiums for offshore or nearshore operations • Operational disruptions due to supply chain or impairment of crew change operations during weather events

Climate-related Opportunities

Type	Opportunities	Potential Impacts
RESOURCE EFFICIENCY	• Transportation fuel-related improvements (in miles-per-gallon ratings) • Improved resource capture due to reduced GHG emissions • Increased recovery of hydrocarbons from the reservoir	• Additional product can be delivered to market • Project economies that increase the potential to expand operations • Decreased emissions within company vehicle fleet and operations equipment
ENERGY SOURCE	• Increased demand for natural gas for power generation • Development of economic demand for hydrogen and hydrogen-based technologies • Utilization of field gas-generated power for drilling and completion equipment • Portable, non-grid connected power	• Collaboration with midstream and downstream companies • Increased expectations for enhanced reliability • Decreased emissions from operations
PRODUCTS AND SERVICES	• Development of new markets for refined products offsetting reduction of transportation fuel demand • Premium pricing for delivery of certified, responsibly extracted resources • Development of commercial carbon capture utilization and storage (CCUS) market in aging oil fields around the world	• Focus on green label products and enhanced ESG certification • Conversion and retrofitting of assets to capture CO_2 • Extended life of assets
MARKETS	• Expanding fossil fuel markets in developing economies throughout the world • Development of hydrogen and CCUS markets • Access to green bonds and capital to expand ESG efforts related to hydrogen, CCUS and water recycling • Identification of changing regulatory environments to understand market development	• Emergence of exportation assets • Increased focus on reliability and output • Identification of ESG key performance indicators and projects tied to green lending • Partnerships to reduce societal GHG emissions
RESILIENCE	• Transition of current EOR and water disposal practices to CCUS for industrial segments • Hydrogen from natural gas • Expansion of local supply chains in developing countries to ensure the necessary tools to maintain operations • Development of localized staff to ensure employee attraction and maintain the workforce	• Increased demand across operations footprint • Support to local policy makers for advancing technologies • Changes in recruiting, retention and workforce development • Increased spend and development in local communities

From the WEO, we identified the three scenarios used in our base-case pricing analysis:

1. **Stated Policies Scenario (STEPS)** — reflects all countries' announced carbon policy intentions and targets as of 2020, and assumes that the global pandemic is brought under control in 2021, and that global energy demand and economic recovery occurs in early 2023. This scenario sees strong growth in renewable energy for electricity demand, offsetting the use of coal to less than 20% by 2040.

2. **Delayed Recovery Scenario (DRS)** — reflects all countries' announced carbon policy intentions and targets as of 2020 (existing regulations of all Paris Agreement signatory countries are identified as STEPS) and assumes global economic recovery from the COVID-19 crisis is delayed through the year 2023.

3. **Sustainable Development Scenario (SDS)** — assumes additional policy incentives and targets greater action in climate change improvement measures, which is anticipated to limit the global rise in temperature to a less than 2°C scenario. Carbon pricing is discounted from crude oil pricing, following the same logic as our base case.

Our Base Case Scenario — This scenario is an assessment of our business perspective with a below 2°C scenario analysis of fossil fuel demand, carbon pricing by country, and associated market factors influencing our operations. For this scenario, we established a Crude Oil Pricing assumption of WTI/Brent blend, based on $53 per barrel in 2021, escalating to $54 in 2030 and $55 in 2040. Carbon pricing is discounted from crude oil pricing by applying a price equal to the SDS carbon price for advanced economies to a weighted average production of the U.S. portion of our global annual production portfolio. Carbon pricing is not applied to the North Sea, because the carbon pricing costs coupled with net-zero incentives from the U.K. government are assumed to be enough to drive electrification of those assets in our portfolio.

Our planning focus is based on our ability to supply product to market. We monitor the demand scenario predictions and how they could affect the supply we provide. In the 2020 WEO analysis, STEPS (and DRS) are based on the same demand projection, resulting in a cumulative growth for fossil fuels under both scenarios of 1.29 billion tonnes of oil equivalent (Btoe) from 2019 to 2040. This creates an increasing oil price for both scenarios from 2019 to 2040, with the STEPS 2040 price reaching $85 per barrel and the DRS 2040 price reaching $72 per barrel. Our base-case scenario takes a more conservative approach to pricing than the STEPS scenario. Our 2021 pricing is set at $53 for mixed WTI/Brent blend and escalates to $55 in 2040, based on a shifting blend to more heavily weighted and slightly higher realized pricing of Brent-

weighted portfolios in later years of the analysis. The 2020 SDS scenario is the only assessed scenario in which demand for oil is shown to decrease and oil prices decline as well. In the SDS scenario, mixed WTI/Brent blend pricing decreases by $10 per barrel from 2019 to 2040, with a final 2040 price of $53 pre-carbon price reduction.

ASSET SCENARIO-PLANNING ASSESSMENT
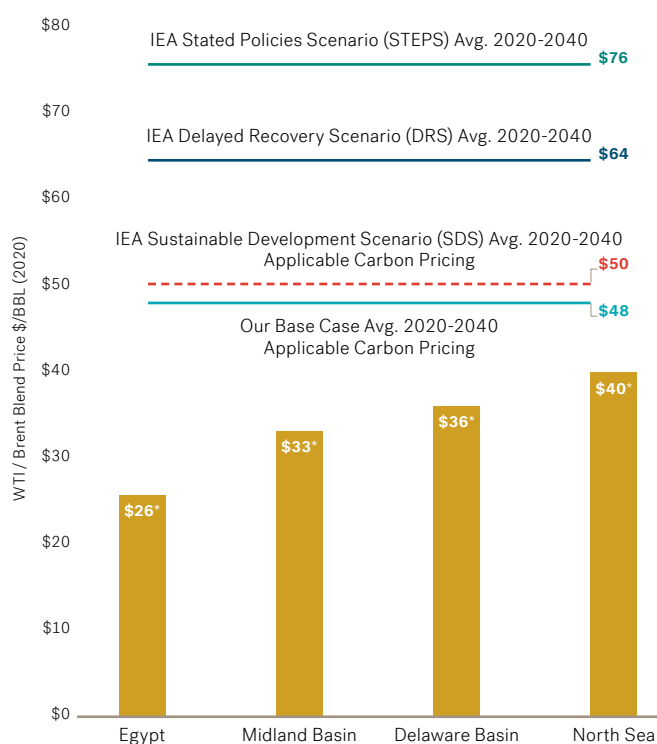
WTI/ Brent Blend Equivalent Break-Even Price $/bbl (2020)

* Break-even pricing is from 2021 Wood Mackenzie reports for Apache's Egypt and North Sea fields. The UK North Sea sector includes the break-even Final Investment Decision (FID) estimate for brownfield development. The 2021 Enverus Haynesville Play Fundamentals report provided the Delaware and Midland Basins half-cycle average break-even estimates (for horizontal wells only).
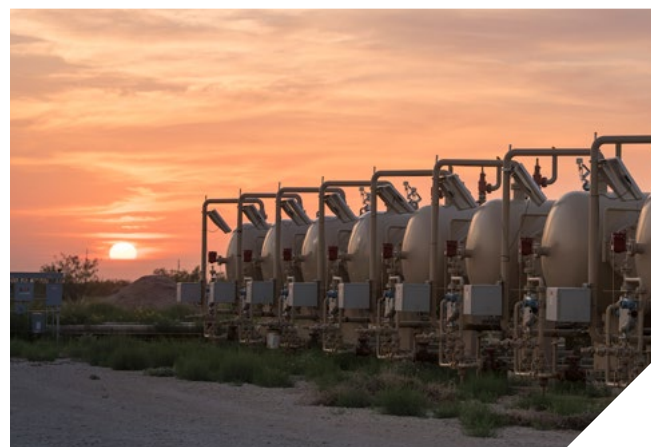
Forecasting future pricing relies heavily on assumptions about demand. Even when evaluating the impacts of climate-based scenario analysis, the fundamental consideration is demand. One of the critical issues influencing future analysis in the current global perspective is the pressure placed on upstream oil and gas operators to shift to alternative energy production. These efforts fail to address the current and future demand for fossil fuels and have the potential to have a paramount impact on future pricing. A reduction in supply that is not driven by a corresponding reduction in market demand for the product is likely to result in future price increases, rather than decreases, as predicted in the SDS scenario.

We proactively manage our asset mix to mitigate exposure to carbon risk. Our portfolio consists of a diversified, global resource base, not a pure-play, single-region asset. We currently have active development onshore in the the U.S. and Egypt, and offshore in the U.K. North Sea. This multibasin asset portfolio enables us to shift capital investment to or from certain assets in response to changes in geographic commodity prices, local regulations, energy demand, supply-side issues or other market factors. Coupled with our relentless focus on being a low-cost producer and resource-efficient operator, we believe this approach reduces carbon risk and helps us optimize our capital in response to price signals and the market's energy needs. The outcome of this can be seen in our asset scenario planning assessment chart, which compares projected

break-even prices for operating basins from third-party assessors (Wood Mackenzie and Enverus) to the average realized WTI/Brent blend equivalent pricing for 2021-2040 from the four scenarios. Even in the two cases burdened by a weighted average carbon price for the U.S. onshore asset portfolio, all of our operating areas have break-even margins that exceed $10 per barrel.

Projected Demand for Oil and Natural Gas Under the IEA's World Energy Outlook 2020[*]

IEA STEPS Oil and Gas Demand Scenario

IEA SDS Oil and Gas Demand Scenario
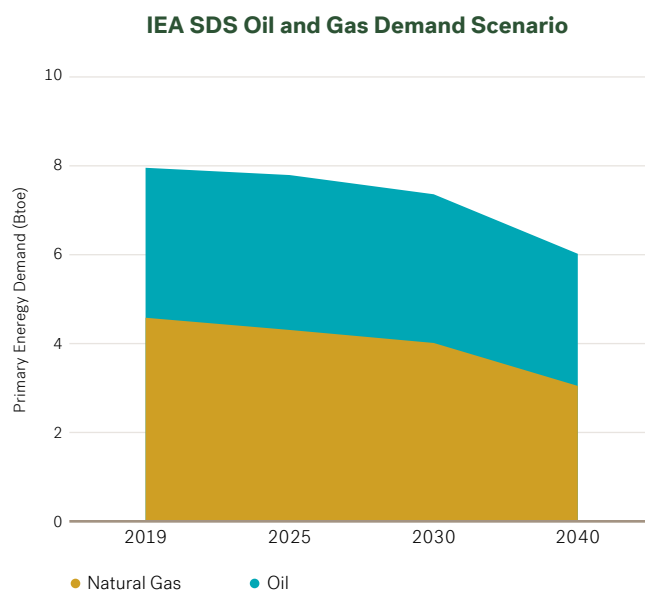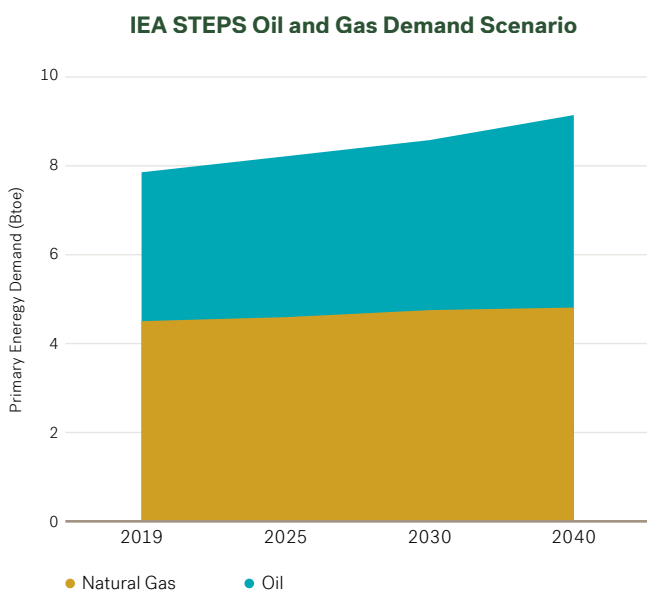
● Natural Gas　● Oil

* IEA, World Energy Outlook 2020, pp. 338-339

Projected Combined Carbon Emissions for Oil and Natural Gas Under the IEA's World Energy Outlook 2020[**]

IEA STEPS Combined Annual Oil and Natural Gas

IEA SDS Combined Annual Oil and Natural Gas

● Natural Gas　● Oil
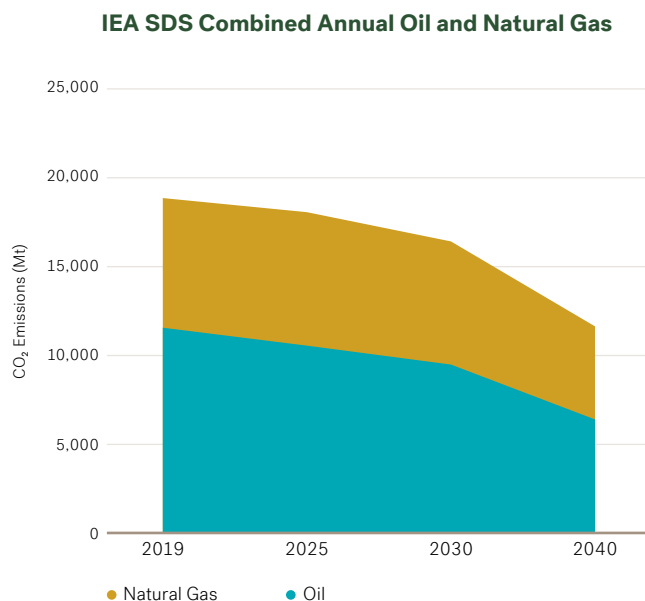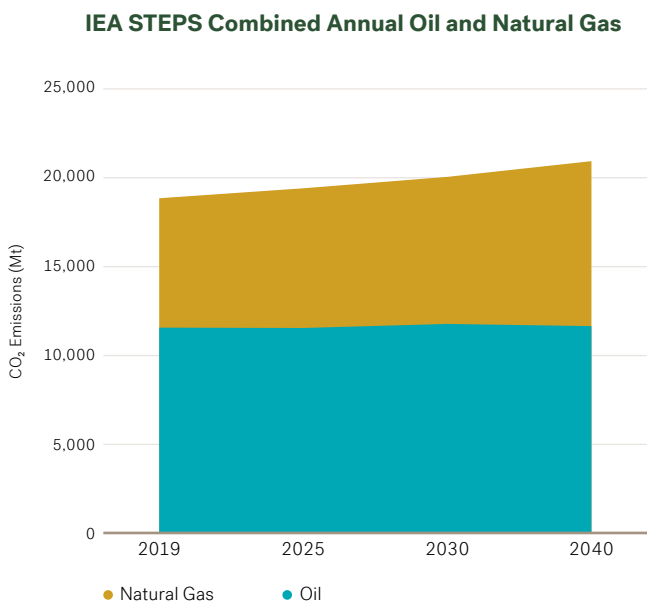
** IEA, World Energy Outlook 2020, pp. 344-345

RISK MANAGEMENT

Our comprehensive scenario analyses are integrated into certain risk management activities, which include participation of pertinent senior managers and executives.

We also have a risk management function focused specifically on health, safety, environmental and security risks — including issues that are potential climate-related risks. This team works together with our personnel to identify, understand and mitigate risks across our operations. People at all levels of the company in multiple departments participate in analyzing the potential impacts of climate change-related risks on our business, to provide comprehensive risk management.

Managing Climate Change-related Opportunities and Risks

We are developing approaches to operational processes that lower costs, reduce our environmental footprint and optimize capitalization of natural gas in a lower-carbon energy future, including:

- Committed to reducing methane emissions (see p. 18).

- Employing leak detection and repair programs using the latest equipment and technologies to reduce methane losses (see p. 18).

- Addressing GHG emissions from our operations by reducing flaring and powering our equipment with electricity, where practicable (see pp. 18-19).

- Working to address the potential physical impacts to our operations posed by climate change. For example, to mitigate the risk of reduced water supplies critical to our operations, we are continuing efforts to optimize water recycling, especially in water-scarce areas (see pp. 24-26).

- Collaborating with industry, government and nongovernmental partners to encourage others in our industry to reduce emissions and to develop more effective technologies to do so.

- As a founding member of the ONE Future Coalition, working with a group of more than 45 companies across the natural gas value chain that is focused on reducing methane losses by 2025 to less than 1% of total methane production from the wellhead through to the point of use.

- As a member of the American Petroleum Institute's (API's) **The Environmental Partnership**, working together with a group of U.S. oil and gas companies to address environmental challenges and further improve environmental performance in our industry (see p. 22 for more information on these partnerships).

METRICS AND TARGETS

We use a wide range of metrics and targets to assess and drive our performance in managing climate change-related risks, in particular our ability to reduce operational GHG emissions. We measure our progress in reducing GHG and methane emissions based on intensity metrics (emissions per unit of production) rather than gross emissions, because intensity metrics provide a more comparable year-over-year measure of our performance that is not skewed by changes in activity levels, acquisitions and divestitures and other factors. We measure and report our GHG emissions as total CO_2 equivalents and by primary gas type, including CO_2, methane and nitrous oxide (see pp. 20-21 for methane and GHG emissions performance data).

To drive performance improvements, we adopted a U.S. onshore flaring target of zero routine flaring in 2021, and a net U.S. flaring of less than 1% of gross production company wide. As a member of the ONE Future Coalition, we were part of the upstream oil and gas producers that set a global methane emissions intensity target to emit 0.37% or less of gross methane production by 2025, and in 2019, we achieved this target. In 2019, through the API's The Environmental Partnership, we made three additional commitments toward reducing our methane emissions: implementing a leak detection program at all relevant sites by 2024; replacing high-bleed pneumatic controllers with low- or zero-emitting devices by 2024; and implementing a monitoring and emissions reduction program for liquids unloading. Progress on all of these commitments can be found on p. 22.

AXPC ESG Metrics Template

To provide investors and the public with transparency and consistency for key upstream ESG indicators, AXPC launched the AXPC ESG Metrics Framework and Template in February 2021. These are available for use on a voluntary basis in sustainability reporting beginning in 2021.

AXPC's ESG Metrics and Framework centers around five key metrics groupings that AXPC members believe are essential to capture in promoting more consistent reporting across its member companies — Greenhouse Gas (GHG) Emissions, Flaring, Spills, Water Use and Safety.

Reporting Company: Apache Corporation
Reporting Period: 2020

	2020*
GREENHOUSE GAS EMISSIONS	
Methane Intensity Methane Emissions (Metric tons CH_4)/Gross annual production — Climate (MBoe)	0.22
Percent of Methane Emissions Attributed to Boosting and Gathering Segment	13%
GHG Intensity GHG Emissions (Metric tons CO_2e)/Gross annual production — Climate (MBoe)	10.97
Percent of GHG Emissions Attributed to Boosting and Gathering Segment	18%
FLARING	
Percentage of Gas Flared per Mcf of Gas Produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Gas Production (Mcf)	1.52%
Volume of Gas Flared per Barrel of Oil Equivalent Produced Gross Annual Volume of Flared Gas (Mcf)/Gross Annual Production (BOE)	0.03
SPILLS	
Spill Intensity Produced Liquids Spilled (Bbl)/Total Produced Liquids (MBbl)	0.034
WATER USE	
Fresh Water Intensity Fresh Water Consumed (Bbl)/Gross Annual Production (Boe)	0.16
Water Recycle Rate Recycled Water (Bbl)/Total Water Consumed (Bbl)	28%
Does your company use WRI Aqueduct, GEMI, Water Risk Filter, Water Risk Monetizer, or other comparable tool or methodology to determine the water-stressed areas in your portfolio?	Yes
SAFETY	
Employee TRIR # of Employee OSHA Recordable Cases x 200,000 / Annual Employee Workhours	0.35
Contractor TRIR # of Contractor OSHA Recordable Cases x 200,000 / Annual Contractor Workhours	0.48
Combined TRIR # of Combined OSHA Recordable Cases x 200,000 / Annual Combined Workhours	0.44

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

Reporting Standards and Frameworks

This report was prepared using the Global Reporting Initiative (GRI) Sustainability Reporting Standards and is in accordance with the GRI Standards at the core level. We also include indicators from *IPIECA's Sustainability Reporting Guidance for the Oil and Gas Industry*, the Sustainability Accounting Standards Board's *Oil and Gas Exploration and Production Sustainability Accounting Standard*, recommendations of the Task Force on Climate-related Financial Disclosures, and the United Nations Sustainable Development Goals.

Global Reporting Initiative (GRI) Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 102: GENERAL DISCLOSURES (2016)		
102-1	Name of the organization	p. 3
102-2	Activities, brands, products and services	p. 4 2020 Form 10-K, p. 1
102-3	Location of headquarters	APA Corporation is headquartered in Houston, Texas.
102-4	Location of operations	p. 4 2020 Form 10-K, p. 1
102-5	Ownership and legal form	2020 Form 10-K, p. 1
102-6	Markets served	2020 Form 10-K, pp. 2-6
102-7	Scale of the organization	2020 Form 10-K, pp. 2-8, 12, 36-38
102-8	Information on employees and other workers	pp. 13, 42, 46-47, 94-95 2020 Form 10-K, pp. 12-14
102-9	Supply chain	pp. 71, 95
102-10	Significant changes to the organization and its supply chain	pp. 3, 42 2020 Form 10-K, p. F-21 Apache sold its assets in the Granite Wash, Tonkawa, Marmaton, Cleveland and other formations of the western Anadarko Basin; the Canyon Lime formation in the Texas pandhandle; and the Woodford-SCOOP and STACK plays located in central Oklahoma.
102-11	Precautionary principle or approach	pp. 10-12, 61
102-12	External initiatives	pp. 10, 12, 15-16, 22, 30, 33-34, 66-67
102-13	Membership of associations	pp. 10, 16, 86
102-14	Statement from senior decision-maker	p. 6
102-15	Key impacts, risks and opportunities	pp. 6-10, 13-14, 73, 90-91 2020 Form 10-K, pp. 18-30
102-16	Values, principles, standards and norms of behavior	pp. 2, 83-85 Code of Business Conduct and Ethics FCPA and Anti-Corruption Compliance Guide
102-17	Mechanisms for advice and concerns about ethics	p. 83 Code of Business Conduct and Ethics
102-18	Governance structure	pp. 10-11, 81, 97 Corporate Governance Principles
102-19	Delegating authority	pp. 80-86
102-20	Executive-level responsibility for economic, environmental and social topics	p. 10 Sustainability issues, including health, safety, security, environment, community affairs and human resources, are overseen by the vice president of Environment, Health and Safety, senior vice president of Administration, and vice president of Corporate Communications and Public Affairs.
102-21	Consulting stakeholders on economic, environmental and social topics	pp. 10-12, 63, 72, 87
102-22	Composition of the highest governance body and its committees	pp. 81, 97 2021 Proxy Statement, pp. 3, 11-12 Corporate Governance Principles
102-23	Chair of the highest governance body	pp. 10-11, 81, 97 2021 Proxy Statement, pp. 5, 9 Corporate Governance Principles
102-24	Nominating and selecting the highest governance body	2021 Proxy Statement, pp. 9, 12-13 Corporate Governance Principles, p. 3
102-25	Conflicts of interest	2021 Proxy Statement, p. 53 Code of Business Conduct and Ethics

GRI Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
102-26	Role of the highest governance body in setting purpose, values and strategy	pp. 10, 81 2021 Proxy Statement, p. 53 Code of Business Conduct and Ethics Corporate Governance Principles
102-27	Collective knowledge of the highest governance body	pp. 10-11, 80-81, 97 Corporate Governance Principles, pp. 1-2
102-28	Evaluating the highest governance body's performance	Corporate Governance Principles, p. 4
102-29	Identifying and managing economic, environmental and social impacts	pp. 10-14, 72-74, 90-91 2021 Proxy Statement, pp. 10-12
102-30	Effectiveness of risk management processes	pp. 61, 80, 82 2021 Proxy Statement, pp. 10-11, 57
102-31	Review of economic, environmental and social topics	pp. 10-14, 72-74, 90-91 2021 Proxy Statement, pp. 10-12
102-32	Highest governance body's role in sustainability reporting	The Board of Directors' Corporate Responsibility, Governance & Nominating Committee oversees discussion of the most important sustainability topics covered in this report. The report is reviewed and approved by select members of our executive team, as well as our Internal Audit function (described on p. 82).
102-33	Communicating critical concerns	p. 83 2021 Proxy Statement, p. 9 Code of Business Conduct and Ethics
102-35	Remuneration policies	2021 Proxy Statement, pp. 23-43
102-36	Process for determining remuneration	2021 Proxy Statement, pp. 23-51
102-37	Stakeholders' involvement in remuneration	2021 Proxy Statement, pp. 23-51
102-38	Annual total compensation ratio	2021 Proxy Statement, p. 52
102-40	List of stakeholder groups	pp. 10, 87-90
102-41	Collective bargaining agreements	2021 Proxy Statement, p. 41
102-42	Identifying and selecting stakeholders	pp. 10, 72, 87-88, 90
102-43	Approach to stakeholder engagement	pp. 72, 87-90
102-44	Key topics and concerns raised	pp. 12-14, 73, 74, 87, 90-91
102-45	Entities included in the consolidated financial statements	2020 Form 10-K, pp. 1-7, 11-12
102-46	Defining report content and topic boundaries	p. 90 We determined the content for this report based on the issues we understand to be most important to our company and our stakeholders. We conducted an analysis of our most important issues following the Global Reporting Initiative's materiality guidance as laid out in GRI Standard 101: Foundation, 2016. We also followed GRI's principles for stakeholder inclusiveness, understanding sustainability context and completeness.
102-47	List of material topics	p. 91
102-48	Restatements of information	Information about any restatements is provided in the footnotes to the relevant data.
102-49	Changes in reporting	None
102-50	Reporting period	Data provided in the report cover the period from January 1 to December 31, 2020. Some additional information on important sustainability-related activities that occurred in 2021 before publication of this report is also included.
102-51	Date of most recent report	September 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Rajesh Sharma, Corporate Secretary, APA Corporation, 2000 Post Oak Blvd., Suite 100, Houston, TX 77056-4400
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This index
102-56	External assurance	p. 82 Some financial data included in our annual Form 10-K have been externally assured, as noted in the 10-K.

GRI Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 201: ECONOMIC PERFORMANCE (2016)		
103-2	The management approach and its components	2020 Form 10-K, pp. 33-50 All management approach disclosures — identified in this index with the Disclosure numbers 103-1, 103-2 and 103-3 — are from GRI Standards 103: Management Approach (2016).
103-3	Evaluation of the management approach	pp. 82-85 2020 Form 10-K, pp. 33-50
201-1	Direct economic value generated and distributed	pp. 4, 95 2020 Form 10-K, pp. F-6, F-54, F-55
201-2	Financial implications and other risks and opportunities due to climate change	pp. 15-16, 91, 99-105 2020 Form 10-K, pp. 21, 27
201-3	Defined benefit plan obligations and other retirement plans	2020 Form 10-K, pp. F-7, F-10, F-42, F-43
GRI 203: INDIRECT ECONOMIC IMPACTS (2016)		
103-1	Material topic and boundaries	pp. 7-9, 41, 63-67, 71, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 7-12, 63-65, 69-71
103-3	Evaluation of the management approach	pp. 7-9, 41, 63-67, 71, 82
203-1	Infrastructure investments and services supported	pp. 7-9, 41, 63-67, 71
203-2	Significant indirect economic impacts	pp. 7-9, 41, 63-67, 71
GRI 204: PROCUREMENT PRACTICES (2016)		
103-1	Material topic and boundaries	pp. 10, 60, 77, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-12, 71, 80, 82-85
103-3	Evaluation of the management approach	pp. 82-83
204-1	Proportion of spending on local suppliers	pp. 71, 95
GRI 205: ANTI-CORRUPTION (2016)		
103-2	The management approach and its components	pp. 10-12, 82-85 Code of Business Conduct and Ethics FCPA and Anti-Corruption Compliance Guide
103-3	Evaluation of the management approach	pp. 10-12, 82-85
205-2	Communication and training about anti-corruption policies and procedures	p. 84 Code of Business Conduct and Ethics FCPA and Anti-Corruption Compliance Guide
GRI 302: ENERGY (2016)		
103-1	Material topic and boundaries	pp. 17-22, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 17-22, 80, 82
103-3	Evaluation of the management approach	pp. 10-14, 80, 82
302-1	Energy consumption within the organization	pp. 6, 13, 19, 94
GRI 303: WATER (2016)		
103-1	Material topic and boundaries	pp. 23-27, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 26-27, 80, 82
103-3	Evaluation of the management approach	pp. 10-14, 24-26
303-1	Water withdrawal by source	pp. 13, 26-27, 94
303-3	Water recycled and reused	pp. 13, 26-27, 94
GRI 304: BIODIVERSITY (2016)		
103-2	The management approach and its components	pp. 32-34, 90-91
103-3	Evaluation of the management approach	pp. 10-14, 80, 82
304-2	Significant impacts of activities, products and services on biodiversity	pp. 32-34
304-3	Habitats protected or restored	pp. 32-34

GRI Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 305: EMISSIONS (2016)		
103-1	Material topic and boundaries	pp. 17-22, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 17-22, 80, 82
103-3	Evaluation of the management approach	pp. 10-14, 17-19
305-1	Direct (Scope 1) greenhouse gas emissions	pp. 13, 20-21, 94
305-2	Indirect (Scope 2) greenhouse gas emissions	pp. 13, 19-20, 94
305-4	Greenhouse gas emissions intensity	pp. 13, 21, 94
305-5	Reduction of greenhouse gas emissions	pp. 6, 13-14, 20-21, 94
GRI 306: EFFLUENTS AND WASTE (2016)		
103-1	Material topic and boundaries	pp. 30, 36-38, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 28-29, 80, 82
103-3	Evaluation of the management approach	pp. 10-14, 80, 82
306-2	Waste by type and disposal method	pp. 10-14, 80, 82
306-3	Significant spills	pp. 28-29, 94
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)		
103-1	Material topic and boundaries	pp. 10-14, 17-38, 90-91 Issue boundary - inside the organization
103-2	The management approach and its components	pp. 10-14, 80, 82
103-3	Evaluation of the management approach	pp. 10, 14, 17, 38, 82
307-1	Noncompliance with environmental laws and regulations	2020 Form 10-K, pp. F-36, F-37, F-38 We report all material legal matters and fines in our annual Form 10-K.
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)		
103-2	The management approach and its components	pp. 10-12, 60, 71, 80, 82, 89
103-3	Evaluation of the management approach	pp. 10-12, 60, 71, 80, 82, 89
308-1	New suppliers that were screened using environmental criteria	p. 60 All field-based contractors are screened on environmental criteria
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2016)		
103-1	Material topic and boundaries	pp. 10-14, 53-59, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-12, 53-59, 71, 80, 82, 89
103-3	Evaluation of the management approach	pp. 53-59
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	pp. 53-59
GRI 404: TRAINING AND EDUCATION (2016)		
103-2	The management approach and its components	pp. 10-14, 50-51, 80, 82
103-3	Evaluation of management approach	pp. 10-14, 50-51, 80, 82
404-1	Hours of training	pp. 51, 58
GRI 405: DIVERSITY AND INCLUSION (2016)		
103-2	The management approach and its components	pp. 10-14, 43-50, 80, 82
103-3	Evaluation of management approach	pp. 43-50
405-1	Diversity of governance bodies and employees	pp. 46-47, 81, 95, 97
GRI 411: RIGHTS OF INDIGENOUS PEOPLES (2016)		
103-2	The management approach and its components	pp. 10-12, 78, 82-83 Indigenous Peoples Principles Human Rights Principles
103-3	Evaluation of the management approach	pp. 10-12, 78, 82-83
GRI 412: HUMAN RIGHTS ASSESSMENT (2016)		
103-2	The management approach and its components	pp. 10-12, 77-78, 82-83 Indigenous Peoples Principles Human Rights Principles
103-3	Evaluation of the management approach	pp. 10-12, 77-78, 82-83

GRI Content Index

Disc. #	Disclosure Title	Location in Report/Response/Omission
GRI 413: LOCAL COMMUNITIES (2016)		
103-1	Material topic and boundaries	pp. 63-78, 90-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 63-78, 80, 82
103-3	Evaluation of the management approach	pp. 63-78
413-1	Operations with local community engagement, impact assessments and development programs	pp. 63-78
413-2	Operations with significant actual and potential negative impacts on local communities	pp. 72-74
GRI 414: SUPPLIER SOCIAL ASSESSMENT (2016)		
103-2	The management approach and its components	pp. 10-12, 60, 71, 80, 82, 89
103-3	Evaluation of the management approach	pp. 10-12, 60, 71, 80, 82, 89
414-1	New suppliers that were screened using social criteria	p. 60 All field-based contractors are screened on health, safety and environmental criteria.
GRI 415: PUBLIC POLICY (2016)		
103-1	Material topic and boundaries	pp. 85-91 Issue boundary - inside and outside the organization
103-2	The management approach and its components	pp. 10-14, 80, 82, 85-85 Policy on Political Contributions and Lobbying
103-3	Evaluation of management approach and its components	pp. 85-91
415-1	Political contributions	pp. 85-86 2020 Political Contributions

IPIECA'S *Oil and Gas Industry Guidance on Voluntary Sustainability Reporting*, 3rd Edition (Revised 2016)

Disc. #	Disclosure Title	Location in Report/Response/Omission
ENVIRONMENTAL ISSUES		
IPIECA E1	Greenhouse gas emissions	pp. 13-14, 17-22, 94
IPIECA E5	Biodiversity and ecosystem services	pp. 13-14, 32-34
IPIECA E6	Fresh water	pp. 13, 26-27, 94
IPIECA E9	Spills to the enironment	pp. 28-29, 94
HEALTH AND SAFETY ISSUES		
IPIECA HS1	Workforce participation	pp. 13-14, 53-59, 94
IPIECA HS3	Occupational injury and illness	pp. 13-14, 53-59, 94
SOCIAL AND ECONOMIC ISSUES		
IPIECA SE1	Local community impacts and engagement	pp. 63-78
IPIECA SE2	Indigenous peoples	p. 78 Indigenous Peoples Principles Human Rights Principles
IPIECA SE4	Social investment	pp. 63-65, 71, 95
IPIECA SE5	Local content practices	pp. 71, 95
IPIECA SE6	Local hiring practices	pp. 49-51, 95
IPIECA SE8	Human rights due diligence	pp. 77-78, 82-83 Human Rights Principles Monitoring of Human Rights Principles
IPIECA SE11	Preventing corruption	pp. 82-85 Code of Business Conduct and Ethics
IPIECA SE14	Public policy and lobbying	pp. 85-89 Policy on Political Contributions and Lobbying
IPIECA SE16	Workforce engagement	pp. 50-52
IPIECA SE17	Workforce training and development	pp. 50-51
IPIECA SE18	Nonretaliation and grievances	pp. 72, 74, 83-84 Code of Business Conduct and Ethics

Sustainability Accounting Standards Board's Oil and Gas Exploration and Production Sustainability Accounting Standard

Disc. #	Disclosure Title	Location in Report
ACTIVITY METRICS		
EM-EP-000.A	Wellhead production	2020 Form 10-K, pp. 3, 7-8
EM-EP-000.B	Number of offshore sites	2020 Form 10-K, pp. 3, 7-8
EM-EP-000.C	Number of terrestrial sites	2020 Form 10-K, pp. 3, 7-8
GREENHOUSE GAS EMISSIONS		
EM-EP-110a.1	Gross global Scope 1 emissions	pp. 13, 20- 21, 94
EM-EP-110a.2	Gross global Scope 1 emissions by source	pp. 13, 20- 21, 94
EM-EP-110a.3	Emissions reduction plans, targets and performance	pp. 6, 13-14, 19-22, 94
WATER MANAGEMENT		
EM-EP-140a.1	Freshwater withdrawal and consumption, including in regions of high baseline water stress	pp. 13, 26-27, 94
EM-EP-140a.2	Volume of produced water and flowback generated, discharged, injected, recycled	pp. 13, 26-27, 94
EM-EP-140a.3	Percentage of wells with disclosure of fracturing chemicals	p. 30
BIODIVERSITY IMPACTS		
EM-EP-160a.1	Environmental management practices for active sites	pp. 13-14, 32-34
EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills	pp. 28-29, 94
SECURITY, HUMAN RIGHTS AND RIGHTS OF INDIGENOUS PEOPLES		
IEM-EP-210a.3	Engagement and due diligence practices on human and indigenous rights	pp. 77-78, 82-83
COMMUNITY RELATIONS		
EM-EP-210b.1	Process to manage risks and opportunities associated with community rights and interests	pp. 63-78, 80, 82
WORKFORCE HEALTH AND SAFETY		
EM-EP-320a.1	Safety performance and training	pp. 53-59
EM-EP-320a.2	Management systems used to integrate a culture of safety	pp. 10-14, 53-59
BUSINESS ETHICS AND TRANSPARENCY		
EM-EP-510a.2	Prevention of corruption and bribery throughout the value chain	pp. 84-85
CRITICAL INCIDENT RISK MANAGEMENT		
EM-EP-540a.1	Tier 1 loss of primary containment events	p. 94

Task Force on Climate-related Financial Disclosures (TCFD)

Disclosure Title	Location in Report
GOVERNANCE	
Board's oversight of climate-related risks and opportunities	pp. 10-12, 15-16, 99
Management's role in assessing and managing climate-related risks and opportunities	pp. 10-12, 15-16, 99
STRATEGY	
Climate-related risks identified	pp. 100-101
Impact of climate-related risks and opportunities on strategy	p. 101
Resilience of strategy under different climate-related scenarios	pp. 15-16, 102
RISK MANAGEMENT	
Organization's processes for identifying and assessing climate-related risks	pp. 15-16, 99-100, 103-105
Organization's processes for managing climate-related risks	pp. 10-14, 80, 82, 99 2020 Form 10-K, pp. ii, 20-21, 27
Processes for identifying, assessing and managing climate-related risks in overall risk management processes	pp. 10-14, 80, 82, 99
METRICS AND TARGETS	
Metrics used to assess climate-related risks and opportunities	pp. 10-14, 17-22, 90-91, 94
Scope 1 and 2 greenhouse gas emissions	pp. 13, 20-21, 94
Targets used to manage climate-related risks and opportunities and performance	pp. 10-14, 17-22, 90-91, 94, 105

United Nations Sustainable Development Goals

The table below provides locations in this report that describe how APA Corporation's work is helping to drive progress toward all 17 U.N. Sustainable Development Goals.

U.N. Sustainable Development Goal	Location in Report
Goal 1: End poverty in all its forms everywhere	pp. 6, 7-9, 12, 40-41, 49, 63, 64, 66-67, 68-69, 70, 71, 72, 76
Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	pp. 7-9, 12, 32-34, 40-41, 63, 64, 66-67, 70
Goal 3: Ensure healthy lives and promote well-being for all at all ages	pp. 6, 7-9, 12, 17-22, 23-27, 28-29, 40-41, 50-51, 53-58, 63, 66-67, 68-69, 71, 76, 77, 78
Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all opportunities for all	pp. 6, 7-9, 40-41, 51, 63, 66-67, 70, 76
Goal 5: Achieve gender equality and empower all women and girls	pp. 6, 7-9, 40-41, 43-44, 44-45, 49, 52, 63, 66-67, 70, 81, 97
Goal 6: Ensure availability and sustainable management of water and sanitation for all	pp. 6, 7-9, 15-16, 23-30, 66-67, 99-105
Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	pp. 6, 7-9, 12, 15-16, 66-67, 99-105
Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	pp. 49, 63, 66-67, 70, 71, 75, 76
Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	pp. 5, 6, 7-9, 66-67, 70, 76
Goal 10: Reduce inequality within and among countries	pp. 6, 7-9, 40-41, 49, 66-67, 70, 71, 72-74

United Nations Sustainable Development Goals (CONTINUED)

U.N. Sustainable Development Goal	Location in Report
Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	pp. 40-41, 66-67, 68-69, 75, 76, 77, 78
Goal 12: Responsible consumption and production — ensure sustainable consumption and production patterns	pp. 6, 7-9, 15-16, 17-22, 23-27, 28-29, 32-34, 35, 36-37, 66-67, 99-105
Goal 13: Take urgent action to combat climate change and its impacts	pp. 15-16, 17-22, 23-27, 99-105
Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	pp. 29, 32-34, 63, 64-65, 65, 66-67
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss	pp. 23-27, 28-29, 32-34, 63, 64-65, 66-67
Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	pp. 40-41, 44-45, 63-64, 64-65, 66-67, 72-74, 75, 77, 78, 85-86
Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	pp. 22, 33, 66-67, 76

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, including statements regarding our environmental, social and governance (ESG) strategy, management and performance and other business plans, initiatives and objectives. All statements other than statements of historical facts, including information about our ESG and sustainability goals, targets and commitments and planned social, safety and environmental policies, programs and initiatives, are forward-looking statements. These statements are generally accompanied by the use of forward-looking terminology such as "may," "will," "could," "expect," "intend," "project," "estimate," "anticipate," "plan," "believe," "continue," "seek," "guidance," "might," "outlook," "possibly," "potential," "prospect," "should," "would," or similar terminology, but the absence of these words does not mean that a statement is not forward looking. All forward-looking statements are based on management's current assumptions and expectations, and although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Our actual future results, including the achievement of goals, targets or commitments, could differ materially from our expectations as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties or factors. Important factors that could cause actual results to differ materially from our expectations are included in the company's annual and quarterly reports filed with the Securities and Exchange Commission ("SEC"), as well as, with respect to our ESG strategy, management and performance, the assumptions, risks, uncertainties, and factors identified in this report and in our other ESG reporting. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. We also advise you that the disclosure of forward-looking statements and other information included in this report does not indicate that the materiality of such information rises to the standard of "materiality" for purposes of federal securities law disclosure requirements and SEC filings. The forward-looking statements in our reporting are made as of the effective date identified on the applicable report, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements to reflect subsequent events or circumstances.